

AUDITORS' REPORT

&

AUDITED FINANCIAL STATEMENTS

OF

GLOBAL HEAVY CHEMICALS LIMITED

37 Segun Bagicha, Dhaka- 1000

FOR THE YEAR ENDED 30 JUNE 2022



Sonargaon Terrace (2nd Floor), House # 52
Road # 13/C, Block # E, Banani
Dhaka- 1213, Bangladesh.

GLOBAL HEAVY CHEMICALS LTD.
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**INDEPENDENT AUDITOR'S REPORT TO
THE SHAREHOLDERS OF
GLOBAL HEAVY CHEMICALS LIMITED**

Opinion:

We have audited the financial statements of **Global Heavy Chemicals Limited** (the "Company"), which comprise the Statement of Financial Position as at 30 June 2022 and Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give true and fair view, in all material respects of the financial position of the company as at 30 June 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), International Accounting Standards (IASs), the Companies Act 1994, the Securities and exchange Rules 1987 and other explanatory information.

Basis of Opinion:

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) bye laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters:

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.





Risk	Our response to the risk
<p>Revenue recognition and measurement</p> <p>During the year, the Company reported sales revenue of TK. 462,972,425 which has declined by BDT 116,175,686 equivalent to 20% as compared with previous year.</p> <p>Main sources of sales revenue comprise sale of a range of chemical products mainly sodium Hydroxide (Caustic soda), Chlorine and other chemical products.</p> <p>Revenue recognized as per IFRC 15: "Revenue from Contracts with Customers". Revenue recognized in the statement of profit or loss and other comprehensive income is measured excluding Value Added Tax (VAT).</p> <p>We identified sales revenue as an item of key audit matters due to its significance in measuring financial performance of the Company.</p>	<p>Our audit procedures included the following to test the design and operating effectiveness of key control focusing on:</p> <ul style="list-style-type: none"> ■ Segregation of duties in invoice creation and modification; ■ Timing of revenue recognition considering point of revenue recognition; <p>Our substantive procedures in relation to the revenue recognition and measurement comprises the following:</p> <ul style="list-style-type: none"> ■ Obtaining through understanding of revenue recognition and measurement procedures applied by the Company. ■ Assessing occurrence and accuracy of sales revenue recognized by inspecting sample selected source documents such as sales order and invoice/VAT challan issued. ■ Performing sales cut-off test to determine whether sales revenue was recognized in the correct period by tracing delivery challan issued before and after two days of the reporting date; ■ Making inquiries of appropriate personal regarding changes occurred during the year and corroborating their explanation with further documentary evidence; ■ Finally assessing the appropriateness and presentation of disclosure notes against relevant IFRSs as applicable.
<p>Refer to note # 24.00 to the financial statements for details</p>	



<p>Property , Plant and Equipment</p> <p>Property, plant and equipment amounting TK. 4,459,817,177 was carried at carrying value representing approximately 86% of total assets of the Company as on 30 June 2022.</p> <p>Since PPE comprises a significant portion of the Company's total assets, it involves management judgment in determining estimated useful lives to change depreciation. Besides, PPE is also subject to impairment when any possible indicators exist warranting their impairment review. Based on these factors, we decided PPE to be one of the areas of audit significance to be emphasized during the audit.</p>	<p>Our audit procedures adopted during the audit to address risk identified comprise the following:</p> <ul style="list-style-type: none"> ■ Obtaining and documenting complete procurement process of the Company for the acquisition of PPE; ■ Reviewing recognition, measurement and valuation basis of PPE in compliance with IAS 16: Property, plant and equipment; ■ Inspecting supporting documents for the acquisition of PPE made during the year to verify their ownership and accuracy of amount capitalized; ■ Reviewing and assessing methods and assumptions used by the management in determining estimated useful lives and therefore reasonableness of rate of depreciation used. ■ Assessing the appropriateness of presentation and adequacy of disclosures with relevant IFRSs.
<p>Refer to note # 6.00 to the financial statements for details</p>	
<p>Valuation of closing inventories</p> <p>Closing inventories aggregating to BDT 268,239,424 was recognized in the statement of financial position as on 30 June 2022. Compared with previous year, this has increased by BDT 23,313,209 closing inventories were all held at factory premises of the Company. Since determining valuation of these inventories involves management judgments taking account for Provision against obsolete and damaged items which may lead to potential risk of material misstatement, we considered this an area of significant audit attention to be emphasized during the audit.</p>	<p>Our audit responses comprise the following procedures:</p> <ul style="list-style-type: none"> ■ Evaluating the design and implementation of key inventory control operating across factory premise. ■ Attending and observing the physical inventory at the reporting date. ■ Evaluating compliance with instructions of management court procedures during the court. ■ Inspecting physical stock counting report as on 30 June 2022 and reconciling count result to closing inventories listing and performing test count on selected items to test completeness, accuracy and existence

	of inventories. Reviewing composition of cost of inventories comprising raw materials, work-in-process and finished goods and comparing net realizable value on selected samples to test their valuation.
Refer to note # 7.00 to the financial statements for details.	

Emphasis of matters

Account Receivables

We draw attention to the turnover as shown in note # 24.00 of the Financial Statements of the company during the year under audit Tk. 462,972,425 against Tk. 579,148,111 of the comparing year, resulted decline by 20% but the receivables increased to 271,513,340 from Tk. 268,033,597 which brought up to 31% from 27% of turnover of respective year. It seems that the company is offering more credit to maintain its sales. The company should decrease the receivable amount to hold its continuous liquidity position.

Gas Expenses and Usage:

We draw attention to the Gas Expenses as shown in note # 25.00 of the Financial Statements of the company during the year under audit is Tk. 169,131,107 against 14,285,085 CBM gas usage which was Tk. 177,310,115 against 13,515,543 CBM gas usage which is 5.39% lower than the last year, but the production of the company is declined from 21,150,550 MT to 17,575,466 MT of total Caustic Soda (in liquid and flakes) which is 16.9% lower than the previous year. It implies that the production efficiency of the plant and equipment of the company has decreased substantially. If necessary steps are not taken to improve the production efficiency the company may struggle to continue the business profitably.

Loans (Long term and Short Term)

We draw attention to the Long Term Loan and Short Term Loan of the company as shown in note # 14 and 16 of the Financial Statements in the year under audit Tk. 79,647,856 and Tk. 667,450,738, total Tk. 747,098,594 against Tk. 29,360,110 and Tk. 442,362,940 respectively, total Tk. 471,723,050 reflecting that the leverage of the company is mounting up. The loan of the company is created by Tk 275,375,544. The loan increasing but turnover decreasing it implies that the company is struggling to continue the business through the cash generated from its operation.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the 2021 Annual Report. The Annual Report comprises of the Director's Report, Corporate Governance Compliance Report and Management Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The companies Act 1994 require the management to ensure effective internal audit, internal control and risk management factions of the company.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so and those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- ▶ Identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- ▶ Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- ▶ Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ▶ Concluded on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ▶ Evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ▶ Obtained sufficient and appropriate audit evidence regarding the financial information of the Company or business activities within the company to express an opinion on the financial statement we are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

We communicated with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.





Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, the Securities and Exchange Rules 1987 and relevant notifications issues by Bangladesh Securities and Exchange Commission, without modifying our basis for qualified opinion as mentioned above we also report that:

- ▶ We have obtained all the information and explanations except for those mentioned under the basis of qualified opinion, which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- ▶ In our opinion, proper books of accounts, records and other statutory books as required by law except for those mentioned under the basis of qualified opinion, have been kept by the Company so far as it appeared from our examinations of those books and proper returns;
- ▶ The statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account and returns;
- ▶ The expenditures incurred were for the purpose of the Company's business.

28 Nov 2022
Dhaka, Bangladesh


Md. Harun Or Rashid FCA (697)
Engagement Partner
ARTISAN
Chartered Accountants
DVC: 2211280697AS925576



GLOBAL HEAVY CHEMICALS LTD.
Statement of Financial Position
As at 30 June 2022

Particulars	Notes	Amount in Taka	
		30-Jun-22	30-Jun-21
ASSETS:			
Non-Current Assets			
Property, Plant & Equipments	6.00	4,459,817,177	4,340,958,349
Current Assets			
Inventories	7.00	268,239,424	244,926,215
Accounts Receivable	8.00	271,513,340	268,033,597
Advances, Deposits and Prepayments	9.00	141,703,129	156,698,420
Cash and Cash Equivalents	10.00	39,307,271	31,520,317
TOTAL ASSETS		5,180,580,341	5,042,136,898
EQUITY AND LIABILITIES			
Shareholders equity			
Share Capital	11.00	720,000,000	720,000,000
Share Premium		1,083,400,000	1,083,400,000
Revaluation Reserve	12.00	1,464,644,749	1,464,644,749
Retained Earnings	13.00	596,922,084	666,882,784
Non-Current Liabilities			
Long Term Loan	14.00	79,647,856	29,360,110
Deferred Tax (Assets)/Liabilities	15.00	505,226,503	488,426,382
Current Liabilities & Provisions			
Short term Bank Loan	16.00	667,450,738	442,362,940
Accounts Payable	17.00	3,467,000	3,096,551
Provision & Liabilities for Expenses	18.00	32,741,520	42,220,094
Share money (Refundable)	19.00	-	11,545,000
Unclaimed Dividend	20.00	3,003,780	11,717,641
Advance received against Sales	21.00	6,016,736	5,996,634
Provision For WPPF	22.00	-	1,482,757
Provision for Income Tax	23.00	18,059,375	71,001,256
TOTAL EQUITY AND LIABILITIES		5,180,580,342	5,042,136,897
Net Asset Value (NAV) per share	32.00	53.68	54.65

These financial statements should be read in conjunction with the annexed notes.


Company Secretary


Chief Financial Officer


Managing Director


Chairman

Signed as per our separate report of same date.

28 Nov 2022
Dhaka


Md. Harun Or Rashid FCA (697)
Engagement Partner
ARTISAN
Chartered Accountants
DVC: 2211280697AS925576

GLOBAL HEAVY CHEMICALS LTD.
Statement of Profit or Loss and Others Comprehensive Income
For the year ended June 30, 2022

Particulars	Notes	Amount in Taka	
		01-Jul-2021 to 30 Jun-2022	01-Jul-2020 to 30-Jun-2021
Net Sales	24.00	462,972,425	579,148,111
Cost of Goods Sold	25.00	(429,767,738)	(453,059,253)
Gross Profit		33,204,687	126,088,858
Operating Expenses		(63,617,722)	(55,503,351)
Office & Administrative Expenses	26.00	(57,549,782)	(49,136,420)
Selling & Distribution Expenses	27.00	(6,067,940)	(6,366,931)
Operating Income		(30,413,035)	70,585,507
Financial Expenses	28.00	(58,062,053)	(40,073,974)
Profit before other income		(88,475,088)	30,511,532
Other Income	29.00	854,239	626,361
Profit / Loss Before Tax & WPPF		(87,620,849)	31,137,894
Provision For WPPF		-	(1,482,757)
Profit/(Loss) Before Tax		(87,620,849)	29,655,137
Income Tax Expenses		(25,246,645)	(4,818,228)
Provision for Current Tax	23.00	(8,446,523)	(10,911,538)
Provision for Deferred Tax	15.01	(16,800,122)	6,093,310
Net Profit after tax		(112,867,494)	24,836,909
Other comprehensive income			
Deferred tax on land valuation (prior year)		-	-
Total comprehensive income		(112,867,494)	24,836,909
Earnings Per Share	30.00	(1.57)	0.34

These financial statements should be read in conjunction with the annexed notes.


Company Secretary


Chief Financial Officer


Managing Director


Chairman

Signed as per our separate report of same date.

28 Nov 2022
Dhaka


Md. Harun Or Rashid FCA (697)
Engagement Partner
ARTISAN
Chartered Accountants
DVC: 2211280697AS925576

GLOBAL HEAVY CHEMICALS LTD.**Statement of Changes in Equity**

For the year ended June 30, 2022

Particulars	Share Capital	Share premium	Retained Earnings	Revaluation Surplus	Total Shareholders Equity (Tk)
Balance as at July 01, 2021	720,000,000	1,083,400,000	666,882,784	1,464,644,749	3,934,927,533
Dividend paid for the year 2021-2022	-	-	(11,147,500)	-	(11,147,500)
Add: Excess Provison of Tax	-	-	54,054,294	-	54,054,294
Net profit during the Year	-	-	(112,867,494)	-	(112,867,494)
Balance as at June	720,000,000	1,083,400,000	596,922,083	1,464,644,749	3,864,966,833

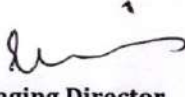
Statement of Changes in Equity

For the year ended June 30, 2021

Particulars	Share Capital	Share premium	Retained Earnings	Revaluation Surplus	Total Shareholders Equity (Tk)
Balance as at July 01, 2020	720,000,000	1,083,400,000	653,193,375	1,464,644,749	3,921,238,124
Dividend paid for the year 2019-2020	-	-	(11,147,500)	-	(11,147,500)
Net profit during the Year	-	-	24,836,909	-	24,836,909
Balance as at June 30 2021	720,000,000	1,083,400,000	666,882,784	1,464,644,749	3,934,927,533



 Company Secretar


 Chief Financial Officer


 Managing Director


 Chairman

Signed as per our separate report of same date.

28 Nov 2022
Dhaka

Md. Harun Or Rashid FCA (697)
 Engagement Partner
 ARTISAN
 Chartered Accountants
 DVC: 2211280697AS925576

GLOBAL HEAVY CHEMICALS LTD.
Statement of Cash Flows
For the year ended June 30, 2022

Particulars	Notes	Amount in Taka	
		01-Jul-2021 to 30-Jun-2022	01-Jul-2020 to 30-Jun-2021
A. CASH FLOW FROM OPERATING ACTIVITIES			
Cash Received from Customers		459,512,784	555,275,867
Cash Received from other Income		854,239	626,361
Payment to Suppliers and Employees		(429,862,166)	(476,022,674)
Payment for Financial Expenses		(58,062,053)	(40,073,974)
Income Tax Paid		(8,446,523)	(10,602,431)
Net cash generated from/(used in) Operating Activities		(36,003,720)	29,203,149
B. CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of Property, Plant and Equipment		(200,178,509)	(298,486,160)
Net cash provided from/(used in) Investing Activities		(200,178,509)	(298,486,160)
C. CASH FLOW FROM FINANCING ACTIVITIES			
Short Term Loan (Net)		225,087,798	251,085,245
Long Term Loan (Net)		50,287,747	29,360,110
Share money (refundable) transferred to Capital Market Stabilization Fund		(11,545,000)	-
Dividend Paid		(19,861,361)	(12,388,714)
Net cash provided from/(used in) Financing Activities		243,969,184	268,056,641
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)		7,786,955	(1,226,370)
Cash and Cash Equivalents at the beginning		31,520,317	32,746,687
Cash and Cash Equivalents at the end		39,307,271	31,520,317
Net Operating Cash Flow Per Share of Tk. 10 each	33	(0.50)	0.41

These financial statements should be read in conjunction with the annexed notes.


Company Secretary


Chief Financial Officer


Managing Director


Chairman

Signed in terms of our separate report of even date annexed

28 Nov 2022
Dhaka


Md. Harun Or Rashid FCA (697)
Engagement Partner
ARTISAN
Chartered Accountants
DVC: 2211280697AS925576

GLOBAL HEAVY CHEMICALS LIMITED
Notes to the Financial Statements
As at and for the year ended June 30, 2022

1. Incorporation, Legal Status and Nature of Activities:

1.01. Legal Form of the Company

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 are to manufacture and distribute Sodium Hydroxide (Caustic Soda), Chlorine and other chemical products.

2. Basis of Preparation

2.01. Statement of Compliance

The financial statements have been prepared in accordance with the Companies Act 1994, the Securities and Exchange Rules, 1987 as well as provisions of International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) and other applicable laws and regulations.

2.02. Other Regulatory Compliances

The Company has also complied with the Listing regulations of Dhaka Stock Exchange Limited & Chittagong Stock Exchange Limited, The Income Tax Ordinance 1984, The Income Tax Rules 1984, The Value Added Tax Act 1991, The Value Added Tax Rules 1991 and Bangladesh Labor Act 2006 as amended in 2013.

2.03. Basis of Measurement

The financial statements have been prepared under the historical cost convention following accrual basis except Statement of Cash Flows.

2.04. Components of Financial Statements

The financial statements are prepared and presented for external users by the Company in accordance with identified financial reporting framework. Presentation has been made in compliance with the requirements of IAS 1 "Presentation of Financial Statements".



The financial statements comprise the following:

- (i) Statement of Financial Position as at 30 June 2022;
- (ii) Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2022;
- (iii) Statement of Changes in Equity for the year ended 30 June 2022;
- (iv) Statement of Cash Flows for the year ended 30 June 2022 and
- (v) Notes, Comprising a Summary of Significant Accounting Policies and Other Explanatory Information.

2.05 Functional and Presentation Currency

These financial statements are presented in Bangladesh Taka (BDT/Taka/Tk.), which is both functional currency and presentation currency of the Company.

2.06 Reporting Period

The financial statements of the Company covered one year from 1st July 2021 to 30th June 2022.

2.07 Going Concern

This financial statement 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.

2.08. Cash Flow Statement

Cash Flow Statement is prepared in accordance with IAS 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.

2.09. Application of Standards

The following International Financial Reporting Standards (IFRSs) are applicable for the preparation and reporting of the financial statements of the Company for the year under review:

IAS 1	Presentation of Financial Statements
IAS 2	Inventories
IAS 7	Statement of Cash Flows
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors
IAS 10	Events After the Reporting Period
IAS 12	Income Taxes
IAS 16	Property, Plant & Equipment
IAS 19	Employee Benefits
IAS 24	Related Party Disclosures
IAS 33	Earnings Per Share
IAS 36	Impairment of Assets
IAS 37	Provisions, Contingent Liabilities and Contingent Assets
IFRS 7	Financial Instruments: Disclosures
IFRS 9	Financial Instruments
IFRS 15	Revenue from Contracts with Customers



3. Significant Accounting Policies

The Accounting Policies set out below have been applied consistently to all periods presented in these financial statements.

3.01 Recognition of Fixed Assets and Depreciation

In accordance with the International Accounting Standard as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB) as IAS 16: Property Plant and Equipment 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:

ASSETS	DEPRECIATION RATE
Land & Developments	0%
Building & Other Civil Construction	2.5%
Plant & Machinery	2.5%
Generator	5%
Pipe, Pipe Rack & Electrical	5%
Furniture and Fixture	10%
Tools & Equipment	5%
Motor Vehicles	10%

Revaluation of Property, Plant and Equipment

The original cost of the land amounting to Tk.67,400,386 which has been revalued at Tk.1,593,072,000 by Mahfel Huq & Co. Chartered Accountants as per revaluation report dated February 28, 2011.

3.02. Impairment

All assets except inventory is assessed at the end of each reporting period to determine whether there is any indication that an asset 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.

3.03. Valuation of Inventories

In compliance with the requirements of IAS 2 "Inventories" and the 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.



3.04. Accounts Receivable

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.

3.05. Advances, Deposits & Prepayments

Advances are initially measured at cost. After initial recognition, advances are carried at cost less deductions, adjustments or charges to other account heads.

Deposits are measured at payment value.

Pre-payments are initially measured at cost. After initial recognition, pre-payments are carried at cost less charges to Statement of Profit or Loss and Other Comprehensive Income.

3.06 Cash and Cash Equivalents

Cash and cash equivalents include cash in hand and cash at bank which are available for use by the Company without any restriction. There is an insignificant risk of changes in value of these current assets.

3.07 Revenue Recognition

In compliance with the requirements of IFRS 15: Revenue from Contracts with Customers. Revenue is recognized only when it is probable that the Company will collect consideration to which it will be entitled in exchange for the goods that will be transferred to the customer. The Company recognizes revenue as when it satisfies performance obligations by transferring promised goods to the customer. Revenue is measured at the amount of transaction price which is allocated to the performance obligation. In determining transaction price, the Company considers terms of the contract and its customary business practice. The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods to a customer excluding amount collected on behalf of third parties i.e., Value Added Tax (VAT), discounts commission, rebates and other sales taxes where applicable. The Company transfers control of products at a point in time.

3.08. VAT

The Company's sales are all standard rated on which VAT at 15% is applicable and these VAT liabilities are accounted for as per VAT Act 1991 having been maintaining a VAT Current Account.

3.09 Accounts and Other Payable

Accounts and other payable are stated at cost.



3.10 Provision

The preparation of financial statements is in conformity with International Accounting Standards IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" which requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses, assets and liabilities during and at the date of financial statements.

In accordance with the guidelines as prescribed by IAS 37 provisions were recognized in the following situation:

- When the Company has a present obligation as a result of past events;
- When it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- Reliable estimates can be made of the amount of the obligation.

Necessary provisions have been shown in the Statement of Financial Position at an appropriate level with regard to an adequate provision for risks and uncertainties. An amount recorded as a provision represented the best estimate of the probable expenditure required to fulfill the current obligation on the financial position date.

Other provisions are valued at in accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets". Other provisions comprise all realizable risks from uncertain liabilities and anticipated losses from pending transactions.

3.11 Financial Instruments

Derivative

According to IFRS 7: "Financial Instruments: Disclosures", the Company was not a party to any derivative contract (financial instruments) during the reporting period, 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.

As the Company imports their raw materials spare parts, they are exposed to exchange rate risk. Due to increased export over import the exchange rate has been stable for long time.

Non-Derivative

Non-derivative financial instruments comprise accounts and other receivables, borrowings and other payables and are shown at transaction cost as per IAS 39 "Financial Instruments Recognition and Measurement".

3.12 Foreign currency Transactions

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

3.13 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 IAS-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.



3.14. Taxation

Provision for taxation

Provision for current year income tax has been made at the rate of 25% as prescribed in the Finance Act, 2022 on the taxable profit made by the Company in compliance with IAS-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 year 2015 the Company recognized deferred tax as per IAS 12 "Income Tax" Para 15, 39 and as per IAS 8 necessary changes in the prior period financial statements has been made retrospectively for the changes in accounting policy.

3.15. Employee Benefits

The Company paid short-term employee benefits in the form of salary and other benefits to its employees. During the year under review, the number of employees stands at 412, 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:

<u>Category</u>	<u>30 June 2022</u>	<u>30 June 2021</u>
Production Employee (Engineers & Workers)	352	365
Sales & Distribution Employees	65	42
Administrative Employees	<u>32</u>	<u>36</u>
Total:	<u>449</u>	<u>443</u>

Workers' Profit Participation Funds (WPPF)

The Company provides 5% of its profit after charging of such expenses as WPPF in accordance with the Bangladesh Labor Act, 2006 as amended in 2013 and payment is made as per law. The WPPF is managed by a Board of Trustee duly constituted as per law.

3.16. Statement of Cash Flows

Statement of Cash Flows is prepared principally in accordance with IAS 7 "Statement of Cash Flows".

3.17. Borrowing Cost

The borrowing cost was capitalized unless active development of related assets were interrupted or ceased when the active development was ceased, the borrowing cost directly transferred to the statement of profit or loss as per IAS-23 "Borrowing Cost".

3.18. Earnings per share



The Company calculates Earning Per Share (EPS) in accordance with IAS-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	2021-2022	2020-2021
a)	Earnings attributable to the ordinary shareholders	(112,867,494)	24,836,909
b)	Number of ordinary shares (Weighted Average)	72,000,000	72,000,000
c)	Earnings Per Share (EPS)	(1.57)	0.34

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.

3.19 Information about business segment

As per IFRS 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.

3.20 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 IAS-24 "Related Party Disclosure". The Company engaged in a number of related party transactions on an arms length basis. All transactions with related parties was made through local currency at market prices. 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
			30.06.22	30.06.21	
1.0	Opsonin Pharma Ltd.	Sales	6,439,901	5,921,204	Accounts Receivables
2.0	Opso Saline Ltd.	Sales	18,150,127	16,688,237	Accounts Receivables
3.0	Global Capsules Ltd.	Sales	34,906,524	32,095,003	Accounts Receivables
4.0	Crescent Chemicals Ltd.	Purchases	2,442,420	2,548,450	Accounts Payables



SL No.	Name of Related Party	Nature of Transaction	Amount		Head of A/C
			2021-2022	2020-2021	
1.0	Capt. Abdus Sabur Khan (Retd.)	Remuneration	-	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

3.21 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.

3.22 Authorization date for issuing financial statements

The financial statements were authorized by the Board of Directors on 28 November 2022 for issue after completion of review.

3.23 Comparative

Comparative information has been disclosed in respect of the previous year for all numerical information in the financial statements and also the narrative and descriptive information has been provided 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 IAS-8 "Accounting Policies, Changes in Accounting Estimates and Errors".

4.0 Financial Risk Management

The Management of the Company has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyses the risks faced by the Company, to set appropriate risk limits and control, and to monitor risk and adherence to limits. The Company has exposure to the following risks from its use of financial instruments:

- Credit Risk
- Liquidity Risk
- Market Risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk.



4.1 Credit Risk

Credit risk is the risk of a financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of customer, including the default risk of the industry and financial strength of the customer, as these factors may have an influence on credit risk. Geographically there is no concentration of credit risk.

4.2. Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity (cash and cash equivalents) to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when they fall due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Typically, the Company ensures that it has sufficient cash and cash equivalents to meet expected operational expenses for periods which the Company thinks appropriate, this excludes the potential impact of extreme circumstances that cannot reasonable be predicted such as natural disasters. The liquidity risk remains under control of the management.

4.3 Market Risk

Market risk is the risk that any change in market conditions, such as foreign exchange rate, interest rates and commodity prices that will affect the Company's income or the values of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

5. General

- i) The figures in decimal has been rounded off to the nearest Taka.
- ii) Bracket figure denotes negative.



Particulars	Amount in Taka	
	30-Jun-22	30-Jun-21
6.00 Property, Plant & Equipment		
Opening balance	5,060,187,613	4,761,701,453
Add: Addition during the year/Period	200,178,509	298,486,160
	5,260,366,122	5,060,187,613
Less: Accumulated depreciation	719,229,264	641,119,168
	4,541,136,858	4,419,068,445
Less: Depreciation charged during period	81,319,681	78,110,096
Written Down Value at 30 June, 2022	4,459,817,177	4,340,958,349

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

7.00 Inventories		30-Jun-22	30-Jun-21
Raw Materials	Note 7.01	124,014,995	118,548,120
Packing Materials	Note 7.01	10,261,374	10,548,215
Finished Goods	Note 7.03	130,486,075	114,584,780
Others		3,476,980	1,245,100
Total		268,239,424	244,926,215

A schedule of Inventories is given in (Annexure-D)

7.01 Raw Materials		30-Jun-22	30-Jun-21
Sodium Chloride (Salt)		87,836,112	80,961,637
Hydrated Lime (Calcium Hydroxide)		9,018,000	10,489,373
Barium Carbonate		8,152,303	8,577,604
Anhydrous Sodium Carbonate		1,388,689	1,301,489
Sulphuric Acid		1,032,929	968,068
10% Sodium Sulphite Solution		1,171,825	1,053,007
Meghna Flock		535,487	501,862
Alpha cellulose		842,010	789,138
Liquid Paraffin		14,037,640	13,905,942
Total		124,014,995	118,548,120

7.02 Packing Materials		30-Jun-22	30-Jun-21
High Density Polyethylene (HDP)		5,633,000	6,350,923
Low Density Polyethylene (LDP)		3,078,000	3,051,313
Drum		-	408,779
Plastic Bag		316,500	303,032
Other Packing Materials		1,233,874	434,168
Total		10,261,374	10,548,215

7.03 Finished Goods		30-Jun-22	30-Jun-21
Caustic Soda (Flakes/Liquid)		85,035,085	79,695,487
Hydrochloric Acid		2,734,516	2,562,808
Bleaching Powder		3,863,504	3,620,903
Sodium Hypochlorite		1,410,797	1,322,209
Chlorinated Paraffin Wax (CPW)		18,634,145	17,464,053
Clotech		17,196,343	8,408,837
Liquid Chlorine Gas		1,611,685	1,510,483
Total		130,486,075	114,584,780

8.00 Accounts receivable

Name of the Parties

Sony Plastic Complex Ltd.	7,753,783	7,129,260
Shabur Khan Electronics	18,305,308	16,830,919
United Leather (Pvt) Ltd.	6,866,032	15,507,569
Mohammadi Electric	19,580,336	18,003,251
Crystal Plasticizers	1,699,444	1,562,563
Ashraf Rubber & Plastic Industries	6,586,745	6,056,220
H M Enterprise	8,187,076	7,527,654



Particulars	Amount in Taka	
	30-Jun-22	30-Jun-21
FC Exim (BD) Ltd.	10,951,262	10,069,200
Medicus	8,313,003	16,837,995
K. Rahman & Brothers	59,593,988	54,794,031
A. Rahman & Co.	18,515,488	17,024,171
Alam Enterprise	5,223,221	4,802,520
Sufia Enterprise	11,181,686	10,281,065
Premier Chemicals	1,414,229	1,300,321
Nasir Chemicals	9,228,661	8,485,345
Brothers Engineers	8,264,433	7,598,780
Electra International	1,931,217	1,775,668
Opsonin Pharma Ltd.	6,439,901	5,921,204
Medimet Pharmaceuticals	8,420,876	7,742,622
Opso Saline Ltd.	18,150,127	16,688,237
Global Capsules Ltd.	34,906,524	32,095,002
Total	271,513,340	268,033,597
Aging of Accounts Receivable		
Dues within three Months	203,635,005	201,025,198
Dues within three Months to Six months	59,453,276	58,691,317
Dues within Six Months to one year	8,425,059	8,317,083
Total	271,513,340	268,033,597
9.00 Advances, Deposits and Prepayments		
Security Deposits	14,556,803	24,098,267
Advance Tax	33,887,102	32,774,690
Advance VAT	11,680,666	3,367,408
Other Advance & Deposit	81,578,558	96,458,055
Total	141,703,129	156,698,420
9.01 Advance Tax		
Tax deduction at source and Advance Tax paid	33,887,102	32,774,690
Total	33,887,102	32,774,690
Advance Tax paid at import stage, deduction at source on sales and Bank interest income.		
9.02 Advance VAT		
VAT Current A/C	11,680,666	3,367,408
Closing Balance	11,680,666	3,367,408
9.03 Other Advance & Deposit		
Advance to C & F agent	6,134,527	5,142,580
Advance to Carrying agent	2,267,450	2,451,205
Advance for Capital Expenditure	43,742,980	42,545,000
Advance to supplier	14,572,856	18,952,140
Advance to employee	14,186,540	13,245,820
L/C Margin	-	1,245,820
Other advance expenses and deposited	674,205	12,875,490
Total	81,578,558	96,458,055
Aging of Other Advance & Deposit		
Dues within three Months	48,131,349	56,910,252
Dues within three Months to Six months	23,657,782	27,972,836
Dues within Six Months to one year	9,789,427	11,574,967
Total	81,578,558	96,458,055



Particulars

Amount in Taka	
30-Jun-22	30-Jun-21

10.00 Cash and Cash Equivalents	
Cash in hand	(10.01)
Cash at banks	(10.02)
Total	

5,737,764	5,245,820
33,569,507	26,274,497
39,307,271	31,520,317

10.01 Cash in hand	
Cash in hand	

5,737,764	5,245,820
5,737,764	5,245,820

10.02 Cash at banks

<u>Bank Name</u>	<u>Branch Name</u>	<u>A/C No.</u>
Uttara Bank	Shantinagar	21-4129
Uttara Bank	Shantinagar	21-4751
Uttara Bank	Shantinagar	263-08
Uttara Bank	Shantinagar	261-03
Uttara Bank	Shantinagar	261-04
Uttara Bank	Shantinagar	21-4201
Uttara Bank	Shantinagar	21-4204
Pubali Bank	Moghbazar	104028738
Pubali Bank	Moghbazar	12000600
DBBL.	Shantinagar	108.110.22443
UCBL	New Eskaton	0941101000003001
AB Bank	New Elephant road	501-430
AB Bank	New Elephant road	501-000
AB Bank	New Elephant road	501-002
AB Bank	New Elephant road	501-004
AB Bank	New Elephant road	501-431
AB Bank	Malibagh	501-430
AB Bank	New Elephant road	501-018
AB Bank	New Elephant road	501-040
AB Bank	New Elephant road	501-019
Total		

388,336	440,485
171	343
630,550	600,000
10,827,166	-
4,507,945	-
1,367,387	1,348,595
2,124,854	2,091,601
955,524	923,477
2,569,950	469,864
7,959,796	1,173,353
579,000	-
163,130	8,198,313
1,655	655
57,574	56,264
12,455	11,145
124,033	10,237,500
1,298,079	720,999
194	194
1,660	1,662
48	48
33,569,507	26,274,497

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

11.00 Share capital

11.01 Authorized Capital

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

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

11.02 Issued, subscribed and paid up Capital

72,000,000 ordinary shares

720,000,000	720,000,000
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The issued, subscribed and paid up capital of the company is Taka 720,000,000 divided into 72,000,000 ordinary shares of Tk.10/- each fully paid



11.03 Composition of shareholders:

Category of Shareholder	30-Jun-22			30-Jun-21		
	No. of Share	%	Value (Tk)	No. of Share	%	Value (Tk)
Director & Sponsor	49,395,000	69	493,950,000	49,705,000	69.035	497,050,000
General Shareholders	22,605,000	31	226,050,000	22,295,000	30.965	222,950,000
Total	72,000,000	100	720,000,000	72,000,000	100.000	720,000,000

11.03.01 Classification of shareholders as per their share holdings

Director & Sponsor

Class Interval	30-Jun-22			30-Jun-21		
	No. of Share Holder	No. of Share	%	No. of Share Holder	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
1000001-400000000	7	49,395,000	68.604	7	49,395,000	68.604
Total	7	49,395,000	68.604	8	49,705,000	69.035

General Shareholders

Class Interval	30-Jun-22			30-Jun-21		
	No. of Share Holder	No. of Share	%	No. of Share Holder	No. of Share	%
1-100	384	13,819	0.019	323	10,459	0.015
101-500	1,203	337,425	0.469	1,233	334,616	0.465
501-1000	358	307,808	0.428	269	227,485	0.316
1001-5000	484	1,203,487	1.672	396	1,008,597	1.401
5001-10000	132	1,000,284	1.389	112	862,796	1.198
10001-20000	67	916,980	1.274	34	517,065	0.718
20001-30000	21	536,724	0.745	18	444,133	0.617
30001-40000	4	142,601	0.198	9	312,460	0.434
40001-50000	14	649,040	0.901	13	594,177	0.825
50001-100000	20	1,404,261	1.950	13	923,750	1.283
100001-1000000	23	7,291,323	10.127	24	8,258,214	11.470
1000001-400000000	2	8,801,248	12.224	2	8,801,248	12.224
Total	2,712	22,605,000	31.3958	2,446	22,295,000	30.9653

12.00 Revaluation Reserve

The Land of the company were revalued at Taka. 1,593,072,000 by Mahfel Huq & Company, Chartered Accountants. 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
Less: prior year adjustment	61,026,865
Revaluation surplus	1,464,644,749



Particulars	Amount in Taka	
	30-Jun-22	30-Jun-21
13.00 Retained Earnings		
Opening Balance	666,882,784	653,193,375
Add: Net profit during the Period	(112,867,494)	24,836,909
	554,015,290	678,030,284
Add: Prior Year Adjustment	54,054,294	-
	608,069,584	678,030,284
Less: Dividend paid during the Period	11,147,500	11,147,500
Total	596,922,084	666,882,784
14.00 Long Term Loan		
Uttra Bank (Shantinagor Branch)	21,407,651	29,360,110
UCBL New Eskaton Branch	22,945,918	-
Pubali Bank Moghbazar Branch	35,294,287	-
	79,647,856	29,360,110

The above Long Term Loan represents the amount received from the respective Financial institutions. The amount so received were utilized mainly for import of plant & Equipments, 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 Banks and the financial Institutions. The chargeable rate of Interest for the loan amount carries a rate ranging from 8.75% to 9.00%

15.00 Deferred Tax (Assets)/Liabilities		
Written Down Value excluding Land	2,653,085,151	2,534,226,323
Written Down Value excluding Land (Tax Base)	678,864,536	634,672,915
Temporary Difference	1,974,220,615	1,899,553,408
Tax Rate	22.5%	22.5%
Deferred Tax (Assets)/Liabilities	444,199,638	427,399,517
Prior year adjustment on revaluation of land	61,026,865	61,026,865
Deferred Tax (Assets)/Liabilities	505,226,503	488,426,382

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

15.01 Provision for Deferred Tax

This represents provision is made for deferred income tax to pay future income tax liability

Deferred Tax (Assets)/Liabilities as on June 30,2021	444,199,638	427,399,517
Less: Balance as on July 01,2020	427,399,517	433,492,827
Provision made for the current year	16,800,122	(6,093,310)

16.00 Short Term Bank Loan

<u>Name of Bank</u>		
Uttara Bank CC	81,234,178	182,967,251
Uttara Bank LTR	8,868,079	2,263,248
Uttara Bank RSTL	50,562,500	-
Uttara Bank Stimulus	70,525,852	-
UBL Term Loan Current year Portion	19,291,095	-
UCBL New Eskaton OD	49,208,892	-
UCBL Term Loan Current year Portion	16,277,098	-
Pubali Bank OD	239,976,925	245,751,669
Pubali Bank DL	100,048,611	-
Pubali Bank Term Loan Current year Portion	25,521,391	-
Pubali Bank LTR	5,936,118	11,380,772
Total	667,450,738	442,362,940



Particulars	Amount in Taka	
	30-Jun-22	30-Jun-21

The Short Term Loan in note 16.00 represents the amount received from the respective Financial institutions. The amount so received were utilized mainly for import of 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 Banks and the financial Institutions. The chargeable rate of Interest for the loan amount carries a rate ranging from 8.75% to 9.00%.

17.00 Accounts Payable

Name of the Parties

Crescent Chemicals Ltd.	2,442,420	2,548,450
Sino Bangla Ltd.	1,024,580	548,101
Total	3,467,000	3,096,551

18.00 Provision and Liabilities for Expenses

Gas Bill Payable	30,164,175	30,728,113
Salary and Allowance Payable	-	2,914,580
Director remuneration payable	2,280,000	3,120,000
Provision for Audit Fees	287,500	345,000
Provision for Telephone expenses	9,845	11,254
Carrying cost payable	-	5,101,148
Total	32,741,520	42,220,094

19.00 Share Money (Refundable):

Opening Balance	11,545,000	11,545,000
Less: Amount transferred to Capital Market Stablization Fund (CMSF)	(11,545,000)	-
Balance	-	11,545,000

The above amount was transferred to Capital Market Stablization Fund (CMSF) as per BSEC order - SEC/SRMIC/165-2020/131 Dated 31.03.2022

20.00 Unclaimed Dividend

This is made up as follows:

2011-2012	-	1,664,962
2012-2013	-	1,098,722
2013-2014	-	941,223
2015-2016	-	1,174,976
2016-2017	-	671,973
2017-2018	-	1,245,836
2018-2019	1,545,820	1,992,548
2019-2020	882,480	2,927,401
2020-2021	575,480	-
Total	3,003,780	11,717,641

During the year 2021-2022 Tk. 67,97,692 from the unclaimed dividend for the year 2011-2012, 2012-2013, 2013-2014, 2015-2016, 2016-2017, 2017-2018 was transferred to Capital Market Stablization Fund as per BSEC order -SEC/SRMIC/165-2020/131 Dated 31.03.2022



Particulars	Amount in Taka	
	30-Jun-22	30-Jun-21
21.00 Advance received against sales		
<u>Name of the Parties</u>		
Nurjahan Chemicals Ltd.	803,137	415,605
Shahjahan Chemicals	604,687	623,389
Rony Enterprise	362,867	374,090
Vanish Chemical Industries	581,917	599,914
Friends Chemicals	487,159	502,226
Hoque Chemical Works	802,625	827,448
The Chemico	328,841	339,011
Banijja Bitan	514,878	530,802
Hoque Chemicals Co	393,871	406,053
Arif Hossain Brothers	882,018	1,115,482
Monu Miah & Co	254,736	262,614
Total	6,016,736	5,996,634

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

22.00 Provision for Workers Profit Participation Fund

Opening Balance	1,482,757	2,167,582
Add: Provision made for Current income year	-	1,482,757
	1,482,757	3,650,339
Less : Disbursed During the period	1,482,757	2,167,582
Closing Balance	-	1,482,757

23.00 Provision for Income Tax

Opening Balance	71,001,256	60,089,718
Less : Excess provision	(59,870,969)	-
Add: Provision made for Current income year	8,446,523	10,911,538
	19,576,811	71,001,256
Less : Adjustment for current Assessment year	(1,517,436)	-
Closing Balance	18,059,375	71,001,256

A schedule of Current Tax Calculation is given in (Annexure-C)

24.00 Net Sales

Gross Local Sales	531,963,751	666,020,328
Local Export Sales	395,250	1,295,950
Total Gross Sales (Annexure-E)	532,359,001	667,316,278
Less: Value added Tax (VAT)	69,386,576	86,872,217
Total	462,972,425	579,148,111

Details Breakup are given in Annexure E

25.00 Cost of Goods Sold

Materials Consumed (Note-25.01)	168,149,306	165,550,288
Direct Labour	37,352,682	35,639,885
Manufacturing Overhead (Note-25.02)	240,167,045	255,500,474
	445,669,033	456,690,647
Add: Opening Stock of Finished Goods	114,584,780	110,953,386
	560,253,813	567,644,033
Less: Closing Stock of Finished Goods	(130,486,075)	(114,584,780)
Cost of Goods Sold:	429,767,738	453,059,253



Particulars	Amount in Taka	
	01-Jul-2021 to 30-Jun-2022	01-Jul-2020 to 30-Jun-2021
25.01 Materials Consumed		
Opening Stock of Raw Materials	118,548,120	115,684,521
Opening Stock of Packing Materials	10,548,215	10,784,506
Add: Raw Materials Purchase	164,221,720	158,079,146
Add: Packing Materials Purchases	9,107,620	10,098,450
	302,425,675	294,646,623
Less: Closing Stock of Raw Materials	124,014,995	(118,548,120)
Less: Closing Stock of Packing Materials	10,261,374	(10,548,215)
Materials Consumed:	168,149,306	165,550,288
25.02 Manufacturing Overhead		
Carriages	3,923,547	4,865,845
Gas Expenses	169,131,107	177,310,115
Fuel and Lubricants	3,765,890	4,685,120
Depreciation (Annexure-A)	60,989,761	66,393,582
Rrepair & Maintanace	2,356,740	2,245,812
Manufacturing Overhead:	240,167,045	255,500,474
26.00 Office & Administrative Expenses		
Salary & Allowances	30,092,480	29,828,256
Managing Director's Salary	1,440,000	1,440,000
Director remuneration	840,000	1,680,000
Office rent	600,000	600,000
Telephone	407,624	324,580
Printing & Stationery	444,135	637,757
Electricity	198,245	210,886
Audit Fees	287,500	345,000
Postage	212,450	87,501
Entertainment	288,456	47,537
AGM Expenses	119,250	245,820
Computer Repairs and Accessories	125,690	144,632
Traveling and Conveyance	168,960	167,294
Annual Subscription and Professional fees	1,242,850	1,216,850
Books, Papers & Periodicals	85,347	84,502
Advertisement	208,630	148,651
Vehicles Maintenance	458,245	210,640
Depreciation (Annexure-A)	20,329,920	11,716,514
Total	57,549,782	49,136,420

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	TK.	TK.
Directors Remuneration	840,000	1,680,000
AGM Expenses	119,250	245,820
Managing Director Salary	1,440,000	1,440,000

i) The Board of Directors has 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) Eight (8) meetings of the Board of Directors were held during the Period.



Particulars	Amount in Taka	
	01-Jul-2021 to 30-Jun-2022	01-Jul-2020 to 30-Jun-2021
27.00 Selling & Distribution Expenses		
Salary & Allowances	2,109,102	2,358,351
Delivery Expenses	812,824	886,237
Carton Expenses	2,217,494	2,026,693
Vehicles Maintenance	928,520	1,095,650
Total	6,067,940	6,366,931
28.00 Financial expenses		
Bank interest & charges	58,062,053	40,073,974
Total	58,062,053	40,073,974
29.00 Other Income		
Bank Interest	661,781	522,911
Wastage sales	192,458	103,450
Total	854,239	626,361
30.00 Earnings Per Share		
Surplus for the year attributable to the shareholders	(112,867,494)	24,836,909
Number of outstanding share at the end of the year	72,000,000	72,000,000
Basic Earnings Per Share	(1.57)	0.34
31.00 Event after the Reporting Period:		
As per IAS-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 Board of Directors in its meeting held on 28 November 2022 recommended 2% Cash dividend for the year ended 30 June 2022 to the existing shareholder other than Directors and Sponsors. The dividend proposed 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.		
32.00 Net Asset Value Per Share		
Net Asset Value at the end of the Year	3,864,966,833	3,934,927,533
Number of outstanding share at the end of the year	72,000,000	72,000,000
Total:	53.68	54.65
33.00 Net Operating Cash Flows per share (NOCF)		
Net Cash Provided by Operating Activities	(36,003,720)	29,203,149
Number of outstanding share at the end of the year	72,000,000	72,000,000
Total:	(0.50)	0.41



Particulars	Amount in Taka	
	01-Jul-2021 to 30-Jun-2022	01-Jul-2020 to 30-Jun-2021

34.00 Reconciliation of Net Profit with Cash Flows from Operating Activities for the Year Ended 30 June 2022 - Under Indirect Method is Given below:

Profit/(Loss) before tax	(87,620,849)	29,655,137
Adjustments for non-cash items:		
Provision For WPPF Current Year	-	1,482,757
Depreciation	81,319,681	78,110,096
Net Profit/(Loss) before changes in working capital	(6,301,168)	109,247,989
Changes in working capital:		
(Increase)/Decrease of Current Assets	(10,685,249)	(69,969,529)
Increase in Inventories	(23,313,209)	(6,258,702)
Increase in Accounts Receivables	(3,479,743)	(24,012,790)
Decrease in Advances, Deposits & Prepayments	16,107,703	(39,698,037)
Increase/(Decrease) of Current Liabilities	(9,088,023)	2,694,702
Accounts Payable	370,449	(1,682,999)
Provision & Liabilities for Expenses	(9,478,574)	4,237,154
Advance Received against Sales	20,102	140,547
WPPF Paid	(1,482,757)	(2,167,582)
Income Tax Paid	(8,446,523)	(10,602,431)
Net Increase/(Decrease) in working capital	(29,702,552)	(80,044,840)
Net cash flows from operating activities	(36,003,720)	29,203,149



GLOBAL HEAVY CHEMICALS LTD.
Schedule of Property, Plant & Equipment
For the year ended June 30, 2022

Particulars	Cost				Dep. Rate	Depreciation			Annexure-A
	Balance as at July 01, 2021	Addition during the year	Balance as at 30 June, 2022	Balance as at July 01, 2021		Charged during the Period	Balance as at 30 June, 2022	Amount in Taka	
								W.D.V as at 30 June, 2022	
Land & Developments	1,806,732,026	-	1,806,732,026	0%	-	-	-	1,806,732,026	
Building & Other Civil Construction	294,758,811	34,887,540	329,646,351	2.5%	70,180,178	6,486,654	76,666,832	252,979,519	
Plant & Machinery	2,112,912,560	118,766,245	2,231,678,805	2.5%	374,017,960	44,119,445	418,137,405	1,813,541,400	
Generator	439,129,714	28,945,670	468,075,384	5%	119,248,913	17,441,324	136,690,237	331,385,147	
Pipe, Pipe Rack & Electrical	217,763,363	13,287,734	231,051,097	5%	75,758,264	6,522,299	82,280,563	148,770,534	
Furniture and Fixture	26,115,454	348,750	26,464,204	10%	16,112,441	1,035,176	17,147,617	9,316,587	
Tools & Equipments	128,741,931	3,942,570	132,684,501	5%	41,366,673	4,565,891	45,932,564	86,751,937	
Motor Vehicles	34,033,754	-	34,033,754	10%	22,544,835	1,148,892	23,693,727	10,340,027	
Balance as at June 30, 2022	5,060,187,613	200,178,509	5,260,366,122		719,229,264	81,319,681	800,548,945	4,459,817,177	
Balance as at June 30, 2022	4,761,701,453	298,486,160	5,060,187,613		641,119,168	78,110,096	719,229,264	4,340,958,349	

Allocation of Depreciation charged during the year :

Manufacturing Overhead
Office & Administrative Expenses

	<u>30-Jun-22</u>	<u>30-Jun-21</u>
Manufacturing Overhead	60,989,761	66,393,582
Office & Administrative Expenses	20,329,920	11,716,514
	<u>81,319,681</u>	<u>78,110,096</u>



GLOBAL HEAVY CHEMICALS LTD.
Schedule of Property, Plant & Equipment(Tax Base)
For the year ended 30 June, 2022

Particulars	C o s t			Rate	Depreciation Charged during the Period	Annexure-B
	Balance as at July 01, 2021	Addition during the year	Balance as at 30 June, 2022			Amount in Taka
						W.D.V as at 30 June, 2022
Land & Developments				-	-	-
Building & Other Civil Const.	40,647,071	34,887,540	75,534,611	10%	7,553,461	67,981,150
Plant & Machinery	367,041,521	118,766,245	485,807,766	20%	97,161,553	388,646,213
Generator	147,934,726	28,945,670	176,880,396	20%	35,376,079	141,504,316
Pipe, Pipe Rack & Electrical	39,652,655	13,287,734	52,940,389	15%	7,941,058	44,999,331
Furniture and Fixture	7,480,411	348,750	7,829,161	10%	782,916	7,046,245
Tools & Equipments	29,479,979	3,942,570	33,422,549	20%	6,684,510	26,738,039
Motor Vehicles	2,436,553	-	2,436,553	20%	487,311	1,949,242
Balance as at June 30, 2022	634,672,915	200,178,509	834,851,424		155,986,888	678,864,536

Account Base	2,653,085,151	2,534,226,323
Tax Base	678,864,536	634,672,915
Temp. Dif	1,974,220,615	1,899,553,408
Rate	22.50%	22.50%
Deffered Tax Liabilities	444,199,638	427,399,517
Opening Balance	427,399,517	433,492,827
Deffered Tax Expense/(Income)	16,800,122	(6,093,310)
Closing Balance	444,199,638	427,399,517



GLOBAL HEAVY CHEMICALS LTD.
Schedule of Current Tax Calculation
For the year ended June 30, 2022

Particulars	Annexure-C	
	Amount in Taka 30-Jun-22	Amount in Taka 30-Jun-21
Current tax:		
Minimum Tax	8,446,523	10,602,431
Regular Tax	192,204	140,931
Whichever is higher	8,446,523	10,602,431
Add: Last year Assessment Claim		309,107
	8,446,523	10,911,538
A) Minimum Tax		
Turnover	462,972,425	579,148,111
Other income	854,239	626,361
	463,826,664	579,774,472
Minimum Tax on turnover & other income	2,782,960	3,478,647
Deducted Tax at source	8,446,523	10,602,431
Higher One	8,446,523	10,602,431
B) Regular Tax		
The above balance is made up as follows:		
Income tax on business income	(i) -	-
Income tax on other income	(ii) 192,204	140,931
Total	192,204	140,931
i) Income tax on business income:		
Profit before tax	(87,620,849)	29,655,137
Add: Accounting depreciation	81,319,681	78,110,096
Less: Tax depreciation	(155,986,888)	(149,068,220)
Less: Other income	(854,239)	(626,361)
Taxable business income	(163,142,295)	(41,929,349)
Tax rate	22.50%	22.50%
Income tax on business income	-	-
ii) Income tax on other income:		
Other Income	854,239	626,361
Tax rate	22.50%	22.50%
Income tax on other income	192,204	140,931



Global Heavy Chemicals Ltd.
Schedule of Inventory
As on 30 June 2022

Raw Materials:

SL No.	Item Name	UOM	Balance as on June 30, 2022		Balance as on July 01, 2021	
			Qty	Value (Tk)	Qty	Value (Tk)
1	Alpha Cellulose	Kg	2,077	842,010	1,838	789,138
2	Barium Carbonate / Barium Chloride	Kg	354,448	8,152,303	372,939	8,577,604
3	Hydrated Lime	Kg	714,580	9,018,000	806,875	10,489,373
4	Meghna Floc / Zeteg	Kg	1,727	535,487	1,577	501,862
5	Paraffin	Kg	128,151	14,037,640	128,165	13,905,942
6	Sodium Carbonate / Soda ash Light	Kg	27,259	1,388,689	42,728	1,301,489
7	Sodium Chloride (Salt)	Kg	17,427,800	87,836,112	19,703,729	80,961,637
8	Sodium Sulphite	Kg	20,155	1,032,929	20,839	1,053,007
9	Sulphuric Acid	Kg	101,898	1,171,825	96,807	968,068
Sub-Total Raw Materials:				124,014,995		118,548,120.00

Packing Materials:

SL No.	Item Name	UOM	Balance as on June 30, 2022		Balance as on July 01, 2021	
			Qty	Value	Qty	Value
1	HDPE	Kg	65,500	5,633,000	75,606	6,350,923
2	LDPE	Kg	40,500	3,078,000	40,684	3,051,313
3	Plastic Drum	Pcs	-	-	511	408,779
3	PP Woven Bag	Pcs	21,100	316,500	23,555	303,032
4	Clotech Label	Pcs	21,800	152,600	20,258	141,804
5	E P Washer	Pcs	118,700	52,937	74,783	33,351
6	Carton	Pcs	14,691	1,028,336	3,700	259,012
Sub-Total Packing Materials:				10,261,374		10,548,215

Finished Goods:

SL No.	Item Name	UOM	Balance as on June 30, 2022		Balance as on July 01, 2021	
			Qty	Value	Qty	Value
1	Caustic Soda (Flakes)	Kg	1,836,000	40,245,810	1,350,986	35,678,921
2	Caustic Soda (Liquid)	Kg	4,723,442	44,789,275	3,519,340	44,016,566
3	Hydrochloric Acid	Kg	779,361	2,734,516	612,451	2,562,808
4	Bleaching Powder	Kg	515,925	3,863,504	308,502	3,620,903
5	Sodium Hypochlorite	Kg	862,219	1,410,797	679,519	1,322,209
6	Chlorinated Paraffin Wax (CPW)	Kg	429,368	18,634,145	344,272	17,464,053
7	Liquid Chlorine Gas	Kg	465,246	1,611,685	400,767	1,510,483
8	Clotech 1 Liter	Pcs	120	6,600	-	-
9	Clotech 4 Liter	Pcs	62,927	9,564,890	-	8,408,837
10	Safewat 1 Liter	Pcs	28,840	1,586,205	-	-
11	Safewat 3 liter	Pcs	11,046	1,369,648	-	-
12	Safewat 5 liter	Pcs	14,015	2,410,540	-	-
13	Clotech - B (500)	Pcs	49,323	2,258,460	-	-
Sub-Total: Finished Stock				130,486,075		114,584,780

Others (Spares)

SL No.	Item Name	UOM	Balance as on June 30, 2022		Balance as on July 01, 2021	
			Qty	Value	Qty	Value
	INV Spare Computer & Telephone					
1	Mouse	Pcs	6	2,540	3	1,250
2	UPS Battery	Pcs	4	12,920	10	35,350
3	Key Board	Pcs	37	17,025	20	7,850
4	Cable	Pcs	15	5,155	10	3,500
5	Telephone Set	Pcs	11	5,210	10	4,500
	INV Spare Office Equipment					
1	Canon Toner	Pcs	96	385,410	121	431,510
2	Ribon	Pcs	144	215,850	510	459,850
2	Monitor	Pcs	2	27,710	15	235,480
	INV Spare Network Accessories					
1	Network Card		2	2,540	-	-
2	Modem		6	15,820	-	-
3	Cable	Meter	230,112	2,786,800	6,500	65,810
Sub-Total: Spares Stock				3,476,980		1,245,100
Total:				268,239,423		244,926,215

Global Heavy Chemicals Ltd.
37 segun Bagicha, Dhaka.
Schedule of Sales
For The year ended June 30, 2022

Amount in TK.

SL No.	Item Name	UOM	Sales Qty	Net Value	VAT amount	Gross Value
1	Caustic Soda (Flakes)	Kg	3,542,850	120,214,110	18,032,117	138,246,227
2	Caustic Soda (Liquid)	Kg	12,343,500	192,607,200	28,891,080	221,498,280
3	Hydrochloric Acid	Kg	12,475,340	52,396,428	7,859,464	60,255,892
4	Bleaching Powder	Kg	1,691,950	25,909,856	3,827,191	29,737,047
5	Sodium Hypochlorite	Kg	1,297,555	3,243,888	486,583	3,730,471
6	Chlorinated Paraffin Wax (CPW)	Kg	737,500	46,064,250	6,909,638	52,973,888
7	Liquid Chlorine Gas	Kg	353,150	1,942,325	291,349	2,233,674
8	Clotech 1 Liter	Pcs	290	31,523	4,728	36,251
9	Clotech 4 Liter	Pcs	88,007	17,318,339	2,597,751	19,916,090
10	Safewat 1 Liter	Pcs	12,036	548,842	82,326	631,168
11	Safewat 3 liter	Pcs	4,356	344,124	51,619	395,743
12	Safewat 5 liter	Pcs	14,352	1,463,904	219,586	1,683,490
13	Clotech - B (500)	Pcs	3,010	170,155	25,523	195,678
14	Quitted Sulphuric Acid	Kg	717,482	717,482	107,622	825,104
	Total:			462,972,425	69,386,576	532,359,001

Schedule of Sales
For The year ended June 30, 2021

SL No.	Item Name	UOM	Sales Qty	Net Value	VAT amount	Gross Value
1	Caustic Soda (Flakes)	Kg	4,606,050	142,487,550	21,373,133	163,860,683
2	Caustic Soda (Liquid 45% to 32%)	Kg	16,544,500	237,847,680	35,677,152	273,524,832
3	Hydrochloric Acid	Kg	13,366,210	56,138,082	8,420,712	64,558,794
4	Bleaching Powder	Kg	2,068,325	31,190,341	4,484,159	37,164,842
5	Sodium Hypochlorite	Kg	917,936	2,294,840	344,226	2,639,066
6	Chlorinated Paraffin Wax (CPW)	Kg	1,433,750	89,552,025	13,432,804	102,984,829
7	Liquid Chlorine Gas	Kg	478,150	2,629,825	394,474	3,024,299
8	Clotech	Pcs	125,966	16,401,165	2,460,175	18,861,340
9	Quitted Sulphuric Acid	Kg	606,603	606,603	90,990	697,593
	Total:			579,148,111	86,872,217	667,316,278



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