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এম, জেড, ইসলাম এন্ড কোং
M. Z. ISLAM & CO.
Chartered Accountants



An International Affiliated Member Firm of MGM Accountants Pty Ltd. Australia.

FAR Chemical & Textile Ind. PLC

For the year ended June 30, 2024

**Auditor's Report and
Audited Financial Statements
Of**

**FAR Chemical & Textile Ind. PLC
For the year ended June 30, 2024**

Auditors



MZ Islam & Co.
Chartered Accountants



*An International Affiliated Member Firm of
MGM Accountants Pty Ltd. Australia*

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Independent Auditors' 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 & Textile Ind. PLC** (the Company), which comprise the Statement of Financial Position as at June 30, 2024; 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 disclosed in notes 1 to 39 and Annexure- A.

In our opinion, the accompanying financial statements of the Company present fairly in all material respects the financial position as at June 30, 2024, and its financial performance and its cash flows for the year then ended in accordance with International Accounting Standards (IASs) and 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 Auditors' 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 on the matters disclosed as below:

1. As stated in Note no. 1.01 Amalgamation/Merger of S.F Textile Industries Ltd. with FAR Chemical & Textile Ind. PLC. has been made accordingly. The operation of Chemical unit of FAR Chemical & Textile Ind. PLC is not yet started. No impairment made on the chemical unit refer to IAS 36 for shifting of factory facilities from CEPZ to Rupgonj own premises. The completion of amalgamation process by following the high court order and provision of securities related laws, rules, regulations and the companies act 1994 as well as other laws in force in Bangladesh accordingly amalgamation has been made on October 31, 2023.





2. Referring to Note no - 7 of the financial statements where inventories represent amount to BDT. **1,052,776,380**. We didn't observe the physical counting of inventories at period end date. The inventory's amount is verified and counted by internal management. People charged with corporate governance provide related certificates on closing balance. Subsequently, during the audit of the financial statements, we observe the process of maintaining physical inventory and consumptions of the inventories.
3. We draw attention to Note -3.14 of the consolidated financial statements, FAR Chemical & Textile Ind. PLC yet not provided Workers Profit Participation Fund (WPPF) and trustee board not yet approved by the concerned authority. On the other hand, the company didn't maintain other Employee Benefit plans, which include the Contributory Provident Fund and Gratuity Fund.

Our key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements for the year ended on June 30, 2024. These matters were addressed in the context of the audit of the financial statements as a whole and in forming the auditors' opinion thereon and we do not provide a separate opinion on these matters.

In addition to the matter described in the basis for opinion section each matter mentioned below our description of how our audit addressed the matter is provided in the context.

We have fulfilled the responsibilities described in the auditors' responsibilities for the audit of the financial statements section of our report, including in relation to these matters.





Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatements of our financial statements, the results of our audit procedures, including the procedures performed to address the matters below;

Key Audit Matters	How our audit addressed the key audit matters
<p>Revenue</p> <p>Revenue is the most financially significant item in the consolidated statement of profit and loss and other comprehensive income. The company has reported revenue of BDT. 3,029,410,460 for the period ended June 30, 2024.</p> <p>Revenue is measured at the fair value of the consideration received, or receivable excluding VAT discounts commission, rebates and other sales taxes where applicable. FAR Chemical & Textile Ind. PLC sales of goods to export customers.</p> <p>See Note- 23.00 to the financial statements. The company has taken full contract price as revenue and no warranty provision has been made to the consolidated financial statements because the full amount is reimbursed by the principal.</p>	<p>Our procedures included obtaining an understanding of management's revenue recognition process. We tested a sample of transactions to verify whether the revenue was accounted for in accordance with the revenue recognition policy as disclosed in Note- 3.04 of the consolidated financial statements. In addition, we assessed whether the disclosed revenue accounting policy was in accordance with relevant accounting standards.</p> <p>For the revenue recognized throughout the period, we tested selected key controls, including results reviews by management, for their operating effectiveness and performed procedures to gain sufficient audit evidence on the accuracy of the accounting for customer contracts and related financial statement captions.</p> <p>Our audit procedures on implementation of IFRS 15 Revenue from contracts with Customers, we verified management's conclusion from assessing different types of Contracts and the accuracy of the accounting policies in light of the industry specific circumstances and our understanding of the business. We tested the appropriateness of the accounting treatment on a sample basis. In addition, we verified the accuracy of IFRS 15 related party disclosures.</p> <p>These procedures included reading significant new contracts to understand the terms and conditions and their impact on revenue recognition. We performed enquiries with management to understand their risk assessments and inspected meeting minutes to identify relevant changes in their assessments and estimates</p>





Valuation of Inventory

The Company had inventory of **BDT. 1,052,776,380** at June 30, 2024 held in its warehouses and across multiple production lines.

Inventories consisting of finished goods and raw material, work in process, to be valued at lower of cost and net realizable value. Cost for stock of finished goods comprises expenditures incurred in the normal course of business in bringing such inventories to present condition and includes, whether applicable, appropriate overheads based on normal level of activity.

The company determines cost of inventories using weighted average method. Where necessary, allowance should be provided for damaged, obsolete and slow-moving items to adjust the carrying amounts of inventories to the lower of cost and net realizable value

Net realizable value is based on estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

See note- 7.00 to the financial statements.

As part of our audit testing against closing inventories, we performed the following audit procedures in response to the assessed risk of material misstatements:

- Evaluating the design and implementation of key inventory controls operated across the company, including those at a sample of, factory production house, warehouse;
- Evaluating internal controls to monitor or keep track of inventory movement;
- Comparing the net realizable value obtained through a detailed review of sales subsequent to the period-end, to the cost price of a sample of inventories;
- Reviewing the historical accuracy of inventory provisioning, and the level of inventory write-offs during the period;
- Reassessing reasonableness and adequacy of provision required to write down the cost of inventories recognized to net realizable value against slow moving, obsolete and damaged items to test both accuracy and valuation of reported amount

Assessing the appropriateness and presentation of disclosures notes to the financial statements with the requirement of IAS 02 and other relevant IFRSs.





<p>Property, Plant and Equipment</p> <p>Property, plant and equipment (PPE) was recognized at carrying value aggregating to BDT. 5,085,932,311 representing over 64.93% of total assets of the company on June 30, 2024.</p> <p>Since PPE comprised a significant portion of the company's total assets, it also involves management judgments to determine estimated useful lives to charge depreciation. Besides, PPE is also subject to impairment when any possible indicators exist warranting their impairment review.</p> <p>See note - 4.00 to the financial statements</p>	<ul style="list-style-type: none"> • Our audit procedures performed during the audit to address the risks identified consist of the following: • Obtaining and documenting detailed understanding regarding procurement process of PPE and identified relevant control points and their implementation. • Reviewing recognition, measurement and valuation basis of PPE in compliance with requirement of IAS 16: Property, plant and equipment. • Performing test of details against sampled population with supporting evidence as maintained by the company in test the accuracy, valuation of capitalized amount and ownership of the assets. <p>Assessing the appropriateness and presentation of disclosures notes to the financial statements with the requirement of IAS 16 and other relevant IFRSs.</p>
<p>Trade Receivable</p> <p>In the consolidated financial statements, the company Trade Receivable BDT. 1,309,128,163 as per Note-8.00 representing over 16.71 % of total assets of the company as on June 30, 2024 is initially recognized at cost which is the fair value of the consideration given in return. After initial recognition these are carried at cost less impairment losses due to un- collectability of any amount so recognized.</p>	<ul style="list-style-type: none"> • Reviewing recognition, measurement and valuation basis in compliance with requirement of IAS 32: Trade Receivables. • Performing test of details sampled population with supporting evidence as maintained by the company to test the accuracy, valuation aging or Trade Receivables, • Assessing the appropriateness and presentation of disclosures notes to the financial statements with the requirement of IAS 39 and other relevant IFRS's 09. • Sending Balance Confirmations requests to selected parties. Verifying subsequent realization against the outstanding balance.





Long Term Loan	
<p>In the consolidated financial statements, the company reported Long Term Loans of BDT. 393,484,935 at the reporting date. This element was considered as key audit matter because this external form of credit facilities availed by the company require fulfillment of several terms and conditions as mentioned in loan sanction letter issued by the bank. Hence, there is potential risk that not all such terms and conditions are adequately disclosed in the financial statements.</p> <p>See note no 15 & 18 to the financial statements.</p>	<p>Our substantive audit procedures adopted during the audit includes the following test or details.</p> <ul style="list-style-type: none">• Inspecting relevant board minutes in support of bank loans sanctioned and reported during the year in the financial statements.• Testing the accuracy and completeness of outstanding amount carried at the reporting date with loans statements, amortization schedule and corresponding sanction letter from the bank.• Testing the existence of outstanding balances with confirmation letter issued against the said loans by the company.• Recalculating and testing accuracy and completeness of finance costs recognized during the year with loan statements provided by banks. <p>Assessing the adequacy and appropriateness of disclosures made by the company for the loans availed in accordance.</p>

Other Information

Management is responsible for the other information. The other information comprises all of the information in the Annual report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information.

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 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.





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), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations 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.

Auditors' 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 auditors' 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 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 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 auditors' 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 auditors' 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 financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994 and the Securities and Exchange Rules 1987 and relevant notifications issues by Bangladesh Securities and Exchange Commission, we also report that:

- 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 accounts, as records and other statutory books as required by law have been kept by the Company so far as it appeared from our examination of these books;
- c) The statements of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of accounts and returns; and
- d) The expenditure incurred was for the purposes of the Company's business.

Place: Dhaka
Dated: October 24, 2024




Mohammad Fakhru Alam Patwary FCA
Enrollment No: 1249
Managing Partner
M. Z. Islam & Co.
Chartered Accountants
DVC: 2410241249AS312656

FAR Chemical & Textile Ind. PLC

Statement of Financial Position

As at June 30, 2024

Particulars	Notes	Amount in Taka	
		June 30, 2024	June 30, 2023
Assets:			
Non Current Assets		5,097,877,671	5,293,347,675
Property, Plant & Equipment	4.00	5,085,932,311	5,122,570,427
Capital work in Progress	5.00	-	158,831,888
Security deposit	6.00	11,945,360	11,945,360
Current Assets		2,736,195,204	2,403,737,726
Inventories	7.00	1,052,776,380	943,385,986
Trade Receivables	8.00	1,309,128,163	991,652,885
Advance, Deposits and Prepayments	9.00	44,770,621	59,703,277
Investment in Shares	10.00	82,829,215	227,087,789
Cash and Cash equivalents	11.00	246,690,825	181,907,790
Total Assets:		7,834,072,875	7,697,085,401
Equity And Liabilities:			
Equity		4,980,289,958	4,951,432,679
Share Capital	12.00	1,530,973,330	3,757,890,530
Capital Reserve	13.00	2,226,917,200	-
Retained Earnings	14.00	1,222,399,428	1,193,542,149
Non Current Liabilities		299,537,000	266,777,650
Loan Term Loan	15.00	201,002,115	165,895,525
Deferred Tax	16.00	98,534,885	100,882,125
Current Liabilities		2,554,245,917	2,478,875,073
Trade Payables	17.00	580,370,123	388,909,243
Loan Term Loan - Current	18.00	192,482,820	215,611,000
Short Term Borrowings	19.00	1,685,666,384	1,766,550,867
Income Tax Payable	20.00	44,131,293	66,377,214
Unpaid or Unclaimed Dividend	21.00	169,631	581,528
Creditor & Accrues	22.00	51,425,666	40,845,221
Total Equity and Liabilities		7,834,072,875	7,697,085,401
Net Asset Value per share	31.00	32.53	13.18

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



Chairman



Managing Director



Director



Company Secretary



Chief Financial Officer

Signed as per our annexed report on even date.

Place: Dhaka.

Dated: October 24, 2024





Mohammad Fakhru Alam Patwary FCA
 ICAB Enrollment No. 1249
 Managing Partner
M. Z. Islam & Co.
 Chartered Accountants
 DVC: 2410241249AS312656



FAR Chemical & Textile Ind. PLC
Statement of Profit or (Loss) and Others Comprehensive Income
For the year ended June 30, 2024

Particulars	Notes	Amount in Taka	
		July 01, 2023 to June 30, 2024	July 01, 2022 to June 30, 2023
Sales	23.00	3,029,410,460	2,186,119,544
Less: Cost of goods sold	24.00	2,788,475,166	2,279,765,289
Gross Profit		240,935,294	(93,645,745)
Less: Operating Expenses	25.00	38,715,543	38,407,592
Operating Income		202,219,751	(132,053,337)
Less: Financial Expenses	26.00	157,252,460	79,470,841
Add/(Less): Foreign Exchange gain/(loss)	27.00	1,967,659	(3,618,521)
Net Operating Profit		46,934,950	(215,142,699)
Add: Other Income	28.00	9,762,186	19,038,133
Add: Share Profit of Investment	29.00	1,275,555	1,893,329
Net Profit Before Tax		57,972,691	(194,211,237)
Less: Income Tax Expenses	30.00	27,249,283	21,234,102
Net Profit After Tax		30,723,408	(215,445,339)
Earnings Per Share-EPS	32.00	0.20	(0.57)

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


Chairman


Managing Director


Director


Company Secretary


Chief Financial Officer

Signed as per our annexed report on even date.

Place: Dhaka.

Dated: October 24, 2024




Mohammad Fakhru Alam Patwary FCA
 ICAB Enrollment No. 1249
 Managing Partner
M. Z. Islam & Co.
 Chartered Accountants
 DVC: 2410241249AS312656

FAR Chemical & Textile Ind. PLC
Statement of Changes in Equity
For the year ended June 30, 2024

Particulars	Share Capital	Capital Reserve	Retained Earnings	Total
Balance as on July 01, 2023	2,180,934,230	-	1,193,542,149	3,374,476,379
Transfer during the year	(1,453,956,150)	1,453,956,150	-	-
Transfer during the year	-	772,961,050	-	772,961,050
Investment realization	-	-	(1,866,129)	(1,866,129)
Addition during the year	803,995,250	-	-	803,995,250
Net Profit (Loss) during the year	-	-	30,723,408	30,723,408
Balance as at June 30, 2024	1,530,973,330	2,226,917,200	1,222,399,428	4,980,289,958

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

Particulars	Share Capital	Capital Reserve	Retained Earnings	Total
Balance as on July 01, 2022	3,757,890,530	-	1,418,318,136	5,176,208,666
Net Profit (Loss) during the year	-	-	(215,445,339)	(215,445,339)
Investment realization	-	-	(9,330,648)	(9,330,648)
Balance as at June 30, 2023	3,757,890,530	-	1,193,542,149	4,951,432,679


 Chairman


 Managing Director


 Director


 Company Secretary


 Chief Financial Officer



FAR Chemical & Textile Ind. PLC
Statement of Cash Flows
 For the period ended June 30, 2024

Particulars	Amount in Taka.	
	July 01, 2023 to June 30, 2024	July 01, 2022 to June 30, 2023
A. Cash Flow From Operating Activities:		
Collection from customer & others	2,733,730,299	1,894,147,288
Payment to Suppliers, employees & others	(2,520,599,134)	(2,290,912,338)
Income Tax paid	(28,188,237)	(21,975,130)
Payment for financial Expenses	(157,252,460)	(79,470,841)
Net cash flow from Operating activities	27,690,468	(498,211,021)
B. Cash Flow From Investing Activities:		
Paid for Investment	(42,597,117)	(67,500,000)
Security Deposit	-	(3,000,000)
Acquisition of Fixed Assets	(37,577,619)	(186,324,230)
Net cash used in Investing activities	(80,174,736)	(256,824,230)
C. Cash Flow From Financing Activities:		
Receipt of / paid for Short term loan from bank	105,380,634	473,697,551
Paid of Unclaimed dividend	(411,897)	-
Receipt of / paid for Long term loan from bank	11,978,410	165,895,525
Net Cash flow from financing activities	116,947,147	639,593,076
D. Increase/(Decrease) Cash and Cash Equivalents (A+B+C)	64,462,879	(115,442,175)
E. Opening Cash and Cash Equivalents	181,907,790	297,019,344
F. Unrealized Foreign Exchange gain	320,157	330,620
G. Closing cash and cash equivalents (D+E+F)	246,690,825	181,907,789
Net Operating Cash Flow Per Share (NOCFPS)	33.00	0.18
		(1.33)


 Chairman


 Managing Director


 Director


 Company Secretary


 Chief Financial Officer



FAR Chemical & Textile Ind. PLC
Notes to the Financial Statements
For the period ended June 30, 2024

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, Corporate office is located 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/IPO-220/2013/98 dated February 05, 2014. Name of the company has been changed from FAR Chemical Industries Limited to FAR Chemical & Textile Ind. PLC on 5th March 2023.

The company has been amalgamated with another Spinning Mills namely S.F Textile Industries Ltd on 31st October 2023 by complying due process including approval of shareholders and Creditors in EGM and at creditors meeting respectively, Judgement and Order of Honorable High Court Division of Bangladesh of Supreme Court and Consent of Bangladesh Securities and Exchange Commission (Ref: BSEC/LSD/CM-83/2022/993/1414 dated, October 01, 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 established a Spinning Mill at Rupgonj, Narayangonj. Present business activity of the company is to carry on textile spinning for 100% export-oriented dyeing/textile industries.

2.00 Basis of Preparation of Financial Statements

2.01 Statement of Compliance

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

2.02 Regulatory Compliances

As required FAR Chemical & 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 four months from 1 July 2023 to June 30, 2024 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 3.19.

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%

3.02 Components of the Financial Statements

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

- Statement of financial position as at June 30, 2024
- Statement of Profit or Loss and other comprehensive income for the financial period ended on June 30, 2024
- Statement of Cash Flows for the financial period ended on June 30, 2024
- Statement of changes in equity for the financial period ended on June 30, 2024
- Accounting policies and explanatory notes for the financial period ended on June 30, 2024.

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;

- Identification of the contract(s) with a customer;
- Identification of the performance obligation in a contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contract;
- 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

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

Share Capital

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

3.08 Taxation

3.08.1 Current Tax

Provision for income tax has been made as per the Income Tax Act 2023 as applicable for the publicly listed company.

3.08.2 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.30.02.

3.09 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.

3.10 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.

3.11 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.

3.12 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.

3.13 Event after Statement of Financial Position Date

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

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

3.14 Employee Benefits

3.14.1 Worker's Profit Participation

As the company is 100% export oriented industry, As per labor Act 2006, the company need not to establish separate Worker's Profit Participation Fund.

3.15 Financial Risk Management Policies

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



Interest Rate Risk

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

Foreign Currency Risk

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

Credit Risk

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

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

Credit risk is the risk which arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the 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.

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.

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, 2024 the net fair value of all financial assets and financial liabilities are estimated to approximate their carrying values.

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



3.16 Date of Authorization

The financial statements were authorized for issue on 24 October, 2024 by the board of the Directors of the company.

3.17 Impact of war and Increase of Revenue

There are no going concern threats due to Ukraine and Russia war as the company has adequate resources to continue in future. However, being a deemed export oriented company it has been facing global impact of such war as well local and global financial impact. Export revenue has been increased during the year due to amalgamation with S.F Textile Industries Ltd.

3.18 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 obtained BSEC consent on October 01, 2023 for completion of amalgamation process by following High Court Order and relating rules & regulations. Both the company has been amalgamated as on October 31, 2023.

3.19 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 2022-2023 have been rearranged wherever considered necessary to ensure comparability with the current year.



Notes	Particulars	Amount in Taka.	
		June 30, 2024	June 30, 2023
4.00	Property, Plant & Equipments		
	A. Cost		
	Opening balance	6,501,891,569	6,315,567,339
	Add: Addition during the year	196,409,507	186,324,230
	Less: Disposal	-	-
	Closing Balance	6,698,301,076	6,501,891,569
	B. Accumulated depreciation		
	Opening balance	1,379,321,142	1,169,156,533
	Add: Charged during the year	233,047,623	210,164,609
	Less: Adjustment During the year	-	-
	Closing Balance	1,612,368,765	1,379,321,142
	Written down value (A-B)	5,085,932,311	5,122,570,427
	The details of the above is given in Annexure-A		
5.00	Capital Work-in-Progress		
	Opening balance	158,831,888	1,646,836,891
	Add: Addition during the year	-	-
	Less: Transferred to PPE	(158,831,888)	(1,488,005,003)
	Closing Balance	-	158,831,888
6.00	Security Deposit		
	Electricity Security [REB]	8,945,360	8,945,360
	Electricity Security [REB]	3,000,000	3,000,000
	Total	11,945,360	11,945,360
7.00	Inventories		
	Raw Materials	7.01 320,554,864	459,751,908
	Work in process	7.02 15,083,735	15,362,322
	Packaging Materials	7.03 2,932,143	3,141,734
	Finished goods	7.04 710,594,541	458,525,581
	Store items	7.05 3,611,097	6,604,441
	Total	1,052,776,380	943,385,986
7.01	Raw Materials		
	Opening Balance	459,751,908	425,751,683
	Add: Purchase during the year	2,122,128,962	1,859,767,340
	Raw materials available for production	2,581,880,870	2,285,519,023
	Less: Input to production	2,261,326,006	1,825,767,115
	Closing balance	320,554,864	459,751,908
7.02	Work in process		
	Opening Balance	15,362,322	11,892,849
	Add: Addition During the year	2,278,644,463	1,838,466,294
		2,294,006,785	1,850,359,143
	Less: Transfer to finished goods	2,278,923,050	1,834,996,821
	Closing balance	15,083,735	15,362,322





Notes	Particulars	Amount in Taka.	
		June 30, 2024	June 30, 2023

7.03 Packaging Materials

Opening Balance	3,141,734	1,208,547
Add: Purchase during the year	17,108,866	14,632,366
	20,250,600	15,840,913
Less: Consumption during the year	17,318,457	12,699,179
Closing balance	2,932,143	3,141,734

7.04 Finished Goods

Opening Balance	458,525,581	296,204,034
Add: Production during the year	3,037,378,918	2,442,086,836
Production available for export	3,495,904,499	2,738,290,870
Less: Cost of goods sold	2,785,309,958	2,279,765,289
Closing balance	710,594,541	458,525,581

7.05 Store items

Opening Balance	6,604,441	1,850,189
Add: Purchase during the year	30,350,354	18,368,051
	36,954,795	20,218,240
Less: Consumption during the year	33,343,698	13,613,799
Closing balance	3,611,097	6,604,441

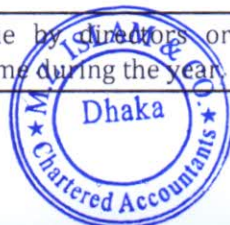
8.00 Trade Receivables

This is the amount of receivable against export bills as on June 30, 2024. This is considered as good & realizable and is secured by export letter of credit duly accepted by L/C opening bank.

Opening balance	991,652,885	661,567,538
Add: Export during the year	3,029,410,460	2,186,119,544
Less: Realization during the year	2,711,935,182	1,856,034,197
Closing balance	1,309,128,163	991,652,885

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 the year as per the terms of export letter of credit. The classification of receivables as required by the Part-1, para-4, of Schedule XI of the Companies Act, 1994 are given below:

Particulars	30-06-2024	30-06-2023
i. Receivables considered good and in respect of which the company is fully secured.	1,309,128,163	991,652,885
ii. Receivables considered good for which the company holds no security other than the debtors personal security.	-	-
iii. Receivables considered doubtful or bad.	-	-
iv. Receivables due by directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member.	-	-
v. Receivables due by companies under same management.	-	-
vi. The maximum amount due by directors or other officers of the company at any time during the year.	-	-





Notes	Particulars	Amount in Taka.	
		June 30, 2024	June 30, 2023

Ageing of the above Receivables is given below;

For the year ended 30-06-2024

Particulars	Below 6 Months	Above 6 Months	Total
Customers	1,309,128,163	-	1,309,128,163

For the year ended 30-06-2023

Particulars	Below 6 Months	Above 6 Months	Total
Customers	991,652,885	-	991,652,885

9.00 Advances, Deposits & Prepayments

Sundry Advances

9.01 16,582,384 7,860,833

Advance Income Taxes

9.02 28,188,237 51,842,444

Total

44,770,621 59,703,277

9.01 Sundry Advances

Advance Salary

- 1,879,354

Mr. Uttom Kumar

67,114 215,289

Mofazzal & Brothers

- 36,827

Karim carrier Services

- 739,183

Advance to factory

512,334 -

J.M Transport

556,200 -

Emerging Credit Rating

50,000 -

S.B Communication

94,326 -

The linker International

50,000 -

Sajedur Rahman

4,761,814 2,325,437

L/C Margin

3,843,900 2,322,000

MLD C & F

4,884,194 -

Maa Khadiza Engineering & Technology

252,000 -

Gazi Enterprise

- 5,241

Modina Transport trading Corporation

29,000 -

Premier Cement

277,000 -

Power & Automation Intelligence

88,000 -

Hasin Textile

50,000 -

Masud Enterprise

425,000 -

Meghna Star Cable & Electrical app

28,000 -

Mother Trade International

193,000 -

Maa Enterprise

288,417 205,417

Mita Engineering

132,085 132,085

Total

16,582,384 7,860,833



Notes	Particulars	Amount in Taka.	
		June 30, 2024	June 30, 2023
9.02	Advance Income Tax		
	Opening Balance	51,842,444	33,588,408
	Add: Tax deduction at source on Export	27,249,283	18,681,651
	Add: Tax deduction at source on Interest Income	565,728	1,427,349
	Add: Tax deduction at source on Dividend	373,226	1,866,130
		80,030,681	55,563,538
	Less: Adjustment during the year	51,842,444	3,721,094
	Closing Balance	28,188,237	51,842,444
10.00	Investments		
	Investment in Shares	10.01 82,829,215	83,419,789
	Advances	10.02 -	143,668,000
	Total	82,829,215	227,087,789
10.01	Investment in Shares		
	Investment in M.L.Dyeing Ltd.	10.01.A 84,695,344	92,750,437
	Less: Investment realization	10.01.B 1,866,129	9,330,648
	Total	82,829,215	83,419,789
10.01.A	Investment in M.L. Dyeing Ltd.		
	M.L Dyeing Ltd (Cost of Investment Tk. 93,306,480)	83,419,789	90,857,108
	Share of Profit during the year (Note: 23)	1,275,555	1,893,329
	Total	84,695,344	92,750,437
10.01.B	Investment Realization		
	Cash Dividend Received	1,866,129	9,330,648
	Total	1,866,129	9,330,648
10.02	Advances		
	Far Chemical Industries Ltd.	-	143,668,000
	Total	-	143,668,000
11.00	Cash and Cash Equivalents		
	Cash in Hand	941,612	2,034,557
	Cash at Bank	11.01 245,749,213	179,873,233
	Total	246,690,825	181,907,790



Notes	Particulars	Amount in Taka.	
		June 30, 2024	June 30, 2023
11.01	Cash at Bank		
	Al-Arafah Islami Bank Ltd	-	16,004,795
	Al-Arafah Inlami Bank Ltd, A/C: 0025	6,071,871	-
	Al-Arafah Inlami Bank Ltd, A/C: 0017	77,019	-
	Al-Arafah Inlami Bank Ltd, A/C: 0047	1,579,174	-
	Al-Arafah Inlami Bank Ltd, A/C: 0126	162,542,876	-
	Al-Arafah Inlami Bank Ltd, A/C: 0656	3,212,798	-
	Al-Arafah Inlami Bank Ltd, A/C: 1702	3,087	-
	Al-Arafah Inlami Bank Ltd, A/C: 1591	8,130	-
	Al-Arafah Inlami Bank Ltd, A/C: 6088	7,189	-
	Social Islami Bank Limited, A/C: 83	90,256	82,607
	Social Islami Bank Limited, A/C: 4628	321,392	322,232
	SBAC Bank Limited, A/C: 0638	1,159,865	1,680,589
	SBAC Bank Limited, A/C: 8372	545	-
	Islami Bank BD Ltd, A/C: 0910	158,221	148,628
	Shahjalal Islami Bank, A/C: 00028	14,337	15,257
	Islami Bank BD Ltd, A/C: 87011	101,483	3,257,158
	Islami Bank BD Ltd, A/C: 73206	8,678,089	31,710,615
	Islami Bank BD Ltd, A/C: 31608	185,232	17,439,594
	Islami Bank BD Ltd, A/C: 58712	6,609,088	3,908,924
	Islami Bank BD Ltd, A/C: 33604	25,045	91,861
	DBBL, A/C: 12906	6,611	11,312
	SBACBL, A/C: 45848/00496	11,529,463	56,270
	SBACBL, A/C: 60000126	5,462,627	4,999,693
	SBACBL, A/C: 26865/3564	90,012	111,143
	FDR	37,814,803	100,032,555
	Total	245,749,213	179,873,233

The Bank balance are in agreement with respective bank statement balances.

12.00 Share Capital:

Authorized Share Capital

501,000,000 Ordinary Shares of Taka 10/= each.

<u>5,010,000,000</u>	<u>5,010,000,000</u>
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Authorized Share Capital

Far Chemical & Textile Ind. PLC

S.F Textile Industries Limited

3,000,000,000	3,000,000,000
2,010,000,000	2,010,000,000
<u>5,010,000,000</u>	<u>5,010,000,000</u>



Notes	Particulars	Amount in Taka.	
		June 30, 2024	June 30, 2023

Issued, subscribed, called-up and paid-up share capital:

153,097,333 ordinary shares of Tk 10/= each fully paid-up	<u>1,530,973,330</u>	<u>3,757,890,530</u>
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The shareholding position of the company are as under

Name	No. of shares	Percentage	Amount
Sponsors & Directors	49,959,950	32.63%	499,599,500
Other Shareholders	52,425,448	34.24%	524,254,480
General Shareholders	50,711,935	33.12%	507,119,350
Total	153,097,333	100%	1,530,973,330

Issued, subscribed, called-up and paid-up share capital	Before Amalgamation	After Amalgamation
Far Chemical & Textile Ind. PLC	2,180,934,230	726,978,080
S.F Textile Industries Limited	1,576,956,300	803,995,250
	<u>3,757,890,530</u>	<u>1,530,973,330</u>

Paid up Capital

Paid up Capital at the beginning of the year	2,180,934,230	3,757,890,530
Less : Transfer to Capital reserve	(1,453,956,150)	-
Add : Addition during the year **	803,995,250	-
	<u>1,530,973,330</u>	<u>3,757,890,530</u>

**No of 80,399,525 Ordinary shares of Tk 10. each has been allotted to shareholder of S.F Textile Industries ltd.

13.00 Capital Reserve

Transfer from paid up capital -Far Chem	1,453,956,150	-
Transfer from paid up capital - S.F Textiles	772,961,050	-
Sub-Total	2,226,917,200	-
Less: Transfer to retained earnings	-	-
Total	<u>2,226,917,200</u>	<u>-</u>

14.00 Retained Earnings

Opening balance	1,193,542,149	1,418,318,136
Add: Current year Profit/Loss	30,723,408	(215,445,339)
	1,224,265,557	1,202,872,797
Less: Investment realization	1,866,129	9,330,648
Closing Balance	<u>1,222,399,428</u>	<u>1,193,542,149</u>

10.01.B

15.00 Long Term Loan

HPSM Loan	201,002,115	165,895,525
Total	<u>201,002,115</u>	<u>165,895,525</u>

16.00 Deferred tax liabilities

Opening balance	100,882,125	102,865,362
Add: Current year charged	(2,347,240)	(1,983,237)
Closing Balance	<u>98,534,885</u>	<u>100,882,125</u>

30.02



Notes	Particulars	Amount in Taka.	
		June 30, 2024	June 30, 2023
17.00	Trade Payables		
	Trade payables	580,370,123	388,909,243
	Total	580,370,123	388,909,243
18.00	Term Loan - Current		
	Term Loan	192,482,820	215,611,000
	Total	192,482,820	215,611,000
19.00	Short Term Borrowings		
	EDF/UPAS	1,363,814,858	1,016,613,914
	IBP Loan	94,214,562	378,631,989
	Short term borrowings - Unsecured	227,636,964	371,304,964
	Total	1,685,666,384	1,766,550,867
19.02	Short term borrowings - Unsecured		
	Sharp Industries PLC	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
	Rajon Industries Ltd.	12,500,000	12,500,000
	Total	227,636,964	371,304,964
20.00	Income Tax Payable		
	Income Tax Payable -Opening	66,377,214	46,880,970
	Add: Charge for the year	29,596,523	23,217,339
		95,973,737	70,098,309
	Less: Adjustment during the year	(51,842,444)	(3,721,095)
	Closing Balance	44,131,293	66,377,214
21.00	Unpaid or Unclaimed Dividend Account		
	Dividend payables	169,631	581,528
	Total	169,631	581,528
Unclaimed or Undistributed dividend for the financial year 2019-2020 has been transferred to the Capital Market Stabilization Fund on 03-03-2024 as per directive No. BSEC/CMRRCD/2021-386/03 dated 14 January 2021 of Bangladesh Securities and Exchange Commission and The Bangladesh Securities and Exchange Commission (Capital Market Stabilization Fund) Rules 2021.			
22.00	Creditor & Accrues		
	Electricity Bill	29,326,464	23,657,691
	Salary & Wages	14,470,468	11,761,476
	Director Remuneration and Fees	100,000	100,000
	Sundry Creditors	7,178,734	4,776,054
	Audit Fees	350,000	550,000
	Total	51,425,666	40,845,221
	22.01		





Notes	Particulars	Amount in Taka.	
		June 30, 2024	June 30, 2023
22.01	Sundry Creditors		
	Mr. Uttom Kumar Roy	1,285,713	1,285,713
	Bangladesh Association of Publicly Listed Companies	50,000	50,000
	Dhaka Stock Exchange Ltd	1,200,000	1,200,000
	Chittagong Stock Exchange Ltd	1,200,000	1,200,000
	Central Depository Bangladesh Ltd	-	340,899
	Delta Transport Service	203,800	145,300
	Gazi Enterprise	62,759	-
	Best Aluminium	225,012	55,012
	M/S Bhuiyan Enterprise	60,000	-
	M/S. S.B Communication	-	18,674
	M/S. Delta Transport Service	113,300	-
	M/S. Purity Trade & Engineering	238,254	-
	M/S. Himalaya Logistic	58,000	-
	M/S. FR Trade Enterprise	166,200	-
	M/S. Karim Carrier	189,370	25,170
	M/S. Azmi Enterprise	362,159	182,159
	M/S. Rigia Traders	36,857	36,857
	M/S. Hasin Textile	1,727,310	236,270
	Total	7,178,734	4,776,054



Notes	Particulars	Amount in Taka	
		July 01, 2023 to June 30, 2024	July 01, 2022 to June 30, 2023
23.00	Sales		
	Revenue from Export	3,029,410,460	2,186,119,544
	Total	3,029,410,460	2,186,119,544
24.00	Cost of goods sold		
	Raw materials consumed	24.01 2,261,326,006	1,825,767,115
	Packing Materials consumed	24.02 17,318,457	12,699,179
		2,278,644,463	1,838,466,294
	Work in process- opening	15,362,322	11,892,849
	Work in process- closing	15,083,735	15,362,322
	Change in work in process	278,587	(3,469,473)
	Total consumption	2,278,923,050	1,834,996,821
	Add: Manufacturing Overhead	24.03 531,601,641	399,684,423
	Add: Depreciation (Annexure-A)	230,019,435	207,405,592
	Cost of production	3,040,544,126	2,442,086,836
	Finished goods - opening	458,525,581	296,204,034
	Finished goods - closing	710,594,541	458,525,581
	Change of finished goods stock	(252,068,960)	(162,321,547)
	Total	2,788,475,166	2,279,765,289
24.01	Raw materials consumed		
	Opening Stock	459,751,908	425,751,683
	Add: Purchase during the year	2,122,128,962	1,859,767,340
	Raw materials available for production	2,581,880,870	2,285,519,023
	Less: Closing Stock	320,554,864	459,751,908
	Total	2,261,326,006	1,825,767,115
24.02	Packing Materials Consumed		
	Opening Stock	3,141,734	1,208,547
	Add: Purchase during the year	17,108,866	14,632,366
	Consumable Item available for packing	20,250,600	15,840,913
	Less: Closing Stock	2,932,143	3,141,734
	Total	17,318,457	12,699,179



Notes	Particulars	Amount in Taka	
		July 01, 2023 to June 30, 2024	July 01, 2022 to June 30, 2023
24.03	Manufacturing overhead		
	Salaries and wages	133,777,601	120,345,087
	Electricity Bill	340,540,962	248,192,732
	Fuel, water and power	2,695,547	429,347
	Printing and stationary	545,969	833,822
	Conveyance expenses	2,470,405	214,736
	Insurance & Others	7,643,286	7,132,500
	Internet, Telephone & Postage	131,492	80,410
	Store and spares consumed (Note-6.05)	33,343,698	13,613,799
	Rent, rates and taxes	3,165,208	2,891,212
	Medical expenses	303,910	105,274
	Food and Tiffin	775,220	1,787,304
	Labor charge	373,480	1,057,880
	Repair and maintenance	2,062,230	453,385
	Carrying Charge	1,634,500	1,849,225
	Other overhead	2,138,133	697,710
	Total	531,601,641	399,684,423
25.00	Operating Expenses		
	Warehouse, Distribution & Selling Exp.	25.01 18,404,866	18,547,027
	Administrative Expenses	25.02 20,310,677	19,860,565
	Total	38,715,543	38,407,592
25.01	Warehouse, Distribution & Selling Exp.		
	Salaries and allowance	8,622,563	7,560,203
	Transportation and handling expenses	2,864,140	6,469,464
	Repairs and maintenance	440,951	204,583
	Sales Promotion	2,296,000	418,740
	Rent	180,000	180,000
	Electricity, water and gas	1,052,342	850,914
	Traveling expenses	1,115,153	905,905
	Printing & Stationery	61,854	57,961
	Entertainment expenses	309,471	422,392
	Miscellaneous expenses	450,418	337,760
	Sample, test and analysis	64,915	271,893
	Depreciation (Annexure-A)	947,059	867,212
	Total	18,404,866	18,547,027



Notes	Particulars	Amount in Taka	
		July 01, 2023 to June 30, 2024	July 01, 2022 to June 30, 2023
25.02	Administrative Expenses		
	Salaries and allowance	8,622,563	6,491,282
	Postage and telecommunication	489,539	107,790
	Traveling, haulage and passage	502,663	508,688
	Repair and maintenance	278,066	531,815
	Electricity, fuel and water	693,121	838,839
	Printing and stationery	688,640	439,290
	Rent, rates and taxes	3,884,132	2,940,357
	Subscription and donation	88,020	366,938
	Entertainment	175,760	141,641
	Legal and professional Charge	81,500	228,000
	Audit and professional fees	1,350,000	550,000
	Miscellaneous expenses	516,272	168,456
	News paper and yearicals	1,772	22,626
	Amalgamation Expenses	-	3,145,108
	AGM/EGM Expenses	4,500	196,430
	Director remuneration	800,000	600,000
	Board meeting attendance fees	53,000	691,500
	Depreciation (Annexure-A)	2,081,129	1,891,805
	Total	20,310,677	19,860,565
26.00	Financial Expenses		
	Interest on Loan	157,252,460	79,470,841
	Total	157,252,460	79,470,841
26.01	Interest on loan		
	Interest on UPAS Loan/EDF Loan/TR	139,540,905	65,901,554
	Bank Charge	17,711,555	13,569,287
	Total	157,252,460	79,470,841
27.00	Foreign Exchange gain / (loss)		
	Foreign Exchange gain / (loss)	1,967,659	(3,653,562)
	Foreign Exchange gain / (loss) -Unrealized	78,841	35,041
	Total	1,967,659	(3,618,521)
28.00	Other income		
	Sales of Wastage	5,067,420	436,393
	Interest Income	2,828,636	9,271,092
	Dividend Income - Cash	1,866,130	9,330,648
	Total	9,762,186	19,038,133
29.00	Share profit of Investment		
	Profit of M.L Dyeing Ltd from disclosed financial statement	31,775,126	47,164,387
	Percentage of holding	4.01%	4.01%
	Share of Associate profit during the year	1,275,555	1,893,329
	* Percentage of holding :		
	Total No. of Share of M.L Dyeing ltd.	232,434,090	232,434,090
	Total No. of Share held by the company	9,330,648	9,330,648
	Percentage of holding	4.01%	4.01%

Notes	Particulars	Amount in Taka	
		July 01, 2023 to June 30, 2024	July 01, 2022 to June 30, 2023
30.00	Income tax expenses		
	Current tax	30.01 29,596,523	23,217,339
	Deferred tax	30.02 (2,347,240)	(1,983,237)
	Total	27,249,283	21,234,102
30.01	Current tax		
	This has been arrived as under;		
	Current tax on operating income	30.01.A 27,249,283	18,681,651
	Current tax on Dividend Income	373,226	1,866,130
	Current tax on other Income	1,974,014	2,669,558
	Total	29,596,523	23,217,339
30.01.A	Current tax on operating income		
	Net Profit before tax	57,972,691	(194,211,237)
	Add: Depreciation as per accounting base	233,047,623	210,164,609
	Less: Profit of Investment	468,875	1,893,329
	Less: Depreciation as per tax base	285,080,357	316,270,304
	Less: Other Income	9,762,186	19,038,133
	Taxable operating income	(4,291,104)	(321,248,394)
	Income tax @ 15%	(643,666)	(48,187,259)
	Tax deducted u/s 163 of Income Tax Act 2023.	27,249,283	18,681,651
	Current tax, higher one	27,249,283	18,681,651
30.02	Deferred tax		
	Property, Plant & Equipment		
	Carrying amount as Accounting base	5,085,932,311	5,122,570,427
	Carrying amount as Tax base	3,879,831,047	4,053,198,623
	Difference	1,206,101,264	1,069,371,804
	Tax Rate	15%	15%
	Total maximum deferred tax liability at the end of the year	180,915,190	160,405,771
	Total deferred tax liability at the beginning of the year	100,882,125	102,865,362
	Total maximum deferred tax for the year	80,033,065	57,540,409
	Total tax on operating income for the year	27,249,283	16,268,804
	Less: Current tax on operating income for the year	29,596,523	18,252,042
	Deferred tax as per total tax liability	(2,347,240)	(1,983,238)
	Deferred tax for the year	(2,347,240)	(1,983,238)



31.00 Net Asset Value (NAV) per share

Net Asset value at the end of the period
 No. of Share outstanding at the end of the period
Net Asset value (NAV) per share

4,980,289,958	4,951,432,679
153,097,333	375,789,053
32.53	13.18

32.00 Earnings Per Share (EPS)

Net profit after tax during the period
 Weighted average no. of share as on 30-06-2024
Earnings Per Share

32.01

30,723,408	(215,445,340)
153,097,333	375,789,053
0.20	(0.57)

32.01 Weighted average No. of Shares Particulars

Opening Share
 Weight

Weighted average No. of Shares

153,097,333	375,789,053
1	1
153,097,333	375,789,053

33.00 Net operating cash flows per share

Net operating cash flows
 No. of outstanding share at the end of period
Net operating cash flows per share

27,690,468	(498,211,021)
153,097,333	375,789,053
0.18	(1.33)

34.00 Reconciliation of cash generated by operations

Net Profit/(Loss) Before Tax
 Add: Depreciation
 Less: Share Profit /Loss of associate
 Less: Income tax paid
 Increase/Decrease in inventory
 Increase/Decrease in bills receivables
 Add(Less): Increase or decrease in trade payable
 Increase/Decrease in advance, deposits & prepayments
 Increase/Decrease in creditors & accrues
 Foreign Exchange Gain or Loss

57,972,691	(194,211,238)
233,047,623	210,164,609
(1,275,555)	(1,893,329)
(28,188,237)	(21,975,130)
(109,390,394)	(206,478,684)
(317,475,278)	(330,085,347)
191,460,880	13,592,725
(8,721,550)	17,364,521
10,580,445	15,641,474
(320,157)	(330,620)
27,690,468	(498,211,021)



35.00 Related party transactions

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

Name of related party	Nature of Transaction	Amount of Transaction	Outstanding Balance as at June 30, 2024
Sharp Industries PLC	Loan	-	41,636,964
Total			41,636,964

35.01 Disclosure as per requirement of Schedule XI, part II, note 5 of para 3

Employee Position (as on June 30, 2024)

Salary Range	Officer & Staff		Worker	Total Employee
	Factory	Head Office		
Below 9000	6	0	95	101
Above 9000	12	7	1252	1271
Total	18	7	1347	1372

35.02 Disclosure as per requirement of Schedule XI, part II, para 4 of companies act 1994

Payment to directors within the year of July 1, 2023 to June 30, 2024

Remuneration & Board Meeting attendance Fees: Tk.696,000

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	200,000	8,000	208,000
Mr. Akik Habibuzzaman (Representative of Another Life Hospital & Research Center Ltd.)	MD	400,000	8,000	408,000
Md. Mehedi Hasan (Representative of S.S Energy Explosion Ltd.)	Director	-	8,000	8,000
Mr.Fatin Kader Fardin (Representative of Sharp Industries Ltd.)	Director	-	8,000	8,000
Mr. Faiaz Kader (Representative of Sharp Industries PLC.	Director	-	8,000	8,000
MS. Jahadha Khondoker (Representative of Sadman Industries Ltd.	Director	-	8,000	8,000
Mr. Sayed Md. Tajon Islam	Independent Director	-	16,000	16,000
Mrs. Afroza Nilufa Yeasmin	Independent Director	-	16,000	16,000
Total		600,000	96,000	696,000

36.00 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.



37.00 Disclosure as per requirement of Schedule XI, part II, note 5 of para 3
37.01 Quantity wise schedule as required under Para 3, Schedule XI, Part II of the Companies Act, 1994

Quantity wise schedules of sales, raw material consumed and opening and closing stock of finished goods of Dyeing & Spinning unit relating to the financial statements for the year ended June 30, 2024 are given below:

i) Sales

Particulars	June 30, 2024	June 30, 2023
Amount in Taka	3,029,410,460	2,186,119,544
Quantity in Kg - Spinning Yarn	7,866,147	6,689,680

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

Particulars	June 30, 2024	June 30, 2023
Opening Stock	1,906,178	2,425,045
Purchase	8,924,007	7,004,332
Total available	10,830,185	9,429,377
Less: Closing Stock	1,344,628	1,906,178
Raw Materials - consumed	9,485,557	7,523,199

iii) Particulars in respect of Opening Stock and Closing Stock of Inventories

Particulars	Opening Stock		Closing Stock	
	Quantity	Amount in Tk.	Quantity	Amount in Tk.
Raw Materials -Yarn	1,906,178 Kg	459,751,908	1,344,628 Kg	320,554,864
Work in Process	61,869 Kg	15,362,322	63,272 Kg	15,083,735
Finished goods	1,316,699 Kg	458,525,581	2,005,015 Kg	710,594,541

37.02 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	13,912,500	8,556,283	61.50%
Total		13,912,500	8,556,283	



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

38.01 During the year ended June 30, 2024 total value of import in respect of raw material, spare parts calculated on CIF basis are given as below:

Particulars	Amount
Raw Materials - Cotton	2,122,128,962
Spare Parts	30,350,354

38.02 The company has not incurred any expenditure in foreign currencies during the period of 01 July, 2023 to 30 June, 2024 on account of royalty, know-how, professional fees, consultancy fees, interest and other matters.

38.03 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, 2023 to June 30, 2024 are given as below:

Particulars	Total Consumption	Imported Taka.	(%)	Local Taka.	(%)
Raw Materials - Cotton	2,261,326,006	2,261,326,006	100%	-	0.00%
Packing Materials	17,318,457	-	0%	17,318,457	100.00%
Store Items	33,343,698	20,415,873	61%	12,927,825	38.77%
Total	2,311,988,161	2,281,741,879		30,246,282	

38.04 The company has not remitted any amount during the period of 01 July, 2023 to June 30, 2024 in foreign currencies on account of dividend for non-resident shareholders.

38.05 Earnings in foreign exchange classified under the following heads as follows:

- Total Export for the period ended 30 June 2024 is US\$ 26,588,186.12 which equivalent to BDT. 3,029,410,460.00
- No royalty, know-how, professional and consultancy fees were received.
- No interest and dividend received.
- No other income received.

39.00 Other commitments, contingencies and relevant information

39.01 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.



FAR Chemical & Textile Ind. PLC
Statement of Property, Plant and Equipment (Unit-1)
As at June 30, 2024

Annexure-A

Particulars	Cost			Rate of Dep.	Depreciation			Written Down Value as at June 30, 2024
	Balance as on July 01, 2023	Addition during the year	Disposal		Balance as on July 01, 2023	Charged during the year	Adjustment during the year	
Land and Land development	1,209,467,171	-	-	0%	-	-	-	1,209,467,171
Factory building	323,273,904	159,124,734	-	2.5%	6,061,386	11,396,946	-	464,940,306
Plant and machinery	835,260,970	-	-	10%	590,998,522	24,426,245	-	219,836,203
Plant and machinery-Spinning Unit	1,223,351,996	-	-	10%	91,751,400	113,160,060	-	1,018,440,536
Electrical installation	22,049,073	1,679,495	-	10%	1,653,680	2,123,514	-	19,951,374
Compressor	81,106,070	-	-	10%	51,939,952	2,916,612	-	26,249,506
Fork lift	15,562,879	-	-	10%	10,465,448	509,743	-	4,587,688
Vehicle	-	26,946,590	-	10%	-	449,110	-	26,497,480
Fire Extinguisher	-	653,300	-	10%	-	10,888	-	642,412
Water line installation	3,241,562	1,980,000	-	10%	243,117	398,845	-	4,579,601
Office equipment	7,488,939	360,900	-	10%	4,866,394	280,299	-	2,703,145
Furniture and Fixture	6,517,737	-	-	20%	5,669,359	169,676	-	678,702
Balance as on June 30, 2024	3,727,320,301	190,745,019	-		763,649,259	155,841,937	-	2,998,574,124

Balance as on June 30, 2023	3,643,226,875	84,093,426	-		632,498,368	131,150,891	-	2,963,671,042
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Allocation of depreciation		Amount
Cost of sales	98.80%	153,971,834
Selling and Distribution Expenses	0.4%	561,031
Administrative Expenses	0.84%	1,309,072
Total	100%	155,841,937



FAR Chemical & Textile Ind. PLC
(S.F. Textile Industries Limited)
Statement of Property, Plant & Equipments (Unit-2)
As at June 30, 2024

Particulars	Cost			Rate of Dep.	Depreciation			Written Down Value as at June 30, 2024
	Balance as on July 1, 2023	Addition during the year	Disposal		Balance as on July 1, 2023	Charged during the Year	Adjustment During the year	
Land & Land Development	535,381,808	-	-		-	-	-	535,381,808
Land Development	31,552,359	-	-	3.33%	6,709,720	827,260	-	24,015,379
Building	465,198,324	2,246,890	-	2.50%	74,207,001	9,802,869	-	383,435,344
Plant & Machinery	1,509,856,725	-	-	5%	410,135,481	54,986,062	-	1,044,735,182
A/C Plant	68,271,541	289,000	-	10%	35,889,591	3,252,645	-	29,418,305
Furniture & Fixture	9,168,966	55,844	-	10%	4,761,855	443,503	-	4,019,452
Water line Installation	3,371,068	2,560,254	-	10%	1,766,610	288,459	-	3,876,254
Office Equipment	691,761	92,500	-	10%	352,700	38,531	-	393,030
Electrical Installation	80,983,781	-	-	10%	41,961,095	3,902,269	-	35,120,417
Computer	586,936	-	-	20%	458,686	25,650	-	102,600
Transformer	19,854,217	420,000	-	10%	10,437,142	962,708	-	8,874,368
Vehicles	20,132,186	-	-	10%	5,565,932	1,456,625	-	13,109,629
Fire Extinguisher	28,625,797	-	-	20%	22,715,692	1,182,021	-	4,728,084
Air Condition	895,799	-	-	20%	710,378	37,084	-	148,337
Balance as on June 30, 2024	2,774,571,268	5,664,488	-		615,671,883	77,205,686	-	2,087,358,187
Balance as on June 30, 2023	2,629,019,934	43,320,530	-		457,425,175	79,232,990	-	2,135,682,299

Allocation of depreciation	
Manufacturing Expenses	98.50%
Administrative Expenses	1.00%
Selling & Distribution Expenses	0.50%
	100%

