Private & Confidential

FINANCIAL STATEMENTS
OF
GLOBAL HEAVY CHEMICALS LTD.

37, SEGUN BAGICHA
DHAKA-1000

For the year ended June 30, 2017

AUDITOR:

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Mahfel Huq & Co, Chartered Accountants
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Independent Auditor's Report

To the Shareholder of Global Heavy Chemicals Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Global Heavy Chemicals Ltd.**, which comprise the Statement of Financial Position as at June 30, 2017 along with Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in equity and Statement of Cash Flows for the year ended June 30, 2017, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), The Companies Act 1994, The Securities and Exchange Rules 1987 and other applicable laws and regulations. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 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 give a true and fair view of the financial position of Global Heavy Chemicals Ltd. as of June 30, 2017 and of its financial performance for the year ended June 30, 2017 in accordance with Bangladesh Financial Reporting Standards and comply with the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

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Report on Other Legal and Regulatory Requirements

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 purpose of our audit and made due verification thereof;

b) in our opinion proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books;

c) the company's Statement of financial position, statement of Profit or Loss and Other Comprehensive income, Statement of Changes in equity and Statement of Cash Flows dealt with by the report are in agreement with the books of accounts and

d) the expenditures incurred during the year were for the purpose of the business of the Company.

Date: Dhaka
October 26, 2017

Mahfel Huq & Co.
Chartered Accountants

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GLOBAL HEAVY CHEMICALS LTD.

Statement of Financial Position

As at 30 June 2017

Particulars	Notes	Amount in Taka	
		30-Jun-17	30-Jun-16
ASSETS			
Non-Current Assets			
Property, Plant & Equipments -Carrying Value	3.00	3,832,436,786	3,776,434,682
Current Assets		613,510,044	632,241,728
Advances, Deposits and Prepayments	4.00	137,532,027	163,125,986
Inventories	5.00	181,196,398	177,883,249
Trade Receivable	6.00	261,143,531	262,249,392
Cash and cash equivalents	7.00	33,638,088	28,983,101
TOTAL ASSETS		4,445,946,831	4,408,676,409
EQUITY AND LIABILITIES			
Shareholders equity		3,874,883,329	3,830,255,798
Share Capital	8.00	720,000,000	720,000,000
Share Premium		1,083,400,000	1,083,400,000
Revaluation Reserve	9.00	1,525,671,614	1,525,671,614
Retained Earnings	10.00	545,811,715	501,184,184
Non-Current Liabilities		374,583,691	357,223,168
Deferred Tax (Assets)/Liabilities	11.00	374,583,691	357,223,168
Current Liabilities & Provisions		196,479,810	221,197,443
Trade Payable	12.00	2,129,345	2,040,822
Provision & Liabilities for Expenses	13.00	39,759,933	37,132,995
Share money (Refundable)		11,545,000	11,545,000
Advance against Sales	14.00	5,319,509	5,156,868
Short term Bank Loan	15.00	31,348,691	27,041,904
Provision For WPPF	16.00	5,204,669	8,693,495
Provision for Tax	17.00	101,172,664	129,586,359
TOTAL EQUITY AND LIABILITIES		4,445,946,831	4,408,676,409
Net Asset Value per share		53.82	53.20

The annexed notes (1-25) form an integral part of these financial statements.

Chief Financial Officer | Managing Director | Chairman

Signed as per our separate report of same date.

Mahfel Huq & Co.
Chartered Accountants

Date: Dhaka
26 October 2017

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GLOBAL HEAVY CHEMICALS LTD.

Statement of Profit or Loss and Others Comprehensive Income

For the year ended June 30, 2017

Particulars	Notes	Amount in Taka	
		2016-2017	2015-2016
Net Sales	18.00	538,376,699	517,689,697
Cost of Goods Sold	19.00	(380,327,282)	(379,016,957)
Gross Profit		**158,049,417**	**138,672,740**
Operating Expenses		**(39,410,116)**	**(40,271,269)**
Office & administrative Expenses	20.00	(34,087,787)	(34,674,274)
Selling & Distribution Expenses	21.00	(5,322,329)	(5,596,995)
Operating Income		**118,639,301**	**98,401,471**
Financial Expenses	22.00	(10,245,580)	(14,126,016)
Other Income	23.00	904,322	838,878
Net Profit before WPPF & Tax		**109,298,044**	**85,114,333**
Provision For WPPF		(5,204,669)	(4,053,063)
		104,093,375	**81,061,270**
Income Tax Expenses		**(26,023,344)**	**(20,265,317)**
Provision for Current Tax		(8,662,821)	(6,732,901)
Provision for Deferred Tax		(17,360,523)	(13,532,416)
Profit after tax		**78,070,031**	**60,795,952**
Earnings Per Share		**1.08**	**0.84**

The annexed notes (1-25) form an integral part of these financial statements.

Chief Financial Officer | Managing Director | Chairman

Signed as per our separate report of same date.

Date: Dhaka
26 October 2017

Mahfel Huq & Co.
Chartered Accountants

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GLOBAL HEAVY CHEMICALS LTD.

Statement of Changes in Equity

For the year ended June 30, 2017

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
Dividend paid for the year 15-16	-	-	(33,442,500)	-	(33,442,500)
Net profit during the Year	-	-	78,070,031	-	78,070,031
Balance as at June 30 2017	**720,000,000**	**1,083,400,000**	**545,811,715**	**1,525,671,614**	**3,874,883,329**

For the year ended June 30, 2016

Particulars	Share Capital	Share premium	Retained Earnings	Revaluation Surplus	Total Shareholders Equity
Balance as at July 01, 2015	720,000,000	1,083,400,000	471,448,110	1,525,671,614	3,800,519,724
Adjustment for deffered Tax	-	-	(8,304,878)	-	(8,304,878)
Restated Balance	720,000,000	1,083,400,000	463,143,232	1,525,671,614	3,792,214,846
Dividend paid for the year 2014	-	-	(22,755,000)	-	(22,755,000)
Net profit during the Year	-	-	60,795,952	-	60,795,952
Balance as at June 30 2016	**720,000,000**	**1,083,400,000**	**501,184,184**	**1,525,671,614**	**3,830,255,798**

The annexed notes (1-25) form an integral part of these financial statements.

Chief Financial Officer | Managing Director | Chairman

Signed as per our separate report of same date.

Date: Dhaka
26 October 2017

Mahfel Huq & Co.
Chartered Accountants

GLOBAL HEAVY CHEMICALS LTD.

Statement of Cash Flows

For the year ended June 30, 2017

PARTICULARS	Amount in Taka	
	2016-2017	2015-2016
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Cash Receipts:	**540,549,523**	**505,225,649**
Cash Receipts from Customers	539,645,201	504,386,771
Cash Receipts from Others Income	904,322	838,878
Cash Payments:	**386,622,129**	**383,137,909**
Cash paid to suppliers, employees & others	356,670,516	340,914,007
Income Tax	19,706,033	28,097,886
Bank Interest & Charges Paid	10,245,580	14,126,016
Net Cash Provided by Operating Activities:	**153,927,394**	**122,087,740**
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Fixed Assets Addition	(123,925,658)	(108,008,026)
Net Cash Used in Investing Activities:	**(123,925,658)**	**(108,008,026)**
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Bank loan (Short term loan)	4,306,787	(4,506,201)
Dividend Paid	(29,653,536)	(20,845,889)
Net Cash provided by Financing Activities:	**(25,346,749)**	**(25,352,090)**
D. Net Cash Inflow (A+B+C):	**4,654,987**	**(11,272,376)**
E. Opening Cash & Cash Equivalent	**28,983,101**	**40,255,476**
F. Closing Cash & Cash Equivalent (D+E):	**33,638,088**	**28,983,101**
Net Operating Cash flow per share:	**2.14**	**1.70**

The annexed notes (1-25) form an integral part of these financial statements.

Chief Financial Officer | Managing Director | Chairman

Signed as per our separate report of same date.

Date: Dhaka
26 October 2017

Mahfel Huq & Co.
Chartered Accountants

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GLOBAL HEAVY CHEMICALS LIMITED

Notes to the Financial Statements
For the year ended June 30, 2017

1. Incorporation, Legal status and Nature of activities:-

1.01 Legal form of the Enterprise:
The company namely Global Heavy Chemical Ltd. was incorporated as private limited company with the issuance of certificate of incorporation bearing no.C-41335(694)/2000 dated September 19, 2000 by the Registrar of Joint Stock Companies & Firms. Subsequently the company has been converted into public limited company on September 16, 2010. 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 March 06, 2013.

1.02 Registered Office of the Company:
Registered Office of the Company is located at 37, Segun Bagicha, Dhaka-1000

1.03 Principal activities and nature of the business:
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:

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 Bangladesh Financial Reporting Standards (BFRSs), the Companies Act 1994, the Securities and Exchange Rules 1987 and other laws and rules applicable in Bangladesh.

2.01 Going Concern:
This financial statements has been prepared on the assumption that the entity is a going concern and will continue its business for the foreseeable future. Hence, it is assumed that the entity has neither the intention nor the need to liquidate or curtail materially the scale of its operation.

2.02 Cash Flow Statement:
Cash Flow Statement is prepared in accordance with BAS 7 "Statement of Cash Flows" and the Securities and Exchange Rules, 1987 and the cash flow from the operating activities are shown under the direct method as prescribed.

2.03 Recognition of Fixed Assets and Depreciation:
In accordance with the International Accounting Standard adopted by The Institute of Chartered Accountants of Bangladesh (ICAB) as BAS 16 'Property Plant and Equipments have been accounted for at cost less accumulated depreciation. Cost includes expenditure that is directly attributable to the acquisition of the items. Depreciation on all fixed assets has been applied consistently year to year at the following rate:

a)	Land & Developments	0%
b)	Building & Other Civil Construction	2.5%
c)	Plant & Machinery	2.5%
d)	Generator	5%
e)	Pipe, Pipe Rack & Electrical	5%
f)	Furniture and Fixture	10%
g)	Tools & Equipments	5%
h)	Motor Vehicles	10%

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Revaluation of Fixed Assets:
The original cost of the land amounts to Tk. 67,400,386 (Note-9.00) which has been revalued at Tk.1,593,072,000 by Mahfel Huq & Co. Chartered Accountants. Revaluation report date February 28, 2011

2.04 Impairment:
All assets except inventory arising from construction contracts financial assets is assessed at the end of each reporting period to determine whether there is any indication that an assets may be impaired. If any such indication exists the company assesses the recoverable amount. If, and only if, the recoverable amount of an asset is less than its carrying amount, the carrying amount of the assets is reduced to its recoverable amount. The reduction is an impairment loss.

An impairment loss is recognized immediately in profit or loss, unless the asset is carried at revalued amount in accordance with another standard. Any impairment loss of a revalued asset is treated as a revaluation decrease. No such assets have been impaired during the year and for this reason no provision has been made for impairment of assets.

2.05 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.

2.06 VAT:
The company's trading income is subject to VAT and these VAT liabilities are accounted for as per VAT Act 1991 having been maintaining a VAT Current Account.

2.07 Valuation of Current Assets:

Sundry Debtors:
These are carried forward at their original invoiced value amount and represents net realizable value. Management considered the entire bills receivable as good and is collectable and therefore, no amount was provided for as bad debt in the current year's account.

Inventories:
In compliance with the requirements of BAS 2 "Inventories" & with Companies Act-1994 Schedule XI Part-II, the Inventories have been valued at Cost or Net Realizable value whichever is lower, which is consistent with the previous year's practice.

2.08 Financial Instruments:

Derivative:
According to BFRS 7: "Financial Instruments: Disclosures", the company was not a party to any derivative contract (financial instruments) at the ` date, such as forward exchange contracts, currency swap agreement or contract to hedge currency exposure related to import of capital machinery to be leased to lessees in future.

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Non-Derivative:
Non-derivative financial instruments comprise of accounts and other receivable, borrowings and other payables and are shown at transaction cost as per BAS 39 "Financial Instruments: Recognition and Measurement".

2.09 Currency of Reporting and Foreign currency Transactions:

Currency of Reporting:
The financial statements of the Company have been prepared in the Bangladeshi Taka.

Foreign currency Transactions
Foreign Currency Transactions in foreign currencies are converted into equivalent Taka applying the ruling rate at the date of such transactions as per BAS-21 "The Effects of Changes in Foreign Exchange Rates".

2.10 Contingent Liabilities:
Contingent Liabilities are those which arise due to the past event which shall be settled in the future on the occurrence or non occurrence of some uncertain event, cost of which can be measured reliably as per BAS-37 "Provision and Contingent Assets and Liabilities". In the year under review there is no any contingent liabilities as well as no commitment is made, to be settled in the future.

2.11 Taxation:

Provision for taxation:

Provision for current income tax has been made at the rate of 25% as prescribed in the Finance Act, 2017 on the accounting profit made by the Company in compliance with BAS-12 "Income Taxes".

Deferred taxation:

Deferred tax liabilities are the amount of income taxes payable in future years in respect of taxable temporary differences. Deferred tax assets are the amount of income taxes recoverable in future years in respect of deductible temporary differences. Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences arising between the carrying values of assets, liabilities, income and expenditure and their respective tax bases. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or subsequently enacted at the balance sheet date.
In the year2015 the company recognize deferred tax as per BAS 12 "Income Tax" Para 15, 39 and As per BAS 8 necessary changes in the prior period financial statements has been made retrospectively for the changes in accounting policy.

2.12 Benefits to the employees

The Company did not operate any Fund and not accounted and paid any employee benefit to the employees in accordance with the provisions of Bangladesh Accounting Standard-19, "Employee Benefit". During the year under review, the company's number of employee stands 401, and every employee has been receiving total remuneration Tk. 36,000 and above per annum. Details break up of employee of the company at the Year then ended were as follows:

Category	30 June 2017	30 June 2016
Production Employee (Engineers & Workers)	334	347
Sales & Distribution Employees	32	31
Administrative Employees	35	33
Total:	401	411

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2.13 Borrowing Cost:

The borrowing cost were capitalized unless active development of related assets were interrupted or cease when the active development were cease the borrowing cost directly transferred to the Profit and Loss account as per BAS-23 "Borrowing Cost".

2.14 Earnings per share:

The company calculates Earning Per Share (EPS) in accordance with BAS-33 "Earning Per Share" which has been shown on the face of the Income Expenses.

Basic earnings per share:

This represents earnings for the year attributable to ordinary shareholders. As there was no preference dividend, minority interest or extra ordinary items, the net profit after tax for the year has been considered as fully attributable to the ordinary shareholders.

Sl. No.	Particulars	2016-2017	2015-2016
a)	Earnings attributable to the ordinary shareholders	78,070,031	60,795,952
b)	Number of Ordinary Shares. (Weighted Average)	72,000,000	72,000,000
c)	Earnings Per Share (**EPS**)	**1.08**	**0.84**

Diluted earnings per share:

No diluted earnings per share are required to be calculated for the year as there was no scope for dilution during the year under review.

2.15 Information about business segments:

As per BFRS 8 "Operating Segment" operating segment is a distinguishable component of a company that is engaged in providing an individual product or service or a group of related product or service and that is subject to risk and return that are different from those of other business segment. Year under review the company had no operational segment either business or geographical segments.

2.16 Related Parties Transactions:

The party is related to the company if the party cast significant influence over the subject matters and also holding the controlling power of the management affairs of the company and any transaction made during the year with the party related therewith is termed as related party transaction as per BAS-24 "Related Party Disclosure". The company engaged in a number of related party transactions on an arms length basis. All the transaction with related parties was made through local currency at market prices. During the year under audit there are following such related party transactions were made during the year:

SL No.	Related Party Companies	Nature of Transaction	Outstanding as on		Head of A/C
			30.06.2017	30.06.2016	
1.0	Opsonin Pharma Ltd.	Sales	17,701,778	17,020,941	A/R
2.0	Opso Saline Ltd.	Sales	7,191,608	7,876,547	A/R
3.0	Global Capsules Ltd.	Sales	26,451,343	27,843,519	A/R
5.0	Crescent Chemicals Ltd.	Purchases	1,874,540	1,548,241	A/P

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SL No.	Related Party	Nature of Transaction	Amount		Head of A/C
			2016-2017	2015-2016	
1.0	Capt. Abdus Sabur Khan (Retd.)	Remuneration	840,000	840,000	Operating Expense
2.0	Abdur Rouf Khan	Remuneration	840,000	840,000	Operating Expense
3.0	Abdur Rakib Khan	Remuneration	1440,000	1440,000	Operating Expense

2.17 Responsibility for preparation and presentation of financial statements:

The company's management and the Board of Directors are responsible for the preparation and presentation of Financial Statements as per section 183 of the companies Act 1994.

2.18 Authorization date for issuing Financial Statements:

The financial statements were authorized by the Board of Directors on October 26, 2017 for issue after completion of review.

2.19 Components of the Financial Statements:

Following are the component of the financial statements.

a) Statement of Financial Position as at June 30, 2017.
b) Statement of Comprehensive Income for the year ended June 30, 2017
c) Statement of Changes in Equity for the year ended June 30, 2017
d) Statement of Cash Flow for the year ended June 30, 2017.
e) Explanatory notes to the financial statements.

2.20 Comparative:

Comparative information have been disclosed in respect of the previous year for all numerical information in the financial statements except for Cash Flow Statement and also the narrative and descriptive information when it is relevant for understanding of the current year's financial statements.

Previous year's figure has been re-arranged whenever considered necessary to ensure comparability with the current year's presentation as per BAS-8 "Accounting Policies, Changes in Accounting Estimates and Errors".

2.21 General:

i) The figure has been rounded off to the nearest Taka.

ii) The financial Statements have been prepared covering 12 month for the period from July 01, 2016 to June 30, 2017.

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	Amount in Taka	
	30-Jun-17	30-Jun-16
3.00 Property, Plant & Equipments -Carrying Value		
Opening balance	4,134,345,046	4,026,337,020
Add: Addition during the year/Period	123,925,658	108,008,026
	4,258,270,704	4,134,345,046
Less: Accumulated depreciation up to last account	357,910,364	282,187,412
	3,900,360,340	3,852,157,634
Less: Depreciation charged during the year/Period	67,923,554	75,722,952
Written Down Value	**3,832,436,786**	**3,776,434,682**

A schedule of Property, Plant & Equipments is given in Annexure-A

4.00 Advances, Deposits and Prepayments		
Security Deposits	24,098,267	24,098,267
Advance Tax (Note: 4.01)	17,481,063	34,851,547
Advance VAT (Note: 4.02)	3,969,153	3,448,413
Other Advance & Deposit (Note: 4.03)	91,983,543	100,727,759
Total:	**137,532,027**	**163,125,986**
4.01 Advance Tax		
Tax deduction at source and Advance Tax paid	17,481,063	34,851,547
Total:	**17,481,063**	**34,851,547**

Advance Tax paid at import stage, deduction at source on sales and Bank interest income.

4.02 Advance VAT		
VAT Current A/C	3,969,153	3,448,413
Closing Balance	**3,969,153**	**3,448,413**
4.03 Other Advance & Deposit		
Advance to C & F agent	8,157,099	7,919,514
Advance to Carrying agent	2,388,384	2,985,481
Advance to supplier	28,683,965	27,848,510
Advance for construction work	14,420,294	18,025,368
Advance to employee	11,592,444	11,254,800
L/C Margin	24,116,696	30,145,871
Other advance expenses and deposited	2,624,661	2,548,215
Total:	**91,983,543**	**100,727,759**
Aging of Other Advance & Deposit:		
Dues within three Months	54,270,290	59,429,378
Dues within three Months to Six months	26,675,228	29,211,050
Dues within Six Months to one year	11,038,025	12,087,331
Total:	**91,983,543**	**100,727,759**

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	Amount in Taka	
	30-Jun-17	30-Jun-16
5.00 Inventories		
Raw Materials (Note: 5.01)	107,139,924	103,569,467
Packing Materials (Note: 5.02)	12,846,171	12,648,680
Finished Goods (Note: 5.03)	53,805,247	51,778,299
Materials in Transit (Note: 5.04)	7,405,056	9,886,803
Total:	**181,196,398**	**177,883,249**
5.01 Raw Materials		
Sodium Chloride (Salt)	68295451	65,043,287
Hydrated Lime (Calcium Hydroxide)	12388920	13,040,969
Barium Carbonate	7877849	7,502,714
Anhydrous Sodium Carbonate	1195314	1,258,226
Sulphuric Acid	889094	846,757
10% Sodium Sulphite Solution	967104	1,018,005
Meghna Flock	460920	438,972
Alpha cellulose	724761	762,907
Liquid Paraffin	14340511	13,657,630
Total:	**107,139,924**	**103,569,467**
5.02 Packing Materials		
High Density Polyethylene (HDP)	7,813,402	7,441,336
Low Density Polyethylene (LDP)	3,796,456	3,996,270
Drum	452,543	430,994
Plastic Bag	335,472	353,129
Other Packing Materials	448,298	426,951
Total:	**12,846,171**	**12,648,680**
5.03 Finished Goods		
Caustic Soda (Flakes/Liquid)	43,688,237	41,806,926
Hydrochloric Acid	1,731,257	1,822,376
Bleaching Powder	2,935,612	2,809,199
Sodium Hypochlorite	893,193	940,204
Chlorinated Paraffin Wax (CPW)	3,007,240	2,877,742
Clotech	406,268	427,651
Liquid Chlorine Gas	1,143,440	1,094,201
Total:	**53,805,247**	**51,778,299**

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	Amount in Taka	
	30-Jun-17	30-Jun-16
5.04 Materials in Transit		
Hydrated Lime (Calcium Hydroxide)	1,256,852	-
Liquid Paraffin	6,148,204	9,886,803
Total:	**7,405,056**	**9,886,803**

6.00 Trade receivable:

Name of the Parties		
Sony Plastic Complex Ltd.	7,665,824	8,069,289
Shabur Khan Electronics	38,527,362	37,045,541
United Leather (Pvt) Ltd.	16,674,705	17,552,322
Mohammadi Electric	19,358,216	18,613,670
Crystal Plasticizers	1,680,165	1,768,595
Ashraf Rubber & Plastic Industries	6,512,023	6,261,561
H M Enterprise	8,094,203	8,520,214
FC Exim (BD) Ltd.	10,827,031	10,410,607
Medicus	18,105,261	19,058,170
K. Rahman & Brothers	37,412,708	35,973,758
A. Rahman & Co.	18,305,448	19,268,893
Alam Enterprise	2,254,764	2,168,043
Sufia Enterprise	11,054,842	11,636,676
Premier Chemicals	1,342,516	1,290,881
Nasir Chemicals	951,978	1,002,083
Brothers Engineers	8,170,682	7,856,425
Electra International	1,909,307	2,009,797
Opsonin Pharma Ltd.	17,701,778	17,020,941
Medimet Pharmaceuticals	951,767	1,001,860
Opso Saline Ltd.	7,191,608	7,876,547
Global Capsules Ltd.	26,451,343	27,843,519
Total	**261,143,531**	**262,249,392**

Aging of Accounts Receivable:

Dues within three Months	195,857,648	196,687,044
Dues within three Months to Six months	57,182,599	57,424,749
Dues within Six Months to one year	8,103,284	8,137,599
Total:	**261,143,531**	**262,249,392**

7.00 Cash and Cash Equivalents

Cash in hand (7.01)	3,154,871	3,458,218
Cash at bank (7.02)	30,483,217	25,524,883
Total	**33,638,088**	**28,983,101**

MAHFEL HUQ & CO. DHAKA ESTD.1974 Chartered Accountants

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	Amount in Taka	
	30-Jun-17	30-Jun-16
7.01 Cash in hand	**3,154,871**	**3,548,156**

We could not physically verified the cash in hand as on June 30 2017 due to our post dated audit appointment. However we have obtained a cash custody certificate from the company's management in support of the above amount.

7.02 Cash at bank

Uttara Bank, Shantinagar Br. A/C No. 21-4129	254,810	24,560
Uttara Bank, Shantinagar Br. A/C No. 21-4751	254,810	25,154
Pubali Bank New Eskaton Br. AC No. 12600510	255,480	258,405
Pubali Bank New Eskaton Br. AC No. 12000600	55,488	185,423
DBBL. Shantinagar Br. A/C No. 108.110.22443	4,018,750	3,758,450
AB Bank, New Elephant road Br. A/C No. 501-430	13,030,787	12,653,604
AB Bank, New Elephant road Br. A/C No. 501-431	12,450,304	8,456,500
AB Bank, New Elephant road Br. A/C No. 501-018	24,580	24,580
AB Bank, New Elephant road Br. A/C No. 501-040	133,118	133,118
AB Bank, New Elephant road Br. A/C No. 501-019	5,089	5,089
Total	**30,483,217**	**25,524,883**

The above bank balances are reconciled with the Bank statements and found to be in order.

8.00 Share capital

Authorized Capital

100,000,000 ordinary shares of Tk.10/- each	**1,000,000,000**	**1,000,000,000**

The authorized share capital of the company is Taka 1,000,000,000 divided into 100,000,000 ordinary shares of Taka 10/- each.

Issued, subscribed and paid up Capital

72,000,000 ordinary shares	**720,000,000**	**720,000,000**

The issued, subscribed and paid up capital of the company is Taka 1,000,000,000 divided into 100,000,000 ordinary sharesof Tk.10/- each fully paid

MAHFEL HUQ & CO. DHAKA ESTD.1974 Chartered Accountants

Amount in Taka

a) Composition of shareholders:

Category of Shareholder	30-Jun-17			30-Jun-16		
	No. of Share	Value	%	No. of Share	Value	%
Director & Sponsor	49,705,000	497,050,000	69.035	49,705,000	497,050,000	69.035
General Shareholde	22,295,000	222,950,000	30.965	22,295,000	222,950,000	30.965
	72,000,000	720,000,000	100.000	72,000,000	720,000,000	100.000

b) Classification of shareholders as per their share holdings

Director

Class Interval	30-Jun-17			30-Jun-16		
	No. of Share	No. of Share	%	No. of Share	No. of Share	%
1-100	-	-	-	-	-	-
101-500	-	-	-	-	-	-
501-1000	-	-	-	-	-	-
1001-5000	-	-	-	-	-	-
5001-10000	-	-	-	-	-	-
10001-20000	-	-	-	-	-	-
20001-30000	-	-	-	-	-	-
30001-40000	-	-	-	-	-	-
40001-50000	-	-	-	-	-	-
50001-100000	-	-	-	-	-	-
100001-1000000	1	310,000	0.431	1	310,000	0.431
1000001-40000000	7	49,395,000	68.604	7	49,395,000	68.604
Total	8	49,705,000	69.035	8	49,705,000	69.035

Other than Director

Class Interval	30-Jun-17			30-Jun-16		
	No. of Share	No. of Share	%	No. of Share	No. of Share	%
1-100	205	8,921	0.0124	186	9,119	0.0127
101-500	2,142	588,023	0.8167	2,504	678,710	0.9427
501-1000	392	350,145	0.4863	333	300,826	0.4178
1001-5000	703	1,604,969	2.2291	629	1,656,075	2.3001
5001-10000	185	1,412,600	1.9619	170	1,296,496	1.8007
10001-20000	57	854,621	1.1870	77	1,117,201	1.5517
20001-30000	26	646,502	0.8979	32	791,832	1.0998
30001-40000	14	486,353	0.6755	16	586,705	0.8149
40001-50000	12	573,369	0.7963	12	558,550	0.7758
50001-100000	18	1,385,630	1.9245	16	1,193,781	1.6580
100001-1000000	25	8,894,130	12.3530	28	9,884,611	13.7286
1000001-40000000	2	5,489,737	7.6246	2	4,221,094	5.8626
Total	3,781	22,295,000	30.9653	4,005	22,295,000	30.9653

9.00 Revaluation Reserve

The Land of the company were revalued at Taka. 1,593,072,000 by Mahfel Huq & Company, Chartered Summary of Valuation report is noted below:

Summary of Valuation

Revalued Cost of Land: 995.67 decimal@ Tk. 1,600,000.00	1,593,072,000
Total	1,593,072,000
Less: Original Cost	67,400,386
Revaluation Surplus	1,525,671,614

MAHFEL HUQ & CO. DHAKA ESTD.1974 Chartered Accountants

	Amount in Taka	
	30-Jun-17	30-Jun-16
10.00 Retained Earnings		
Opening Balance	501,184,184	471,448,110
Add: Adjustment of deferred tax liabilities for changes in	-	(8,304,878)
	501,184,184	463,143,232
Add: Net profit during the year/Period	78,070,031	60,795,952
	579,254,215	523,939,184
Less: Dividend paid during the year/Period	33,442,500	22,755,000
Total Closing Balance	**545,811,715**	**501,184,184**
11.00 Deferred Tax (Assets)/Liabilities		
This represents provision is made for deferred income tax to pay future income tax liability for		
Opening Balance	357,223,168	335,385,874
Adjustment with retained earnings for change in Tax Rate	-	8,304,878
	357,223,168	343,690,752
Provision made for the current year	17,360,523	13,532,416
Total Closing Balance	**374,583,691**	**357,223,168**
Calculation:		
Written Down Value excluding Land (Account Base)	2,102,599,985	2,046,597,881
Written Down Value excluding Land (Tax Base)	604,265,222	617,705,208
Temporary Difference	**1,498,334,764**	**1,428,892,673**
Tax Rate	25%	25%
Deferred Tax (Assets)/Liabilities	**374,583,691**	**357,223,168**

No Deffered Tax Liability on revalued land has been provided as the management does not intend to sell the land in near future.

12.00 Trade Payable		
Name of the Parties		
Crescent Chemicals Ltd.	1,874,540	1,548,241
Sino Bangla Ltd.	254,805	492,581
Total Closing Balance	**2,129,345**	**2,040,822**
13.00 Provision and Liabilities for Expenses		
Gas Bill Payable	22,725,913	23,681,627
Salary and Allowance Payable	4,085,318	3,954,815
Provision for Audit Fees	172,500	258,750
Provision for Telephone expenses	4,521	3,584
Cash Dividend Payable	11,345,804	7,556,840
Carrying cost payable	1,425,877	1,677,379
Total Closing Balance	**39,759,933**	**37,132,995**

MAHFEL HUQ & CO. DHAKA ESTD.1974 Chartered Accountants

	Amount in Taka	
	30-Jun-17	30-Jun-16

14.00 Advance received against sales

Name of the Parties		
Nurjahan Chemicals Ltd.	368,676	405,139
Shahjahan Chemicals	552,997	491,553
Rony Enterprise	331,849	364,670
Vanish Chemical Industries	532,174	473,044
Friends Chemicals	445,515	489,578
Hoque Chemical Works	734,015	652,458
The Chemico	300,730	330,473
Banijja Bitan	470,865	418,547
Hoque Chemicals Co	360,203	395,828
Arif Hossain Brothers	989,525	879,578
Monu Miah & Co	232,960	256,000
Total Closing Balance	**5,319,509**	**5,156,868**

The above amount was received from the listed dealers of the company against sales

15.00 Short Term Bank Loan

Name of Bank		
Uttara Bank CC	7,854,513	6,745,283
Uttara Bank LTR	1,254,810	-
Pubali Bank OD	19,584,510	18,441,801
Pubali Bank LTR	2,654,858	1,854,820
Total Closing Balance	**31,348,691**	**27,041,904**

The above Short Term Loan represents the amount received from the respective Financial institution. The amount so received were utilized mainly for import for raw materials, spare parts, plant maintenance, working capital and others. The loans are secured through mortgage of the Factory land, buildings, machineries, Inventories and guarantees as per Sanction letter issued by the concerned Bank and the financial Institution. The chargeable rate of Interest for the loan amount carries a rate ranging from 8.4% to 10.5%.

16.00 Provision for Workers Profit Participation Fund

Opening Balance	8,693,495	4,640,432
Less : Disburse During the period	8,693,495	-
	-	4,640,432
Add: Provision Current income year	5,204,669	4,053,063
Closing Balance	**5,204,669**	**8,693,495**

17.00 Provision for Income Tax

Opening Balance	129,586,359	150,947,074
Less : Adjustment for current Assessment year	37,076,517	28,093,616
	92,509,842	122,853,458
Add: Provision Current income year	8,662,821	6,732,901
Closing Balance	**101,172,664**	**129,586,359**

MAHFEL HUQ & CO. DHAKA ESTD.1974 Chartered Accountants

		Amount in Taka	
		2016-2017	2015-2016
18.00	**Net Sales**		
	Gross Sales (Note: 18.01)	619,133,204	595,343,152
	Less: Value added Tax (VAT)	80,756,505	77,653,455
	Total	**538,376,699**	**517,689,697**
18.01	**Gross Sales**		
	Caustic Soda (Flakes/Liquid)	431,099,576	433,766,178
	Hydrochloric Acid	51,945,291	59,565,058
	Bleaching Powder	33,139,967	31,866,572
	Sodium Hypochlorite	5,218,031	5,017,530
	Chlorinated Paraffin Wax (CPW)	83,657,810	51,596,021
	Clotech	8,119,009	7,807,038
	Liquid Chlorine Gas	4,663,037	4,483,861
	Used Sulphuric Acid	1,290,483	1,240,894
	Total	**619,133,204**	**595,343,152**
19.00	**Cost of Goods Sold**		
	Materials Consumed (Note-19.01)	155,143,287	154,637,562
	Direct Labour	27,305,260	25,784,004
	Manufacturing Overhead (Note-19.02)	204,609,913	199,886,145
	Cost of Production	387,058,461	380,307,711
	Add: Opening Stock of Finished Goods	51,778,299	50,487,545
		438,836,760	430,795,256
	Less: Closing Stock of Finished Goods	(58,509,478)	(51,778,299)
	Cost of Goods Sold:	**380,327,282**	**379,016,957**
19.01	**Materials Consumed**		
	Opening Stock of Raw Materials	113,456,270	110,458,754
	Opening Stock of Packing Materials	12,648,680	12,542,560
	Add: Raw Materials Purchase	149,319,462	145,384,762
	Add: Packing Materials Purchases	11,615,050	12,356,436
		287,039,462	280,742,512
	Less: Closing Stock of Raw Materials	(117,994,521)	(113,456,270)
	Less: Closing Stock of Packing Materials	(13,901,654)	(12,648,680)
	Materials Consumed:	**155,143,287**	**154,637,562**
19.02	**Manufacturing Overhead**		
	Carriages	3,745,840	4,231,665
	Gas Expenses	129,276,059	116,032,429
	Fuel and Lubricants	5,145,158	5,713,350
	Depreciation	64,527,376	71,936,805
	Rrepair & Maintanace	1,915,480	1,971,896
	Manufacturing Overhead:	**204,609,913**	**199,886,145**

MAHFEL HUQ & CO. DHAKA ESTD.1974 Chartered Accountants

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		Amount in Taka	
		2016-2017	2015-2016
20.00	**Office & Administrative Expenses**		
	Salary & Allowances	22,198,564	21,695,137
	Managing Director's Salary	1,440,000	1,440,000
	Director remuneration	1,680,000	1,680,000
	Office rent	600,000	600,000
	Telephone	476,298	520,067
	Printing & Stationery	659,240	785,445
	Electricity	255,550	305,394
	Audit Fees	172,500	258,750
	Postage	213,896	221,582
	Entertainment	183,742	201,390
	AGM Expenses	628,655	682,579
	Computer Repairs and Accessories	267,701	307,796
	Traveling and Conveyance	185,183	201,889
	Annual Subscription and Professional fees	1,116,820	1,221,880
	Books, Papers & Periodicals	69,115	92,068
	Advertisement	249,047	293,880
	Vehicles Maintenance	295,298	380,269
	Depreciation	3,396,178	3,786,148
	Total	**34,087,787**	**34,674,274**

Payment/perquisites to Directors and officers

The aggregate amount paid/provided during the year in respect of Directors and officers of the company as defined in the securities and Exchange Rules 1987 are disclosed below:

Particulars		
Directors Remuneration	1,680,000	1,680,000
AGM Expenses	628,655	682,579
Managing Director Salary	1,440,000	1,440,000

i) The Board of Directors have not received any Board meeting attendance fees during the year under review.

ii) No money was given to any directors for rendering special services to the company.

iii) 8 meeting of the Board of Directors were held during the Period.

21.00	**Selling & Distribution Expenses**		
	Salary & Allowances	1,864,772	1,846,882
	Delivery Expenses	710,299	781,538
	Carton Expenses	1,835,266	1,834,956
	Vehicles Maintenance	911,992	1,133,619
	Total	**5,322,329**	**5,596,995**
22.00	**Financial expenses**		
	Bank interest & charges	10,245,580	14,126,016
	Total	**10,245,580**	**14,126,016**

MAHFEL HUQ & CO. DHAKA ESTD.1974 Chartered Accountants

		Amount in Taka	
		2016-2017	2015-2016
23.00	**Other Income**		
	Bank Interest	778,922	712,391
	Wastage sales	125,400	126,487
	Total	**904,322**	**838,878**
24.00	**Earnings Per Share**		
	Income Attributable to the shareholders		
	Number of outstanding share at the end of the year	72,000,000	72,000,000
	Basic Earnings Per Share	**1.08**	**0.84**

25.00 Event after the Reporting period:

As per BAS-10 "Event after the Reporting Period" are those event favorable and unfavorable, that occur between the end of the reporting year and the date when the financial statements are authorized for issue.

The directors recommended 10% Cash dividend For the year ended June 30, 2017 to the existing shareholder other than the Directors and sponsors. The dividend proposal is subject to shareholders' approval at the forthcoming annual general meeting. Excepting to that, no circumstances have arisen since the date of Statement of Financial Position which would require adjustment to, or disclosure in, the financial statements or notes thereto.

MAHFEL HUQ & CO. DHAKA ESTD.1974 Chartered Accountants

GLOBAL HEAVY CHEMICALS LTD.
Schedule of Property, Plant & Equipments

Annexure-A

For the year ended 30 June, 2017

Amount in Taka

Sl.No	Particulars	Balance as on 01 July 2016	Addition during the year	Balance as on 30 June, 2017	Rate	Depreciation			W.D.V as on 30 June, 2017
						Opening	Charged during the year	Total	
1	Land & Developments	1,729,836,801	-	1,729,836,801	0%	-	-	-	1,729,836,801
2	Building & Other Civil Const.	267,037,546	-	267,037,546	2.5%	41,387,442	5,641,253	47,028,695	220,008,851
3	Plant & Machinery	1,515,733,957	122,147,151	1,637,881,108	2.5% Initial	177,737,983	35,043,512.99 1,290,827	214,072,323	1,423,808,785
4	Generator	259,143,553	-	259,143,553	5%	53,566,246	10,278,865	63,845,111	195,298,442
5	Pipe, Pipe Rack & Electrical	198,944,726	416,966	199,361,692	5%	40,451,724	7,940,687	48,392,411	150,969,281
6	Furniture and Fixture	24,729,244	101,280	24,830,524	10%	9,624,403	1,518,275	11,142,678	13,687,846
7	Tools & Equipments	104,885,465	1,260,261	106,145,726	5%	20,565,400	4,264,475	24,829,875	81,315,851
8	Motor Vehicles	34,033,754	-	34,033,754	10%	14,577,167	1,945,659	16,522,826	17,510,928
		4,134,345,046	**123,925,658**	**4,258,270,704**		**357,910,364**	**67,923,554**	**425,833,918**	**3,832,436,786**

Allocation of Depreciation:

Manufacturing Overhead	64,527,376
Office & administrative Expenses	3,396,178
	67,923,554

MAHFEL HUQ & CO. DHAKA ESTD.1974 Chartered Accountants