

Annual Report 2020-2021



FAR CHEMICAL INDUSTRIES LTD.

Corporate Office: House # 11 (Floor: 5-A), Road # 12, Block # F, Niketon, Gulshan-1, Dhaka.



VISION

Maintain our position and be the leader in the textile dyeing chemical industry by producing the best quality textile dyeing chemical products, continuously enhancing customer satisfaction and becoming a reliable business partner of our Customers and Suppliers.

Be an employer of choice, with focus on nurturing talent and developing future leaders of the organization.

Protect the interest of our shareholders through sustainable growth and value creation. Preserve the trust of all stakeholders by adopting ethical business practices. Savings foreign currencies by producing import substitute textile dyeing chemical products. Support the society through Corporate Social Responsibility initiatives.



MISSION

Our Mission is to produce and export best quality textile dyeing chemicals to the textile industries, maintain ethical standard in business operation also ensuring benefit to the shareholders, stakeholders and the society at large.



Objectives

Our objectives are to conduct transparent business operation within the legal & social frame work with aims to attain the mission reflected by our vision.



Corporate Focus

Our vision, mission and objectives are to emphasize on the quality of product, process and services.

Picture of 13th Annual General Meeting -2020



Picture of Under Construction of Chemical Unit & Spinning Unit



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Transmittal Letter

December 1, 2021

The Shareholders Bangladesh Securities and Exchange Commission Registrar of Joint Stock Companies & Firms Dhaka Stock Exchange Ltd. Chittagong Stock Exchange Ltd.

Sub : Annual Report for the year ended June 30, 2021

Dear Sir(s)

We are pleased to enclose a copy of the Annual Report together with the Audited Financial Statements including Statement of Financial Position as at 30th June 2021, Statement of Profit or Loss and other Comprehensive Income, Changes in Equity and Cash Flows for the year ended 30th June 2021 along with notes thereon for your reference and record.

Yours sincerely,



ABM Golam Mostafa FCMA
Company Secretary

Notice of the Annual General Meeting

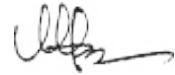
Notice is hereby given that the 14th Annual General Meeting of the shareholders of FAR Chemical Industries Ltd. will be held on December 21, 2021 (Tuesday) at 12:30 P.M. at Jam Jam Hotel & Resort Hall, Shankerpur, Cumilla to transact the following business:

AGENDA

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 30th June, 2021 together with reports of the Auditors and the Directors thereon.
2. To declare 1% Cash Dividend as recommended by the Board of Directors.
3. To elect / re-elect Directors.
4. To appoint Auditors for the financial year 2021-2022 and to fix their remuneration.
5. To consider & adopt the merger of SF Textile Industries Ltd. and FAR Chemical Industries Ltd.
6. To consider & adopt of shifting/ sale/ dispose of factory shade, plant & equipment of the company.
7. To transact any other business of the Company with the permission of the Chair.

Dhaka.
October 28, 2021

By order of the Board,



ABM Golam Mostafa FCMA

Company Secretary

Notes:

- (1) The Record Date of the Company shall be on 25 November, 2021.
- (2) The Shareholders of the Company whose name will appear in the Depository Register on the record date i.e. 25 November 2021, shall be eligible to attend at the 14th Annual General Meeting and receive the cash dividend.
- (3) A member eligible to attend and vote at the Annual General Meeting may appoint a Proxy to attend and vote in his/her stead. The Proxy Form, duly stamped, must be deposited at the Share Office at House No: 11 (Floor: 5-A), Road No: 12, Niketon, Gulshan-1, Dhaka-1212 not later than 48 hours before the time fixed for the meeting.
- (4) Pursuant to the Bangladesh Securities and Exchange Commission (BSEC) Notification No. BSEC/CMRRCD/2006-158/208/Admin/81, dated 20 June 2018, the soft copy of the Annual Report 2020-2021 will be sent to the email address of the Member available in their Beneficiary Owners (BO) account maintained with the Depository. Members are requested to update their email address through their respective Depository Participant (DP). The soft copy of the Annual Report 2020-2021 will also be available at www.farchemicalbd.com
- (5) Admission to the meeting room will be strictly on production of the attendance slip sent with the Notice as well as verification of signature of Member(s) and/or Proxy-holder(s).
- (6) In case of e-voting shareholders may visit through the link <http://agm.farchemicalbd.com> which will remain open for e-voting (if any) prior from 24 hours of the meeting and continue until closure of the meeting.
- (7) No gift or benefit in cash or kind shall be paid to the holders of equity securities in terms of Clause (c) of the Notification No. SEC/ SRMI/2000-953/1950 dated 24 October 2000 for attending the AGM of the Company.

CORPORATE DIRECTORY

BOARD OF DIRECTORS

Chairman	: Mr. Abid Mustafizur Rahman
Managing Director	: Mr. Md. Shirazul Haque
Director	: Mr. Mohammad Mehedi Hasan
Independent Director	: Mr. Sayed Md. Tajon Islam
Independent Director	: Mr. Md. Abdullah

AUDIT COMMITTEE

Chairman	: Mr. Sayed Md. Tajon Islam
Member	: Mr. Mohammad Mehedi Hasan
Member	: Mr. Md. Abdullah
Member Secretary	: Mr. ABM Golam Mostafa FCMA

NOMINATION & REMUNERATION COMMITTEE (NRC)

Chairman	: Mr. Md. Abdullah
Member	: Mr. Abid Mustafizur Rahman
Member	: Mr. Mohammad Mehedi Hasan
Member Secretary	: Mr. ABM Golam Mostafa FCMA

SENIOR CORPORATE OFFICIALS

Company Secretary	: Mr. ABM Golam Mostafa FCMA
Chief Financial Officer	: Mr. Rana Ahmed
Head of Internal Audit	: Mr. Gopal Chandra Basak
GM Marketing	: Mr. Md. Jahidul Islam, MBA

LEGAL ADVISOR

Md. Anwar Zahid Bhuiyan (Advocate), MA, LLB
 Head of the Chamber: Md. Anwar Zahid Bhuiyan & Associates
 Address: Flat – 703, Sylcon Villa, 8/1, Segun Bagicha, Dhaka-1000.
 Phone: 47115069, Mobile: 01819-141084
 Email: anwar.zahid56@yahoo.com

STATUTORY AUDITORS

Kazi Zahir Khan & Co.
 Chartered Accountants
 Shamsunnahar Complex, 8th Floor
 (2nd Lift), Flat-9B
 31/C/1, Topkhana Road
 Segun Bagicha, Dhaka-1000.
 Phone: 57160824, 57160821
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 Mobile: 01713-013955
 Email:kzkc48@gmail.com, kzkc_bd@yahoo.com

CORPORATE GOVERNANCE CODE AUDITOR

Mujibur Rahman & Co.

Cost & Management Accountants

Saj Bhaban, Suite # B-2 (1th floor)

27 Bijoy Nagar , Dhaka-1000.

Mobile No: 01716635751

E-mail: mujibfema2005@gmail.com

BANKERS

Social Islami Bank Limited, Principal Branch, Motijheel, Dhaka.

Al-Arafah Islami Bank Limited, Pragati Sarani Branch, Middle Badda, Dhaka-1212.

South Bangla Agriculture and Commerce Bank Limited, Principal Branch, Motijheel, Dhaka.

CORPORATE OFFICE

House # 11 (Floor:5A), Road # 12, Block-F, Niketon, Gulshan-1, Dhaka-1212, Bangladesh.

WEBSITE

www.farchemicalbd.com

LISTING WITH

- Dhaka Stock Exchange Ltd. (DSE)
- Chittagong Stock Exchange Ltd. (CSE)

REGISTERED OFFICE & FACTORY

Plot # 135-136

Cumilla Export Processing Zone,

Cumilla, Bangladesh

CORPORATE ACHIEVEMENTS

1. Year of Incorporation: 22 March, 2007
2. Year of Conversion to Public Limited Company: 19 June, 2012
3. Year of Listing with Dhaka Stock Exchange Ltd. (DSE): 08 July, 2014
4. Year of Listing with Chittagong Stock Exchange Ltd. (CSE): 08 July, 2014
5. Authorized Capital: BDT 300 Million.

SHORT BIO-DATA OF DIRECTORS

Mr. Abid Mostafizur Rahaman, Chairman

Mr. Abid Mustafizur Rahaman MBA, aged 32, is the youngest Chairman of the company. He has traveled many countries including Japan, China, Hong Kong, India, Germany, UK and USA to obtain textile dying chemical industry details like its processing, marketing and administrative activities. He is well accepted to all in the company because of his friendly attitude and hard working nature. He engaged himself in various social activities.



Mr. Md. Shirazul Haque, Managing Director

Mr. Md. Shirazul Haque, MBA aged 43, is the Managing Director of the company. He has traveled many countries of the world in connection of business. He has vast knowledge in textile dying chemical industry details like its processing, marketing and administrative activities. He is well accepted to all in the company because of his friendly attitude and hardworking nature. He engaged himself in various social activities also.



Mr. Mohammad Mehedi Hasan, Director

Mr. Mohammad Mehedi Hasan, MBA aged 47, is the Director of the company. He has vast knowledge in textile dying chemical industry details like its processing, marketing and administrative activities. He has traveled many countries of the world in connection of business. He engaged himself in various social activities also.



Mr. Sayed Md. Tajon Islam, Independent Director

Mr. Sayed Md. Tajon Islam is the Independent Director of the company. After completion of MBA, he started his career in Textile and Garments industry. During his service tenure he worked different capacities. He is a knowledgeable person who is not involved with any sponsors/shareholders of the Company.



Mr. Md. Abdullah, Independent, Director

Mr. Md. Abdullah, aged 42, is the Independent Director of the company. After completion of MBA, he started his career in the field of Finance & Accounts in different Textile and Yarn Dyeing industries. During his service tenure he worked different capacities like CFO and Corporate affairs. He is a knowledgeable person who is not involved with any sponsors/shareholders of the Company.



October 14, 2021

To,
The Board of Directors
From:

The Audit Committee

Subject: Report of the Audit Committee.

The Audit Committee of FAR Chemical Industries Ltd. oversees the financial reporting process on behalf of the Board of Directors of the Company. The committee reviewed and discussed the financial statements and related schedules with the Company management, accounting principles, control procedures, procedure and task of the internal audit and the external auditors' observations in their reports on the draft financial statements and significant judgment on the preparation & presentation of financial reports of the Company for the year ended 30th June, 2021.

In fulfilling its oversight responsibilities, the Committee discussed with the Company's internal Auditors and Statutory Auditors about the overall scope and plans for their respective audit works. The Committee met with internal auditors, external auditors and management to discuss for the results of their examinations and for their evaluation of the Company's internal control and overall quality of the Company's financial reporting.

The Committee found the statements adequate arrangement to present a true and fair view of the financial status of the Company, and did not find any significant material deviation or any adverse findings in the areas of reporting and disclosures.

Sd/-
Sayed Md. Tajon Islam
Chairman
Audit Committee
FAR Chemical Industries Ltd.

FAR Chemical Industries Limited

Declaration by Managing Director & CFO

Date: October 26, 2021

The Board of Directors

FAR Chemical Industries Limited

Corporate office: House No: 11 (Floor: 5-A)

Road No: 12, Block-F, Niketon, Gulshan-1, Dhaka-1212.

Subject: Declaration on Financial Statements for the year ended on June 30, 2021

Dear Sirs,

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

1. The Financial Statements of FAR Chemical Industries Limited for the year ended on June 30, 2021 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
2. The estimates and judgments related to the financial statement to the reveal a true and fair view;
3. The form and substance of transactions and the Company's state of affairs have been reasonable and fairly presented in its financial statements;
4. To ensure above, the company has taken proper and adequate care in installing a system internal control and maintenance of accounting records;
5. Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
6. The Management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that:

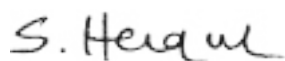
- i. We have reviewed the financial statements for the year ended on June 30, 2021 and that to the best of our knowledge and belief:

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

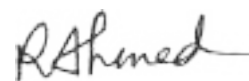
(b) These statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.

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

Sincerely yours,



Md. Shirazul Haque
Managing Director



Rana Ahmed
Chief Financial Officer

Message from the Chairman

Bismillahir Rahmnr Rahim,

Dear Shareholders,

Assalamu Alykum,

Good Morning. On behalf of myself and the Board of Directors, I welcome you all to this 14th Annual General Meeting of your Company. It is my pleasure to present before you the Audited Financial Statements, Auditors Report and Directors Reports for the year ended 30th June 2021.



Performance Review:

In the financial year ended on 30th June 2021, the operating results deteriorated from the previous year due to impact of prevailing COVID-19 pandemic worldwide, the company faces difficulties while disposal of inventories including raw materials at a comparatively low price for customers reluctance, ultimately these causes declining revenue and sustainability of the company business. Therefore NAV, EPS, revenue, other operation results and performance have been adversely affected. In the year 2020-2021 turnover of your company has decreased from Tk 1,186.68 million to Tk.756.68 million Compare to the last year.

Marketing & Promotion:

Your company's activities during the year kept rapidity with the symbolic progress. Improved network among traders and consumers have made potential for our marketing panel to continue the market base. This has become possible due to our commitment to the customers and continuous effort to improve on quality of products and services. We hope to carry on our endeavor through the year ahead at the same speed and competency.

Environmental & Ecological Obligation:

You are entirely aware that maintaining suitable environmental and ecological balance is very important for a healthy society & nationalized improvement. We are evenly concerned and have been patiently pursuing the principle of maintaining appropriate environment, reducing environmental pollution and established a zero tolerance policy in order to make sure that we become environment friendly, not destroyers. We strongly believe that a healthy society can bring out the best for society.

Acknowledgements:

The world economy is struggling hard to rehabilitate and revive financially. As you know, our revenue is generated from exporting, and due to the unbalanced global factors we faced difficulties in marketing our products on a regular basis. Despite of various limitations and interference your company had continued its success in 2020-2021. However, we have set on a mission of Globalization using all of our experience, expertise and know-how developed in Bangladesh over the years. We are growing our perspective and we can attain this with our spiritual strength on our people and skill.

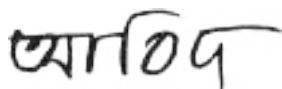
Conclusion:

I would like to express my sincere thanks to our respected shareholders for extending continuous support and confidence on the Board of Directors of the Company. I would also like to place on record my appreciation of thanks to our bankers and financial institutions,

BEPZA, BSEC, DSE, CSE, RJSC, Suppliers, Customers and other stakeholders with whom we have been interacted in course of business for their continuous support throughout these challenging times. The success we have achieved so far was only possible because of the collective efforts of all concerned. Once again, I convey my heartiest thanks to all our stakeholders and look forward their continued support and co-operation in future.

Finally, my gratitude goes out to each and every loyal staff and management team member of the company for their efforts despite adverse external factors, to sustain high service levels and support the company with their hard work, dedication and loyalty.

Thanking you all with wishes of healthy and prosperous life.



Abid Mustafizur Rahman

Chairman

DIRECTORS' REPORT

Bismillahir Rahmnr Rahim,

Dear Shareholders,

Assalamu Alykum,

On behalf of the members of the Board of Directors of your company and on my own behalf, I welcome you all to the 14th Annual General Meeting of FAR Chemical Industries Limited. We members of the Board are pleased to present Directors' Report, Auditors' Report and Audited Financial Statements for the year ended 30th June, 2021 before you for your consideration and approval.

(i) Industry outlook and possible future developments in the industry:

You know that your company's products are the raw materials of garments and textile sector. So our production and sales are depends on uninterrupted production of textile and garment industries. The garments and textile sectors has gone through lot of obstacles. But this has not affected the growth of the sector, regardless of rising energy and raw material costs and ever growing labor unrest.

The ongoing global economic crisis including COVID 19 effect having an impact on all export dependent economies. Even high performing countries like China and India have recorded slowdowns. Other high performing economies like those of Thailand, Philippines and Indonesia are also suffering badly because of the ongoing crisis.

In contrast, export of textile products from Bangladesh surprisingly remains quite buoyant. Readymade Garments exports have decreased by significant percent, during the year 2020-2021 over the corresponding period of last year.

(ii) Segment-wise or product –wise performance:

The following table indicates revenue of major products and its contribution percentage for the last two comparative periods:

Products	Year ended 30-06-2021		Year ended 30-06-2020	
	Taka	Percentage	Taka	Percentage
Softening Agent	133,853,876	22.62%	238,538,770	31.52%
Scouring Agent	90,137,791	15.23%	101,377,916	13.40%
Anti-Foaming Agent	60,816,131	10.28%	68,161,317	9.01%
Levelling Agent	51,704,125	8.74%	67,041,260	8.86%
Fixing Agent	60,520,537	10.23%	65,205,373	8.62%
Stabilizer	71,252,811	12.04%	72,528,113	9.58%
Retarding Agent	71,783,098	12.13%	77,830,989	10.29%
Bleaching Agent	21,208,561	3.58%	32,085,612	4.24%
Other chemical products	30,391,541	5.14%	33,915,418	4.48%
Total	591,668,471	100%	756,684,767	100%

(iii) Risks and concerns:

You know that your company's products selling is directly depends on the production of garments and textile sector. All sectors of the garments and textile industries face many of the same challenges due to Covid-19 impact world-wide. This unpredictable impact of Covid-19 as well as lack of power problem and labor unrest may cause disruption of production. Price of grid electricity for industries is likely to increase as well. Hence, coming year could be a year when the industries may need to be

prepared to pay more for energy and labor. So, this forcing the sector to be more cost effective in the ever challenging international market.

(iv) Analysis of Cost of Goods sold, Gross Profit Margin and Net Profit Margin:

(a) Cost of Goods Sold:

This year's cost of goods sold was Tk.609.72 million as compared to last year's cost of goods sold of Tk. 666.52 million. This is due to the fact that there has been decrease of sales and production quantity. Production capacity utilized during the year was 27.69%.

(b) Gross Profit:

The company has achieved an export turnover of Tk. 591.67 million during the year ended 30th June, 2021. Last year's turnover was Tk. 756.68 million. The decrease of turnover is 21.81% compare to the last year. Gross profit/ (loss) earned during the year was Tk. (18.05) million as compared to last year's gross profit of Tk. 90.17 million.

(c) Net Profit:

Net loss (after tax) earned during the year was Tk. (34.13) million as compared to last year's Net profit (after tax) of Tk. 72.14 million. During the year net profit after tax has decreased due to increase of manufacturing overhead, increase of raw material cost as well as decrease of unit selling price due to shifting plan of the plant.

(v) Extra-Ordinary gain or loss:

During the year there was no such gain or loss.

(vi) Related party transactions:

During the year the company has carried out transactions with related parties besides the normal course of business, details are given below:

Name of related party	Relationship	Nature of transaction	Outstanding balance as on June 30, 2021
M.L Dyeing Ltd	Common Director	Sale of Goods	BDT 5,094,600

(vii) Variance between Quarterly Financial performance and Annual Financial Statements:

There is no significant variance between the Quarterly Financial performance and Annual Financial Statements.

(viii) Remuneration to directors including independent directors:

The remunerations of Directors are as follows:

Name	Status	Director Remuneration	Meeting attending fees	Total Taka
Mr. Abid Mustafizur Rahman	Chairman	-	14,000	14,000
Md. Shirazul Haque (Representative of FAR Pharmaceuticals Ltd.)	Managing Director	6,00,000	16,000	6,16,000
Md.Mehedi Hasan (Representative of S.S Energy Explosion Ltd.)	Director	-	16,000	16,000
Mr. Sayed Md. Tajon Islam	Independent Director	-	10,000	10,000
Mr. Md. Abdullah	Independent Director	-	16,000	16,000
Total		6,00,000	72,000	6,72,000

(ix) Statement of Directors on Financial Reports:

The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.

a) Proper books of account of the issuer company have been maintained.

b) Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.

c) International Accounting Standard(IAS)/Bangladesh Accounting Standard (BAS)/International Financial Reporting Standard (IFRS)/ Bangladesh Financial Reporting Standard (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there- from has been adequately disclosed.

d) The system of internal control is sound in design and has been effectively implemented and monitored.

e) There are no significant doubts upon the issuer company’s ability to continue as a going concern.

f) Minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;

(x) Deviation from the last year’s operating results:

The operating results in this year is lower than the last year due to impact of Covid-19 and shifting process of the plant among others. The management’s continuous endeavor to grow and sustain the pressure of international competitive market.

(xi) Key operating and financial data of last preceding 5 (five) years:

Operational Data:

Particulars	Year ended as on				
	30.06.2021	30.06.2020	30.06.2019	30.06.2018	30.06.2017
Turnover (Tk)	591,668,471	756,684,767	1,186,680,670	1,337,366,121	1,436,569,686
Gross Profit (Tk)	(18,054,237)	90,165,623	231,449,262	289,373,348	313,746,404
Operating Profit (Tk)	(31,075,174)	71,945,763	208,878,601	266,454,954	292,221,318
Net Profit before tax (Tk)	(30,949,075)	72,143,637	209,159,288	266,730,270	292,605,512
Net Profit after tax (Tk)	(34,125,897)	72,143,637	209,159,288	266,730,270	292,605,512
Basic EPS (Tk)	(0.16)	0.33	0.96	1.35	1.79
Dividend per share (%)	Cash: 1.00%	Cash: 1.00%	Stock: 10%	Stock: 10%	Stock: 10%

(xii) Key operating and financial data of last preceding 5 (five) years:**Financial Data:**

Particulars	Year ended as on				
	30.06.2021	30.06.2020	30.06.2019	30.06.2018	30.06.2017
Authorized Capital (Tk)	3,000,000,000	3,000,000,000	3,000,000,000	3,000,000,000	3,000,000,000
Paid up Capital (Tk)	2,180,934,230	2,180,934,230	1,982,667,480	1,802,424,980	1,638,568,160
Face value per share (Tk)	10	10	10	10	10
Retained Earnings (Tk)	808,776,253	864,711,493	990,834,606	961,917,818	859,044,368
Current Assets (Tk)	882,427,099	1,156,145,135	1,173,100,869	1,136,386,432	1,115,599,812
Current Liabilities (Tk)	212,064,285	40,836,326	48,289,035	49,521,896	49,029,655
Current Ratio	4.16	28.31	24.29	22.95	22.75
Quick Ratio	3.76	15.20	14.60	14.33	14.23
Debt-Equity Ratio	0.065	N/A	N/A	N/A	N/A
Time Interest Earned Ratio	(54.45)	65.21	267.01	400.37	503.40
Return on Assets	(1.08)%	3.73%	11.32%	15.92%	20.47%
Return on Equity	(1.13)%	2.37%	7.03%	9.65%	11.72%
Earnings per share	(0.16)	0.33	0.96	1.35	1.79
Number of Shares	218,093,423	218,093,423	198,266,748	180,242,498	163,856,816
Number of Shareholders	18,512	14,665	14,203	14,407	14,392

(xiii) Dividend: Our Policy is to offer consistent dividends that closely reflect business performance. As announced by the Company on 28 October 2021, the Board has recommend dividend for all shareholders 1% Cash Dividend per share for the year ended on 30 June 2021 which will be paid after approval in the Annual General Meeting of the Company as per respective shareholding position on record date i.e. on 25 November 2021.

(xiv) Interim Dividend: Board of Directors confirm that no cash, bonus or stock dividend has been declared as interim dividend and shall not be declared any cash or stock share as interim dividend in future.

(xv) Number of Board Meetings:

The Board met 8 times during the year. Following table shows the attendance of Directors in the meeting:

Name of the Director	Position	No of Meeting held during the year	No of Meeting attended
Mr. Abid Mustafizur Rahman	Chairman	8	7
Md. Shirazul Haque(Representative of FAR Pharmaceuticals Ltd.)	Managing Director	8	8
Md.Mehedi Hasan (Representative of S.S Energy Explosion Ltd.)	Director	8	8
Mr. Sayed Md. Tajon Islam	Independent Director	8	5
Mr.Abdullah	Independent Director	8	8

The members who could not attend the meeting were granted leave and outside of the country.

(xvi) The pattern of shareholding:

a) Parent/ Subsidiary/ Associated Companies and other related parities

Number of shares held: Nil

b) Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer and Head of Internal Audit:

Name	Position	Number of share held
Mr. Abid Mustafizur Rahman	Chairman	8,025,930
Md. Shirazul Haque(Representative of FAR Pharmaceuticals Ltd.)	Managing Director	14,645,658
Md.Mehedi Hasan (Representative of S.S Energy Explosion Ltd.)	Director	14,645,658
Mr. ABM Golam Mostafa,FCMA	Company Secretary	Nil
Mr. Rana Ahmed	CFO	Nil
Mr. Gopal Chandra Basak	Head of Internal Audit	Nil

c) Senior Corporate Executives :

Number of shares held : Nil

d) Shareholders holding ten percent (10%) or more voting interest in the company: None

(xvii) Appointment/ re-appointment of directors of the company:

Retirement:

Mr Md. Mehedi Hasan Director of the Company and Mr Md. Shirazul Haque Managing Director of the company will retire.

Appointment/Re-appointment:

a) Mr Md. Mehedi Hasan Director of the Company being eligible offering himself for re-election as Director of the Company.

b) Mr. Md. Shirazul Haque, being eligible offering himself for re-election as Managing Director of the Company.

(xviii) Director's involvement in other companies:

Name of Directors	Position at FAR Chemical Industries Ltd.	Entitles where he has interests	Position in other Companies
Abid Mustafizur Rahman	Chairman	FAR Pharmaceuticals Ltd	Director
		S.S. Energy Explosion Ltd	Director
		M.L. Steel Mills Ltd	Director
		Neptune Textile Mills Ltd	Managing Director
		F&S Industries Limited	Managing Director

(xix) Auditors:

SHIRAZ KHAN BASAK & Co, Chartered Accounts were appointed in the last Annual General Meeting as an auditor of the company for the financial year ended on 30th June 2021. Due to ineligibility of the engagement partner of SHIRAZ KHAN BASAK & Co, Chartered Accountants to perform the audit; Kazi Zahir Khan & Co, Chartered Accountants has expressed their interest for appointment as an Auditor in place of Shiraz Khan Basak & Co. for auditing accounts and affairs of the Company's Head Office as well as Factory for the year ended 30th June, 2021 and for the year ended 30th June, 2022 with an honorarium as per fees structure of the ICAB.

Accordingly, the Board of Directors of the company has appointed Kazi Zahir Khan & Co, Chartered Accountants in place of SHIRAZ KHAN BASAK & Co, Chartered Accountants as the auditor for the financial year ended on 30th June 2021 and for the year ended 30th June, 2022 as per order of Bangladesh Securities and Exchange Commission (BSEC) No SEC/CMRRCD/2009-193/174/Admin/61 dated July 08, 2015 as they have conveyed their willingness to accept for appointment.

Mujibur Rahman & Co, Cost & Management Accountants has expressed their interest for re-appointment as Corporate Governance Code Auditor for the financial year ended on 30th June 2022, accordingly the Board of Directors of the company has re-appointed Mujibur Rahman & Co, Cost & Management Accountants as Corporate Governance Code Auditor with an honorarium of Tk.50,000/-.

(xx) Corporate Governance Compliance Report:

In accordance with the requirement of the Bangladesh Securities and Exchange Commission, Corporate Governance Report is annexed.

(xxi) Going Concern:

The Directors consider that the Company has adequate resources to remain in operation for the foreseeable future and has therefore continued to adopt the going concern basis in preparing the financial statements. However, being a deemed export oriented company it has been facing global impact of Covid-19. As a result its sales revenue has declined. Moreover the company has sold most of its inventories at a lesser price because of shifting process of the factory from EPZ Cumilla to its newly constructed factory at Rupgonj, Narayanganj. it was another reason for declining sales revenue

(xxii) Internal Control System:

The Company has an internal control system, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is defined in the Internal Audit Charter. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Board.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Board.

(xxiii) Minority Shareholders' Protection:

The Board is and shall be committed to respect the rights of the minority shareholders to voting, right to information, dividends and appraisal of any alteration in Memorandum and Articles.

(xxiv) Management discussion and analysis:

The Board of Directors converse on the increase /decrease of revenue, cost of goods sold, gross and net profit margin. The Board also takes instant actions on the inquiry as required.

(xxv) Subsequent events:

There is no subsequent event after the date of balance sheet and till the date of this report which could affect the ability of the users of these financial statements to make an appropriate evaluation.

(xxvi) Audit Committee:

The Board has constituted the Audit Committee as follows:

Chairman & Independent Director	: Mr. Sayed Md. Tajon Islam
Member	: Mr. Mohammad Mehedi Hasan
Member	: Mr. Md. Abdullah
Member Secretary	: Mr. ABM Golam Mostafa FCMA

During the reporting period under review, the Committee held five meetings. A detailed of the roles and activities of the Audit Committee has been provided in "The Report of The Audit Committee".

(xxvii) Nomination and Remuneration Committee (NRC):

Nomination and Remuneration Committee (NRC) has been formed as follows as per provision of Corporate Governance Guidelines notification No:BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 by Bangladesh Securities and Exchange Commission (BSEC).

Chairman & Independent Director	: Mr. Md. Abdullah
Member	: Mr. Abid Mustafizur Rahman
Member	: Mr. Mohammad Mehedi Hasan
Member Secretary	: Mr. ABM Golam Mostafa FCMA

Nomination and remuneration policy:

The Nomination and Remuneration Policy is prepared and adopted in compliance with Corporate Governance Code 2018 of Bangladesh Securities and Exchange Commission in view to formulate and recommend proper, fair, transparent and non-discriminatory nomination and remuneration for the Directors and Top Level Executives of the FAR Chemical Industries Ltd. The Nomination and Remuneration Policy of Directors and Top Level Executives have been formulated by the Nomination and Remuneration Committee and have been approved by the Board of Directors of FAR Chemical Industries Ltd. The Nomination and Remuneration Committee has been constituted by the Board of Directors of the Company as a subcommittee to assist the Board under the Condition No. 6 of the Corporate Governance Code 2018 of Bangladesh Securities and Exchange Commission. NRC is independent and responsible or accountable to the Board of Directors and to the Shareholders of Company.

Terms of Reference and objective of the NRC:

The Terms of Reference of the NRC have been defined and adopted by the Board of Directors of the Company. The objective of the NRC is to oversee, assist and guide the Board of Directors:-

- To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to the remuneration of Directors and Top Level Executives.
- To devise policy on Board's diversity taking into consideration of age, gender, experience, ethnicity, educational background and nationality.
- To the appointment, fixation of remuneration and removal of Directors and Top Level Executives.
- To formulate the criteria in respect to evaluate performance of the Independent Director and the Board.
- To identify the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria.
- To develop, recommend and review the company's human resources and training policies.
- To retain, motivate and promote talent and to ensure long term sustainability of talented Top Level Executive and create competitive advantage.
- To recommend Code of Conduct for the Chairman and other Members of the Board and Managing Director.
- To Implement and monitor policies and processes regarding principles of corporate governance.

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- To devise policy on Board's diversity taking into consideration of age, gender, experience, ethnicity, educational background and nationality.
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- To retain, motivate and promote talent and to ensure long term sustainability of talented Top Level Executive and create competitive advantage.
- To recommend Code of Conduct for the Chairman and other Members of the Board and Managing Director.
- To Implement and monitor policies and processes regarding principles of corporate governance.

Nomination and Appointment of Directors and Top Level Executives:

The committee is responsible to ensure that the procedures for nomination and appointment of Directors and Top Level Executive are taken place in transparent, rigorous and non-discriminatory way. The committee also responsible to identify and ascertain the combination of age, gender, educational background, experience, knowledge, ethnicity, diversity, nationality and other relevant personal values & attributes for nomination and appointment of Director and Top Level Executives.

Remuneration for Directors and Top Level Executives:

The committee shall oversee, review and make report with recommendation to the Board the level and composition of remuneration is reasonable and sufficient to attract, motivate and retain suitable, dependable and skilled Director and Top Level Executive. They also consider and review the relationship of remuneration to performance is clear and meets appropriate performance benchmarks, remuneration to Director and Top Level Executive involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.

Validation of the Policy:

This policy on Nomination and Remuneration of Directors and Top Level Executives of the Company has been formulated by the Nomination and Remuneration Committee and has been approved by the Board of Directors of FAR Chemical Industries Ltd.

Amendments to the Policy:

The Board preserves the rights to amend and review time to time the provisions of the policy depending on the legal and other requirements or for a bonafide purpose.

Evaluation of Performance:

Evaluation of performance of Directors be carried out through completion of a preset confidential questionnaire and/or collective feedback or any other effective criteria adopted by the Board yearly or at such intervals of its work, function and performance as may be considered necessary in order to ascertain the effectiveness and to measure the contribution of the Directors as well as the Top Level Executives of the Company.

Activities of the NRC carried out during the reporting period:

The NRC carried out the following activities in line with Committee's Terms of Reference during the reporting period:

- i. Reviewed and recommended the Code of Conduct for the Chairman, other Members of the Board and Managing Director.
- ii. Reviewed the Company's existing policy relating to the remuneration of Directors and Top Level Executives.
- iii. Discussed and decided in regard to formulate the criteria of evaluation of performance of the Board and Independent Directors.
- iv. Reviewed the Company's existing Human Resource and Training policies.

(xxviii) Contribution to national exchequer:

FAR Chemical Industries Limited has been contributing tax and VAT as applicable for the listed company.

(xxix) Corporate social responsibility (CSR):

Over the years, your company's commitment to Corporate Social Responsibility (CSR) activities is part and parcel of the Company's business model. Your Company has been contributing to the welfare of the community, research and development and protection of environment.

(xxx) AWARDS & RECOGNITION:

Since starting your Company received the following awards and recognitions:

1. Year of Incorporation: 22 March, 2007
2. Year of Conversion to Public Limited Company: 19 June, 2012
3. Year of Listing with Dhaka Stock Exchange Ltd. (DSE): 08 July, 2014
4. Year of Listing with Chittagong Stock Exchange Ltd. (CSE): 08 July, 2014

(xxxi) WEBSITE:

The Company maintains a website namely www.farchemicalbd.com which is linked with the websites of the stock exchanges and it is functional from the date of listing and all disclosures and financials are available in the website of the company.

(xxxii) Human Resources:

Human Resources are a fundamental asset across the entire business model. The development of the company builds its competitive advantage on the skills and commitment of its employees, promoting and rewarding pro-activity, goal orientation and teamwork. The HR Department of your company operates with specific policy, manual and plan which is approved by the Board of Directors. We provide on-the-job training and development opportunities to enhance our employees' career progression. Through different training, staff's professional knowledge in corporate operations, occupational and management skills are enhanced. FAR Chemical Industries Limited is an equal opportunity employer and does not discriminate on the basis of personal characteristics. Company has employee handbooks outlining terms and conditions of employment, expectations for employees' conduct and behavior, employees right and benefits. We establish and implement policies that promote a harmony and respectful workplace.

(xxxiii) Code of conduct:

The underlying philosophy of FAR Chemical Industries Limited's code is to conduct the business in an ethical manner as well as create a work environment that is conducive for members and stakeholders alike, based on the Company's values and beliefs. Code of Conduct for Board of Directors was framed and followed accordingly in discharging their duties and responsibilities.

(xxxiv) Directors' responsibilities statement

Pursuant to the BSEC notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 the Directors confirm that:

- i) The financial statements prepared by the management of FAR Chemical Industries Limited fairly present its state of affairs, the result of its operations, cash flows and changes in equity.

- ii) Proper books of Account of the company have been maintained.
- iii) Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.
- iv) International Accounting Standards (IAS)/International Financial Reporting Standards (IFRS) as applicable in Bangladesh have been followed in preparation of the financial statements and any departure therefrom has been adequately disclosed.
- v) The system of internal control is sound in design and has been effectively implemented and monitored.
- vi) There are no doubts upon the Company's ability to continue as a going concern and the accounts have been prepared on going concern basis.
- vii) The significant deviations from previous period in the operating results of the company have been highlighted in the report and the reasons thereof have been explained.
- viii) The key operating and financial data of last 5 years have been disclosed in this report.
- ix) The number of Board Meeting held during the reporting period and the attendance by each director have been disclosed in this report.
- x) The pattern of shareholding is disclosed in this report.
- xi) A compliance status report with requirements of Corporate Governance as required by BSEC is disclosed in Corporate Governance Report and is disclosed in this report.
- xii) Directors' profile is attached in this report and their directorship and business interest in other organizations have been disclosed adequately.

(xxxv) Company's Expansion Program:

It's a great pleasure to inform all valued shareholders and other stakeholders that expansion of 2nd Unit (Spinning Unit) and shifting process of Chemical factory's Plant, Equipment and Machineries from Cumilla EPZ to Own Premises at Rupgonj, Narayagonj are under way, details are as follows:

Construction of Civil Work of 2nd Unit (Spinning Unit):

The company has almost completed construction work of its 2nd unit (spinning unit) at Rupgonj Narayagonj in its own premises. All Machineries LCs has already opened; production is estimated to start by August, 2022.

Chemical factory's Plant, Equipment and Machineries Shifting Process:

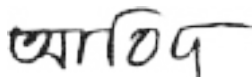
The Company has also almost constructed a chemical factory in its own premises at Rupgonj, Narayagonj. As per the decision of shareholders at the last AGM held on 22 December 2020 Chemical factory's plant, equipment and machineries are under way of shifting from Cumilla EPZ to newly constructed own premises at Rupgonj, Narayagonj, in this regard production of chemical is ceased. Within few months, new chemical factory's production is estimated to start.

Appreciation:

The board of directors wishes to place on record their appreciation of thanks to shareholders, customers and suppliers for their continued support. Your Directors also wish to place on record their appreciation for the contribution made by the employees at all levels to the continued growth and prosperity of the company.

The Board would also like to thanks all stakeholders including banks, Insurance Companies, BEPZA, BSEC, DSE, CSE, CDBL, RJSC and various government authorities, trade bodies for their extended co-operation. We look forward to brighter future for all of us.

On behalf of the Board



Abid Mustafizur Rahman
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW 2020-2021:

Let us present before you a short review on the total operational and financial performance of your company from 01 July 2020 to 30 June 2021.

ECONOMIC OUTLOOK:

You know that your company's products are the raw materials of garments and textile sector. So our production and sales are depends on uninterrupted production of textile and garment industries. RMG sector is the driver for growth of Bangladesh's economy. It contributes 13% to national GDP (as per various industry related analysis). To achieve the \$50 billion export target Bangladesh will have to earn \$20 billion in the next four years as speculated by the industry insiders.

Still Bangladesh remains the world's second largest garment exporter.

As said earlier, we have invested huge to ensure that we are well positioned for continued long-term and profitable growth.

Accounting policies and changes:

The specific accounting policies selected and applied by the company's directors for significant transactions and events that have material effect within the framework of IAS-1 "Presentation of Financial Statements", in preparation and presentation of financial statements have been consistently applied throughout the period and were also consistent with those used in earlier periods.

FY 2020-2021 Financial Performance and Position:

The discussions in this section relate to the financial results pertaining to the year that ended June 30, 2021. The financial statements of FAR Chemical Industries Limited has been prepared in accordance with the International Accounting Standards (referred to as "IAS"), International Financial Reporting Standards (referred to as "IFRS"), as per the Companies Act, 1994, as amended from time to time. Significant accounting policies used in the preparation of the financial statements are disclosed in the notes to the financial statements. The following table gives an overview of the financial results of the Company:

Key operating and financial data of last preceding 5 (five) years:

Operational Data:

Particulars	Year ended as on				
	30.06.2021	30.06.2020	30.06.2019	30.06.2018	30.06.2017
Turnover (Tk)	591,668,471	756,684,767	1,186,680,670	1,337,366,121	1,436,569,686
Gross Profit (Tk)	(18,054,237)	90,165,623	231,449,262	289,373,348	313,746,404
Operating Profit (Tk)	(31,075,174)	71,945,763	208,878,601	266,365,903	292,221,318
Net Profit before tax (Tk)	(30,949,075)	72,143,637	209,159,288	266,730,270	292,605,512
Net Profit after tax (Tk)	(34,125,897)	72,143,637	209,159,288	266,730,270	292,605,512
Basic EPS (Tk)	(0.16)	0.33	0.96	1.35	1.79
Dividend per share (%)	1.00%	1.00%	10%	10%	10%

**Key operating and financial data of last preceding 5 (five) years:
Financial Data:**

Particulars	Year ended as on				
	30.06.2021	30.06.2020	30.06.2019	30.06.2018	30.06.2017
Authorized Capital (Tk)	3,000,000,000	3,000,000,000	3,000,000,000	3,000,000,000	3,000,000,000
Paid up Capital (Tk)	2,180,934,230	2,180,934,230	1,982,667,480	1,802,424,980	1,638,568,160
Face value per share (Tk)	10	10	10	10	10
Retained Earnings (Tk)	808,776,253	864,711,493	990,834,606	961,917,818	859,044,368
Current Assets (Tk)	882,427,099	1,156,145,135	1,173,100,869	1,136,386,432	1,115,599,812
Current Liabilities (Tk)	212,064,285	40,836,326	48,289,035	49,521,896	49,029,655
Current Ratio	4.16	28.31	24.29	22.95	22.75
Quick Ratio	3.76	15.20		14.33	14.23
Debt-Equity Ratio	0.065	N/A	N/A	N/A	N/A
Time Interest Earned Ratio	(54.45)	65.21	267.01	400.37	503.40
Return on Assets	(1.08)%	3.73%	11.32%	15.92%	20.47%
Return on Equity	(1.13)%	2.37%	7.03%	9.65%	11.72%
Earnings per share	(0.16)	0.33	0.96	1.35	1.79
Number of Shares	218,093,423	218,093,423	198,266,748	180,242,498	163,856,816
Number of Shareholders	18,512	14,665	14,203	14,407	14,392

Cost of Goods Sold (COGS):

This year's cost of goods sold was Tk.609.72 million as compared to last year's cost of goods sold of Tk. 666.52 million. This is due to the fact that there has been decrease of sales and production quantity. Production capacity utilized during the year was 27.69%.

Gross Profit:

The company has achieved an export turnover of Tk. 591.67 million during the year ended 30th June, 2021. Last year's turnover was Tk. 756.68 million. The decrease in turnover is 21.81% compare to the last year. Gross profit/ (loss) earned during the year was Tk. (18.05) million as compared to last year's gross profit of Tk. 90.17 million.

Net Profit:

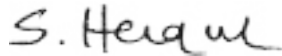
Net loss (after tax) earned during the year was Tk. (34.13) million as compared to last year's Net profit (after tax) of Tk. 72.14 million. During the year net profit after tax has decreased due to increase of manufacturing overhead, increase of raw material cost as well as decrease of unit selling price due to shifting plan of the plant.

Risk and Concerns

Board of Directors reviews the risk management practices and actions deployed by the Management with respect to identification, impact of Covid-19 assessment, monitoring and mitigation and reporting of key risks while trying to achieve its business objectives.

Forward-Looking Statements

Board of Directors and management of the company are looking forward to keep its progress in alignment with industry's growth and have made all preparation to this end. Overall industry is projected to grow in a steady way in next couple of years and your company will be in forefront to be one of the major players in the future booming market. We hope your company's future is bright as it is in shifting process in its own premises at Rupgonj, Narayagonj.



Md. Shirazul Haque
Managing Director

Dividend Distribution Policy

FAR Chemical Industries Limited

1.0 Introduction

The Dividend Distribution Policy is prepared and adopted in compliance with the provisions of the Directive No. BSEC/CMRRCD/2021-386/03 dated 14 January, 2021 of the Bangladesh Securities and Exchange Commission (BSEC) about dividend declaration, pay off, disbursement and compliance.

The Board of Directors (the Board) will consider the directive while declaring/ recommending dividend on behalf of the Company. The Policy is not an alternative to the decision of the Board for declaring/recommending dividend, which takes into consideration all the relevant circumstances enumerated hereunder or other factors as may be decided by the Board.

2.00 Definitions

“the Act” means Companies Act 1994

“the Company” means FAR Chemical Industries Ltd.

“AGM” means Annual General Meeting

“Board” means Board of Directors of FAR Chemical Industries Ltd.

“Shareholders” means Members whose name is registered in the Member Register of the Company/CDBL Report.

“Shares” means Ordinary Equity Shares.

3.00 Concept of Dividend

Dividend is the share of the profit that a Company decides to distribute among its Shareholders in proportion to the amount paid up on shares they hold in the form of Cash and/or Stock(Bonus). The profits earned by the Company can either be retained in the business or can be distributed among the Shareholders as dividend.

4.00 Types of Dividend

The Act deals with two types of dividend - Interim and Final.

* Interim dividend is the dividend declared by the Board between two AGMs as and when considered appropriate. The Act authorizes the Board to declare interim dividend during any financial year out of the profits for the financial year in which the dividend is sought to be declared and/or out of the surplus in the profit and loss account.

* Final dividend is recommended for the financial year at the time of approval of the annual financial statements as well as appropriation of profit. The Board shall have the power to recommend final dividend to the shareholders for their approval at the AGM of the Company. Dividend recommended by the Board of Directors cannot be changed prior to holding of the AGM.

5.00 Declaration of Dividend

Subject to the provisions of the Act, dividend shall be declared and paid out of:

a. Profits of the Company for the year for which the dividend is to be paid after setting off carried over previous losses and depreciation not provided in the previous year(s);

b. Undistributed profits of the previous financial years after providing for depreciation in accordance with law and remaining undistributed.

c. Out of a & b both.

Before declaration of dividend, the Company may transfer a portion of its profits to reserves of the Company as may be considered appropriate by the Board at its discretion.

In the event of inadequacy or absence of profits in any financial year, the Company may declare dividend out of free reserves subject to the compliance with the Act and Rules.

6.00 Factors Governing Declaration of Dividend

The decision regarding dividend pay-out is a crucial decision as it determines the amount of profit to be distributed among the shareholders and amount of profit to be retained in business.

The circumstance for dividend pay-out decision depends on various external and internal factors which the Board of Directors shall consider while recommend/ declaring dividend including the following:

6.01 External Factors:

The Board shall endeavor to retain a larger portion of profits to build up reserves, in case of Adverse Economic Scenario.

The Board shall evaluate the market trends in terms of technological changes mandating investments, competition impacting profits, etc., which may require the Company to conserve resources.

The Board shall consider the restrictions, if any, imposed by the Act and other applicable laws with regard to declaration of dividend in order to ensure compliance with the applicable laws.

Dividend distribution tax or any tax deduction at source as required by tax regulations, applicable at the time of declaration of dividend may impact the decision with regard to dividend declaration.

Other factors beyond control of the Management like natural calamities, fire, etc. effecting operations of the Company may impact the decision with regard to dividend declaration.

6.02 Internal Factors:

*Profitability

* Availability and Liquidity of Funds

* Capital Expenditure needs for the existing businesses

* Expansion/Modernization of the business

* Additional investments in subsidiaries/associates of the Company

* Cost of raising funds from alternate sources

*Cost of servicing outstanding debts

*Funds for meeting contingent liabilities

*Mergers and Acquisitions

*Any other factor as deemed appropriate by the Board.

Apart from the above factors, the Board also considers past dividend history and sense of shareholders' expectations while determining the rate of dividend. The Board may additionally recommend special dividend in special circumstances.

7.00 Financial Parameters for Declaring Dividend

The Company is committed to deliver sustainable value to its stakeholders. The Company shall strive to distribute an optimal and appropriate level of the profits among the shareholders in the form of dividend.

To keep investment attractive and to ensure capital appreciation for the shareholders, the Company shall also endeavor to provide consistent return over a period of time. While deciding on the dividend, micro and macroeconomic parameters for the country in general and the Company in particular shall also be considered.

Taking into consideration the aforementioned factors, the Board shall endeavor to maintain a dividend pay-out.

8.00 Utilization of Retained Earnings

Subject to the provisions of the Act and other applicable laws, retained earnings may be utilized as under:

- * Issue of fully paid-up bonus shares
- * Declaration of dividend-Interim or Final
- * Augmenting internal resources
- * Funding for capital expenditure/expansion plans/acquisition;
- * Repayment of debt
- * Any other permitted use as may be decided by the Board.

9.00 Parameters for Various Classes of Shares

Currently, the Company has only one class of shares - Equity Shares. There is no privilege amongst Equity Shareholders of the Company with respect to dividend distribution.

10.00 Circumstances Impacting Dividend Payment

The Company has been paying dividend to its shareholders and shall continue with the dividend payment. Given here in below are some of the circumstances in which shareholders of the Company may or may not expect dividend payout:

10.01 May Expect Dividend:

- * Adequate profits and liquidity
- * Accumulated profits not warranted for immediate business needs.

10.02 May Not Expect Dividend:

- * Non availability of profits for dividend distribution
- * Funds available for dividend but need to be conserved due to:
 - * Business needs;
 - * Adverse economic /market scenario expected in near future;
 - * Augmenting internal resources.

11.00 Disclosure

This Dividend Distribution Policy shall be disclosed in the Annual Report of the Company and on the Company's website www.farchemicalbd.com.

If the Company proposes to declare dividend on the basis of any additional parameters apart from those mentioned in the Policy or proposes to change the parameters contained in this Policy, it shall disclose such changes along with the rationale for the same in the Annual Report and on the website.

12.00 Effective Date

This Policy has been approved by the Board of Directors of the Company at its meeting held on 16th February, 2021 and shall be effective and applicable for dividend, if any, declared for the Financial Year 2020-21 onwards.

13.00 Review/Amendment

The Board may amend, abrogate, modify or revise any or all provisions of this Policy. However, amendments in the Act or in the Listing Regulations shall be binding even if not incorporated in this Policy.

CERTIFICATE OF BAPLC



Report to the Shareholders of FAR Chemical Industries Limited on compliance on the Corporate Governance Code



Mujibur Rahman & Co.
Cost & Management Accountants

We have examined the compliance status to the Corporate Governance Code by FAR Chemical Industries Limited for the year ended on June 30, 2021. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 of the Bangladesh Securities and Exchange Commission.

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

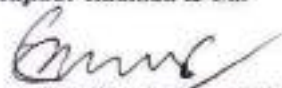
This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards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

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

- (a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission;
- (b) The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- (c) Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws ; and
- (d) The governance of the company is satisfactory.

Place: Dhaka
Dated: October 23, 2021



For Mujibur Rahman & Co.

Mohammad Mujibur Rahman FCMA
Cost & Management Accountants

Office:

Saj Bhaban Suite # C-30(15th floor), 27, Bijoy Nagar, Dhaka-1000
Cell # 01716-635751, E-mail: mujibcma2005@yahoo.com, mujibcma2005@gmail.com, Web: www.taxlabbd.com

FAR Chemical Industries Limited

Status of compliance with the conditions imposed by the Commission's Notification
No.SEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 issued under
section 2CC of the Securities and Exchange Ordinance, 1969:
(Report under Condition No. 9)

Condition No	Title	Compliance Status		Remarks
		Complied	Not Complied	
1	Board of Directors			
1(1)	Size of the Board: The total no. of members of the Board shall not be less than 5 (five) and more than 20 (twenty);	√		
1(2)	Independent Director			
1(2)(a)	Number of Independent Director [at least 1/5 of the total number of directors of the Board]	√		
1(2)(b)(i)	The independent director who does not hold any share or holds less than 1% shares of the total paid up shares of the company;	√		
1(2)(b)(ii)	Not being a sponsor and connected with any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds 1% or more shares of the total paid up share capital of the company on the basis of family relationship and his or her family members shall not hold above mentioned shares in the company;	√		
1(2)(b)(iii)	who has not been an executive of the company in immediately preceding 2 (two) financial years;	√		
1(2)(b)(iv)	who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	√		
1(2)(b)(v)	who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;	√		
1(2)(b)(vi)	who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	√		

Condition No	Title	Compliance Status		Remarks
		Complied	Not Complied	
1(2)(b)(vii)	who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	√		
1(2)(b)(viii)	who is not independent director in more than 5 (five) listed companies;	√		
1(2)(b)(ix)	who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFI);	√		
1(2)(b)(x)	who has not been convicted for a criminal offence involving moral turpitude;	√		
1(2)(c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM);	√		
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days;	√		
1(2)(e)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only.	√		
1(3)	Qualification of Independent Director			
1(3)(a)	Shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to business;	√		
1(3)(b)	Independent Director shall have following qualifications			
1(3)(b)(i)	Business leader who is or was a promoter or director of an unlisted company having minimum paid up capital of Tk. 100 million or any listed company or a member of any national or international chamber of commerce or business association;	√		
1(3)(b)(ii)	Corporate leader who is or was a top level executive not lower than CEO or MD or DMD or CFO or Head of Finance or Accounts or CS or HIAC or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid up capital of Tk. 100 million or of a listed company;	√		

Condition No	Title	Compliance Status		Remarks
		Complied	Not Complied	
1(3)(b)(iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or law;	√		
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law;	√		
1(3)(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a CA or CMA or CFA or Chartered Certified Accountant or CPA or Chartered Management Accountant or Chartered Secretary or equivalent qualification;	√		
1(3)(c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	√		
1(3)(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission;	-	-	No such issue
1(4)	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer			
1(4)(a)	The positions of the Chairperson of the Board and the Managing Director and/ or Chief Executive Officer of the companies shall be filled by different individuals;	√		
1(4)(b)	The Managing Director and/ or Chief Executive Officer of a listed company shall not hold the same position in another listed company;	√		
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	√		
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the chairperson and the Managing Director and/ or Chief Executive Officer;	√		

Condition No	Title	Compliance Status		Remarks
		Complied	Not Complied	
1(4)(e)	In the absence of the chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as chairperson for that particular Board's meeting; the reason of absence of the regular chairperson shall be duly recorded in the minutes.	-	-	No such issue
1(5)	The Directors' Report to Shareholders: The Board of the company shall include the following additional statements or disclosures in the Directors' Report prepared under section 184 of the companies Act, 1994:-			
1(5)(i)	Industry outlook and possible future developments in the industry;	√		
1(5)(ii)	Segment-wise or product-wise performance;	√		
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	√		
1(5)(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin;	√		
1(5)(v)	Discussion on continuity of any Extra-Ordinary activities and their implications (gain or loss);	-	-	No such issue
1(5)(vi)	Discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	√		
1(5)(vii)	Statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments;	-	-	N/A
1(5)(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc;	-	-	N/A
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial performance and Annual Financial statements;	-	-	N/A

Condition No	Title	Compliance Status		Remarks
		Complied	Not Complied	
1(5)(x)	Statement of remuneration paid to directors including independent directors.	√		No Remuneration paid to Directors except MD during the period under review.
1(5)(xi)	The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	√		
1(5)(xii)	Proper books of account of the issuer company have been maintained;	√		
1(5)(xiii)	Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	√		
1(5)(xiv)	International Accounting Standards (IAS) / International Financial Reporting Standards (IFRS) as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	√		
1(5)(xv)	The system of internal control is sound in design and has been effectively implemented and monitored;	√		
1(5)(xvi)	Minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	-	-	No such issue
1(5)(xvii)	There is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	√		

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Condition No	Title	Compliance Status		Remarks
		Complied	Not Complied	
1(5)(xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;	√	-	Operational result is significantly deviated in the current year than the last year due to Covid-19 and for shifting process among others
1(5)(xix)	Key operating and financial data of at least preceding 5 (five) years shall be summarized;	√		
1(5)(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;	-	-	N/A
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	-	-	N/A
1(5)(xxii)	The total number of Board meetings held during the year and attendance by each director;	√		
1(5)(xxiii)	A report on the pattern of shareholding disclosing the aggregate number of shares (along with name -wise details where stated below) held by: -			
	(a) Parent or Subsidiary or Associated Companies and other related parties (name-wise details);	-	-	N/A
	(b) Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details);	√		
	(c) Executives; and	√		
	(d) Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details);	-	-	N/A
1(5)(xxiv)	In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders:			

Condition No	Title	Compliance Status		Remarks
		Complied	Not Complied	
	(a) a brief resume of the director	√		
	(b) nature of his or her expertise in specific functional areas;	√		
	(c) names of companies in which the person also holds the directorship and the membership of committees of the Board;	√		
1(5)(xxv)	Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:			
	(a) accounting policies and estimation for preparation of financial statements;	√		
	(b) changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	√		
	(c) comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	√		
	(d) compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	√		
	(e) briefly explain the financial and economic scenario of the country and the globe;	√		
	(f) risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company;	√		
	(g) future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders	√		

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Condition No	Title	Compliance Status		Remarks
		Complied	Not Complied	
	in the next AGM;			
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A;	√		
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C.	√		
1(6)	Meetings of the Board of Directors: The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	√		
1(7)	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer			
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;	√		
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.	√		
2	Governance of Board of Directors of Subsidiary Company			
2(a)	Provisions relating to the composition of the Board of the holding company shall be made	-	-	N/A

Condition No	Title	Compliance Status		Remarks
		Complied	Not Complied	
	applicable to the composition of the Board of the subsidiary company;			
2(b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company;	-	-	N/A
2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company;	-	-	N/A
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;	-	-	N/A
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	-	-	N/A
3	Managing Director (MD) or CEO, CFO, Head of Internal Audit and Compliance (HIAC) and Company Secretary			
3(1)	Appointment			
3(1)(a)	The Board shall appoint MD or CEO, CS, CFO and HIAC;	√		
3(1)(b)	The positions of the MD or CEO, CS, CFO and HIAC shall be filled by different individuals;	√		
3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;	√		
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	√		
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	√		

Condition No	Title	Compliance Status		Remarks
		Complied	Not Complied	
3(2)	Requirement to attend Board of Directors' Meetings: MD/CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board provided that CS, CFO and HIAC shall not attend such part of a meetings of the Board relating to their personal matter.	√		
3(3)	Duties of MD or CEO and CFO			
3(3)(a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:	√		
3(3)(a)(i)	these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	√		
3(3)(a)(ii)	these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	√		
3(3)(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members	√		
3(3) (c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	√		
4	Board of Directors' Committee: - For ensuring good governance in the company, the Board shall have at least following subcommittees:			
4(i)	Audit Committee	√		
4(ii)	Nomination and Remuneration Committee	√		
5	Audit Committee			
5(1)	Responsibility to the Board of Directors			
5(1)(a)	The company shall have an Audit Committee as a sub-committee of the Board;	√		

Condition No	Title	Compliance Status		Remarks
		Complied	Not Complied	
5(1)(b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business;	√		
5(1)(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	√		
5(2)	Constitution of the Audit Committee			
5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members;	√		
5(2)(b)	The Board shall appoint members of the Audit Committee who shall be nonexecutive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;	√		
5(2)(c)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	√		
5(2)(d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;	√		
5(2)(e)	The company secretary shall act as the secretary of the Committee;	√		
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	√		

Condition No	Title	Compliance Status		Remarks
		Complied	Not Complied	
5(3)	Chairperson of the Audit Committee			
5(3)(a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	√		
5(3)(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	-	-	N/A
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting	√		
5(4)	Meeting of the Audit Committee			
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year	√		
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	√		
5(5)	Role of Audit Committee : The Audit Committee shall:-			
5(5)(a)	Oversee the financial reporting process;	√		
5(5)(b)	monitor choice of accounting policies and principles;	√		
5(5)(c)	monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	√		
5(5)(d)	oversee hiring and performance of external auditors;	√		
5(5)(e)	hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for	√		

Condition No	Title	Compliance Status		Remarks
		Complied	Not Complied	
	approval or adoption;			
5(5)(f)	review along with the management, the annual financial statements before submission to the Board for approval;	√		
5(5)(g)	review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;	√		
5(5)(h)	review the adequacy of internal audit function;	√		
5(5)(i)	review the Management's Discussion and Analysis before disclosing in the Annual Report;	√		
5(5)(j)	review statement of all related party transactions submitted by the management;	√		
5(5)(k)	review Management Letters or Letter of Internal Control weakness issued by statutory auditors;	√		
5(5)(l)	oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors;	√		
5(5)(m)	oversee whether the proceeds raised through IPO or RPO or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission:	√		
5(6)	Reporting of the Audit Committee			
5(6)(a)	Reporting to the Board of Directors	√		
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board.	√		
5(6)(a)(ii)	The Audit Committee shall immediately report to the Board on the following findings, if any:-	√		
5(6)(a)(ii)(a)	report on conflicts of interests;	√		
5(6)(a)(ii)(b)	suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;	√		

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Condition No	Title	Compliance Status		Remarks
		Complied	Not Complied	
5(6)(a)(ii)(c)	suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations;	√		
5(6)(a)(ii)(d)	any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;	√		
5(6)(b)	Reporting to the Authorities: If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.			No such issue
5(7)	Reporting to the Shareholders and General Investors: Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.	√		
6	Nomination and Remuneration Committee (NRC)			
6(1)	Responsibility to the Board of Directors			
6(1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a subcommittee of the Board;	√		

Condition No	Title	Compliance Status		Remarks
		Complied	Not Complied	
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	√		
6(1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b).	√		
6(2)	Constitution of the NRC			
6(2)(a)	The Committee shall comprise of at least three members including an independent director;	√		
6(2)(b)	All members of the Committee shall be non-executive directors;	√		
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;	√		
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;	√		
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;	√		
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;	-	-	No such issue
6(2)(g)	The company secretary shall act as the secretary of the Committee;	√		
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an	√		

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Condition No	Title	Compliance Status		Remarks
		Complied	Not Complied	
	independent director;			
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.	√		
6(3)	Chairperson of the NRC			
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	√		
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;	-	-	N/A
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders.	√		
6(4)	Meeting of the NRC			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;	√		
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	√		
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);	√		
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	√		
6(5)	Role of the NRC			

Condition No	Title	Compliance Status		Remarks
		Complied	Not Complied	
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	√		
6(5)(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board;			
6(5)(b)(i)	formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:			
6(5)(b)(i)(a)	the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;	√		
6(5)(b)(i)(b)	the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;	√		
6(5)(b)(i)(c)	remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;	√		
6(5)(b)(ii)	devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	√		
6(5)(b)(iii)	identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;	√		
6(5)(b)(iv)	formulating the criteria for evaluation of performance of independent directors and the Board;	√		
6(5)(b)(v)	identifying the company's needs for employees at different levels and determine their selection,	√		

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Condition No	Title	Compliance Status		Remarks
		Complied	Not Complied	
	transfer or replacement and promotion criteria;			
6(5)(b)(vi)	developing, recommending and reviewing annually the company's human resources and training policies;	√		
6(5) (c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual Report.	√		
7	External or Statutory Auditors			
7(1)	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:-			
7(1)(i)	appraisal or valuation services or fairness opinions;	√		No such issue
7(1)(ii)	financial information systems design and implementation;	√		No such issue
7(1)(iii)	book-keeping or other services related to the accounting records or financial statements;	√		No such issue
7(1)(iv)	broker-dealer services;	√		No such issue
7(1)(v)	actuarial services;	√		No such issue
7(1)(vi)	internal audit services or special audit services;	√		No such issue
7(1)(vii)	any service that the Audit Committee determines;	√		No such issue
7(1)(viii)	audit or certification services on compliance of corporate governance as required under condition No. 9(1);	√		
7(1)(ix)	any other service that creates conflict of interest.	√		No such issue
7(2)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their	√		No such issue

Condition No	Title	Compliance Status		Remarks
		Complied	Not Complied	
	audit assignment of that company; his or her family members also shall not hold any shares in the said company			
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (AGM or EGM) to answer the Queries of the shareholders.	√		
8	Maintaining a website by the Company			
8(1)	The company shall have an official website linked with the website of the stock exchange.	√		
8(2)	The company shall keep the website functional from the date of listing.	√		
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	√		
9	Reporting and Compliance of Corporate Governance			
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	√		
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	√		
9(3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	√		

Independent Auditor's Report
To the Shareholders of
FAR Chemical Industries Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of FAR Chemical Industries Limited (the "Company"), which comprise the Statement of Financial Position as at 30 June 2021 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 notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements of the Company give a true and fair view of the financial position of the Company as at 30 June 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and other applicable laws and regulations.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of key audit matters	Our response to key audit matters
Revenue recognition	
<p>At year end the company reported total revenue of BDT.591,668,471. The company generates revenue from sale of goods to export customers. The timing of the revenue recognized and realized increases the risk of exposure of revenue to foreign exchange fluctuations.</p> <p>There is also a risk that revenue may be overstated/understated due to the timing differences between L/C opening and goods exported.</p> <p>We identified revenue recognition as a key audit matter as it is one of the key performance indicators of the Company, which give risk to an inherent risk of the existence and accuracy of the revenue.</p>	<p>We have tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> - Obtaining an understanding of and assessing the design and operating effectiveness of controls designed to ensure that revenue is recognized in the appropriate accounting period; - Segregation of duties in invoice creation and modification and timing of revenue recognition; - Assessing the appropriateness of the Company's accounting policies for revenue recognition and compliance of those policies with applicable accounting standards; - Obtain supporting documentation for sale transaction recorded either side of year end to determine whether revenue was recognized in the current period; - Comparing a sample of revenue transactions recognized during the year with the sale invoices and other relevant

	<p>underlying documentation;</p> <p>- Critically assessing manual journals posted to revenue to identify unusual or irregular items, and finally assessed the appropriateness and presentation of disclosures against relevant accounting standards.</p> <p><i>[See note number 22 for details]</i></p>
Valuation of Inventory	
<p>The inventory of BDT 24,788,277 as at 30th June 2021, held in warehouses and across multiple product lines in the factory.</p> <p>Inventory value is measured as follows:</p> <p>Inventories are stated at the lower of cost and net realizable value in accordance with IAS 2 'Inventories'. As a result, the management apply judgment in determining the appropriate values for value in use, work-in-progress, values for slow moving or obsolete items and need to apply impairment provision.</p> <p>While excess holding of inventories could impact efficient use of working capital similarly lower level of inventories can result in stock outs or irregular supply to the market.</p>	<p>We challenged the appropriateness of management assumptions applied in calculating the value of the inventory provisions by:</p> <ul style="list-style-type: none"> - Evaluating the design and implementation of key inventory controls operating across the company/ factory and warehouse; - We have reconciled the inventory with purchase, production and sales to ensure the shown stock as on date was accurate. - Reviewing the historical accuracy of inventory provisioning and the level of inventory write-offs during the year; - We have considered the risk of inventory being expired/damaged due to the effect of COVID-19 and checked whether any provision was required for any such expiry/ obsolesce. - Comparing the net realizable value, obtained through a detailed review of sales subsequent to the year-end, to the cost price of a sample of inventories and comparison to the associated provision to assess whether inventory provisions are complete; - Obtaining a detailed review with the subsequent sales to compare with the net realizable value. <p><i>[See note number 06 for details]</i></p>
Management's Consideration of the Potential Impact of COVID-19	
<p>Management has made estimates and judgments that there was limited adverse impact of COVID-19 on the company.</p> <p>In doing so, management have made estimates and judgments that are critical to the outcomes of these considerations with particular focus on the company's ability to continue as a going concern for a period of at least 12 months from the date of the signing of the financial statements.</p>	<p>Our audit included the following procedures:</p> <ul style="list-style-type: none"> - We obtained management's most recent financial results forecasts and liquidity analysis underlying their going concern assessment and tested the integrity of the forecasts, including mathematical accuracy. - We challenged management on the key assumptions included in the scenarios and we subjected management's most recent forecasts to additional stress testing to confirm that both

	<p>underlying documentation;</p> <ul style="list-style-type: none"> - Critically assessing manual journals posted to revenue to identify unusual or irregular items, and finally assessed the appropriateness and presentation of disclosures against relevant accounting standards. <p><i>[See note number 22 for details]</i></p>
Valuation of Inventory	
<p>The inventory of BDT 24,788,277 as at 30th June 2021, held in warehouses and across multiple product lines in the factory.</p> <p>Inventory value is measured as follows:</p> <p>Inventories are stated at the lower of cost and net realizable value in accordance with IAS 2 'Inventories'. As a result, the management apply judgment in determining the appropriate values for value in use, work-in-progress, values for slow moving or obsolete items and need to apply impairment provision.</p> <p>While excess holding of inventories could impact efficient use of working capital similarly lower level of inventories can result in stock outs or irregular supply to the market.</p>	<p>We challenged the appropriateness of management assumptions applied in calculating the value of the inventory provisions by:</p> <ul style="list-style-type: none"> - Evaluating the design and implementation of key inventory controls operating across the company' factory and warehouse; - We have reconciled the inventory with purchase, production and sales to ensure the shown stock as on date was accurate. - Reviewing the historical accuracy of inventory provisioning and the level of inventory write- offs during the year; - We have considered the risk of inventory being expired/damaged due to the effect of COVID-19 and checked whether any provision was required for any such expiry/ obsolesce. - Comparing the net realizable value, obtained through a detailed review of sales subsequent to the year-end, to the cost price of a sample of inventories and comparison to the associated provision to assess whether inventory provisions are complete; - Obtaining a detailed review with the subsequent sales to compare with the net realizable value. <p><i>[See note number 06 for details]</i></p>
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<p>Management has made estimates and judgments that there was limited adverse impact of COVID-19 on the company.</p> <p>In doing so, management have made estimates and judgments that are critical to the outcomes of these considerations with particular focus on the company's ability to continue as a going concern for a period of at least 12 months from the date of the signing of the financial statements.</p>	<p>Our audit included the following procedures:</p> <ul style="list-style-type: none"> - We obtained management's most recent financial results forecasts and liquidity analysis underlying their going concern assessment and tested the integrity of the forecasts, including mathematical accuracy. - We challenged management on the key assumptions included in the scenarios and we subjected management's most recent forecasts to additional stress testing to confirm that both

<p>As a result of the impact of COVID-19 on the wider financial markets we have determined management's consideration of the potential impact of COVID-19 (including their associated estimates and judgments) to be a key audit matter.</p>	<p>management and the Board have considered a balanced range of outcomes in their assessment of the potential impact of COVID-19.</p> <ul style="list-style-type: none"> - Based on our procedures, we have not identified any other matters to report with respect to both management's and the Board's considerations of the potential impact of COVID-19 on the current and future operations of the company. <p><i>[See note number 3.18 for details]</i></p>
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Other Matters

FAR Chemical Industries Limited had appointed Shiraz Khan Basak & Co. as an auditor of the financial statements for the year ended 30th June 2021 in the company's last AGM. Due to ineligibility of the Engagement Partner to perform the audit, the company appointed us as the auditor of the financial statements for the year ended 30th June 2021 on 16th August, 2021. Due to the time constraint, physical verification of inventory could not be held by us for the the year ended June 30, 2021. However, during the course of our audit we have carried out audit procedures to ensure the value of inventory as on 30 June, 2021 is appropriate and free from any material misstatement. Detailed audit procedures are described in the key audit matter paragraph of this report.

Other information

Management is responsible for the other information. The other information comprises all of the information included in the Annual Report other than the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRSs) 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISAs) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements

As part of an audit in accordance with International Standards on Auditing (ISAs), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ❑ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ❑ Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- ❑ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ❑ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ❑ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the company's financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

We have not come across any other key audit issue for the year under audit, and as such noting is reportable.

Report on other Legal and Regulatory Requirements

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

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books;
- c) the statement of financial position and statement of profit or loss and other comprehensive income together with the annexed notes dealt with by the report are in agreement with the books of account and returns; and
- d) the expenditure incurred was for the purposes of the Company's business.

Place: Dhaka

Dated: October 31, 2021



Md. Nurul Hossain Khan FCA
Enrolment No: 0240
Managing Partner
Kazi Zahir Khan & Co.
Chartered Accounts
DVC: 2111020240AS700093

FAR Chemical Industries Limited
Statement of Financial Position
As at June 30, 2021

	Notes	Amount in Taka	
		30-06-2021	30-06-2020
Assets			
Non-current assets		2,324,807,921	1,935,940,443
Property, plant & equipment	4.00	2,323,259,450	1,934,391,972
Security deposit	5.00	1,548,471	1,548,471
Current assets		882,427,099	1,156,145,135
Inventories	6.00	24,788,277	535,592,517
Trade receivables	7.00	545,775,447	581,905,470
Advances, deposits and prepayments	8.00	59,399,046	23,608,225
STD Account (IPO)	9.00	2,945,000	2,945,000
STD Account (Dividend)	10.00	617,827	718,079
Cash and cash equivalents	11.00	248,901,502	11,375,844
Total Assets		3,207,235,020	3,092,085,578
Shareholder Equity and Liabilities			
Shareholders' equity		2,989,710,483	3,045,645,723
Share capital	12.00	2,180,934,230	2,180,934,230
Retained earnings	13.00	808,776,253	864,711,493
Non-Current Liabilities		5,460,252	5,603,529
Lease Liability	14.00	5,460,252	5,603,529
Deferred Tax Liability	15.00	-	-
Current Liabilities		212,064,285	40,836,326
Trade payables	16.00	-	32,426,095
Short term borrowings	17.00	195,734,277	131,076
Provision for Income tax	18.00	3,176,822	-
Refundable Deposits (IPO)	19.00	2,945,000	2,945,000
Dividend payables	20.00	617,827	718,079
Creditors and accruals	21.00	9,590,359	4,616,076
Total Shareholder Equity and Liabilities		3,207,235,020	3,092,085,578
Net Assets Value (NAV) per share	32.00	13.71	13.96

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

				
Chairman	Managing Director	Director	Chief Financial Officer	Company Secretary

As per our annexed report of even date

Dated: October 31, 2021
Place: Dhaka


Kazi Zahir Khan & Co.
Chartered Accountants

FAR Chemical Industries Limited
Statement of Profit or Loss and Other Comprehensive Income
For the year ended June 30, 2021

	Notes	Amount in Taka	
		30-06-2021	30-06-2020
Revenue	22.00	591,668,471	756,684,767
Less: Cost of sales	23.00	609,722,708	666,519,144
Gross profit		(18,054,237)	90,165,623
Less: Operating expenses			
Selling and distribution expenses	24.00	5,500,269	7,450,982
Administrative expenses	25.00	6,214,106	8,914,660
Employee Welfare expenses	26.00	752,675	772,549
		12,467,050	17,138,191
Profit from operation		(30,521,286)	73,027,432
Less: Financial expenses	27.00	560,567	1,119,903
Add: Foreign Exchange Gain/(Loss)	28.00	6,679	38,234
		(31,075,174)	71,945,763
Add: Other income	29.00	126,099	197,874
Profit before tax		(30,949,075)	72,143,637
Less: Income tax expenses	30.00	3,176,822	-
Profit after tax		(34,125,897)	72,143,637
Basic Earnings Per Share (EPS)	31.00	(0.16)	0.33

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

				
Chairman	Managing Director	Director	Chief Financial Officer	Company Secretary

As per our annexed report of even date

Dated: October 31, 2021
Place: Dhaka


Kazi Zahir Khan & Co.
Chartered Accountants

FAR Chemical Industries Limited
Statement of Changes in Equity
For the year ended June 30, 2021

Particulars	Share Capital Taka	Retained Earnings Taka	Total Taka
Balance at July 01,2020	2,180,934,230	864,711,493	3,045,645,723
Dividend Paid	-	(21,809,343)	(21,809,343)
Profit during the year	-	(34,125,897)	(34,125,897)
Balance at 30 June 2021	2,180,934,230	808,776,253	2,989,710,483

FAR Chemical Industries Limited
Statement of Changes in Equity
For the year ended June 30, 2020

Particulars	Share Capital Taka	Retained Earnings Taka	Total Taka
Balance at July 01,2019	1,982,667,480	990,834,606	2,973,502,086
Bonus Issue	198,266,750	(198,266,750)	-
Profit during the year	-	72,143,637	72,143,637
Balance at 30 June 2020	2,180,934,230	864,711,493	3,045,645,723

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

				
Chairman	Managing Director	Director	Chief Financial Officer	Company Secretary

As per our annexed report of even date

Dated: October 31, 2021
Place: Dhaka


Kazi Zahir Khan & Co.
Chartered Accountants

FAR Chemical Industries Limited
Statement of Cash Flows
For the year ended June 30, 2021

Notes	Amount in Taka	
	30-06-2021	30-06-2020
A. Cash flows from operating activities:		
Receipt from customers	627,803,982	792,321,469
Receipt from other income	126,099	197,874
Payment for cost of expenses	(113,372,087)	(663,861,481)
Payment for operating expenses	(6,878,015)	(15,506,684)
Payment of financial expenses	(560,567)	(1,119,903)
Income Tax Paid	(3,149,901)	-
Net cash from operating activities	503,969,512	112,031,276
B. Cash flows from investing activities:		
Acquisition of property, plant and equipment	(440,096,911)	(143,327,036)
Net cash used in investing activities	(440,096,911)	(143,327,036)
C. Cash flows from financing activities:		
Receipt/(Payment) against short term loan	195,591,000	(2,002,142)
Payment of Lease liability	(131,076)	(119,914)
Dividend paid	(21,809,343)	-
Net Cash used in financing activities	173,650,581	(2,122,056)
D. Net increase in cash and cash equivalents(A+B+C)	237,523,182	(33,417,817)
E. Foreign Exchange Gain/(Loss)-FC A/C	2,476	3,941
F. Opening cash and cash equivalents	11,375,844	44,789,720
G. Closing cash and cash equivalents (D+E+F)	248,901,501	11,375,844
Net Operating Cash Flow Per Share (NOCFPS) 33.00	2.31	0.51

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

				
Chairman	Managing Director	Director	Chief Financial Officer	Company Secretary

As per our annexed report of even date

Dated: October 31, 2021
Place: Dhaka


Kazi Zahir Khan & Co.
Chartered Accountants

FAR Chemical Industries Limited
Notes to the Financial Statements
For the year ended June 30, 2021

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 House No: 11 (Floor: 5-A), Road No: 12, Niketon, Gulshan-1, Dhaka-1212 and Registered office & factory is situated at Plot # 135-136 in CEPZ, Comilla Export Processing Zone, Comilla, Bangladesh. Subsequently the company has been converted to Public Limited Company under the Companies Act 1994 on 19 June 2012 and issue of Public offer of 12,000,000 ordinary shares of Tk. 10.00 each at par totaling to Tk.120,000,000 as Bangladesh Securities and Exchange Commission (BSEC) ref no. BSEC/CI/IPO-220/2013/98 dated February 05, 2014.

1.02 Nature of Business

The principal activities of the Company are to manufacture and export of Chemical products to different export oriented Textiles, dyeing and Apparels 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.

2.00 Basis of Preparation of Financial Statements

2.01 Statement of Compliance

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

2.02 Regulatory Compliances

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

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

2.03 Measurement Bases used in preparing the Financial Statements

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

2.04 Reporting Currency and Level of Precision

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

2.05 Preparation and Presentation of Financial Statements of the Company

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

2.06 Use of Estimates and Judgements

The preparation of these financial statements in conformity with International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) requires management to make judgements, 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: 15 Trade Payables

2.07 Reporting Period

The financial period of the companies covers one year from 1 July 2020 to 30 June 2021 and is followed consistently.

2.08 Cash Flow Statement

Statement of cash flows is prepared in accordance with "IAS 7: Cash Flow Statement" 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 3.19 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 3.20.
- 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 IAS	IAS's no.
1	Presentation of Financial Statements	1
2	Inventories	2
3	Statement of Cash Flows	7
4	Accounting policies, Changes in accounting Estimates & Errors	8
5	Events after the Reporting Period	10
6	Income Taxes	12
7	Property, Plant and Equipment	16
8	Employees Benefits	19
9	The Effects of Changes in Foreign Exchange Rates	21
10	Borrowing Costs	23
11	Related Party Disclosures	24
12	Accounting and Reporting by Retirement Benefit Plans	26
13	Interest in Joint Ventures	31
14	Earnings Per Share	33
15	Impairment of Assets	36
16	Provision, Contingent Liabilities and Contingent Assets	37
17	Financial Instruments: Recognition & Measurement	39

SL. No.	Name of the IFRS	IFRS No
1	Financial Instruments: Disclosures	7
2	Operating Segments	8
3	Financial Instruments	9
4	Disclosure of Interests in Other Entities	12
5	Revenue from Contracts with Customers	15
6	Leases	16

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

3.00 Significant Accounting Policies

3.01 Property, Plant & Equipment

3.01.1 Recognition and Measurement

Tangible fixed assets are accounted for according to "IAS 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.

3.01.2 Depreciation

Depreciation is provided on Reducing Balance Method except Leasehold Land Development (Cumilla EPZ) on the value at which the assets carried in the books of Accounts. Depreciation is charged at the rates varying from 2.50% 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 period of available for utilization of Property, Plant & machinery.

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

Category	Rate
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	10%
Furniture & Fixture	20%
ROU Assets (Leased Land)	(on straight line on the basis of leased tenure)

3.02 Components of the Financial Statements

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

- i. Statement of financial position as at 30 June, 2021
- ii. Statement of Profit or Loss and other comprehensive income for the financial year ended on 30 June, 2021
- iii. Cash Flows Statements for the financial year ended on 30 June, 2021
- iv. Statement of changes in equity for the financial year ended on 30 June, 2021
- v. Accounting policies and explanatory notes for the financial year ended on 30 June, 2021

3.03 Inventories

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

3.04 Revenue

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

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

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 IAS 21: "The effect of changes in Foreign Exchange Rates". Monetary assets and liabilities denominated in the foreign currencies are translated at prevailing rates on the balance sheet (financial position) date. Non monetary assets and liabilities denominated in foreign currencies, which are related at historical cost, are translated into Bangladesh Taka at the exchange date ruling at the date of transactions. Foreign exchange fluctuation gain/losses are charged to statement of Profit or Loss and Other Comprehensive Income whenever arise.

3.06 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 IAS 23: Borrowing Costs.

3.07 Leased Assets

The company made renewable lease arrangement with Bangladesh Export Processing Zone Authority (BEPZA) for industrial Plot #135-136 in Cumilla EPZ on 15 October 2008 for 30 years. Since inception to the last year, the lease has classified as an operating lease as it does not transfer substantial risks and rewards incidental to the ownership consistent with the view laid down in IAS - 17 Leases. The total area is 4,000 Sq. meters (approximately).

In the context of the application of IFRS 16, right-of-use assets and lease liabilities were recognized onward on 1 July 2019. The Company transitioned to IFRS 16 in accordance with the modified approach and therefore prior years' figures were not adjusted. In addition, the Company has decided not to apply the new guidance to leases whose term will end within twelve months of the date of initial application and leases of low-valued assets. The asset is written off on a straight-line basis over the rest tenure of the lease agreements onward from 1 July, 2019. Hence, the useful life of any lease assets depends on the number of periods the assets can be used. The useful life of such assets is dependent on individual agreement and can vary from one agreement to another. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. In calculating the present value of lease payments, the company uses incremental borrowing rate which is at present @ 9% at the date of commencement of IFRS 16 by the company for leased assets because the interest rate implicit in the lease is not readily determinable.

3.07.1 Measurement of lease payments

In the reporting year, depreciation, interest expenses, impairment losses etc. recognized as expense in the income statement as per requirement of IFRS 16.

3.08 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.

3.09 Taxation**3.09.1 Current Tax**

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

3.09.2 Deferred Tax

Deferred tax arises due to temporary difference deductible or taxable for the transaction. A temporary difference between the tax base of an asset or liability and its carrying amount/or amount in the Statement of Financial Position. Deferred tax assets or liability is the year income tax recoverable or payable in future periods recognized in the current period as per "IAS 12: Income Tax. Calculation of deferred tax has shown in note no. 15.00.

3.10 Provisions

The preparation of financial statements in conformity with International Accounting Standard IAS - 37 Provisions, Contingent Liabilities and Contingent Assets requires management to make estimates and assumption that affect the reported amounts of revenues and expenses, assets and liabilities, and the disclosure requirements for contingent assets and liabilities during and at the date of the financial statements.

In accordance with the guidelines as prescribed by IAS - 37 provisions were recognized in the following situations:

- When the Company has a present obligation as a result of past event;
- When it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- Reliable estimates can be made of the amount of the obligation.

An appropriate level with regard to an adequate provision for risks and uncertainties has been shown in the Statement of Financial Position. An amount recorded as a provision represents the best estimate of the probable expenditure required to fulfill the current obligation on the date of Statement of Financial Position.

3.11 Contingencies

Contingent liabilities and assets are current or possible obligations or assets, arising from past events and whose existence is due to the occurrence or non-occurrence of one or more uncertain future events which are not within the control of the company. In accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets are disclosed in the notes to the financial statements.

3.12 Earnings per Share (EPS)

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

Basic Earnings

This represents earnings for the period attributable to the ordinary shareholders. As there are no preference dividend, minority interest or extra ordinary items, the net profit for the year has been considered as fully attributable to ordinary shareholders. Basic earnings per 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.

3.13 Segment Reporting

No segmental reporting is applicable for the company as required by "IFRS 08: Operating Segments" as the company operates in a single industry segment and within as geographical segment.

3.14 Event after Statement of Financial Position Date

In compliance with the requirements of "IAS-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 date on which the financial statements are authorized for issue.

3.15 Employee Benefits

3.15.1 Worker's Profit Participation

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. So there is no provision for Worker's Profit Participation Fund in company's profits as per BEPZA rules.

3.15.2 Provident Fund

The Company has established and maintaining Contributory Provident Fund in compliance to the requirement of "The EPZ employees (Contributory) Provident Fund Policy -2012". The fund is administrated by the 6 members Board of Trustees of which 3 members are nominated from employer's side and remaining 3 members fulfilled from the representative from Workers Welfare Association. All members of trustee shall hold their position for three years. The member of the trustee board within the limit of the policy shall together hold absolute measure to take any decision for implementation of the provident fund.

3.15.3 Workers Welfare Fund

The company has been paying against "Workers Welfare Fund" to BEPZA since 1st February 2013 in compliance to the requirement of BEPZA rules. The management of the fund is maintained by BEPZA according to the rules & guidelines imposed under the style of 'Constitution and Operation Procedure of EPZ Worker's Welfare Fund 2012'.

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. 545,775,447.00
Less: Related Parties	Tk. <u>5,094,600.00</u>
Net from Customers	Tk. <u>540,680,847.00</u>

Out of the total trade debts of Tk. 545,775,447.00 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	235,247,893	-
Over 6 months	310,527,554	-
Total	545,775,447	-

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	-	-	-	-	-
Short term borrowing	195,734,277	-	195,734,277	195,734,277	-
Total	195,734,277	-	195,734,277	195,734,277	-

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 30, 2021 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 and Proposed Dividend

The financial statements were authorized for issue on 28 October, 2021 by the board of the Directors of the company. Board of Directors recommended 1% cash dividend for the financial year ended 30th June, 2021. Therefore, amount to be distributed as dividend BDT. 21,809,343 subject to final approval by the shareholders at the company's forthcoming AGM.

3.18 Impact of Covid-19

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

3.19 Expansion of 2nd Unit (Spinning Unit) and shifting process of Chemical factory's Plant, Equipment and Machineries from Cumilla EPZ to Own Premises at Rupgonj, Narayagonj:

Construction of Civil Work of 2nd Unit (Spinning Unit):

The company has almost completed construction work of its 2nd unit (spinning unit) at Rupgonj Narayagonj in its own premises. All Machineries LCs has already opened; production is estimated to start by August, 2022.

Chemical factory's Plant, Equipment and Machineries Shifting Process:

The Company has also almost constructed a chemical factory in its own premises at Rupgonj, Narayagonj. As per the decision of shareholders at the last AGM held on 22 December 2020 Chemical factory's plant, equipment and machineries shifting is under way from Cumilla EPZ to newly constructed own premises at Rupgonj, Narayagonj. Within few months, new chemical factory's production is estimated to start.

3.20 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 prior years have been rearranged wherever considered necessary to ensure comparability with the current year.

		Amount in Taka	
		30-06-2021	30-06-2020
4.00	Property, plant & equipment		
	At cost		
	Opening balance	2,604,783,759	2,461,325,646
	Addition during the year	440,096,911	143,458,112
		3,044,880,670	2,604,783,759
	Accumulated depreciation		
	Opening balance	670,391,786	614,183,866
	Charged during the year	51,229,434	56,207,921
		721,621,220	670,391,786
	Written down value as on June 30	2,323,259,450	1,934,391,972
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		
		<u>Notes</u>	
	Raw materials	6.01 13,847,835	341,647,339
	Work-in-process	6.02 589,743	10,259,547
	Packaging materials	6.03 259,786	8,976,751
	Finished goods	6.04 9,854,366	168,777,293
	Store items	6.05 236,547	5,931,587
		24,788,277	535,592,517
6.01	Raw materials		
	Opening stock	341,647,339	335,134,783
	Add: Purchase during the year	3,113,600	586,247,931
	Raw materials available for production	344,760,939	921,382,714
	Less: Input to production	330,913,104	579,735,375
		13,847,835	341,647,339
6.02	Work-in-process		
	Opening work-in-process	10,259,547	10,154,239
	Add: Current year	339,759,916	601,239,844
		350,019,463	611,394,083
	Less: Transfer to finished goods	349,429,720	601,134,536
		589,743	10,259,547
6.03	Packaging materials		
	Opening stock	8,976,751	7,021,747
	Add: Purchase during the year	129,847	23,459,473
		9,106,598	30,481,220
	Less: Consumption during the year	8,846,812	21,504,469
		259,786	8,976,751
6.04	Finished goods		
	Opening stock	168,777,293	111,955,729
	Add: Production during the year	450,822,281	723,543,158
	Less: Cost of free issue	(22,500)	(202,450)
	Production available for export	619,577,074	835,296,437
	Less: Cost of goods sold	609,722,708	666,519,144
		9,854,366	168,777,293
6.05	Store items		
	Opening stock	5,931,587	4,031,175
	Add: Purchase during the year	87,593	10,731,251
		6,019,180	14,762,426
	Less: Consumption during the year	5,782,633	8,830,839
		236,547	5,931,587

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	Amount in Taka	
	30-06-2021	30-06-2020
7.00 Trade receivables		
Opening balance	581,905,470	617,542,172
Add: Export during the year	591,668,471	756,684,767
Less: Realization during the year	627,798,494	792,321,469
	545,775,447	581,905,470
Receivables due over six months	310,527,554	-
Receivables due below six months	235,247,893	581,905,470
	545,775,447	581,905,470

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	30-06-2021	30-06-2020
i. Receivables considered good in respect of which the company is fully secured	315,622,154	581,905,470
ii. Receivables considered good in respect of which the company holds no security other than the debtor personal security	235,247,893	-
iii. Receivables considered doubtful or bad		-
iv. Receivables due by directors or other officers & staffs		-
v. Receivables due from companies under same management	5,094,600	998,368
vi. The maximum amount of receivable due by any director or other officer of the company		-

7.01 Movement of Trade Receivable		
Opening Balance	581,905,470	617,542,172
Add: Export/ Credit Sales during the year	591,668,471	756,684,767
Less: Realized during the year	627,803,982	792,321,469
	545,775,447	581,905,470
8.00 Advances, deposits and prepayments		
Sundry Advances 8.01	53,953,960	20,642,960
Advance Salary	2,295,185	2,415,726
M/S. Abul Khair Steel	-	423,125
M/S. Sattar Enterprise	-	126,414
Advance Income Tax 8.02	3,149,901	-
	59,399,046	23,608,225
8.01 Sundry Advances		
Mr. MA Bari	-	4,795,917
Mr. Uttam Kumar	1,916,205	2,124,096
M/S. Gazi Enterprise	21,338	8,795
M/S. Omer Electrical Engineering Works	238,404	249,951
Md. Abul Khair Manik	13,808,979	11,447,854
M/S. Bangla Trac Ltd.	-	817,897
M/S. L/N Enterprise	-	211,125
Advance against LC Commission	1,783,713	-
Advance against Insurance	817,000	-
Advance to Narayangonj Palli Biddut Smriti-2	408,270	-
M/S. Creative Design and Development	-	211,787
M/S. Tropical Vertical Mover	-	57,765
M/S. Denmark Refrigeration Workes	-	717,773
M/S. Premier Cement Mills Ltd.	8,785,746	-
M/S Shah Cement Industries Ltd.	9,087,654	-
M/S Mofazzal & Brothers	2,654,876	-
M/S. Zubair Construction	3,687,452	-
M/S Hasin Textile Mills	2,789,541	-
M/S. Abul Khair Steel Melting Ltd	7,954,782	-
	53,953,960	20,642,960
8.02 Advance Income Tax		
Opening balance	-	-
Addition during the year-Export	3,138,992	-
Addition during the year-Interest Income	10,909	-
	3,149,901	-
Less: Adjustment during the year	-	-
	3,149,901	-
8.03 Movement of Advances, Deposits and Prepayments		

	Amount in Taka	
	30-06-2021	30-06-2020
Opening Balance	23,608,225	38,808,225
Add: Addition during the year	78,115,440	19,125,257
	101,723,665	57,933,482
Less: Adjustment during the year	42,324,619	34,325,257
	59,399,046	23,608,225
9.00 STD Account (IPO)		
STD Account (BRAC Bank)	2,945,000	2,945,000
	2,945,000	2,945,000
10.00 STD Account - Dividend		
STD Account (SBACBL)	617,827	718,079
	617,827	718,079
11.00 Cash and Cash equivalents		
Cash in hand - Head Office	155,612	1,085,730
Cash in hand - Factory	921,725	5,808,611
Cash at bank:		
Al-Arafah Islami Bank Ltd	48,869,322	4,136,942
Social Islami Bank Limited	65,015	64,250
Social Islami Bank Limited	1,307,682	266,300
SBAC Bank Limited	1,582,146	1,730
Bank Asia Limited	-	12,281
Cash at bank: FDR (Notes - 11.01)	196,000,000	-
	248,901,502	11,375,844
11.01 Cash at bank: FDR		
Al-Arafah Islami Bank Ltd # 9398	40,000,000	-
Al-Arafah Islami Bank Ltd # 9409	40,000,000	-
Al-Arafah Islami Bank Ltd # 9411	40,000,000	-
Al-Arafah Islami Bank Ltd # 9422	20,000,000	-
Al-Arafah Islami Bank Ltd # 9455	40,000,000	-
Al-Arafah Islami Bank Ltd # 9477	16,000,000	-
	196,000,000	-
12.00 Share capital:		
12.01 Authorized share capital :		
300,000,000 ordinary shares of Taka 10/= each.	3,000,000,000	3,000,000,000
12.02 Issued, subscribed and paid-up capital:		
218,093,423 Ordinary Shares of Tk. 10/- each fully paid-up.	2,180,934,230	2,180,934,230

The shareholding position of the company are as under:

Name	No. of shares	Percentages (%)	Amount in Taka
Sponsors & Directors	65,957,620	30.24%	659,576,200
Local Institutions	28,572,075	13.10%	285,720,750
General Shareholder	123,563,728	56.66%	1,235,637,280
Total	218,093,423	100.00%	2,180,934,230

12.03 Classification of shareholders by holdings:

The composition of shareholders at June 30, 2021.

Ranges of Shareholdings	30-06-2021		30-06-2020	
	No. of Holder	% of holding	No. of Holder	% of holding
Less than or equal to 500 Shares	2,723	19.90%	2,944	19.46%
501 to 1,000 Shares	1,897	13.86%	1,921	12.69%
1,001 to 5,000 Shares	4,621	33.77%	5,500	36.35%
5,001 to 10,000 Shares	1,750	12.79%	2,067	13.66%
10,001 to 20,000 Shares	1,367	9.99%	1,353	8.94%
20,001 to 30,000 Shares	470	3.43%	484	3.20%
30,001 to 40,000 Shares	231	1.69%	253	1.67%
40,001 to 50,000 Shares	144	1.05%	152	1.00%
50,001 to 100,000 Shares	252	1.84%	282	1.86%
100,001 to 1,000,000 Shares	211	1.54%	159	1.05%
Over 1,000,000 Shares	19	0.14%	17	0.11%
Total	13,685	100.00%	15,132	100%

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		Amount in Taka	
		30-06-2021	30-06-2020
13.00	Retained earnings		
	Opening balance	864,711,493	990,834,606
	Less: Dividend Paid	(21,809,343)	198,266,750
		<u>842,902,150</u>	<u>792,567,856</u>
	Add: Profit during the year	(34,125,897)	72,143,637
		<u>808,776,253</u>	<u>864,711,493</u>
14.00	Lease Liability		
	Opening balance	5,734,605	-
	Add: Current year charged	-	5,854,519
	Less: Payment	131,076	119,914
	Less: Short term lease liability	143,277	131,076
		<u>5,460,252</u>	<u>5,603,529</u>
15.00	Deferred Tax		
	Opening balance	-	-
	Add: Current year charged	-	-
		<u>-</u>	<u>-</u>
16.00	Trade Payable		
	CJTECH Co Ltd.	-	11,599,663
	SFC Co Ltd.	-	11,798,543
	SBC Co Ltd.	-	1,167,842
	OCI Corporation	-	2,876,706
	Nuchem Dyestuffs PVT. Ltd	-	4,983,341
		<u>-</u>	<u>32,426,095</u>
16.01	Movement of Trade Payable		
	Opening Balance	32,426,095	38,964,750
	Add: Import/Purchases during the year	3,331,040	620,438,655
	Less: Payment made during the year	35,757,135	626,977,310
		<u>-</u>	<u>32,426,095</u>
17.00	Short term borrowings		
	Lease Liability 17.01	143,277	131,076
	Short term borrowings - Unsecured 17.02	195,591,000	-
		<u>195,734,277</u>	<u>131,076</u>
17.01	Short term borrowings		
	Lease Liability	143,277	131,076
		<u>143,277</u>	<u>131,076</u>
17.02	Short term borrowings - Unsecured		
	Samin Food and Bevarage & Textile Mills Ltd	22,091,000	-
	MN Industries Ltd	84,900,000	-
	Rezwana Rahman Rini	88,600,000	-
		<u>195,591,000</u>	<u>-</u>
18.00	Provision for Income tax		
	Opening balance	-	-
	Add: Current year charged	3,176,822	-
		<u>3,176,822</u>	<u>-</u>

	Amount in Taka	
	30-06-2021	30-06-2020
19.00 Refundable Deposits (IPO)		
General Public Subscription Money	2,945,000	2,945,000
	2,945,000	2,945,000
20.00 Dividend payables		
Dividend payable	617,827	718,079
	617,827	718,079
21.00 Creditors and accruals		
Electricity bill	45,242	48,219
Water bill	13,259	12,881
Medical subscription-BEPZA	21,662	21,402
Employee Welfare Fund	8,495	8,393
Automation Service-BEPZA	1,000	1,000
Land Rent	162,530	160,578
Bangladesh Association of Publicly Listed Companies	50,000	50,000
Dhaka Stock Exchange Ltd	600,000	997,400
Chittagong Stock Exchange Ltd	600,000	997,400
Central Depository Bangladesh Ltd	128,899	128,899
Salaries and wages	1,957,487	1,031,548
Director remuneration and fees	50,000	50,000
Sundry creditors	364,587	488,568
M/S Jubair Construction	49,877	92,458
Audit and professional fees	300,000	300,000
M/S Alhaj Supply & Transport	65,479	94,783
M/S Khan Associates	106,458	132,547
Masud Steel Design BD. Ltd	5,065,384	-
	9,590,359	4,616,076
22.00 Revenue		
Softening Agent	133,853,876	238,538,770
Scouring Agent	90,137,791	101,377,916
Anti-Foaming Agent	60,816,131	68,161,317
Levelling Agent	51,704,125	67,041,260
Fixing Agent	60,520,537	65,205,373
Stabilizer	71,252,811	72,528,113
Retarding Agent	71,783,098	77,830,989
Bleaching Agent	21,208,561	32,085,612
Others	30,391,541	33,915,418
	591,668,471	756,684,767
Sales Revenue has declined during the Year 2020-2021 than the previous year due to fall of unit selling price as well as the global effect of Covid-19.		
23.00 Cost of sales		
Raw materials consumed-Chemicals (Note-23.01)	330,913,104	579,735,375
Packaging materials consumed (Note-23.02)	8,846,812	21,504,469
	339,759,916	601,239,844
Add: Work in process- Opening	10,259,547	10,154,239
	350,019,463	611,394,083
Less: Work in process- Closing	589,743	10,259,547
Total consumption	349,429,720	601,134,536
Add: Manufacturing overhead (Note-23.03)	50,777,880	66,875,196
Add: Depreciation (Annexure-A)	50,614,681	55,533,426
Cost of production	450,822,281	723,543,158
Add: Finished goods - opening	168,777,293	111,955,729
	619,599,574	835,498,887
Less: Finished goods - closing	9,854,366	168,777,293
Change of finished goods stock	609,745,208	666,721,594
Less: Cost of free issue	22,500	202,450
	609,722,708	666,519,144

	Amount in Taka	
	30-06-2021	30-06-2020
23.01 Raw materials consumed-chemicals		
Opening Stock	341,647,339	335,134,783
Add: Purchase during the period	3,113,600	586,247,931
Raw materials available for production	344,760,939	921,382,714
Less: Closing Stock	13,847,835	341,647,339
Consumption during the period	330,913,104	579,735,375
23.02 Packaging materials consumed		
Opening Stock	8,976,751	7,021,747
Add: Purchase during the period	129,847	23,459,473
Consumable Item available for packing.	9,106,598	30,481,220
Less: Closing Stock	259,786	8,976,751
Consumption during the period	8,846,812	21,504,469
23.03 Manufacturing overhead		
Salaries and wages	21,884,153	23,545,455
Fuel, water and power	13,451,219	20,434,028
Printing and stationary	401,257	486,674
Conveyance expenses	426,879	554,780
Mobile bill	52,500	55,875
Store and spares consumed (Note-6.05)	5,782,633	8,830,839
Rent, rates and taxes	4,382,331	5,249,667
Medical expenses	367,822	654,870
Food and Tiffin	1,046,814	1,320,457
Labor charge	1,355,396	1,654,084
Repair and maintenance (Note-22.03.1)	173,797	2,286,947
Carrying Charge	522,081	655,836
Other overhead	930,998	1,145,684
	50,777,880	66,875,196
23.03.1 Repairs and maintenance		
Plant and Machinery	142,116	1,962,927
Buildings	29,147	221,473
Others	2,534	102,547
	173,797	2,286,947
24.00 Selling and distribution expenses		
Salaries and wages	2,037,040	1,954,500
Transportation and handling expenses	1,901,580	2,891,377
Repairs and maintenance	71,248	184,705
Rent	360,000	360,000
Electricity & water	499,420	595,267
Sales promotion expenses	30,500	460,100
Traveling expenses	207,806	284,567
Entertainment expenses	57,924	154,790
Miscellaneous expenses	36,980	35,478
Sample, test and analysis	90,845	125,400
Cost of free issue	22,500	202,450
Depreciation (Annexure-A)	184,426	202,349
	5,500,269	7,450,982

	Amount in Taka	
	30-06-2021	30-06-2020
25.00 Administrative expenses		
Salaries and wages	1,101,534	1,293,815
Postage and telecommunication	20,311	36,257
Traveling, haulage and passage	310,898	375,425
Repair and maintenance	84,417	147,485
Electricity, fuel and water	377,640	437,361
Printing and stationery	32,342	145,355
Rent, rates and taxes	2,596,610	4,613,658
Subscription and donation	82,549	168,778
Entertainment	26,478	35,480
Legal and professional Charge	16,000	25,000
Audit and professional fees	300,000	300,000
Miscellaneous expenses	14,500	35,400
News paper and periodicals	2,400	4,700
AGM Expenses	146,100	155,800
Director remuneration	600,000	600,000
Board meeting attendance fees	72,000	68,000
Depreciation (Annexure-A)	430,327	472,147
	6,214,106	8,914,660
26.00 Employee welfare expenses	752,675	772,549
	752,675	772,549
27.00 Financial expenses		
Bank Charges	48,794	59,311
Interest on Trust Receipt	-	537,657
Interest on lease liability	511,773	522,935
	560,567	1,119,903
28.00 Foreign Exchange Gain/(Loss)		
Exchange Gain/(Loss)	6,679	38,234
	6,679	38,234
29.00 Other income		
Sale of wastage	17,006	197,874
Interest Income	109,093	-
	126,099	197,874
30.00 Income Tax Expenses		
Current Tax on operating income (Notes -30.01)	3,138,992	
Current Tax on other income	37,830	
Deferred Tax (Notes - 30.02)	-	
	3,176,822	
30.01 Current Tax		
Profit before Tax	(30,949,075)	
Add: Depreciation as Accounting base	51,229,434	
Less: Depreciation as Tax base	71,342,090	
Taxable Income or Loss	(51,061,731)	
Tax Rate	25.00%	
Current Tax	(12,765,433)	
Minimum Tax	3,138,992	
So, Current Tax during the year, higher one	3,138,992	
30.02 Deferred Tax		
Property, Plant & Equipment		
Carrying amount as Accounting base	2,323,259,450	
Carrying amount as Tax base	1,532,634,885	
Difference	790,624,564	
Tax Rate	25%	
Total maximum deferred tax liability at the end of the year	197,656,141	
Total maximum deferred tax liability at the beginning of the year	-	
Total maximum deferred tax for the year	197,656,141	
Total tax on operating income for the year	-	
Less: Current tax (Minimum tax on realization and tax on other incor	-	
Deferred tax as per total tax liability	-	
Deferred tax for the year	-	

Amount in Taka	
30-06-2021	30-06-2020

31.00 Basic earnings per share for the year:**Earnings from Core Business**

a) Net Profit after Tax excluding other Income	(34,125,897)	71,945,763
b) Weighted average number of shares outstanding (Note-31.01)	218,093,423	218,093,423
Basic Earnings per share (EPS) from core business(a/b)	(0.16)	0.33

Earnings from other Income

a) Other Income	126,099	197,874
b) Weighted average number of shares outstanding	218,093,423	218,093,423
Basic Earnings per share from other Income (a/b)	0.0006	0.0009

Basic earnings per share

(0.16)	0.33
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Basic earnings per share (Adjusted)

(0.16)	0.33
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31.01 Weighted average number of shares outstanding**For the year 2020-2021**

Particulars	Number of Share	Weight	Weighted average no. of Shares
Opening Shares	218,093,423	365/365	218,093,423
Total	218,093,423		218,093,423

For the year 2019-2020

Particulars	Number of Share	Weight	Weighted average no. of Shares
Opening Shares	198,266,748	365/365	198,266,748
Bonus Shares	19,826,675	365/365	19,826,675
Total	218,093,423		218,093,423

32.00 Net Assets Value (NAV) per share

Total Assets	3,207,235,020	3,092,085,578
Less: Total outside liability	217,524,537	46,439,855
a. Net Asset Value	2,989,710,483	3,045,645,723
b. Total number of shares outstanding	218,093,423	218,093,423
Net Assets Value (NAV) per share (a/b)	13.71	13.96

33.00 Net operating cash flow per share (NOCFPS)

a) Net Operating Cash Flow (Numerator)	503,969,512	112,031,276
b) No of Shares outstanding	218,093,423	218,093,423
Net operating cash flow per share (NOCFPS) (a/b)	2.31	0.51

34.00 Reconciliation of cash generated by operations

Net Profit/(Loss) Before Tax	(30,949,075)	72,143,637
Add: Depreciation	51,229,434	56,207,921
Increase/Decrease in inventory	510,804,240	(67,294,844)
Increase/Decrease in bills receivables	36,130,023	35,636,702
Increase/Decrease in advance, deposits & prepayments	(38,530,921)	15,200,000
Increase/Decrease in bills payables	(32,426,095)	(815,212)
Income tax paid	(3,149,901)	-
Increase/Decrease in creditors & accrues	4,974,283	957,013
Foreign Exchange Gain	(2,476)	(3,941)
	503,969,512	112,031,276

35.00 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 IAS 24- Related Party Disclosures:

Name of related party	Nature of Transaction	Outstanding Balance as at June 30, 2021
M.L. Dyeing Limited	Sale of Goods	5,094,600
Total		5,094,600

36.00 Production and product mix

Production capacity per year 11,000,000 Kg and during the year company produces 3,045,812 Kg of different types of Chemicals made up as follows:

Type of Chemicals	Production Qty in Kg	Product Mix
Softening Agent	675,257	22.17%
Scouring Agent	258,894	8.50%
Anti-Foaming Agent	289,657	9.51%
Levelling Agent	220,212	7.23%
Fixing Agent	261,026	8.57%
Stabilizer	282,042	9.26%
Retarding Agent	377,072	12.38%
Bleaching Agent	410,271	13.47%
Others	271,382	8.91%
Total	3,045,812	100.00%

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

Employee Position (as on June 30, 2021)

Salary Range	Officer & Staff		Worker	Total Employee
	Factory	Head Office		
Below 6300	15	5	42	62
Above 6300	8	13	193	214
Total	23	18	235	276

36.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, 2020 to June 30, 2021

Remuneration & Board Meeting attendance Fees: Tk.672,000

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	-	14,000	14,000
Md. Shirazul Haque (Representative of FAR Pharmaceuticals Ltd.)	MD	600,000	16,000	616,000
Md. Mehedi Hasan (Representative of S.S Energy Explosion Ltd.)	Director	-	16,000	16,000
Mr. Md. Abdullah	Independent Director	-	16,000	16,000
Mr. Sayed Md. Tajon Islam	Independent Director	-	10,000	10,000
Total		600,000	72,000	672,000

37.00 Events after reporting period (IAS-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 except note- 3.20.

38.00 Other commitments, contingencies and relevant information**38.01 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, 2021 as required under Para 3, Schedule XI, Part II of the Companies Act 1994 are given below:

Particulars	01-07-2020 to 30-06-2021		01-07-2019 to 30-06-2020	
	Quantity in Kg	Amount in Taka	Quantity in Kg	Amount in Taka
Export- Sales	5,078,263	591,668,471	6,375,895	756,684,767
Total	5,078,263	591,668,471	6,375,895	756,684,767

38.02 Capital expenditure commitment

The company has procured 342.46 decimal land at Rupganj, Narayanganj where it has almost constructed a Chemical factory building on that land and also has almost completed construction work for its 2nd unit (spinning unit) factory building. Shifting of machineries and other equipments are under way of processing from EPZ Cumilla to newly constructed own premises. All Machineries LCs for Spinning unit has already opened. Production of this spinning unit is estimated to start by August, 2022 and production of chemical unit is estimated within December 2021.

38.03 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.

38.04 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, 2021

Annexure-A

Particulars	Cost			Rate of depreciation/amortization	Depreciation			Written Down Value as at June 30, 2021	Written Down Value as at June 30, 2020
	Balance as on July 01, 2020	Addition during the year	Disposal during the year		Balance as on July 01, 2020	Charged during the year	Adjustment during the year		
Leasehold land development	35,030,163	-	-	3.33%	9,664,526	844,676	-	10,509,202	25,365,637
Land and Land development	1,209,467,171	-	-	0.00%	-	-	-	-	1,209,467,171
Factory building	325,449,642	-	-	2.5%	56,070,923	6,734,468	-	62,805,391	262,644,251
Factory building-Spinning Unit	-	296,077,745	-	2.5%	-	-	-	-	296,077,745
Factory building-Chemical Unit	-	143,658,734	-	2.5%	-	-	-	-	143,658,734
Plant and machinery	835,260,970	-	-	10.00%	500,195,886	33,506,508	-	533,702,394	301,558,576
Electrical installation	64,769,413	-	-	10.00%	35,359,236	2,941,018	-	38,300,254	26,469,159
Electrical installation-Spinning Unit	-	360,432	-	10.00%	-	-	-	-	360,432
Compressor	81,106,070	-	-	10.00%	41,097,679	4,000,839	-	45,098,518	36,007,552
Fork lift	15,562,879	-	-	10.00%	8,570,519	699,236	-	9,269,755	6,293,124
Water line installation	18,458,150	-	-	10.00%	18,458,150	885,229	-	10,491,085	7,967,065
Office equipment	7,435,521	-	-	10.00%	3,905,847	352,967	-	4,258,814	3,176,707
Furniture and Fixture	6,389,261	-	-	20.00%	4,945,562	288,740	-	5,234,302	1,154,959
Sub-total	2,598,929,240	440,096,911	-		669,416,034	50,253,681	-	719,669,715	2,319,356,436
Leased Assets	5,854,519	-	-		975,753	975,753	-	1,951,506	4,878,766
Grand-total	2,604,783,759	440,096,911	-		670,391,787	51,229,434	-	721,621,221	2,323,259,450
Balance as on June 30, 2021	2,604,783,759	440,096,911	-		670,391,787	51,229,434	-	721,621,221	2,323,259,450
Balance as on June 30, 2020	2,461,325,647	143,458,112	-		614,183,866	56,207,921	-	670,391,787	1,934,391,972

Allocation of depreciation

Cost of sales (Note-21)	50,614,681	98.80%
Selling and Distribution Expenses (Note-22.00)	184,426	0.36%
Administrative Expenses (Note-23.00)	430,327	0.84%
	<u>51,229,434</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. ROU of Leased Assets amortized on straight line basis based on remaining lease periods.

FAR Chemical Industries Limited

Corporate Office: House#11 (Floor: 5A)

Road # 12, Block-F, Niketon

Gulshan-1, Dhaka-1212

PROXY FORM

I/We..... of
.....being a shareholder of FAR Chemical Industries Limited and entitled to vote hereby appoint Mr./Ms as my/our proxy to attend and vote for me/us on my/our behalf at the 14th Annual General Meeting of the Company to be held on Tuesday, the 21st December, 2021 at 12:30 a.m. at Jam Jam Hotel & Resort Hall, Shankerpur, Cumilla and at any adjournment thereof.

As witness my/our hand this day of.....2021.

(Signature of the Shareholder)

(Signature of Proxy)

Affix
Twenty Taka
Revenue
Stamp

Folio No./BO ID No.

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NO. of Shares held Dated

Note :

01. A member entitled to attend and vote at the Annual General Meeting may appoint a Proxy to attend and vote in his/her behalf.
02. The Proxy Form, duly stamped, must reach at the share office Located at House # 11 (Floor:5A), Road # 12, Block-F, Niketon, Gulshan-1, Dhaka-1212 of the company not less than 48 hours before of the meeting.

FAR Chemical Industries Limited

Corporate Office: House#11 (Floor: 5A)

Road # 12, Block-F, Niketon

Gulshan-1, Dhaka-1212

SEAL

ATTENDANCE SLIP

I/We hereby record my/our attendance at the 14th Annual General Meeting of the company being held on Tuesday, the 21st December, 2021 at 12.30 at Jam Jam Hotel & Resort Hall, Shankerpur, Cumilla.

Name of Shareholder/Proxy

Folio No./BO ID No.

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NO. of Shares held

(Signature of Proxy)

(Signature of the Shareholder)

N.B: Please present this slip duly signed at the entrance of the Meeting Hall.



FAR CHEMICAL INDUSTRIES LIMITED

Corporate Office : House # 11 (Floor: 5-A), Road # 12, Block # F, Niketon, Gulshan-1
Dhaka-1212, Bangladesh. Tel : 88-02-48810052, Fax : 88-02-48810055
E-mail : farchemicaltd@gmail.com, www.farchemicalbd.com
Factory : Plot # 135-136, Cumilla Export Processing Zone, Cumilla, Bangladesh