

**FINANCIAL STATEMENTS (UN-AUDITED)**  
**OF**  
**GLOBAL HEAVY CHEMICALS LTD.**



**For the Half-Year (2<sup>nd</sup> Quarter)**  
**ended 31 December 2017**

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**Head Office:**

37, Segun Bagicha, Dhaka -1000,

Tel : 880-2-9330191, 9357244. Fax: 880-2-8312919

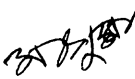
email: info.ghcl@opsonin.net, web: [www.ghclbd.com](http://www.ghclbd.com)

**GLOBAL HEAVY CHEMICALS LTD.**  
**Statement of Financial Position (Un-audited)**  
**As at 31 December 2017**

	Notes	31-Dec-17	(Amount in Taka) 30-Jun-17
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant & Equipment -Carrying Value	3.00	<b>3,893,532,108</b>	<b>3,832,436,786</b>
<b>Current Assets</b>			
Advances, Deposits and Prepayments	4.00	605,057,147	613,510,044
Inventories	5.00	137,750,999	137,532,027
Trade Receivable		174,483,594	181,196,398
Cash and cash equivalents	6.00	259,710,735	261,143,531
		33,111,819	33,638,088
<b>TOTAL ASSETS</b>		<b>4,498,589,254</b>	<b>4,445,946,831</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders equity</b>			
Share Capital		3,893,927,458	3,874,883,329
Share Premium		720,000,000	720,000,000
Revaluation Reserve		1,083,400,000	1,083,400,000
Retained Earnings		1,525,671,614	1,525,671,614
		564,855,844	545,811,715
<b>Non-Current Liabilities</b>			
Deferred Tax (Assets)/Liabilities	7.00	383,191,984	374,583,691
<b>Current Liabilities &amp; Provisions</b>			
Trade Payable		221,469,812	196,479,810
Provision & Liabilities for Expenses		2,370,971	2,129,345
Share money (Refundable)		61,178,427	39,759,933
Advance against Sales		11,545,000	11,545,000
Short term Bank Loan		5,258,208	5,319,509
Provision for WPPF		32,017,184	31,348,691
Provision for Tax		2,755,942	5,204,669
		106,344,080	101,172,664
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,498,589,254</b>	<b>4,445,946,831</b>
<b>Net Asset Value per share</b>		<b>54.08</b>	<b>53.82</b>

  
Company Secretary

  
Chief Financial Officer

  
Director

  
Managing Director

  
Chairman

Date: Dhaka  
January 30, 2018

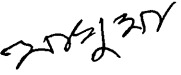


**GLOBAL HEAVY CHEMICALS LTD.**  
**Statement of Profit or Loss and Others Comprehensive Income (Un-Audited)**  
**For the Half Year (2nd Quarter) ended 31 December 2017**

<u>HEADS OF ACCOUNTS</u>	Notes	(Amount in Taka)			
		July 2017 to December 2017	July 2016 to December 2016	October 2017 to December 2017	October 2016 to December 2016
Net Sales		291,453,091	255,371,009	151,932,827	135,606,258
Cost of Goods Sold	8.00	(207,242,842)	(181,171,596)	(107,988,028)	(96,601,508)
<b>Gross Profit</b>		<b>84,210,249</b>	<b>74,199,413</b>	<b>43,944,799</b>	<b>39,004,750</b>
<b>Operating Expenses</b>		<b>(19,127,708)</b>	<b>(18,600,476)</b>	<b>(10,174,932)</b>	<b>(9,989,812)</b>
Office & administrative Expenses	9.00	(15,845,227)	(15,406,975)	(8,555,078)	(8,372,934)
Selling & Distribution Expenses	10.00	(3,282,481)	(3,193,501)	(1,619,854)	(1,616,878)
<b>Operating Income</b>		<b>65,082,541</b>	<b>55,598,937</b>	<b>33,769,867</b>	<b>29,014,938</b>
Financial Expenses		(7,524,544)	(5,351,119)	(2,532,383)	(2,308,532)
Other Income		316,784	191,304	222,674	65,824
<b>Net Profit before WPPF &amp; Tax</b>		<b>57,874,781</b>	<b>50,439,122</b>	<b>31,460,158</b>	<b>26,772,230</b>
Provision For WPPF		(2,755,942)	(2,401,863)	(1,498,103)	(1,274,868)
		<b>55,118,839</b>	<b>48,037,259</b>	<b>29,962,055</b>	<b>25,497,362</b>
<b>Income Tax Expenses</b>		<b>(13,779,710)</b>	<b>(12,009,315)</b>	<b>(7,490,514)</b>	<b>(6,374,340)</b>
Provision for Current Tax		(5,171,417)	(5,729,129)	(2,697,008)	(2,083,293)
Provision for Deferred Tax		(8,608,293)	(6,280,186)	(4,793,506)	(4,291,047)
<b>Profit after tax</b>		<b>41,339,129</b>	<b>36,027,944</b>	<b>22,471,542</b>	<b>19,123,021</b>
<b>Earnings Per Share</b>		<b>0.57</b>	<b>0.50</b>	<b>0.31</b>	<b>0.27</b>

  
Company Secretary

  
Chief Financial Officer

  
Director

  
Managing Director

  
Chairman

Date: Dhaka  
January 30, 2018



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

**For the Half Year (2nd Quarter) ended 31 December 2017**

(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	-	-	41,339,129	-	41,339,129
<b>Balance as at 31 December 2017</b>	<b>720,000,000</b>	<b>1,083,400,000</b>	<b>564,855,844</b>	<b>1,525,671,614</b>	<b>3,893,927,458</b>

**For the Half Year (2nd Quarter) ended 31 December 2016**


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	-	-	36,027,944	-	36,027,944
<b>Balance as at 31 December 2016</b>	<b>720,000,000</b>	<b>1,083,400,000</b>	<b>503,769,628</b>	<b>1,525,671,614</b>	<b>3,832,841,242</b>

  
 Company Secretary

  
 Chief Financial Officer

  
 Director

  
 Managing Director

  
 Chairman

Date: Dhaka  
 January 30, 2018



**GLOBAL HEAVY CHEMICALS LTD.**  
**Statement of Cash Flow (Un-Audited)**

For the Half Year (2nd Quarter) ended 31 December 2017

PARTICULARS	July 2017 to December 2017	July 2016 to December 2016
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
<b>Cash Receipts:</b>	<b>292,964,637</b>	<b>276,020,049</b>
Cash Receipts from Customers	292,647,853	275,828,745
Cash Receipts from Others Income	316,784	191,304
<b>Cash Payments:</b>	<b>199,146,672</b>	<b>185,858,049</b>
Cash paid to suppliers, employees & others	181,890,605	170,822,009
Income Tax	9,731,523	9,684,921
Bank Interest & Charges Paid	7,524,544	5,351,119
<b>Net Cash Provided by Operating Activities:</b>	<b>93,817,966</b>	<b>90,161,999</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Fixed Assets Addition	(94,960,260)	(65,523,052)
Capital Work in Progress	-	(26,644,805)
<b>Net Cash Used in Investing Activities:</b>	<b>(94,960,260)</b>	<b>(92,167,857)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Bank loan (Short term loan)	668,493	605,197
Dividend Paid	(52,468)	(48,275)
<b>Net Cash provided by Financing Activities:</b>	<b>616,026</b>	<b>556,922</b>
<b>D. Net Cash Inflow (A+B+C):</b>	<b>(526,269)</b>	<b>(1,448,936)</b>
<b>E. Opening Cash &amp; Cash Equivalent</b>	<b>33,638,088</b>	<b>28,983,101</b>
<b>F. Closing Cash &amp; Cash Equivalent (D+E):</b>	<b>33,111,819</b>	<b>27,534,165</b>
<b>Net Operating Cash flow per share:</b>	<b>1.30</b>	<b>1.25</b>

  
Company Secretary

  
Chief Financial Officer

  
Director

  
Managing Director

  
Chairman

Date: Dhaka  
January 30, 2018



**GLOBAL HEAVY CHEMICALS LIMITED**  
37, SEGUN BAGICHA  
DHAKA-1000  
Notes to the Financial Statements  
For the half year (2<sup>nd</sup> Quarter) ended 31 December 2017

**1. Reporting Entity**

**Global Heavy Chemicals Limited (GHCL)** was incorporated as a Private Limited Company on the 19<sup>th</sup> 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 half year ended 31 December 2017 should be read in conjunction with the Financial Statements for the period ended 30 June 2017 (hereafter referred to as the "Annual Financial Statements"), as they provide an update to previously reported information.

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 half year ended 31 December 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.



	<u>31-Dec-17</u>	<u>30-Jun-17</u>
<b>3.00 Property, Plant &amp; Equipment -Carrying Value</b>		
Opening balance	4,258,270,704	4,134,345,046
Add: Addition during the Period	94,960,260	123,925,658
	<u>4,353,230,964</u>	<u>4,258,270,704</u>
Less: Accumulated depreciation up to last account	425,833,918	357,910,364
	<u>3,927,397,046</u>	<u>3,900,360,340</u>
Less: Depreciation charged during the Period	33,864,939	67,923,554
<b>Written Down Value</b>	<b><u>3,893,532,108</u></b>	<b><u>3,832,436,786</u></b>
<b>4.00 Advances, Deposits and Prepayments</b>		
Security Deposits	24,098,267	24,098,267
Advance Tax	27,212,586	17,481,063
Advance VAT	1,949,599	3,969,153
Other Advance & Deposit (Note: 4.01)	84,490,547	91,983,543
<b>Total:</b>	<b><u>137,750,999</u></b>	<b><u>137,532,027</u></b>
<b>4.01 Other Advance &amp; Deposit</b>		
Advance to C & F agent	9,282,819	8,157,099
Advance to Carrying agent	2,717,993	2,388,384
Advance to supplier	28,865,678	28,683,965
Advance for construction work	-	14,420,294
Advance to employee	13,192,259	11,592,444
L/C Margin	27,444,921	24,116,696
Other advance expenses and deposited	2,986,877	2,624,661
<b>Total:</b>	<b><u>84,490,547</u></b>	<b><u>91,983,543</u></b>
<b>5.00 Inventories</b>		
Raw Materials	110,378,643	107,139,924
Packing Materials	10,848,680	12,846,171
Finished Goods	53,256,271	53,805,247
Materials in Transit	-	7,405,056
<b>Total:</b>	<b><u>174,483,594</u></b>	<b><u>181,196,398</u></b>
<b>6.00 Cash and Cash Equivalents</b>		
Cash in hand	2,916,955	3,154,871
Cash at bank	30,194,864	30,483,217
<b>Total</b>	<b><u>33,111,819</u></b>	<b><u>33,638,088</u></b>
<b>7.00 Deferred Tax (Assets)/Liabilities</b>		
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	8,608,293	17,360,523
<b>Total</b>	<b><u>383,191,984</u></b>	<b><u>374,583,691</u></b>
<b>Calculation:</b>		
Written Down Value excluding Land (Account Base)	2,163,695,307	2,102,599,985
Written Down Value excluding Land (Tax Base)	630,927,370	604,265,222
Temporary Difference	1,532,767,937	1,498,334,763
Tax Rate	25%	25%
<b>Deferred Tax (Assets)/Liabilities</b>	<b><u>383,191,984</u></b>	<b><u>374,583,691</u></b>



	<u>July 2017 to December 2017</u>	<u>July 2016 to December 2016</u>
<b>8.00 Cost of Goods Sold</b>		
Materials Consumed (Note-8.01)	76,607,685	65,268,949
Direct Labour	15,554,994	16,547,866
Manufacturing Overhead (Note-8.02)	<u>114,531,188</u>	<u>101,325,410</u>
<b>Cost of Production</b>	<u>206,693,866</u>	<u>183,142,226</u>
Add: Opening Stock of Finished Goods	<u>53,805,247</u>	<u>51,778,299</u>
	260,499,113	234,920,525
Less: Closing Stock of Finished Goods	<u>(53,256,271)</u>	<u>(53,748,929)</u>
<b>Cost of Goods Sold:</b>	<b><u>207,242,842</u></b>	<b><u>181,171,596</u></b>
<b>8.01 Materials Consumed</b>		
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	66,685,281	61,375,488
Add: Packing Materials Purchases	<u>3,758,576</u>	<u>3,212,458</u>
	197,835,008	190,692,896
Less: Closing Stock of Raw Materials	<u>(110,378,643)</u>	<u>(114,672,569)</u>
Less: Closing Stock of Packing Materials	<u>(10,848,680)</u>	<u>(10,751,378)</u>
<b>Materials Consumed:</b>	<b><u>76,607,685</u></b>	<b><u>65,268,949</u></b>
<b>8.02 Manufacturing Overhead</b>		
Carriages	1,743,284	1,679,303
Gas Expenses	76,106,277	63,819,442
Fuel and Lubricants	3,264,036	3,168,968
Depreciation	32,171,692	31,499,152
Rrepair & Maintenance	<u>1,245,899</u>	<u>1,158,546</u>
<b>Manufacturing Overhead:</b>	<b><u>114,531,188</u></b>	<b><u>101,325,410</u></b>
<b>9.00 Office &amp; Administrative Expenses</b>		
Salary & Allowances	9,539,549	9,059,401
Managing Director's Salary	720,000	720,000
Director remuneration	840,000	840,000
Office rent	300,000	300,000
Telephone	300,946	292,181
Printing & Stationery	347,283	337,168
Electricity	133,648	129,756
Audit fees	172,500	258,750
Postage	135,369	139,054
Entertainment	105,265	108,131
AGM Expenses	709,357	709,357
Computer Repairs and Accessories	139,021	142,806
Traveling and Conveyance	107,169	110,087
Annual Subscription and Professional fees	282,097	273,952
Books, Papers & Periodicals	46,617	47,887
Advertisement	102,524	105,315
Vehicles Maintenance	170,635	175,280
Depreciation	<u>1,693,247</u>	<u>1,657,850</u>
<b>Total</b>	<b><u>15,845,227</u></b>	<b><u>15,406,975</u></b>
<b>10.00 Selling &amp; Distribution Expenses</b>		
Salary & Allowances	871,794	1,089,743
Delivery Expenses	364,300	404,778
Carton Expenses	1,413,089	1,141,362
Vehicles Maintenance	<u>633,298</u>	<u>557,618</u>
<b>Total</b>	<b><u>3,282,481</u></b>	<b><u>3,193,501</u></b>

