

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



For the 1st Quarter Ended September 30, 2022

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GLOBAL HEAVY CHEMICALS LTD.
Statement of Financial Position (Un-audited)
As at 30 September 2022

	Notes	30-Sep-22	(Amount in Taka) 30-Jun-22
ASSETS			
Non-Current Assets			
Property, Plant and Equipment -Carrying Value	3.00	4,523,191,898	4,459,817,177
Current Assets			
Advances, Deposits and Prepayments	4.00	134,326,787	141,703,129
Inventories	5.00	274,783,519	268,239,424
Trade Receivable		271,469,810	271,513,340
Cash and cash equivalents	6.00	31,730,881	39,307,271
		5,235,502,894	5,180,580,341
TOTAL ASSETS			
EQUITY AND LIABILITIES			
Shareholders equity			
Share Capital		720,000,000	720,000,000
Share Premium		1,083,400,000	1,083,400,000
Revaluation Reserve		1,464,644,749	1,464,644,749
Retained Earnings		564,077,047	596,922,084
Non-Current Liabilities			
Long Term Loan		75,101,029	79,647,856
Deferred Tax (Assets)/Liabilities	7.00	509,404,073	505,226,503
Current Liabilities & Provisions			
Trade Payable		3,105,480	3,467,000
Provision & Liabilities for Expenses		43,154,810	32,741,520
Unclaimed Dividend		3,003,780	3,003,780
Advance against Sales		6,584,510	6,016,736
Short term Bank Loan		742,952,645	667,450,738
Provision for Income Tax		20,074,771	18,059,375
		818,875,996	730,739,148
TOTAL EQUITY AND LIABILITIES			
		5,235,502,894	5,180,580,341
Net Asset Value per share			
		53.22	53.68

Company Secretary

Chief Financial Officer

Director

Managing Director

Chairman

Date: December 11, 2022
 Dhaka

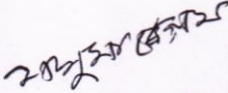


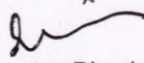
GLOBAL HEAVY CHEMICALS LTD.
Statement of Profit or Loss and Others Comprehensive Income (Un-Audited)
For the 1st Quarter ended September 30, 2022

<u>Particulars</u>	Notes	(Amount in Taka)	
		July 2022 to September 2022	July 2021 to September 2021
Net Sales		112,994,944	106,246,806
Cost of Goods Sold	8.00	<u>(112,936,181)</u>	<u>(98,075,242)</u>
Gross Profit		58,763	8,109,312
Operating Expenses		(9,493,455)	(9,577,539)
Office & administrative Expenses	9.00	(8,001,437)	(7,996,211)
Selling & Distribution Expenses	10.00	(1,492,018)	(1,581,328)
Operating Income		(9,434,692)	(1,468,226)
Financial Expenses		(17,256,227)	(10,180,176)
Other Income		38,848	12,480
Profit before WPPF & Tax		(26,652,071)	(11,635,922)
Provision For WPPF		-	-
Profit before Tax		(26,652,071)	(11,635,922)
Income Tax Expenses		(6,192,966)	(3,698,598)
Provision for Current Tax	13.00	(2,015,396)	(1,052,473)
Provision for Deferred Tax		(4,177,570)	(2,646,125)
Profit after tax		(32,845,037)	(15,334,520)
Basic Earnings Per Share		(0.46)	(0.21)
Diluted Earnings Per Share		(0.46)	(0.21)


Company Secretary


Chief Financial Officer


Director


Managing Director


Chairman

Date: December 11, 2022
Dhaka



GLOBAL HEAVY CHEMICALS LTD.
Statement of Changes in Equity (Un-Audited)
For the 1st Quarter ended September 30, 2022


(Amount in Taka)


Particulars	Share Capital	Share premium	Retained Earnings	Revaluation Surplus	Total Shareholders Equity
Balance as at July 01, 2022	720,000,000	1,083,400,000	596,922,083	1,464,644,749	3,864,966,833
Net profit during the Period	-	-	(32,845,037)	-	(32,845,037)
Balance as at September 30, 2022	720,000,000	1,083,400,000	564,077,047	1,464,644,749	3,832,121,796

For the 1st Quarter ended September 30, 2021

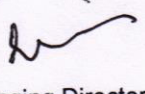
(Amount in Taka)


Particulars	Share Capital	Share premium	Retained Earnings	Revaluation Surplus (Restated)	Total Shareholders Equity
Balance as at July 01, 2021	720,000,000	1,083,400,000	666,882,784	1,464,644,749	3,934,927,533
Net profit during the Period	-	-	(15,334,520)	-	(15,334,520)
Balance as at September 30, 2021	720,000,000	1,083,400,000	651,548,264	1,464,644,749	3,919,593,013


Company Secretary


Chief Financial Officer


Director


Managing Director

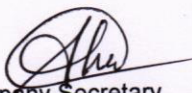

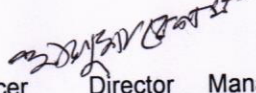
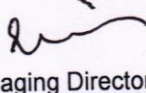


Chairman

Date: December 11, 2022
Dhaka



GLOBAL HEAVY CHEMICALS LTD.
Statement of Cash Flow (Un-Audited)
For the 1st Quarter ended September 30, 2022

PARTICULARS	July 2022 to September 2022	July 2021 to September 2021
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Cash Receipts:	113,645,095	107,265,365
Cash Receipts from Customers	113,606,248	107,252,885
Cash Receipts from Others Income	38,848	12,480
Cash Payments:	108,308,329	128,682,645
Cash paid to suppliers, employees & others	89,036,706	117,449,996
Income Tax	2,015,396	1,052,473
Financial Expenses	17,256,227	10,180,176
Net Cash Provided by Operating Activities:	5,336,766	(21,417,280)
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Fixed Assets Addition	(83,868,237)	(7,687,003)
Net Cash Used in Investing Activities:	(83,868,237)	(7,687,003)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Bank loan	70,955,080	29,541,783
Dividend Paid	-	(63,795)
Net Cash provided by Financing Activities:	70,955,080	29,477,988
D. Net Cash Inflow (A+B+C):	(7,576,391)	373,705
E. Opening Cash & Cash Equivalent	39,307,271	31,520,317
F. Closing Cash & Cash Equivalent (D+E):	31,730,881	31,894,022
Net Operating Cash flow per share:	0.07	(0.30)

Company Secretary Chief Financial Officer Director Managing Director Chairman

Date: December 11, 2022
 Dhaka



GLOBAL HEAVY CHEMICALS LIMITED

37, SEGUN BAGICHA

DHAKA-1000

Notes to the Financial Statements (Un- Audited)

For the 1st Quarter ended 30 September 2022

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 (IFRS), 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 2022 should be read in conjunction with the Financial Statements for the year ended 30 June 2022 (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 2022.

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.



	<u>30-Sep-22</u>	<u>30-Jun-22</u>
3.00 Property, Plant & Equipment -Carrying Value		
Opening balance	5,260,366,122	5,060,187,613
Add: Addition during the Period	<u>83,868,237</u>	<u>200,178,509</u>
	5,344,234,359	5,260,366,122
Less: Accumulated depreciation up to last account	<u>800,548,945</u>	<u>719,229,264</u>
	4,543,685,414	4,541,136,858
Less: Depreciation charged during the Period	<u>20,493,516</u>	<u>81,319,681</u>
Written Down Value	<u>4,523,191,898</u>	<u>4,459,817,177</u>
4.00 Advances, Deposits and Prepayments		
Security Deposits	14,556,803	14,556,803
Advance Tax	35,902,498	33,887,102
Advance VAT	26,907,414	11,680,666
Other Advance & Deposit (Note: 4.01)	<u>56,960,072</u>	<u>81,578,558</u>
Total:	<u>134,326,787</u>	<u>141,703,129</u>
4.01 Other Advance & Deposit		
Advance to C & F agent	6,254,810	6,134,527
Advance to Carrying agent	2,345,840	2,267,450
Advance for Capital Expenditure	18,977,997	43,742,980
Advance to supplier	14,154,805	14,572,856
Advance to employee	14,552,415	14,186,540
Other advance expenses and deposited	<u>674,205</u>	<u>674,205</u>
Total:	<u>56,960,072</u>	<u>81,578,558</u>
5.00 Inventories		
Raw Materials	125,451,059	124,014,995
Packing Materials	11,286,140	10,261,374
Finished Goods	134,256,910	130,486,075
Others	<u>3,789,410</u>	<u>3,476,980</u>
Total:	<u>274,783,519</u>	<u>268,239,424</u>
6.00 Cash and Cash Equivalents		
Cash in hand	5,548,214	5,737,764
Cash at bank	<u>26,182,666</u>	<u>33,569,507</u>
Total	<u>31,730,881</u>	<u>39,307,271</u>
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	505,226,503	488,426,382
Provision made for the current Period	<u>4,177,569</u>	<u>16,800,121</u>
Total	<u>509,404,073</u>	<u>505,226,503</u>
Calculation:		
Written Down Value excluding Land (Account Base)	2,716,459,872	2,653,085,151
Written Down Value excluding Land (Tax Base)	<u>723,672,282</u>	<u>678,864,536</u>
Temporary Difference	1,992,787,590	1,974,220,615
Tax Rate	22.5%	22.5%
Deferred Tax (Assets)/Liabilities	<u>448,377,208</u>	<u>444,199,638</u>
Deferred Tax on Land revaluation Surplus	<u>61,026,865</u>	<u>61,026,865</u>
	<u>509,404,073</u>	<u>505,226,503</u>



	July 2022 to September 2022	July 2021 to September 2021
8.00 Cost of Goods Sold		
Materials Consumed (Note-8.01)	44,246,973	43,223,256
Direct Labour	4,894,581	4,789,904
Manufacturing Overhead (Note-8.02)	<u>67,565,462</u>	<u>64,231,806</u>
Cost of Production	116,707,016	112,244,966
Add: Opening Stock of Finished Goods	<u>130,486,075</u>	<u>114,584,780</u>
	247,193,091	226,829,746
Less: Closing Stock of Finished Goods	<u>(134,256,910)</u>	<u>(128,754,504)</u>
Cost of Goods Sold:	<u><u>112,936,181</u></u>	<u><u>98,075,242</u></u>
8.01 Materials Consumed		
Opening Stock of Raw Materials	124,014,995	118,548,120
Opening Stock of Packing Materials	10,261,374	10,548,215
Add: Raw Materials Purchase	45,582,109	45,421,540
Add: Packing Materials Purchases	<u>1,125,694</u>	<u>1,025,401</u>
	180,984,172	175,543,276
Less: Closing Stock of Raw Materials	<u>(125,451,059)</u>	<u>(121,465,810)</u>
Less: Closing Stock of Packing Materials	<u>(11,286,140)</u>	<u>(10,854,210)</u>
Materials Consumed:	<u><u>44,246,973</u></u>	<u><u>43,223,256</u></u>
8.02 Manufacturing Overhead		
Carriages	1,045,821	2,245,850
Gas Expenses	45,884,670	41,718,619
Fuel and Lubricants	624,850	1,154,820
Depreciation	19,468,841	18,691,032
Repair & Maintenance	<u>541,280</u>	<u>421,485</u>
Manufacturing Overhead:	<u><u>67,565,462</u></u>	<u><u>64,231,806</u></u>
9.00 Office & Administrative Expenses		
Salary & Allowances	5,175,480	5,374,076
Managing Director's Salary	360,000	360,000
Director remuneration	210,000	210,000
Office rent	150,000	150,000
Telephone & Internet	152,481	145,688
Printing & Stationery	87,217	83,064
Electricity	76,087	72,464
Postage	48,425	46,119
Entertainment	50,972	48,545
Computer Repairs and Accessories	77,990	74,276
Traveling and Conveyance	76,107	72,483
Annual Subscription and Professional fees	122,450	109,411
Books, Papers & Periodicals	23,853	22,717
Advertisement	85,000	109,630
Vehicles Maintenance	280,699	133,999
Depreciation	<u>1,024,676</u>	<u>983,739</u>
Total	<u><u>8,001,437</u></u>	<u><u>7,996,211</u></u>
10.00 Selling & Distribution Expenses		
Salary & Allowances	497,327	464,792
Delivery Expenses	177,128	165,541
Carton Expenses	548,859	699,869
Vehicles Maintenance	<u>268,704</u>	<u>251,126</u>
Total	<u><u>1,492,018</u></u>	<u><u>1,581,328</u></u>



	<u>July 2021 to September 2021</u>	<u>July 2021 to September 2021</u>
11.00 Reconciliation of Cash flows from operating activities (Indirect Method):		
Profit before Tax	(26,652,071)	(11,635,922)
Adjustments for Expenses Not Requiring Cash:		
Depreciation	20,493,516	19,674,770
Provision For WPPF	-	-
Working capital changes:		
(Increase) / Decrease In Trade Receivables	43,530	418,203
(Increase) / Decrease In Inventories	(6,544,095)	(17,323,729)
(Increase) / Decrease In Advances, Deposits and Prepayments	9,391,738	(13,029,649)
Increase / (Decrease) In Trade Payables	(361,520)	8,929
Increase / (Decrease) In Advance Receipt Against Sales	567,774	587,876
Increase / (Decrease) In Provision & Liabilities For Expenses	10,413,290	934,716
Income Tax Paid	(2,015,396)	(1,052,473)
Net Cash From Operating Activities	<u>5,336,766</u>	<u>(21,417,279)</u>
12.00 Significant Deviation:		
During the reporting period from July 1, 2022 to September 30, 2022 our sales have been Increase compared to same period of the previous year but due to increase in Gas Bill Expenses and raw material import cost our net profit after tax has been decrease. Hence Earnings per Share has been decreased compared to same period of the previous year.		
Net Operating Cash Flow per Share (NOCFPS) has been increased during the reporting period compared to same period of the previous year.		
13.00 Calculation of Provision for Current Tax		
Minimum Tax Note: 13.01	2,015,396	1,052,473
Regular Tax	-	-
Provision for Current Tax is the Higher One	<u>2,015,396</u>	<u>1,052,473</u>
13.01 Minimum Tax		
Turnover Base		
0.60% on Sales	677,970	637,481
Tax on other income	12,431	3,994
Minimum Tax on Turnover and others Income	<u>690,401</u>	<u>641,474</u>
Deducted Tax at source	<u>2,015,396</u>	<u>1,052,473</u>
Minimum Tax is the Higher One	<u>2,015,396</u>	<u>1,052,473</u>
14.00 Earnings Per Share		
Particulars		
Surplus for the Period attributable to the shareholders	(32,845,037)	(15,334,520)
Number of outstanding share at the end of the year	72,000,000	72,000,000
Basic Earnings Per Share	<u>(0.46)</u>	<u>(0.21)</u>
15.00 Net Operating Cash Flows per share(NOCFPS)		
Particulars		
Net Cash Provided by Operating Activities	5,336,766	(21,417,280)
Number of outstanding share at the end of the year	72,000,000	72,000,000
Net Operating Cash Flows per share (NOCFPS)	<u>0.07</u>	<u>(0.30)</u>



16.00 Net Asset Value Per Share		30-Sep-22	30-Jun-22
Particulars			
Net Asset Value at the end of the Year		3,832,121,796	3,864,966,833
Number of outstanding share at the end of the year		72,000,000	72,000,000
Net Asset Value (NAV) Per Share		53.22	53.68

17.00 Related Parties Transactions

During the year, the Company carried out following related party transactions:

SL No.	Name of Related Party Companies	Nature of Transaction	Outstanding as on		Head of A/C
			30-Sep-22	30-Jun-22	
1	Opsonin Pharma Ltd.	Sales	6,761,896	6,439,901	Accounts Receivables
2	Opso Saline Ltd.	Sales	19,057,633	18,150,127	Accounts Receivables
3	Global Capsules Ltd.	Sales	36,651,850	34,906,524	Accounts Receivables
4	Crescent Chemicals Ltd.	Purchases	2,456,890	2,442,420	Accounts Payables

SL No.	Name of Related Party	Nature of Transaction	Amount		Head of A/C
			July 2022 to September 2022	July 2021 to September 2021	
1	Abdur Rouf Khan	Remuneration	210,000	210,000	Operating Expense
2	Abdur Rakib Khan	Remuneration	360,000	360,000	Operating Expense

