

**AUDITOR'S REPORT
AND
FINANCIAL STATEMENTS
OF
FAR CHEMICAL INDUSTRIES LIMITED
FOR THE YEAR ENDED 30 JUNE 2018**



AHMAD & AKHTAR

Chartered Accountants

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

Report on the Financial Statements

We have audited the accompanying financial statements of **FAR Chemical Industries Limited** (the company), which comprises the Statement of Financial Position as at 30 June 2018 and Statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory information thereon.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of **FAR Chemical Industries Limited** as at 30 June 2018 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and International Accounting Standards (IASs).

Report on Other Legal and Regulatory Requirements

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

- we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books;
- the Statement of Financial Position, Statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows dealt with the report are in agreement with the books of account; and
- the expenditure incurred was for the purpose of the company's business.

Date: October 27, 2018

Place: Dhaka


AHMAD & AKHTAR
Chartered Accountants

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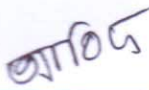
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FAR Chemical Industries Limited
Statement of Financial Position
As at June 30, 2018

	Notes	Amount in Taka	
		30 June 2018	30 June 2017
Assets			
Non-current assets			
Property, plant & equipment	4.00	1,677,478,262	1,431,042,371
Security deposit	5.00	1,675,929,791	1,429,493,900
		1,548,471	1,548,471
Current assets			
Inventories	6.00	1,136,386,432	1,115,599,812
Trade receivables	7.00	426,959,883	417,694,944
Advances, deposits and prepayments	8.00	626,642,699	640,160,123
STD Account (IPO)	9.00	56,904,297	34,052,246
STD Account (Dividend)	10.00	2,945,000	2,950,000
Cash and cash equivalents	11.00	724,454	822,665
		22,210,099	19,919,834
Total Assets		2,813,864,694	2,546,642,183
Shareholder Equity and Liabilities			
Shareholders' equity			
Share capital	12.00	2,764,342,798	2,497,612,528
Retained earnings	13.00	1,802,424,980	1,638,568,160
		961,917,818	859,044,368
Current Liabilities			
Trade payables	14.00	49,521,896	49,029,655
Short term borrowings	15.00	40,035,250	36,561,263
Share Money Deposits (IPO)	16.00	2,147,857	1,999,623
Dividend payables	17.00	2,945,000	2,950,000
Creditors and accruals	18.00	724,454	822,665
		3,669,335	6,696,104
Total Shareholder Equity and Liabilities		2,813,864,694	2,546,642,183
Net Assets Value (NAV) per share	27.00	15.34	15.24

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


Chairman


Managing Director


Company Secretary


Chief Financial Officer

Signed as per our annexed report on even date

Dated: October 27, 2018
Place: Dhaka




AHMAD & AKHTAR
Chartered Accountants

