

**AUDITORS' REPORT AND FINANCIAL STATEMENTS
OF
FAR CHEMICAL INDUSTRIES LIMITED
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014**

AHMAD & AKHTAR

Chartered Accountants

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**Branch Office: Dhaka and Chittagong
Liaison Office: Khulna**



**AUDITOR'S REPORT
TO THE SHAREHOLDERS OF
FAR CHEMICAL INDUSTRIES LIMITED**

We have audited the accompanying financial statements of the FAR Chemical Industries Limited (the company) which comprise the statement of financial position as at June 30, 2014, the related Statement of Comprehensive Income, Statement of Cash Flows and Statement of Changes in Equity for the period then ended and a summary of significant accounting policies and other relevant explanatory notes thereon.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Accounting Standards (BAS), Bangladesh Financial Reporting Standards (BFRSs) and for such internal control as management determines is necessary to enable the preparation of financial statements and free 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 Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation financial statements.

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

Opinion

In our opinion the financial statements present fairly in all material respects the financial position of FAR Chemical Industries Ltd. as at 30 June 2014 and its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards and comply with the applicable section of companies Act, 1994, the Securities and Exchange Rules-1987 and other applicable laws and regulations.

We also report that:

- i. 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;
- ii. in our opinion, proper books of account as required by the law have been kept by the Company so far as it appeared from our examination of those books;
- iii. the Company's statement of financial position and statement of comprehensive income dealt with by the report are in agreement with the books of accounts; and
- iv. the expenditures incurred was for the purpose of the Company's business.

Date: September 01, 2014
Place: Dhaka



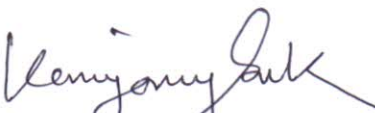
AHMAD & AKHTAR
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FAR Chemical Industries Limited
Statement of Financial Position
As at June 30, 2014

	Notes	Amount in Taka	
		30-06-2014	30-06-2013
ASSETS			
Non-current assets			
Property, plant & equipment	4.00	799,583,599	704,975,729
Security deposit	5.00	1,548,471	1,548,471
		801,132,070	706,524,200
Current assets			
Inventories	6.00	304,333,397	203,858,960
Trade receivables	7.00	406,101,996	370,322,997
Advances, deposits and prepayments	8.00	43,187,323	22,114,549
STD Account (IPO)	9.00	155,986,104	-
Cash and cash equivalents	10.00	8,772,753	9,657,858
		918,381,573	605,954,364
TOTAL ASSETS		1,719,513,642	1,312,478,564
EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	11.00	910,315,650	790,315,650
Retained earnings	12.00	719,992,809	438,281,624
		1,630,308,459	1,228,597,274
Current Liabilities			
Trade payables	13.00	56,140,265	65,108,915
Short term borrowings	14.00	8,542,157	12,225,096
Share Money Deposits (IPO)	15.00	6,282,239	-
Creditors and Accrued	16.00	18,240,522	6,547,279
		89,205,183	83,881,290
TOTAL EQUITY AND LIABILITIES		1,719,513,642	1,312,478,564
Net Assets Value per share		17.91	15.55

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


Chairman


Managing Director


Chief Financial Officer

As per our annexed report of even date

Dated: September 01, 2014
Place: Dhaka


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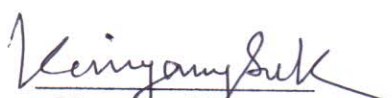
FAR Chemical Industries Limited
Statement of Comprehensive Income
for the year ended June 30, 2014

	Notes	Amount in Taka	
		30.06.2014	30.06.2013
Revenue	17.00	1,198,194,039	1,097,422,650
Cost of sales	18.00	915,210,597	692,966,611
Gross profit		282,983,442	404,456,039
Operating expenses			
Selling and distribution expenses	19.00	6,276,711	3,954,807
Administrative expenses	20.00	38,454,160	2,780,368
Employee Welfare expenses	21.00	614,080	397,030
		45,344,951	7,132,205
Profit from operation		237,638,491	397,323,834
Financial expenses	22.00	658,176	2,016,129
		236,980,315	395,307,705
Other income	23.00	44,730,870	274,658
Profit before tax		281,711,185	395,582,363
Income tax expense		-	-
		281,711,185	395,582,363
Earnings per share (EPS)			
Basic earnings per share	24.00	3.45	5.01


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



Chairman



Managing Director



Chief Financial Officer

As per our annexed report of even date

Dated: September 01, 2014
Place: Dhaka


AHMAD & AKHTAR
Chartered Accountants



