FINANCIAL STATEMENTS (UN-AUDITED)

OF

GLOBAL HEAVY CHEMICALS LTD.

For the 1st Quarter Ended September 30, 2018

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GLOBAL HEAVY CHEMICALS LTD.
Statement of Financial Position (Un-audited)
As at 30 September 2018

(Amount in Taka)

	Notes	30-Sep-18	30-Jun-18
ASSETS			
Non-Current Assets			
Property, Plant and Equipment -Carrying Value	3.00	**3,892,571,030**	**3,871,461,271**
Current Assets		**647,075,550**	**644,078,630**
Advances, Deposits and Prepayments	4.00	166,063,307	154,067,860
Inventories	5.00	201,692,107	201,209,701
Trade Receivable		241,993,138	254,423,658
Cash and cash equivalents	6.00	37,326,997	34,377,412
TOTAL ASSETS		**4,539,646,579**	**4,515,539,901**
EQUITY AND LIABILITIES			
Shareholders equity		**3,952,386,426**	**3,934,676,687**
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		623,314,812	605,605,073
Non-Current Liabilities		**391,195,784**	**387,718,528**
Deferred Tax (Assets)/Liabilities	7.00	391,195,784	387,718,528
Current Liabilities & Provisions		**196,064,369**	**193,144,685**
Trade Payable		2,077,063	1,986,480
Provision & Liabilities for Expenses		43,470,982	44,483,503
Share money (Refundable)		11,545,000	11,545,000
Advance against Sales		5,659,065	5,549,364
Short term Bank Loan		33,457,480	33,267,952
Provision for WPPF		6,650,147	5,472,557
Provision for Income Tax		93,204,632	90,839,830
TOTAL EQUITY AND LIABILITIES		**4,539,646,579**	**4,515,539,901**
Net Asset Value per share		**54.89**	**54.65**

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

Date: Dhaka
November 13, 2018

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, 2018

(Amount in Taka)

Particulars	Notes	July 2018 to September 2018	July 2017 to September 2017
Net Sales		136,053,608	139,520,265
Cost of Goods Sold	8.00	(97,078,369)	(99,254,814)
Gross Profit		**38,975,239**	**40,265,450**
Operating Expenses		**(9,145,934)**	**(8,952,776)**
Office & administrative Expenses	9.00	(7,444,069)	(7,290,149)
Selling & Distribution Expenses	10.00	(1,701,865)	(1,662,627)
Operating Income		**29,829,306**	**31,312,674**
Financial Expenses		(5,176,403)	(4,992,161)
Other Income		76,485	94,110
Profit before WPPF & Tax		**24,729,388**	**26,414,623**
Provision For WPPF		(1,177,590)	(1,257,839)
Profit before Tax		**23,551,798**	**25,156,784**
Income Tax Expenses		**(5,842,058)**	**(6,289,196)**
Provision for Current Tax		(2,364,802)	(2,474,408)
Provision for Deferred Tax		(3,477,256)	(3,814,788)
Profit after tax		**17,709,739**	**18,867,588**
Basic Earnings Per Share		**0.25**	**0.26**
Diluted Earnings Per Share		**0.25**	**0.26**

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

Date: Dhaka
November 13, 2018

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

GLOBAL HEAVY CHEMICALS LTD.
Statement of Changes in Equity (Un-Audited)
For the 1st Quarter ended September 30, 2018

(Amount in Taka)

Particulars	Share Capital	Share premium	Retained Earnings	Revaluation Surplus	Total Shareholders Equity
Balance as at July 01, 2018	720,000,000	1,083,400,000	605,605,073	1,525,671,614	3,934,676,687
Net profit during the Period	-	-	17,709,739	-	17,709,739
Balance as at September 30, 2018	**720,000,000**	**1,083,400,000**	**623,314,812**	**1,525,671,614**	**3,952,386,426**

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**

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

Date: Dhaka
November 13, 2018

GLOBAL HEAVY CHEMICALS LTD. GLOBAL GHCL 51, SEGUN BAGICHA, DHAKA-1000

GLOBAL HEAVY CHEMICALS LTD.
Statement of Cash Flow (Un-Audited)
For the 1st Quarter ended September 30, 2018

PARTICULARS	July 2018 to September 2018	July 2017 to September 2017
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Cash Receipts:	**148,670,313**	**150,773,166**
Cash Receipts from Customers	148,593,828	150,679,056
Cash Receipts from Others Income	76,485	94,110
Cash Payments:	**106,795,166**	**99,246,145**
Cash paid to suppliers, employees & others	96,962,441	92,434,307
Income Tax	4,656,323	1,819,677
Financial Expenses	5,176,403	4,992,161
Net Cash Provided by Operating Activities:	**41,875,147**	**51,527,021**
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Fixed Assets Addition	(38,869,725)	(50,960,260)
Net Cash Used in Investing Activities:	**(38,869,725)**	**(50,960,260)**
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Bank loan (Short term loan)	189,528	(1,541,695)
Dividend Paid	(245,365)	(358,940)
Net Cash provided by Financing Activities:	**(55,837)**	**(1,900,635)**
D. Net Cash Inflow (A+B+C):	**2,949,585**	**(1,333,874)**
E. Opening Cash & Cash Equivalent	**34,377,412**	**33,638,088**
F. Closing Cash & Cash Equivalent (D+E):	**37,326,997**	**32,304,214**
Net Operating Cash flow per share:	**0.58**	**0.72**

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

Date: Dhaka
November 13, 2018

GLOBAL HEAVY CHEMICALS LTD. GLOBAL GHCL 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 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 International Accounting Standards IAS-34 "Interim Financial Reporting", International 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 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 1st Quarter ended 30 September 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 "IFRS-15".

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-18	30-Jun-18
3.00	**Property, Plant & Equipment -Carrying Value**		
	Opening balance	4,365,230,964	4,258,270,704
	Add: Addition during the Period	37,805,190	106,960,260
		4,403,036,154	4,365,230,964
	Less: Accumulated depreciation up to last account	493,769,693	425,833,918
		3,909,266,461	3,939,397,046
	Less: Depreciation charged during the Period	16,695,431	67,935,775
	Written Down Value	**3,892,571,030**	**3,871,461,271**
4.00	**Advances, Deposits and Prepayments**		
	Security Deposits	24,098,267	24,098,267
	Advance Tax	24,923,804	20,267,482
	Advance VAT	19,028,251	12,696,267
	Other Advance & Deposit (Note: 4.01)	98,012,985	97,005,844
	Total:	**166,063,307**	**154,067,860**
4.01	**Other Advance & Deposit**		
	Advance to C & F agent	9,408,997	8,602,477
	Advance to Carrying agent	3,047,736	2,518,790
	Advance to supplier	30,367,616	30,250,109
	Advance for construction work	16,272,177	15,207,642
	Advance to employee	14,792,723	12,225,391
	L/C Margin	20,774,496	25,433,468
	Other advance expenses and deposited	3,349,240	2,767,967
	Total:	**98,012,985**	**97,005,844**
5.00	**Inventories**		
	Raw Materials	117,711,117	119,536,780
	Packing Materials	13,873,864	10,876,453
	Finished Goods	62,109,666	70,796,468
	Materials in Transit	7,997,460	-
	Total:	**201,692,107**	**201,209,701**
6.00	**Cash and Cash Equivalents**		
	Cash in hand	3,200,113	2,854,752
	Cash at bank	34,126,884	31,522,660
	Total	**37,326,997**	**34,377,412**
7.00	**Deferred Tax (Assets)/Liabilities**		
	This represents provision is made for deferred tax to pay future income tax liability for temporary differences which is arrived at as follows:		
	Opening Balance	387,718,528	374,583,691
	Provision made for the current Period	3,477,256	13,134,837
	Total	**391,195,784**	**387,718,528**
	Calculation:		
	Written Down Value excluding Land (Account Base)	2,162,734,229	2,141,624,470
	Written Down Value excluding Land (Tax Base)	597,951,092	590,750,358
	Temporary Difference	1,564,783,137	1,550,874,112
	Tax Rate	25%	25%
	Deferred Tax (Assets)/Liabilities	**391,195,784**	**387,718,528**

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

		July 2018 to September 2018	July 2017 to September 2017
8.00	**Cost of Goods Sold**		
	Materials Consumed (Note-8.01)	29,653,758	30,296,794
	Direct Labour	4,430,778	4,283,014
	Manufacturing Overhead (Note-8.02)	54,307,031	58,979,426
	Cost of Production	88,391,567	93,559,234
	Add: Opening Stock of Finished Goods	70,796,468	58,509,478
		159,188,035	152,068,712
	Less: Closing Stock of Finished Goods	(62,109,666)	(52,813,898)
	Cost of Goods Sold:	**97,078,369**	**99,254,814**
8.01	**Materials Consumed**		
	Opening Stock of Raw Materials	119,536,780	117,994,521
	Opening Stock of Packing Materials	10,876,453	13,901,654
	Add: Raw Materials Purchase	37,507,295	39,015,554
	Add: Packing Materials Purchases	1,315,671	1,472,530
		169,236,199	172,384,259
	Less: Closing Stock of Raw Materials	(125,708,577)	(131,211,012)
	Less: Closing Stock of Packing Materials	(13,873,864)	(10,876,453)
	Materials Consumed:	**29,653,758**	**30,296,794**
8.02	**Manufacturing Overhead**		
	Carriages	1,456,730	1,641,727
	Gas Expenses	35,567,516	39,788,684
	Fuel and Lubricants	1,024,585	1,232,827
	Depreciation	15,860,660	15,855,410
	Rrepair & Maintenance	397,540	460,778
	Manufacturing Overhead:	**54,307,031**	**58,979,426**
9.00	**Office & Administrative Expenses**		
	Salary & Allowances	4,640,215	4,148,342
	Managing Director's Salary	360,000	360,000
	Director remuneration	420,000	420,000
	Office rent	150,000	150,000
	Telephone	288,495	140,952
	Printing & Stationery	86,900	283,042
	Electricity	111,143	84,026
	Postage	67,878	107,468
	Entertainment	41,347	60,090
	Computer Repairs and Accessories	77,473	136,673
	Traveling and Conveyance	78,649	74,911
	Annual Subscription and Professional fees	28,179	221,088
	Books, Papers & Periodicals	31,499	27,247
	Advertisement	118,587	127,150
	Vehicles Maintenance	108,932	114,665
	Depreciation	834,772	834,495
	Total	**7,444,069**	**7,290,149**
10.00	**Selling & Distribution Expenses**		
	Salary & Allowances	412,895	394,112
	Delivery Expenses	192,743	193,520
	Carton Expenses	835,861	816,928
	Vehicles Maintenance	260,366	258,067
	Total	**1,701,865**	**1,662,627**

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