

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



For the 1st Quarter Ended September 30, 2023

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Head Office:



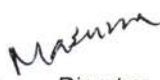

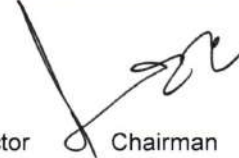
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GLOBAL HEAVY CHEMICALS LTD.
Statement of Financial Position (Un-audited)
As at 30 September 2023

		(Amount in Taka)	
	Notes	<u>30-Sep-23</u>	<u>30-Jun-23</u>
ASSETS			
Non-Current Assets			
Property, Plant and Equipment -Carrying Value	3.00	4,589,682,148	4,611,421,761
Current Assets			
Advances, Deposits and Prepayments	4.00	106,319,880	99,054,374
Inventories	5.00	288,028,798	290,990,714
Trade Receivable		124,581,207	160,454,743
Cash and cash equivalents	6.00	27,900,369	24,305,640
TOTAL ASSETS		5,136,512,402	5,186,227,232
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		33,762,046	177,228,146
Non-Current Liabilities			
Long Term Loan		16,921,785	41,347,020
Deferred Tax (Assets)/Liabilities	8.00	533,950,810	531,843,372
Current Liabilities & Provisions			
Trade Payable		89,173,141	12,300,748
Provision & Liabilities for Expenses		79,514,093	56,438,667
Unclaimed Dividend	9.00	3,269,700	3,269,700
Advance against Sales		34,437,732	5,339,000
Current portion of long term loan		54,283,314	53,355,586
Short term Bank Loan		998,718,613	1,015,791,853
Provision for Income Tax		24,436,419	21,268,390
TOTAL EQUITY AND LIABILITIES		5,136,512,402	5,186,227,232
Net Asset Value per share		45.86	47.85

Company Secretary Chief Financial Officer Director Managing Director Chairman

Date: November 22, 2023
 Dhaka



GLOBAL HEAVY CHEMICALS LTD.
Statement of Profit or Loss and Others Comprehensive Income (Un-Audited)
For the 1st Quarter ended September 30, 2023

<u>Particulars</u>	<u>Notes</u>	(Amount in Taka)	
		<u>July 2023 to September 2023</u>	<u>July 2022 to September 2022</u>
Net Sales		135,010,372	112,994,944
Cost of Goods Sold	11.00	(239,887,848)	(112,936,181)
Gross Profit		(104,877,475)	58,763
Operating Expenses		(12,725,803)	(9,493,455)
Office & administrative Expenses	12.00	(7,716,363)	(8,001,437)
Selling & Distribution Expenses	13.00	(5,009,440)	(1,492,018)
Operating Income		(117,603,278)	(9,434,692)
Financial Expenses		(20,800,401)	(17,256,227)
Other Income		213,046	38,848
Profit before WPPF & Tax		(138,190,633)	(26,652,071)
Provision For WPPF		-	-
Profit before Tax		(138,190,633)	(26,652,071)
Income Tax Expenses		(5,275,467)	(6,192,966)
Provision for Current Tax	16.00	(3,168,029)	(2,015,396)
Provision for Deferred Tax		(2,107,438)	(4,177,570)
Profit after tax		(143,466,100)	(32,845,037)
Basic Earnings Per Share		(1.99)	(0.46)
Diluted Earnings Per Share		(1.99)	(0.46)


Company Secretary


Chief Financial Officer


Director


Managing Director


Chairman

Date: November 22, 2023
Dhaka



GLOBAL HEAVY CHEMICALS LTD.
Statement of Changes in Equity (Un-Audited)
For the 1st Quarter ended September 30, 2023

(Amount in Taka)

Particulars	Share Capital	Share premium	Retained Earnings	Revaluation Surplus	Total Shareholders Equity
Balance as at July 01, 2023	720,000,000	1,083,400,000	177,228,146	1,464,644,749	3,445,272,895
Net profit during the Period	-	-	(143,466,100)	-	(143,466,100)
Balance as at September 30, 2023	720,000,000	1,083,400,000	33,762,046	1,464,644,749	3,301,806,795

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


Company Secretary


Chief Financial Officer


Director


Managing Director


Chairman

Date: November 22, 2023
Dhaka

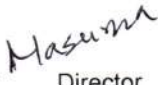


GLOBAL HEAVY CHEMICALS LTD.
Statement of Cash Flow (Un-Audited)
For the 1st Quarter ended September 30, 2023

PARTICULARS	July 2023 to September 2023	July 2022 to September 2022
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Cash Receipts:	200,195,686	113,645,096
Cash Receipts from Customers	199,982,640	113,606,248
Cash Receipts from Others Income	213,046	38,848
Cash Payments:	156,030,209	108,308,329
Cash paid to suppliers, employees & others	132,061,780	89,036,706
Income Tax	3,168,029	2,015,396
Financial Expenses	20,800,401	17,256,227
Net Cash Provided by Operating Activities:	44,165,477	5,336,766
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Fixed Assets Addition	-	(83,868,237)
Net Cash Used in Investing Activities:	-	(83,868,237)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Bank loan	(40,570,748)	70,955,080
Dividend Paid	-	-
Net Cash provided by Financing Activities:	(40,570,748)	70,955,080
D. Net Cash Inflow (A+B+C):	3,594,729	(7,576,391)
E. Opening Cash & Cash Equivalent	24,305,640	39,307,271
F. Closing Cash & Cash Equivalent (D+E):	27,900,369	31,730,881
Net Operating Cash flow per share:	0.61	0.07


Company Secretary


Chief Financial Officer


Director


Managing Director


Chairman

Date: November 22, 2023
Dhaka



GLOBAL HEAVY CHEMICALS LIMITED

37, SEGUN BAGICHA

DHAKA-1000

Notes to the Financial Statements (Un- Audited)

For the 1st Quarter ended 30 September 2023

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 2023 should be read in conjunction with the Financial Statements for the year ended 30 June 2023 (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 2023.

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-23</u>	<u>30-Jun-23</u>
3.00 Property, Plant & Equipment -Carrying Value		
Opening balance	5,502,168,284	5,260,366,122
Add: Addition during the Period	-	241,802,162
	<u>5,502,168,284</u>	<u>5,502,168,284</u>
Less: Accumulated depreciation up to last account	890,746,524	800,548,945
	<u>4,611,421,760</u>	<u>4,701,619,339</u>
Less: Depreciation charged during the Period	21,739,612	90,197,579
Written Down Value	<u>4,589,682,148</u>	<u>4,611,421,761</u>
4.00 Advances, Deposits and Prepayments		
Security Deposits	22,556,803	22,556,803
Advance Tax	40,264,147	37,096,118
Advance VAT	41,259,128	36,956,384
Other Advance & Deposit (Note: 4.01)	2,239,802	2,445,070
Total:	<u>106,319,880</u>	<u>99,054,374</u>
4.01 Other Advance & Deposit		
Advance to supplier	705,642	728,640
Advance to employee	1,218,912	1,379,327
Other advance expenses and deposited	315,248	337,103
Total:	<u>2,239,802</u>	<u>2,445,070</u>
5.00 Inventories		
Raw Materials	143,524,645	141,842,965
Packing Materials	18,345,789	16,364,063
Finished Goods	121,368,954	127,750,625
Others	4,789,410	5,033,062
Total:	<u>288,028,798</u>	<u>290,990,714</u>
6.00 Cash and Cash Equivalents		
Cash in hand	2,741,800	3,242,380
Cash at bank	25,158,570	21,063,260
Total	<u>27,900,369</u>	<u>24,305,640</u>
8.00 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	531,843,372	505,226,503
Provision made for the current Period	2,107,438	26,616,868
Total	<u>533,950,810</u>	<u>531,843,372</u>
Calculation:		
Written Down Value excluding Land (Account Base)	2,782,950,122	2,804,689,734
Written Down Value excluding Land (Tax Base)	681,065,923	712,171,927
Temporary Difference	2,101,884,199	2,092,517,807
Tax Rate	22.5%	22.5%
Deferred Tax (Assets)/Liabilities	<u>472,923,945</u>	<u>470,816,507</u>
Deferred Tax on Land revaluation Surplus	<u>61,026,865</u>	<u>61,026,865</u>
	<u>533,950,810</u>	<u>531,843,372</u>
9.00 Unclaimed Dividend		
2018-2019	1,545,820	1,545,820
2019-2020	882,480	882,480
2020-2021	575,480	575,480
2021-2022	265,920	265,920
Total	<u>3,269,700</u>	<u>3,269,700</u>



	July 2023 to September 2023	July 2022 to September 2022
11.00 Cost of Goods Sold		
Materials Consumed (Note-11.01)	62,058,242	44,246,973
Direct Labour	16,930,743	4,894,581
Manufacturing Overhead (Note-11.02)	154,517,192	67,565,462
Cost of Production	233,506,177	116,707,016
Add: Opening Stock of Finished Goods	127,750,625	130,486,075
	361,256,802	247,193,091
Less: Closing Stock of Finished Goods	(121,368,954)	(134,256,910)
Cost of Goods Sold:	239,887,848	112,936,181
11.01 Materials Consumed		
Opening Stock of Raw Materials	141,842,965	124,014,995
Opening Stock of Packing Materials	16,364,063	10,261,374
Add: Raw Materials Purchase	60,001,356	45,582,109
Add: Packing Materials Purchases	5,720,291	1,125,694
	223,928,676	180,984,172
Less: Closing Stock of Raw Materials	(143,524,645)	(125,451,059)
Less: Closing Stock of Packing Materials	(18,345,789)	(11,286,140)
Materials Consumed:	62,058,242	44,246,973
11.02 Manufacturing Overhead		
Carriages	1,870,639	1,045,821
Gas Expenses	20,706,537	45,884,670
Electricity Expenses	113,886,756	-
Fuel and Lubricants	1,016,776	624,850
Depreciation	16,304,709	19,468,841
Rrepair & Maintenance	731,775	541,280
Manufacturing Overhead:	154,517,192	67,565,462
12.00 Office & Administrative Expenses		
Salary & Allowances	904,922	5,175,480
Managing Director's Salary	360,000	360,000
Director remuneration	210,000	210,000
Office rent	96,000	150,000
Telephone & Internet	7,155	152,481
Printing & Stationery	27,489	87,217
Electricity	89,028	76,087
Postage	68,133	48,425
Entertainment	133,942	50,972
Computer Repairs and Accessories	55,000	77,990
Traveling and Conveyance	27,684	76,107
Annual Subscription and Professional fees	94,311	122,450
Books, Papers & Periodicals	3,810	23,853
Advertisement	71,979	85,000
Vehicles Maintenance	132,007	280,699
Depreciation	5,434,903	1,024,676
Total	7,716,363	8,001,437
13.00 Selling & Distribution Expenses		
Salary & Allowances	4,145,848	497,327
Delivery Expenses	645,860	177,128
Carton Expenses	85,725	548,859
Vehicles Maintenance	132,007	268,704
Total	5,009,440	1,492,018



	July 2023 to September 2023	July 2022 to September 2022
14.00 Reconciliation of Cash flows from operating activities (Indirect Method):		
Profit before Tax	(138,190,633)	(26,652,071)
Adjustments for Expenses Not Requiring Cash:		
Depreciation	21,739,612	20,493,516
Provision For WPPF	-	-
Working capital changes:		
(Increase) / Decrease In Trade Receivables	35,873,536	43,530
(Increase) / Decrease In Inventories	2,961,917	(6,544,095)
(Increase) / Decrease In Advances, Deposits and Prepayments	(4,097,477)	9,391,738
Increase / (Decrease) In Trade Payables	76,872,393	(361,520)
Increase / (Decrease) In Advance Receipt Against Sales	29,098,732	567,774
Increase / (Decrease) In Provision & Liabilities For Expenses	23,075,426	10,413,290
Income Tax Paid	(3,168,029)	(2,015,396)
Net Cash From Operating Activities	44,165,477	5,336,766
15.00 Significant Deviation:		
<p>The Company has experienced a significant increase of Cost of Goods Sold due to the concentrated effect of price escalation of raw materials, spares, freights charges in international market and frequent increase of dollar conversion rate in addition to the unusual increase of Gas & Electricity cost for increasing rate of those. We also like to inform you that during the reporting period from July 1, 2023 to September 30, 2023 our sales have been increased during the year due to low pressure in gas supply compared to previous year. We could not recover our operating fixed cost like Depreciation, labour cost, Finance cost etc. As a result, Net profit after tax and Earnings per share (EPS) has been reduced and NAV has been reduced.</p> <p>Net Operating Cash Flow per Share (NOCFPS) has been increased during the reporting period compared to same period of the previous year due to increase in sales, decrease in Accounts receivable and Increase in advance received against sales.</p>		
16.00 Calculation of Provision for Current Tax		
Minimum Tax Note: 16.01	3,168,029	2,015,396
Regular Tax	-	-
Provision for Current Tax is the Higher One	3,168,029	2,015,396
16.01 Minimum Tax		
Turnover Base		
0.60% on Sales	810,062	677,970
Tax on other income	47,935	12,431
Minimum Tax on Turnover and others Income	857,998	690,401
Deducted Tax at source	3,168,029	2,015,396
Minimum Tax is the Higher One	3,168,029	2,015,396
17.00 Earnings Per Share		
Particulars		
Surplus for the Period attributable to the shareholders	(143,466,100)	(32,845,037)
Number of outstanding share at the end of the year	72,000,000	72,000,000
Basic Earnings Per Share	(1.99)	(0.46)
18.00 Net Operating Cash Flows per share(NOCFPS)		
Particulars		
Net Cash Provided by Operating Activities	44,165,477	5,336,766
Number of outstanding share at the end of the year	72,000,000	72,000,000
Net Operating Cash Flows per share (NOCFPS)	0.61	0.07



19.00	Net Asset Value Per Share	30-Sep-23	30-Jun-23
	Particulars		
	Net Asset Value at the end of the Year	3,301,806,795	3,445,272,895
	Number of outstanding share at the end of the year	72,000,000	72,000,000
	Net Asset Value (NAV) Per Share	45.86	47.85

20.00 Related Parties Transactions

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

SL No.	Name of Related Party Companies	Nature of Transaction	Amount		Head of A/C
			Outstanding as on		
			30-Sep-23	30-Jun-23	
1	Opsonin Pharma Ltd.	Sales	6,761,896	985,139	Accounts Receivables
2	Opso Saline Ltd.	Sales	19,057,633	9,084,510	Accounts Receivables
3	Global Capsules Ltd.	Sales	36,651,850	18,512,500	Accounts Receivables
4	Crescent Chemicals Ltd.	Purchases	2,456,890	10,142,298	Accounts Payables

SL No.	Name of Related Party	Nature of Transaction	Amount		Head of A/C
			July 2023 to September 2023	July 2022 to September 2022	
1	Abdur Rouf Khan	Remuneration	210,000	210,000	Operating Expense
2	Abdur Rakib Khan	Remuneration	360,000	360,000	Operating Expense

