

Annual Report

2022-2023



FAR CHEMICAL & TEXTILE IND. PLC

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 & textile dyeing chemical industry by producing the best quality textile & 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 & textile dyeing chemical products.

Support the society through Corporate Social Responsibility initiatives.



MISSION

Our Mission is to produce and export best quality textile & textile dyeing chemicals to the garments & 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 15th Annual General Meeting -2022



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Transmittal Letter

November 28, 2023

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, 2023

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 2023, Statement of Profit or Loss and other Comprehensive Income, Changes in Equity and Cash Flows for the year ended 30th June 2023 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 16th Annual General Meeting of the shareholders of FAR Chemical & Textile Ind. PLC. will be held virtually on December 21, 2023 (Thursday) 12.00 P.M. under Digital Platform through the link <https://farchemicalbd.bdvirtualagm.com> 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, 2023 together with reports of the Auditors and the Directors thereon.
2. To declare "No Dividend" as recommended by the Board of Directors.
3. To elect / re-elect Directors.
4. To appoint Auditors for the financial year 2023-2024 and to fix their remuneration.
5. To transact any other business of the Company with the permission of the Chair.

Dhaka.
October 19, 2023

By order of the Board,



ABM Golam Mostafa FCMA
Company Secretary

Notes:

- (1) The Record Date of the Company shall be on 12 November, 2023.
- (2) The Shareholders of the Company, whose name will appear in the Depository Register on the record date i.e. 12 November 2023, shall be eligible virtually to attend at the 16th Annual General Meeting and to be entitled for the dividend, if any.
- (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 2022-2023 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 2022-2023 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) Members may visit and vote through the link <https://farchemicalbd.bdvirtualagm.com> which will remain open 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 as per Bangladesh Securities & Exchange Commission Notification No. SEC/CMRRCD/2009-193/154 dated 24 October 2013.

CORPORATE DIRECTORY

BOARD OF DIRECTORS (AFTER AMAMLGAMATION)

Chairman	: Mr. Abid Mustafizur Rahman
Managing Director	: Mr. Akik Habibuzzaman
Director	: Mr. Faiaz Kader
Director	: Mrs. Jahadha Khondoker
Director	: Mr. Fatin Kader Fardin
Independent Director	: Mr. Sayed Md. Tajon Islam
Independent Director	: Mrs. Afroza Nilufa Yeasmin

AUDIT COMMITTEE

Chairman	: Mr. Syed Md. Tajon Islam
Member	: Mr. Mohammad Mehedi Hasan
Member	: Mrs. Afroza Nilufa Yeasmin
Member Secretary	: Mr. ABM Golam Mostafa FCMA

NOMINATION & REMUNERATION COMMITTEE (NRC)

Chairman	: Mrs. Afroza Nilufa Yeasmin
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. Sk. Rezaul Islam
Head of Internal Audit	: Mr. Gopal Chandra Basak
GM Marketing	: Mr. Md. Jahidul Islam, MBA

STATUTORY AUDITORS

Kazi Zahir Khan & Co.

Chartered Accountants

Head Office: Home Town Apartments (Level-15), 87 New Eskaton Road, Dhaka- 1000.

Tel: 57160824, Mobile: 01713-013955, E-mail: kzkc48@gmail.com, kzkc_bd@yahoo.com

Branch Office: 281/3, Jafrabad (Sankor), Ground Floor, West Dhanmondi, Dhaka-1207.

Tel: 9124642. E-mail mahmudkzkc48@gmail.com

CORPORATE GOVERNANCE CODE AUDITOR

Mujibur Rahman & Co.

Cost & Management Accountants

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

27 Bijoy Nagar, Dhaka 1000.

Mobile No: 01716635751

E-mail: mujibfcma2005@gmail.com

BANKERS

Islami Bank Bangladesh Limited, Local Office, Motijheel, Dhaka.

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

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

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 ADDRESS

Village: Mir Kutir Chao, Post Office: Mura Para,

PS: Rupgonj, District: Narayangonj

FACTORY ADDRESS

Village: Mir Kutir Chao, Post Office: Mura Para,

PS: Rupgonj, District: Narayangonj

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 (New Board of Directors-After Amalgamation)

Mr. Abid Mostafizur Rahaman, Chairman

Mr. Abid Mustafizur Rahaman MBA, 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. Faiaz Kader, Director

Faiaz Kader, is the youngest director of the company. After completion of BBA he engaged himself with FAR Chemical Industries Ltd. He already has shown his skills in company's different activities. His interpersonal skills, leadership behavior, analytical ability and hard working nature made him one of the worthy directors.



Mr. AKIK HABIBUZZAMAN, Managing Director

Mr. AKIK HABIBUZZAMAN, is the Independent Director of the company. After completion of M.Com, CA (CC), he started his career in the field of Finance & Accounts in different Ready Made Garments, Textile and Yarn Dyeing industries. During his service tenure he worked different capacities like CFO and Head of Corporate affairs. He is a knowledgeable person who is not involved with any sponsors/shareholders of the Company.



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.



Mrs. Jahadha Khondoker

Mrs. Jahadha Khondoker, is the Director of the company. After completion of Master of Arts from University of Dhaka and started her career in Textiles manufacturing industry. She also completed MBA and LLB. She also achieved the membership certification from ICA (International Cotton Association), UK. She has visited many countries of the world in connection of business and gathered huge experience and knowledge in Modern Methods, Technology, Production and Marketing & Management techniques of textile industries. She is well knowledgeable in yarn quality, technical details of spinning machinery and general production process & administration.



Mr. Fatin Kader Fardin, Director

Fatin Kader Fardin, is the youngest director of the company. After completion of BBA he engaged himself with FAR Chemical Industries Ltd. He already has shown his skills in company's different activities. His interpersonal skills, leadership behavior, analytical ability and hard working nature made him one of the worthy directors.



Mrs. Afroza Nilufa Yeasmin

Mrs. Afroza Nilufa Yeasmin, is the Independent Director of the company. After completion of MBA, she started her career in the field of different Textile and Yarn Dyeing industries. During her service tenure she worked in different capacities. She is a knowledgeable person who is not involved with any sponsors/shareholders of the Company.



SHORT BIO-DATA OF DIRECTORS *(Before Amalgamation)*

Mr. Abid Mostafizur Rahaman, Chairman

Mr. Abid Mustafizur Rahaman MBA, 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, 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, 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.



Mrs. Afroza Nilufa Yeasmin

Mrs. Afroza Nilufa Yeasmin, is the Independent Director of the company. After completion of MBA, she started her career in the field of different Textile and Yarn Dyeing industries. During her service tenure she worked in different capacities. She is a knowledgeable person who is not involved with any sponsors/shareholders of the Company.



Annual Report-2022-2023

September 14, 2023

To,
The Board of Directors
From:

The Audit Committee

Subject: Report of the Audit Committee.

The Audit Committee of FAR Chemical & Textile Ind. PLC. 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, 2023.

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 & Textile Ind. PLC.

FAR Chemical & Textile Ind. PLC

Declaration by Managing Director & CFO

Date: September 12, 2023

The Board of Directors

FAR Chemical & Textile Ind. PLC

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, 2023

Dear Sirs,

Pursuant to the condition No. 1 (5) (xxvi) imposed vide the Commission's Notification No. BSEC/CMRRC/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 & Textile Ind. PLC for the year ended on June 30, 2023 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, 2023 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



Sk. Rezaul Islam
Chief Financial Officer

Message from the Chairman

Bismillahir Rahmnr Rahim,

Dear Shareholders,
Assalamu Alykum,



On behalf of myself and the Board of Directors, I welcome you all to this 16th 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 2023.

Performance Review:

In the financial year ended on 30th June 2023, the operating results increased from the previous year due to start of operation of Spinning Unit at own premises in Rupgonj, Narayangonj. Therefore NAV, EPS, revenue, other operation results and performance have been increased.

In the year 2022-2023 turnover of your company has increased from Tk 34.87 million to Tk.542.55 million Compare to the last year due to start of operation of the Spinning Unit at own premises at Rupgonj, Narayangonj.

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.

Amalgamation, Construction of Spinning Unit and Chemical Unit and start of Production:

Amalgamation of S.F. Textile Industries Ltd. with FAR Chemical & Textile Ind. PLC and Production of Spinning Unit & Chemical Unit are stated below:

Amalgamation:

The Company has been amalgamated with S.F.Textile Industries Ltd (Transferor Company) as per the Judgment and Order of the Honorable High Court Division of the Supreme Court of Bangladesh, Dated 28th November 2022 and also the consent of BSEC (Ref: BSEC/LSD/CM-83/2022/993/1414, Dated: October 01, 2023). In this regard the company has declared record date on 31 October 2023. Accordingly both the companies amalgamated.

S.F. Textile Industries Ltd is a Spinning Mill where cotton and polyester Yarn are producing with Annual Capacity of 8,312,500 Kgs.

Construction of Spinning Unit and start of Production:

The company has constructed a Spinning Unit at own premises in Rupgonj, Narayagonj and started its commercial production from November 2022. The capacity of the unit is 33,600 spindles and daily production capacity is 18 ton approximately.

Construction of Chemical Unit at own premises in Rupgonj, Narayagonj and re-start of Production:

The Company has constructed a chemical factory at its own premises in Rupgonj, Narayagonj but could not re-start the factory due to non-functioning of some transferred machineries. The Company is unable to import the machineries because these machines becoming more costly for the global impact for the Ukraine war and other local and global financial crises. If the company buy the said machineries at a higher price, then it will be very difficult to make a profit. On this ground, the company is waiting for a stable world market.

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 2022-2023. 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,

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 16th Annual General Meeting of FAR Chemical & Textile Ind. PLC. We members of the Board are pleased to present Directors' Report, Auditors' Report and Audited Financial Statements for the year ended 30th June, 2023 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 textile and garments sector. So our production and sales are depends on uninterrupted production of textile and garment industries. The textile and garments sector 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 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 Vietnam, 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 2022-2023 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 30-06-2023		Year ended 30-06-2022	
	Taka	Percentage	Taka	Percentage
Yarn	542,553,420	100.00%		
Softening Agent	0	0	6,853,974	19.65%
Scouring Agent	0	0	6,383,134	18.30%
Anti-Foaming Agent	0	0	2,976,147	8.53%
Levelling Agent	0	0	1,994,743	5.72%
Fixing Agent	0	0	3,749,582	10.75%
Stabilizer	0	0	4,752,547	13.63%
Retarding Agent	0	0	1,883,773	5.40%
Bleaching Agent	0	0	1,788,579	5.13%
Other chemical products	0	0	4,490,487	12.88%
Total	542,553,420	100.00%	34,872,966	100.00%

(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 world-wide. This unpredictable impact 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.

(i) 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.749.57 million as compared to last year's cost of goods sold of Tk. 111.36 million. This is due to the fact that spinning unit has started its production on the other hand chemical unit could not re-start its production. As a result increase of sales and production quantity is only for spinning unit. Production capacity of spinning unit utilized during the year was 32.97% because commercial production of this unit has started on November 2022. On the other hand chemical unit could not re-start due to non-functioning of some transferred machineries.

(b) Gross Profit:

The company has achieved an export turnover of Tk.542.55 million during the year ended 30th June, 2023. Last year's turnover was Tk. 34.87 million. The increase of turnover is 1455.80% compare to the last year. Gross profit/ (loss) earned during the year was Tk. (207.02) million as compared to last year's Gross profit/ (loss) of Tk. (76.49) million.

(c) Net Profit:

Net profit after tax earned during the year was Tk. (244.88) million as compared to last year's Net profit after tax of Tk. (84.20) million. During the year net profit after tax i.e. net loss after tax has increased due to increase of overheads and depreciation.

(ii) Extra-Ordinary gain or loss:

During the year there was no such gain or loss except those disclosed in note 32.00 of the financial statements.

(iii) 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	Transactions	Outstanding Balance as on June 30, 2023
S.F.Textile Industries Ltd	Common Director	Loan	67,500,000	143,668,000
MN Industries Ltd			-	84,900,000
Rezwana Rahman Rini			-	88,600,000
Rajon Industries Ltd			-	12,500,000
Samin Food & Beverage Inds. & Textile Mills Ltd			-	41,636,964
Total			67,500,000	371,304,964

(iv) 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	-	16,000	16,000
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	-	16,000	16,000
Mrs. Afroza Nilufa Yeasmin	Independent Director	-	14,000	14,000
Total		6,00,000	78,000	6,78,000

(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), International Financial Reporting Standard (IFRS), 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 higher than the last year due to increase of overheads and depreciation 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				
	30.06.2023	30.06.2022	30.06.2021	30.06.2020	30.06.2019
Turnover (Tk)	542,553,420	34,872,966	591,668,471	756,684,767	1,186,680,670
Gross Profit (Tk)	(207,020,951)	(76,486,626)	(18,054,237)	90,165,623	231,449,262
Operating Profit (Tk)	(221,260,018)	(86,518,576)	(30,521,286)	73,027,432	209,576,384
Net Profit before tax (Tk)	(239,910,385)	(79,046,633)	(30,949,075)	72,143,637	209,159,288
Net Profit after tax (Tk)	(244,875,683)	(84,200,688)	(34,125,897)	72,143,637	209,159,288
Basic EPS (Tk)	(1.12)	(0.39)	(0.16)	0.33	0.96
Dividend per share (%)	No Dividend	No Dividend	Cash: 1.00%	Cash: 1.00%	Stock: 10%

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

Financial Data:

Particulars	Year ended as on				
	30.06.2023	30.06.2022	30.06.2021	30.06.2020	30.06.2019
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	2,180,934,230	2,180,934,230	1,982,667,480
Face value per share (Tk)	10	10	10	10	10
Retained Earnings (Tk)	213,829,612	458,705,295	808,776,253	864,711,493	990,834,606
Current Assets (Tk)	758,587,673	278,417,059	882,427,099	1,156,145,135	1,173,100,869
Current Liabilities (Tk)	1,323,431,236	808,337,929	212,064,285	40,836,326	48,289,035
Current Ratio	0.57	0.34	4.16	28.31	24.29
Quick Ratio	0.32	0.33	3.76	15.20	14.60
Debt-Equity Ratio	0.16	0.30	0.065	N/A	N/A
Time Interest Earned Ratio	(9.38)	(120.51)	(54.45)	65.21	267.01
Return on Assets	(7.84)%	(2.66)%	(1.47)%	3.73%	11.32%
Return on Equity	(10.23)%	(3.19)%	(1.14)%	2.37%	7.03%
Earnings per share	(1.12)	(0.39)	(0.16)	0.33	0.96
Number of Shares	218,093,423	218,093,423	218,093,423	218,093,423	198,266,748
Number of Shareholders	17,594	16,588	18,512	14,665	14,203

(xiii) Dividend: Our Policy is to offer consistent dividends that closely reflect business performance. As announced by the Company on 18 October 2023, the Board has recommended "No Dividend" per share for all shareholders for the year ended on 30 June 2023 which will be confirmed after approval in the Annual General Meeting of the Company.

(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	8
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	8
Mrs. Afroza Nilufa Yeasmin	Independent Director	8	7

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 parties

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
FAR Pharmaceuticals Ltd.- Represented by Md. Shirazul Haque	Managing Director	14,645,658
S.S Energy Explosion Ltd.- Represented by Md. Mehedi Hasan	Director	14,645,658
Mr. ABM Golam Mostafa, FCMA	Company Secretary	Nil
Mr. Sk Rezaul Islam	CFO	Nil
Mr. Gopal Chandra Basak	Head of Internal Audit	Nil

- a) Senior Corporate Executives :
 Number of shares held : Nil
- b) 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. Shirazul Haque Managing Director and Md. Mehedi Hasan, Director of the company will retire after re-construction of the new board of Directors due to amalgamation with S.F. Textile Industries Ltd (Transferor Company).

Appointment/Re-appointment:

Following Directors shall be appointed in the new board of Directors from the S.F. Textile Industries Ltd (Transferor Company) due to amalgamation.

- a) Mr. Faiaz Kader as a Director
 b) Mr. Akik Habibuzzaman as a Managing Director
 c) Mr. Fatin Kader Fardin as a Director
 d) Jahadha Khondoker as a Director

Being eligible, the above directors offer themselves for re-election as a Director and Managing Director of the Company.

(xviii) Director's involvement in other companies:

Name of Director	Position at FAR Chemical & Textile Ind. PLC.	Entitles where he has interests	Position in other Companies
Abid Mustafizur Rahman	Chairman	R.N. Spinning Mills Ltd.	Director
		Polaris Industries Ltd	Director
		Neptune Textile Mills Ltd	Managing Director
		F&S Industries Limited	Managing Director
Faiaz Kader	Director	R.N. Spinning Mills Ltd.	Director
		Better Life Hospital Ltd.	Director
Fatin Kader Fardin	Director	R.N. Spinning Mills Ltd.	Director

(xix) Auditors:

Present Auditors Kazi Zahir Khan & Co, Chartered Accounts will retire in the 16th AGM at the end of 3 years tenure. M.Z. Islam & Co Chartered Accountants offer themselves for auditing accounts and affairs of the Company's Head Office as well as Factory for the year ended 30th June, 2024 with an honorarium as per fees structure of the ICAB.

Accordingly, the Board of Directors of the company has appointed M.Z. Islam & Co Chartered Accountants for the year ended 30th June, 2024 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, subject to approval of the shareholders in the AGM.

Mujibur Rahman & Co, Cost & Management Accountants were appointed in the last Annual General Meeting as a Corporate Governance Code auditor of the company for the financial year ended on 30th June 2023. 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 2024; accordingly the Board of Directors of the company has re-appointed Mujibur Rahman & Co, Cost & Management Accountants as Corporate Governance Code Auditor for the financial year ended on 30th June 2024 with an honorarium of Tk.50,000/-, subject to approval of the shareholders in the AGM.

(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 local and global financial crisis. The company has newly constructed a spinning factory and a chemical factory at Rupgonj, Narayangonj. Although Spinning unit has been producing and exporting yarn, on the other hand chemical unit could not re-start the factory due to non-functioning of some transferred machineries. It will be re-started after importing of some new machinery from the stable world market.

(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. Syed Md. Tajon Islam
Member	: Mr. Mohammad Mehedi Hasan
Member	: Mrs. Afroza Nilufa Yeasmin
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	: Mrs. Afroza Nilufa Yeasmin
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 & Textile Ind. PLC. 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 & Textile Ind. PLC. 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.

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 & Textile Ind. PLC.

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 & Textile Ind. PLC 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 & Textile Ind. PLC 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 & Textile Ind. PLC'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 & Textile Ind. PLC 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 Amalgamation & Expansion Program:

Amalgamation of S.F. Textile Industries Ltd. with FAR Chemical & Textile Ind. PLC and Production of Spinning Unit & Chemical Unit are stated below:

(i) The Company has been amalgamated with S.F. Textile Industries Ltd (Transferor Company) as per the Judgment and Order of the Honorable High Court Division of the Supreme Court of Bangladesh, Dated 28th November 2022 and also the consent of BSEC (Ref: BSEC/LSD/CM-83/2022/993/1414, Dated: October 01, 2023). In this regard the company has declared record date on 31 October 2023. Accordingly both the companies amalgamated.

Following information are given from the approved scheme for better understanding of the general shareholders:

1. Upon this amalgamation coming into effect, S.F. Textile Industries Limited (the Transferor Company) shall stand dissolve without winding up and all of its assets and liabilities shall be transferred to and vested in FAR Chemical Industries Limited (the Transferee Company).
2. All existing equity shares of the S.F. Textile Industries Limited (SFTIL) and FAR Chemical Industries Limited (FARCHEM) held either directly or through nominees shall be stand cancelled.
3. In the amalgamation, the exchange ratio for the shares of FAR Chemical Industries Limited with the shares of S.F. Textile Industries Limited, as per the terms of the Scheme and the Court Order has been arrived at 3 : 1.9614 for paid up capital.
4. FAR Chemical Industries Limited, the post-merger entity, shall issue and allot to the Shareholders of S.F. Textile Industries Limited whose names are recorded in the register of members of the S.F. Textile Industries Limited or to any other person as may be nominated by the Shareholders(s) up to 80,399,525 ordinary shares of Tk 10 each in against exchange of 157,695,630 shares of the S.F. Textile Industries Limited's total fully paid up equity capital at a share consideration exchange ratio of 1 for 1.9614 shares held, i.e.; 1 new share of FAR Chemical Industries Limited (post-merger) to be issued for existing 1.9614 shares held in S.F. Textile Industries Limited.
5. The existing Shareholders of the FAR Chemical Industries Limited shall be entitled up to 72,697,808 ordinary shares of Tk 10 each, in against exchange of existing 218,093,423 no. of shares of the FAR Chemical Industries Limited at a share consideration exchange ratio of 1 for 3 shares held i.e.; 1 new shares of FAR Chemical Industries Limited (post-merger) to be issued for existing 3 shares held in FAR Chemical Industries Limited (pre-merger).
6. Hence, the re-structured Paid-up Capital Structure will be as following:
SFTIL new 1 for existing 1.9616 and FARCHEM new 1 for existing 3:

Capital Structure:	Existing share in Tk.	Post-merger share in Tk.
S.F. Textile Industries Limited (SFTIL)	1,576,956,300	803,995,250
FAR Chemical Industries Ltd. (FARCHEM)	2,180,934,230	726,978,080
Total	3,757,890,530	1,530,973,330

7. Post-merger Authorized share capital of FAR Chemical Industries Limited will be Tk.5,010,000,000/- (Taka Five Hundred and One Crore) only encompassing Tk.3,000,000,000/- of FAR Chemical Industries Ltd. and Tk.2,010,000,000/- of S.F. Textile Industries Ltd. as per the Judgment and Order.
8. The following decision have been taken by The Board of Directors to comply as per the Judgment and Order in terms of the Scheme of Amalgamation and for entitlement of shares:

Record date for entitlement of share : 31 October, 2023

(ii) Construction of Spinning Unit and start of Production:

The company has constructed a Spinning Unit at Rupgonj, Narayagonj and started its trial production on 17 October 2022 and commercial production from November 2022. The capacity of this unit is 33,600 spindles and daily production capacity is 18 ton approximately.

(iii) Construction of Chemical Unit and start of Production:

The Company has also constructed a chemical factory at Rupgonj, Narayagonj but could not restart the factory due to non-functioning of some transferred machineries. The Company is unable to import the machineries because these machines becoming more costly for the global impact for the Ukraine war and other local and global financial crises. If the company buy the said machineries at a higher price, then it will be very difficult to make a profit. On this ground, the company is waiting for a stable world market.

(xxxvi) Auditor's Emphasis of Matter:

The management of the company informed and well concerned about the following Emphasis of Matter given by the Auditor:

- a) As stated in note no. 3.19.1 Amalgamation /Merger of S.F. Textile Industries Ltd with FAR Chemical Industries Ltd. The operation of FAR Chemical Industries Ltd's (Chemical unit was suspended (no impairment made on the chemical unit refer to IAS 36) for shifting of factory facilities from CEPZ to Rupgonjown premises and running the Spinning unit from October 2022. But due to operation in the new facilities of Spinning unit and hike purchase price of raw materials globally impact the lossess as stated in Note 3.18.
- b) The company stated in the Note-3.09.2 the fact refers to not comply with the applicability of deferred Tax.
- c) FAR Chemical Industries Limited didn't maintain Employee Benefit plans, which include the Contributory Provident Fund, Gratuity and Workers Profit Participation Fund (WPPF) by the applicable provision.

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

Dividend Distribution Policy

FAR Chemical & Textile Ind. PLC

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 & Textile Ind. PLC.

"AGM" means Annual General Meeting

"Board" means Board of Directors of FAR Chemical & Textile Ind. PLC.

"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 from the Financial Year 2020-21 and 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.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW 2022-2023:

Let us present before you a short review on the total operational and financial performance of your company from 01 July 2022 to 30 June 2023.

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 regularly to national GDP. 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 2022-2023 Financial Performance and Position:

The discussions in this section relate to the financial results pertaining to the year that ended June 30, 2023. The financial statements of FAR Chemical & Textile Ind. PLC 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				
	30.06.2023	30.06.2022	30.06.2021	30.06.2020	30.06.2019
Turnover (Tk)	542,553,420	34,872,966	591,668,471	756,684,767	1,186,680,670
Gross Profit (Tk)	(207,020,951)	(76,486,626)	(18,054,237)	90,165,623	231,449,262
Operating Profit (Tk)	(221,260,018)	(86,518,576)	(30,521,286)	73,027,432	209,576,384
Net Profit before tax (Tk)	(239,910,385)	(79,046,633)	(30,949,075)	72,143,637	209,159,288
Net Profit after tax (Tk)	(244,875,683)	(84,200,688)	(34,125,897)	72,143,637	209,159,288
Basic EPS (Tk)	(1.12)	(0.39)	(0.16)	0.33	0.96
Dividend per share (%)	No Dividend	No Dividend	1.00%	1.00%	10%

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

Financial Data:

Particulars	Year ended as on				
	30.06.2023	30.06.2022	30.06.2021	30.06.2020	30.06.2019
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	2,180,934,230	2,180,934,230	1,982,667,480
Face value per share (Tk)	10	10	10	10	10
Retained Earnings (Tk)	213,829,612	458,705,295	808,776,253	864,711,493	990,834,606
Current Assets (Tk)	758,587,673	278,417,059	882,427,099	1,156,145,135	1,173,100,869
Current Liabilities (Tk)	1,323,431,236	808,337,929	212,064,285	40,836,326	48,289,035
Current Ratio	0.57	0.34	4.16	28.31	24.29
Quick Ratio	0.32	0.33	3.76	15.20	
Debt-Equity Ratio	0.16	0.30	0.065	N/A	N/A
Time Interest Earned Ratio	(9.38)	(120.51)	(54.45)	65.21	267.01
Return on Assets	(7.84)%	(2.66)%	(1.47)%	3.73%	11.32%
Return on Equity	(10.23)%	(3.19)%	(1.14)%	2.37%	7.03%
Earnings per share	(1.12)	(0.39)	(0.16)	0.33	0.96
Number of Shares	218,093,423	218,093,423	218,093,423	218,093,423	198,266,748
Number of Shareholders	17,594	16,588	18,512	14,665	14,203

Cost of Goods Sold (COGS):

This year's cost of goods sold was Tk.749.57 million as compared to last year's cost of goods sold of Tk. 111.36 million. This is due to the fact that spinning unit has started its production on the other hand chemical unit could not re-start its production. As a result increase of sales and production quantity is only for spinning unit. Production capacity of spinning unit utilized during the year was 32.97% because commercial production of this unit has started on November 2022. On the other hand chemical unit could not re-start due to nonfunctioning of some transferred machineries.

Gross Profit:

The company has achieved an export turnover of Tk.542.55 million during the year ended 30th June, 2023. Last year's turnover was Tk. 34.87 million. The increase of turnover is 1455.80% compare to the last year. Gross profit/ (loss) earned during the year was Tk. (207.02) million as compared to last year's Gross profit/ (loss) of Tk. (76.49) million.

Net Profit:

Net profit after tax earned during the year was Tk. (244.88) million as compared to last year's Net profit after tax of Tk. (84.20) million. During the year net profit after tax i.e. net loss after tax has increased due to increase of overheads and depreciation.

Risk and Concerns

Board of Directors reviews the risk management practices and actions deployed by the Management with respect to identification, impact of global financial crisis 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

CERTIFICATE OF BAPLC



Report to the Shareholders of FAR Chemical & Textile Ind. PLC on compliance on the Corporate Governance Code

Under condition # 1(5)(xxvii) of CGC



Mujibur Rahman & Co.
Cost & Management Accountants

We have examined the compliance status to the Corporate Governance Code by FAR Chemical & Textile Ind. PLC for the year ended on June 30, 2023. 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: November 23, 2023



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 & Textile Ind. PLC

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;	√		
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)(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;	√		

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;	√		
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;	√		No such issue during the year
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;	√		No such issue
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial performance and Annual Financial statements;	√		
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;	√		
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 previous year due to increased manufacturing cost
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;	√		Company declares No dividend due to loss in the year and expansion of textile unit and future planning for re-investment and business
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;	√	-	No such issue

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);	√		
	(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:-			
	(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 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 applicable to the composition of the Board of the subsidiary company;	-	-	N/A
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).	√		

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;	√		
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.	√		
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.	√		

5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM):	√		
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 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;			No such issue
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;			No such issue
5(6)(a)(ii)(c)	suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations;			No such issue
5(6)(a)(ii)(d)	any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;			No such issue
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.	√		
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;	√		
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;	√		
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 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;	√		
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			
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, 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);			No such issue
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 audit assignment of that company; his or her family members also shall not hold any shares in the said company	√		No such issue
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 the directors' report whether the company has complied with these conditions or not.	√		

Independent Auditor's Report
To the Shareholders of
FAR Chemical & Textile Ind. PLC

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 2023 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 2023, 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.

Emphasis Of matter.

We draw attention to the following matter

- a) As stated in Note no. 3.19.1 Amalgamation/Merger of S.F Textile Industries Ltd. With FAR Chemical Industries Ltd. The company is merging with S.F Textile Industries Ltd. The operation of FAR Chemical Industries Ltd.’s chemical unit was suspended (no Impairment made on the chemical unit refer to IAS 36) for shifting of factory facilities from CEPZ to Ruponj own premises and running the spinning unit from October 2022. But due to operation in the new facilities of spinning unit and hike purchase price of raw materials globally impact the losses as stated in note 3.18.
- b) The company stated in the Note-3.09.2 the fact refers to not comply with the applicability of deferred Tax
- c) FAR Chemical Industries Limited didn’t maintain Employee Benefit plans, which include the contributory provident fund, Gratuity and Workers Participation Fund (WPPF) by the applicable provision.

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. 542,553,420. 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 underlying documentation; - 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 25 for details]</i></p>
Valuation of Inventory	
<p>The inventory of BDT 330,463,495 as at 30th June 2023, held in warehouses and across multiple product lines in the factory.</p> <p>Inventory value is measured as follows: Inventories are stated at the lower of cost and net realizable value in accordance with</p>	<p>We challenged the appropriateness of management's 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's factory and warehouse;

<p>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>	<ul style="list-style-type: none"> - 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 07 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>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>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 management and the Board have considered a balanced range of outcomes in their assessment of the potential impact of COVID-19. - 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>

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 18, 2023
DVC:2310190240AS746099


Md. Kazi Zahir Khan FCA
Enrollment NO: 0240
Managing Partner
Kazi Zahir Khan & Co.
Chartered Accountants

FAR Chemical & Textile Ind. PLCStatement of Financial Position
As at June 30, 2023

Particulars	Notes	Amount in Taka	
		2022-2023	2021-2022
Assets			
Non-current assets		3,125,502,930	3,169,560,394
Property, plant & equipment	4.00	2,963,671,042	1,522,723,503
Capital Work in progress	5.00	158,831,888	1,646,836,891
Security deposit	6.00	3,000,000	-
Current assets		758,587,673	278,417,060
Inventories	7.00	330,463,395	56,547
Trade receivables	8.00	301,705,156	-
Advances, deposits and prepayments	9.00	6,742,900	12,276,505
STD Account (Dividend)	11.00	581,528	675,784
Cash and cash equivalents	12.00	119,094,694	265,408,224
Total Assets		3,884,090,603	3,447,977,454
Shareholder Equity and Liabilities			
Shareholders' equity		2,394,763,842	2,639,639,525
Share capital	13.00	2,180,934,230	2,180,934,230
Retained earnings	14.00	213,829,612	458,705,295
Non-Current Liabilities		165,895,525	-
Lease Liability	15.00	-	-
Long Term Loan	16.00	165,895,525	-
Current Liabilities		1,323,431,236	808,337,929
Deferred Tax	17.00	-	-
Trade Payables	18.00	174,735,165	-
Term Loan -Current	19.00	215,611,000	494,733,000
Short term borrowings	20.00	907,354,928	303,804,964
Provision for Income Tax	21.00	6,425,179	5,180,976
Refundable Deposits (IPO)	22.00	-	-
Unpaid or Unclaimed Dividend	23.00	581,528	675,784
Creditors and accruals	24.00	18,723,436	3,943,206
Total Shareholder Equity and Liabilities		3,884,090,603	3,447,977,454
Net Assets Value (NAV) per share	35.00	10.98	12.10

The annexed notes 1 to 42.04 with Schedule-A form an integral part of these financial statements.

As per our annexed report of even date



Chairman



Managing Director




Director



Chief Financial Officer



Company Secretary

Md. N  han FCA
Enroll
Managing Partner
Kazi Zahir Khan & Co.
Chartered Accountants

Place: Dhaka

Dated: October 18, 2023

DVC: 2310190240AS746099

FAR Chemical & Textile Ind. PLCStatement of Profit or (Loss) and Others Comprehensive Income
For the year ended June 30, 2023

Particulars	Notes	Amount in Taka	
		2022-2023	2021-2022
Revenue	25.00	542,553,420	34,872,966
Less: Cost of sales	26.00	749,574,371	111,359,592
Gross profit		(207,020,951)	(76,486,626)
Less: Operating expenses			
Selling and distribution expenses	27.00	4,580,277	4,237,435
Administrative expenses	28.00	9,633,372	5,118,813
Employee Welfare expenses	29.00	25,418	675,703
		14,239,067	10,031,950
Profit from operation		221,260,018	(86,518,576)
Less: Financial expenses	30.00	23,595,236	717,920
Add: Foreign Exchange Gain/(Loss)	31.00	4,336,770	5,089
		(249,192,024)	(87,231,407)
Add: Other income	32.00	9,281,639	8,184,774
Net Profit before tax		(239,910,385)	(79,046,633)
Less: Income tax expenses	33.00	4,965,298	5,154,055
Net Profit after tax		(244,875,683)	(84,200,688)
Basic Earnings Per Share (EPS)	34.00	(1.12)	(0.39)

The annexed notes 1 to 42.04 with Schedule-A form an integral part of these financial statements.

As per our annexed report of even date



Chairman



Managing Director





Director



Chief Financial Officer



Company Secretary

Place: Dhaka
Dated: October 18, 2023
DVC: 2310190240AS746099
Md. N han FCA
Enrollment No: 0240
Managing Partner
Kazi Zahir Khan & Co.
Chartered Accountants

FAR Chemical & Textile Ind. PLCStatement of Changes in Equity
For the year ended June 30, 2023


Particulars	Share Capital	Retained Earnings	Total
	Taka	Taka	Taka
Opening Balance at July 01,2022	2,180,934,230	458,705,295	2,639,639,525
Profit or (Loss) during the year	-	(244,875,683)	(244,875,683)
Closing Balance at 30 June 2023	2,180,934,230	213,829,612	2,394,763,842

FAR Chemical & Textile Ind. PLCStatement of Changes in Equity
For the year ended June 30, 2022

Particulars	Share Capital	Retained Earnings	Total
	Taka	Taka	Taka
Opening Balance at July 01,2021	2,180,934,230	808,776,253	2,989,710,483
Dividend Paid	-	(21,809,343)	(21,809,343)
Profit or (Loss) during the year	-	(84,200,688)	(84,200,688)
Less: (Loss) on disposal of various assets		(244,060,927)	(244,060,927)
Closing Balance at 30 June 2022	2,180,934,230	458,705,295	2,639,639,525

The annexed notes 1 to 42.04 with Schedule-A form an integral part of these financial statements.

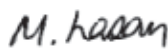
As per our annexed report of even date



Chairman



Managing Director



Director



Chief Financial Officer




Company Secretary

FAR Chemical & Textile Ind. PLCStatement of Cash Flows
For the year ended June 30, 2023

Particulars	Notes	Amount in Taka	
		June 30,2023	June 30,2022
A. Cash flows from operating activities:			
Receipt from customers		241,251,639	580,648,413
Receipt from other income		9,281,639	8,187,115
Payment for cost of expenses		(774,781,817)	(26,314,466)
Payment for operating expenses		2,114,975	(15,118,265)
Payment of financial expenses		(23,595,236)	(717,920)
Income Tax Paid		(3,840,196)	(3,721,094)
Net cash from operating activities		(549,568,997)	542,963,783
B. Cash flows from investing activities:			
Acquisition of property, plant and equipment		(84,093,426)	- (1,171,635,393)
Security Deposit		(3,000,000)	-
Proceeds from sale/dispose off fixed assets		-	64,663,375
Net cash used in investing activities		(87,093,426)	(1,106,972,018)
C. Cash flows from financing activities:			
Increase / (Decrease) in Short term loan		324,427,964	108,213,964
Term Loan Received		165,895,525	494,733,000
Payment of Lease liability		-	(625,413)
Dividend paid		-	(21,809,343)
Net Cash used in financing activities		490,323,489	580,512,208
D.Net increase in cash and cash equivalents(A+B+C)		(146,338,934)	16,503,972
E. Foreign Exchange Gain/(Loss)-FC A/C		25,406	2,749
F. Opening cash and cash equivalents		265,408,223	248,901,502
G. Closing cash and cash equivalents (D+E+F)		119,094,694	265,408,223
Net Operating Cash Flow Per Share (NOCFPS)	36.00	(2.52)	2.49

The annexed notes 1 to 42.04 with Schedule-A 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

FAR Chemical & Textile Ind. PLC

Notes to the Financial Statements

For the year ended June 30, 2023

1.00 Reporting Entity

1.01 Background of the Company

FAR Chemical & Textile Ind. PLC (the Company') was incorporated in Bangladesh on 22 March 2007 as a Private Limited Company under the Companies Act 1994 vide incorporation no. C-66261(3753)/07 with its Corporate office at House No: 11 (Floor: 5-A), Road No: 12, Niketon, Gulshan-1, Dhaka-1212 and Registered office is situated at Vill: Mirkutir Chao, Post: Murapara, PS: Rupgonj, District: Narayangonj, Bangladesh. The production unit has been shifted from Plot No. 135-136, EPZ, Cumilla to Rupgonj, Narayangonj. 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/I PO-220/2013/98 dated February 05, 2014. Name of the company has been changed from FAR Chemical Industries Limited into FAR Chemical & Textile Ind. PLC on 5th March 2023.

1.02 Nature of Business

a) The principal activities of the Company were to manufacture and export of Chemical products to different export-oriented Textiles, dyeing and Apparels industries.

b) The Company has undertaken business expansion for Spinning Unit at Rupgonj, Narayangonj. Hence, in addition to the chemical business, the business activities of the company are also to carry on textile spinning for 100% export-oriented dyeing/textile industries. The company has started commercial production from November 2022. In the reporting date production of Chemical unit is not in operation.

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 & Textile Ind. PLC 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 Income Tax Act 2023;
 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
 Other 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 & Textile Ind. PLC 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

2.07 Reporting Period

The financial period of the companies covers one year from 1 July 2022 to 30 June 2023 and is followed consistently.

2.08 Cash Flow Statement

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

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 3.21.

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

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. Depreciation is charged at the rates varying from 2.50% to 20% depending on the estimated useful life of assets. 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
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%
Capital-work-in progress	0%

3.02 Impairment of Assets

The carrying amount of the entity's non-financial assets, other than inventories and Property, plant and equipment (considered as disclosed separately under respective accounting standards), are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. However, no such conditions that might be suggestive of a heightened risk of impairment of assets existed at the reporting date.

3.02.1 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, 2023
- ii. Statement of Profit or Loss and other comprehensive income for the financial year ended on 30 June, 2023
- iii. Statement of Cash Flows for the financial year ended on 30 June, 2023
- iv. Statement of changes in equity for the financial year ended on 30 June, 2023
- v. Accounting policies and explanatory notes for the financial year ended on 30 June, 2023

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 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 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.

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

3.08 Taxation**3.08.1 Current Tax**

Provision for income tax has been made as per The Income Tax Ordinance 1984 and The Income Tax Act 2023 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.33.02.

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 share has been calculated by dividing the net profit or loss by the number of weighted average ordinary share outstanding during the year.

Diluted Earnings per Share (DEPS)

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and number of ordinary shares outstanding, for the effect of all dilutive potential ordinary shares. However, dilution of EPS is not applicable for these financial statements as there were no potential ordinary shares during the relevant period.

3.13 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 during the reporting period. Company has started commercial production of Spinning Unit at Rupganj, Narayanganj at same location and adjacent to its Chemical Unit which is under construction in the reporting year of which information has been disclosed in the accounts.

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.

The company has completed construction work of spinning unit in its own premises at Rupgonj Narayangonj and has started its trial production on October 17, 2022 of which commercial production has been started in the month of November 2022.

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 Leases

Leases are recognised as right-of-use assets and corresponding liabilities at the inception of a contract and measured in accordance with IFRS 16. The right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

At the commencement date, lease liabilities are measured at an amount equal to the present value of the lease payments for the underlying right-of-use assets during the lease term. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, or the Company's incremental borrowing rate. Each lease payment is allocated between the liability and finance cost.

Payments associated with all short-term leases (with a lease term of 12 months or less) and certain leases of all low-value assets are recognised on a straight-line basis as an expense in profit or loss.

The company has no such lease contract with any party.

3.15.1 Employee Benefits

3.15.1.1 Worker's Profit Participation

In 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. After transfer the factory from EPZ-Cumilla to Rupganj-Narayangonj, as the company is 100% export oriented as per labor Act 2006, the company need not to establish separate Worker's Profit Participation Fund.

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.

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, 2023 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 18 October, 2023 by the board of the Directors of the company. Board of Directors recommended 'No dividend' for the financial year ended 30th June, 2023. Therefore, such recommendation of dividend approval is depend on subject to approval by the shareholders at the company's forthcoming AGM.

3.18 Impact of Covid-19 and Decline of Revenue

There are no going concern threats due to Covid-19 as the company has adequate resources to continue in future. However, being a deemed export oriented company it has been facing global impact of Covid-19.

3.19 Post Balance Sheet Event:

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

Amalgamation/merger of S.F. Textile Industries Ltd. with FAR Chemical Industries Ltd. has been approved by the High Court Division of the Supreme Court of Bangladesh. Shareholders and the Creditors of both the Company has accepted the decision of amalgamation/merger following EGMs and Creditors Meetings. The company has received BSEC consent (Ref: BSEC/LSD/CM-83/2022/993/1414, Dated: October 01, 2023) for completion of amalgamation process by following High Court Order and relating securities rules & regulations and other laws prevailing in Bangladesh. The company has already declared its "Record Date and appointment date" for amalgamation, October 01, 2023. On this date the amalgamated financial statements will be prepared.

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 financial year 2021-2022 have been rearranged wherever considered necessary to ensure comparability with the current year.

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. 301,705,156
Less: Related Parties	<u>Tk. 00</u>
Net from Customers	<u>Tk. 301,705,156</u>

The company need not to made any provision. The aging profile to the trade debts overdue is as follows:

Time duration	Gross Amount	Impairment
Upto 6 months	305,705,156	-
Over 6 months	-	-
Total	305,705,156	-

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	174,735,165	-	174,735,165	174,735,165	-
Short term borrowing	907,354,928	371,304,964	536,049,964	536,049,964	371,304,964
Total	1,082,090,093	371,304,964	710,785,129	710,785,129	371,304,964

Notes	Particulars	Amount in Taka	
		June 30,2023	June 30,2022
4.00	Property, plant & equipment		
	At cost		
	Opening balance July 01	3,643,226,875	2,604,783,759
	Addition during the year	84,093,426	-
		3,727,320,301	2,604,783,759
	Less: Disposal/Adjustment due to shifting of factory from CEPZ to Narayangonj	-	(449,561,887)
		3,727,320,301	2,155,221,872
	Accumulated depreciation		
	Opening balance July 01	632,498,368	721,621,220
	Charged during the year	131,150,891	46,736,618
		763,649,259	768,357,838
	Less: Disposal/Adjustment due to shifting of factory from CEPZ to Narayangonj	-	(135,859,469)
		763,649,259	632,498,369
	Written down value as on June 30	2,963,671,042	1,522,723,503
5	Capital-work-in progress		
	Opening Balance	1,646,836,891	440,096,911
	Add. Addition during the year	5.1	-
	Less. Transferred to PPE	5.2	1,206,739,980
	Closing Balance	1,488,005,003	-
		158,831,888	1,646,836,891
5.1	Addition during the year		
	Factory Building-Spinning unit	-	26,901,793
	Factory Building-Chemical unit	-	15,173,154
	Plant and Machine-Spinning unit	-	1,141,776,401
	Electrical installation-Spinning unit	-	19,647,070
	Water line installation	-	3,241,562
		-	1,206,739,980
5.2	Transferred to PPE		
	Factory Building-Spinning unit	322,979,538	-
	Factory Building-Chemical unit	-	-
	Plant and Machine-Spinning unit	1,141,776,401	-
	Electrical installation-Spinning unit	20,007,502	-
	Water line installation	3,241,562	-
		1,488,005,003	-
6.00	Security Deposit		
	Land lease at BEPZA, Plot : 135-136	-	1,152,985
	Deposit for electricity, Narayangonj, PBS-2	3,000,000	395,486
		3,000,000	1,548,471
	Less: Realized from EPZ Cumilla due to surrender of plot # 135-136	-	1,548,471
		3,000,000	-
7.00	Inventories		
		<u>Notes</u>	
	Raw materials	7.01	142,258,986
	Work-in-process	7.02	7,985,746

Notes	Particulars	Amount in Taka		
		June 30,2023	June 30,2022	
	Packaging materials	7.03	2,054,193	-
	Finished goods	7.04	178,107,923	-
	Store items	7.05	56,547	56,547
			330,463,395	56,547
7.01	Raw materials			
	Opening stock		-	13,847,835
	Add: Purchase during the year		789,782,854	-
	Raw materials available for production		789,782,854	13,847,835
	Less: Input to production		647,523,868	13,847,835
			142,258,986	-
7.02	Work-in-process			
	Opening work-in-process		-	589,743
	Add: Current year		648,514,795	14,107,621
			648,514,795	14,697,364
	Less: Transfer to finished goods		640,529,049	14,697,364
			7,985,746	-
7.03	Packaging materials			
	Opening stock		-	259,786
	Add: Purchase during the year		3,045,120	-
			3,045,120	259,786
	Less: Consumption during the year		990,927	259,786
			2,054,193	-
7.04	Finished goods			
	Opening stock		-	9,854,366
	Add: Production during the year		927,682,294	101,505,226
	Less: Cost of free issue		-	-
	Production available for export		927,682,294	111,359,592
	Less: Cost of goods sold		749,574,371	111,359,592
			178,107,923	-
7.05	Store items			
	Opening stock		56,547	236,547
	Add: Purchase during the year		2,516,407	-
			2,572,954	236,547
	Less: Consumption during the year		2,516,407	180,000
			56,547	56,547
8.00	Trade Receivables			
	Opening balance		-	545,775,447
	Add: Export during the year		542,553,420	34,872,966
	Less: Realization during the year		240,848,264	580,648,413
			301,705,156	-
	Receivables due over six months		-	-
	Receivables due below six months		301,705,156	-
			301,705,156	-

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:

Notes	Particulars	Amount in Taka	
		June 30,2023	June 30,2022
10.00 STD Account (IPO)			
	STD Account (BRAC Bank)	-	2,945,000
	Less: Transferred to the CMSF	-	(2,945,000)
	Transferred total amount to the Capital Market Stabilisation Fund on 11 October 2021 as per Directive No. BSEC/CMRRCD/2021-386/03, dated 14 January 2021 of Bangladesh Securities Exchange Commission and the Bangladesh Securities Exchange Commission (Capital Market Stabilization Fund) Rules, 2021.	-	-
11.00 STD Account - Dividend			
	STD Account (SBACBL)	581,528	675,784
		581,528	675,784
12.00 Cash and Cash equivalents			
	Cash in hand - Head Office	605,870	29,096
	Cash in hand - Factory	217,419	148,791
	Cash at bank:		
	Al-Arafah Islami Bank Ltd	16,004,795	8,785,739
	Social Islami Bank Limited	82,607	65,780
	Social Islami Bank Limited	322,232	373,992
	SBAC Bank Limited	1,680,589	1,760,608
	Islami Bank Bangladesh Limited	148,628	68,550
	Cash at Bank: FDR (Notes - 12.01)	100,032,555	254,175,667
		119,094,694	265,408,223
12.01 Cash at Bank: FDR			
	Al-Arafah Islami Bank Ltd # 9398	40,711,788	41,422,690
	Al-Arafah Islami Bank Ltd # 9409	-	41,422,690
	Al-Arafah Islami Bank Ltd # 9411	-	41,422,690
	Al-Arafah Islami Bank Ltd # 9422	-	20,696,211
	Al-Arafah Islami Bank Ltd # 9455	-	41,514,031
	Al-Arafah Islami Bank Ltd # 9477	16,245,198	16,281,285
	Al-Arafah Islami Bank Ltd # 9578	-	9,160,331
	Al-Arafah Islami Bank Ltd # 9646	-	12,733,056
	Al-Arafah Islami Bank Ltd # 15881	-	12,500,000
	Al-Arafah Islami Bank Ltd # 9848	-	1,121,683
	Al-Arafah Islami Bank Ltd # 11031	5,544,872	5,450,000
	Al-Arafah Islami Bank Ltd # 11075	2,077,678	2,044,000
	Al-Arafah Islami Bank Ltd # 11119	2,114,273	2,080,000
	Al-Arafah Islami Bank Ltd # 11132	2,849,458	2,802,000
	Al-Arafah Islami Bank Ltd # 11143	2,136,851	2,102,000
	Al-Arafah Islami Bank Ltd # 11154	1,445,620	1,423,000
	Al-Arafah Islami Bank Ltd # 11683	2,311,962	-
	Al-Arafah Islami Bank Ltd # 11694	3,772,992	-
	Al-Arafah Islami Bank Ltd # 11705	26,363	-
	Al-Arafah Islami Bank Ltd # 12392	8,200,000	-
	Al-Arafah Islami Bank Ltd # 12447	4,650,000	-
	Al-Arafah Islami Bank Ltd # 72498	5,503,040	-
	Al-Arafah Islami Bank Ltd # 73253	2,442,460	-
	FDR lien with Bank Account Against Loan	100,032,555	254,175,667

Notes	Particulars	Amount in Taka	
		June 30,2023	June 30,2022

13.00 Share capital:**13.01 Authorized share capital :**

300,000,000 ordinary shares of Taka 10/= each.

3,000,000,000 3,000,000,000

13.02 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	32,888,488	15.08%	285,720,750
General Shareholder	119,247,315	54.68%	1,235,637,280
Total	218,093,423	100.00%	2,180,934,230

13.03 Classification of shareholders by holdings:

The composition of shareholders at June 30, 2023.

Ranges of Shareholdings	30-06-2023		30-06-2022	
	No. of Holder	% of holding	No. of Holder	% of holding
Less than or equal to 500 Shares	6,287	33.81%	3,270	17.84%
501 to 1,000 Shares	742	3.99%	2,865	15.62%
1,001 to 5,000 Shares	6,834	36.75%	7,192	39.41%
5,001 to 10,000 Shares	2,121	11.41%	2,215	12.05%
10,001 to 20,000 Shares	1,380	7.42%	1,420	7.64%
20,001 to 30,000 Shares	456	2.45%	491	2.64%
30,001 to 40,000 Shares	216	1.16%	223	1.12%
40,001 to 50,000 Shares	162	0.87%	164	0.90%
50,001 to 100,000 Shares	242	1.30%	253	1.14%
100,001 to 1,000,000 Shares	145	0.78%	123	0.67%
Over 1,000,000 Shares	12	0.06%	12	0.97%
Total	18,597	100.00%	18,228	100.00%

14.00 Retained earnings

Opening balance

458,705,295 808,776,253

Less: Dividend Paid

- (21,809,343)

458,705,295 786,966,910

Add: Profit during the year

(244,875,683) (84,200,688)

Less: Loss on disposal/adjustment of various fixed assets (14.01)

- (244,060,927)

213,829,612 458,705,295**14.01 Loss on sale/dispose off various Fixed Assets:**

Proceeds realization from sale of factory shade etc

- 64,663,375

Accumulated Depreciation of various assets

- 135,859,469

Cost of disposal Assets as mentioned in the fixed assets sch.

- (449,561,887)

Lease Liability

- 4,978,116

- (244,060,927)

Notes	Particulars	Amount in Taka	
		June 30,2023	June 30,2022
15.00 Lease Liability			
	Opening balance	-	5,460,252
	Less: Payment of installments	-	(482,136)
	Less: Adjustment due to handover of the plots to the EPZ authority	-	(4,978,116)
		-	-
16.00 Long Term Loan			
	HPSM	165,895,525	-
	Note: Hire Purchase under Shirkatul Melk (HPSM)	165,895,525	-
17.00 Deferred Tax			
	Opening balance	-	-
	Add: Current year charged	-	-
		-	-
18.00 Trade Payables			
	Trade Payalbes	174,735,165	-
	Movement LC againT (AL- Arafah Bank)	174,735,165	-
19.00 Term Loan - Current			
	Al-Arafah Islami Bank Ltd, Pragati Sarani Branch		
	Deferred/UPAS	215,611,000	494,733,000
		215,611,000	494,733,000
	Loan payment for machinery in the from of Defferd LC and UPAS		
19.1	Al-Arafah Islami Bank Limited sanctioned a limit for Tk 90.75 crore to procure capital machineries and working capital for import of Raw materials and stock of raw materials, work in process and finished goods. The sanctions are in the form of:		
	a) HPSM Machinery (L/Cs- Deferred/ UPAS) limit for Tk 30.75 crore		
	b) Working Capital (LCs- Sight/Deferred/UPAS/EDF) limit for Tk 60.00 crore to import/procure all types raw materials, spare parts and chemicals etc.		
	Terms and Conditions :		
	a) Rate of profit 6.00% for UPAS Period and 9% for Project Loan period.		
	b) Validity upto 7 years subject to renewable every year.		
20.00 Short term borrowings			
	Lease Liability (Notes: 20.01)	-	-
	EDF Loan	336,069,955	-
	IBP Loan	199,980,009	-
	Short term borrowings - Unsecured (Notes: 20.02)	371,304,964	303,804,964
		907,354,928	303,804,964
	Note: EDF= EXPORT DEVELOPMENT FUND CASE TO CASE LC BASIS. RAW MATERIAL PURCHASE BANK GIVE TO FUND. IBP stands for 'Inland Bills Purchase'. Payment made to a customer through purchase of Govt. Cheques/ Payment Orders/ Draft issued by scheduled banks(s) and bills.		
20.01 Short term borrowings			
	Lease Liability	-	-
		-	-

Notes	Particulars	Amount in Taka	
		June 30,2023	June 30,2022
20.02	Short term borrowings - Unsecured (Inter-Company Loan)		
	Samin Food and Beverage & Textile Mills Ltd	41,636,964	41,636,964
	MN Industries Ltd	84,900,000	84,900,000
	Rezwana Rahman Rini	88,600,000	88,600,000
	SF Textile Ind. Ltd.	143,668,000	76,168,000
	Rajon Industries Ltd.	12,500,000	12,500,000
		371,304,964	303,804,964
21.00	Provision for Income Tax		
	Opening balance	5,180,976	3,176,822
	Add: Current year charged	4,965,298	5,154,055
	Less: Adjustment	(3,721,094)	(3,149,901)
		6,425,179	5,180,976
22.00	Refundable Deposits (IPO)		
	General Public Subscription Money	-	2,945,000
	Less transferred to the CMSF	-	(2,945,000)
		-	-

Transferred total amount to the Capital Market Stabilisation Fund (CMSF), on 11 October 2021 as stated in note : 09.

23.00	Unpaid or Unclaimed Dividend Account		
	Dividend payable (Notes: 23.01)	581,528	675,784
		581,528	675,784
23.01	Dividend payable		
	For the Financial Year 2015-2016	-	190,845
	For the Financial Year 2019-2020	411,897	426,982
	For the Financial Year 2020-2021	169,631	248,803
		581,528	866,629
	Less: Transferred to the CMSF for the FY-2015-2016	-	(190,845)
		581,528	675,784

Dividend for the F/Y 2015-2016 has transferred to the Capital Market Stabilisation Fund on 07 October 2021 as per Directive No. BSEC/CMRRCD/2021-386/03, dated 14 January 2021 of Bangladesh Securities Exchange Commission and the Bangladesh Securities Exchange Commission (Capital Market Stabilization Fund) Rules, 2021.

Notes	Particulars	Amount in Taka	
		June 30,2023	June 30,2022
24.00	Creditors and accruals		
	Electricity bill	11,058,692	-
	Bangladesh Association of Publicly Listed Companies	50,000	50,000
	Dhaka Stock Exchange Ltd	1,200,000	600,000
	Chittagong Stock Exchange Ltd	1,200,000	600,000
	Central Depository Bangladesh Ltd	340,899	234,899
	Salaries and wages	4,343,333	990,750
	Director remuneration and fees	50,000	50,000
	Sundry creditors	-	337,667
	M/S Jubair Construction	-	37,330
	DBL Ceramics Ltd	-	328,743
	Partex Cables Ltd	-	300,081
	Delta Transport Service	125,500	-
	Audit and professional fees	300,000	300,000
	Best Aluminium	55,012	-
	M/S Alhaj Supply & Transport	-	40,006
	M/S Khan Associates	-	73,730
		18,723,436	3,943,206
25.00	Revenue		
	Yarn	542,553,420	-
	Softening Agent	-	6,853,974
	Scouring Agent	-	6,383,134
	Anti-Foaming Agent	-	2,976,147
	Levelling Agent	-	1,994,743
	Fixing Agent	-	3,749,582
	Stabilizer	-	4,752,547
	Retarding Agent	-	1,883,773
	Bleaching Agent	-	1,788,579
	Others	-	4,490,487
		542,553,420	34,872,966

Sales Revenue has increased during the Year 2022-2023 than the previous year due to commissioning of new spinning mill at own premises at Rupgonj, Narayangonj.

26.00	Cost of sales		
	Raw materials consumed-Cotton (Note-26.01)	647,523,868	13,847,835
	Packaging materials consumed (Note-26.02)	990,927	259,786
		648,514,795	14,107,621
	Add: Work in process- Opening	-	589,743
		648,514,795	14,697,364
	Less: Work in process- Closing	7,985,746	-
	Total consumption	640,529,049	14,697,364
	Add: Manufacturing overhead (Note-26.03)	157,576,165	40,632,084
	Add: Depreciation (Annexure-A)	129,577,080	46,175,778
	Cost of production	927,682,294	101,505,226
	Add: Finished goods - opening	-	9,854,366
		927,682,294	111,359,592
	Less: Finished goods - closing	178,107,923	-

Notes	Particulars	Amount in Taka	
		June 30,2023	June 30,2022
	Change of finished goods stock	749,574,371	111,359,592
	Less: Cost of free issue	-	-
		749,574,371	111,359,592
26.01	Raw materials consumed		
	Opening Stock	-	13,847,835
	Add: Purchase during the year	789,782,854	-
	Raw materials available for production	789,782,854	13,847,835
	Less: Closing Stock	142,258,986	-
	Consumption during the year	647,523,868	13,847,835
26.02	Packaging materials consumed		
	Opening Stock	-	259,786
	Add: Purchase during the year	3,045,120	-
	Consumable Item available for packing.	3,045,120	259,786
	Less: Closing Stock	2,054,193	-
	Consumption during the year	990,927	259,786
26.03	Manufacturing overhead		
	Salaries and wages	39,581,513	34,644,726
	Electricity Bill	111,175,168	-
	Fuel, water and power	429,347	3,079,382
	Printing and stationary	203,401	175,790
	Conveyance expenses	214,736	167,132
	Mobile bill	35,200	52,500
	Store and spares consumed (Note-6.05)	2,516,407	180,000
	Rent, rates and taxes	1,848,339	473,712
	Medical expenses	63,420	157,806
	Food and Tiffin	430,656	420,033
	Labor charge	341,528	668,251
	Repair and maintenance (Note-26.03.1)	35,418	63,705
	Carrying Charge	274,961	392,206
	Other overhead	426,071	156,841
		157,576,165	40,632,084
26.03.1	Repairs and maintenance		
	Plant and Machinery	-	54,704
	Buildings	-	9,001
	Others	35,418	-
		35,418	63,705
27.00	Selling and distribution expenses		
	Salaries and wages	2,540,861	3,401,437
	Transportation and handling expenses	428,175	311,783
	Repairs and maintenance	31,059	16,467
	Rent	180,000	180,000
	Electricity & water	86,972	67,853
	Traveling expenses	369,827	82,078
	Entertainment expenses	173,629	7,985

Notes	Particulars	Amount in Taka	
		June 30,2023	June 30,2022
	Miscellaneous expenses	25,718	1,580
	Sample, test and analysis	271,893	-
	Depreciation (Annexure-A)	472,143	168,252
		4,580,277	4,237,435
28.00	Administrative expenses		
	Salaries and wages	2,138,346	1,886,639
	Postage and telecommunication	3,527	2,579
	Traveling, haulage and passage	95,839	115,749
	Repair and maintenance	75,418	34,571
	Electricity, fuel and water	237,415	36,542
	Printing and stationery	28,753	12,587
	Rent, rates and taxes	1,476,385	1,414,200
	Subscription and donation	25,000	22,478
	Entertainment	66,794	20,400
	Legal and professional Charge	25,000	10,000
	Audit and professional fees	300,000	300,000
	Miscellaneous expenses	25,489	10,600
	News paper and periodicals	14,200	1,309
	Amalgamation Expenses (Note- 28.01)	3,145,108	-
	AGM/EGM Expenses	196,430	184,571
	Director remuneration	600,000	600,000
	Board meeting attendance fees	78,000	74,000
	Depreciation (Annexure-A)	1,101,668	392,588
		9,633,372	5,118,813
28.01	Amalgamation expenses		
	Scheme fees	300,000	-
	Business Valuation fees	1,500,000	-
	Court order fees - CSR	1,000,000	-
	Printing Stationary & other fees	345,108	-
		3,145,108	-
29.00	Employee welfare expenses		
		25,418	675,703
		25,418	675,703
30.00	Financial expenses		
	Bank Charges	4,276,673	235,784
	Bank Interest	19,318,563	-
	Lease payment to EPZ Cumilla	-	482,136
		23,595,236	717,920
31.00	Foreign Exchange Gain/(Loss)		
	Exchange Gain/(Loss)	(4,371,811)	5,089
	Exchange Gain/(Loss) -Unrealized	35,041	
		(4,336,770)	5,089
32.00	Other income		
	Sale of wastage	10,547	6,255
	Interest Income	9,271,092	8,178,519
		9,281,639	8,184,774

Notes	Particulars	Amount in Taka	
		June 30,2023	June 30,2022
33.00	Income Tax Expenses		
	Current Tax on operating income (Notes -33.01)	2,412,847	2,903,242
	Current Tax on other income	2,552,451	2,250,813
	Deferred Tax (Notes - 33.02)	-	-
		4,965,298	5,154,055
33.01	Currenet Tax		
	Profit before Tax	(239,910,385)	(79,046,633)
	Less: Other Income	9,281,639	8,184,774
	Add: Depreciation as Accounting base	131,150,891	46,736,618
	Less: Depreciation as Tax base	185,232,312	43,571,609
	Taxable Income or (Loss)	(303,273,445)	(84,066,399)
	Tax Rate	15.00%	20.00%
	Current Tax	(45,491,017)	(16,813,280)
	Minimum Tax	2,412,847	2,903,242
	So, Current Tax during the year, higher one- under section 163. of Income Tax Act 2023.	2,412,847	2,903,242
33.02	Deferred Tax		
	Property, Plant & Equipment		
	Carrying amount as Accounting base	2,963,671,042	3,169,560,395
	Carrying amount as Tax base	2,876,557,976	2,977,696,862
	Difference	87,113,066	191,863,533
	Tax Rate	15%	20%
	Total maximum deferred tax liability at the end of the year	13,066,960	38,372,707
	Total maximum deferred tax liability at the beginning of the year	-	-
	Total maximum deferred tax for the year	13,066,960	38,372,707
	Total tax for the year	4,965,298	5,154,055
	Less:Current tax(Minimum tax on realization and tax on other income)for the year	4,965,298	5,154,055
	Deferred tax as per total tax liability	-	-
	Deferred tax for the year	-	-
	Note: There is no scope to create deferred tax because the company has been suffering operating losses. On this ground there was no necessity to create deferred tax in the previous year as well as in the current year.		
34.00	Basic earnings per share for the year:		
	a) Net Profit after Tax	(244,875,683)	(84,200,688)
	b) Weighted average number of shares outstanding (Note-33.01)	218,093,423	218,093,423
	Basic Earnings per share (EPS) (a/b)	- 1.12	- 0.39
	Basic earnings per share (Adjusted)	- 1.12	- 0.39
34.01	Weighted average number of shares outstanding		
	For the year 2022-2023		
		Number of Share	Weight
		Weighted average no. of Shares	
	Opening Shares	218,093,423	365/365
	Total	218,093,423	218,093,423

Notes	Particulars	Amount in Taka	
		June 30,2023	June 30,2022

For the year 2021-2022

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

35.00 Net Assets Value (NAV) per share

Total Assets	3,884,090,603	3,447,977,454
Less: Total outside liability	1,489,326,761	808,337,929
a. Net Asset Value	2,394,763,842	2,639,639,525
b. Total number of shares outstanding	218,093,423	218,093,423
Net Assets Value (NAV) per share (a/b)	10.98	12.10

36.00 Net operating cash flow per share (NOCFPS)

a) Net Operating Cash Flow (Numerator)	(549,568,997)	542,963,783
b) No of Shares outstanding	218,093,423	218,093,423
Net operating cash flow per share (NOCFPS) (a/b)	(2.52)	2.49

37.00 Reconciliation of cash generated by operations

Net Profit/(Loss) Before Tax	239,910,385	(79,046,633)
Add: Depreciation	131,150,891	46,736,618
Increase/Decrease in inventory	330,406,848	24,731,730
Increase/Decrease in bills receivables	301,705,156	545,775,447
Increase/Decrease in advance, deposits & prepayments	5,652,708	14,137,618
Increase/Decrease in bills payables	174,735,165	-
Income tax paid	3,840,196	(3,721,094)
Increase/Decrease in creditors & accrues	14,780,231	(5,647,154)
Foreign Exchange Gain or Loss	25,406	(2,749)
	549,568,997	542,963,783

38.00 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	Notes	Nature of Transaction	Amount of Transaction	Outstanding Balance as at June 30, 2023
S.F Textile Industries ltd.	20.02	Loan	67,500,000	143,668,000
MN Industries Ltd.	20.02	Loan	-	84,900,000
Rezwana Rahman Rini	20.02	Loan	-	88,600,000
Rajon Industries Ltd.	20.02	Loan	-	12,500,000
Samin Food & Beverage Inds. and Textile Mills Ltd.	20.02	Loan	-	41,636,964
		Total		371,304,964

Notes	Particulars	Amount in Taka	
		June 30,2023	June 30,2022

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

Employee Position (as on June 30, 2023)

Salary Range	Officer & Staff		Workers	Total Employee
	Factory	Head Office		
Below 6300	6	4	19	29
Above 6300	476	7	78	561
Total	482	108	97	590

38.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, 2022 to June 30, 2023

Remuneration & Board Meeting attendance Fees: Tk.678,000

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	-	16,000	16,000
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. Sayed Md. Tajon Islam	Independent Director	-	16,000	16,000
Mrs. Afroza Nilufa Yeasmin	Independent Director	-	14,000	14,000
Total		600,000	78,000	678,000

39.00 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- 3.19.

40.00 Disclosure as per requirement of Schedule XI, part II, note 5 of para 3**40.A 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 of

i) Sales

Particulars	01-07-2022 to 30-06-2023	01-07-2021 to 30-06-2022
Amount in Taka	-	34,872,966
Quantity in Kg - Chemical	-	306,387
Amount in Taka	542,553,420	-
Quantity in Kg - Spinning Yarn	1,672,689	-

ii) Raw Materials - Cotton Consumed in Quantities (Kgs):

Particulars	01-07-2022 to 30-06-2023	01-07-2021 to 30-06-2022
Opening Stock	-	-
Purchase	2,966,655	-
Total available	2,966,655	-
Less: Closing Stock	534,366	-
Raw Materials - consumed	2,432,289	-

Notes	Particulars	Amount in Taka	
		June 30,2023	June 30,2022

iii) Particulars in respect of Opening Stock and Closing Stock of Inventories - Spinning Unit

Particulars	Opening Stock		Closing Stock	
	Quantity	Amount in Tk.	Quantity	Amount in Tk.
Raw Materials -Yarn	0 Kg	-	534,366 Kg	142,258,986
Work in Process	0 Kg	-	29,997 Kg	7,985,746
Finished goods	0 Kg	-	402,168 Kg	178,107,923

40.B Disclosure as per requirement of Schedule XI, part II, para 7

Details of Capacity as given below:

Particulars	Production Unit	Attainable Capacity	Actual Production	Percentage of Capacity Utilization
Cotton Yarn Production in Kg	Spinning Unit	6,300,000	2,077,185	32.97%
Total		6,300,000	2,077,185	

41 **Disclosure as per requirement of Schedule XI, Part II, para 8 of Companies Act,1994.**

41.A During the year ended June 30 , 2023 total value of import in respect of raw material, spare parts calculated on CIF basis are given as below:

Particulars	Amount (Tk.)
Raw Materials - Cotton	789,782,854
Spare Parts	972,829

41.B The company has not incurred any expenditure in foreign currencies during the period of 01 July, 2022 to 30 June, 2023 on account of royalty, know-how, professional fees, consultancy fees, interest and other matters.

41.C Value of both imported and indigenous raw materials, spare parts and components consumed and the percentage of each to the total consumption during the period of 01 July, 2022 to June 30, 2023 are given as below:

Particulars	Total Consumption	Imported Taka.	Local Taka.	(%)	(%)
Raw Materials - Cotton	647,523,868	647,523,868	-	0.00%	100%
Packing Materials	990,927	-	990,927	100.00%	0%
Store Items	2,516,407	972,829	1,543,578	61.34%	39%
Total	651,031,202	648,496,697	2,534,505		

41.D The company has not remitted any amount during the period of 01 July, 2022 to June 30, 2023 in foreign currencies on account of dividend for non-resident shareholders.

41.E **Earnings in foreign exchange classified under the following heads as follows:**

- Total Export for the period ended 30 June 2023 is US\$ 5,236,122 which equivalent to BDT. 542,553,420.00
- No royalty, know-how, professional and consultancy fees were received.
- No interest and dividend received.
- No other income received.

Notes	Particulars	Amount in Taka	
		June 30,2023	June 30,2022

42.00 Other commitments, contingencies and relevant information**Quantity wise schedule as required under Para 3, Schedule XI, Part II of the Companies Act, 1994****42.01**

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, 2023 as required under Para 3, Schedule XI, Part II of the Companies Act 1994 are given below:

Particulars	01-07-2022 to 30-06-2023		01-07-2021 to 30-06-2022	
	Quantity in Kg	Amount in Taka	Quantity in Kg	Amount in Taka
Export- Sales	1,672,689	542,553,420	306,387	34,872,966
Total	1,672,689	542,553,420	306,387	34,872,966

42.02 Capital expenditure commitment

The company has constructed a Chemical Unit and a Spinning Unit on 342.46 decimal land at Rupganj, Narayanganj as earlier commitment. The new Spinning Unit started commercial operation during the financial year.

42.03 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.

42.04 Foreign remittances

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

FAR Chemical & Textile Ind. PLC
Schedule of Property, Plant and Equipment
For the year ended June 30, 2023

Particulars	Cost				Rate of depreciation/amortization	Depreciation			Written Down Value as at June 30, 2023	Written Down Value as at June 30, 2022
	Balance as on July 01, 2022	Addition during the year	Disposal during the year	Balance as on June 30, 2023		Charged during the year	Adjustment during the year	Balance as on June 30, 2023		
Land and Land development	1,209,467,171	-	-	1,209,467,171	0.00%	-	-	-	1,209,467,171	1,209,467,171
Factory building-Spinning Unit	322,979,538	294,366	-	323,273,904	2.5%	6,061,386	-	6,061,386	317,212,519	322,979,538
Plant and machinery	835,260,970	-	-	835,260,970	10.00%	27,140,272	-	590,998,522	244,262,448	271,402,720
Plant and machinery-Spinning Unit	1,141,776,401	81,575,595	-	1,223,351,996	10.00%	91,751,400	-	91,751,400	1,131,600,596	1,141,776,401
Electrical installation-Spinning Unit	20,007,502	2,041,571	-	22,049,073	10.00%	1,653,680	-	1,653,680	20,395,393	20,007,502
Compressor	81,106,070	-	-	81,106,070	10.00%	3,240,680	-	51,939,952	29,166,118	32,406,798
Fork lift	15,562,879	-	-	15,562,879	10.00%	9,899,067	566,381	10,465,448	5,097,431	5,663,812
Water line installation- Spinning Unit	3,241,562	-	-	3,241,562	10.00%	243,117	-	243,117	2,998,445	3,241,562
Office equipment	7,435,521	53,418	-	7,488,939	10.00%	289,910	-	4,866,394	2,622,545	2,859,037
Furniture and Fixture	6,389,261	128,476	-	6,517,737	20.00%	204,065	-	5,669,359	848,378	923,967
Balance as on June 30, 2023	3,643,226,875	84,093,426	-	3,727,320,301		131,150,891	-	763,649,259	2,963,671,042	3,010,728,507
Balance as on June 30, 2022	2,604,783,759	-	(449,561,887)	2,155,221,872		46,736,618	(135,859,469)	632,498,368	3,169,560,395	3,169,560,395

Allocation of depreciation

Cost of sales (Note-21)	129,577,080	98.80%
Selling and Distribution Expenses (Note-22.00)	472,143	0.36%
Administrative Expenses (Note-23.00)	1,101,668	0.84%
	<u>131,150,891</u>	<u>100%</u>

FAR Chemical & Textile Ind. PLC

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 & Textile Ind. PLC 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 16th Annual General Meeting of
the Company to be held on Wednesday, the 21st December, 2023 at 12.00 PM at virtually and at
any adjournment thereof.

As witness my/our hand thisday of.....2023.

(Signature of the Shareholder)

(Signature of Proxy)

Affix
Twenty Taka
Revenue
Stamp

Folio No./BO ID No.

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NO. of Shares heldDated

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 & Textile Ind. PLC

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 16th Annual General Meeting of the company being held on Thursday, the 21st December, 2023 at 12.00 PM at virtually.

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 & TEXTILE IND. PLC

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 : Vill: Mirkutirchao, PO: Murapara, PS: Rupgonj, Dist: Narayangonj.

SB Communication
Cell: 01718 230 234