FINANCIAL STATEMENTS (UN-AUDITED)

OF

GLOBAL HEAVY CHEMICALS LTD.

For the 3rd Quarter Ended 31 March 2018

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GLOBAL HEAVY CHEMICALS LTD.
Statement of Financial Position (Un-audited)
As at 31 March 2018

(Amount in Taka)

	Notes	31-Mar-18	30-Jun-17
ASSETS			
Non-Current Assets			
Property, Plant & Equipment -Carrying Value	3.00	**3,888,762,665**	**3,832,436,786**
Current Assets		**618,059,600**	**613,510,044**
Advances, Deposits and Prepayments	4.00	149,515,195	137,532,027
Inventories	5.00	178,001,047	181,196,398
Trade Receivable		258,293,674	261,143,531
Cash and cash equivalents	6.00	32,249,684	33,638,088
TOTAL ASSETS		**4,506,822,266**	**4,445,946,831**
EQUITY AND LIABILITIES			
Shareholders equity		**3,915,567,277**	**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		586,495,663	545,811,715
Non-Current Liabilities		**387,986,887**	**374,583,691**
Deferred Tax (Assets)/Liabilities	7.00	387,986,887	374,583,691
Current Liabilities & Provisions		**203,268,101**	**196,479,810**
Trade Payable		2,470,552	2,129,345
Provision & Liabilities for Expenses		37,655,529	39,759,933
Share money (Refundable)		11,545,000	11,545,000
Advance against Sales		5,153,043	5,319,509
Short term Bank Loan		33,482,931	31,348,691
Provision for WPPF		4,198,597	5,204,669
Provision for Tax		108,762,450	101,172,664
TOTAL EQUITY AND LIABILITIES		**4,506,822,266**	**4,445,946,831**
Net Asset Value per share		**54.38**	**53.82**

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

Date: Dhaka
April 29, 2018

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

GLOBAL HEAVY CHEMICALS LTD.

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

For the 3rd Quarter ended 31 March 2018

(Amount in Taka)

HEADS OF ACCOUNTS	Notes	July 2017 to March 2018	July 2016 to March 2017	January 2018 to March 2018	January 2017 to March 2017
Net Sales		435,225,066	398,754,411	143,771,975	143,383,401
Cost of Goods Sold	8.00	(306,912,357)	(280,370,685)	(99,669,514)	(99,199,089)
Gross Profit		**128,312,709**	**118,383,726**	**44,102,460**	**44,184,312**
Operating Expenses		**(30,293,475)**	**(29,545,753)**	**(11,165,767)**	**(10,945,277)**
Office & administrative Expenses	9.00	(25,597,691)	(24,990,114)	(9,752,464)	(9,583,139)
Selling & Distribution Expenses	10.00	(4,695,784)	(4,555,639)	(1,413,303)	(1,362,138)
Operating Income		**98,019,234**	**88,837,973**	**32,936,693**	**33,239,035**
Financial Expenses		(10,274,580)	(8,099,875)	(2,750,036)	(2,748,756)
Other Income		425,874	293,762	109,090	102,458
Net Profit before WPPF & Tax		**88,170,528**	**81,031,859**	**30,295,747**	**30,592,737**
Provision For WPPF		(4,198,597)	(3,858,660)	(1,442,655)	(1,456,797)
		83,971,931	**77,173,199**	**28,853,092**	**29,135,940**
Income Tax Expenses		**(20,992,983)**	**(19,293,300)**	**(7,213,273)**	**(7,283,985)**
Provision for Current Tax		(7,589,786)	(8,735,801)	(2,418,370)	(3,006,672)
Provision for Deferred Tax		(13,403,197)	(10,557,499)	(4,794,903)	(4,277,313)
Profit after tax		**62,978,948**	**57,879,900**	**21,639,819**	**21,851,955**
Earnings Per Share		**0.87**	**0.80**	**0.30**	**0.30**

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

Date: Dhaka
April 29, 2018

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

GLOBAL HEAVY CHEMICALS LTD.
Statement of Changes in Equity (Un-Audited)

For the 3rd Quarter ended 31 March 2018

(Amount in Taka)

Particulars	Share Capital	Share premium	Retained Earnings	Revaluation Surplus	Total Shareholders Equity
Balance as at 01 July 2017	720,000,000	1,083,400,000	545,811,715	1,525,671,614	3,874,883,329
Dividend payable for the year 2016-17			(22,295,000)		(22,295,000)
Net profit during the Period	-	-	62,978,948	-	62,978,948
Balance as at 31 March 2018	**720,000,000**	**1,083,400,000**	**586,495,663**	**1,525,671,614**	**3,915,567,277**

For the 3rd Quarter ended 31 March 2017

Particulars	Share Capital	Share premium	Retained Earnings	Revaluation Surplus	Total Shareholders Equity
Balance as at 01 July 2016	720,000,000	1,083,400,000	501,184,184	1,525,671,614	3,830,255,798
Dividend paid for the year 2015-16			(33,442,500)		(33,442,500)
Net profit during the Period	-	-	57,879,900	-	57,879,900
Balance as at 31 March 2017	**720,000,000**	**1,083,400,000**	**525,621,584**	**1,525,671,614**	**3,854,693,198**

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

Date: Dhaka
April 29, 2018

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

GLOBAL HEAVY CHEMICALS LTD.
Statement of Cash Flow (Un-Audited)
For the 3rd Quarter ended 31 March 2018

PARTICULARS	July 2017 to March 2018	July 2016 to March 2017
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Cash Receipts:	**439,173,583**	**425,041,729**
Cash Receipts from Customers	438,747,709	424,747,967
Cash Receipts from Others Income	425,874	293,762
Cash Payments:	**313,388,500**	**299,878,064**
Cash paid to suppliers, employees & others	289,132,139	272,473,571
Income Tax	13,981,781	19,304,618
Bank Interest & Charges Paid	10,274,580	8,099,875
Net Cash Provided by Operating Activities:	**125,785,084**	**125,163,665**
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Fixed Assets Addition	(106,960,260)	(65,523,052)
Capital Work in Progress	-	(30,982,318)
Net Cash Used in Investing Activities:	**(106,960,260)**	**(96,505,370)**
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Bank loan (Short term loan)	2,134,240	1,158,139
Dividend Paid	(22,347,468)	(33,490,775)
Net Cash provided by Financing Activities:	**(20,213,228)**	**(32,332,636)**
D. Net Cash Inflow (A+B+C):	**(1,388,404)**	**(3,674,341)**
E. Opening Cash & Cash Equivalent	**33,638,088**	**28,983,101**
F. Closing Cash & Cash Equivalent (D+E):	**32,249,684**	**25,308,759**
Net Operating Cash flow per share:	**1.75**	**1.74**

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

Date: Dhaka
April 29, 2018

GLOBAL HEAVY CHEMICALS LTD. GLOBAL GHCL 57, SEGUN BAGICHA, DHAKA-1000

GLOBAL HEAVY CHEMICALS LIMITED

37, SEGUN BAGICHA
DHAKA-1000
Notes to the Financial Statements (Un- Audited)
For the 3rd Quarter ended 31 March 2018

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 3rd Quarter ended 31 March 2018 should be read in conjunction with the Financial Statements for the year ended 30 June 2018 (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 3rd Quarter ended 31 March 2018.

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.

		31-Mar-18	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	106,960,260	123,925,658
		4,365,230,964	4,258,270,704
	Less: Accumulated depreciation up to last account	425,833,918	357,910,364
		3,939,397,046	3,900,360,340
	Less: Depreciation charged during the Period	50,634,381	67,923,554
	Written Down Value	**3,888,762,665**	**3,832,436,786**
4.00	**Advances, Deposits and Prepayments**		
	Security Deposits	24,098,267	24,098,267
	Advance Tax	31,462,844	17,481,063
	Advance VAT	9,598,723	3,969,153
	Other Advance & Deposit (Note: 4.01)	84,355,361	91,983,543
	Total:	**149,515,195**	**137,532,027**
4.01	**Other Advance & Deposit**		
	Advance to C & F agent	9,267,966	8,157,099
	Advance to Carrying agent	2,713,644	2,388,384
	Advance to supplier	28,819,493	28,683,965
	Advance for construction work	-	14,420,294
	Advance to employee	13,171,151	11,592,444
	L/C Margin	27,401,009	24,116,696
	Other advance expenses and deposited	2,982,098	2,624,661
	Total:	**84,355,361**	**91,983,543**
5.00	**Inventories**		
	Raw Materials	112,756,199	107,139,924
	Packing Materials	11,082,361	12,846,171
	Finished Goods	54,162,487	53,805,247
	Materials in Transit	-	7,405,056
	Total:	**178,001,047**	**181,196,398**
6.00	**Cash and Cash Equivalents**		
	Cash in hand	3,054,820	3,154,871
	Cash at bank	29,194,864	30,483,217
	Total	**32,249,684**	**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	13,403,197	17,360,523
	Total	**387,986,887**	**374,583,691**
	Calculation:		
	Written Down Value excluding Land (Account Base)	2,158,925,865	2,102,599,985
	Written Down Value excluding Land (Tax Base)	606,978,314	604,265,222
	Temporary Difference	1,551,947,551	1,498,334,763
	Tax Rate	25%	25%
	Deferred Tax (Assets)/Liabilities	**387,986,887**	**374,583,691**

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

		July 2017 to March 2018	July 2016 to March 2017
8.00	**Cost of Goods Sold**		
	Materials Consumed (Note-8.01)	112,109,799	101,915,568
	Direct Labour	29,045,378	25,724,829
	Manufacturing Overhead (Note-8.02)	166,114,420	151,569,978
	Cost of Production	307,269,597	279,210,375
	Add: Opening Stock of Finished Goods	53,805,247	51,778,299
		361,074,844	330,988,674
	Less: Closing Stock of Finished Goods	(54,162,487)	(50,617,989)
	Cost of Goods Sold:	**306,912,357**	**280,370,685**
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	103,681,287	94,006,399
	Add: Packing Materials Purchases	4,875,921	7,025,411
		235,948,359	227,136,760
	Less: Closing Stock of Raw Materials	(112,756,199)	(113,525,844)
	Less: Closing Stock of Packing Materials	(11,082,361)	(11,695,349)
	Materials Consumed:	**112,109,799**	**101,915,568**
8.02	**Manufacturing Overhead**		
	Carriages	2,345,815	2,553,476
	Gas Expenses	109,495,658	95,747,988
	Fuel and Lubricants	4,354,805	4,212,625
	Depreciation	48,102,662	47,263,867
	Rrepair & Maintenance	1,815,480	1,792,022
	Manufacturing Overhead:	**166,114,420**	**151,569,978**
9.00	**Office & Administrative Expenses**		
	Salary & Allowances	16,123,504	15,512,106
	Managing Director's Salary	1,080,000	1,080,000
	Director remuneration	1,260,000	1,260,000
	Office rent	450,000	450,000
	Telephone	387,909	366,383
	Printing & Stationery	536,903	507,108
	Electricity	208,127	196,577
	Audit fees	172,500	258,750
	Postage	174,203	164,536
	Entertainment	149,644	141,340
	AGM Expenses	709,357	628,655
	Computer Repairs and Accessories	184,120	205,924
	Traveling and Conveyance	135,005	142,449
	Annual Subscription and Professional fees	1,086,000	1,116,820
	Books, Papers & Periodicals	56,290	53,166
	Advertisement	152,000	191,575
	Vehicles Maintenance	200,410	227,153
	Depreciation	2,531,719	2,487,572
	Total	**25,597,691**	**24,990,114**
10.00	**Selling & Distribution Expenses**		
	Salary & Allowances	1,459,486	1,434,440
	Delivery Expenses	555,558	546,384
	Carton Expenses	1,854,961	1,796,359
	Vehicles Maintenance	825,779	778,456
	Total	**4,695,784**	**4,555,639**

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