

“If you have any query about this document, you may consult issuer, issue manager and underwriters”

PROSPECTUS

For

FAR CHEMICAL INDUSTRIES LTD.

Public offer of 12,000,000 ordinary shares of Tk. 10.00 each at par totaling to Tk. 120,000,000.00

For Resident Bangladeshi Subscription

Opening date for subscription: 10/03/2014 Closing date for subscription: 16/03/2014

For Non-Resident Bangladeshi (NRB) Subscription

Opening date for subscription: 10/03/2014 Closing date for subscription: 25/03/2014

MANAGER TO THE ISSUE



First Securities Services Limited

Al-Raji Complex, Suite G-702 and 703, (7th Floor),
166-167, Shaheed Syed Nazrul Islam Sarani,
Purana Paltan, Dhaka – 1000

Tel: +88-02-9585325, 9585326

Fax: +88-02-9585281

E- mail: info @ fssl.com.bd

Web: www.fssl.com.bd

UNDERWRITERS

First Securities Services Limited Al-Raji Complex, Suite G-702 and 703, (7 th Floor), 166-167, Shaheed Syed Nazrul Islam Sarani, Purana Paltan, Dhaka – 1000	CAPM Advisory Limited Tower Hamlet (9 th Floor) 16, Kemal Ataturk Avenue Banani C/A, Dhaka-1213
---	--

Date of Publication of the Prospectus:
The Issue shall be placed in “N” Category

ISSUER COMPANY

FAR Chemical Industries Limited

	Corporate Office: M.L. Tower (5 th Floor), 1 East Rampura D.I.T Road, Dhaka- 1219, Bangladesh	Factory: Plot # 135-136 Comilla Export Processing Zone, Comilla, Bangladesh
	Tel: +88 02 9359015, Fax: +88 02 9355180 E-mail: farchemicaltd@gmail.com Web: www.farchemicalbd.com	

“CONSENT OF THE BANGLADESH SECURITIES AND EXCHANGE COMMISSION HAS BEEN OBTAINED TO THE ISSUE/OFFER OF THESE SECURITIES UNDER THE SECURITIES AND EXCHANGE ORDINANCE, 1969, AND THE SECURITIES AND EXCHANGE COMMISSION (PUBLIC ISSUE) RULES, 2006. IT MUST BE DISTINCTLY UNDERSTOOD THAT IN GIVING THIS CONSENT THE COMMISSION DOES NOT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF THE ISSUER COMPANY, ANY OF ITS PROJECTS OR THE ISSUE PRICE OF ITS SECURITIES OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE OR OPINION EXPRESSED WITH REGARD TO THEM. SUCH RESPONSIBILITY LAYS WITH THE ISSUER, ITS DIRECTORS, CHIEF EXECUTIVE OFFICER/CHIEF FINANCIAL OFFICER, ISSUE MANAGER, UNDERWRITER AND/OR AUDITOR.”

AVAILABILITY OF PROSPECTUS

Prospectus of the Company may be available at the following addresses:

Issuer Company:

Name & Address	Contact Person	Contact Number
FAR Chemical Industries Limited M.L. Tower (5th Floor), 1 East Rampura D.I.T Road, Dhaka-1219, Bangladesh	ABM Golam Mostafa, ACMA Company Secretary	Tel: +88 02 9359015 Fax: 88 02 9355180

Issue Manager:

Name & Address	Contact Person	Contact Number
First Securities Services Limited Al-Raji Complex (7 th Floor), Suite G-702, 703, 166-167, Shaheed Syed Nazrul Islam Sarani, Purana Paltan, Dhaka – 1000	Kazi Saifur Rahman, FCA Managing Director & CEO	Phone: +880-2-9585325, 9585326 Fax: +880-2-9585281

Underwriters:

Name & Address	Contact Person	Contact Number
First Securities Services Limited Al-Raji Complex, Suite G-702 and 703, (7 th Floor), 166-167, Shaheed Syed Nazrul Islam Sarani, Purana Paltan, Dhaka – 1000	Kazi Saifur Rahman, FCA Managing Director & CEO	Phone: +880-2-9585325 Fax: +880-2-9585281
CAPM Advisory Limited Tower Hamlet (9th Floor) 16, Kemal Ataturk Avenue Banani C/A, Dhaka-1213.	Adel Ahmed Managing Director & CEO	Phone: + 88 02 9822391-2 Fax : +880-2-9822393

Stock Exchanges:

Stock Exchanges	Available at	Contact Number
Dhaka Stock Exchange Ltd. (DSE) 9/F Motijheel C/A, Dhaka-1000	DSE Library	Phone: +88 02 9564601-7 9666944-8
Chittagong Stock Exchange Ltd. (CSE) 1080, Sheikh Mujib Road, Agrabad, Chittagong-4100	CSE Library	Phone: +880-31-714 632-3, +88 031 720 871-3

Prospectus is also available on these websites of FAR Chemical Industries Limited (www.farchemicalbd.com), FSSL (www.fssl.com.bd), BSEC (www.sec.gov.bd), DSE (www.dsebd.org), CSE (www.csebd.com) and Public Reference Room of the Bangladesh Securities and Exchange Commission (BSEC) for reading and study.

Name and Address of the Auditor

Shiraz Khan Basak & Co. Chartered Accountants R.K. Tower, 86, Bir Uttam C.R. Datta Road, (312, Sonargaon Road) Level-10, Hatirpool, Dhaka-1205 Phone- 8651165, Fax: 8621575
--

ACRONYMS

Terms		Description
AGM	:	Annual General Meeting
Allotment	:	Letter of allotment of shares
BAS	:	Bangladesh Accounting Standards
BO A/C	:	Beneficiary Owner's Account or Depository Account
BSEC	:	Bangladesh Securities and Exchange Commission
CIB	:	Credit Information Bureau
Certificate	:	Share Certificate
Commission	:	Bangladesh Securities and Exchange Commission
Companies Act	:	Companies Act, 1994
CSE	:	Chittagong Stock Exchange Limited
DSE	:	Dhaka Stock Exchange Limited
FC Account	:	Foreign Currency Account
FCIL	:	FAR Chemical Industries Ltd.
FSSL	:	First Securities Services Limited
IPO	:	Initial Public Offering
Issue	:	Public Issue of shares of FCIL
Issue Manager	:	First Securities Services Limited
MP	:	Market Price
NAV	:	Net Asset Value
NRB	:	Non Resident Bangladeshi
RJSC	:	Registrar of Joint Stock Companies & Firms
Securities Market	:	Share market of Bangladesh
SC	:	Share Certificate
Securities	:	Shares of FAR Chemical Industries Ltd.
Sponsors	:	The Sponsors Shareholders of FAR Chemical Industries Ltd.
STD Account	:	Short Term Deposit Account
Stockholders	:	Shareholder
Subscription	:	Application money
Taka/Tk./BDT	:	Bangladeshi Taka
The Company/Issuer	:	FAR Chemical Industries Ltd.
VAT	:	Value Added Tax

TABLE OF CONTENTS

Particulars	Page no.
SECTION I: STATUTORY CONDITIONS	7-14
Disclosure in respect of issuance of securities in demat form	7
Conditions under Section 2CC of the Securities and Exchange Ordinance, 1969	7-13
General information	14
SECTION II: DECLARATIONS AND DUE DILIGENCE CERTIFICATES	15-20
Declaration about the responsibility of the Director(s)	15
Consent of Director(s) to serve as Director(s)	16
Declaration of filing of prospectus with the Registrar of Joint Stock Companies and Firms (RJSC)	17
Declaration by the Issuer about the approval from Bangladesh Securities and Exchange Commission for any material changes	17
Declaration by the Issue Manager about the approval from Bangladesh Securities and Exchange Commission for any material changes	18
Due Diligence Certificate of the Issue Manager	19
Due Diligence certificate of the Underwriter(s)	20
SECTION III: RISK FACTORS & MANAGEMENT PERCEPTIONS ABOUT THE RISKS	21-25
SECTION IV: ISSUE SIZE AND PURPOSE OF THE PUBLIC OFFERING	26-29
Capital Structure	26
Use of IPO proceeds	27-29
SECTION V: DESCRIPTION OF BUSINESS	30-35
Company Profile	30-31
Nature of Business	31
Principal products and services	31
Market for the products	31
Products/Services that account for more than 10% of the company's total revenue	32
Associates, subsidiary/related company	32
Distributions of products/services	32
Competitive condition of business	33
Sources and availability of raw materials and principal suppliers	33
Sources and requirement for power, gas and water or any other utilities	34
Customer providing 10% or more revenues	34
Description of contract with principal suppliers/customers	34
Description of any materials patents, trademarks, licenses or royalty agreements	35
Employees Positions	35
Production Capacity and Current Utilization	35
SECTION VI: DESCRIPTION OF PROPERTY	36-38
Location of principal plants and other property of the company and their condition	36
Fixed Assets	36
Condition of Property	37
Ownership of Property	38
Lien Status	38

SECTION VII: PLAN OF OPERATION AND DISCUSSION OF FINANCIAL CONDITION	39-46
Internal and external sources of cash	39
Material commitments for capital expenditure	39
Causes for material changes	40
Seasonal aspect of the company's business	40
Know trends, events or uncertainties	40
Change in the assets of the company used to pay off liabilities	41
Loan taken from or given to holding/parent company or subsidiary company	41
Future contractual liabilities	41
Future capital expenditure	41
VAT, income tax, customs duty or other tax liability	41
Operating lease agreement during last five years	42
Financial lease commitment during last five years	43
Personnel related scheme	43
Breakdown of estimated expenses for IPO	44
Revaluation of company's assets & summery thereof	45
Transaction between holding/subsidiary or associate company	45
Auditors certificate regarding allotment of shares to promoters or sponsor shareholders for consideration other than in cash	45
Declaration regarding suppression of material information	46
SECTION VIII: INFORMATION ABOUT THE DIRECTORS AND OFFICERS	47-57
Directors of the company	47
Information regarding Directors and Directorship	47
Directors' involvement in other organization	48
Family relationship among directors and top five officials	48
Short bio data of the directors	49-50
Credit Information Bureau(CIB) report	50
Description of top executives and departmental heads	50
Involvement of directors and officers in certain legal proceedings	51
Certain relationships and related transactions	51
Executive compensation	52
Options granted to directors, officers and employees	53
Transaction with the directors and subscribers to the memorandum	53
Tangible assets per share	54
Ownership of the company's securities	55
Shareholder shareholding 5 % or more	56
Securities Owned by each Director	56
Post IPO Shareholding by the Sponsors/ Directors	57
SECTION IX: FEATURES OF IPO	58-62
Determination of Offering Price	58-59
Market for the securities being offered	60
Description of securities outstanding or being offered	60
Debt Securities	62
Declaration about listing of shares with Stock Exchanges	62
Trading and Settlement	62
SECTION X: PLAN OF DISTRIBUTION	63-64
Underwriting of shares and underwriters' obligation	63
Principal terms and conditions of underwriting agreement	63
Commission for the underwriters	64

Relationship of Officers or Directors of the Underwriters acting as Director of the Company	64
SECTION XI: ALLOTMENT, SUBSCRIPTION AND MARKET	65-71
Lock-in Provision	65-66
Refund of subscription money	67
Subscription by and refund to non-resident Bangladeshis (NRB)	67
Availability of securities	68
Allotment	69
Application for subscription	69-71
SECTION XII: MATERIAL CONTRACTS AND OTHERS	72-75
Material contracts	72
Managers to the issue	72
Commission to the Bankers to the Issue	72
Bankers to the Issue	73-75
SECTION XIII: CORPORATE DIRECTORY	76
SECTION XIV: AUDITORS' REPORT AND RELATED CERTIFICATES	77-102
Auditors report to the shareholders	77-97
Auditors report under section 135(1), Para 24(1) of part II of schedule III to Companies Act, 1994	99-100
Auditors certificate regarding calculation of ratios	101
SECTION XV: AUDITORS ADDITIONAL DISCLOSURES	102-113
SECTION XVI: INFORMATION INCLUDED AS PER SEC'S NOTIFICATION NO. SEC/CMRRCD/2008/115/ADMIN/30 DATED OCTOBER 05, 2011	114
SECTION XVII: COMPLIANCE REPORT TO THE SHAREHOLDERS REGARDING CORPORATE GOVERNANCE	115-121
Certificate of compliance to the shareholders	115
Status of compliance with the conditions imposed by the Commission's Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012 issued under section 2CC of the Securities and Exchange Ordinance, 1969	116-121
SECTION XVIII: APPLICATION FORMS	122-128
Application for shares by investors other than non-resident Bangladeshi(s)	122-123
Banker To the Issue	124
Application for shares by non-Resident Bangladeshi(s)	125-126
Application for shares by Affected Small Investors	127-128

SECTION-I

STATUTORY CONDITIONS

DISCLOSURE IN RESPECT OF ISSUANCE OF SECURITY IN DEMAT FORM

“As per provisions of the Depository Act, 1999 and regulations made there under, shares will only be issued in dematerialized condition, only and, for this reason, FAR CHEMICAL INDUSTRIES LTD. has signed an agreement with the Central Depository Bangladesh Limited (CDBL). Therefore, all transfers/transmissions/splitting will take place in the CDBL system and any further issuance of shares (including rights/bonus) will also be issued in dematerialized form only.”

CONDITIONS UNDER 2CC OF THE SECURITIES AND EXCHANGE ORDINANCE, 1969

Part – A

1. The company shall go for Initial Public Offer (IPO) for 1,20,00,000 ordinary shares of Tk. 10.00 each at an issue price of Tk. 12,00,00,000.00/- (Taka twelve crore only) following the Securities and Exchange Commission (Public Issue) Rules, 2006, the Depository Act, 1999 and regulations made there under.
2. The abridged version of the prospectus, as approved by the Commission, shall be published by the issuer in 4 (four) national daily newspapers (two in Bangla and two in English), within **05 (Five) working days** of issuance of the consent letter. The issuer shall post the full prospectus, vetted by the Bangladesh Securities and Exchange Commission, in the issuer's website and shall also put on the websites of the Commission, stock exchanges, and the issue managers, within **5 (Five) working days** from the date of issuance of this letter and shall remain posted till the closure of the subscription list. The issuer shall submit to Bangladesh Securities and Exchange Commission, the stock exchanges and the issue managers a diskette containing the text of the vetted prospectus in “MS -Word” format.
3. Sufficient copies of prospectus shall be made available by the issuer so that any person requesting a copy may receive one. A notice shall be placed on the front of the application form distributed in connection with the offering, informing that interested persons are entitled to a prospectus, if they so desire, and that copies of prospectus may be obtained from the issuer and the issue managers. The subscription application shall indicate in bold type that no sale of securities shall be made, nor shall any money be taken from any person, in connection with such sale until **25 (Twenty Five) days** after the prospectus has been published.
4. The company shall submit **40 (forty)** copies of the printed prospectus to the Bangladesh Securities and Exchange Commission for official record within **5 (Five) working days** from the date of publication of the abridged version of the prospectus in the newspaper.

5. The issuer company and the issue managers shall ensure transmission of the prospectus, abridged version of the prospectus and relevant application forms for NRBs through email, simultaneously with publication of the abridged version of the prospectus, to the Bangladesh Embassies and Missions abroad and shall also ensure sending of the printed copies of abridged version of the prospectus and application forms to the said Embassies and Missions within **5 (Five) working days** of the publication date by Express Mail Service (EMS) of the postal department. A compliance report shall be submitted in this respect to the Bangladesh Securities and Exchange Commission jointly by the issuer and the Issue Managers within **02 (two) working days** from the date of said dispatch of the prospectus and the forms.
6. The paper clipping of the published abridged version of the prospectus, as mentioned at **condition no. 2 above**, shall be submitted to the Commission within 24 hours of the publication thereof.
7. The company shall maintain separate bank account(s) for collecting proceeds of the Initial Public Offering and shall also open Foreign Currency (FC) account(s) to deposit the application money of the Non Resident Bangladeshis (NRBs) for IPO purpose, and shall incorporate full particulars of said FC account(s) in the prospectus. The company shall open the above-mentioned accounts for IPO purpose; and close these accounts after refund of over-subscription money. Non-Resident Bangladeshi (NRB) means Bangladeshi citizens staying abroad including all those who have dual citizenship (provided they have a valid Bangladeshi passport) or those, whose foreign passport bear a stamp from the concerned Bangladesh Embassy to the effect that no visa is required for traveling to Bangladesh.
8. The issuer company shall apply to all the stock exchanges in Bangladesh for listing within **7 (Seven) working days** from the date of issuance of this letter and shall simultaneously submit the vetted prospectus with all exhibits, as submitted to Bangladesh Securities and Exchange Commission, to the stock exchanges.
9. The following declaration shall be made by the company in the prospectus, namely: -

“Declaration about Listing of Shares with the stock exchange(s):

None of the stock exchange(s), if for any reason, grants listing within **75 (Seventy Five) days** from the closure of subscription, any allotment in terms of this prospectus shall be void and the company shall refund the subscription money within **15 (Fifteen) days** from the date of refusal for listing by the stock exchanges, or from the date of expiry of the said **75 (seventy five) days**, as the case may be.

In case of non-refund of the subscription money within the aforesaid **15 (Fifteen) days**, the Directors of the company, in addition to the issuer company, shall be collectively and severally liable for refund of the subscription money, with interest at the rate of **2% (Two Percent) per month** above the bank rate, to the subscribers concerned.

The issue managers, in addition to the issuer company, shall ensure due compliance of the above mentioned conditions and shall submit compliance report thereon to the Commission **within 07 (Seven) days** of expiry of the aforesaid **15 (Fifteen) days** time period allowed for refund of the subscription money.”

10. The subscription list shall be opened and the sale of securities commenced after **25 (Twenty Five) days** of the publication of the abridged version of the prospectus and shall remain open for **5 (Five) consecutive banking days**.
11. A non-resident Bangladeshi shall apply either directly by enclosing a foreign demand draft drawn on a bank payable at Dhaka, or through a nominee by paying out of foreign currency deposit account maintained in Bangladesh or in Taka, supported by foreign currency encashment certificate issued by the concerned bank, for the value of securities applied for through crossed bank cheque marking “Account Payee only”. The NRB applicants shall send applications to the issuer company within the closing date of the subscription so as to reach the same to the company by the closing date plus **9 (Nine) days**. Applications received by the company after the above time period will not be considered for allotment purpose.
12. The company shall apply the spot buying rate (TT clean) in US Dollar, UK Pound Sterling and Euro of Sonali Bank Ltd, which shall be mentioned in the Prospectus, as prevailed on the date of opening of the subscription for the purpose of application of the NRBs and other non-Bangladeshi persons, where applicable.
13. The Company and the issue manager shall ensure prompt collection/clearance of the foreign remittances of NRBs and other non-Bangladeshi(s), if applicable, for allotment of shares.
14. Upon completion of the period of subscription for securities, the issuer and the issue manager shall jointly provide the Commission and the stock exchanges with the preliminary status of the subscription within **5 (five) working days**, in respect of the following matters, namely: -
 - a. Total number of securities for which subscription has been received;
 - b. Amount received from the subscription; and
 - c. Amount of commission paid to the bankers to the issue.
15. The issuer and the issue manager shall jointly provide the Commission and the stock exchanges with the list of valid and invalid applicants (i.e. final status of subscription) in electronic form in **2 (Two) CDs** and final status of subscription to the Commission within **3 (Three) weeks** after the closure of the subscription along with bank statement (original), branch-wise subscription statement. The list of valid and invalid applicants shall be finalized after examination with the CDBL in respect of BO accounts and particulars thereof.
16. The IPO shall stand cancelled and the application money shall be refunded immediately (but not later than **5 (five) weeks** from the date of the subscription closure), if any of the following events occur:

- (a) Upon closing of the subscription list it is found that the total number of valid applications (in case of under subscription including the number of the underwriter) is less than the minimum requirement as specified in the listing regulations of the stock exchange(s) concerned; or
- (b) At least 50% of the IPO is not subscribed.
17. **20% of total public offering shall be reserved for স্বত্তিগ্রন্থ ক্ষুদ্র বিনিয়োগকারী, 10% of total public offering shall be reserved for non-resident Bangladeshi (NRB) and 10% for mutual funds and collective investment schemes registered with the Commission, and the remaining 60% shall be open for subscription by the general public. In case of under-subscription under any of the 20% and 10% categories mentioned above, the unsubscribed portion shall be added to the general public category and, if after such addition, there is over subscription in the general public category, the issuer and the managers to the issue shall jointly conduct an open lottery of all the applicants added together.**
18. All the applicants shall first be treated as applied for one minimum market lot of **500 shares worth Taka 5,000/- (Five Thousand only)**. If, on this basis, there is over subscription, then lottery shall be held amongst the applicants allocating one identification number for each application, irrespective of the application money. In case of over-subscription under any of the categories mentioned hereinabove, the issuer and the issue managers shall jointly conduct an open lottery of all the applications received under each category separately in presence of representatives from the issuer, the stock exchanges and the applicants, if there be any.
19. **An applicant cannot submit more than two applications, one in his/her own name and the other jointly with another person. In case, an applicant submits more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, 15% (fifteen) of the application money will be forfeited by the Commission and the balance amount will be refunded to the applicant.**
20. **The applicant shall provide with the same bank account number in the application form as it is in the BO account of the application.**
21. **The applicants who have applied for more than two applications using same bank account, their application will not be considered for lottery and the Commission will forfeit 15% of their subscription money too.**
22. Lottery (if applicable) shall be held within **4 (Four) weeks** from closure of the subscription date.
23. The company shall issue share allotment letters to all successful applicants within **05 (Five) weeks** from the date of the subscription closing. Within the same time, refund to the unsuccessful applicants shall be made in the currency in which the value of securities was paid for by the applicants without any interest, through direct deposit to the applicant's bank account as far as possible/ Account Payee Cheque/ refund warrants with bank account number, bank's name and branch as indicated in the securities application forms payable at

Dhaka/ Chittagong/ Khulna/ Rajshahi/ Barisal/ Sylhet/ Bogra, as the case may be subject to condition no. 20 above.

Refund money of the unsuccessful applicants shall be credited directly to their respective bank accounts, which have chosen the option in the IPO application forms, as maintained with the bankers to the issue or any other banks mentioned in the application.

A compliance report in this regard shall be submitted to the Commission within **07 (Seven) weeks** from the date of closure of subscription.

24. The company shall furnish the List of Allotees to the Commission and the stock exchange(s) simultaneously in which the shares will be listed, within **24 (Twenty four) hours** of allotment.
25. In the event of under-subscription of the public offering, the unsubscribed portion of securities shall be taken up by the underwriter(s) (subject to Para -16 above). The issuer must notify the underwriters to take up the underwritten shares within **10 (Ten) days** of the closing of subscription on full payment of the share money within **15 (Fifteen) days** of the issuer's notice. The underwriter shall not share any underwriting fee with the issue manager, other underwriters, issuer or the sponsor group.
26. All issued shares of the issuer at the time of according this consent shall be subject to a **lock-in period of 3 (Three) years** from the date of issuance of prospectus or commercial operation, whichever comes later.

Provided that the persons (other than Directors and those who hold 5% or more shares in the company), who have subscribed to the shares of the company within immediately preceding two years of according consent shall be subject to a **lock-in period of 1 (One) year** from the date of issuance of prospectus or commercial operation, whichever comes later.

27. **In respect of shares of Sponsors/Directors/Promoters (if in paper format) shall be handed over to security custodian bank registered with BSEC and shall remain till completion of lock in and the name and branch of the bank shall be furnished to the Commission jointly by the issuer and issue manager, along with a confirmation thereof from the custodian bank, within one week of listing of the shares with the stock exchange(s). Or they (shares of Sponsors/ Directors/ Promoters) can be demated and will remain in lock-in under CDBL system and issuer will submit a dematerialization confirmation report generated by CDBL and attested by Managing Director of the company along with lock-in confirmation with BSEC within one week of listing of the shares with the stock exchange(s). In respect of shares other than Sponsors/Directors/Promoters the issuer will ensure their lock-in of those shares and submit a statement to this effect to Bangladesh Securities and Exchange Commission.**
28. The company shall apply to the stock exchanges for listing within **07 (Seven) working days** of issuance of this letter and shall simultaneously submit to the Commission attested copies of the application filed with the stock exchanges.

29. **The company shall not declare any benefit/dividend based on the financial statements for the period ended on June 30, 2013 before listing of its capital with stock exchange(s).**

PART-B

1. The issuer and the Issue Manager shall ensure that the abridged version of the prospectus and the full prospectus is published correctly and in strict conformity with the conditions of this letter without any error/omission, as vetted by the Bangladesh Securities and Exchange Commission.
2. The issue managers shall carefully examine and compare the published abridged version of the prospectus on the date of publication with the copy vetted by the Bangladesh Securities and Exchange Commission. If any discrepancy/ inconsistency is found, both the issuer and the issue managers shall jointly publish a corrigendum immediately in the same newspapers concerned, simultaneously endorsing copies thereof to the Bangladesh Securities and Exchange Commission and the stock exchange(s) concerned, correcting the discrepancy/inconsistency as required under 'Due Diligence Certificates' provided with the Bangladesh Securities and Exchange Commission.
3. Both the issuer company and the Issue Manager shall, immediately after publication of the prospectus and its abridged version, jointly inform the Commission in writing that the published prospectus and its abridged version are verbatim copies of the same as vetted by the Commission.
4. The fund collected through Public Offering shall not be utilized prior to listing with stock exchanges and that utilization of the said fund shall be effected through banking channel, i.e. through account payee cheque, pay order or bank drafts etc.
5. The company shall furnish status report on utilization of Public Offering proceeds, audited by foreign affiliated auditors and authenticated by the board of directors to the Commission and the stock exchanges within **15 (Fifteen) days** of the closing of **each month** until such fund is fully utilized, as mentioned in the schedule contained in the prospectus, and in the event of any irregularity or inconsistency, the Commission may employ or engage any person, at issuer's cost, to examine whether the issuer has utilized the proceeds for the purpose disclosed in the prospectus.
6. All transactions, excluding petty cash expenses, shall be effected through the company's bank account(s).
7. Proceeds of the Public Offering shall not be used for any purpose other than those specified in the prospectus. Any deviation in this respect must have prior approval of the shareholders in the shareholders Meeting under intimation to Bangladesh Securities and Exchange Commission and stock exchanges.

8. Directors on the Company's Board will be in accordance with applicable laws, rules and regulations.
9. The financial statements should be prepared in accordance with Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) as required by the Securities and Exchange Rules, 1987.
10. **A compliance report on Corporate Governance Guideline as per the provision of the Bangladesh Securities and Exchange Commission notification no. SEC/CMRRCD/2006-158/129/ADMIN/44 Dated 7 August 2012 shall be submitted to the commission before 07 (seven) working days of the IPO subscription opening.**

PART-C

1. All the above conditions imposed under section 2CC of the Securities and Exchange Ordinance, 1969 shall be incorporated in the prospectus immediately after the page of the table of contents, with a reference in the table of contents, prior to its publication.
2. The Commission may impose further conditions/restrictions etc. from time to time as and when considered necessary which shall also be binding upon the issuer company.

PART-D

1. As per provision of the Depository Act, 1999 & regulations made there under, shares will only be issued in dematerialized condition. All transfer/transmission/splitting will take place in the Central Depository Bangladesh Ltd. (CDBL) system and any further issuance of shares (Including rights/bonus) will be made in dematerialized form only.

An applicant (including NRB) shall not be able to apply for allotment of shares without Beneficiary Owners (BO) account.

2. The company and the issue manager shall ensure due compliance of all the above conditions and the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2006.

General Information

First Securities Services Limited (the Issue Manager) has prepared this prospectus from information supplied by FAR Chemical Industries Ltd. (the Issuer company) and also several discussions with Chairman, Managing Director, Directors and concerned executives of the company. The Directors of FAR Chemical Industries Ltd. and First Securities Services Limited collectively and individually, having made all reasonable inquiries, confirm that to the best of their knowledge and belief, the information contained herein is true and correct in all material aspects and that there are no other material facts, the omission of which, would make any statement herein misleading.

No person is authorized to give any information or to make any representation not contained in this Prospectus and if given or made, any such information or representation must not be relied upon as having been authorized by the Company or Issue Manager.

The Issue as contemplated in this document is made in Bangladesh and is subject to the exclusive jurisdiction of the courts of Bangladesh. Forwarding this Prospectus to any person resident outside Bangladesh in no way implies that the Issue is made in accordance with the laws of that country or is subject to the jurisdiction of the laws of that country.

A copy of this Prospectus may be obtained from the Head Office of FAR Chemical Industries Ltd., First Securities Services Limited, the underwriters and the Stock Exchanges where the securities will be traded.

SECTION-II

DECLARATIONS & DUE DILIGENCE CERTIFICATES

DECLARATION ABOUT THE RESPONSIBILITY OF THE DIRECTORS, INCLUDING CEO OF THE COMPANY "FAR CHEMICAL INDUSTRIES LTD." IN RESPECT OF THE PROSPECTUS

This prospectus has been prepared, seen and approved by us, and we, individually and collectively, accept full responsibility for the authenticity and accuracy of the statements made, information given in the prospectus, documents, financial statements, exhibits, annexes, papers submitted to the Commission in support thereof, and confirm, after making all reasonable inquiries that all conditions concerning this public issue and prospectus have been met and that there are no other information or documents the omission of which make any information or statements therein misleading for which the Commission may take any civil, criminal or administrative action against any or all of us as it may deem fit.

We also confirm that full and fair disclosure has been made in this prospectus to enable the investors to make a well informed decision for investment.

Sd/-	
Abid Mustafizur Rahman Chairman	
Sd/- Kim Jong Suk Managing Director	Sd/- Faize Kader Sadnam Director
Sd/- Rezaur Rahman Rajon Director	Sd/- Lee Jung Kook Director

CONSENT OF DIRECTOR(S) TO SERVE AS DIRECTOR(S)

We hereby agree that we have been serving as Director(s) of FAR Chemical Industries Limited and continue to act as Director(s) of the Company.

Sd/- Abid Mustafizur Rahman Chairman	
Sd/- Kim Jong Suk Managing Director	Sd/- Faize Kader Sadnam Director
Sd/- Rezaur Rahman Rajon Director	Sd/- Lee Jung Kook Director

DECLARATION OF FILING PROSPECTUS WITH THE REGISTRAR OF JOINT STOCK COMPANIES AND FIRMS

A dated and signed copy of this Prospectus will be filed for registration with the Registrar of Joint Stock Companies and Firms, Government of Peoples' Republic of Bangladesh, as required under Section 138(1) of the Companies Act, 1994 on or before the date of publication of this prospectus.

DECLARATION BY THE ISSUER ABOUT THE APPROVAL FROM BSEC FOR ANY MATERIAL CHANGES REGARDING PROSPECTUS OF FAR CHEMICAL INDUSTRIES LTD.

In case of any material changes in any agreement, contract, instrument, facts and figures operational circumstances and statements made in the Prospectus subsequent to the preparation of the Prospectus and prior to its publication shall be incorporated in the Prospectus and the said Prospectus should be published with the approval of the Commission.

For Issuer

Sd/-

Kim Jong Suk
Managing Director
FAR Chemical Industries Ltd.

DECLARATION BY THE ISSUE MANAGER ABOUT THE APPROVAL FROM BANGLADESH SECURITIES AND EXCHANGE COMMISSION FOR ANY MATERIAL CHANGES REGARDING PROSPECTUS OF FAR CHEMICAL INDUSTRIES LTD.

In case of any material changes in any agreement, contract, instrument, facts and figures, operational circumstances and statement made in the Prospectus subsequent to the preparation of the Prospectus and prior to its publication shall be incorporated in the Prospectus and the said Prospectus should be published with the approval of the Commission.

For Manager to the Issue

Sd/-

Kazi Saifur Rahman, FCA
Managing Director & CEO
First Securities Services Limited

DUE DILIGENCE CERTIFICATE OF MANAGER TO THE ISSUE

Subject: Public Offer of 12,000,000.00 Ordinary Shares of Tk. 10.00 each at par totalling Tk. 120,000,000.00 by FAR Chemical Industries Limited

We, the under-noted Manager to the Issue to the above-mentioned forthcoming Issue, state as follows:

1. We, while finalizing the draft Prospectus pertaining to the said Issue, have examined various documents and other materials as relevant for adequate disclosures to the investors; and
2. On the basis of such examination and the discussions with the issuer Company, its Directors and Officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer Company;

WE CONFIRM THAT:

- a. The draft Prospectus forwarded to the Commission is in conformity with the documents, materials and papers relevant to the Issue;
- b. All the legal requirements connected with the said issue have been duly complied with; and
- c. The disclosures made in the draft prospectus are true, fair and adequate to enable the investors to make a well informed decision for investment in the proposed issue.

For Manager to the Issue

Sd/-

Kazi Saifur Rahman, FCA
Managing Director & CEO
First Securities Services Limited

Date: September 22, 2013

DUE DILIGENCE CERTIFICATE OF THE UNDERWRITER(S)

Subject: Public Offer of 12,000,000.00 Ordinary Shares of Tk. 10.00 each at par totalling Tk. 120,000,000.00 by FAR Chemical Industries Limited

We, the under-noted Underwriter(s) to the above mentioned forthcoming Issue, state individually and collectively as follows:

1. We, while underwriting the above mentioned issue on a firm commitment basis, have examined the draft Prospectus, other documents and materials as relevant to our underwriting decision; and
2. On the basis of such examination and the discussion with the Issuer Company; its directors and other officers, and other agencies; independent verification of the statements concerning objects of the Issue, and the contents of the documents and other materials furnished by the Issuer Company;

WE CONFIRM THAT:

- a. All information as are relevant to our underwriting decision has been received by us and the draft Prospectus forwarded to the Commission has been approved by us;
- b. We shall subscribe and take up the un-subscribed securities against the above mentioned Public Issue **within 15 (fifteen) days** of calling up thereof by the Issuer; and
- c. This Underwriting commitment is unequivocal and irrevocable.

For Underwriter(s)

Sd/-

(Managing Director/Chief Executive Officer/Director)

**First Securities Services Limited
CAPM Advisory Limited**

SECTION-III RISK FACTORS AND MANAGEMENT'S PERCEPTIONS ABOUT THE RISKS

An investment in equity shares involves a high degree of risk. The company is operating in an industry involving both external and internal risk factors having direct as well as indirect effects on the investments by the investors. All investors should carefully consider all of the information in this Prospectus, including the risk factors, and management perception thereabout enumerated hereunder before making an investment decision. If any of the following risks actually occur, their business, results of operations and financial condition could suffer, the trading price of their equity shares could decline, and investors may lose all or part of their investment.

a. Interest Rate Risks

Interest rate is concerned with borrowed funds of short term and long-term maturity. Interest rate risk is the risk that Company faces due to unfavorable movements in the interest rates.

Volatility in money market and increased demand for loans /investment funds raise the rate of interest. A change in the government's policy also tends to increase the interest rate. High rate of interest enhances the cost of fund of a company. Such rises in interest rates however mostly affect companies having floating rate loans.

Management Perception

FAR Chemical Industries Limited maintains low debt/ equity ratio; and accordingly, adverse impact of interest rate fluctuation is insignificant. The project was started with the Company's own funds and the capacity was also expanded with own funds.

Additionally, the management of the Company emphasizes on equity base financing to reduce the dependency on borrowing. Therefore, management perceives that the fluctuation of interest rate on borrowing would have little impact upon the performance of the Company.

b. Exchange Rate Risk

Exchange rate risk may affect the business of the company. The company's major raw materials are procured from foreign sources. The company pays for the raw material in foreign currency. On the other hand it sales the entire merchandize for which it receives payment in foreign currency. It conducts most of its foreign currency transaction in US Dollars. Hence, any significant volatility in the exchange rate of Taka against US Dollar will increase the volatility of the company's cash flow and profitability.

Management Perception

The company receives the entire sales proceeds in foreign currency and makes majority of the import payments in foreign currency as well. For a given depreciation of Taka against a particular foreign currency like US Dollar, the import payment and export proceeds will both be higher in terms of Taka. In case of an appreciation of Taka against the same currency, the opposite will occur. Hence, the company has a natural hedge against exchange rate risk.

c. Industry Risk**(i) Volatility of changes of raw material prices**

The company's major raw materials are dye stuff and chemical which are imported in the form of powder, liquid, crystal and solid. Currently, it completely depends on external vendors for procurement of raw material which mainly comes from China and Korea. As price of raw material fluctuates significantly, the company's cash flows and profitability might adversely be affected at any point of time.

Management Perception

Since the raw materials are not organic product which usually dependent upon environmental condition rather produces in a scientific way. It has also been noticed that price fluctuates merely an insignificant amount in the past few years which appears less risky. Moreover, the management of FCIL always watchful about timely procurement which give them economies of scale in purchasing and helps to obtain the best prices.

(ii) Labor Unrest

Inherently manufacturing industries in Bangladesh like Textile, Garments and other related industries has been affected by labor unrest that might go up to threaten the long-run survival of the industry. Any incident of labor unrest would adversely affect the company's operation as well. Most damage might be done in the part of reputation in terms of timely delivery of quality product to foreign buyers. This may affect the long-run profitability of the company as well.

Management Perception

The manufacturing plant of the company is situated in EPZ area which needs strict adherence to rules and regulation. Under EPZ a standard structure of salaries and wages are maintained which is higher than any other location along with timely disbursement is ensured. Besides, the workers are provided with regular attendance of a doctor at the factory premises. All the above factors certainly create labor-friendly environment that translate into incremental productivity and uninterrupted working atmosphere.

(iii) Scarcity of Power

The machineries of the company run on electricity and timely production depends on uninterrupted power supply. For any severe disruption in power supply, operation of the factory will be hampered that will certainly cut production volume thereby lowering profitability.

Management Perception

The company has captive power plant with a capacity of 4.23MW which is on and above their power requirements that ensures uninterrupted power supply and smoothen the production.

d. Market Risk**i) Demand oriented risk**

The company earns its revenue by exporting dye stuff and chemical to 100% export oriented industry which is considered as deemed export. Therefore, fall of price and/or demand in market may adversely affect the profitability of the company, and thereby the value of shares.

Management Perception

The product of the company almost entirely sold to its group companies as a backward linkage industry. Since the company is operated under a renowned group with huge volume of production there is no demand risk is assumed.

ii) Risk from change in competitive dynamics

The company may face competition from some renowned and strong competitors both locally and internationally. In addition to that entrance of any other strong entity might put price pressure and cause a shrink in market share in future.

Management Perception

Dyestuff and chemicals are mainly procured from abroad by all the dyeing entities since there is no local company producing this. As such there is no risk of competitors currently. Moreover, if there is any the company may not be at risk since all of their product are sold to group companies on an arm's length basis.

e. Technology related Risk

Technology always plays a vital role for existence of any industrial concern. Innovation of new and cost effective technology may obsolescence existent technology, which may cause negative impact.

Management Perception

FCIL has invested in latest and most modern machinery. The company keeps track of the latest developments in technology and has developed a system of upgrading its machines as and when the need arises. The company has found the right mix between technology and the required investments.

f. Potential or existing government regulation

The Company operates under Company's Act 1994 and other related regulations, Income Tax Ordinance 1984, Income Tax Rules 1984, Value Added Tax (VAT) Act 1991 and Value Added Tax (VAT) Rules 1991. Any abrupt changes of the policies made by the regulatory authorities may adversely affect the business of the Company.

Management Perception

Unless any policy change negatively and materially affects the industry as a whole, the business of the Company is expected not to be affected. The Company operates in EPZ area enjoying tax holiday and VAT exemption. The chemical industry is also gaining its market share locally compared to previous import and contributing towards the economy of the country. This sector generates the huge employment as well. Therefore, it is highly unlikely that the Government will frustrate the growth of the industry with an adverse policy.

g. Potential Changes in Global or National Policies

The performance of the company may be affected by the political and economical instability both in Bangladesh and worldwide. Any instance of political turmoil and disturbance in the country may adversely affect the economy in general.

Management Perception

The company can prosper in a situation of political stability and a congenial business environment. Political turmoil and disturbance are bad for the economy and so also for this sector. This is why WTO and Asian Development Bank emphasize development of this sector in chalking out their respective policies. The Company is always aware of all types of turmoil and even though the smooth supply of raw material is hampered or faces any kind of disruptions it will produce it in future and try to keep the production smooth.

h. History of non operation, if any

History of non operation indicates weak operational management of the Company. Non operation leads to negative cash flow, incurring of losses and bankruptcy in worst case scenario.

Management Perception

The Company is in business since March 22, 2007. There is no history of non operation in business of the Company till now. The Company has an independent body which is operated by its Memorandum & Articles of Association and other applicable laws and regulations of the country. The financial strength of the Company is very satisfactory. The Directors of the Board are well reputed and experienced and the operation of the company is guided by good team of professionals. The chance of non-operation of the business of the Company is negligible.

i. Operational risks

The operation can be hampered by human error, loss of key management personnel, sudden break-down of machinery or incidence of natural calamities like flood, cyclone, earth quack etc.

Management Perception

The company trains its workers adequately and periodically. The compensation as well as the benefit package offered by the company is lucrative which restrain the employees from leaving the workplace. The project of the Company is situated at a high land where less amount of flood is recorded. The factory building has strong RCC foundation, RCC floor, pre-fabricated steel structure to withstand wind, storm, rain etc. along with good drainage facility. The risks from these factors are also covered through Insurance.

SECTION-IV

ISSUE SIZE AND PURPOSE OF PUBLIC OFFERING

Capital Structure

Particulars of Allotment:

The capital structure of Far Chemical Industries Ltd. before and after IPO will be as under:

Particulars	No. of Shares	Face Value (Tk.)	Amount in Taka
Authorized Capital	13,10,00,000	10	131,00,00,000

Before IPO:				
Particulars	Date of Allotment	No. of shares issued		Amount of share capital (Taka)
		Consideration in cash	Consideration other than cash	
First (subscription to the Memorandum & Articles of Association at the time of incorporation)	March 22, 2007	1,00,000	-	10,00,000
Second Allotment	May 25, 2009	4,00,000	5,00,000	90,00,000
Third Allotment	January 30, 2011	89,90,000	-	8,99,00,000
Fourth Allotment (Capital Machineries)	August 8, 2011	-	306,97,710	30,69,77,100
Fifth Allotment	January 4, 2012	120,00,000	-	12,00,00,000
Sixth Allotment (Bonus Shares)	Jun 04, 2013	-	2,63,43,855	26,34,38,550
Total		2,14,90,000	5,75,41,565	79,03,15,650

Particulars	No. Of Shares	Face Value (Taka)	Amount in Taka
Issued and fully Paid-up Capital as on June 30th, 2013 (Before IPO)			
Before IPO	7,90,31,565	10	79,03,15,650
To be issued as IPO	1,20,00,000	10	12,00,00,000
Total no of shares (post IPO)	9,10,31,565	10	91,03,15,650

Use of IPO Proceeds

Future Plan of IPO Fund Utilization:

Particulars	Amount in BDT
Sources of Fund:	
Issue size (Number of share to be issued)	1,20,00,000
Issue price	10.00
Total Amount	12,00,00,000.00
Less: IPO Expense	1,32,09,447.00
Net IPO Proceeds	10,67,90,553.00

Net Proceeds from initial public offering (IPO) will be used for the procurement of capital machinery and expansion of current capacity in order to boost up the profitability of the Company. As per projected timeframe, IPO proceed will be utilized within 13 month from the date after receiving the fund. The details of which is stated as under:

Particulars	Total Cost		IPO Proceeds	Own Source
	USD \$	Taka		
a) Imported Machinery:				
REACTIVE TANK (Quantity: 2, Note A)	2,178,000.00	17,42,40,000.00	8,72,34,500.00	8,70,05,500.00
b) Locally Purchased/ Procured Assets				
Building & other Civil Construction (Note B)	-	1,25,76,000.00	1,25,76,000.00	-
Spare Parts & Clearing, Erection, Loading/ Unloading, transportation Installation cost (4% approx.)	-	69,80,053.00	69,80,053.00	-
Total		19,37,96,053.00	10,67,90,553.00	8,70,05,500.00

Note A

Description	Quantity	Per Unit Cost	Total Amount
REACTIVE TANK Quantity: 2 Unit, Origin: China, Parts includes (Per Unit of Machine):	2	\$ 1,089,000.00	\$ 21,78,000.00
Kettle Name	Quantity	Amount per unit	
A. Body Parts:		\$ 1,089,000.00	
1.TANK,2.CAP	1		
3.WATER COIL	1		
4.MAN-HOLE	1		
5.SIGHT GLASS	1		
6.BRACKET	1		
B. Drive Parts:			
1.G/D MOTOR	1		
2.SHAFT	1		
3.IMPELLER	1		
4.GRAND PACKING	1		
5.BEARING HOUSING	1		
6.BEARING	1		
7.PACKING HOUSING	1		
C. Electronic Parts:			
1.INVERTER	1		
2.PANEL BOX	1		
3.M/C,	1		
4.METER	1		
5.SWITCH	1		
6.LAMP	1		
D. Other Parts:			
1.VALVE	1		
2.NIPPLE	1		
3.BOLT & UNT	1		
E. CONDENSER	1		

Note B

Construction Method	Building Material Cost (Tk)	Foundation Cost (Tk)	Labor Cost (Tk)	Total Cost (Tk)
Stud / post frame building (approx.)	58,56,000.00	12,96,000.00	54,24,000.00	1,25,76,000.00

Implementation Schedule

Sl	Description	Schedule of Implementation
1	L/C Opening	Within 3 rd month after receiving IPO fund
2	Civil Construction	Within 6 th month after receiving IPO fund
3	Machineries be landed at port	Within 7 th month after receiving IPO fund
4	Machineries reaches at factory	Within 10 th month after receiving IPO fund
5	Erection & Installation	Within 11 th month after receiving IPO fund
6	Test Operation	Within 12 th month after receiving IPO fund
7	Commercial Operation	Within 12 th month after receiving IPO fund
8	IPO Cost	Within 3 month after obtaining consent from BSEC

Sd/-

Topon Kumar Paul
Chief Financial Officer

Sd/-

Kim Jong Suk
Managing director

Dated: 10 November, 2013

SECTION-V

DESCRIPTION OF BUSINESS

Company Profile

FAR Chemical Industries Limited is a textile chemical based industry situated in Comilla EPZ, producing all types of textile chemicals needed by all export oriented textile sector. FAR Chemical Industries Ltd also has created and pays large number of employments and contributed in the saving of foreign currency by decreasing foreign imports by its smooth and quick delivery of quality chemical product.



Company at a glance

Company Name	FAR Chemical Industries Ltd.
Type of Business	Dyeing Chemical Manufacturer
Legal Status	Public Limited Company by shares
Year of Establishment	March 22, 2007
Banker	Social Islami Bank Limited
Existing capacity	Installed capacity 9,000,000 kg
	Actual Production 7,535,185 kg
	Current Utilization (annually): 83.72 %
Factory Space	43,065 Sq. ft.
Turnover June 30, 2013	Tk. 1,097,422,650
Total Manpower	306
Management Personnel	16

Highlights of the Company

Particulars	Date
Date of incorporation as Private Limited Company	March 22, 2007
Date of Commencement of Business as Private Limited Company	January 08, 2009
Conversion date from Private Limited Company to Public Limited Company	June 19, 2012
Date of change of denomination of face value of share from Tk. 100 to Tk. 10	September 27, 2012

Nature of Business

The principal activities of the company are to manufacture and export of chemical products to different export oriented Dyeing factory.

Principal products and services

- | | |
|---|--|
| <ul style="list-style-type: none"> • Softening Agent • Scouring Agent • Anti-Foaming Agent • Leveling Agent | <ul style="list-style-type: none"> • Fixing Agent • Stabilizer • Retarding Agent • Bleaching Agent |
|---|--|

Market for the products

This is an import substitute industry. Before establishing such chemicals industries in Bangladesh it has to heavily dependent on foreign imports. Such industry growth saves valuable foreign currency, costs and industry lead time of the country. The products of the company have huge demand in textile and garments industries and also providing supports to other sister companies. Since the products have demands such are sold immediately after production.

Relative Contribution of the products contributing more than 10% of the total revenue

The company is producing and exporting dyeing chemical products. Softening agent, retarding agent, leveling agent, anti-foaming agent and foaming contributes more than 10% percent of the total revenue of the company. The following Table illustrates the total revenue for the last two comparative periods along-with the revenue contribution in percentages:

Products	Year ended 30-6-2013		Year ended 30-6-2012	
	Taka	Percentage	Taka	Percentage
Softening Agent	328,064,018	30%	152,549,862	22%
Retarding Agent	140,393,741	13%	89,249,756	13%
Leveling Agent	95,847,636	9%	91,254,972	13%
Anti-Foaming Agent	91,475,261	8%	81,658,791	12%
Stabilizer	140,091,308	13%	62,987,524	9%
Scouring Agent	94,539,272	9%	62,548,765	9%
Fixing Agent	78,129,601	7%	74,256,982	11%
Bleaching Agent	71,236,398	6%	12,537,835	2%
Others	57,645,415	5%	62,221,407	9%
	1,097,422,650	100%	689,265,894	100%

Associates, subsidiary/ related or holding company

The company didn't have any associate, subsidiary or holding company.

Distribution of Products/Services

Distribution involves the physical distribution of the company's products to the sub-distributor or directly to the customer base. Typically this is a combined transport and warehousing operation, responsible for storing and delivering products to meet the customer's needs. Again this combined activity will often be placed with a 3rd party service provider who will control and implement the processes.

The Company supplies its products from its own factory premises to its customers at the risk of customers against delivery order.

Competitive Conditions of Business

Chemical sector is regarded as an engine for textile as well as economic development for a technologically backward and manpower surplus country like Bangladesh. For the economic uplift of the country and to accelerate the on-going industrialization process, development of the chemical of textile sector is of great importance.

There is a huge demand-supply gap for the product of the company in the textile chemical market. The company earned good name & fame in the international market of the country for its quality.

Name of the major competitors of FAR Chemical Industries Ltd.:

Name of the Competitors Companies

- Salvo Chemical Industries Limited.
- ASM Chemical Industries Limited.
- Active Fine Chemical Limited.
- Global Heavy Chemical Limited.
- Bangladesh Chemical Industries Limited.
- Various importers

Sources and availability of raw materials and the names of the principal suppliers

Major raw materials of FAR Chemical Industries Limited contain basic chemical & packaging items. Suppliers are evaluated periodically on supply reliability, quality and prices with new suppliers being added after they meet the required quality and reliability benchmarks through supplier appraisals and track record.

Basic chemicals are mainly procured through LC from International market. If sometimes the rate of Basic chemicals in the international market is lower than local market then it is procured from foreign market. Packaging items also imported from home and abroad.

The list of our major chemical of supplier is given below:

Sl. No.	Name of Suppliers	Address
1	CJTECH CO. LTD.	745, Sangjiseok, Kyoha-Eup, Paju-SI, Korea.
2	Guangxi Mingli Group Co. Ltd.	Tower 2, Hangyang International center, Nanning Guangxi, China
3	Suzhon Dashan IOE Chemical	Hope Industrial park, Beiqiao Town, Jiangsu, China
4	Shandong Senjie Chemical Co Ltd.	752, Sangjiseok, Kyoha-Esp, Paju-St, Korea.
5	Swedor Tech AB	Tower 5, Hangyang International center, Nanning Guangxi, China

Sources and requirement for power, gas and water or any other utilities

All required utility facilities are available at the project site and those are stated below:

Power	Power requirement for the project is 400 KW/H. For smooth operation of the project power connection from REB has been arranged as stand by.
Water	The project is required 100 M ³ / day of water which is met up from the water supply system of Comilla Export Processing Zone authority.
Gas	Bakhrabad Gas Systems Limited supplies required gas for the project

Customer providing 10% or more revenues

The Company's products are sold to various customers. However, except the following 3 customers no other customer provides 10 % or more of the Company's total revenue:

Name	Year 30-06-2013		Year-30-06-2012	
	%	Sales (Taka)	%	Sales (Taka)
Chunji Industrial Co. Ltd	10.54	11,56,68,347	9.08	6,25,83,343
Haesong Corporation Ltd	10.31	11,31,44,275	9.34	6,43,77,434
Hyopshin Co. Ltd	10.07	11,05,10,461	9.25	6,37,57,095
Total	33.92	33,93,23,083	27.67	19,07,17,872

Description of contract with principal suppliers/customers

The company didn't have any material contract with its principal suppliers or customers.

Description of material patent, trademarks, licenses or royalty agreements

The company did not have any material patents, trademarks, licenses or royalty agreements.

Employees Position

As of June 30, 2013 the total numbers of employees of the company (Head Office & Factory) is 306 as follows:

Salary Range	Officer & Staff		Worker	Total Employee
	Factory	Head Office		
Below 3500	19	5	125	149
Above 3500	5	11	141	157
Total	24	16	266	306

All employees are full-time employee.

Production Capacity and Current Utilization

Yearly Production Capacity (kg)	Current Utilization Capacity (kg)	Percentage (%)
9,000,000.00 kg	7,535,185 kg	83.72

SECTION-VI

DESCRIPTION OF PROPERTY

Location of principal plants and other properties of the company and their condition

FAR Chemical Industries Ltd. is situated at Plot # 135-136 Comilla Export Processing Zone, Comilla, Bangladesh.

Fixed Assets

The Company owns the following operating fixed assets and they are situated at Company's office and factory premises; and written down value are given below:

(Written Down Value in Taka as per Audited Accounts)

Particulars	As at June 30, 2013	As at June 30, 2012	As at June 30, 2011
Leasehold land Development	32,709,204	7,710,924	7,998,3784
Factory Building	193,793,606	80,385,868	75,816,234
Plant & Machinery	417,611,988	349,845,836	376,528,093
Electrical Installation	28,705,520	16,385,201	16,167,619
Compressor	12,796,106	2,574,064	2,860,071
Fork lift	9,356,893	444,574	493,971
Water Line Installation	4,762,332	3,364,493	3,042,999
Office Equipment	3,561,857	1,372,863	1,075,752
Furniture & Fixtures	1,678,223	1,268,311	1,489,062
Total	704,975,729	463,352,134	485,472,179

Condition of Plant and Machinery

All the machineries are in brand new and the economic life of machines is 20 years from the date of starting of their productions. In this connections Auditor's Certificate are enclosed below:

**Auditors Response regarding
Inclusion of plant & machinery in the Company's financial statements**

To Whom it may Concern

This is hereby to certify that FAR Chemical Industries Ltd. is situated in Comilla Export Processing Zone, Comilla, Bangladesh. The Company is a 100% export oriented textile chemical industry. The machinery used in production plant is brand new machinery and smoothly running the factory production. Entire plant and machinery is owned by the Company.

Sd/-

Shiraz Khan Basak & Co.
Chartered Accountants

Ownership of Property

There is no land property except Land under lease agreement with BEPZA for 30 years. Land rent was US\$ 2.20 per sq. meter per year as per agreement dated October 15, 2008. Later the rental rates may be revised by the LESSOR.

This lease agreement will be renewable for another term by both side mutual agreements. This agreement has been done for 4000 sq meters of land for 02 industrial plots. Generally land rental payment is done in every 3 months as quarterly installments in a year.

Except BEPZA plots numbers Plots # 135-136 in Comilla Export Processing Zone, where the FAR Chemical Industries Ltd. factory is situated, the Company is the legal and absolute owner of all other fixed assets and properties of the Company.

Lien status

No charges were created over assets of the Company against loans and lease finance. Entire plant and machinery is owned by the Company which is not mortgaged for short and midterm financing.

SECTION-VII PLAN OF OPERATION AND DISCUSSION OF FINANCIAL CONDITION**Internal and external source of cash**

The internal sources of the cash of the Company are the share capital, share money deposit and retained earnings and the external sources of cash are the bank loans & various payables.

(As per Audited Accounts –Amount in Taka)

Particulars	As at June 30, 2013	As at June 30, 2012	As at June 30, 2011
Internal source of cash:			
Share Capital	790,315,650	526,877,100	99,900,000
Share Money Deposit	-	-	426,977,100
Retained earnings	438,281,624	306,137,811	92,984,209
Sub Total	1,228,597,274	833,014,911	619,861,309
External source of cash:			
Short Term Borrowings	12,225,096	12,452,783	4,977,369
Sub Total	12,225,096	12,452,783	4,977,369
Grand Total	1,240,822,370	845,467,694	624,838,678

Material commitment for capital expenditure

The Company has not entered into any material Commitment for Capital expenditure for expansion of the project.

Causes for any material changes from period to period

(As per Audited Accounts-Amount in Taka)

Particulars	As at June 30, 2013	As at June 30, 2012	As at June 30, 2011
Sales Turnover	1,097,422,650	689,265,894	397,275,647
Less: Cost of Goods Sold	692,966,611	468,698,737	326,657,703
Gross Profit	404,456,039	220,567,157	70,617,944
Less: Operating Expenses	7,132,205	5,305,475	5,416,157
Operating Income	397,323,834	215,261,682	65,201,787
Net Operating Income	397,323,834	215,261,682	65,201,787
Financial Expenses	2,016,129	2,385,732	988,909
Net Operating Profit	395,307,705	212,875,950	64,355,771
Add: Other Non Operating Income	274,658	277,652	142,893
Net Profit before Tax	395,582,363	213,153,602	64,355,771
Provision for taxation	-	-	-
Net Profit after tax	395,582,363	213,153,602	64,355,771

Revenue of the company was increased due to enhancement of demand of Basic chemical products in international market especially in USA and European Union and other country markets. It has accelerated also for positive fluctuation in foreign currency to a remarkable extent. Due to enhancement of quantity exports, cost of goods sold also rises to the extent of directly related costs. But the percentage of cost of goods sold decreases since fixed costs remain fixed to a certain extent which resulted enormous growth of operating income in the Year 2013 than the Year 2012.

Seasonal aspects of the company's business

In general demand for garments chemical and dye staff is prevailed in whole year since the company receives export orders continuously and steadily since its operation.

Known trends, events or uncertainties

Decreased demand of the ready-made garments product in the local and international market, increased production cost, scarcity of raw materials, technological change, and increased completion, Govt. policy change towards the industry, political unrest, hartal, and natural calamities are the known events that may affect the Company's future business.

Change in the assets of the Company used to pay off any liabilities

No asset of the Company has been disposed to pay off the liabilities.

Loan taken from Holding / Parent company or Subsidiary company/ Loan given to aforesaid Company

The company does not have any subsidiary company or it is not operated under any holding company nor does it has any related company from which or to whom it provides any loan or advances or taken thereof.

Future contractual liabilities

The company neither has any future contractual liabilities nor has any plan to enter into any contractual liabilities other than normal course of business within next one year that would impact the financial fundamentals of the company.

Future capital expenditure

The company does not have any estimated future capital expenditure except for the regular expansion of the business.

VAT, income tax, custom duty or other tax liability**AUDITORS' CERTIFICATE on
VAT, income tax, custom duty or other tax liability**

We, based on our examination of the financial statements for the year ended June 30, 2013, certify that the tax, VAT and customs duty status of the Company are as follows:

(a) VAT & Customs Duty:

VAT is not applicable for the company since it is operated in Export Processing Zone. The company is a 100% manufacture and export of textile chemicals to export oriented Textiles and Apparels industries and it is situated in Export Processing Zone. Government of Bangladesh has declared that there is no VAT and Customs Duty on 100% export oriented project. Special SRO in this regard is mentioned below:

FM, IRD, NRB, SRO No-88-Law-98/1739/Customs, dated 28 May, 1998

In exercise of the power conferred by section 19/Customs Act, 1969 (IV of 1969) and section 14(1) under Value Added Tax Act, 1991 (Act no. 22 of 1991) for public interest and in consultation with the National Board of Revenue under section 10 of the Bangladesh Export Processing Zones Authority Act, 1980 (XXXVI of 1980) and by postponing under notification no SRO 544 –L/84/888/CUS dated 10 December, 1984, the government has exempted all import duties, Value Added Tax and Supplementary Tax under 7(e) and (f) of any Export Processing Zone.

(b) INCOME TAX

FAR Chemical Industries Limited Situated in Comilla EPZ. As per income tax Ordinance for EPZ REF. # IRD SRO No. 289-law/89, dated 19 August, 1989, all industries of EPZ of Bangladesh have been exempted from payment of income tax for a period of ten years from the date of commercial operation. The company started its commercial operation in January 08, 2009, hence no current Tax Provision has been made in the Financial Statements. Special SRO in this regard is mentioned below:

IRD SRO No.289-Law/89, dated 19 August1989

In pursuance of section 44(4) (b) of the Income Tax Ordinance, 1984 (XXXVI of 1984) and canceling the notification No. SRO 149-L/81, dated 12 May 1981, all industries operating in the Export Processing Zones of Bangladesh has been exempted from payment of income tax for a period of 10 years from the date an industry goes into commercial production.

Status of Tax Return:

Accounting Year	Assessment Year	Status
30 June 2013	2013-2014	Return is under process for submission
30 June 2012	2012-2013	Assessment Completed
30 June 2011	2011-2012	Assessment Completed
30 June 2010	2010-2011	Assessment Completed
30 June 2009	2009-2010	Assessment Completed

Dated, Dhaka
September 22, 2013

Sd/-
Shiraz Khan Basak & Co.
Chartered Accountant

Operating lease Agreement during last five years

The company has established its Head Office on rented accommodation. Relevant information of the operating lease agreement with the landlord is as follows:

Further to the above the Company has established its factory from taken plots of Comilla EPZ operating lease:

Name of Office and Address	Area (Sft.)	Rent per Sft. (Tk.)	Period of Lease/Rent	Monthly Amount (Tk.)
M.L. Tower (5th Floor), 1 East Rampura D.I.T Road, Dhaka-1219, Bangladesh	2,100	40.00	5 Yrs	84,000.00

Further to the above the Company has established its factory from taken plots of Comilla EPZ operating lease:

Name of Office and Address	Area	Rent per Sqm. (USD\$.)	Period of Lease/Rent	Monthly Amount (USD\$)
Plot # 135-136 Comilla Export Processing Zone, Comilla, Bangladesh	4000 Sqm,	\$2.20	30 Years (Renewable)	US\$ 8,800.00

Financial lease Commitment during last five years

The Company did not have any financial commitments during last five years.

Personnel related scheme

The company's remuneration packages include salary and allowances, house rent, medical allowance, festival bonus, transport facility, conveyance allowance, maternity incentive and overtime as per rules of BEPZA.

The Company considers its human resources as the most valuable assets and the profitability of company largely depends on the efficient & effective productivity of human resources. So the company going to provides additional facilities and incentives to motivate employees for its continued profitability and prosperity.

FAR Chemical Industries Limited is operating under the rules of BEPZA. BEPZA implemented its own labor policy for industries operating under BEPZA compound. BEPZA implemented labor issues as follows:

- Competitive wages in respect of semi skilled, skilled and high skilled.
- The average monthly wages has been practiced as follow:
 - Unskilled US\$ 39.00-48.00
 - Semi-skilled US\$ 55.00
 - Skilled US\$ 61.00-109.00
 - Other benefits include Conveyance Allowance, House Rent, Medical Allowance, Maternity Benefit, Festival Bonus, Provident Fund and Overtime.

As industry operating with other industries in BEPZA compound we singly couldn't adopt a separate policy for workers crossing BEPZA guidelines. Therefore, we didn't implement any Workers Profit Participation Fund yet. But we are working with BEPZA to implement such policy by next year.

Breakdown of IPO Expenses

The following table shows the amounts paid to the Issue Manager, Underwriters and other costs are estimated as follows:

Particulars	Basis of Fees	Amount in BDT(approx.)
Manager to the Issue fees	1% of the total amount raised or maximum of Tk. 2 million	2,000,000
VAT against Issue Management fee	4.5% of Issue Management fee	90,000
Fees related to listing with the stock exchanges:		
Application Fee	Fixed	5,000
Annual Fee for DSE & CSE	Fixed	200,000
Listing Fees for Stock Exchanges (DSE & CSE)	@ 0.25% on Tk. 100 million and @ 0.15% on the balance amount of paid-up capital (But not more than Tk. 2 million each.)	2,930,947
BSEC Fees:		
Application Fee	Fixed	10,000
Consent Fee	@ 0.15% on the public offering amount	180,000
IPO Related Fees:		
Underwriting Commission	@ 0.50% on the underwritten amount	300,000
Bankers to the issue Commission	@ 0.10% on collected amount (Assuming 10 times oversubscribed)	1,200,000
CDBL Fees and Expenses:		
Security Fee	Fixed	500,000
Documentation Fee	As actual	2,500
Annual Fee	As actual	100,000
Initial Public Offering fee	.025% of total issue size	30,000
Connection Fee	As actual	6,000
Printing, Publication and Others:		
Publication of Abridged Version of Prospectus and notice in 4 daily newspaper	(Estimated, to be paid at actual)	655,000
Publication of Prospectus (estimated 5,500 numbers)		
Printing of Application Forms		
Post Issue Expenses:		
Fee for Conduction of Lottery	(Estimated, to be paid at actual)	5,000,000
Collection of Forms, Data Processing and other related job		
Printing of Allotment Letters and Refund Warrant		
Distribution of Allotment Letter and Refund Warrant (including courier)		
Stationeries and other expenses		
Total		13,209,447

NB: The cost of the above mentioned IPO expenses may vary and will be adjusted accordingly.

Revaluation of company's assets & summary thereof

No revaluation has been made to the Company's assets and liabilities.

Transaction with Subsidiary / Holding or Associate Company

The Company has no subsidiary nor it is operated under a holding company nor does it have any associate company. Hence, no transaction has taken place.

Auditors certificate regarding allotment of shares to promoters or Sponsor Shareholders for consideration in cash/other than in cash

We certify that, based on our examination of share Register and its underlying documents, the paid up capital of FAR CHEMICAL INDUSTRIES LTD. As at June 30, 2013 stands at Tk. 790,315,650 consisting of 79,031,565 Ordinary Shares of Tk. 10 each as follows:

Authorized Capital 101,000,000 shares @ Tk. 10 each	1,010,000,000
Cash Allotments	
At the time of incorporation, March 22, 2007	1,000,000
Issued as on May 25, 2009	9,000,000
Issued as on January 30, 2011	89,900,000
Issued as on January 04, 2012	120,000,000
S/Total (A)	219,900,000
Allotments Other Than Cash	
3,069,771 ordinary shares @ Tk. 10 each issued against purchase of capital machinery from Mr. Kim Jong Suk of 339-24, Shimgok 3 Dong Wonmi M/S Dayeung Industries Inc. represented by Mr. Kim Jong Suk in pursuant to a Vendors Agreement dated may 25, 2009 and BSEC Letter of Consent no. SEC/CI/ CPLC(PVT.)- 335/2011/915 dated December 22, 2011	306,977,100
Bonus Issue	
Issued as on June 04, 2013 & BSEC Letter of Consent no. SEC/CI/ CPLC(PVT.)- 335/2011/2281 dated May 28, 2013	263,438,550
S/Total (B)	570,415,650
Grand Total C=(A+B)	790,315,650

Dated: September 22, 2013

Sd/-

Shiraz Khan Basak & Co.

Chartered Accountants

Declaration regarding Suppression of Material Information

This is to declare that to the best of our knowledge and belief no information facts, circumstances, that are disclose-able have been suppressed that can change the terms and conditions under which the offer has been made to the public.

Sd/-

Kim Jong Suk
Managing Director

SECTION-VIII INFORMATION ABOUT DIRECTORS AND OFFICERS

Directors of the Company

Sl.	Name	Designation	Age (Years)	Educational Qualification	Experience (Years)
1.	Mr. Abid Mustafizur Rahman	Chairman	24	M.B.A	3
2.	Mr. Kim Jong Suk	Managing Director	60	B.SC in Textiles	21
3.	Rejaur Rahman Rajon	Director	23	M.B.A	3
4.	Faize Kader Sadnam	Director	20	B.B.A	2
5.	Mr. Lee Jung Kook	Director	52	M. B. A	17

Note: Mrs. Shirin Faruk has resigned from the post of Director but continues as shareholder for personal reason from dated on 16-09-2013 and Mr. Mohibullah Kabir has resigned from the post of Director due to Transfer of his entire share from dated on 16-09-2013.

Information regarding Directors and Directorship

Sl.	Name	Designation	Becoming Director for the first time	Expiration of current Term
1.	Mr. Abid Mustafizur Rahman	Chairman	19-08-2013	Next AGM
2.	Mr. Kim Jong Suk	Managing Director	7-8-2011	Next AGM
3.	Rejaur Rahman Rajon	Director	19-08-2013	Next Succeeding AGM
4.	Faize Kader Sadnam	Director	19-08-2013	Next Succeeding AGM
5.	Mr. Lee Jung Kook	Director	7-8-2011	Next Succeeding AGM

Directors' involvement in other organization

Name	Designation in FAR Chemical Industries Ltd.	Directorship/Sponsorship/Ownership	Position
Abid Mustafizur Rahman	Chairman	M.L Dyeing Ltd M.L. Hotel Tower Ltd R.N. Spinning Mills Ltd	Director
Mr. Kim Jong Suk	Managing Director	R.N. Spinning Mills Ltd	Director
Md. Rezaur Rahman Rajon	Director	M.L. Dyeing Ltd FAR Chemical Industries Ltd	Director/ Shareholder
Md. Faize Kader Sadnam	Director	M.L. Dyeing Ltd FAR Chemical Industries Ltd	Director
Mr. Lee Jung Kook	Director	Familytex (BD) Ltd M.L Dying Ltd	Shareholder

Family relationship among directors and top five officials

There is family relationship between directors. Relations of the directors are as follows:

Sl.	Name Of Director	Position	Relation with Directors
1	Abid Mustafizur Rahman	Chairman	Brother of Mr. Rezaur Rahman Rajon & Mr. Faize Kader Sadnam
2	Kim Jong Suk	Managing Director	No relation
3	Mr. Rezaur Rahman Rajon	Director	Brother of Mr. Faize Kader Sadnam & Mr. Abid Mustafizur Rahman
4	Mr. Faize Kader Sadnam	Director	Brother of Mr. Abid Mustafizur Rahman & Mr. Rezaur Rahman Rajon
5	Lee Jung Kook	Director	No relation

Short bio-data of the directors**Mr. Abid Mostafizur Rahaman, Chairman**

Mr. Abid Mostafizur Rahaman, aged 24, is youngest Chairman in FAR Chemical Industries Ltd. He has completed his MBA and very quick learner of technical details of textile industries and its processing, marketing, administration activities of the company. He has traveled many countries including Japan, China, Hong Kong, India and America. Because of his very hard working nature and friendly attitude he is well accepted to all in the company. He is very sincere of his work and gaining technical knowhow of textile industries and modern method production technology. A young and energetic man of amicable behavior, besides being a philanthropist he is engaged in various social activities of the countries.

Mr. Kim Jong Suk, Managing Director

Mr. Kim Jong Suk, aged 60, is the Managing Director and Director of the company. He is a South Korean nationality holder by born. He has completed his B.Sc. in Textile and started his career as a Manager Production in a chemical Industry in Korea, and then he had joined in textile Spinning Mills. After gaining sufficient Knowledge in line of Production, marketing and management system he started his own business occupying position as Managing Director. Mr. Suk established Daxin Oil Chemical Industries Co. in Korea. Mr. Kim acquired vast experience in Textile trading, manufacturing and marketing business through 20 years of business career. He has visited many countries of the world in connection of business and has bagged to his credit a vast experience and knowledge in modern method, technology, production, marketing and management techniques of textiles industries by attaching several courses/ seminars and visiting similar industrial concerns of the world.

Mr. Rezaur Rahman Rajon, Director

Mr. Rejaur Rahman, aged 23 is Director of FAR Chemical Industries Ltd. He has born in a high esteemed Muslim business family. After completion of MBA he joined in the company. By the course of time he becomes Director with his personal skill, due leadership behavior, very profound business concept and very hard working nature. He is involved in many social activities related works. He traveled many countries including China, Korea, India and German for gaining technical knowhow of dyeing industry and latest development of production technology.

Mr. Faize Kader Sadnam, Director

Faiaz Kader Sadnam, aged 20, He is the youngest directors of FAR Chemical Industries Ltd. He has completed his BBA and involved in their family business as management trainee and day by he have shown skills in respect of own field and by dint of won power in short of time he is advanced sufficiently in line of Garments and Textiles industry and business activities. His interpersonal skills, leadership behavior, high analytical ability in business and very hard working nature made him worth as director. He is involved in many social activities and related works. He traveled many countries including China, Korea, U.K and German for

gaining technical knowhow of dyeing industry and latest development of production technology.

Mr. Lee Jung Kook, Director

Mr. Lee Jung Kook, aged 49, is the Director of the company. He is also from South Korean nationality by born. He completed his MBA and started his career in their textile industries in Korea. He has successfully solved every job delegated on him. Mr. Kook acquired vast experience in Textile Trading and manufacturing and marketing business and has 17 years of his business career. He has visited many countries of the world in connection of business and has bagged to his credit a vast experience and knowledge in modern method, technology, production and Management techniques of textiles industries by attaching several courses/ seminars and visiting similar industrial concerns of the world.

Credit information Bureau (CIB) Status

Neither FAR Chemical Industries Ltd. nor any of its Sponsors or Directors or Shareholders who hold 5% or more shares in paid-up capital of the issuer is loan defaulters in terms of the CIB report of the Bangladesh Bank.

Descriptions of Top Executives & Departmental Heads of the Company

Sl. No.	Name of the Officers	Designation	Age	Educational Qualification	Job Experience
01.	Kim Jong Suk	Managing Director	60	BSC in Textile	21
02.	Mr. A.K.M Atiqur Rahman (recently resigned from the post of CS and appointed as CFO)	Company Secretary	39	M.Com.	17
03.	ABM Golam Mostafa (recently joined)	Company Secretary	44	M.Com., ACMA	15
04.	Topon Kumar Paul (recently resigned)	CFO	45	M. Com., ACMA	12
05.	Mr. A.K.M Atiqur Rahman (recently joined)	CFO	39	M.Com.	17
06.	Mohammad Humayun Kabir	Director, Marketing	45	M. Sc.	29
07.	Major (Retd.) Syed Anwar Hossain	E.D (H R & Admin)	62	M. Sc.	29
08.	Major (Retd.) Hafizuddin	E.D (Commercial)	60	MBA	28

Involvement of Directors and officers in certain legal proceedings

No Director or officer of FAR Chemical Industries Ltd. was involved in any of the following types of legal proceedings in the last 10 (ten) years:

- Any bankruptcy petition filed by or against any company of which any officer or director of the Issuer Company filing the prospectus was a director, officer or partner at the time of the bankruptcy.
- Any conviction of director, officer in a criminal proceeding or any criminal proceeding pending against him.
- Any order, judgment or decree of any court of competent jurisdiction against any director, officer permanently or temporarily enjoining, barring, suspending or otherwise limiting the involvement of any director or officer in any type of business, securities or banking activities.
- Any order of the Bangladesh Securities and Exchange Commission, or other regulatory authority or foreign financial regulatory authority, suspending or otherwise limiting the involvement of any director or officer in any type of business, securities or banking activities.

Certain Relationships and Related Transactions

The auditor has certified that following related party transactions was made in accordance with BAS-24 in their audit report which is as follows:

a) Transaction with Key Management Personnel of the entity

No.	Particulars	Value in Tk.
(a)	Managerial Remuneration paid or payable during the period to the directors, including managing directors or manager	600,000.00
(b)	Any other perquisite or benefits in cash or in kind stating approximate money value where applicable.	4,800.00

b) Transaction with Related Entity

Sl.	Name of Customer and nature of transaction	Relationship	Balance as at 01.07.2012	Addition during the period	Realized during the period	Balance as at 31.12.2013
(a)	M.L Dyeing Limited (sale of goods)	Common Directorship/ Management	-	51,876,509	51,876,509	-
	Total		-	51,876,509	51,876,509	-

The Company has neither entered into during the last 2 (two) years nor have any plan to enter into any transaction with the following parties except above:

- a. Any director or executive officer of the issuer;
- b. Any director or officer;
- c. Any person owning 5% or more of the outstanding shares of the issuer;
- d. Any member of the immediate family (including spouse, parents, brothers, sisters, children and in-laws) of any above persons;
- e. Any transaction or arrangements entered into by the issuer or its subsidiary for a person who is currently a director or in any way connected with a director of either the issuer company or any of its subsidiaries/holding company or associate concerns or who has a director or connected in any way with a Director at any time during the last three years prior to the issuance of the prospectus;
- f. The company did not take or give any loan from or to any Director or any person connected with any director nor did any director or any person connected with any director.
- g. Directors holding any position apart from the Company.
- h. There were no facilities whether pecuniary or non-pecuniary enjoyed by the directors except remuneration and board meeting fees.

Executive Compensation

a. Remuneration paid to top five salaried officers in the last accounting year:

Sl. no.	Name	Designation	Salary
			June 30, 2013
01.	Kim Jung Suk	Managing Director	600,000.00
02.	Mr. A.K.M Atiqur Rahman (recently resigned from the post of CS and appointed as CFO)	Company Secretary	360,000.00
03.	ABM Golam Mostafa (recently joined)	Company Secretary	0.00
04.	Topan Kumar Paul (recently resigned)	CFO	600,000.00
05.	Mr. A.K.M Atiqur Rahman (recently joined)	CFO	0.00
06.	Mohammad Humayun Kabir	Director, Marketing	420,000.00
07.	Major (Retd.) Syed Anwar Hossain	E.D (H R & Admin)	420,000.00
08.	Major (Retd.) Hafizuddin	E.D (Commercial)	480,000.00
Total			2,880,000.00

The Company is paying remuneration to the Managing Director only, which is depicted above as per the audited accounts June 30, 2013.

b. Aggregate amount of remuneration paid to directors & employees

(As per Audited A/C)

Sl. No.	Particulars	Remuneration & Salary	
		Year ended June 30, 2013	Year ended June 30, 2012
01.	Directors Remuneration & Fee	4,800.00	3,900.00
02.	Managing Director Salary	600,000.00	150,000.00
03.	Salary paid to Officer's and Staff	2,844,087.00	972,286.00
Total		3,448,887.00	1,126,186.00

- c. The Company did not pay any remuneration to any director who was not an officer of the company during the last accounting year.
- d. The Company has no contract with any director/officer for providing the payment of future compensation.
- e. The Company does not have any plan to substantially increase remuneration to Officers/Directors except normal & additional annual increments/awards of salaries/allowances in line with the performance achieved by individuals.

Options Granted to Directors, Officers and Employees

The Company did not grant any option to any director, officer and other employees of the company or to any other person not involved with the Company.

Transaction with the Directors and Subscribers to the Memorandum

- a) The Directors and subscribers to the Memorandum of the Company have not received any benefits from the company other than remunerations paid to them as officers and dividends declared in AGMs as disclosed in the executive remuneration part of the prospectus.
- b) No assets were acquired or are to be acquired from the directors and subscribers to the memorandum.

Tangible Assets per Share

Auditors' Certificate on Net Tangible Assets Value per Share

"We have examined the calculation of Net Tangible Asset per share of the Company as of June 30, 2013 which has been prepared by the management of FAR Chemical Industries Ltd. The preparation of the aforesaid calculation of Net Tangible Asset per share is the responsibility of the company's Management. Our responsibility is to review it and opinion as to whether it has been properly prepared using acceptable principles and on the basis of Audited Financial Statements for the year ended June 30, 2013."

Based on our review, we hereby certify that the Company has properly prepared the calculation of Net Tangible Asset per share using acceptable principles and on the basis of Audited Financial Statements for the year ended June 30, 2013 as below:

Particulars	Note	30.06.2013	30.06.2012
		BD Taka	BD Taka
Assets:			
Non-Current Assets:			
Property, plant & equipment		704,975,729	463,352,134
Security Deposit		1,548,471	1,548,471
Total non-current assets	A	706,524,200	464,900,605
Current assets:			
Inventories		203,858,960	208,921,895
Trade & other Receivable		370,322,997	235,001,856
Advances, deposits & pre-payments		22,114,549	2,807,465
Cash & cash equivalents		9,657,858	2,958,904
Total current assets	C	605,954,364	449,690,120
Total assets	D=A+C	1,312,478,564	914,590,725
Total tangible assets	E=D	1,312,478,564	914,590,725
Equity and liabilities:			
Non-current liabilities:			
Long-term borrowings		-	-
Total non-current liabilities	F	-	-
Current liabilities:			
Trade & other payables		65,108,915	66,242,725
Short term borrowings		12,225,096	12,452,783
Provision for expenses		6,547,279	2,880,306
Total current liabilities	G	83,881,290	81,575,814
Total liabilities	H=F+G	83,881,290	81,575,814
Net tangible assets value	I=D-H	1,228,597,274	833,014,911
Number of shares*	J	79,031,565	52,687,710
Net tangible assets value per share of Tk. 10 each	K=I/J	15.55	15.81

*Including 26,342,855 no. bonus share of Taka 10 each

Dated: Dhaka
September 19, 2013

Sd/-
Shiraz Khan Basak & Co.
Chartered Accountant

Ownership of the Company's Securities

List of Shareholders of the Company as on 05 December, 2013 is as follows:

Sl.	Name of Directors	Position	Address	No. of Shares	Amount	% of Total Share
1.	Mr. Kim Jong Suk	Managing Director	House-288, Road-4, DOHS, Baridhara, Dhaka.	22,005,000	220,050,000	27.84%
2.	Mr. Abid Mustafizur Rahman	Chairman	Executive Height, Flat No. A1, Plot No., Block-B, Aftabuddin Avenue, Bashundhara R/A, Dhaka	5,025,000	50,250,000	6.36%
3.	Mr. Lee Jong Kook	Director	House-288, Road-4, DOHS, Baridhara, Dhaka.	2,010,000	20,100,000	2.54%
4.	Mrs. Jaheda Khondoker	Shareholder	Flat# 5/c, plot#37, Road-1,Block-A,Banasree,Rampura, Dhaka	240,000	2,400,000	0.30%
5.	Nasrin Akter Banu	Shareholder	286, East Rampura, Dhaka	3,900,000	39,000,000	4.93%
6.	Mr. Rezaur Rahman Rajon	Director	35/7/A, Shantinagar, Dhaka	5,225,000	52,250,000	6.61%
7.	Md. Motiur Rahman	Shareholder	GDIC., Hadi Manshin, 2 Dilkusha, Dhaka.	400,000	4,000,000	0.51%
8.	Md. Syed Iqbal Hossain	Shareholder	Vill: Gangpur, P/S & Dist-Laksmirpur	49,950	499,500	0.06%
9.	Razawana Rahaman Rini	Shareholder	55/56, Shahid Shangbadik Selina Parvin Sarak, Flat No. 8B, Boro Moghbazar, Dhaka	3,400,000	34,000,000	4.30%
10.	Faize Kader Sadnam	Director	27/8/D, Topkhana Road, Dhaka	10,416,615	104,166,150	13.18%
11.	Kazi Hosnawara	Shareholder	208, Sohid Nazrul Islam Soroni, Bijoy Nagor, Dhaka-1000	3,900,000	39,000,000	4.93%
12.	Abdul Quddus Amin	Shareholder	32/6 East Noyatola, Maghbazar, Dhaka.	1,000,000	10,000,000	1.27%
13.	Tahsin Imam	Shareholder	Flat- A1, House-87, Road- 6B, DOHS, Banani, Dhaka	100,000	1,000,000	0.13%
14.	Mrs. Shirin Faruk	Shareholder	22/A, Chamelybag, Shantinagar, Dhaka	3,910,000	39,100,000	4.95%
15.	Md. Jahangir Alam	Shareholder	Vill+P.O-Zaforapara, P.S-Pirgonj, Rangpur.	100,000	1,000,000	0.13%
16.	Major Syed Golam Wadud (Retd.)	Shareholder	Flat-C-5, House-17, Road-79, Gulshan-2, Dhaka	500,000	5,000,000	0.63%
17.	Dr. Rafiqul Islam	Shareholder	House No. 55/D, House Tutor Quarter, Jasimuddin Hall, Shahbag Dhaka	50,000	500,000	0.06%
18.	Dr. Delowar Hossain	Shareholder	11/D, House No. 2, Road No. 9, Pallabi, Mirpur, Dhaka	500,000	5,000,000	0.63%
19.	Sahabuddin	Shareholder	67/8, Kakrail, Flat No.6, Ramna, Dhaka	100,000	1,000,000	0.13%
20.	Global Shoes Ltd.	Shareholder	House No. 127, Road No. 10, Block-C, Niketon, Gulshan-1, Dhaka-1212	450,000	4,500,000	0.57%
21.	Mr. Abdul Kader Faruk	Shareholder	22/A, Chamelybag, Dhaka	3,900,000	39,000,000	4.93%
22.	Md. Bodiuzzaman	Shareholder	House no. 25, Road No. 2, Sector 3, Uttara, Dhaka-1230	100,000	1,000,000	0.13%
23.	Lutfun Nessa	Shareholder	32/5, Noyatoola, Magbazar, Dhaka	3,900,000	39,000,000	4.93%
24.	Total Spinning Mills Ltd	Shareholder	64, Zatrabari, Dhaka	3,550,000	35,500,000	4.49%
25.	S.F. Textile Mills Ltd	Shareholder	Vill: Kornogok, P.O. Rupshi, P.S. Rupgonj, Dist: Narayanganj	3,800,000	38,000,000	4.81%
26.	Abdul Mabut Masum	Shareholder	208, Shahid Syed Nazrul Islam Sarani, 10 th Floor, Bijoynagar, Dhaka	500,000	5,000,000	0.63%
Total				79,031,565	790,315,650	100%

Shareholders Shareholding of 5% or more

No officer/executive except the following holds 5% or above share of the Company individually or as a group:

Sl. No.	Name of Shareholder	Position	No. of Shareholding	Amount in BDT	% Of Shares
1.	Mr. Abid Mustafizur Rahman	Chairman	5,025,000	50,250,000	6.36%
2.	Mr. Kim Jong Suk	Managing Director	22,005,000	220,050,000	27.84%
3.	Mr. Lee Jong Kook	Director	2,010,000	20,100,000	2.54%
4.	Mr. Rezaur Rahman Rajon	Director	5,225,000	52,250,000	6.61%
5.	Mr. Faize Kader Sadnam	Director	10,416,615	104,166,150	13.18%
Total			44,681,615	446,816,150	56.53%

Securities owned by each Directors

Sl no.	Name of shareholder	Position	No. of shares held	% of share
1	Mr. Abid Mustafizur Rahman	Chairman	5,025,000	6.36%
2.	Mr. Kim Jong Suk	Managing Director	22,005,000	27.84%
3.	Mr. Rezaur Rahman Rajon	Director	5,225,000	6.61%
4.	Mr. Lee Jong Kook	Director	2,010,000	2.54%
5.	Mr. Faize Kader Sadnam	Director	10,416,615	13.18%
Total			44,681,615	56.53%

Post IPO Shareholding by the Sponsors/ Directors

Details	No of Shares	Amount (Tk.)
Post IPO Share Capital	91,031,565	91,03,15,650

Sl.	Name of Directors	Position	No of Shares held	% (Percentage)
1.	Mr. Abid Mustafizur Rahman	Chairman	5,025,000	5.52%
2.	Mr. Kim Jong Suk	Managing Director	22,005,000	24.17%
3.	Mr. Rezaur Rahman Rajon	Director	5,225,000	5.74%
4.	Mr. Lee Jong Kook	Director	2,010,000	2.21%
5.	Mr. Faize Kader Sadnam	Director	10,416,615	11.44%
Total			44,681,615	49.08%

NB: Post IPO capital structure of the Sponsors/Directors complies with the requirements as imposed by the Bangladesh Securities and Exchange Commission vide Notification No. SC/CMRRCD/2009-193/119/Admin/34, dated November 22, 2011

SECTION-IX

FEATURES OF IPO

Determination of Offering Price

FAR Chemical Industries Limited is a leading Chemical Manufacturing company in Bangladesh. The Company is enjoying a high growth in revenue, net profit and net assets since it started its commercial operation. The Net Asset Value (NAV) and Earning-Based Value (EBV) may be used in determining the IPO price of the shares of the Company. Net Asset Value (NAV) gives asset-backing to the shares of the Company. Earnings per Share (EPS) indicate profitability against shares of the Company. Earnings-based Value and Book Value-based Value of similar stocks have been taken to estimate a theoretical fair price, considering market demand for the shares of the Company.

Method	Particulars	Amount in Taka
Method-1	Net Asset Value per share without considering revaluation reserve	15.55
Method-2	Earning Based Value per Share based on average Market P/E	55.70

1. Net Asset Value (NAV) per share

Particulars	Note	June 30, 2013
		Taka
Share Capital as at June 30, 2013	A	790,315,650
Retained Earnings as at June 30, 2013	B	438,281,624
Total Shareholders' Equity as at June 30, 2013	C=A+B	1,228,597,274
Number of share as at June 30, 2013	D	79,031,565
Net Assets Value (NAV) per share as of June 30, 2013	C/D	15.55

2. Earning Based Value per Share based on average Market P/E

Year	No. of shares	Net profit after Tax	Weighted average no. of shares	Weighted average net profit after tax
June 30, 2013	79,031,565	395,582,363	0.55	217,570,299
June 30, 2012	52,687,710	213,153,602	0.366	78,014,218
June 30, 2011	9,990,000	64,355,771	0.07	4,504,904
June 30, 2010	1,000,000	32,948,079	0.007	230,636
June 30, 2009	1,000,000	(4,319,641)	0.007	(30,237)
Total	143,709,275	701,720,174	1.00	300,289,820
Total number of shares before IPO				79,031,565
EPS based on weighted average net profit after tax				3.80

The weighted average EPS for the 5 (Five) years, accordingly stands at the Tk. 3.80 i.e; (Tk. 300,289,820/79,031,565 Shares)= Tk. 3.80 per shares

Average price earning of Pharmaceuticals and Chemicals sector (July, August and September 2013)

= $(21.53+21.10+21.43)/3 = 64.06/3 = 21.35$ (P/E Ratio)

Average price earning of market (July, August and September 2013)

= $(14.43+15.18+14.36)/3 = 43.97/3 = 14.66$ (P/E Ratio)

Lesser of 21.35 and 14.66 = 14.66(P/E Ratio)

If we consider the share price on the basis of average market P/E ratio (price/earnings multiple) of 14.66, the earning-based value of shares of the Company at a weighted average EPS of Tk. 3.80 stands at Tk. 55.70 (EPS Tk. 3.80* P/E Ratio 14.66)

Based on the forgoing, the fair value of the share of the Company ranges between **Tk. 15.55** and **Tk. 55.70**; but **the Company is offering its IPO offer price at Tk. 10 per share at par** considering present market scenario.

Market for the Securities Being Offered

The issuer shall apply to all the stock exchanges in Bangladesh within seven working days from the date of consent accorded by the Commission to issue prospectus.



Dhaka Stock Exchange Limited (DSE)

9/F, Motijheel C/A, Dhaka-1000



Chittagong Stock Exchange Limited (CSE)

CSE Building, 1080 Sk. Mujib Road, Agrabad C/A, Chittagong

Within 7 (Seven) working days from the date of consent accorded by the Commission to issue prospectus.

Description of Securities outstanding or being offered

a) Dividend, Voting and Preemption Rights

In case of any declaration of cash/stock dividend by the Company or distribution of any property of the Company, all the shareholders shall be entitled to it in proportion to their shareholdings on the date of the book closure or record date for the purpose. The Company will follow a dividend policy, which will allow it to provide a fair return on its shareholders' investment and simultaneously allow for building up of the retained earnings and reserves as a rule that would sustain growth of the Company. The share capital of the Company is divided into Ordinary Shares, carrying equal rights to vote and receive dividend in terms of the relevant provisions of the Companies Act 1994 and the Articles of Association of the Company. All shareholders shall have the usual voting right in person or by proxy in connection with, among others, election of Directors and Auditor(s) and other usual agenda of General Meeting – Ordinary or Extra ordinary. On a show of hand, every shareholder present in person and every duly authorized representative of a shareholder present at a General Meeting shall have one vote and on a poll every shareholder present in person or by proxy shall have one vote for every share held by him or her. In case of any additional issue of shares for raising further capital the existing shareholders shall be entitled to Rights Issue of shares in terms of the guidelines issued by the Bangladesh Securities and Exchange Commission from time to time.

b) Conversion and Liquidation Rights

The Company in its General Meeting may convert paid-up shares to any denomination. No special preferences or privileges shall be attached to this conversion. If the company at any time issues Preference Shares or Debentures or Bonds with the consent of BSEC, such holders of securities shall be entitled to convert such securities into ordinary shares if it is so determined by the company. In case of winding-up or liquidation of the Company, all shareholders have the same privileges and advantages as ordinary shareholder as regards participation in profits and voting at meetings of the Company.

c) Right for Transfer

In terms of the provisions of the Companies Act, 1994, Articles of Association of the Company and other relevant rules in force, the shares of the Company are transferable. The Company shall not charge any fee other than Government duties for registering transfer of shares. No shares shall be transferred to an infant or a person of unsound mind.

d) Dividend Policy

I. The profits of the Company, subject to any special right relating thereto created or authorized to be created by the Memorandum of Association and subject to the provision of the Articles of Association, shall be divisible among the members in proportion to the amount of capital paid -up on the shares held by them respectively.

II. No larger dividend shall be declared than is recommended by the directors, but the Company in its General meeting may declare a smaller dividend. If preference share dividend is not paid in one year, such unpaid dividend shall be carried forward to the next year or years; and become cumulative.

III. The declaration of directors as to the amount of net profit of the company shall be conclusive.

IV. No dividends shall be paid otherwise than out of the profits of the year or any other undistributed profits and general reserves. Dividend shall not carry interest as against the Company.

V. The Directors may from time to time pay off the members such interim dividend as appear to the Directors to be justified by the profits of the Company.

VI. A transfer of shares shall not pass the right to any dividend declared thereon after such transfer and before the registration of the transfer.

VII. There is no limitation on the payment of dividends to the common stockholders.

e) Other Rights of Shareholders

The shareholders shall have the right to receive all periodic reports and statements, audited as well as unaudited, published by the company from time to time. The directors shall present the financial statements as required under the law and International Accounting Standards and International Financial Reporting Standards as adopted by the Institute of Chartered Accountants of Bangladesh. Financial statements will be prepared in accordance with International Financial Reporting/Accounting Standards, consistently applied throughout the subsequent periods and present with the objective of providing maximum disclosure as per law and international Financial Reporting/Accounting Standard to the shareholders regarding the Financial and operational position of the company.

In case of any declaration of stock dividend through issue of Bonus Shares, all shareholders shall be entitled to it in proportion to their shareholdings on the date of book closure or record date for the purpose.

The shareholders holding not less than 10% of the issued/fully paid up capital of the Company shall have the right to make requisition of Extra-Ordinary General Meeting (EGM) of the Company as provided under Section 84 of the Companies Act, 1994.

Debt Securities

FAR Chemical Industries Limited has not issued or is planning to issue any debt securities within six months.

Declaration about Listing of Shares with the stock exchange(s)

None of the stock exchange(s), if for any reason, grants listing within 75 days from the closure of subscription, any allotment in terms of this Prospectus shall be void and the Company shall refund the subscription money within fifteen days from the date of refusal for listing by the stock exchange(s), or from the date of expiry of the said 75 days, as the case may be.

In case of non-refund of the subscription money within the aforesaid fifteen days, the Company's Directors, in addition to the issuer company, shall be collectively and severally liable for refund of the subscription money, with interest at the rate of **2%** (two percent) per month above the bank rate, to the subscribers concerned.

The Issue Manager, in addition to the issuer company, shall ensure due compliance of the above mentioned conditions and shall submit compliance report thereon to the Bangladesh Securities and Exchange Commission within seven days of expiry of the aforesaid fifteen days time period allowed for refund of the subscription money.

Trading and Settlement

Trading and settlement regulation of the Stock exchanges shall apply in respect of trading and settlement of the shares of the company.

The issue shall be in "N" Category with DSE and CSE

SECTION-X

PLAN OF DISTRIBUTION

Underwriting of shares & underwriters obligation

As per Bangladesh Securities and Exchange Commission's guideline 50% of the **Public Issue** of **12,000,000** ordinary shares at Tk. **10.00** each at par totaling Tk. **120,000,000 i.e., for 60,000,000 will be** underwritten at a rate of 0.50% (underwriting commission) by the following Underwriters for the IPO of FAR Chemical Industries Ltd. No additional commission will be paid on the amount of shares required to be subscribed by the underwriter.

Sl. No.	Name of Underwriter	Number of Share	Amount in Tk.
1.	First Securities Services Limited	4,000,000	40,000,000
2.	CAPM Advisory Limited	2,000,000	20,000,000
Total		6,000,000	60,000,000

Principal terms and conditions of underwriting agreement

1. If and to the extent that the Shares offered to the public through a Prospectus authorized hereunder shall not have been subscribed and paid for in cash in full by the closing date, the Company shall within 10 (ten) days of the closure of subscription call upon the underwriter in writing with a copy of the said writing to the Bangladesh Securities and Exchange Commission, to subscribe the Shares not so subscribed within the closing date and to pay for in cash in full, inclusive of any premium, if applicable, for such unsubscribed Shares within 15 (fifteen) days after being called upon to do so.
2. If payment is made by Cheque/Bank Draft by the underwriter it will be deemed that the underwriter has not fulfilled his obligation towards underwriting commitment under this agreement, until such time as the Cheque/Bank Draft has been en-cashed and the Company's account credited.
3. In any case within 7 (seven) days after expiry of the aforesaid 15 (fifteen) days, the Company shall send proof of subscription and payment by the underwriters, to the Commission.
4. In the case of failure by the underwriter to pay for the Shares under the terms mentioned above, the said underwriter will not be eligible to underwrite any Issue, until such time as he fulfills his underwriting commitment under this Agreement and also other penalties as may be determined by the Commission.
5. In case of failure by any underwriter to pay for the shares within the stipulated time, the Company/Issuer will be under no obligation to pay any underwriting commission under the Agreement.

6. In case of failure by the Company to call upon the underwriter for the aforementioned purpose within the stipulated time, the Company and its Directors shall individually and collectively be held responsible for the consequence and/or penalties as determined by the Securities and Exchange Commission under the law may be imposed on them.

Commission for the underwriters

The company shall pay to the underwriter an underwriting commission at the rate of 0.50% of 50% of the IPO amount (i.e. Tk. 60,000,000.00) of the issue value of shares underwritten by them out of the Public Issue.

Relationship of Officers or Directors of the underwriters acting as director of the company

No officer or Director of the underwriters is presently engaged as the Director of the Company.

SECTION-XI

ALLOTMENT, SUBSCRIPTION AND MARKET

Lock-in Provision

All issued shares of the issuer at the time of according consent to public offering shall be subject to a lock-in period of 3 (Three) years from the date of issuance of prospectus or commercial operation, whichever comes later.

Provided that the persons, other than directors and those who hold 5% or more, who have subscribed to the shares of the Company within immediately preceding 2 (Two) years of according consent, shall be subject to a lock-in period of 1 (One) year from the date of issuance of prospectus or commercial operation, whichever comes later.

Directors & Shareholding Above 5%

Sl. No.	Name	Status	No. of Shares held	Amount in Tk.	% of Ownership	Last Subscription date	Date of Issuance of Prospect-us	Lock-in period from the date of Issuance of Prospectus
1.	Abid Mustafizur Rahman	Chairman	5,025,000	50,250,000	6.36%	04-1-13	05-02-14	3 years
2.	Mr. Kim Jong Suk	Managing Director	22,005,000	220,050,000	27.84%	04-1-13	05-02-14	3 years
3.	Mr. Rezaur Rahman Rajon	Director	5,225,000	52,250,000	6.61%	04-1-13	05-02-14	3 years
4.	Lee Jong Kook	Director	2,010,000	20,100,000	2.54%	04-1-13	05-02-14	3 years
5.	Faize Kader Sadnam	Director	10,416,615	104,166,150	13.18%	04-1-13	05-02-14	3 years
Sub- Total (A)			44,681,615	446,816,150	56.54%			

Shareholding Below 5%

Sl. No	Name	Status	No. of Shares held	Amount in Tk.	% of Ownership	Last Subscription date	Date of Issuance of Prospect-us	Lock-in period from the date of Issuance of Prospectus
1.	Mrs Jahada Khondoker	Shareholder	160,000	1,600,000	0.20%	30-01-11	05-02-14	3 years
	Mrs Jahada Khondoker	Shareholder	80,000	800,000	0.10%	04-01-13	05-02-14	1 years
2.	Nasrin Akter Banu	Shareholder	3,400,000	34,000,000	4.30%	04-01-12	05-02-14	3 years
	Nasrin Akter Banu	Shareholder	500,000	5,000,000	0.63%	04-01-13	05-02-14	1 years
3.	Md. Motiur Rahman	Shareholder	270,000	2,700,000	0.34%	30-01-11	05-02-14	3 years
	Md. Motiur Rahman	Shareholder	130,000	1,300,000	0.16%	04-01-13	05-02-14	1 years

4.	Md. Syed Iqbal Hossain	Shareholder	33,300	333,000	0.04%	08-08-11	05-02-14	3 years
	Md. Syed Iqbal Hossain	Shareholder	16,650	166,500	0.02%	04-01-13	05-02-14	1 years
5.	Rezwana Rahman Rini	Shareholder	2,400,000	24,000,000	3.04%	08-08-11	05-02-14	3 years
	Rezwana Rahman Rini	Shareholder	1,000,000	10,000,000	1.27%	04-01-13	05-02-14	1 years
6.	Kazi Hosnawara	Shareholder	3,400,000	34,000,000	4.30%	04-01-12	05-02-14	3 years
	Kazi Hosnawara	Shareholder	500,000	5,000,000	0.63%	04-01-13	05-02-14	1 years
7.	Abdul Quddus Amin	Shareholder	500,000	5,000,000	0.63%	08-08-11	05-02-14	3 years
	Abdul Quddus Amin	Shareholder	500,000	5,000,000	0.63%	04-01-13	05-02-14	1 years
8.	Tahsin Imam	Shareholder	100,000	1,000,000	0.13%	30-01-11	05-02-14	3 years
9.	Md. Jahangir Alam	Shareholder	60,000	600,000	0.08%	08-08-11	05-02-14	3 years
	Md. Jahangir Alam	Shareholder	40,000	400,000	0.05%	04-01-13	05-02-14	1 years
10.	Major Syed Golam Wadud (Retd.)	Shareholder	466,667	4,666,670	0.59%	08-08-11	05-02-14	3 years
	Major Syed Golam Wadud (Retd.)	Shareholder	33,333	333,330	0.04%	04-01-13	05-02-14	1 years
11.	Dr. Rafiqul Islam	Shareholder	50,000	500,000	0.06%	30-01-11	05-02-14	3 years
12.	Dr. Delowar Hossain	Shareholder	500,000	5,000,000	0.63%	30-01-11	05-02-14	3 years
13.	Sahabuddin	Shareholder	100,000	1,000,000	0.13%	30-01-11	05-02-14	3 years
14.	Global Shoes Ltd.	Shareholder	450,000	4,500,000	0.57%	30-01-11	05-02-14	3 years
15.	Mrs. Shirin Faruk	Shareholder	2,290,000	22,900,000	2.90%	30-01-11	05-02-14	3 years
	Mrs. Shirin Faruk	Shareholder	1,620,000	16,200,000	2.05%	04-01-13	05-02-14	1 years
16.	Md. Bodiuzzaman	Shareholder	100,000	1,000,000	0.13%	30-01-11	05-02-14	3 years
17.	Abdul Kader Faruk	Shareholder	3,900,000	39,000,000	4.93%	04-01-13	05-02-14	1 years
18.	Lutfun Nessa	Shareholder	3,900,000	39,000,000	4.93%	04-01-12	05-02-14	3 years
19.	Total Spinning Mills Ltd	Shareholder	3,550,000	35,500,000	4.49%	30-01-11	05-02-14	3 years
20.	S.F. Textile Mills Ltd	Shareholder	3,800,000	38,000,000	4.81%	04-01-12	05-02-14	3 years
21.	Abdul Mabut Masum	Shareholder	500,000	5,000,000	0.63%	30-01-11	05-02-14	3 years
Sub- Total (B)			34,349.950	343,499,500	43.46%			
Total (A+B)			79,031,565	790,315,650	100%			

Refund of subscription money

As per BSEC Notification dated February 9, 2010, the issuer shall refund application money to the unsuccessful applicant of the public offer by any of the following manner based on the option given by the applicant in the application form:

- Through banking channel for onward deposit of the refund money into the applicant's bank account as provided in the respective application form for subscription; or
- Through issuance of refund warrant in the name and address of the applicant as provided in the respective application form for subscription;

"Provided that, in case of deposit into the applicant's bank account, the applicant will bear the applicable service charge, if any, of the applicant's banker, and the issuer shall simultaneously issue a letter of intimation to the applicant containing, among others, the date and amount remitted with details of the bank through and to which bank such remittance has been effected."

Subscription by and Refund to Non-Resident Bangladeshi (NRB)

- i) A Non-Resident Bangladeshi shall apply either directly by enclosing a foreign demand draft drawn on a bank payable at Dhaka, or through a nominee by paying out of foreign currency deposit account maintained in Bangladesh or in Taka, supported by foreign currency encashment certificate issued by the concerned bank, for the value of securities applied for through crossed bank cheque marking "Account Payee only".
- ii) The value of securities applied for by such person may be paid in Taka or US dollar or UK pound sterling or EURO at the rate of exchange mentioned in the securities application form.
- iii) Refund against oversubscription shall be made in the currency in which the value of securities was paid for by the applicant through Account Payee bank cheque payable at Dhaka with bank account number, Bank's name and Branch as indicated in the securities application form. If the applicants' bank accounts as mentioned in their IPO Application Forms are maintained with the Bankers to the Issue and other banks as mentioned, refund amount of those applicants will be directly credited into the respective bank accounts as mentioned in their IPO Application Forms.

Availability of Securities

Securities		Number of Shares	Total Amount
a)	20% of the Issue i.e. 2,400,000 Ordinary Shares are reserved for affected small investors	2,400,000	24,000,000.00
b)	10% of the Issue i.e. 1,200,000 ordinary Shares at an issue price of Tk. 10 at par shall be reserved for Non-resident Bangladeshis.	1,200,000	12,000,000.00
c)	10% of the Issue i.e. 1,200,000 ordinary Shares at an issue price of Tk. 10 at par shall be reserved for Mutual Funds and collective investment schemes registered with the Commission.	1,200,000	12,000,000.00
d)	The remaining 60% i.e. 7,200,000 Ordinary Shares at an issue price of Tk.10 at par shall be open for subscription by the general public.	7,200,000	72,000,000.00
Total		12,000,000	120,000,000

- (1) 10% of total public offering shall be reserved for Non-Resident Bangladeshi (**NRB**), 10% for **Mutual Funds** and collective investment schemes registered with the Commission and 20% for **Affected Small Investors** (অভিগ্রস্ত ক্ষুদ্র বিনিয়োগকারী). The remaining 60% shall be open for subscription by the General Public.
- (2) All securities as stated in sub-rule (1) shall be offered for subscription and subsequent allotment by the issuer, subject to any restriction, which may be imposed, from time to time, by the Bangladesh Securities and Exchange Commission.
- (3) In case of over-subscription under any of the categories mentioned in sub-rule (1), the Issue Manager shall conduct an open lottery of all the applications received under each category separately in accordance with the letter of consent issued by the Bangladesh Securities and Exchange Commission.
- (4) In case of under-subscription under any of the 20% and 10% category as mentioned in sub-rule (1), the unsubscribed portion shall be added to the general public category, and, if after such addition there is oversubscription in the general public category the issuer and the Issue Manager(s) shall jointly conduct an open lottery of all the applicants added together.
- (5) In case of under-subscription of the public offering, the unsubscribed portion of shares shall be taken up by the underwriter(s).
- (6) The lottery as stated in sub-rule (3) and (4) should be conducted in the presence of the representatives of Issuer, Stock Exchange(s) and the applicants, if there be any.

Allotment

The company shall issue share allotment letters to all successful applicants within 5 (five) weeks from the date of the subscription closing date. Within the same time, refund to the unsuccessful applicants shall be made in the currency in which the value of securities was paid for by the applicants without any interest, through Account Payee Cheque/ refund warrants with bank account number, bank's name and Branch as indicated in the securities application forms payable at Dhaka/ Chittagong/ Khulna/ Rajshahi/ Barisal/ Sylhet/ Bogra, as the case may be. A compliance report in this regard shall be submitted to the Commission within 7(seven) weeks from the date of closure of subscription.

Application for Subscription

01. Application for shares may be made for a minimum lot of **500** ordinary shares to the value of **Tk. 5,000/-** (Taka Five Thousand Only) and should be made on the Company's Printed Application forms. Application forms and the Prospectus May be obtained from the Registered Office of the Company, members of the Dhaka Stock Exchange Ltd., Chittagong Stock Exchange Ltd. or from the Bankers to the Issue. In case adequate forms are not available, applicants May use photocopied/cyclostyled/ handwritten/ typed copies of the forms. Application must not be for less than **500** shares. Any application not meeting the criterion will not be considered for allotment purpose.

02. Joint application form for more than two persons will not be accepted. In the case of a joint application each party must sign the application form.

03. Application must be in full name of individuals or limited companies or trusts or societies and not in the name of firms, minors or persons of unsound mind. Applications from insurance, financial and market intermediary companies and Limited Companies must be accompanied by Memorandum and Articles of Association.

04. An applicant cannot submit more than two applications, one in his/her own name and the other jointly with another person. In case an applicant makes more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, 15% (fifteen) of the application money will be forfeited by the Bangladesh Securities and Exchange Commission and the balance amount will be refunded to the applicant.

05. The applicant shall provide with the same bank account number in the application form as it is in the BO account of the application.

06. The applicants who have applied for more than two applications using same bank account, their application will not be considered for lottery and the Commission may forfeit whole or part of their application too.

07. An IPO applicant shall ensure his/her BO account remains operational till the process of IPO (including securities allotment or refund of IPO application) is completed. If any BO account mentioned in the IPO application is found closed, the allotted security may be forfeited by **BSEC**.
08. Bangladeshi Nationals (including non-resident Bangladeshis residing/working abroad) and Foreign Nationals shall be entitled to apply for shares.
09. Payment for subscription by investors other than Non-Resident Bangladeshi may be made to the said branches/office of the banks mentioned below in Cash/Cheque/Pay Order/Bank Draft. The Cheque/Pay Order/ Bank Draft shall be made payable to the bank to which it is sent and be marked "**FAR CHEMICAL INDUSTRIES LTD**" and shall bear the crossing "**Account Payee Only**" and must be drawn on a bank in the same town of the bank to which application form is deposited.
10. All completed application forms, together with remittances for the full amount payable on application, shall be lodged by investors other than Non-Resident Bangladeshis with any of the branches of the Bankers to the Issue.
11. A Non-Resident Bangladeshi (NRB) shall apply against the IPO either directly by enclosing a foreign demand draft drawn on a bank payable at Dhaka, or through a nominee (including a Bank or a Company) by paying out of foreign currency deposit account maintained in Bangladesh, for the value of securities applied for.

The value of securities applied for may be paid in Taka, US Dollar or UK Pound Sterling or EURO at the spot Buying (TT Clean) rate of exchange prevailing on the date of opening of subscription. Refund against over subscription of shares shall be made in the currency in which the value of shares applied for was paid by the applicant. Share application form against the quota for NRB shall be sent by the applicant directly along with a draft or cheque to the Company at its registered office. Copies of application form and prospectus shall be available with the Bangladesh Embassy/High Commission in USA, UK, Saudi Arabia, UAE, Qatar, Kuwait, Oman, Bahrain, Malaysia and South Korea and web site of the issuer, issue manager, DSE, CSE and the **BSEC**.

12. The IPO subscription money collected from investors (other than Non-Resident Bangladeshis in US Dollar or UK Pound Sterling or EURO) by the bankers to the issue will be remitted to the "**FAR Chemical Industries Ltd.**", Interest Bearing Account no. **1501202668920001** of BRAC Bank Limited, 1, Gulshan Avenue, Gulshan-1, Dhaka-1212, Bangladesh for this purpose.

- | Sl. No. | Name of the FC Accounts | Currency | Account No. | Bank |
|---------|------------------------------|-----------|------------------|-------------------|
| 1. | FAR Chemical Industries Ltd. | US Dollar | 1501202668920002 | BRAC Bank Limited |
| 2. | Do | GB Pound | 1501202668920003 | Do |
| 3. | Do | EURO | 1501202668920004 | Do |

- APPLICATIONS NOT IN CONFORMITY WITH THE ABOVE REQUIREMENTS AND THE INSTRUCTIONS PRINTED ON THE APPLICANT FORM ARE LIABLE TO BE REJECTED.**

SECTION-XII

MATERIAL CONTRACTS AND OTHERS

Material Contracts

The following are material contracts in the ordinary course of business, which have been entered into by the company.

- a. Underwriting Agreements between the Company and the Underwriters.
- b. Issue Management Agreement between the Company and First Securities Services Limited.

Copies of the aforementioned contracts and documents and a copy of Memorandum and Articles of Association of the Company and the Consent Order from the Bangladesh Securities and Exchange Commission may be inspected on any working day during office hours at the Company's Registered Office.

Manager to the Issue

First Securities Services Limited, Al-Raji Complex (7th Floor), Suite- G 702 and 703, 166-167, Shaheed Syed Nazrul Islam Sarani, Purana Paltan, Dhaka-1000 is acting as the **Manager to the Issue**. The Issue Manager First Securities Services Limited will get Tk. 2,000,000.00 as Issue Management Fee.

Commission to the Bankers to the Issue

Commission at the rate of 0.10% of the amount collected will be paid to the Bankers to the Issue for the services to be rendered by them.

Bankers to the Issue

Brac Bank Limited (Lead Bank)		
Asad Gate Branch, Dhaka Banani Branch, Dhaka Bashundhara Branch, Dhaka Donia Branch, Dhaka Eskaton Branch, Dhaka Graphics Building Br., Dhaka Shyamoli Branch, Dhaka CDA Avenue Br., Chittagong Halisohor Br., Chittagong	Gulshan Branch, Dhaka Manda Branch, Dhaka Mirpur Branch, Dhaka Narayangong Br., Narayangonj Nawabpur Branch, Dhaka Rampura Branch, Dhaka Uttara Branch, Dhaka Kazirdeuri Br., Chittagong	Bogra Branch, Bogra Rajshahi Branch, Rajshahi Jessore Branch, Jessore Khulna Branch, Khulna Barisal Branch, Barisal Zindabazar Branch, Sylhet Agrabad Br., Chittagong Momin Road Br., Chittagong
Investment Corporation of Bangladesh (ICB)		
Head Office Br., Dhaka Local Office Br., Dhaka Chittagong Branch	Rajshahi Branch Khulna Branch Barisal Branch	Sylhet Branch Bogra Branch
Trust Bank Limited		
Principal Branch, Dhaka Mirpur Branch, Dhaka Narayanganj Branch, Dhaka Narshingdhi Br., Dhaka Ashulia Branch, Dhaka S.S Cantt. Branch Comilla Cantt. Branch Jalalabad Cantt. Branch Khwaja Yunus Ali Medical College & Hospital Branch Shahjalal Uposhohor Br. Sylhet Barishal Branch	Dilkusha Corp. Branch, Dhaka Karwan Bazar Branch, Dhaka Elephant Road Br, Dhaka Tongi Branch, Dhaka Momenshahi Cantonment Branch Halisahar Branch Asugonj Branch Feni Branch Comilla Branch Rajshahi Branch Joypara Branch Jessore Cantonment Branch	Radisson Water Garden Hotel Branch, Dhaka Uttara Corporate Br., Dhaka Dhanmondi Br, Dhaka Joydebpur Branch, Dhaka Savar Cantonment Branch Kadamtali Branch Chowmohoni Branch Khulna Branch Bogra Cantonment Branch Rangpur Cantonment Branch Sylhet Corporate Branch
Southeast Bank Limited		
Principal Br., Dhaka Agrabad Branch, Chittagong Imamgonj Br., Dhaka Dhanmondi Br., Dhaka Uttara Br., Dhaka Gulshan Br., Dhaka Kakrail Br., Dhaka Banani Br., Dhaka Bangshal Br., Dhaka Rupnagar Branch, Dhaka Pragoti Sarani Br., Dhaka Agargaon Br., Dhaka Sat Mashjid Road Br., Dhaka Rokeya Sarani Br., Dhaka Savar Branch, Dhaka Mouchak Br., Dhaka Ashulia Br.(Rural) Dhaka Bashundhara Br., Dhaka Mohammadpur Br., Dhaka	Islampur Br., Dhaka Dakhin Khan Br., Dhaka Madam Bibir Hat Br., Chittagong Khatungonj Br., Chittagong Jubilee Road Br., Chittagong Oxygen More Br., Chittagong CDA Avenue Branch, Chittagong Momin Road Br., Chittagong Hetimgonj Br., Sylhet Laldighirpaar Br., Sylhet Pahartali Br. Chittagong Bandar Bazar Br., Sylhet Moulvibazar Br., Sylhet Konabari Br., Gazipur Tongi Br., Gazipur Bashurhat Br., Noakhali Chowmuhuni Br., Noakhali Chapainawabganj Br. Rajshahi Chhagalnaiya Br., Feni	Feni Branch Feni Rangpur Br., Rangpur Bogra Br., Bogra Khulna Br., Khulna Barisal Br., Barisal Naogaon Br., Naogaon Rajshahi Br., Rajshahi Comilla Br., Comilla Madhabdi Br., Narshingdi Narayanganj Br., Narayanganj Dhaniala Br., (Rural) Dhaka Sir Iqbal Road Br. Khulna Dinajpur Br. Dinajpur Mohakhali Branch, Dhaka Joypara Br. Dhaka Cox,s Bazar Branch, Chittagong Banasree Br. Dhaka Brahmanbaria Br. B.Baria

Mercantile Bank Limited		
Main Br., Dhaka Dhanmondi Br., Dhaka Kawran Bazar Br. Dhaka Banani Br. Dhaka Naya Bazar Br., Dhaka Mohakhali Br., Dhaka Mirpur Br., Dhaka Uttara Br., Dhaka Elephant Road Br. Dhaka Motijheel Br. Dhaka	Agrabad Br., Chittagong Naogaon Br., Naogaon Rampura Branch , Dhaka Ring Road Br., Dhaka Bijoy Nagar Br., Dhaka Sylhet Br., Sylhet Jessore Br., Jessore Narayangonj Br., Narayangonj Gulshan Br., Dhaka	Rajshahi Br., Rajshahi Khulna Br., Khulna Rangpur Br., Rangpur Bogra Br., Bogra Feni Br., Feni Barisal Br., Barisal Comilla Br., Comilla Dinajpur Br., Dinajpur Sat Mashjid Road Br., Dhaka

Mutual Trust Bank Limited		
Babu Bazar Br., Dhaka Banani Br., Dhaka Baridhara Br., Dhaka Bashundhara Br., Dhaka Dhanmondi Br., Dhaka Dholaikhal Br., Dhaka Dilkusha Br., Dhaka Elephant Rd. Br., Dhaka Fulbaria Br., Dhaka Gulshan Br., Dhaka Kakrail br., Dhaka Kamrangir Char Br., Dhaka Kapasia Br., Gazipur Mohammadpur Br., Dhaka MTB Corp. Center Br., Dhaka Oxygen Mor Br., Chittagong Pallabi Br., Dhaka Panthapath Br., Dhaka Chanda Br., Dhaka Chokoria Br., Chittagong Comilla Br. Comilla Cox's Bazar Br., Cox'Bazar	Principal Br., Dhaka Progoti Sarani Br., Dhaka Savar Br., Dhaka Shanir Akhra Br., Dhaka Sonargaon Br., Dhaka Uttara Model Town Br., Dhaka Tongi Br., Gazipur Narayangonj Br., Narayangonj Sreenagar Br., Dhaka Agrabad Br., Chittagong Alankar Mour Br., Chittagong Aman Bazar Br., Chittagong CDA Avenue Br., Chittagong Chawk Moghaltuli Br., Dhaka Jubilee Road Br., Chittagong Dagonbhuiyan Br., Feni Dinajpur Br., Dinajpur Mymensingh Br., Mymensingh Naogaon Br., Naogaon Nazirhat Br., Chittagong Noria Br., Shariyampur Shahparan Gate Br., Sylhet	Khatungonj Br., Chittagong Khilpara Br., Chatkhil, Noakhali Feni Br., Feni Rajshahi Br., Rajshahi Rangpur Br., Rangpur Raipur Br., Laxmipur Bogra Br., Bogra Brahmanbaria Br. Brahmanbaria Pabna Br., Pabna Kushtia Br., Kushtia Sylhet Br., Sylhet Syedpur Br., Sunamganj Moulavi Bazar Br., Sylhet Gournadi Br., Barisal Gobindaganj Br., Gobindaganj Jessore Br., Jessore Habigonj Br., Habigonj Ishwardi Br., Ishwardi Joypurhat Br., Joypurhat Sarulia Bazar Br., Dhaka Shah Mokhdum Avenue Br., Dhaka Thakurgaon Br., Thakurgaon

Dhaka Bank Limited		
Uttara Branch, Dhaka Khilgaon Branch, Dhaka Goran SME Service Center, Dhaka Mirpur Branch, Dhaka CDA Avenue Branch, Chittagong Bhulta Branch, Narayangonj	Rangpur Branch, Rangpur Kawranbazar Branch, Dhaka Dhanmondi Branch, Dhaka Mohakhali Branch, Dhaka Uposahar Branch, Sylhet	Faridpur Branch, Faridpur Comilla Branch, Comilla Rajshahi Branch, Rajshahi KDA Avenue Branch, Khulna Narayangonj Branch, Narayangonj

National Bank Limited		
Agrabad Br. Chittagong Anderkillah Br. Chittagong Asadgate Branch, Dhaka Babubazar Branch, Dhaka Banani Branch, Dhaka Bangshal Branch, Dhaka Barishal Branch, Barishal Bogra Branch, Bogra CDA Avenue Br. Chittagong Chawk Bazar Br. Chittagong Chowmohani Branch, Noakhali Comilla Branch, Comilla Dhanmondi Branch, Dhaka Dilkusha Br. Dhaka Elephant Road Branch, Dhaka Faridpur Branch, Faridpur Feni Branch, Feni Foreign Ex. Branch, Dhaka Gazipur Branch, Gazipur	Gulshan Branch, Dhaka Halishahar Br. Chittagong Imamgonj Branch, Dhaka Islampur Branch, Dhaka Jatrabari Branch, Dhaka Jubille Road Br. Chittagong Kawran Bazar Branch, Dhaka Khatungonj Br. Chittagong Khulna Br. Khulna Kisorgonj Br. Kisorgonj, Kisorgonj Lake Circus Br. Dhaka Malibug Branch, Dhaka Mirpur Branch, Dhaka Mohakhali Branch, Dhaka Motijheel Branch, Dhaka Mohammadpur Branch, Dhaka Muradpur Br. Chittagong Mymensingh Br. Mymensingh Narayangonj Branch, N'Gonj	Narshingdi Branch, Narshingdi Netaigonj Branch, N'Gonj New Eskaton Branch, Dhaka North Brook Hall Branch, Dhaka Pagla Bazar Branch Pahartali Branch, Chittagong Pragati Sarani Branch, Dhaka Rajshahi Branch, Rajshahi Simanta Square Br. Dhaka Rokey Sarani Branch, Dhaka S.K. Mojib Road Br. Chittagong Sunamgonj Br. Sunamgonj Savar Bazar Branch, Dhaka Sylhet Br. Sylhet Tangail Br. Tangail Tongi Br. Gazipur Z.H. Sikder M.C. Br. Dhaka Zindabazar Br. Sylhet Uttara Branch, Dhaka

Standard Bank Limited		
Principal Branch, Dhaka Foreign Exchange Br., Dhaka Topkhana Road Br., Dhaka Imamgonj Branch, Dhaka Gulshan Br. Gulshan-2, Dhaka Dhanmondi Branch Dhaka Mirpur Branch, Dhaka Uttara Branch, Dhaka Panthapath Br., Dhaka Banani Branch Dhaka Pragoti Sarani Br., Dhaka	Nawabpur Road Br., Dhaka Green Road Branch, Dhaka Narayanganj Br., Narayanganj Jubilee Road Br., Chittagong Agrabad Br., Chittagong Khatungonj Br., Chittagong CDA Avenue Br., Chittagong Sadarghat Br., Chittagong Commilla Branch Commilla Sylhet Branch, Sylhet Beani Bazar Br., Sylhet	Moulvi Bazar Branch, Sylhet Mymensing Br., Mymensing Rangpur Branch Rangpur Dinajpur Br., Dinajpur Rajshahi Branch, Rajshahi Jessore Br., Jessore Khulna Branch Khulna Kusrhtia Br., Kushtia Faridpur Br., Faridpur Barisal Br., Barisal

SECTION-XIII

CORPORATE DIRECTORY

Registered and Corporate Office	FAR Chemical Industries Ltd. M.L. Tower (5th Floor), 1 East Rampura D.I.T Road, Dhaka-1219, Bangladesh
Manager to the Issue	First Securities Services Limited Al-Raji Complex (7 th Floor), Suite G-702 and 703 166-167, Shaheed Syed Nazrul Islam Sarani, Purana Paltan, Dhaka – 1000
Auditor	Shiraz Khan Basak & Co. Chartered Accountants R.K. Tower, 86, Bir Uttam C.R. Datta Road, (312, Sonargaon Road) Level-10, Hatirpool, Dhaka-1205
Company's Compliance Officer	ABM Golam Mostafa, ACMA Company Secretary
Compliance Officer of Issue Manager	Abul Kashem Senior Executive
Lead Bank	BRAC Bank Limited
Bankers to the Issue	BRAC Bank Limited, Investment Corporation of Bangladesh (ICB), Trust Bank Limited, Southeast Bank Limited, Mercantile Bank Limited, Mutual Trust Bank Limited, Dhaka Bank Limited, National Bank Limited, Standard Bank Limited.

All investors are hereby informed by the Company that the Company Secretary would be designated as Compliances Officer who will monitor the compliance of the Acts, and rules, regulations, notifications, guidelines, conditions, orders/ directions etc. issue by the Commission and /or stock exchange(s) applicable to the conduct of the business activities of the Company so as to promote the interest of the investors in the security issued by the Company, and for redressing investors' grievances.

SECTION-XIV

AUDITOR'S REPORT AND RELATED CERTIFICATES

**Independent 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, 2013, the related Statement of comprehensive income, , statement of Changes in Equity, Statement of cash flows 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 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 prepared in accordance with the Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs), give a true and fair view of the financial position of FAR Chemical Industries Limited as at June 30, 2013 and the results of its financial performance and its cash flows for the period then ended and comply with the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

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 account as required by the 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 income statement along with the annexed notes 1 to 25 dealt with by the report are in agreement with books of account; and
- d. the expenditures were incurred for the purpose of the Company's business;

Dated : Dhaka, September 19, 2013

Sd/-
Shiraz Khan Basak & Co.
Chartered Accountants

FAR Chemical Industries Limited
Statement of Financial Position
as at June 30, 2013

	<u>Notes</u>	<u>Amount in Taka</u>	
		<u>30-06-2013</u>	<u>30-06-2012</u>
ASSETS			
Non-current assets			
Property, plant & equipment	4.00	704,975,729	463,352,134
Security deposit	5.00	1,548,471	1,548,471
		706,524,200	464,900,605
Current assets			
Inventories	6.00	203,858,960	208,921,895
Trade receivables	7.00	370,322,997	235,001,856
Advances, deposits and prepayments	8.00	22,114,549	2,807,465
Cash and cash equivalents	9.00	9,657,858	2,958,904
		605,954,364	449,690,120
TOTAL ASSETS		1,312,478,564	914,590,725
EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	10.00	790,315,650	526,877,100
Retained earnings	11.00	438,281,624	306,137,811
		1,228,597,274	833,014,911
Current Liabilities			
Trade and other payables	12.00	65,108,915	66,242,725
Short term borrowings	13.00	12,225,096	12,452,783
Provision for expenses	14.00	6,547,279	2,880,306
		83,881,290	81,575,814
TOTAL EQUITY AND LIABILITIES		1,312,478,564	914,590,725
Net Assets Value per share		15.55	15.81

The annexed notes 1 to 25 and Annexure A form an integral part of these financial statements.

Sd/-
Chairman

Sd/-
Managing Director

Sd/-
Chief Financial Officer

Dated: Dhaka, September 19, 2013

Sd/-
Shiraz Khan Basak & Co.
Chartered Accountants

FAR Chemical Industries Limited
Statement of Comprehensive Income
for the Period ended June 30, 2013

	<u>Notes</u>	Amount in Taka	
		30.06.2013	30.06.2012
Revenue	15.00	1,097,422,650	689,265,894
Cost of sales	16.00	691,422,611	468,698,737
Gross profit		406,000,039	220,567,157
Operating expenses			
Selling and distribution expenses	17.00	4,754,807	3,521,238
Administrative expenses	18.00	3,524,368	1,441,257
Employee Welfare expenses	19.00	397,030	342,980
		8,676,205	5,305,475
Profit from operation		397,323,834	215,261,682
Financial expenses	20.00	2,016,129	2,385,732
		395,307,705	212,875,950
Other income	21.00	274,658	277,652
Profit before tax		395,582,363	213,153,602
Income tax expense		-	-
		395,582,363	213,153,602
Earnings per share (EPS)			
Basic earnings per share	22.00	5.01	4.05

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

Sd/-
Chairman

Sd/-
Managing Director

Sd/-
Chief Financial Officer

Sd/-
Shiraz Khan Basak & Co.
Chartered Accountants

Dated: Dhaka, September 19, 2013

FAR Chemical Industries Limited
Statement of Cash Flows
for the Period ended June 30, 2013

	<u>Note</u>	Amount in Taka	
		30.06.2013	30.06.2012
A. Cash flows from operating activities:			
Receipt from customers		962,101,509	573,678,660
Receipt from other income		274,658	277,652
Payment for cost of expenses		(647,990,575)	(552,245,964)
Payment for operating expenses		(3,897,911)	(4,281,507)
Payment for employee welfare expenses		(397,030)	(342,980)
Net cash from operating activities		310,090,651	17,085,861
B. Cash flows from investing activities:			
Acquisition of property, plant and equipment		(301,147,881)	(21,196,057)
Net cash used in investing activities		(301,147,881)	(21,196,057)
C. Cash flows from financing activities:			
Receipt/(Payment) against short term loan		(227,687)	7,475,414
Payment of financial expenses		(2,016,129)	(2,385,732)
Net Cash used in financing activities		(2,243,816)	5,089,682
D. Net increase in cash and cash equivalents (A+B+C)		6,698,954	979,486
E. Opening cash and cash equivalents		2,958,904	1,979,418
F. Closing cash and cash equivalents (D+E)		9,657,858	2,958,904
Net Operating Cash Flow Per Share (NOCFPS)	23.00	3.92	0.32

Sd/-
 Chairman

Sd/-
 Managing Director

Sd/-
 Chief Financial Officer

Dated: Dhaka, September 19, 2013

sd/-
Shiraz Khan Basak & Co.
 Chartered Accountants

FAR Chemical Industries Limited
Statement of Changes in Equity
as at June 30, 2013

Particulars	Share capital Taka	Share money deposit Taka	Retained earnings Taka	Total Taka
Balance at July 01, 2012	526,877,100	-	306,137,811	833,014,911
Bonus Share	263,438,550		(263,438,550)	-
Profit during the year	-	-	395,582,363	395,582,363
Balance at 30 June 2013	790,315,650	-	438,281,624	1,228,597,274

FAR Chemical Industries Limited
Statement of Changes in Equity
as at June 30, 2012

Particulars	Share capital Taka	Share money deposit Taka	Retained earnings Taka	Total Taka
Balance at July 01, 2011	99,900,000	426,977,100	92,984,209	619,861,309
Transfer to share capital	426,977,100	(426,977,100)	-	-
Profit during the year	-	-	213,153,602	213,153,602
Balance at June 30, 2012	526,877,100	-	306,137,811	833,014,911

Sd/-
Chairman

Sd/-
Managing Director

Sd/-
Chief Financial Officer

Sd/-
Shiraz Khan Basak & Co.
Chartered Accountants

Dated: Dhaka, September 19, 2013

FAR Chemical Industries Limited
Schedule of property, plant and equipment

Annexure-A

Particulars	Cost		Rate of depreciation / amortization	Depreciation		Written Down Value as at June 30, 2013	Written Down Value as at June 30, 2012
	Balance as on July 01, 2012	Addition during the period		Balance as on July 01, 2012	Charged during the period		
Leasehold land development	8,632,242	26,156,754	3.33%	921,318	1,158,474	32,709,204	7,710,924
Factory building	86,188,752	118,376,805	2.5%	5,802,884	4,969,067	193,793,606	80,385,868
Plant and machinery	485,770,143	114,167,484	10.00%	135,924,307	46,401,332	417,611,988	349,845,836
Electrical installation	22,246,148	15,509,821	10.00%	5,860,947	3,189,502	28,705,520	16,385,201
Compressor	3,621,489	11,643,832	10.00%	1,047,425	1,421,790	12,796,106	2,574,064
Fork lift	625,478	9,951,974	10.00%	180,904	1,039,655	9,356,893	444,574
Water line installation	4,511,847	1,926,987	10.00%	1,147,354	529,148	4,762,332	3,364,493
Office equipment	1,781,249	2,584,756	10.00%	408,386	395,762	3,561,857	1,372,863
Furniture and Fixture	2,494,845	829,468	20.00%	1,226,534	419,556	1,646,090	1,268,311
Total	615,872,193	301,147,881		152,520,059	59,524,286	704,975,729	463,352,134

Allocation of depreciation

Manufacturing Expenses (Note-16)	98.80%	58,809,995
Selling and Distribution Expenses (Note-17)	0.36%	214,287
Administrative Expenses (Note-18)	0.84%	500,004
	100%	59,524,286

Leasehold land development represents the cost incurred to develop land after being taken over from BEPZA. Soil filling, internal road and boundary wall are the components of this amount. Total area of the factory is 43,065 Sq. ft as per lease agreement and the lease term is for 30 years. Accordingly the leasehold land development cost is being amortized over a period of 30 years on straight line basis.

FAR Chemical Industries Limited
Notes to the Financial Statements
For the period ended June 30, 2013

1.00 Reporting entity

1.01 Company profile

FAR Chemical Industries Limited (the "Company") was incorporated in Bangladesh on 22 March 2007 as a Private Limited Company under the Companies Act 1994 with its registered office at M.L Tower , DIT Road , 1 East Rampura , Dhaka-1219 and factory is situated at Plot # 135-136 in CEPZ, Comilla Export Processing Zone, Comilla, Bangladesh. Subsequently the company has been converted to Public Limited Company under the Companies Act 1994 on 19 June 2012.

1.02 Nature of business

The principal activities of the Company are to manufacture and export of Chemicals to export oriented Textiles and Apparels industries as judged international norms of professionalism, quality and system.

2.00 Basis of preparation of financial statements

2.01 Statement of compliance

The financial statements have been prepared in accordance with Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

2.02 Basis of measurement

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.

2.03 Functional currency

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.

2.04 Use of estimates and judgments

The preparation of these financial statements in conformity with Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs) requires management to make judgments, 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.

2.05 Reporting period

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

2.06 Cash flow statement

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

2.07 Corporate Accounting Standards Practiced

The following BAS's are applicable to the financial statement under review:

BAS	1
BAS	2
BAS	7
BAS	8
BAS	10
BAS	16
BAS	17
BAS	18
BAS	19
BAS	21
BAS	23
BAS	24
BAS	33
BAS	37

3.00 Significant accounting policies

3.1 Property, plant & equipment

3.1.1 Recognition and measurement

Tangible fixed assets are accounted for according to "BAS 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 direct attributable cost of bringing the assets to its working condition for its intended use. Expenditure incurred after the assets have been put into use, such as repairs and 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 in an increase in the future economic benefit expected to be obtained from the assets, the expenditure is capitalized as an additional cost of the assets.

3.1.2 Depreciation

Depreciation is provided on reducing balance method except Leasehold Land Development (Comilla EPZ) on the value at which the assets carried in the books of Accounts. Depreciation is charged at the rates varying from 3.33% to 20% depending on the estimated useful lives of assets. Depreciation is provided on Leasehold Land development on straightline method over the lease term of 30 years. Half year's depreciation has been charged on additions irrespective of the date of acquisition.

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

<u>Category of asset of Depreciation</u>	
Leasehold Land Development	3.33%
Factory Buildings	2.50%
Plant and Machinery	10%
Electrical Installation	10%
Compressor	10%
Forklift	10%
Water line Installation	10%
Office Equipment	10%
Furniture and Fixture	20%

3.1.3 Leasehold Land Development

Leasehold land development represents the cost incurred to develop land after being taken over from BEPZA. Soil filling, internal road and boundary wall are the components of this amount. Total area of the factory is 43,065 Sq. ft as per lease agreement and the lease term is for 30 years. Accordingly the leasehold land development cost is being amortized over a period of 30 years on straight line basis.

3.2 Inventories

Inventories are measured at lower of cost and ex-factory net realizable value in compliance with "BAS 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 amount of those inventories are recognized as expense in the year in which the related revenue is recognized.

3.3 Revenue

Revenue represents the ex-factory invoice value of goods supplied to customers during the period. Revenue from sale of goods is recognized in the statement of comprehensive income when the significant risks and rewards of ownership have been transferred to the buyer in compliance with "BAS 18: Revenue". Sales are recognized when delivery certificate is raised against confirmed orders.

3.4 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.

3.5 Foreign currency transaction/translation

Foreign currency transactions are translated into Bangladeshi Taka at the exchange rates ruling at the transaction dates according to "BAS 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 rate ruling at the date of transactions. Foreign exchange fluctuation gain/losses are charged to Statement of Comprehensive Income for the respective period.

3.6 Trade and other payables

Liabilities are recorded at the amount payable for settlement in respect of goods and services received by the company.

3.7 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.

3.8 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 BAS 23: Borrowing Costs.

3.9 Taxation**3.9.1 Current Tax**

No provision is made for income tax since the Company is situated in Export Processing Zone, Comilla and as per Income Tax Ordinance 1984 vide IRD SRO No. 289-Law/89, dated 19 August 1989, all industries operated in the Bangladesh Export Processing Zone (BEPZ) have been exempted from payment of income tax for a period of 10 years from the date of commercial operation.

3.9.2 Deferred tax

Deferred tax arises due to temporary difference deductible or taxable for the events or transaction which is recognized in the income statement. A temporary difference is the difference between the tax base of an asset or liability and its carrying amount/reported amount in the Statement of Financial Position. Deferred tax assets or liability is the amount of income tax recoverable or payable in future period(s) recognized in the current period as per "BAS 12: Income Tax".

Since the income of the company is exempted from tax. So the calculation of deferred tax is not required for the company.

3.10 Provisions

As per "BAS 37: Provisions, Contingent Liabilities and Contingent Assets" a provision is recognized on the date of statement of financial position if, as a result of past events, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

3.11 Contingencies

Contingencies arising from claim, litigation assessment, fines, penalties etc are recorded when it is probable that a liability has been incurred and the amount can be measured reliably in accordance with "BAS 37: Provisions, Contingent Liabilities and Contingent Assets".

3.12 Earning per share

This has been calculated in compliance with the requirements of "BAS 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 was 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 ordinary shares outstanding during the year.

Diluted earnings per share

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and weighted average 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 was no potential ordinary shares during the relevant period.

3.13 Segment Reporting

No segmental reporting is applicable for the company as required by "BAS 14: Segment Reporting" as the company operates in a single industry segment and within a single geographical segment.

3.14 Events after Statement of Financial Position date

In compliance with the requirements of "BAS 10: Events 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 material.

4.00 Property, plant & equipment**At cost**

The above balance is made up as follows:

Opening balance

Addition during the year

Accumulated depreciation

Opening balance

Charged during the year

Written down value as on June 30

The details of the above is given in Annexure-A

Amount in Taka	
30-06-2013	30-06-2012

615,872,193	594,676,136
301,147,881	21,196,057
917,020,074	615,872,193

152,520,059	109,203,960
59,524,286	43,316,099
212,044,345	152,520,059

704,975,729	463,352,134
--------------------	--------------------

5.00 Security Deposit

The above balance is made up as follows:

Land lease at BEPZA, Plot : 135-136

Deposit for electricity

1,152,985	1,152,985
395,486	395,486
1,548,471	1,548,471

6.00 Inventories

The above balance is made up as follows:

	Notes		
Raw materials	6.1	180,913,527	152,568,942
Work-in-process	6.2	9,712,548	9,658,732
Packaging materials	6.3	6,584,275	3,598,751
Finished goods	6.4	4,099,847	42,986,528
Store items	6.5	2,548,763	108,942
		203,858,960	208,921,895

6.1 Raw materials

The above balance is made up as follows:

Opening stock

Add: Purchase during the period

Raw materials available for production

Less: Input to production

152,568,942	35,042,598
530,347,081	492,497,568
682,916,023	527,540,166
502,002,496	374,971,224
180,913,527	152,568,942

6.2 Work-in-process

The above balance is made up as follows:

Opening work-in-process

Add: Current period

Less: Transfer to finished goods

9,658,732	9,385,472
544,311,185	403,303,584
553,969,917	412,689,056
544,257,369	403,030,324
9,712,548	9,658,732

6.3 Packaging materials

The above balance is made up as follows:

Opening stock
Add: Purchase during the period

Less: Consumption during the period

Amount in Taka	
30-06-2013	30-06-2012
3,598,751	2,765,235
45,294,213	29,165,876
48,892,964	31,931,111
42,308,689	28,332,360
6,584,275	3,598,751

6.4 Finished goods

The above balance is made up as follows:

Opening stock
Add: Production during the period
Less: Cost of free issue
Production available for export
Less: Cost of goods sold

42,986,528	34,527,988
654,281,784	477,435,935
(201,854)	(278,658)
697,066,458	511,685,265
692,966,611	468,698,737
4,099,847	42,986,528

6.5 Store items

The above balance is made up as follows:

Opening stock
Add: Purchase during the period

Less: Consumption during the period

108,942	105,976
7,152,468	2,035,986
7,261,410	2,141,962
4,712,647	2,033,020
2,548,763	108,942

7.00 Trade receivables

The above balance is made up as follows:

Export Bill Receivables

7.1

370,322,997	235,001,856
370,322,997	235,001,856

7.1 Export Bills Receivables

The above balance is made up as follows:

M.L Dyeing limited	-	34,256,875
Asif Fabrics Ltd	6,152,480	5,598,642
Shovon Dyeing Ltd	-	4,852,347
D.S Fashion Ltd	4,251,871	-
Javed Apparels Ltd	9,528,416	12,357,500
Knit zone Ltd	10,524,973	-
Liz Fashion Ind. Ltd	9,524,871	-
Radial International Ltd	125,424	-
Advance Tex Ltd	8,547,652	6,530,213
Rita Fabrics Ltd	1,935,247	652,986
Glare Knitting Ltd	-	18,765,297
Sea Blue Textile Ltd	17,452,468	-
Paragon Composite Ltd	6,259,841	1,248,764
Trust Knitwear Ltd	8,457,241	-
Knit Fabrics Ltd	23,186,297	28,999,250
Interstoff apparels Ltd	29,651,932	16,751,557
Southeast Fabrics Ltd	19,245,871	28,534,671
Matrix Textiles Ltd	9,563,247	-
S.M Knitwears Ltd	25,741,062	-
Stress Dress Ltd	19,524,048	16,878,974
Eon Knit Apparels Ltd	18,472,673	11,210,690
Dird Composite Tex. Ltd.	21,654,874	6,852,496
Sabah Knitting Ltd	25,203,256	11,287,885
Sardar Textiles Ltd	18,406,341	6,528,764
Base Knitting Ltd	21,953,487	7,765,294
Trams Apparels Ltd	18,745,982	1,625,498
Abdul Hai Knit Wears	17,458,762	1,754,289
Life Knitting Ltd	18,754,681	12,549,864
	370,322,997	235,001,856

	Amount in Taka	
	30-06-2013	30-06-2012
Receivables due over six months	-	-
Receivables due below six months	370,322,997	235,001,856
	370,322,997	235,001,856

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:

SI	Particulars	Amount in Taka	
		30-06-2013	30-06-2012
I	Receivables considered good in respect of which the company is fully secured	370,322,997	235,001,856
II	Receivables considered good in respect of which the company holds no security other than the debtor personal security	-	-
III	Receivables considered doubtful or bad	-	-
IV	Receivables due by common management	-	-
V	The maximum amount of receivable due by any director or other officer of the company	-	-
	Total	370,322,997	235,001,856

8.00 Advances, deposits and prepayments

The above balance is made up as follows:

		Amount in Taka	
		30-06-2013	30-06-2012
Sundry Advances	8.01	18,054,281	2,059,867
Advance Salary		960,980	106,542
M/S. Mukta Bricks Field		1,132,546	203,296
M/S. Abul Khair Steel		1,165,428	301,550
M/S. Sattar Enterprise		801,314	136,210
		22,114,549	2,807,465

8.01 Sundry Advances:

The above balance is made up as follows:

Mr. MA Bari	854,217	120,980
Mr. Uttam Kumar	1,652,184	109,871
M/S. Gazi Enterprise	524,873	249,870
M/S. Omer Electrical Engineering Works	8,258,620	670,654
Md. Abul Khair Manik	35,094	20,121
M/S. United Trade Center Ltd.	126,084	96,740
M/S. Bangla Trac Ltd.	742,193	81,230
M/S. L/N Enterprise	1,284,276	110,230
M/S. Creative Design and Development	92,157	73,210
M/S. Tropical Vertical Mover	-	177,890
M/S. Denmark Refrigeration Workes	4,358,709	151,014
M/S. Ion Exchange Environment Management	125,874	198,057
	18,054,281	2,059,867

Amount in Taka	
30-06-2013	30-06-2012

9.00 Cash and cash equivalent

The above balance is made up as follows:

Cash in hand - Head Office	3,712,580	327,654
Cash in hand - Factory	1,952,108	95,264
Cash at bank:		
Social Islami Bank Limited (A/C No-21330054628)	3,978,650	2,531,979
Bank Asia Limited (A/C No-733003885)	14,520	4,007
	9,657,858	2,958,904

Amount in Taka	
30-06-2013	30-06-2012

10.00 Share capital:**10.1 Authorized share capital :**

101,000,000 ordinary shares of Taka 10/= each.

1,010,000,000 **1,010,000,000**

10.2 Per Share Value have been split of into Tk. 10/- each from Tk. 100/-**10.3 Issued, subscribed and paid-up capital:**

79,031,565 Ordinary Shares of Tk. 10/- each fully paid-up against **790,315,650** **526,877,100**

The shareholding position of the company are as under:

Name	No of shares	Percentages (%)	Amount in Tk
Mohibullah kabir	2,010,000	2.54%	20,100,000
Rezaur Rahaman Rajaon	4,275,000	5.41%	42,750,000
Shirin Faruk	4,860,000	6.15%	48,600,000
Nasrin Akter Banu	1,500,000	1.90%	15,000,000
Abid Mustafizur Rahman	3,015,000	3.81%	30,150,000
Abul Khair Manik	2,010,000	2.54%	20,100,000
Sajadul Mabud Khabir	2,010,000	2.54%	20,100,000
Kim Jong Suk	22,005,000	27.84%	220,050,000
Jahadha Khondoker	240,000	0.30%	2,400,000
Lee Jong Kook	2,010,000	2.54%	20,100,000
Md. Motiur Rahman	390,000	0.49%	3,900,000
Alhaj Abdul Kader Faruk	22,500,000	28.47%	225,000,000
Md. Syed Iqbal Hossain	49,950	0.06%	499,500
Razawana Rahaman Rini	3,000,000	3.80%	30,000,000
Faize Kader	5,576,615	7.06%	55,766,150
Kazi Hosnawara	1,500,000	1.90%	15,000,000
Rebeka Sultana	120,000	0.15%	1,200,000
Feroza Begum	120,000	0.15%	1,200,000
Sk. Aktar Hossain	120,000	0.15%	1,200,000
Abdul Quddus Amin	1,500,000	1.90%	15,000,000
Md. Jahangir Alam	120,000	0.15%	1,200,000
Major Syed Golam Wadud	100,000	0.13%	1,000,000
Total	79,031,565	100%	790,315,650

11.00 Retained earnings

The above balance is made up as follows:

Opening balance

Less: Stock Dividend

Add: Profit during the year

Amount in Taka	
30-06-2013	30-06-2012
306,137,811	92,984,209
263,438,550	-
42,699,261	92,984,209
395,582,363	213,153,602
438,281,624	306,137,811

12.00 Trade and other payable

The above balance is made up as follows:

Suzhon Dashan IOE

CJTECH CO LTD

Shandong Senjie Chemical Co Ltd

SFC Co Ltd

Guangxi Mingli Group Co. Ltd

Paban Dyeing Ltd

Swedor Tech AB

SBC Co Ltd

Chemitact

M.L Dyeing Ltd

J & C Industry

OCI Corporation

Double Sun

9,528,421	11,098,652
10,472,645	9,852,647
1,542,189	7,268,954
7,521,432	
2,154,871	2,879,562
192,451	752,680
-	28,765,261
5,248,792	
4,710,923	3,269,878
-	478,564
7,421,584	-
9,101,543	1,876,527
7,214,064	-
65,108,915	66,242,725

13.00 Short term borrowings

Trust Receipt (Note-13.1)

12,225,096	12,452,783
12,225,096	12,452,783

13.1 The Social Islami Bank Limited (SIBL) sanctioned a composite working capital limit for Tk 45.00 crore to make stock of raw materials, work-in-process and finished goods in the form of:

a) L/C limit for Tk 35.00 crore

b) Trust receipt (TR) for Tk 5.00 crore and

c) Bai-Muazzal Commercial for Tk 5.00 crore

Terms and Conditions :

a) Rate of profit 17% per annum

b) Validity upto 24.04.2014 and can be renewable yearly.

14.00 Provision for expenses

The above balance is made up as follows:

Electricity bill

Water bill

Medical subscription-BEPZA

Salaries and wages

Director remuneration and fees

Sundry creditors

M/s Jubair Construction

Audit and professional fees

M/s Saif Powertech Ltd

M/s Helal Enterprise

M/s Alhaj Supply & Transport

M/s Bright Sheet

M/s Khan Associates

14.1

62,745	246,289
595,240	12,546
17,542	9,537
1,840,521	1,628,765
100,000	150,000
1,987,011	391,817
374,509	32,879
200,000	150,000
301,548	86,547
-	25,479
185,210	17,653
375,107	-
507,846	128,794
6,547,279	2,880,306

14.1 Sundry creditors

The above balance is made up as follows:

		Amount in Taka	
		30-06-2013	30-06-2012
M/s Power Puls Engineering		201,856	41,659
M/s Pacific Associates		741,032	25,476
M/s Zahid Enterprise		75,106	-
M/s New China Thai Aluminium Ltd.		720,641	254,986
M/s Rainbow Printers		41,209	19,824
M/s Ali Enterprise		-	17,326
M/s Transformer & Electric Mfg Co Ltd.		207,167	32,546
		1,987,011	391,817

15.00 Revenue

The above balance is made up as follows:

Softening Agent	328,064,018	152,549,862
Scouring Agent	94,539,272	62,548,765
Anti-Foaming Agent	91,475,261	81,658,791
Levelling Agent	95,847,636	91,254,972
Fixing Agent	78,129,601	74,256,982
Stabilizer	140,091,308	62,987,524
Retarding Agent	140,393,741	89,249,756
Bleaching Agent	71,236,398	12,537,835
Others	57,645,415	62,221,407
	1,097,422,650	689,265,894

16.00 Cost of sales

The above balance is made up as follows:

Raw materials consumed-Chemicals	16.1	502,002,496	374,971,224
Packaging materials consumed	16.2	42,308,689	28,332,360
		544,311,185	403,303,584
Add: Work in process- opening		9,658,732	9,385,472
		553,969,917	412,689,056
Less: Work in process- closing		9,712,548	9,658,732
Total consumption		544,257,369	403,030,324
Add: Manufacturing overhead	16.3	49,670,420	31,609,305
Add: Depreciation		58,809,995	42,796,306
Cost of production		652,737,784	477,435,935
Add: Finished goods - opening		42,986,528	34,527,988
		695,724,312	511,963,923
Less: Finished goods - closing		4,099,847	42,986,528
Change of finished goods stock		691,624,465	468,977,395
Less: Cost of free issue		201,854	278,658
		691,422,611	468,698,737

16.1 Raw materials consumed-Chemicals

The above balance is made up as follows:

Opening Stock
Add: Purchase during the period
Raw materials available for production
Less: Closing Stock
Consumption during the period

Amount in Taka	
30-06-2013	30-06-2012
152,568,942	35,042,598
530,347,081	492,497,568
682,916,023	527,540,166
180,913,527	152,568,942
502,002,496	374,971,224

16.2 Packaging materials consumed

The above balance is made up as follows:

Opening Stock
Add: Purchase during the period
Consumable Item available for packing.
Less: Closing Stock
Consumption during the period

3,598,751	2,765,235
45,294,213	29,165,876
48,892,964	31,931,111
6,584,275	3,598,751
42,308,689	28,332,360

16.3 Manufacturing overhead

The above balance is made up as follows:

Salaries and wages	16,292,719	12,586,952
Fuel, water and power	16,481,407	7,215,265
Printing and stationary	912,548	587,946
Conveyance expenses	675,428	524,986
Mobile bill	35,248	24,652
Store and spares consumed	6.5 4,712,647	2,033,020
Rent, rates and taxes	2,245,187	2,735,698
Medical expenses	826,534	412,876
Food and Tiffin	860,421	812,487
Labor charge	1,189,245	525,648
Repair and maintenance	16.3.1 2,841,320	2,623,286
Carrying Charge	307,983	-
Other overhead	2,289,734	1,526,489
	49,670,420	31,609,305

16.3.1 Repairs and maintenance

The above balance is made up as follows:

Plant and Machinery	1,724,510	2,189,654
Building	715,248	235,974
Others	401,562	197,658
	2,841,320	2,623,286

17.00 Selling and distribution expenses

The above balance is made up as follows:

Advertisement expenses
Salaries and wages
Transportation and handling expenses
Repairs and maintenance
Rent
Electricity, water and gas
Sales promotion expenses
Traveling expenses
Entertainment expenses
Miscellaneous expenses
Sample, test and analysis
Cost of free issue
Depreciation

Amount in Taka	
30-06-2013	30-06-2012
7,265	12,458
1,242,561	289,432
1,752,643	1,629,686
301,247	245,389
89,524	64,256
54,261	235,489
226,324	172,658
301,542	213,587
135,249	85,627
29,524	12,587
198,526	125,473
201,854	278,658
214,287	155,938
4,754,807	3,521,238

18.00 Administrative expenses

The above balance is made up as follows:

Salaries and wages
Postage and telecommunication
Traveling, haulage and passage
Repair and maintenance
Electricity, fuel and water
Printing and stationery
Rent, rates and taxes
Subscription and donation
Entertainment
Legal and professional Charge
Audit and professional fees
Miscellaneous expenses
News paper and periodicals
Director remuneration
Board meeting attendance fees
Depreciation

1,181,526	262,854
26,415	23,548
261,542	298,878
55,245	42,659
271,452	81,526
63,254	53,659
42,548	27,652
38,291	15,600
49,524	23,512
45,290	28,400
350,000	50,000
31,524	12,458
2,953	2,756
600,000	150,000
4,800	3,900
500,004	363,855
3,524,368	1,441,257

19.00 Employee Welfare Expenses:

The above balance is made up as follows:

Student Stipend
Medical Fees

245,174	108,224
151,856	234,756
397,030	342,980

20.00 Financial expenses

The above balance is made up as follows:

Interest on Trust Receipt
Interest on Bai-Moazzel Commercial

1,695,248	1,245,876
320,881	1,139,856
2,016,129	2,385,732

21.00 Other income

Sale of wastage

Amount in Taka	
30-06-2013	30-06-2012
274,658	277,652

22.00 Basic earnings per share for the period:

The above balance is made up as follows:

a) Profit for the period		395,582,363	213,153,602
b) Weighted average number of shares outstanding	22.01	79,031,565	52,687,710
Earnings per share (EPS) (a/b)		5.01	4.05

22.01 Weighted average number of shares outstanding

Particulars	Number of Share	Weight	Weighted average no of shares
Opening Shares	52,687,710	365/365.	52,687,710
Bonus Shares	26,343,855	365/365.	26,343,855
Total	79,031,565		79,031,565

23.00 Net operating cash flow per share (NOCFPS)

The above balance is made up as follows:

a) Net Operating Cash Flow (Numerator)	310,090,651	17,085,861
b) Weighted average number of shares outstanding	79,031,565	52,687,710
Net operating cash flow per share (NOCFPS) (a/b)	3.92	0.32

24.00 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 BAS 24: Related Party Disclosures.

Name of related party	Relationship	Nature of transaction	Transaction value during the Period	Outstanding balance as at June 30, 2013
M.L. Dyeing Limited	Common Director	Sale of goods	51,876,509	-

25.00 Production and Product Mix

Production capacity per year 9,000,000 Kg and during the period company produces 7,535,185 Kg of different types of Chemicals made up as follows:

Type of Chemicals	Production Qty in Kg	Product Mix
Softening Agent	1,491,200	20%
Scouring Agent	525,218	7%
Anti-Foaming Agent	609,835	8%
Levelling Agent	532,486	7%
Fixing Agent	651,080	9%
Stabilizer	1,077,625	14%
Retarding Agent	968,232	13%
Bleaching Agent	1,295,207	17%
Others	384,302	5%
Total	7,535,185	100%

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

Employee Position (as on June 30, 2013)

Salary Range	Officer & Staff		Worker	Total Employee
	Factory	Head Office		
Below 3500	19	5	125	149
Above 3500	5	11	141	157
Total	24	16	266	306

25.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, 2012 to June 30, 2013

Board Meeting attendance Fees: Tk.4,800

Directors' are entitled Tk 300 as Board Meeting fee for attending each Board Meeting as per Articles of Association. The break down is as follows-

Name of Board of Directors	Designation	Meeting attending Fees	Amount in Taka
Mrs. Shirin Faruk	Chairman	900	900
Mr. Kim Jung Suk	Managing Director	1,200	1,200
Mr. Abdul Kader Faruk	Director	1,200	1,200
Mr. Addul Quyum Mamun	Director	900	300
Mr. Abid Mustafizur Rahman	Director	1,200	1,200
Total			4,800

FAR Chemical Industries Ltd.

Auditors' Report under Section 135(1) and Paragraph 24(1) of part-II of Third Schedule of the Companies Act 1994

For the period ended 30th June, 2013

TO WHOM IT MAY CONCERN

We have complied the accompanying statements of FAR Chemical Industries Ltd U/S 135(1) and Para 24(1) Part II of the Third Schedule of Companies Act 1994. The statement comprises of the financial information for the year ended June 30, 2013 and for the year ended 2012 audited by M/s. Shiraz Khan Basak & Co. Chartered Accountants. It also includes financial information for the years ended June 30, 2009 audited by Mohammed Quddus & Co. It also includes financial information for the year ended June 2010 and 2011 audited by M/s Mahbub Mohsin & Co, Chartered Accountants.

1. FAR Chemical Industries Limited was incorporated on March 22, 2007.
2. The Operating results of the company over the last 5 years is as follows:

Particulars	Amount in Taka				
	30-06-2013	30-06-2012	30-06-2011	30-06-2010	30-06-2009
ASSETS:					
Non Current Assets					
Property, Plant & Equipment	704,975,729	463,352,134	485,472,179	518,760,062	535,523,950
Preliminary Exp.	-	-	-	-	815,730
Security Deposits	1,548,471	1,548,471	1,548,471	1,548,471	1,548,471
Total Non Current Assets	706,524,200	464,900,605	487,020,650	520,308,533	537,888,151
Current Assets					
Inventory	203,858,960	208,921,895	81,827,269	66,141,010	35,785,347
Trade and Other Receivable	370,322,997	235,001,856	119,414,622	55,019,988	44,596,663
Advances, Deposits and Prepayments	22,114,549	2,807,465	3,078,529	1,335,928	2,466,485
Cash and Cash Equivalents	9,657,858	2,958,904	1,979,418	756,401	1,130,151
Total Current Assets	605,954,364	449,690,120	206,299,838	123,253,327	83,978,646
Total Assets	1,312,478,564	914,590,725	693,320,488	643,561,860	621,866,797
EQUITY AND LIABILITIES:					
Capital and Reserve					
Share Capital	790,315,650	526,877,100	99,900,000	10,000,000	10,000,000
Share Money Deposit	-	-	426,977,100	486,877,100	465,977,100
Retained Earnings	438,281,624	306,137,811	92,984,209	28,628,438	(4,319,641)
	1,228,597,274	833,014,911	619,861,309	525,505,538	471,657,459
Current Liabilities					
Trade and Other payable	65,108,915	66,242,725	65,762,699	55,144,269	71,702,400
Short term loan from Bank	12,225,096	12,452,783	4,977,369	60,405,288	74,463,135
Provision for expenses	6,547,279	2,880,306	2,719,111	2,506,765	4,043,803
Total Current Liabilities	83,881,290	81,575,814	73,459,179	118,056,322	150,209,338
Total Equity & Liabilities	1,312,478,564	914,590,725	693,320,488	643,561,860	621,866,797

3. The statement of operating results of the company as follows:

Particulars	Amount in Taka				
	30-06-2013	30-06-2012	30-06-2011	30-06-2010	30-06-2009
Export	1,097,422,650	689,265,894	397,275,647	286,648,401	89,047,864
Less Cost of goods sold	691,422,611	468,698,737	326,657,703	239,096,199	84,296,813
Gross Profit	406,000,039	220,567,157	70,617,944	47,552,202	4,751,051
Less: Operating expenses	8,279,175	4,962,495	5,109,278	5,336,507	3,003,221
Operation income	397,720,864	215,604,662	65,508,666	42,215,695	1,747,830
Less: Other operating expenses:	397,030	342,980	306,879	211,763	191,497
Welfare Expenses	397,030	342,980	306,879	211,763	191,497
Net operating Income	397,323,834	215,261,682	65,201,787	42,003,932	1,556,333
Financial expenses	2,016,129	2,385,732	988,909	9,101,131	5,955,498
Net operating profit	395,307,705	212,875,950	64,212,878	32,902,801	(4,399,165)
Add: Other non-operation income	274,658	277,652	142,893	45,278	79,524
Net profit before tax	395,582,363	213,153,602	64,355,771	32,948,079	(4,319,641)
Provision for taxation	-	-	-	-	-
Profit after tax	395,582,363	213,153,602	64,355,771	32,948,079	(4,319,641)
 Net Profit after Tax	 395,582,363	 213,153,602	 64,355,771	 32,948,079	 (4,319,641)
Earning per Share (EPS) in Tk.	5.01	4.05	64.42	329.48	(43.20)

4. Cash flow statement

Particulars	30-06-2013	30-06-2012	Amount in Taka		30-06-2009
			30-06-2011	30-06-2010	
A. Cash Flow From Operating Activities:					
Collection from Turnover	962,101,509	573,678,660	332,881,013	276,225,076	44,451,201
Collection from other non-operating income	274,658	277,652	142,893	45,278	79,524
Payment for Cost of Expenses	(647,990,575)	(552,245,964)	(287,685,497)	(235,348,418)	(35,291,289)
Paid for operating Expenses	(3,897,911)	(4,281,507)	(4,340,867)	(5,456,224)	(2,419,428)
Expenses paid for other operating activities	(397,030)	(342,980)	(306,879)	(211,763)	(191,497)
Payment for financial Expenses	(2,016,129)	(2,385,732)	(988,909)	(9,101,131)	(5,955,498)
Net cash flow from Operating activities	308,074,522	14,700,129	39,701,754	26,152,818	673,013
B. Cash Flow From Investing Activities:					
Purchase of Fixed Assets	(301,147,881)	(21,196,057)	(13,050,818)	(33,368,721)	(233,306,147)
Increase in Security Deposit	-	-	-	-	(1,548,471)
Increase in Preliminary Expenses	-	-	-	-	-
Increase in Advance and Deposit	-	-	-	-	-
Net cash flow from investing activities	(301,147,881)	(21,196,057)	(13,050,818)	(33,368,721)	(234,854,618)
C. Cash Flow From Financing Activities:					
Increase / (Decrease) in Short term loan from bank	(227,687)	7,475,414	(55,427,919)	(14,057,847)	74,463,135
Increase in Capital	-	-	30,000,000	20,900,000	-
Provision for expenses	-	-	-	-	-
Increase/Decrease in Share Money deposit	-	-	-	-	159,000,000
Net Cash flow from financing activities	(227,687)	7,475,414	(25,427,919)	6,842,153	233,463,135
D. Increase/(Decrease) cash and cash equivalents (A+B+C)	6,698,954	979,486	1,223,017	(373,750)	(718,470)
E. Opening cash and cash equivalents	2,958,904	1,979,418	756,401	1,130,151	1,848,621
F. Closing cash and cash equivalents (E + D)	9,657,858	2,958,904	1,979,418	756,401	1,130,151

5. The Company was incorporated as "Private Limited " company & obtained the certificate of Incorporation under the Company Act.1994 . In due course of time it was converted to public limited company , under the same certificate of incorporation.

6. The Company started commercial production from January 08, 2009.

7. The company has no subsidiaries.

8. The Company prepared accounts for the year ended June 30, 2013.

Dated: Dhaka, September 21, 2013

Sd/-
Shiraz Khan Basak & Co.
CHARTERED ACCOUNTANTS

FAR CHEMICAL INDUSTRIES LIMITED
Statement of Ratio Analysis

The following Ratios have been computed from the audited financial statements of FAR Chemical Industries Ltd. for the year ended June 30, 2013, 2012, 2011, 2010 and 2009.
Selected Ratio as specified in rule 8 B (20) I-Annexure B of the Securities and Exchange Commission (Public Issue) Rules, 2006.

Particulars	Formula	30.06.2013		30.06.2012		30.06.2011		30.06.2010		30.06.2009	
		Calculation	Result	Calculation	Result	Calculation	Result	Calculation	Result	Calculation	Result
Liquidity Ratios											
Current Ratio (Times)	Current Asset/ Current Liability	$\frac{605,954,364}{83,881,290}$	7.22	$\frac{449,690,120}{81,575,814}$	5.51	$\frac{206,299,838}{73,459,179}$	2.81	$\frac{123,253,327}{118,056,322}$	1.35	$\frac{83,978,646}{150,209,338}$	0.56
Quick Ratio (Times)	(Current Asset-Stock-Prepaid Exp)/Current Liability	$\frac{(605,954,364-203,858,960-22,114,549)}{83,881,290}$	4.53	$\frac{(449,690,120-208,921,895-2807465)}{81,575,814}$	2.92	$\frac{(206,299,841-81,827,269-30,785,29)}{73,459,179}$	1.65	$\frac{(123,253,327-66,141,010-1,335,928)}{118,056,322}$	0.47	$\frac{(83,978,646-35,785,347-2,466,485)}{150,209,338}$	0.30
Time Interest Earned Ratio (Times)	EBIT/ Int.Charges	$\frac{397,323,834}{2,016,129}$	197.07	$\frac{215,261,682}{2,385,732}$	90.23	$\frac{65,201,787}{988,909}$	65.933	$\frac{42,003,932}{9,101,131}$	4.62	$\frac{1,556,333}{5,955,498}$	0.26
Debt-Equity Ratio (Times)	(Long Term Loan+ Current Portion of Long Term Loan)/ Owners Equity	$\frac{0}{1,228,597,274}$	N/A	$\frac{0}{833,014,911}$	N/A	$\frac{0}{619,861,309}$	N/A	$\frac{0}{525,505,538}$	N/A	$\frac{0}{471,657,459}$	N/A
Operating Ratios											
Accounts Receivable-Trunover Ratio	Sales/ Average Receivable	$\frac{1,097,422,650}{302,662,427}$	3.63	$\frac{689,265,894}{177,208,239}$	3.89	$\frac{397,275,647}{87,217,305}$	4.56	$\frac{286,648,401}{49,808,326}$	5.76	$\frac{89,047,864}{22,298,332}$	3.99
Inventory-Turnover Ratio	COGS/ Average Inventory	$\frac{691,422,611}{206,390,428}$	3.35	$\frac{468,698,737}{145,374,582}$	3.22	$\frac{326,657,703}{73,984,140}$	4.42	$\frac{239,096,199}{50,963,179}$	4.69	$\frac{84,296,813}{17,892,674}$	4.71
Asset - Trunover Ratio	Sales/ Average Assets	$\frac{1,097,422,650}{1,113,534,645}$	0.99	$\frac{689,265,894}{803,955,607}$	0.86	$\frac{397,275,647}{668,441,174}$	0.59	$\frac{286,648,401}{632,714,329}$	0.45	$\frac{89,047,864}{316,160,114}$	0.28
Profitability Ratios											
Gross Margin Ratio (%)	Gross Margin/ Sales	$\frac{406,000,039}{1,097,422,650}$	37.00%	$\frac{220,567,157}{689,265,894}$	32.00%	$\frac{70,617,944}{397,275,647}$	17.78%	$\frac{47,552,202}{286,648,401}$	14.0%	$\frac{4,751,051}{89,047,864}$	5.34%
Operating Income Ratio (%)	Operating Income/ Sales	$\frac{397,323,834}{1,097,422,650}$	36.21%	$\frac{215,261,682}{689,265,894}$	31.23%	$\frac{65,201,787}{397,275,647}$	16.41%	$\frac{42,003,932}{286,648,401}$	8.00%	$\frac{1,556,333}{89,047,864}$	1.75%
Net Income Ratio (Before Tax) %	NIBT/ Sales	$\frac{395,582,363}{1,097,422,650}$	36.05%	$\frac{213,153,602}{689,265,894}$	30.92%	$\frac{64,355,771}{397,275,647}$	16.20%	$\frac{32,948,079}{286,648,401}$	8.00%	$\frac{(4,319,641)}{89,047,864}$	-4.85%
Net Income Ratio (after Tax) %	NABT/ Sales	$\frac{395,582,363}{1,097,422,650}$	36.05%	$\frac{213,153,602}{689,265,894}$	30.92%	$\frac{64,355,771}{397,275,647}$	16.20%	$\frac{32,948,079}{286,648,401}$	8.00%	$\frac{(4,319,641)}{89,047,864}$	-4.85%
Return on Assets (%)	Net Profit/ Fixed Assets- Dep	$\frac{395,582,363}{704,975,729}$	56.11%	$\frac{213,153,602}{463,352,134}$	46.00%	$\frac{64,355,771}{485,472,179}$	13.26%	$\frac{32,948,079}{518,760,062}$	6.00%	$\frac{(4,319,641)}{535,523,950}$	-0.81%
Return on Equity (%)	Net Profit/ Shareholders Equity	$\frac{395,582,363}{1,228,597,274}$	32.20%	$\frac{213,153,602}{833,014,911}$	25.59%	$\frac{64,355,771}{619,861,309}$	10.38%	$\frac{32,948,079}{525,505,538}$	12.00%	$\frac{(4,319,641)}{471,657,459}$	-0.92%
Earning Per Share	Earnings/ No. of Ordinary Shares (Weighted)	$\frac{395,582,363}{79,031,565}$	5.01	$\frac{213,153,602}{52,687,710}$	4.05	$\frac{64,355,771}{999,000}$	64.42	$\frac{32,948,079}{100,000}$	329.48	$\frac{(4,319,641)}{100,000}$	-43.20

Dated: Dhaka, September 21, 2013

Sd/-
Shiraz Khan Basak & Co.
CHARTERED ACCOUNTANTS

SECTION- XV

AUDITORS ADDITIONAL DISCLOSURES

Your Query No. 1

Unusual increase in revenue observed from the year 2012 to 2013 in the Audited Financial Statements;

Auditors' Response to the above

Export of the company was increased by 59.22% in the year ended on June 30, 2013 compared to the year ended on June 30, 2012, whereas it was increased by 73.55% in the year ended on June 30, 2012 compared to the year ended on June 30, 2011. Changes in foreign currency rates, changes in products mix, increased prices of export goods and volume of exports contributed for higher exports in the year 2013 compared to the years 2011 and 2012. The Item-wise sales details are shown below:

Export Item Wise Qty./Price/Total
Three years Comparative

SL. No.	Item Name	2011			2012			2013		
		Quantity Kg	Price Tk.	Total Tk.	Quantity Kg	Price Tk.	Total Tk.	Quantity Kg	Price Tk.	Total Tk.
1	Softening Agent	938,867	112.00	105,153,104	1,105,602	137.98	152,550,964	1,491,200	220.00	328,064,000
2	Scouring Agent	399,040	90.50	36,113,120	630,231	99.25	62,550,427	525,218	180.00	94,539,240
3	Anti-Foaming Agent	468,658	95.17	44,602,182	789,987	103.37	81,660,956	609,835	150.00	91,475,250
4	Levelling Agent	645,326	74.28	47,934,815	1,115,685	81.79	91,251,876	532,486	180.00	95,847,559
5	Fixing Agent	462,201	86.00	39,749,286	764,458	97.14	74,259,450	651,080	120.00	78,129,600
6	Stabilizer	412,879	82.19	33,934,525	674,835	93.3297	62,982,146	1,077,625	130.00	140,091,250
7	Retarding	290,955	157.79	45,909,789	534,155	167.09	89,251,959	968,232	145.00	140,393,640
8	Bleaching	200,932	61.02	12,261,690	179,882	69.7	12,537,775	1,295,207	55.03	71,275,241
9	Others	191,619	165.00	31,617,135	326,839	190.37	62,220,340	384,302	149.90	57,606,870
Total		4,010,477		397,275,647	6,121,674		689,265,894	7,535,185		1,097,422,650

Your Query No. 2

Unusual increase in Profit during the year 2013 from the year 2012 ;

Auditors' Response to the above

Due to increase of exports of the high valued products, increased of total export volume and prices of exports in the Year 2013 compared to the Year 2012 which contributed largely to increase the gross profit margin by 5% during the Year 2013 keeping fixed costs remain the same.

Your Query No. 3

Unusual increase in collection from turnover in 2013 than the year 2012. Bank statements regarding the same are required with explanation.

Auditors' Response to the above

Out of the total exports collection Tk. 962,101,509.00 in 2013, there was a receivable collection Tk. 235,001,856.00 for the year ended June 30, 2012. Out of the total exports Tk. 1,097,422,650.00 in 2013 collection of receivable was Tk. 727,099,653.00 for the same period. The exports collections are mainly depend on the credit terms of L/C period. There may be 90 days or even 120 days L/C. If the L/C duration is larger, collection of exports will be slower although exports are higher in a period and vice versa. Collection of exports in a period may be higher than the exports of that period if there are larger amount outstanding receivables in the past year. Bad debts are negligible since the L/Cs is guaranteed by the L/C opening bank(s). Details collection of exports in support of the bank statements are presented below:

Date	LDBC NO	Value in USD	Value in BDT
02.07.2012	12-371	32,065	2,504,917.80
02.07.2012	12-374	29,824	2,329,850.88
04.07.2012	12-379	2,157	668,504.84
05.07.2012	12-382	6,325	494,109.00
08.07.2012	12-386	25,418	1,985,654.16
05.07.2012	12-390	32,689	2,553,664.68
12.07.2012	12-393	25,412	1,985,185.44
12.07.2012	12-398	25,632	2,002,371.84
02.07.2012	12-402	54,221	4,235,744.52
18.07.2012	12-406	25,418	1,985,654.16
08.07.2012	12-410	32,021	2,501,480.52
16.07.2012	12-413	61,562	4,809,223.44
22.07.2012	12-418	35,247	2,753,495.64
16.07.2012	12-422	25,418	1,985,654.16
19.07.2012	12-426	85,630	6,689,415.60
10.07.2012	12-430	25,041	1,956,202.92
18.07.2012	12-433	21,548	1,683,329.76
19.07.2012	12-438	52,636	4,111,924.32
25.07.2012	12-442	25,420	1,985,810.40
02.08.2012	12-446	37,021	2,892,080.52
29.07.2012	12-450	3,268	255,296.16
29.07.2012	12-455	2,458	192,018.96
06.08.2012	12-458	74,569	5,825,330.28
31.07.2012	12-462	5,248	409,973.76
26.07.2012	12-466	65,237	5,096,314.44
31.07.2012	12-471	45,258	3,535,554.96
02.08.2012	12-474	56,274	4,396,124.88
02.08.2012	12-478	8,745	683,159.40
25.07.2012	12-482	24,156	1,887,066.72
07.08.2012	12-485	6,325	494,109.00
29.07.2012	12-490	6,524	509,654.88
05.08.2012	12-494	1,425	111,321.00

Date	LDBC NO	Value in USD	Value in BDT
07.08.2012	12-498	8,745	683,159.40
08.08.2012	12-501	2,563	200,221.56
12.08.2012	12-506	8,542	667,301.04
08.08.2012	12-510	6,326	494,187.12
13.08.2012	12-514	8,754	683,862.48
13.08.2012	12-517	24,569	1,919,330.28
13.08.2012	12-522	2,541	198,502.92
23.08.2012	12-526	5,240	409,348.80
22.08.2012	12-529	4,129	322,557.48
26.08.2012	12-534	1,320	103,118.40
26.08.2012	12-538	63,204	4,937,496.48
26.08.2012	12-542	54,217	4,235,432.04
27.08.2012	12-549	5,214	407,317.68
27.08.2012	12-550	6,235	487,078.20
28.08.2012	12-559	2,157	168,504.84
28.08.2012	12-558	4,125	322,245.00
05.09.2012	12-561	41,525	3,243,933.00
14.08.2012	12-566	6,320	493,718.40
22.08.2012	12-570	1,452	113,430.24
13.08.2012	12-575	63,205	4,937,574.60
14.08.2012	12-578	85,421	6,673,088.52
05.09.2012	12-582	12,023	939,236.76
06.09.2012	12-587	62,154	4,855,470.48
06.09.2012	12-590	52,356	4,090,050.72
10.09.2012	12-593	2,541	198,502.92
10.09.2012	12-598	54,215	4,235,275.80
10.09.2012	12-602	32,652	2,550,774.24
24.09.2012	12-606	36,524	2,853,254.88
13.09.2012	12-612	24,565	1,919,017.80
13.09.2012	12-614	32,658	2,551,242.96
17.09.2012	12-618	24,587	1,920,736.44
17.09.2012	12-621	25,487	1,991,044.44
18.09.2012	12-626	3,265	255,061.80
20.09.2012	12-630	25,487	1,991,044.44
20.09.2012	12-646	19500	1,562,340.00
21.09.2012	12-650	32500	2,603,900.00
19.09.2012	12-653	18500	1,482,220.00
22.09.2012	12-658	17300	1,386,076.00
23.09.2012	12-662	31400	2,515,768.00
04.10.2012	12-667	19400	1,554,328.00
24.09.2012	12-670	16870	1,351,624.40
25.09.2012	12-674	17800	1,426,136.00
25.09.2012	12-679	19000	1,522,280.00
16.09.2012	12-682	42300	3,389,076.00
17.09.2012	12-686	28600	2,291,432.00
16.09.2012	12-692	27460	2,200,095.20
01.10.2012	12-694	5200	416,624.00
01.10.2012	12-698	3600	288,432.00
26.09.2012	12-701	41600	3,332,992.00

Date	LDBC NO	Value in USD	Value in BDT
26.09.2012	12-706	2100	168,252.00
25.09.2012	12-713	36110	2,893,133.20
08.10.2012	12-714	31500	2,523,780.00
02.10.2012	12-718	15600	1,249,872.00
08.10.2012	12-722	17400	1,394,088.00
11.10.2012	12-726	16500	1,321,980.00
15.10.2012	12-730	17800	1,426,136.00
11.10.2012	12-734	21600	1,730,592.00
11.10.2012	12-738	18600	1,490,232.00
25.10.2012	12-743	27400	2,195,288.00
11.10.2012	12-746	32600	2,611,912.00
14.10.2012	12-750	13600	1,089,632.00
15.10.2012	12-754	14700	1,176,147.00
14.10.2012	12-758	18600	1,488,186.00
16.10.2012	12-762	21400	1,712,214.00
04.10.2012	12-766	23500	1,880,235.00
16.10.2012	12-771	47800	3,824,478.00
17.10.2012	12-774	51600	4,128,516.00
31.10.2012	12-778	22800	1,824,228.00
17.10.2012	12-782	23600	1,888,236.00
18.10.2012	12-786	24700	1,976,247.00
21.10.2012	12-790	5300	424,053.00
21.10.2012	12-793	19700	1,576,197.00
25.10.2012	12-798	21400	1,712,214.00
25.10.2012	12-802	36400	2,912,364.00
25.10.2012	12-806	4000	320,040.00
30.10.2012	12-812	15200	1,216,152.00
30.10.2012	12-814	3500	280,035.00
09.10.2012	12-818	7650	612,076.50
15.11.2012	12-823	19450	1,556,194.50
01.11.2012	12-826	22560	1,805,025.60
01.11.2012	12-830	27460	2,197,074.60
01.11.2012	12-834	29400	2,352,294.00
05.11.2012	12-838	31400	2,499,126.00
05.11.2012	12-842	17600	1,400,784.00
04.11.2012	12-846	16450	1,309,255.50
07.11.2012	12-850	19854	1,580,179.86
06.11.2012	12-854	25640	2,040,687.60
07.11.2012	12-858	2563	203,989.17
11.11.2012	12-865	4876	388,080.84
11.11.2012	12-866	18746	1,491,994.14
11.11.2012	12-870	24561	1,954,809.99
14.11.2012	12-874	36254	2,885,455.86
14.11.2012	12-879	24561	1,954,809.99
15.11.2012	12-882	26487	2,108,100.33
18.11.2012	12-888	15264	1,214,861.76
29.11.2012	12-890	65234	5,191,974.06
18.11.2012	12-894	35640	2,836,587.60
04.11.2012	12-899	31620	2,516,635.80

Date	LDBC NO	Value in USD	Value in BDT
03.12.2012	12-902	20450	1,627,615.50
19.11.2012	12-906	29454	2,344,243.86
20.11.2012	12-912	14287	1,137,102.33
20.11.2012	12-914	6352	505,555.68
22.11.2012	12-918	19754	1,572,220.86
21.11.2012	12-923	42653	3,394,752.27
26.11.2012	12-937	36745	2,886,687.20
19.11.2012	12-938	37452	2,942,229.12
27.11.2012	12-942	39754	3,123,074.24
29.11.2012	12-946	25487	2,002,258.72
28.11.2012	12-950	3254	255,634.24
09.12.2012	12-954	42587	3,345,634.72
02.12.2012	12-959	5237	411,418.72
02.12.2012	12-962	25468	2,000,766.08
03.12.2012	12-966	41265	3,241,778.40
02.12.2012	12-971	23651	1,858,022.56
13.12.2012	12-974	21568	1,694,382.08
04.12.2012	12-978	35267	2,770,575.52
04.12.2012	12-981	35674	2,802,549.44
09.12.2012	12-983	23524	1,848,045.44
19.12.2012	12-990	36524	2,869,325.44
09.12.2012	12-996	42567	3,344,063.52
11.12.2012	12-998	42652	3,350,741.12
12.12.2012	12-1002	41289	3,243,663.84
10.12.2012	12-1005	41302	3,244,685.12
17.12.2012	12-1010	40128	3,152,455.68
05.12.2012	12-1013	12560	986,713.60
17.12.2012	12-1018	26534	2,084,511.04
23.12.2012	12-1021	31542	2,477,939.52
23.12.2012	12-1025	36254	2,848,114.24
20.12.2012	12-1030	67452	5,299,029.12
24.12.2012	12-1034	42156	3,311,775.36
02.01.2013	12-1037	42158	3,311,932.48
30.12.2012	12-1042	26354	2,070,370.24
18.12.2012	12-1047	28745	2,258,207.20
19.12.2012	12-1051	39547	3,106,812.32
20.12.2012	12-1056	42546	3,342,413.76
09.12.2012	12-1061	29754	2,337,474.24
12.12.2012	12-1063	17540	1,377,942.40
02.01.2013	12-1065	3560	279,673.60
21.01.2013	12-1067	28454	2,235,346.24
02.01.2013	12-1068	32654	2,565,298.24
08.01.2013	12-1071	39524	3,105,005.44
10.01.2013	12-1075	42158	3,311,932.48
10.01.2013	12-1077	39652	3,115,061.12
10.01.2013	12-1081	41258	3,241,228.48
13.01.2013	12-1082	36245	2,847,407.20
13.01.2013	12-1084	23524	1,848,045.44
08.01.2013	12-1091	36524	2,869,325.44

Date	LDBC NO	Value in USD	Value in BDT
21.01.2013	12-1094	45219	3,552,404.64
14.01.2013	12-1097	28746	2,258,285.76
15.01.2013	12-1099	23541	1,849,380.96
15.01.2013	12-1103	25487	2,002,258.72
16.01.2013	12-1104	13624	1,070,301.44
18.01.2013	12-1107	25342	1,990,867.52
17.01.2013	12-1108	27856	2,188,367.36
08.01.2013	12-1110	32652	2,565,141.12
20.01.2013	12-1112	12547	985,692.32
22.01.2013	12-1114	25423	1,997,230.88
20.01.2013	12-1115	42351	3,327,094.56
23.01.2013	12-1117	32653	2,565,219.68
03.02.2013	12-1119	25426	1,997,466.56
23.01.2013	12-1121	25423	1,997,230.88
06.01.2013	12-1124	20356	1,599,167.36
06.01.2013	12-1125	28746	2,258,285.76
06.01.2013	12-1127	32652	2,565,141.12
06.01.2013	12-1128	46325	3,639,292.00
29.01.2013	12-1131	41243	3,240,050.08
04.02.2013	12-1132	25647	2,014,828.32
03.02.2013	12-1135	26534	2,084,511.04
03.02.2013	12-1136	27456	2,156,943.36
11.02.2013	12-1139	35267	2,770,575.52
04.02.2013	12-1141	32645	2,564,591.20
04.02.2013	12-1143	25461	2,000,216.16
27.01.2013	12-1145	25468	2,000,766.08
04.02.2013	12-1147	25426	1,997,466.56
06.02.2013	12-1152	32652	2,565,141.12
07.02.2013	12-1153	45210	3,551,697.60
07.02.2013	12-1154	41210	3,237,457.60
10.02.2013	12-1155	45216	3,552,168.96
18.03.2013	12-1156	32015	2,515,098.40
10.02.2013	12-1157	36254	2,848,114.24
12.02.2013	12-1158	37542	2,949,299.52
17.02.2013	12-1159	3652	286,901.12
12.02.2013	12-1162	42158	3,311,932.48
13.02.2013	12-1165	49754	3,908,674.24
14.02.2013	12-1167	41203	3,236,907.68
10.02.2013	12-1169	25462	2,000,294.72
20.02.2013	12-1172	32652	2,565,141.12
24.02.2013	12-1173	15623	1,227,342.88
20.02.2013	12-1174	27845	2,187,503.20
20.02.2013	12-1176	31254	2,455,314.24
20.02.2013	12-1178	10235	804,061.60
27.02.2013	12-1181	7850	616,696.00
24.02.2013	12-1183	35264	2,770,339.84
05.03.2013	12-1184	52412	4,117,486.72
12.03.2013	12-1186	12563	986,949.28
26.02.2013	12-1189	25874	2,032,661.44

Date	LDBC NO	Value in USD	Value in BDT
26.02.2013	12-1190	24658	1,937,132.48
18.02.2013	12-1192	26538	2,084,825.28
27.02.2013	12-1196	35264	2,770,339.84
10.03.2013	12-1197	25368	1,992,910.08
05.03.2013	12-1199	21026	1,651,802.56
28.02.2013	12-1202	24578	1,930,847.68
03.03.2013	12-1204	36254	2,848,114.24
03.03.2013	12-1205	2648	208,026.88
27.02.2013	12-1209	12547	985,692.32
03.03.2013	12-1210	32054	2,518,162.24
04.03.2013	12-1212	25487	2,002,258.72
04.03.2013	12-1213	41259	3,241,307.04
07.03.2013	12-1216	21032	1,652,273.92
07.03.2013	12-1217	19563	1,536,869.28
07.03.2013	12-1221	18754	1,473,314.24
10.03.2013	12-1222	15624	1,227,421.44
05.03.2013	12-1223	15428	1,212,023.68
05.03.2013	12-1231	36258	2,848,428.48
10.03.2013	12-1232	24187	1,900,130.72
07.04.2013	12-1233	23652	1,858,101.12
10.03.2013	12-1234	21548	1,692,810.88
13.03.2013	12-1236	26528	2,084,039.68
05.03.2013	12-1239	47120	3,701,747.20
13.03.2013	12-1241	12548	985,770.88
18.03.2013	12-1246	3524	276,845.44
20.03.2013	12-1251	3241	254,612.96
18.03.2013	12-1252	36254	2,848,114.24
20.03.2013	12-1253	28547	2,242,652.32
20.03.2013	12-1256	36247	2,847,564.32
18.03.2013	12-1257	41254	3,240,914.24
21.03.2013	12-1258	42154	3,311,618.24
21.03.2013	13-375	15326	1,204,010.56
25.04.2013	13-378	26321	2,067,777.76
24.03.2013	13-383	2487	195,378.72
25.03.2013	13-387	12546	985,613.76
02.04.2013	13-392	32657	2,565,533.92
03.04.2013	13-395	35624	2,798,621.44
02.04.2013	13-396	63205	4,965,384.80
03.04.2013	13-397	74216	5,830,408.96
31.03.2013	13-398	82106	6,450,247.36
02.04.2013	13-399	39745	3,122,367.20
31.03.2013	13-404	41256	3,241,071.36
24.03.2013	13-407	42351	3,327,094.56
24.03.2013	13-408	36204	2,844,186.24
01.04.2013	13-409	74526	5,854,762.56
08.04.2013	13-410	95321	7,488,417.76
08.04.2013	13-410	74529	5,854,998.24
02.04.2013	13-411	32548	2,556,970.88
03.04.2013	13-416	17452	1,371,029.12

Date	LDBC NO	Value in USD	Value in BDT
02.04.2013	13-419	21504	1,689,354.24
04.04.2013	13-422	25487	2,002,258.72
24.03.2013	13-427	63265	4,970,098.40
04.04.2013	13-428	85629	6,727,014.24
07.04.2013	13-429	84216	6,616,008.96
25.04.2013	13-431	25326	1,989,610.56
07.04.2013	13-432	74265	5,834,258.40
25.03.2013	13-433	76254	5,990,514.24
16.04.2013	13-434	63285	4,971,669.60
10.04.2013	13-436	25487	2,002,258.72
11.04.2013	13-437	35269	2,770,732.64
21.04.2013	13-438	80265	6,305,618.40
11.04.2013	13-439	6325	496,892.00
15.04.2013	13-443	41254	3,240,914.24
15.04.2013	13-448	32650	2,564,984.00
08.04.2013	13-451	25412	1,996,366.72
18.04.2013	13-452	2415	189,722.40
10.04.2013	13-453	24519	1,926,212.64
18.04.2013	13-455	25634	2,013,807.04
21.04.2013	13-459	25416	1,996,680.96
21.04.2013	13-464	32548	2,556,970.88
22.04.2013	13-467	52653	4,136,419.68
16.04.2013	13-471	14724	1,156,717.44
22.04.2013	13-472	69254	5,440,594.24
23.04.2013	13-473	75246	5,911,325.76
18.04.2013	13-476	25632	2,013,649.92
23.04.2013	13-479	21542	1,692,339.52
11.04.2013	13-483	35214	2,766,411.84
05.05.2013	13-487	52360	4,113,401.60
09.04.2013	13-488	63215	4,966,170.40
24.04.2013	13-489	49527	3,890,841.12
22.04.2013	13-493	25412	1,996,366.72
15.04.2013	13-495	65238	5,125,097.28
25.04.2013	13-496	63204	4,965,306.24
02.05.2013	13-497	41526	3,262,282.56
25.04.2013	13-499	65298	5,129,810.88
25.04.2013	13-504	2547	200,092.32
07.04.2013	13-505	21653	1,701,059.68
25.04.2013	13-506	52163	4,097,925.28
25.04.2013	13-507	32650	2,564,984.00
02.05.2013	13-511	21547	1,692,732.32
02.05.2013	13-518	52489	4,123,535.84
11.06.2013	13-519	25468	2,000,766.08
05.05.2013	13-523	3285	258,069.60
05.05.2013	13-529	35269	2,770,732.64
05.05.2013	13-532	25487	2,002,258.72
05.05.2013	13-535	52487	4,123,378.72
05.05.2013	13-538	63258	4,969,548.48
08.05.2013	13-543	9632	756,689.92

Date	LDBC NO	Value in USD	Value in BDT
09.05.2013	13-546	54254	4,262,194.24
09.05.2013	13-551	7458	585,900.48
06.05.2013	13-554	24158	1,897,852.48
15.05.2013	13-559	72563	5,700,549.28
20.05.2013	13-564	52879	4,154,174.24
15.05.2013	13-567	4215	331,130.40
15.05.2013	13-574	2531	198,835.36
19.05.2013	13-578	2548	200,170.88
05.05.2013	13-582	5236	411,340.16
19.05.2013	13-586	2154	169,218.24
19.05.2013	13-590	25487	2,002,258.72
15.05.2013	13-593	25632	2,013,649.92
22.05.2013	13-598	25418	1,996,838.08
22.05.2013	13-602	45218	3,552,326.08
09.05.2013	13-607	21746	1,708,365.76
22.05.2013	13-610	25631	2,013,571.36
26.05.2013	13-611	20145	1,582,591.20
28.05.2013	13-618	2352	184,773.12
26.05.2013	13-622	12057	947,197.92
26.05.2013	13-631	51263	4,027,221.28
22.05.2013	13-642	20135	1,581,805.60
26.05.2013	13-647	65230	5,124,468.80
28.05.2013	13-651	41204	3,236,986.24
30.05.2013	13-655	52658	4,136,812.48
30.05.2013	13-557	82352	6,469,573.12
28.05.2013	13-659	54217	4,259,287.52
05.06.2013	13-660	12456	978,543.36
28.05.2013	13-667	21035	1,652,509.60
06.05.2013	13-670	74123	5,823,102.88
24.04.2013	13-671	21256	1,669,871.36
21.05.2013	13-675	23254	1,826,834.24
15.05.2013	13-678	12546	985,613.76
06.05.2013	13-683	35264	2,770,339.84
06.05.2013	13-695	52365	4,113,794.40
02.06.2013	13-687	25418	1,996,838.08
02.05.2013	13-704	52365	4,113,794.40
02.06.2013	13-707	25487	2,002,258.72
03.06.2013	13-714	65238	5,125,097.28
03.06.2013	13-719	24518	1,926,134.08
04.06.2013	13-725	24518	1,926,134.08
26.05.2013	13-729	5236	411,340.16
04.06.2013	13-734	27852	2,188,053.12
09.06.2013	13-739	35268	2,770,654.08
09.06.2013	13-741	21579	1,695,246.24
09.06.2013	13-749	25418	1,996,838.08
09.06.2013	13-754	3256	255,791.36
09.06.2013	13-759	24712	1,941,374.72
10.06.2013	13-766	24158	1,897,852.48
10.06.2013	13-769	65238	5,125,097.28

Date	LDBC NO	Value in USD	Value in BDT
10.06.2013	13-774	25415	1,996,602.40
10.06.2013	13-779	25035	1,966,749.60
09.06.2013	13-781	21587	1,695,874.72
09.06.2013	13-783	32625	2,563,020.00
12.06.2013	13-786	24518	1,926,134.08
05.06.2013	13-787	15487	1,216,658.72
13.06.2013	13-790	21568	1,694,382.08
13.06.2013	13-791	32564	2,558,227.84
13.06.2013	13-814	25412	1,996,366.72
13.06.2013	13-818	36254	2,848,114.24
03.06.2013	13-824	87542	6,877,299.52
13.06.2013	13-825	65230	5,124,468.80
18.06.2013	13-834	12546	985,613.76
19.06.2013	13-839	23045	1,810,415.20
20.06.2013	13-846	25456	1,999,823.36
23.06.2013	13-849	42153	3,311,539.68
23.06.2013	13-854	12548	985,770.88
24.06.2013	13-856	32015	2,515,098.40
24.06.2013	13-861	24587	1,931,554.72
04.06.2013	13-868	36258	2,848,428.48
16.06.2013	13-869	2171	170,553.76
17.06.2013	13-872	25456	1,999,823.36
26.06.2013	13-886	24518	1,926,134.08
26.06.2013	13-887	25412	1,996,366.72
19.09.2013	13-892	63205	4,965,384.80
27.06.2013	13-894	12470	979,643.20
27.06.2013	13-913	61,611	4,765,621.26
24.06.2013	13-917	65,021	5,029,382.90
24.06.2013	13-898	14256	1,119,951.36
24.06.2013	13-909	25410	1,996,209.60
Total realized for the year ended on 30th June, 2013			962,101,509.00

Your Query No. 4

Involvement of huge amount as Factory Building in 2013 compared to the year 2012. Explanation with supporting documents is required.

Auditors' Response to the above

In support of the above the break-up of the factory building 2013 is presented below:

Date	Factory Buildings Addition						Total
	Sand	Bricks	Rod	Labor	Cement	Others	
1-Jul-12	62,500		3,162,000	-	-	-	3,224,500
2-Jul-12	-	495,300	-	-	832,500	-	1,327,800
3-Jul-12	-	-	-	159,750	-	-	159,750
17-Jul-12	-	581,100	-	-	-	-	581,100
20-Jul-12	-	-	3,906,000	-	-	-	3,906,000
21-Jul-12	237,500	-	-	-	873,000	-	1,110,500
24-Jul-12	-	-	-	164,250	-	-	164,250
31-Jul-12	-	678,600	-	-	-	-	678,600
3-Aug-12	262,500	-	-	-	-	-	262,500

Date	Factory Buildings Addition						
	Sand	Bricks	Rod	Labor	Cement	Others	Total
7-Aug-12	-	-	-	-	830,250	-	830,250
10-Aug-12	-	-	4,588,000	-	-	-	4,588,000
14-Aug-12	-	-	-	110,250	-	-	110,250
16-Aug-12	-	795,600	-	-	-	-	795,600
17-Aug-12	287,500	-	-	-	-	-	287,500
27-Aug-12	312,500	-	-	-	786,600	-	1,099,100
29-Aug-12	-	-	4,030,000	-	-	-	4,030,000
4-Sep-12	-	967,200	-	-	-	-	967,200
9-Sep-12	-	-	-	209,250	-	-	209,250
10-Sep-12	212,500	-	-	-	-	-	212,500
17-Sep-12	-	-	4,216,000	-	-	-	4,216,000
18-Sep-12	-	-	-	-	740,250	-	740,250
21-Sep-12	-	748,800	-	-	-	-	748,800
23-Sep-12	245,000	-	-	-	-	-	245,000
2-Oct-12	-	-	-	173,250	-	-	173,250
3-Oct-12	-	-	4,464,000	-	-	-	4,464,000
5-Oct-12	-	-	-	-	709,200	-	709,200
6-Oct-12	-	764,400	-	-	-	-	764,400
7-Oct-12	245,000	-	-	-	-	-	245,000
17-Oct-12	-	-	-	-	809,100	-	809,100
21-Oct-12	-	-	5,456,000	-	-	-	5,456,000
22-Oct-12	295,000	-	-	-	-	-	295,000
23-Oct-12	-	764,400	-	-	-	-	764,400
25-Oct-12	-	-	-	168,750	-	-	168,750
31-Oct-12	-	-	-	-	884,700	-	884,700
4-Nov-12	-	-	2,914,000	-	-	-	2,914,000
6-Nov-12	-	999,960	-	-	-	-	999,960
8-Nov-12	220,000	-	-	-	-	-	220,000
17-Nov-12	-	-	-	-	684,450	-	684,450
20-Nov-12	-	-	1,612,000	-	-	-	1,612,000
27-Nov-12	245,000	-	-	-	-	-	245,000
29-Nov-12	-	682,500	-	-	-	-	682,500
3-Dec-12	-	-	-	-	834,300	-	834,300
6-Dec-12	-	-	3,038,000	-	-	-	3,038,000
12-Dec-12	470,000	-	-	-	-	-	470,000
15-Dec-12	-	-	-	235,350	-	-	235,350
19-Dec-12	-	924,300	-	-	-	-	924,300
20-Dec-12	-	-	-	-	889,200	-	889,200
26-Dec-12	-	-	3,162,000	-	-	-	3,162,000
27-Dec-12	420,000	-	-	-	-	-	420,000
29-Dec-12	-	-	-	259,200	-	-	259,200
3-Jan-13	-	-	-	-	710,100	-	710,100
6-Jan-13	-	834,600	-	-	-	-	834,600
8-Jan-13	480,000	-	-	-	-	-	480,000
16-Jan-13	-	-	2,914,000	-	-	-	2,914,000
18-Jan-13	-	-	-	-	807,750	-	807,750
26-Jan-13	505,000	-	-	-	-	-	505,000

Date	Factory Buildings Addition						
	Sand	Bricks	Rod	Labor	Cement	Others	Total
28-Jan-13	-	826,800	-	-	-	-	826,800
30-Jan-13	-	-	-	261,900	-	-	261,900
2-Feb-13	-	-	3,261,200	-	-	-	3,261,200
8-Feb-13	-	524,784	-	-	-	-	524,784
9-Feb-13	-	-	-	-	697,500	-	697,500
12-Feb-13	460,000	-	-	-	-	-	460,000
14-Feb-13	-	-	-	-	-	760,998	760,998
17-Feb-13	-	975,000	-	-	-	-	975,000
19-Feb-13	-	-	-	249,300	-	-	249,300
26-Feb-13	385,000	-	-	-	-	-	385,000
27-Feb-13	-	-	-	-	717,750	-	717,750
1-Mar-13	-	-	4,402,000	-	-	-	4,402,000
8-Mar-13	-	764,400	-	-	-	-	764,400
15-Mar-13	-	-	-	-	706,050	879,045	1,585,095
16-Mar-13	535,000	-	-	-	-	-	535,000
17-Mar-13	-	-	-	293,400	-	-	293,400
23-Mar-13	-	897,000	-	-	-	-	897,000
29-Mar-13	-	-	5,890,000	-	-	-	5,890,000
5-Apr-13	-	-	-	-	796,050	-	796,050
9-Apr-13	-	795,600	-	-	-	-	795,600
10-Apr-13	-	-	-	246,150	-	-	246,150
14-Apr-13	562,500	-	-	-	-	-	562,500
19-Apr-13	-	811,200	-	-	-	-	811,200
26-Apr-13	-	-	5,208,000	-	-	-	5,208,000
28-Apr-13	-	-	-	-	841,050	-	841,050
30-Apr-13	-	-	-	254,250	-	-	254,250
1-May-13	-	748,800	-	-	-	-	748,800
4-May-13	362,500	-	-	-	-	-	362,500
11-May-13	-	-	-	-	706,500	-	706,500
17-May-13	-	686,400	-	-	-	-	686,400
18-May-13	-	-	-	-	-	724,718	724,718
20-May-13	-	-	4,712,000	-	-	-	4,712,000
21-May-13	-	-	-	224,100	-	-	224,100
26-May-13	-	764,400	-	-	-	-	764,400
28-May-13	297,500	-	-	-	-	-	297,500
29-May-13	-	-	-	-	836,550	-	836,550
5-Jun-13	-	725,400	-	-	-	-	725,400
12-Jun-13	-	-	-	251,100	-	-	251,100
13-Jun-13	-	-	4,092,000	-	-	-	4,092,000
15-Jun-13	-	-	-	-	881,550	-	881,550
29-Jun-13	-	-	-	291,150	-	-	291,150
	7,102,500	17,756,544	71,027,200	3,551,400	16,574,400	2,364,761	118,376,805

Thanking you.
Yours Faithfully,

Sd/-
Shiraz Khan Basak & Co.
Chartered Accountants

SECTION XVI: INFORMATION INCLUDED AS PER SEC'S NOTIFICATION NO. SEC/CMRRCD/2008/115/ADMIN/30 DATED OCTOBER 05, 2011.

1. Earning Per Share (EPS) on fully diluted basis (the total existing no. of shares):

Particulars	Amount in Taka
Net Profit after Tax	395,582,363
No. of shares before IPO	79,031,565
Earnings per share (EPS) on fully diluted basis	5.01

2. Net Profit Excluding Extra-Ordinary Income or Non-Recurring Income Coming From Other than Core Operation:

Particulars	Amount in Taka
Net profit before Tax	395,582,363
Less: Other Income	274,658
Net profit before tax except other income	395,307,705
Les: Provision for Taxation	-
Net profit after tax except other income	395,307,705

3. Earning Per Shares Excluding Extra-Ordinary Income Or Non-Recurring Income Coming From Other than Core Operation:

Particulars	Amount in Taka
Net profit before Tax	395,582,363
Less: Other Income	274,658
Net profit before tax except other income	395,307,705
Les: Provision for Taxation	-
Net profit after tax except other income	395,307,705
No. of shares before IPO	79,031,565
Earnings per share (EPS) on fully diluted basis	5.00

4. Net Asset Value Per Share:

a) Net asset Value with Revaluation Reserve based on fully diluted basis:

b) Net asset Value without Revaluation Reserve based on fully diluted basis:

Particulars	Amount in Taka
Share Capital	790,315,650
Revaluation Reserve	-
Retained Earnings	438,281,624
Total Shareholders' Equity (With Revaluation Reserve)	1,228,597,274
Total Shareholders' Equity (Without Revaluation Reserve)	1,228,597,274
Total Number of Ordinary Share	79,031,565
a) Net assets Value (NAV) at BDT 10.00 per share with Revaluation Reserve	15.55
b) Net assets Value (NAV) at BDT 10.00 per share without Revaluation Reserve	15.55

**SECTION XVII: COMPLIANCE REPORT TO THE SHAREHOLDERS REGARDING
CORPORATE GOVERNANCE****Corporate Governance Related Disclosure of The Issuer**

We would like to draw your attention that the appointment of Independent director and other non compliance of Notification no. SEC/CMRRCD/2006-158/134/Admin/44 dated 7th August 2012 of Bangladesh Securities and Exchange Commission (BSEC) is to be complied before the listing of the issue.

Sd/-

Kim Jong Suk
Managing Director

CERTIFICATE OF COMPLIANCE TO THE SHAREHOLDERS OF**FAR Chemical Industries Limited**

(As required under the BSEC Guidelines)

We have examined compliance to the BSEC guidelines on Corporate Governance by FAR Chemical Industries Limited for the year ended 30th June 2013, these guidelines relate to the Notification no. SEC/CMRRCD/2006-158/134/Admin/44 dated 7th August 2012 of Bangladesh Securities and Exchange Commission (BSEC) on Corporate Governance.

Such compliance to the codes of Corporate Governance 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 Corporate Governance. This is a scrutiny and verification only and not an expression of opinion or audit on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations provided to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned guidelines issued by BSEC. We also state that such compliance is neither an assurance as to the future viability of the Company nor a certification on the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Sd/-

Dhaka, November 05, 2013

Mahbub Mohsin & Co.
Chartered Accountants

Status of compliance with the conditions imposed by the Commission's Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

(Report under Condition No. 7.00)

Condition No.	Title	Compliance Status Put ✓ in the appropriate		Remarks
		Complied	Not Complied	
1.1	Board's Size	✓		
1.2 (i)	Independent Directors: one fifth (1/5) of the total number of directors		✓	Will be complied before listing
1.2 (ii) a)	Does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company			Not Applicable
1.2 (ii) b)	Not a sponsor of the company and is not connected with the company's any sponsor or director or shareholder who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship			Not Applicable
1.2 (ii) c)	Does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies			Not Applicable
1.2 (ii) d)	Not a member, director or officer of any stock exchange			Not Applicable
1.2 (ii) e)	Not a shareholder, director or officer of any member of stock exchange or an intermediary of the capital market			Not Applicable
1.2 (ii) f)	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			Not Applicable
1.2 (ii) g)	who shall not be an independent director in more than 3 (three) listed companies			Not Applicable
1.2 (ii) h)	who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a Non-Bank Financial Institution (NBFI)			Not Applicable
1.2 (ii) i)	who has not been convicted for a criminal offence involving moral turpitude			Not Applicable
1.2 (iii)	Shall be appointed by the board of directors and approved by the shareholders in the Annual General Meeting (AGM)			Not Applicable
1.2 (iv)	Can not remain vacant for more than 90 (ninety) days			Not Applicable
1.2 (v)	The Board shall lay down a code of conduct of all Board members and annual compliance of the code			Not Applicable

	to be recorded			
1.2 (vi)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only			Not Applicable
1.3 (i)	Qualification of Independent Director (ID): Shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business			Not Applicable
1.3 (ii)	Should be a Business Leader/Corporate Leader / Bureaucrat / University Teacher with Economics or Business Studies or Law background/Professionals like Chartered Accountants, Cost & Management Accountants, Chartered Secretaries. The independent director must have at least 12 (twelve) years of Corporate management/professional experiences.			Not Applicable
1.3 (iii)	In special cases the above qualifications may be relaxed subject to prior approval of the Commission.			Not Applicable
1.4	Chairman of the Board and Chief Executive Officer: The positions of the Chairman of the Board and the Chief Executive Officer of the companies shall be filled by different individuals	✓		
1.5 (i)	The Directors' Report to Shareholders: Industry outlook and possible future developments in the industry	✓		
1.5 (ii)	Segment-wise or product-wise performance.	✓		
1.5 (iii)	Risks and concerns.	✓		
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 gain or loss.	✓		
1.5 (vi)	Basis for related party transactions- a statement of all related party transactions should be disclosed in the annual report.	✓		
1.5 (vii)	Utilization of proceeds from public issues, rights issues and/or through any others instruments.	✓		
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.	✓		
1.5 (ix)	If significant variance occurs between Quarterly Financial performance and Annual Financial Statements the management shall explain about the variance on their Annual Report.	✓		
1.5 (x)	Remuneration to directors including independent directors.	✓		
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) / Bangladesh Accounting Standards (BAS) / International Financial Reporting Standards (IFRS) /Bangladesh Financial Reporting Standards (BFRS), 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)	There are no significant doubts 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 thereof should be disclosed.	✓		
1.5 (xvii)	Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained.	✓		
1.5 (xviii)	Key operating and financial data of at least preceding 5 (five) years shall be summarized.	✓		
1.5 (xix)	If the issuer company has not declared dividend (cash or stock) for the year, the reasons thereof shall be given.	✓		
1.5 (xx)	The number of Board meetings held during the year and attendance by each director shall be disclosed.			Will be complied before listing
1.5 (xxi) a)	The pattern of shareholding shall be reported to disclose the aggregate number of shares (along with name wise details where stated below) held by: Parent/Subsidiary/Associated Companies and other related parties (name wise details);			Will be complied before listing
1.5 (xxi) b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details);			Will be complied before listing
1.5 (xxi) c)	Executives;			Will be complied before listing
1.5 (xxi) d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details).			
• (xxii) a)	In case of the appointment/re-appointment of a director the company shall disclose the following information to the shareholders: a brief resume of the director	✓		

1.5 (xxii) b)	Nature of his/her expertise in specific functional areas;	✓		
1.5 (xxii) c)	Names of companies in which the person also holds the directorship and the membership of committees of the board.	✓		
2.1	CHIEF FINANCIAL OFFICER (CFO), HEAD OF INTERNAL AUDIT AND COMPANY SECRETARY: Appointment	✓		
2.2	Requirement to attend the Board Meetings	✓		
3 (i)	AUDIT COMMITTEE: The company shall have an Audit Committee as a sub-committee of the Board of Directors.	✓		
3 (ii)	The Audit Committee shall assist the Board of Directors 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.	✓		
3 (iii)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing.	✓		
3.1 (i)	Constitution of the Audit Committee: The Audit Committee shall be composed of at least 3 (three) members.	✓		
3.1 (ii)	The Board of Directors shall appoint members of the Audit Committee who shall be directors of the company and shall include at least 1 (one) independent director.			Will be complied before listing
3.1 (iii)	All members of the audit committee should be “financially literate” and at least 1 (one) member shall have accounting or related financial management experience.	✓		
3.1 (iv)	The Board of Directors shall appoint the new Committee member(s) to fill up the vacancy(ies) immediately or not later than 1 (one) month from the date of vacancy(ies) in the Committee to ensure continuity of the performance of work of the Audit Committee.	✓		
3.1 (v)	The company secretary shall act as the secretary of the Committee.	✓		
3.1 (vi)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.			Will be complied before listing
3.2 (i)	Chairman of the Audit Committee: The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairman of the Audit Committee, who shall be an independent director.	✓		

3.2 (ii)	Chairman of the audit committee shall remain present in the Annual General Meeting (AGM).	✓		
3.3 (i)	Role of Audit Committee: Oversee the financial reporting process.	✓		
3.3 (ii)	Monitor choice of accounting policies and principles.	✓		
3.3 (iii)	Monitor Internal Control Risk management process.	✓		
3.3 (iv)	Oversee hiring and performance of external auditors.	✓		
3.3 (v)	Review along with the management, the annual financial statements before submission to the board for approval.	✓		
3.3 (vi)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval.	✓		
3.3 (vii)	Review the adequacy of internal audit function.	✓		
3.3 (viii)	Review statement of significant related party transactions submitted by the management.	✓		
3.3 (ix)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors.	✓		
3.3 (x)	When money is raised through Initial Public Offering (IPO)/Repeat Public Offering (RPO)/Rights Issue the company shall disclose to the Audit Committee about the uses/applications of funds by major category (capital expenditure, sales and marketing expenses, working capital, etc), on a quarterly basis, as a part of their quarterly declaration of financial results	✓		
3.4.1 (i)	Reporting of the Audit Committee: Reporting to the Board of Directors The Audit Committee shall report on its activities to the Board of Directors.	✓		
3.4.1 (ii) a)	Report on conflicts of interests;	✓		
3.4.1 (ii) b)	Suspected or presumed fraud or irregularity or material defect in the internal control system;	✓		
3.4.1 (ii) c)	Suspected infringement of laws, including securities related laws, rules and regulations;	✓		
3.4.1 (ii) d)	Any other matter which shall be disclosed to the Board of Directors immediately.	✓		
3.4.2	Reporting to the Authorities	✓		
3.5	Reporting to the Shareholders and General Investors	✓		
4 (i)	EXTERNAL/STATUTORY AUDITORS: The issuer company should not engage its external/statutory auditors to perform the following services of the company; namely: Appraisal or valuation services or fairness opinions.	✓		
4 (ii)	Financial information systems design and implementation.	✓		
4 (iii)	Book-keeping or other services related to the accounting records or financial statements.	✓		
4 (iv)	Broker-dealer services.	✓		

4 (v)	Actuarial services.	✓		
4 (vi)	Internal audit services.	✓		
4 (vii)	Any other service that the Audit Committee determines.	✓		
4 (viii)	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.	✓		
5 (i)	SUBSIDIARY COMPANY: Provisions relating to the composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company.			Not Applicable
5 (ii)	At least 1 (one) independent director on the Board of Directors of the holding company shall be a director on the Board of Directors of the subsidiary company.			Not Applicable
5 (iii)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company.			Not Applicable
5 (iv)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also.			Not Applicable
5 (v)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.			Not Applicable
6 (i) a)	DUTIES OF CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO): They have reviewed financial statements for the year and that to the best of their knowledge and belief: these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;	✓		
6 (i) b)	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.	✓		
6 (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 violation of the company's code of conduct.	✓		

৳কয়ি এৱরি ঐবঃকম সিKcY, ৳R#b I e:S ঐবঃকম Kib |

"Interested persons are entitled to a prospectus, if they so desire. Copies of prospectus may be obtained from the issuer and the issue manager"

FAR CHEMICAL INDUSTRIES LTD.

APPLICATION FORM

APPLICATION FOR SHARES BY OTHER THAN NON-RESIDENT BANGLADESHIS

Warning: Please read the instructions on the back of this form. Incorrectly filled Applications or Applications failing to comply with any of the instructions therein may be rejected.

The Managing Director

Far Chemical Industries Ltd.

M.L. Tower (5th Floor), 1 East Rampura D.I.T Road, Dhaka-1219, Bangladesh

Dear Sir,

I/we apply for and request you to allot me/us numbers of Shares and I/we agree to accept the same or any smaller number that may be allotted to me/us upon terms of the Company's Prospectus approved by the Bangladesh Securities and Exchange Commission subject to the Memorandum and Articles of Association of the Company. Further, I/we authorize you to place my/our name(s) on the Register of Member(s) of the Company and deposit the said ordinary shares in my Beneficiary Owner ("BO") account; I/we further authorize you to send a crossed (Account Payee only) cheque in respect of any Application money refundable to me/us by post/courier at my/our risk to the first applicant's address stated below:

1. No. of Ordinary Shares of Tk. 10.00 each at par.
2. Total subscription money of the amount of Tk. (in figures) Taka (in words).....only deposited vide cash/Cheque/Draft/Pay Order No.....Dated.....on..... Bank.....Branch.

3. Beneficiary Owner (BO) A/C No.

(If you do not mention your valid BO A/C No. your application will be treated as invalid)

4. I/we agree to fully abide by the instructions given herein.

5. Particulars of Applicant

a) Sole/First Applicant

Name:	
Father's/Husband's Name:	
Mother's Name:	
Postal Address:	
Phone Number* (If any):	
Occupation:	Nationality:
For Refund Warrant: For Refund Warrant (Application will not be treated as valid if any one uses a non-scheduled bank to avoid this complication, investors are requested not to use the name of any non-schedule bank) please write the correct and full name of bank and branch.	
For Refund Purpose: I/We want refund through ☐ Bank Account* ☐ Courier/Hand delivery (Please put tick mark in which refund will be made)	
Applicants Bank A/c no.	
Name of the Bank:	Branch :

b). Second Applicant

Name:	
Father's/Husband's Name:	
Mother's Name:	
Postal Address:	
Phone Number* (If any):	
Occupation:	Nationality:

6. I/we hereby declare that I/we have read the Prospectus of Far Chemical Industries Limited and have willingly subscribed for No. of Ordinary Shares of Tk. 10.00 each at par.

7. Specimen Signature(s):

(i) Name (in Block Letters)	Signature:
(ii) Name (in Block Letters)	Signature:

* In case of deposit into the applicants' bank account, the applicant will bear the applicable service charge, if any, of the applicants' banker and the issuer shall simultaneously issue a letter of intimation to the applicant containing, among others, the date and amount remitted with details of the bank through and to which bank such remittance has been effected.

BANKERS' ACKNOWLEDGEMENT

Certified that this Bank has received Tk. (in figures).....(in word only from Mr./Mrs./Ms.....being the Application money for Ordinary Shares of Far Chemical Industries Ltd.

Banker's SL. No.

Seal & Date

Authorized Signature
(Name & Designation)

INSTRUCTIONS

1. As per provision of Depository Act, 1999 and regulations made there under shares will only be issued in dematerialized condition. Please mention your Beneficiary Owner (BO) Account number in the Application form. If you do not mention your valid BO account number your application will be treated as invalid.
2. All information must be typed or written in full (in Block Letters) in English or in Bengali and must not be abbreviated.
3. Application must be made on the Company's printed form/photocopy or on typed copy/handwritten form thereof.
4. Application must not be for less than **500** Ordinary Shares and must be for a multiple of **500** Ordinary Shares. Any Application not meeting these criteria will not be considered for allotment purpose.
5. Remittance for the full amount of the Shares must accompany each Application and must be forwarded to any of the Bankers to the Issue. Remittance should be in the form of Cash/Cheque/Bank Draft/Pay Order payable to one of the Bankers to the Issue A/C "**Far Chemical Industries Limited**" and crossed "**A/C payee only**" and must be drawn on a Bank in the same town as the Bank to which the Application form has been sent.
6. In the case of Joint Application Form, the Allotment Letter will be dispatched to the person whose name appears first on this Application Form and where any amount is refundable in whole or in part the same will be refunded by Account Payee Cheque by post/courier service to the person named first on this Application Form in the manner prescribed in the Prospectus.
7. Joint Application Form for more than two persons will not be accepted. In case of Joint Application, each party must sign the Application Form.
8. Application must be in full name of individuals or companies or societies or trusts and not in the name of firms, minors or persons of unsound mind. Application from financial and market intermediary companies must be accompanied by Memorandum and Articles of Association and Certificate of Incorporation.
9. **An applicant cannot submit more than two applications, one in his/her own name and another jointly with another person. In the event an applicant makes more than two Applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, 15% (fifteen) of the application money will be forfeited by the Commission and the balance amount will be refunded to the applicant.**
10. No receipt will be issued for the payment made with Application, but the bankers will issue a provisional acknowledgement to the Issuer for Application lodged with them.
11. In the case of non-allotment of securities, if the applicants' bank accounts as mentioned in their IPO Application Forms are maintained with the bankers to the issue, refund amount of those applicants will be directly credited in to the respective bank "Account Payee" cheque(s) with bank account number and name of the bank branch as mentioned in the application payable at Dhaka or Chittagong, as the case may be.
12. Allotment shall be made solely in accordance with the instructions of the Bangladesh Securities and Exchange Commission (BSEC).
13. Making of any false statement in the Application or supplying of incorrect information therein or suppressing any relevant information shall make the Application liable to rejection and subject to forfeiture of application money and/or forfeiture of the share (unit) before or after issuance of the same by the issuer. The said forfeited application money or share (unit) will be deposited in account specified by the Bangladesh Securities and Exchange Commission (BSEC). This may be in addition to any other penalties as may be provided for by law.
14. Applications, which do not meet the above requirements, or Applications, which are incomplete, shall not be considered for allotment purposes.
15. The Banker's to the Issue shall be obliged to receive the A/C Payee Cheque(s) on the closing day of the subscription of the IPO.
16. **No sale of securities shall be made, nor shall any money be taken from any person, in connection with such sale until twenty five days after the prospectus has been published.**
17. **The applicants who have applied for more than two applications using same bank account, their applications will not be considered for lottery and the Commission will forfeit 15% of their subscription money too.**

BANKERS TO THE ISSUE

Brac Bank Limited (Lead Bank) Asad Gate Branch, Dhaka Banani Branch, Dhaka Bashundhara Branch, Dhaka Donia Branch, Dhaka Eskaton Branch, Dhaka Graphics Building Br., Dhaka Shyamoli Branch, Dhaka CDA Avenue Br., Chittagong Halisohor Br., Chittagong Gulshan Branch, Dhaka Manda Branch, Dhaka Mirpur Branch, Dhaka Narayangong Br., Dhaka Nawabpur Branch, Dhaka Rampura Branch, Dhaka Uttara Branch, Dhaka Kazirdeuri Br., Chittagong Bogra Branch, Bogra Rajshahi Branch, Rajshahi Jessore Branch, Jessore Khulna Branch, Khulna Barisal Branch, Barisal Zindabazar Branch, Sylhet Agrabad Br., Chittagong Momin Road Br., Chittagong Investment Corporation of Bangladesh (ICB) Head Office Br., Dhaka Local Office Br., Dhaka Chittagong Branch Rajshahi Branch Khulna Branch Barisal Branch Sylhet Branch Bogra Branch Trust Bank Limited Principal Branch, Dhaka Mirpur Branch, Dhaka Narayangonj Branch, Dhaka Narshingdhi Br., Dhaka Ashulia Branch, Dhaka S.S Cantt. Branch Comilla Cantt. Branch Jalalabad Cantt. Branch Khwaja Yunus Ali Medical College & Hospital Branch Shahjalal Uposhohor Br. Sylhet Barishal Branch Jessore Cantonment Branch Dilkusha Corp. Branch, Dhaka Karwan Bazar Branch, Dhaka Elephant Road Br, Dhaka Tongi Branch, Dhaka Momenshahi Cantt Branch Halishahar Branch Asugonj Branch Feni Branch Comilla Branch Rajshahi Branch Joypara Branch Radisson Water Garden Hotel Branch, Dhaka Uttara Corporate Br., Dhaka Dhanmondi Br, Dhaka Joydebpur Branch, Dhaka Savar Cantonment Branch Kadamtali Branch	Chowmohoni Branch Khulna Branch Bogra Cantonment Branch Rangpur Cantonment Branch Sylhet Corporate Branch Southeast Bank Limited Principal Br., Dhaka Agrabad Branch, Chittagong Imamgonj Br., Dhaka Dhanmondi Br., Dhaka Uttara Br., Dhaka Gulshan Br., Dhaka Kakrail Br., Dhaka Banani Br., Dhaka Bangshal Br., Dhaka Rupnagar Branch, Dhaka Pragoti Sarani Br., Dhaka Agargaon Br., Dhaka Sat Mashjid Road Br., Dhaka Rokeya Sarani Br., Dhaka Islampur Br., Dhaka Dakhin Khan Br., Dhaka Madam Bibir Hat Br., Chittagong Khatungonj Br., Chittagong Jubilee Road Br., Chittagong Oxygen More Br., Chittagong CDA Avenue Br, Chittagong Momin Road Br., Chittagong Hetimgonj Br., Sylhet Laldighirpaar Br., Sylhet Pahartali Br. Chittagong Bandar Bazar Br., Sylhet Moulovibazar Br., Sylhet Konabari Br., Gazipur Tongi Br., Gazipur Feni Branch Feni Rangpur Br., Rangpur Bogra Br., Bogra Khulna Br., Khulna Barisal Br., Barisal Naogaon Br., Naogaon Rajshahi Br., Rajshahi Comilla Br., Comilla Madhabdi Br., Narshingdi Narayangonj Br., Dhanial Br., (Rural) Dhaka Sir Iqbal Road Br. Khulna Dinajpur Br. Dinajpur Mohakhali Branch, Dhaka Savar Branch, Dhaka Mouchak Br., Dhaka Ashulia Br.(Rural) Dhaka Bashundhara Br., Dhaka Mohammadpur Br., Dhaka Bashurhat Br., Noakhali Chowmuhuni Br., Noakhali Chapainawabganj Br. Rajshahi Chhagalnaiya Br., Feni Joypara Br. Dhaka Cox,s Bazar Branch, Banasree Br. Dhaka Brahmanbaria Br. B.Baria Mercantile Bank Limited Main Br., Dhaka Dhanmondi Br., Dhaka Kawran Bazar Br. Dhaka Banani Br. Dhaka Naya Bazar Br., Dhaka	Mohakhali Br., Dhaka Mirpur Br., Dhaka Uttara Br., Dhaka Elephant Road Br. Dhaka Motijheel Br. Dhaka Agrabad Br., Chittagong Naogaon Br., Naogaon Rampura Branch , Dhaka Ring Road Br., Dhaka Bijoy Nagor Br., Dhaka Sylhet Br., Sylhet Jessore Br., Jessore Narayangonj Br., Narayangonj Gulshan Br., Dhaka Rajshahi Br., Rajshahi Khulna Br., Khulna Rangpur Br., Rangpur Bogra Br., Bogra Feni Br., Feni Barisal Br., Barisal Comilla Br., Comilla Dinajpur Br., Dinajpur Sat Mashjid Road Br., Dhaka Mutual Trust Bank Limited Babu Bazar Br., Dhaka Banani Br., Dhaka Baridhara Br., Dhaka Bashundhara Br., Dhaka Dhanmondi Br., Dhaka Dholaikhal Br., Dhaka Dilkusha Br., Dhaka Elephant Rd. Br., Dhaka Fulbaria Br., Dhaka Gulshan Br., Dhaka Konabari Br., Dhaka Kamrangir Char Br., Dhaka Kapasia Br., Gazipur Mohammadpur Br., Dhaka MTB Corp. Center Br., Dhaka Oxygen Mor Br., Chittagong Pallabi Br., Dhaka Panthapath Br., Dhaka Chandra Br., Dhaka Chokoria Br., Chittagong Comilla Br. Comilla Cox's Bazar Br., Cox' Bazar Principal Br., Dhaka Progati Sarani Br., Dhaka Savar Br., Dhaka Shanir Akhra Br., Dhaka Sonargaon Br., Dhaka Uttara Model Town Br., Dhaka Tongi Br., Gazipur Narayangonj Br., Narayangonj Sreenagar Br., Dhaka Agrabad Br., Chittagong Alankar Mour Br., Chittagong Aman Bazar Br., Chittagong CDA Avenue Br., Chittagong Chawk Moghaltuli Br., Dhaka Jubilee Road Br., Chittagong Dagonbhuiyan Br., Feni Dinajpur Br., Dinajpur Mymensingh Br., Mymensingh Naogaon Br., Naogaon Nazirhat Br., Chittagong Noria Br., Shariyattpur Shahparan Gate Br., Sylhet Thakurgaon Br., Thakurgaon Khatungonj Br., Chittagong	Khilpara Br., Chatkhil, Noakhali Feni Br., Feni Rajshahi Br., Rajshahi Rangpur Br., Rangpur Raipur Br., Laxmipur Bogra Br., Bogra Brahmanbaria Br. B'baria Pabna Br., Pabna Kushtia Br., Kushtia Sylhet Br., Sylhet Syedpur Br., Sunamganj Moulovi Bazar Br., Sylhet Gournadi Br., Barisal Gobindaganj Br.,Gobindaganj Jessore Br., Jessore Habigonj Br., Habigonj Ishwardi Br., Ishwardi Joypurhat Br., Joypurhat Sarulia Bazar Br., Dhaka Shah Mokhdum Avenue Br., Dhaka Dhaka Bank Limited Uttara Branch, Dhaka Khilgaoan Branch, Dhaka Goran SME Service Center, Dhaka Mirpur Branch, Dhaka CDA Avenue Branch, Chittagong Bhulta Branch, Narayangonj Rangpur Branch, Rangpur Kawranbazar Branch, Dhaka Dhanmondi Model Branch, Dhaka Mohakhali Branch, Dhaka Uposhahar Branch, Sylhet Faridpur Branch, Faridpur Comilla Branch, Comilla Rajshahi Branch, Rajshahi KDA Avenue Branch, Khulna Narayangonj Branch, Narayangonj National Bank Limited Agrabad Br. Chittagong Anderkillah Br. Chittagong Asadgate Branch, Dhaka Babubazar Branch, Dhaka Banani Branch, Dhaka Bangshal Branch, Dhaka Barishal Branch, Barishal Bogra Branch, Bogra CDA Avenue Br. Chaittagong Chawk Bazar Br. Chittagong Chowmohani Branch, Noakhali Comilla Branch, Comilla Dhanmondi Branch, Dhaka Dilkusha Br. Dhaka Elephant Road Branch, Dhaka Faridpur Branch, Faridpur Feni Branch, Feni Foreign Ex. Branch, Dhaka Gazipur Branch, Gazipur Gulshan Branch, Dhaka Halishahar Br. Chittagong Imamgonj Branch, Dhaka Islampur Branch, Dhaka Jatrabari Branch, Dhaka Jubille Road Br. Chittagong	Kawran Bazar Branch, Dhaka Khatungonj Br. Chittagong Khulna Br. Khulna Kisorgonj Br. Kisorgonj, Kisorgonj Lake Circus Br. Dhaka Malibug Branch, Dhaka Mirpur Branch, Dhaka Mohakhali Branch, Dhaka Motijheel Branch, Dhaka Mohammadpur Branch, Dhaka Muradpur Br. Chittagong Mymensingh Br. Mymensingh Narayangonj Branch, N'Gonj Narshingdi Branch, Narshingdi Netaigonj Branch, N'Gonj New Eskaton Branch, Dhaka North Brook Hall Branch, Dhaka Pagla Bazar Branch Pahartali Branch, Chittagong Pragati Sarani Branch, Dhaka Rajshahi Branch, Rajshahi Simanta Square Br. Dhaka Rokey Sarani Branch, Dhaka S.K. Mojib Road Br. Chittagong Sunamgonj Br. Sunamgonj Savar Bazar Branch, Dhaka Sylhet Br. Sylhet Tangail Br. Tangail Tongi Br. Gazipur Uttara Branch, Dhaka Z.H. Sikder M.C. Br. Dhaka Zindabazar Br. Sylhet Standard Bank Limited Principal Branch, Dhaka Foreign Exchange Br., Dhaka Topkhana Road Br., Dhaka Imamgonj Branch, Dhaka Gulshan Br. Gulshan-2,Dhaka Dhanmondi Branch Dhaka Mirpur Branch, Dhaka Uttara Branch, Dhaka Panthapath Br., Dhaka Banani Branch Dhaka Pragoti Sarani Br., Dhaka Nawabpur Road Br., Dhaka Green Road Branch, Dhaka Narayangonj Br., Narayangonj Jubilee Road Br., Chittagong Agrabad Br., Chittagong Khatungonj Br.,Chittagong CDA Avenue Br., Chittagong Sadarghat Br., Chittagong Commilla Branch Commilla Sylhet Branch, Sylhet Beani Bazar Br., Sylhet Mouli Bazar Branch, Sylhet Mymensingh Br.,Mymensingh Rangpur Branch Rangpur Dinajpur Br., Dinajpur Rajshahi Branch, Rajshahi Jessore Br., Jessore Khulna Branch Khulna Kushtia Br., Kushtia Faridpur Br., Faridpur Barisal Br., Barisal
--	--	--	---	---

শ্রদ্ধা বিক্রয় করিবে।

"Interested persons are entitled to a prospectus, if they so desire. Copies of prospectus may be obtained from the issuer and the issue manager"

FAR CHEMICAL INDUSTRIES LTD.

APPLICATION FORM

APPLICATION FOR SHARES BY NON-RESIDENT BANGLADESHIS

(TO BE SENT DIRECTLY TO THE COMPANY'S CORPORATE OFFICE)

Warning: Please read the instructions on the back of this form. Incorrectly filled Applications or Applications failing to comply with any of the instructions therein may be rejected.

The Managing Director

Far Chemical Industries Ltd.

M.L. Tower (5th Floor), 1 East Rampura D.I.T Road, Dhaka-1219, Bangladesh

Dear Sir,

I/we apply for and request you to allot me/us numbers of Shares and I/we agree to accept the same or any smaller number that may be allotted to me/us upon terms of the Company's Prospectus approved by the Bangladesh Securities and Exchange Commission subject to the Memorandum and Articles of Association of the Company. Further, I/we authorize you to place my/our name(s) on the Register of Member(s) of the Company and deposit the said ordinary shares in my Beneficiary Owner ("BO") account; I/we further authorize you to send a crossed (Account Payee only) cheque in respect of any Application money refundable to me/us by post/courier at my/our risk to the first applicant's address stated below:

1. No. of Ordinary Shares of Tk. 10.00 each at par.

2. Total subscription money of the amount of Tk. (in figures) Taka (in words).....only convertible into USD at the rate of US Dollar 1.00 = Tk. /UK Pound Sterling 1.00 = Tk. /EURO 1.00 = Tk. Payment by Draft/Cheque No.....date.....for US Dollar/ UK Pound Sterling/EURO/Tk. drawn on.....Bank.....Branch.

3. Beneficiary Owner (BO) A/C No.

(If you do not mention your valid BO A/C No. your application will be treated as invalid)

4. I/we agree to fully abide by the instructions given herein.

5. Particulars of Applicant(s)

a) Sole/First Applicant

Name:	
Father's/Husband's Name:	
Mother's Name:	
Mailing Address:	
Occupation:	Nationality:
Passport No. :	Valid up to:
Date of Birth:	
For Refunds: Please write the correct and full name of bank and branch (Application will not be treated as valid if any one uses a non-scheduled bank. Applicants are requested not to use the name of any non-scheduled bank).	
Applicants Bank A/c no.	Branch :
Name of the Bank:	

b) Second Applicant

Name:	
Father's/Husband's Name:	
Mother's Name:	
Mailing Address:	
Occupation:	Nationality:
Passport No. :	Valid up to:
Date of Birth:	

Nominee's Name:	
Mailing Address:	

6. I/we hereby declare that I/we have read the Prospectus of **Far Chemical Industries Limited** and have willingly subscribed for No. of Ordinary Shares of Tk. 10.00 each at par.

7. Specimen Signature(s):

Name in Block Letters	Signature
Sole/First Applicant:	
Second Applicant:	
Nominee:	

*Please see the instructions in paragraphs 14 and 15 for the evidence required to establish Non-Resident Bangladeshi status.

INSTRUCTIONS

1. As per provision of Depository Act, 1999 and regulations made there under shares will only be issued in dematerialized condition. Please mention your Beneficiary Owner (BO) Account number in the Application form. If you do not mention your valid BO account number your application will be treated as invalid.
2. All information must be typed or written in full (in Block Letters) in English and must not be abbreviated.
3. An Application must not be for less than **500** Ordinary Shares and must be for a multiple of **500** Ordinary Shares. Any Application not meeting these criteria will not be considered for allotment purpose.
4. Application must be accompanied by a foreign demand draft drawn on a bank payable at Dhaka or cheque drawn out of foreign currency deposit account maintained in Bangladesh for the full value of shares favoring **"Far Chemical Industries Limited"** and crossed **"Account Payee Only."**
5. An application shall be sent by the applicant directly to the Company within 16/03/2014 so as to reach the Company within 25/03/2014 Any Application sent after 25/03/2014 or received by the Company after 25/03/2014 will not be considered for allotment purpose.
6. Refund against over-subscription shall be made in the currency in which the value of shares was paid for by the applicant at the same rate as stated on the application form through A/C Payee Cheque payable at Dhaka with bank account number, bank's name and Branch as indicated in the securities application form.
7. In case of over-subscription, allotment shall be made by lottery solely in accordance with the instructions of BSEC.
8. Money receipt of clearance of draft or cheque, as the case may be, shall be sent by post to the applicant by the Company.
9. **Joint Application by two persons will be acceptable. In such a case, allotment of refund shall be made to the first applicant. Note that a non-resident Bangladeshi (NRB) applicant cannot submit more than two applications, one in his /her own name and another jointly with another person by one cheque/DD/PO by USD/GBP/EURO/BDT (supported by a foreign currency encashment certificate). More than two applications by one cheque/DD/PO by USD/GBP/Euro/BDT (supported by a foreign currency encashment certificate) will not be allowed.**
10. Application must be made by an individual, a corporation or company, a trust or a society and not by a firm, minor or persons of unsound mind.
11. Making of any false statement in the application or supplying of incorrect information therein or suppressing any relevant information in the application shall make the Application liable to rejection and subject to forfeiture of application money and/or forfeiture of the share (unit) before or after issuance of the same by the issuer. The said forfeited application money or share (unit) will be deposited in account specified by the Bangladesh Securities and Exchange Commission (BSEC). This may be in addition to any other penalties as may be provided for by law.
12. The intending NRB applications shall deposit the share subscription money by a US \$/UK Pound Sterling/ EURO demand draft drawn on any bank and payable in Dhaka, Bangladesh, or through a nominee paying out of foreign currency deposit account maintained in Bangladesh or in Taka, supported by a foreign currency encashment certificate issued by the concerned bank, for the value of securities applied for through crossed bank cheque making "Account Payee only". So that the issuer's collecting bank can clear the proceeds and deposit the same into issuer bank's account in time.
13. The spot buying rate (TT Clean) in US Dollar, UK Pound Sterling and EURO of Sonali bank as prevalent at the day of subscription opening will be applicable for the Non Resident Bangladeshi (NRB) applicants.
14. The applicant shall furnish photocopies of relevant pages of valid passports in support of his /her being a NRB, dual citizenship or of the foreign passport bearing an endorsement from the concerned Bangladeshi Embassy to the effect that no Visa is required for him/her to travel to Bangladesh.
15. In case of joint application, the joint applicant shall also submit supporting papers/ documents in support of his being an NRB as mentioned in paragraph 14.
16. **An applicant cannot submit more than two applications, one in his /her own name and another jointly with another person. In the event an applicant makes more than two Applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, 15% (fifteen) of the application money will be forfeited by the commission and the balance amount will be refunded to the applicant.**
17. No issue of ordinary shares shall be made nor shall any money be taken from any person, in connection with such issue and subscription, until 25 days after the Prospectus has been published.
18. In the case of non-allotment of the ordinary shares, if the applicants' bank accounts as mentioned in their application forms are maintained with any of the bankers to the issue, the amount refunded to those applicants will be directly certified into their ordinary respective bank accounts as mentioned in their application forms. Otherwise, refunds will be made only through "Account Payee" cheque(s) with bank account number and name of bank branch as mentioned in the application form, payable at Dhaka, Chittagong, Khulna, Barisal, Rajshahi or Sylhet, as the case may be.
19. **The applicants who have applied for more than two applications using same bank account, their applications will not be considered for lottery and the Commission will forfeit 15% of their subscription money too.**

THE NRB APPLICATION ALONG WITH THE FOREIGN CURRENCY DRAFT, AS ABOVE, IS TO BE SUBMITTED TO THE COMPANY'S HEAD OFFICE DIRECTLY WITHIN THE STIPULATED TIME MENTIONED IN PARA 5.

“Interested persons are entitled to a prospectus, if they so desire, and that copies of prospectus may be obtained from the issuer and the issue manager”
Far Chemical Industries Ltd.

APPLICATION FOR SHARES BY AFFECTED SMALL INVESTORS (附錄三)

The Managing Director
Far Chemical Industries Ltd.
M.L. Tower (5th Floor), 1 East Rampura D.I.T Road, Dhaka-1219, Bangladesh

Bankers SL. No

I/we apply for and request you to allot me/us numbers of Shares and I/we agree to accept the same or any smaller number that may be allotted to me/us upon terms of the Company's Prospectus approved by the Securities and Exchange Commission subject to the Memorandum and Articles of Association of the Company. Further, I/we authorize you to place my/our name(s) on the Register of Member(s) of the Company and deposit the said ordinary shares in my Beneficiary Owner ("BO") account; I/we further authorize you to send a crossed (Account Payee only) cheque in respect of any Application money refundable to me/us by post/courier at my/our risk to the first applicant's address stated below:

- [illegible]

(If you do not mention your valid BO A/C No. your application will be treated as invalid)

5. I/we agree to fully abide by the instructions given herein.

6. Particulars of Applicant(s)

a) Sole/First Applicant

Name:	
Father's/Husband's Name:	
Mother's Name:	
Mailing Address:	
Occupation:	Nationality:
Passport No. :	Valid up to:
Date of Birth:	
For Refunds: Please write the correct and full name of bank and branch (Application will not be treated as valid if any one uses a non-scheduled bank. Applicants are requested not to use the name of any non-scheduled bank).	
Applicants Bank A/c no. Name of the Bank:	Branch :

The applicant shall provide the same Bank Account number in the application form as it is in the BO account of the applicant.

b) Second Applicant

Name:	
Father's/Husband's Name:	
Mother's Name:	
Mailing Address:	
Occupation:	Nationality:
Passport No. :	Valid up to:
Date of Birth:	
Nominee's Name:	
Mailing Address:	

7. I/we hereby declare that I/we have read the Prospectus of Far Chemical Industries Limited. and have willingly subscribed for No. of Ordinary Shares of Tk. 10.00 each at par.

8. Specimen Signature(s):

Name in Block Letters		Signature
Sole/First Applicant:		
Second Applicant:		

* In case of deposit into the applicants' bank account, the applicant will bear the applicable service charge, if any, of the applicants' banker and the issuer shall simultaneously issue a letter of intimation to the applicant containing, among others, the date and amount remitted with details of the bank through and to which bank such remittance has been effected.

BANKERS' ACKNOWLEDGEMENT

Certified that this Bank has received Tk. (in figures).....(in word) only from Mr./Mrs./MS.....being the Application money for Ordinary Shares of Far Chemical Industries Ltd.

Banker's SL No.

Seal & Date

Authorized Signature
(Name & Designation)

INSTRUCTIONS

1. As per provision of the Depository Act, 1999 and regulations made there under shares will only be issued in dematerialized condition. Please mention your BO (Beneficiary Owner) account number in the Application Form. If you do not mention your valid BO (Beneficiary Owner) Account, your application will be treated as invalid.
2. All information must be typed or written in full (in block letters) in English or in Bengali and must not be abbreviated.
3. Application must be made on the Company's printed form/photocopy or on typed copy/hand written form thereof.
4. Application must not be for less than **500** ordinary shares and must be for a multiple of **500** ordinary shares. Any application not meeting these criterions will not be considered for allotment purpose.
5. Remittance for the full amount of the shares must accompany each application and must be forwarded to any of the Bankers' to the Issue. Remittance should be in the form of cash/cheque/bank draft/pay order payable to one of the Bankers' to the Issue favoring "**Far Chemical Industries Ltd. "** and crossed "**A/C Payee only**" and must be drawn on a bank in the same town as the bank to which the application form has been sent.
6. In the case of a joint application form, the Allotment letter will be dispatched to the person whose name appears first on this application form and where amount is refundable in whole or in part the same will be refunded by by Account Payee cheque by post/courier service to the person named first on this application form in the manner prescribed in the Prospectus.
7. Joint application form for more than two persons will not be accepted. In case of joint application, each party must sign the application form.
8. Applications must be in the full name of individuals or companies or societies or trusts and not in the name of firms, minors or persons of unsound mind. Application from financial and market intermediary companies and private companies must be accompanied by Memorandum of Association and Articles of Associations and Certificate of Incorporation.
9. **An applicant cannot submit more than two applications, one in his/her own name and another jointly with another person. In case an applicant makes more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, 15% (fifteen) of the application money will be forfeited by the Commission and the balance amount will be refunded to the applicant.**
10. No receipt will be issued for the payment made with application, but the bankers will issue a provisional acknowledgement to the issue for application lodged with them.
11. In the case of non-allotment of securities, if the applicants' bank accounts as mentioned in their IPO Application Forms are maintained with the Bankers to the Issue, refund amount of those applicants will be directly credited into the respective bank accounts as mentioned in their IPO Application Forms. Otherwise, refund will be made only through "Account Payee" cheque(s) showing bank account number and name of bank and branch as mentioned in the application payable at Dhaka or Chittagong, as the case may be.
12. Allotment shall be made solely in accordance with the instructions of the Bangladesh Securities and Exchange Commission.
13. Making of any false statement in the application or supplying of incorrect information therein or suppressing any relevant information shall make the application liable to rejection and subject to forfeiture of application money and / or forfeiture of share (unit) before or after issuance of the same by the issuer. The said forfeited Application money or share (unit) will be deposited in account specified by the Bangladesh Securities and Exchange Commission (BSEC). This may be in addition to any other penalties as may be provided for by the law.
14. **Applications which do not meet the above requirements, or applications, which are incomplete, shall not be considered for allotment purpose.**
15. **The Bankers' to the Issue shall be obliged to receive the A/C Payee Cheque(s) on the closing day of the subscription of the IPO.**
16. **No sale of securities shall be made nor shall any money be taken from any person, in connection with such sale until twenty five days after the prospectus have been published.**
17. **The applicants who have applied for more than two applications using same bank account, their application will not be considered for lottery and the Commission will forfeit 15% (fifteen) of their subscription money.**