FINANCIAL STATEMENTS (UN-AUDITED)

OF

GLOBAL HEAVY CHEMICALS LTD.

For the 1st Quarter Ended September 30, 2017

==========

Head Office:
37, Segun Bagicha, Dhaka -1000,
Tel : 880-2-9330191, 9357244. Fax: 880-2-8312919
email:info.ghcl@opsonin.net, web: www.ghclbd.com

GLOBAL HEAVY CHEMICALS LTD.
Statement of Financial Position (Un-audited)
As at 30 September 2017

(Amount in Taka)

	Notes	30-Sep-17	30-Jun-17
ASSETS			
Non-Current Assets		**3,866,707,141**	**3,832,436,786**
Property, Plant & Equipment -Carrying Value	3.00	3,866,707,141	3,832,436,786
Current Assets		**605,618,209**	**613,510,044**
Advances, Deposits and Prepayments	4.00	137,421,700	137,532,027
Inventories	5.00	185,692,107	181,196,398
Trade Receivable		250,200,187	261,143,531
Cash and cash equivalents	6.00	32,304,214	33,638,088
TOTAL ASSETS		**4,472,325,350**	**4,445,946,831**
EQUITY AND LIABILITIES			
Shareholders equity		**3,893,750,917**	**3,874,883,329**
Share Capital		720,000,000	720,000,000
Share Premium		1,083,400,000	1,083,400,000
Revaluation Reserve		1,525,671,614	1,525,671,614
Retained Earnings		564,679,303	545,811,715
Non-Current Liabilities		**378,398,479**	**374,583,691**
Deferred Tax (Assets)/Liabilities	7.00	378,398,479	374,583,691
Current Liabilities & Provisions		**200,175,954**	**196,479,810**
Trade Payable		2,249,500	2,129,345
Provision & Liabilities for Expenses		40,929,923	39,759,933
Share money (Refundable)		11,545,000	11,545,000
Advance against Sales		5,534,956	5,319,509
Short term Bank Loan		29,806,996	31,348,691
Provision for WPPF		6,462,508	5,204,669
Provision for Tax		103,647,072	101,172,664
TOTAL EQUITY AND LIABILITIES		**4,472,325,350**	**4,445,946,831**
Net Asset Value per share		**54.08**	**53.82**

Company Secretary | Chief Financial Officer | Director | Managing Director | Chairman

Date: Dhaka
November 15, 2017

GLOBAL HEAVY CHEMICALS LTD. GLOBAL GHCL 37, SEGUN BAGICHA, DHAKA-1000

GLOBAL HEAVY CHEMICALS LTD.

Statement of Profit or Loss and Others Comprehensive Income (Un-Audited)

For the 1st Quarter ended September 30, 2017

(Amount in Taka)

HEADS OF ACCOUNTS	Notes	July 2017 to September 2017	July 2016 to September 2016
Net Sales		139,520,265	119,764,752
Cost of Goods Sold	8.00	(99,254,814)	(84,570,088)
Gross Profit		**40,265,450**	**35,194,663**
Operating Expenses		**(8,952,776)**	**(8,610,664)**
Office & administrative Expenses	9.00	(7,290,149)	(7,034,041)
Selling & Distribution Expenses	10.00	(1,662,627)	(1,576,623)
Operating Income		**31,312,674**	**26,583,999**
Financial Expenses		(4,992,161)	(3,042,587)
Other Income		94,110	125,480
Net Profit before WPPF & Tax		**26,414,623**	**23,666,892**
Provision For WPPF		(1,257,839)	(1,126,995)
		25,156,784	**22,539,897**
Income Tax Expenses		**(6,289,196)**	**(5,634,974)**
Provision for Current Tax		(2,474,408)	(3,645,836)
Provision for Deferred Tax		(3,814,788)	(1,989,138)
Profit after tax		**18,867,588**	**16,904,923**
Earnings Per Share		**0.26**	**0.23**

Company Secretary | Chief Financial Officer | Director | Managing Director | Chairman

Date: Dhaka
November 15, 2017

GLOBAL HEAVY CHEMICALS LTD. GLOBAL GHCL HEAVY CHEMICALS LTD. 17, SEGUN BAGICHA, DHAKA-1000

GLOBAL HEAVY CHEMICALS LTD.
Statement of Changes in Equity (Un-Audited)
For the 1st Quarter ended September 30, 2017

(Amount in Taka)

Particulars	Share Capital	Share premium	Retained Earnings	Revaluation Surplus	Total Shareholders Equity
Balance as at July 01, 2017	720,000,000	1,083,400,000	545,811,715	1,525,671,614	3,874,883,329
Net profit during the Period	-	-	18,867,588	-	18,867,588
Balance as at September 30, 2017	**720,000,000**	**1,083,400,000**	**564,679,303**	**1,525,671,614**	**3,893,750,917**

For the 1st Quarter ended September 30, 2016

(Amount in Taka)

Particulars	Share Capital	Share premium	Retained Earnings	Revaluation Surplus	Total Shareholders Equity
Balance as at July 01, 2016	720,000,000	1,083,400,000	501,184,184	1,525,671,614	3,830,255,798
Net profit during the Period	-	-	16,904,923	-	16,904,923
Balance as at September 30, 2016	**720,000,000**	**1,083,400,000**	**518,089,107**	**1,525,671,614**	**3,847,160,721**

Company Secretary | Chief Financial Officer | Director | Managing Director | Chairman

Date: Dhaka
November 15, 2017

GLOBAL HEAVY CHEMICALS LTD.

Statement of Cash Flow (Un-Audited)

For the 1st Quarter ended September 30, 2017

PARTICULARS	July 2017 to September 2017	July 2016 to September 2016
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Cash Receipts:	**150,773,166**	**133,138,492**
Cash Receipts from Customers	150,679,056	133,013,012
Cash Receipts from Others Income	94,110	125,480
Cash Payments:	**99,246,145**	**69,322,021**
Cash paid to suppliers, employees & others	92,434,307	61,403,507
Income Tax	1,819,677	4,875,927
Bank Interest & Charges Paid	4,992,161	3,042,587
Net Cash Provided by Operating Activities:	**51,527,021**	**63,816,471**
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Fixed Assets Addition	(50,960,260)	(65,380,663)
Net Cash Used in Investing Activities:	**(50,960,260)**	**(65,380,663)**
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Bank loan (Short term loan)	(1,541,695)	1,460,263
Dividend Paid	(358,940)	(38,750)
Net Cash provided by Financing Activities:	**(1,900,635)**	**1,421,513**
D. Net Cash Inflow (A+B+C):	**(1,333,874)**	**(142,679)**
E. Opening Cash & Cash Equivalent	**33,638,088**	**28,983,101**
F. Closing Cash & Cash Equivalent (D+E):	**32,304,214**	**28,840,423**
Net Operating Cash flow per share:	**0.72**	**0.89**

Company Secretary | Chief Financial Officer | Director | Managing Director | Chairman

Date: Dhaka
November 15, 2017

GLOBAL HEAVY CHEMICALS LTD. GLOBAL GHCL HEAVY CHEMICALS LTD. 37, SEGUN BAGICHA, DHAKA-1000

GLOBAL HEAVY CHEMICALS LIMITED

37, SEGUN BAGICHA
DHAKA-1000
Notes to the Financial Statements (Un- Audited)
For the 1st Quarter ended 30 September 2017

1. Reporting Entity

Global Heavy Chemicals Limited (GHCL) was incorporated as a Private Limited Company on the 19th day of September 2000 under the Companies Act, 1994 with the Registrar of Joint Stock Companies & Firms vide Incorporation No.C-41335(694)/2000. It was converted into a Public Limited Company on 16 September 2010. Its authorized Capital is BDT 1,000.00 million and present paid-up capital is BDT 720.00 million. The company went for Initial public offering of shares in December 2012 which was fully subscribed and issued. The company was listed with Dhaka Stock Exchange Limited (DSE) and Chittagong Stock Exchange Limited (CSE) on 6 March 2013. The company has started its commercial operation on 15 October 2002. Plant of Global Heavy Chemicals Limited (GHCL) is located on the southern part of Dhaka district in Hasnabad union under Keraigonj Upazilla on the south side of the river Buriganga. The principal activities and nature of the business of the company is to manufacture and distribute Sodium Hydroxide (Caustic Soda), Chlorine and other chemical products.

2. Significant Accounting Policies:

2.1 Basis of Preparation of Financial Statements

The Financial Statements of the Company are prepared on a going concern basis under historical cost convention and in accordance with the requirements of Bangladesh Accounting Standards BAS-34 "Interim Financial Reporting", Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994, the Securities and Exchange Rules 1987 and other laws and rules applicable in Bangladesh.

These financial statements for the 1st Quarter ended 30 September 2017 should be read in conjunction with the Financial Statements for the year ended 30 June 2017 (hereafter referred to as the "Annual Financial Statements"), as they provide an update to previously reported information. This interim financial report includes only those selected explanatory notes as were deemed appropriate for better understanding of unaudited financial statements.

No adjustments have been made for inflationary factors affecting the financial statements. No changes in the basis of accounting like valuation of stocks, method of charging depreciation, etc. were made during the 1st Quarter ended 30 September 2017.

2.2 Revenue Recognition:

Revenue is recognized only when it is probable that the economic benefit of such transaction has been derived as per "BAS-18".

Sales revenue is recognized when transactions related to sales are completed and the sales invoices are issued in favor of the buyers.

GLOBAL HEAVY CHEMICALS LTD. GLOBAL GHCL 37, SEGUN BAGICHA, DHAKA-1000

		30-Sep-17	30-Jun-17
3.00	**Property, Plant & Equipment -Carrying Value**		
	Opening balance	4,258,270,704	4,134,345,046
	Add: Addition during the Period	50,960,260	123,925,658
		4,309,230,964	4,258,270,704
	Less: Accumulated depreciation up to last account	425,833,918	357,910,364
		3,883,397,046	3,900,360,340
	Less: Depreciation charged during the Period	16,689,905	67,923,554
	Written Down Value	**3,866,707,141**	**3,832,436,786**
4.00	**Advances, Deposits and Prepayments**		
	Security Deposits	24,098,267	24,098,267
	Advance Tax	19,300,740	17,481,063
	Advance VAT	4,186,917	3,969,153
	Other Advance & Deposit (Note: 4.01)	89,835,776	91,983,543
	Total:	**137,421,700**	**137,532,027**
4.01	**Other Advance & Deposit**		
	Advance to C & F agent	9,870,090	8,157,099
	Advance to Carrying agent	2,889,945	2,388,384
	Advance to supplier	30,691,843	28,683,965
	Advance for construction work	-	14,420,294
	Advance to employee	14,026,857	11,592,444
	L/C Margin	29,181,202	24,116,696
	Other advance expenses and deposited	3,175,840	2,624,661
	Total:	**89,835,776**	**91,983,543**
5.00	**Inventories**		
	Raw Materials	115,711,117	107,139,924
	Packing Materials	13,873,864	12,846,171
	Finished Goods	48,109,666	53,805,247
	Materials in Transit	7,997,460	7,405,056
	Total:	**185,692,107**	**181,196,398**
6.00	**Cash and Cash Equivalents**		
	Cash in hand	2,845,810	3,154,871
	Cash at bank	29,458,404	30,483,217
	Total	**32,304,214**	**33,638,088**
7.00	**Deferred Tax (Assets)/Liabilities**		
	This represents provision is made for deferred income tax to pay future income tax liability for temporary differences which is arrived at as follows:		
	Opening Balance	374,583,691	357,223,168
	Provision made for the current Period	3,814,788	17,360,523
	Total	**378,398,479**	**374,583,691**
	Calculation:		
	Written Down Value excluding Land (Account Base)	2,142,408,264	2,102,599,985
	Written Down Value excluding Land (Tax Base)	628,577,146	604,265,222
	Temporary Difference	1,513,831,117	1,498,334,763
	Tax Rate	25%	25%
	Deferred Tax (Assets)/Liabilities	**378,457,779**	**374,583,691**

GLOBAL HEAVY CHEMICALS LTD. GLOBAL GHCL HEAVY CHEMICALS LTD.

		July 2017 to September 2017	July 2016 to September 2016
8.00	**Cost of Goods Sold**		
	Materials Consumed (Note-8.01)	30,296,794	22,005,843
	Direct Labour	4,283,014	4,061,654
	Manufacturing Overhead (Note-8.02)	58,979,426	51,167,868
	Cost of Production	93,559,233	77,235,365
	Add: Opening Stock of Finished Goods	53,805,247	51,778,299
		147,364,480	129,013,664
	Less: Closing Stock of Finished Goods	(48,109,666)	(44,443,576)
	Cost of Goods Sold:	**99,254,814**	**84,570,088**
8.01	**Materials Consumed**		
	Opening Stock of Raw Materials	114,544,980	113,456,270
	Opening Stock of Packing Materials	12,846,171	12,648,680
	Add: Raw Materials Purchase	39,015,554	16,835,921
	Add: Packing Materials Purchases	1,472,530	1,212,458
		167,879,235	144,153,329
	Less: Closing Stock of Raw Materials	(123,708,577)	(109,378,643)
	Less: Closing Stock of Packing Materials	(13,873,864)	(12,768,842)
	Materials Consumed:	**30,296,794**	**22,005,843**
8.02	**Manufacturing Overhead**		
	Carriages	1,641,727	1,548,799
	Gas Expenses	39,788,684	32,217,063
	Fuel and Lubricants	1,232,827	1,252,873
	Depreciation	15,855,410	15,781,685
	Rrepair & Maintenance	460,778	367,447
	Manufacturing Overhead:	**58,979,426**	**51,167,868**
9.00	**Office & Administrative Expenses**		
	Salary & Allowances	4,148,342	3,992,968
	Managing Director's Salary	360,000	360,000
	Director remuneration	420,000	420,000
	Office rent	150,000	150,000
	Telephone	140,952	131,040
	Printing & Stationery	283,042	263,138
	Electricity	84,026	78,117
	Postage	107,468	99,911
	Entertainment	60,090	55,864
	Computer Repairs and Accessories	136,673	127,062
	Traveling and Conveyance	74,911	69,643
	Annual Subscription and Professional fees	221,088	205,541
	Books, Papers & Periodicals	27,247	25,331
	Advertisement	127,150	118,209
	Vehicles Maintenance	114,665	106,602
	Depreciation	834,495	830,615
	Total	**7,290,149**	**7,034,041**
10.00	**Selling & Distribution Expenses**		
	Salary & Allowances	394,112	373,725
	Delivery Expenses	193,520	183,510
	Carton Expenses	816,928	774,670
	Vehicles Maintenance	258,067	244,718
	Total	**1,662,627**	**1,576,623**

MARSTOCK

GLOBAL HEAVY CHEMICALS LTD. GLOBAL GHCL HEAVY CHEMICALS LTD. 37, SEGUN BAGICHA, DHAKA-1000