

# Annual Report

2020-2021



গ্লোবাল হেভী কেমিক্যালস് লিমিটেড  
GLOBAL HEAVY CHEMICALS LIMITED

# Annual Report 2020 - 21



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**GLOBAL HEAVY CHEMICALS LIMITED**  
(First Bi-Polar Chlor-Alkali Plant in Bangladesh)  
Web: [www.ghclbd.com](http://www.ghclbd.com)

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## LETTER OF TRANSMITTAL

The  
Shareholders  
Bangladesh Securities and Exchange Commission  
Registrar of Joint Stock Companies & Firms  
Dhaka Stock Exchange Ltd.  
Chittagong Stock Exchange Ltd.

**Sub: Annual Report for the year ended June 30, 2021**

Dear Sir(s),

We are pleased to enclose a copy of the Annual Report together with the Audited Financial Statements including Statement of Financial Position as at 30 June 2021, Statement of Profit or Loss and other Comprehensive Income, Changes in Equity and Cash Flows for the year ended June 30, 2021 along with notes thereon.

Yours Sincerely  
By order of the Board of directors



(Khondoker Ahaduzzaman)  
Company Secretary  
Date: Dhaka, December 02, 2021

## Notice of the 20<sup>th</sup> Annual General Meeting

Notice is hereby given that the 20<sup>th</sup> ANNUAL GENERAL MEETING of the shareholders of Global Heavy Chemicals Ltd. will be held on 23<sup>rd</sup> December, 2021 at 11:00AM (Dhaka Time) by using Digital Platform (in Compliance with the BSEC's Directive No. SEC/SRMIC/94-231/91 dated March 31, 2021) through the link: <http://ghclagm2021.digitalagmbd.net> to transact the following business:

**Agenda:**

1. To receives, consider and adopt the Financial Statements for the year ended June 30, 2021 together with the Report of the Directors and the Auditors thereon.
2. To approve dividend for the year ended June 30, 2021
3. To elect Directors in terms of the relevant provision of the Articles of Association of the Company and confirm appointment of Independent Directors.
4. To appoint Auditors and to fix their remuneration for the year ended June 30, 2022 & to appoint Corporate Governance Auditors for the year 2021-2022 and fix their remuneration.

By order of the board



(Khondoker Ahaduzzaman)  
Company Secretary

Dated: Dhaka  
December 02, 2021

**Notes:**

01. The Record Date is November 25, 2021.
02. The Shareholders whose name will appear in the Share Register of the Company and in the Depository Register on the date will be eligible to attend the 20<sup>th</sup> Annual General Meeting and qualify for the dividend to be declared at the AGM.
03. Shareholders are requested to update their respective BO ID with 12 Digit Taxpayer's Identification Number (e-TIN), Bank account number, email: address and present address through their Depository Participant (DP) before the record date.
04. A shareholder eligible to attend and vote at the Annual General Meeting (AGM) may appoint a proxy to attend and vote in his/her place by filling proxy Form. The proxy Form must be affixed with a revenue stamp of BDT 20/- and submitted to the Registered Office of the Company not later than 48 hours before the day of the Annual General Meeting. Annual report and proxy form can be available on the website [www.ghclbd.com](http://www.ghclbd.com).
05. In compliance with the Bangladesh Securities and Exchange Commission Circular No. BSEC/CMR RCD/2009-193/154 dated 24 October, 2013 no Gift/Gift Coupon/Food Box/Biscuit Box/Cash or Cash kinds shall be distributed at the Annual General Meeting.
06. In compliance with the BSEC Notification No. BSEC/CMRRCD/2006/158/208/Admin81 dated 20 June 2018, Annual report 2020-2021 will be duly sent in soft form to the Members/shareholders e-mail addresses available in their Beneficial Owner (BO) accounts Maintained with the Depository. In case of non-receipt of Annual Report 2020-2021 through e-mail, shareholders may collect the same from the registered office of the Company or Share Department.
07. The shareholders will be able to submit their questions /comments electronically to [ahad.ghcl@opsonin.net](mailto:ahad.ghcl@opsonin.net) 24 hours before the AGM.

## OBJECTIVE, MISSION & VALUES

To be regarded as a world-class Chemical Manufacturing Company through quality products and services, Global Heavy Chemicals Limited formulated the following Objective & Mission of the Company.

### OBJECTIVE

Incorporating latest technologies with national expertise & experience, Global Heavy Chemicals Limited wants to satisfy its valued customers by providing quality products & services.

### MISSION

Within few years period we want to be the leading chemical manufacturing company in Bangladesh both in-terms of turnover, profit & growth. Our mission includes:

- Further developing people competence
- Recognizing individual contribution
- Determining market potentiality through research
- Introducing new as well as innovative products and technologies
- Assuring quality products from advanced manufacturing facilities
- Exceeding customer satisfaction and gaining trust through quality services
- Further expanding the market beyond Bangladesh

This mission statement may be changed at any time in the interest of the company

### VALUES

In order to achieve our aspired vision we shall subscribe to the following values.

- Quality in everything we do
- Live up to our commitments
- Transparent and fair in all our dealings
- Take initiative to exceed standards
- Trust and respect for each other
- Work as a team
- Being Socially responsible

## COMPANY AT A GLANCE

**Company Name**  
**Global Heavy Chemicals Limited**

**Legal Standing**  
Global Heavy Chemicals Limited (GHCL), was incorporated on the 19th of September 2000 under the Companies Act.1994 with the Registrar of Joint Stock Companies & Firms.

**Authorized Capital**  
Taka 1000 million divided into 100 million shares of Taka 10.00 each

**Paid-up Capital**  
Taka 720.00 million divided into 72.00 million shares of BDT 10.00 each

**Status**  
Public Limited Company

**Registration No.**  
C-41335(694)/2000

**Date & Place of Incorporation**  
September 19, 2000, Dhaka

**Date of Commercial Production**  
October 15, 2002

**Date of Conversion into Public Ltd.**  
September 16, 2010

**Date of Listing at DSE & CSE**  
The company was listed with Dhaka Stock Exchange Limited (DSE) and Chittagong Stock Exchange Limited (CSE) on 6 March 2013.

**Business Type**  
Manufacturer of Industrial Chemicals (Caustic Soda & Others)

**Registered Office**  
37, Segun Bagicha, Dhaka 1000, Bangladesh  
Tel: 48321590, 48310191, 58313418  
Fax: 880-2-48314450  
E-mail: info.ghcl@opsonin.net,  
Web: www.ghclbd.com

**Factory**  
Hasnabad, Keranigonj, Dhaka  
Tel: 01798 844700

## CORPORATE PROFILE

### **Board of Directors**

Chairman

Capt. Abdus Sabur Khan (Retd.)

Vice Chairman

Abdur Rouf Khan

Managing Director

Abdur Rakib Khan

Directors

Masuma Begum

Zakia Sultana Khan

Suraya Jebeen Naz

Abdur Rakib Khan Nominee of Opsonin Pharma Ltd.

Independent Directors

Dr. Khondokar Rahat Hossain

Md. Shakerur Rahman

Audit Committee

Md. Shakerur Rahman

(Chairman)

Masuma Begum

(Member)

Zakia Sultana Khan

(Member)

Suraya Jebeen Naz

(Member)

Khondoker Ahduzzaman

(Member Secretary)

Nomination and Remuneration Committee (NRC)

Dr. Khondokar Rahat Hossain

(Chairman)

Masuma Begum

(Member)

Zakia Sultana Khan

(Member)

Suraya Jebeen Naz

(Member)

Khondoker Ahduzzaman

(Member Secretary)

Company Secretary

Khondoker Ahduzzaman

Chief Financial Officer

Mohammad Mizanur Rahman

Head of Internal Audit

S. M. Feroz Ahmed

Auditor:

Ahmed Zaker & Co.

Chartered Accountants

Green City Edge (Level-10), 89, Kakrail, Dhaka-1000.

Legal Services Rendered By

Z. I. Khan Panna

Advocate, Bangladesh Supreme Court

Bankers

♦ Uttara Bank Ltd. ♦ Pubali Bank Limited ♦ Dutch Bangla Bank Ltd. ♦ AB Bank Limited

## Message from the Honorable Chairman

With the name of Allah, the Beneficent, the Merciful  
Distinguished Shareholders, Fellow directors, Ladies and Gentlemen,

Assalamu-Alaikum,

It is indeed a privilege and honor for me for being able to welcome you all again in the 20<sup>th</sup> Annual General Meeting of our company Global Heavy Chemicals Limited and to place herewith the Annual Report in the state of the company's affairs containing the Audited Financial Statement and Auditor's Report thereon for the year ended 30 June 2021 for your consideration and approval. On behalf of the Board of Directors and myself, I would like to thank you all cordially for taking part with glorious journey of Global Heavy Chemicals Limited. Obviously, every AGM gives us an opportunity to share our views with each other, review our past performance and set new strategies.

However, to draw your kind attention I would like to firmly say that our performance indicates that the company was on the right track in the year backed by right strategies and having an able leadership to deliver consistent value for our shareholders. I am pleased to report that the company's sales Turnover for the year ended 30 June 2021 is BDT 579.15 Million out of which after meeting up all costs including corporate income tax the net profit for the year is BDT 24.84 Million, and Earning per Share (EPS) is BDT 0.34. In consideration of that, the Board of Directors is pleased to recommend cash dividend @ 5% for the shareholders, not for Sponsors/ Directors shareholders.

In conclusion, I, on behalf of the Board of Directors of the company express my sincere appreciation for ongoing support and co-operation by our work force, senior management staff, and customers, different regulatory bodies like BSEC, DSE and CSE. I must express my heartfelt gratitude to our valued shareholders for their trust and confidence in us. I strongly believe that, with your support In-Sha-Allah we will make our future brighter than ever before.

Thanking you.



Capt. Abdus Sabur Khan (Retd.)  
Chairman

## Statement of Performance from the Managing Director

Honorable Shareholders, Respected Members of the Board of Directors and my beloved Team Members of Global Heavy Chemicals Limited

Assalamu Alaikum.

I feel delighted to submit herewith on behalf of the Board of Directors, the Annual Report 2021 containing the Directors' Report and Financial Statements as required under the Companies Act 1994 and Regulations of Bangladesh Securities and Exchange Commission for consideration and approval thereof by you at this 20<sup>th</sup> Annual General Meeting of Global Heavy Chemicals Limited.

We are pleased to disclose that, despite various challenges faced by us in the overall business environment due to political instability and inter industry competition and economic downturn Global Heavy Chemicals Limited performed well compared to its competitors in this sector.

As the Managing Director, I would like to report that despite many odds and obstructive situation in the Country, Company's business, as revealed by the Financial Results/positions, has succeeded in attaining progressive growth rates over the year, both in the local and international markets. It is to be noted that the growth in Operating Profit, and Profit before Tax has exceeded the rates of growth in Turnover over the previous year.

The credit goes to all the workers, employees & officials. Without their hard work and cooperation the results would have been different. While the Executive Management had succeeded in retaining its top position in the industry, corporate governance and social responsibilities have not been ignored. The Company has been, as an obligation to humanity, maintaining the highest standard of its products at any cost. We are proud to say that, highly capable and skilled human resources are the greatest assets of our company. We always aim to attract talent and retain them in an excellent working environment. We also emphasize on nurturing the expertise of our human resources at the individual and professional level and managed to provide training/seminar/workshop for staff members with an objective to deliver the best possible output for the betterment of our Company.

To conclude I want to acknowledge and offer my heartfelt thanks to all Global Heavy Chemicals Limited's employees. I also want to acknowledge our debt to the Board of Directors for their ongoing guidance and counsel and for their invaluable support to the company during the reported period.

Finally, on behalf of the management of the Company, I also express my thanks and heartiest gratitude to all of our honorable shareholders, customers, auditors and all other regulatory authorities including Bangladesh Bank, BSEC, DSE, and CSE for their continual guidance, advice/co-operation for the successful operation of the Company during the year 2020-2021.

Thanking you all with best wishes.

Abdur Rakib Khan  
Managing Director

## Directors' Report

Bismillahir Rahmanur Rahim

Dear Shareholders,  
Assalamu Alaikum,

On behalf of the Board of Directors, we have the pleasure to welcome you all to the 20<sup>th</sup> Annual General Meeting of the Company. We are pleased to submit before you the operational activities and Audited Financial Statements of the Company for the year ended June 30, 2021 as adopted by the Board of Directors.

The Directors Report is prepared in compliance with Section 184 of the Companies Act 1994, Rule 12 (and the schedule there under) of Securities and Exchange Commission Rules 1987, BSEC Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 and regulations of the Institute of Chartered Accountants of Bangladesh (ICAB).

### Industry Outlook:

Global Heavy Chemicals Limited "GHCL" is the first Bi-polar Chlor-Alkali Plant in Bangladesh. The principal activities and nature of the business of the company is to manufacture and distribute Sodium Hydroxide (Caustic Soda: Liquid & Flack), Liquid Chlorine Gas, Hydrochloric Acid, Bleaching Powder, Chlorinated Paraffin Wax "CPW", Sodium Hypochlorite and Clotech.

On inception, GHCL earned a significant market share in the chemical industry. As the Bangladesh industries are booming in every sector, demand for industrial chemicals is increasing faster and faster. As per the audited accounts for the year ended June 30, 2021 it is shown that GHCL earned net revenue of BDT 579.15 Million.

### Possible future development:

To increase its revenue GHCL is going to announce new product line of Floor Cleaner, Dish Washing liquid and Bathroom Cleaner. We also introduce new pack size for Clotech in 1 liter bottle and Bleaching powder in 500 mg bag.

### Product wise gross Sales performance (Incl. VAT).

BDT Amounts in Millions

Name of the Product	2020-2021	2019-2020
Caustic Soda (Flakes/Liquid)	428.74	437.70
Hydrochloric Acid	26.33	25.12
Bleaching Powder	55.12	43.05
Sodium Hypochlorite	19.39	18.50
Chlorinated Paraffin Wax (CPW)	96.13	91.72
Clotech	35.53	14.81
Liquid Chlorine Gas	5.7	5.44
Used Sulphuric Acid	.38	0.36
<b>Total gross sales</b>	<b>667.32</b>	<b>636.70</b>

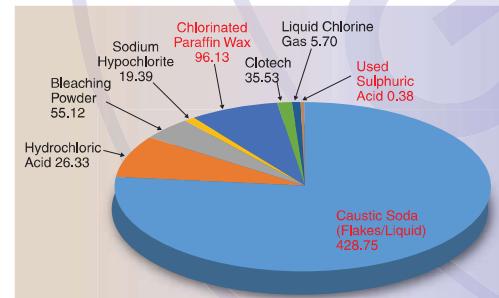


Figure: Product wise Sale contribution for the period ended June 30, 2021

Company operate in a single segment.

### Risks and Concerns:

The Company operates in a field involving some internal /external risk factors and among those some are avertable; others are beyond control, which may be causes of loss. The management of Global Heavy Chemicals Limited perceives the risk factors which are as follows:-

- **Risks from foreign currency fluctuation:** Global Heavy Chemicals Limited makes payments to its overseas suppliers in foreign currencies. Fluctuations in the related foreign currency rates may affect adversely to the company's liquidity and profitability.

- Instable prices of raw materials and supplies:** Frequently changing cost of different kinds of chemicals that Global Heavy Chemicals Limited uses as raw materials exposes to the company's business as uncertain and unfavorable.
- Inadequate Gas supplies & Gas price:** Another major risk of GHCL is inadequate Gas supply. The total power supply depend on Gas. At present GHCL produce 10MW(+-) Electricity with Gas generator for the plant.
- Operating risks:** The manufacturing processes and the nature of raw materials in the company always involve a systematic risk that may cause a damage of company assets and lives of its employees and workers.
- Political uncertainty:** Bangladesh is prone to serious unrest in the political condition which produces Hartal, Road-Block and many other barriers to the business. This could also propel the cost of production upwards.
- Economic Recession and other natural calamities:** Company's performance and growth are dependent on the health of the Bangladesh economy. The economy could be adversely affected by various factors such as political or regulatory action, including adverse changes in liberalization policies, social disturbances, terrorist attacks and other acts of violence or War, natural calamities, commodity and energy prices and various other factors. Any significant change may adversely affect our business and financials.

#### Discussion of Cost of Goods Sold, Gross Profit Margin and Net Profit Margin:

BDT Amounts in Millions

Particulars	2020-21	2019-20
Cost of Goods Sold	453.06	429.60
Gross Profit Margin	126.09	124.06
Net Profit Margin	24.84	18.02

#### Quarter significant variance with annual

There some deviation between quarterly Financial Statements and annual Financial Statements 2020-2021 due to sales up-down during the whole period due to the outbreak of Global Pandemic "Covid-19" declared by the World Health Organization (WHO) and subsequent spread of the virus resulting in deteriorating situation in Bangladesh.

#### Significant Deviation with last year.

During the reporting period from July 1 2020 to 30 June 2021 our sales have been increased compare to same period of the previous year. As a result gross profit, net profit and net operating cash flow has been changed.

#### Extra-Ordinary Events:

No events of extra ordinary gain or loss occurred during the reporting period which would require adjustment or disclosure in the financial statements.

#### Related Parties Transactions:

The company engaged in a number of related party transactions on an arm length basis. All the transaction with related parties was made through local currency at market prices. Details information has been disclosed in the Notes 3.20 of Notes to the Financial Statements for the year period ended June 30, 2021.

#### Remuneration to Directors:

This information is incorporated in the Notes 3.20 of Notes to the Financial Statements for the year period ended June 30, 2021.

#### Fairness of Financial Statements'

The financial statements together with the notes thereon have been drawn up in conformity with the Companies Act 1994 and Securities and Exchange Rules 1987. These statements present fairly the Company's state of affairs, the results of its operations, cash flow and changes in equity. In compliance with the requirement of the Bangladesh Securities and Exchange Commission (BSEC) notification dated June 03, 2018, Managing Director and Chief Financial Officer has given the declaration about the fairness of the financial statements which is also included in the report (Annexure 5).

## **Books of Accounts:**

Proper books of account of the company have been maintained.

## **Accounting Policies:**

Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.

## **Application of IASs & IFRs:**

International Accounting Standards, as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure therefrom has been adequately disclosed.

## **Internal Control:**

The Board of Directors assures the shareholders that the company has a robust risk management process to ensure that the system of internal control is sound in design and has been effectively implemented and monitored. Although it is possible that all risks to the business are not known at present, the company takes reasonable steps to identify material risks that may hamper business results and systematically reviews these risks in light of the changing internal and external environment in order to assess that the controls in place are adequate to address these risks.

## **Minority shareholder:**

Minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress.

## **Going Concern/Forward Looking Statement:**

The Board of Directors has reviewed & analyzed the Company's business plan and it's satisfied that the company has adequate resources to continue its operation in the foreseeable future. Accordingly the financial Statements is prepared based on the going concern concept.

## **Dividend:**

During the year company earned net profit after tax BDT 24.84 Million. The earnings per share is BDT 0.34 & Net Asset Value (NAV) Per Share is BDT 54.65 Considering the satisfaction of shareholders, the board of directors has recommended a 5% cash dividend to the shareholders except the directors for year ended June 30, 2021.

No bonus shares or stock dividend has been or shall be declared as interim dividend.

## **Key Operating and Financial Data:**

The Key operating and financial data for the last five years are shown in Annexure-2.

## **Corporate Governance:**

Corporate governance is the set of processes, policy, laws and institution affecting the way of corporation is directed, administrated or controlled. Corporate governance also includes the relationship among the many Stakeholders involved and the goals for which the corporation is governed. The principal stakeholders are the shareholders, managements and the Board of directors. Other Stakeholders include employees, Client creditors, Suppliers, regulators, and the community at large.

Global Heavy Chemical Limited follows good corporate governance at all level since its inception. It has a dynamic Board of Directors entrusted with formulation of policy, guidelines, strategic planning and supervision of business activities and performance of Management. The Board of directors has exercised its responsibilities through its board meetings. A certificate on Corporate Governance Compliance of the company is attach with the report (Annexure:8)

## **Emphasis of matters in the Independent Auditors' Report**

1. In the year 2011, the company had revalued property, plant and equipment and the resulting revaluation gain on land was recognized in the financial statements. The consequential effects of deferred tax on revaluation gain have been reflected in the financial statements during the year ended 30 June 2021.
2. The companies fourth quarter sales had been decreased due to bad effect of covid -19 pandemic situation.

## **Board Meetings and Committee Meetings:**

During the year ended June 30, 2021, the Board of Directors met 8 (eight) times. Audit Committee met 4(four) times and the Nomination & Remuneration Committee Met 1(One) Times. The attendance record of

the Directors is shown in Annexure-3:

#### **Capital structure**

Authorized capital of Global Heavy chemicals Limited is BDT 1,000.00 Million divided into 100.00 Million ordinary shares of BDT 10.00 each. Present paid-up capital of the company is BDT 720.00 Million divided into 72.00 Million ordinary shares of BDT 10.00 each.

Figure in Millennium

Category of Shareholder	30-Jun-21			30-Jun-20		
	No. of Share	Value	%	No. of Share	Value	%
Director & Sponsor	49.71	497.05	69.03%	49.71	497.05	69.03%
General Shareholders	22.30	222.95	30.97%	22.30	222.95	30.97%
Total	72.00	720.00	100.00%	72.00	720.00	100.00%

A details Pattern of Shareholding as on June 30, 2021 is given in Annexure-4.

#### **Composition of the Board:**

The Board of Global Heavy Chemical Limited Consists of 09 (Nine) members where two of nine are Independent Directors. All the Board of Members has Professional and wide range of experiences in the field of business. A Brief resume of the all director are given in Annexure-1:

#### **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.

#### **Appointment of Auditor**

The Auditors of the company The Ahmed Zaker & Co. Chartered Accountants has been carried out the audit of the company for the year ended 30 June 2021. As per regulation 15 (2) & (3) of DSE and CSE (Listing) regulations 2015 existing auditor is not eligible for re-appointment because of fulfillment of 3-year period. After receiving of expression of interest from ARTISAN, Chartered Accountants Address: Sonargaon Terrace (2nd Floor), House-52, Road-13C, Block-E, Banani, Dhaka-1213, Bangladesh the Board of Directors recommended appointment of ARTISAN, Chartered Accountants. A proposal for appointment of ARTISAN, Chartered Accountants to conducting the audit for the year 2021-2022 will be placed in the forthcoming 20th AGM for Shareholders' approval.

#### **Appointment of Auditor for Compliance of Corporate Governance Code**

The board of directors has been appointed the A. K. M. Delwer Hussain & Associates, Cost & Management Accountants as the Auditor of the company to audit the Compliance of Corporate Governance Code for the year ended 30 June 2022 and to be placed before the shareholders for approval in the 20th AGM of the company.

#### **Retirement and appointment/re-appointment of Directors:**

According to the provision of the articles of association of the company the one third of the number of existing directors retire by rotation, being eligible they offer themselves for re-election.

Abdus Sabur Khan & Abdur Rouf Khan will be retire and being eligible they offer themselves for re-election in the next AGM.

Dr. Khondokar Rahat Hossain independent director will retire from the board on next AGM and Md. Zahid Hossain Sailu will be appointed as independent director of the company in place of Dr. Khondokar Rahat Hossain is a Graduate from Dhaka University. He is a Businessman and the Managing Director of Bashanti Printers Ltd. since 1985.

#### **Acknowledgements**

The Board of Directors takes this opportunity in expressing its heart-felt appreciation and gratitude to all our valued Distributor, Customers, Shareholders, Employees, Auditors, Suppliers, Commercial banks, Media, Patrons and well wishers who are the partners in the process of growth of the company. We also look forward to their continued support in the coming days.

The Board also expresses their thanks to Environment Department, BSEC, DSE, CSE and CDBL for their extensive support, Proper Guidance and cooperation.

The prudent policy guidance and support of the members of the Boards of Directors have substantially contributed towards the success of the Company.

The Board of Directors also expresses deep appreciation to the managements and all members of staff who were called upon to embrace some major challenges while at the same time maintaining the highest quality of product to our customers. We thanks each and all of them for their contribution.

For and on behalf of the Board of Directors

Capt. Abdus Sabur Khan (Retd.)  
Chairman

## Management Discussion and Analysis on Financial Position and Performance

The Economy of Bangladesh is characterised as a developing market economy. After achieving above 7 percent growth since FY 2015-16 to three consecutive years, GDP growth in Bangladesh has reached 8.15 percent in FY 2018-19. This feat of achieving continued growth in Bangladesh's GDP has been praised worldwide. However, the Coronavirus pandemic that poses a major risk to the global economy has also had negative effects on the Bangladesh economy. According to the estimates of Bangladesh Bureau of Statistics (BBS), GDP growth has been decelerated to 3.51 percent in FY 2019-20, which has been estimated 105.47 percent in FY 2020-21. During FY 2020-21, the per capita national income stood at US\$ 2,227, from US\$ 2,024 compared to the previous fiscal year. The export and import showed a positive move during the year 2020-21. Notable progress has been made in the area of remittances due to the provision of incentives at the rate of 2 percent on remittances. Foreign exchange reserve increased significantly to reach at US\$ 46.39 billion on 30 June 2021.

For last year the company generated moderate growth in sales. In 2019-2020 sales stood Tk. 553.65 million and now in 2020-2021 sales stand Tk. 579.14 million. Net profit after tax had been increased from around Tk. 18.02 million in 2019-2020 to Tk. 24.84 million in 2020-2021. In the last five financial years, net operating cash flow per share was positive. In the backdrop of above scenario, it indicates the company is moving forward and it has good promise in the long run.

Accounting policy and estimation for preparing financial statements have been remained same as it was before. Hence, there is no effect in this regard.

As far as risks are concerned, Global Heavy Chemicals Limited is subject to various risk that cannot be avoided. As we deals with import substitute product, we adjust the risk with the sales price. The company is always aware to mitigate risk as well.

Abdur Rakib Khan  
Managing Director

## Annexure: 01

### Resume of the Directors

Capt. Abdus Sabur Khan (Retd.) the Chairman of Global Heavy Chemicals Limited is one of the pioneer industrialists in Pharmaceutical & Chemical Sector in Bangladesh. He completed his Graduation from Dhaka University in the year 1970 and from Pakistan Military academy, Kakul in the year 1971. He retired from Bangladesh Army in 1975. Joined in Opsonin Pharma Limited in the year 1976 and served as Managing Director under the direct guidance of the Founder Chairman of the Group Late Mr. Abdul Khaleque Khan from 1976-1986. Now he is the Chairman of Opsonin Pharma Ltd. He established M/S. Opso Saline Ltd. in 1987, M/S. Global Capsules Ltd. in 1990 and Global Heavy Chemicals Limited, in 2000 and established Crescent Chemicals Ltd. in 2004. He has been operating Opso Saline Ltd. since 1986, Global Capsules Ltd. since 1990, Global Heavy Chemicals Limited since 2000, and Crescent Chemicals Ltd. since 2004 as Chairman & as a director of Jokky Garments Ltd. since 1984 efficiently & successfully. He became Chairman of the Opsonin Group on 3rd March 2005.

Abdur Rouf Khan, the Vice-Chairman of Global Heavy Chemicals Limited since 2000 is directly involved in the operation of the company. He completed B.Sc in Science from Dhaka University in the year 1976. After completing education he joined Opsonin Pharma Limited in the year 1976 as Executive Director and became Managing Director in March 1986. He has been operating Opsonin Pharma Limited as Managing Director since 1986 efficiently & successfully. He is also operating Opso Saline Ltd. since 1987, Global Capsules Ltd. since 1990, as Vice-Chairman, Crescent Chemicals Ltd., since 2004 as a Director & Jokky Garments Ltd., since 1984 as a Managing Director & Chairman.

By his dynamic & hard working personality as well as enriched with tremendous knowledge in Information Technology related to modern methods in procurement, Production, marketing and management techniques he is successful to raise the position of the group to a highest level in Pharmaceutical & Chemical sector.

Abdur Rakib Khan, the Managing Director of Global Heavy Chemicals Limited graduated from Dhaka University in the year 1984 & directly involved in family business. He joined in Opsonin Pharma Limited as Resident Director in the Year 1976 and became Deputy Managing Director in the year 2014. He is working as Managing Director of Opso Saline Ltd. since 1987, Global Capsules Ltd. since 1990, Crescent Chemicals Ltd. as a Director since 2004 & Jokky Garments Ltd. as a Director since 1984.

He joined in Global Heavy Chemicals Limited in the year 2000 and become Manging director in the year 2013. He also the nominated Director represent Opsonin Pharma Limited in the Board of Directors of Global Heavy Chemicals Limited

He has been conducting the operation of the company very efficiently since the inception of the company by his dynamic leadership. He visited Europe, Australia, Germany, USA, UK, Korea, China, Singapore, Thailand, India and many other countries to enrich his knowledge and experience.

Masuma Begum the director of the company has completed her graduation from Dhaka University in the year 1976. She joined at GHCL in the year 2010.

Zakia Sultana Khan the director of the company has completed her graduation from Dhaka University in the year 1988. She joined at GHCL in the year 2010.

Suraya Jabeen Naz the director of the company has completed her graduation B.Sc (Hon's) from Mymensingh Agriculture University in the year 1992. She joined at GHCL in the year 2010.

Md. Zahid Hossain Sailu will be appointed as independent director of the company is a Graduate from Dhaka University. He is a Businessman

Md. Shakerur Rahman will be appointed as independent director of the company is a Business Graduate. He is also the Chairman of the Audit Committee. He is also the Director of SCA Ltd. since 2005.

Dr. Khondokar Rahat Hossain the independent director of the company since 2015. He is a MBBS Doctor. He is also the Managing Director of Jahan Ara clinic (Pvt.) Limited since 1993.

## Annexure: 02

### Key Operating and Financial Data of Preceding 5 (Five) Years:

Figure in Millennium

Financial Performance	30 June '21	30 June '20	30 June '19	30 June '18	30 June '17
Shareholders' equity	3,934.93	3921.24	3975.39	3,934.68	3,874.88
Non-current liabilities	517.79	494.52	411.75	387.72	374.58
Total Capital & Liabilities	4,452.71	4,415.76	4,387.14	4,322.40	4,249.47
Non-Current Assets (A)	4,340.96	4120.58	4075.99	3,871.46	3,832.44
Current Assets (B)	701.18	621.83	593.93	644.08	613.51
Current Liabilities (C)	589.42	326.65	282.78	193.14	196.48
Net Current Assets D, (B-C)	111.76	295.18	311.15	450.93	417.03
Total Assets (E)=(A+D)	4,452.71	4,415.76	4,387.14	4,322.40	4,249.47
<b>Operational Performance</b>					
Net Sales	579.15	553.65	547.67	562.13	538.38
Less: Cost of Goods Sold	453.06	429.6	385.78	394.36	380.33
Gross Profit	126.09	124.05	161.89	167.77	158.05
Less: Office & administrative Expenses	49.14	44.71	44.6	35.67	34.09
Less: Selling and Distribution Expenses	6.37	6.02	5.79	5.54	5.32
Operating Profit	70.59	73.32	111.50	126.56	118.64
Less: Financial Expenses	40.07	28.55	17.49	12.45	10.25
Add: Other Income	0.63	0.75	1.02	0.82	0.90
Profit before Tax & WPPF	31.14	45.52	95.03	114.92	109.30
Provision for WPPF	1.49	2.17	4.62	5.47	5.20
Profit before Tax	29.65	43.35	90.41	109.45	104.09
Less: Current Tax	10.91	3.59	3.37	14.23	8.66
Less: Deferred Tax	(6.09)	21.74	24.03	13.13	17.36
Profit after Tax	24.83	18.02	63.01	82.09	78.07
<b>Financial Highlights</b>					
No. Of Share	72.00	72.00	72.00	72.00	72.00
Earnings Per Share (EPS)	0.35	0.25	0.88	1.14	1.08
Dividend Declared	5%	5%	5%	10%	10%
Net Assets Value (NAV) Per Share	54.65	54.46	55.21	54.65	53.82
Net Operating Cashflow Per Share	0.41	1.18	2.34	1.78	2.1
<b>Financial Ratios</b>					
Gross Profit Ratio	22%	22%	30%	30%	29%
Operating Profit Ratio	12%	13%	20%	23%	22%
Return on Assets Ratio(Times)	0.56%	0.41%	1.45%	1.92%	1.85%
Return on Equity Ratio	0.63%	0.46%	1.59%	2.10%	2.03%
Inventory Turnover Ratio	1.87	1.90	1.86	2.06	2.10
Assets Turnover Ratio	0.13	0.13	0.13	0.13	0.13
Current Ratio	1.19	1.90	2.10	3.33	3.12
Debt to Equity Ratio (Times)	0.12	0.049	0.038	0.008	0.008

## Annexure: 03

### **Board Meeting and Attendance**

Name of Directors	Status	Attended
Capt. Abdus Sabur Khan (Retd.)	Chairman	8
Abdur Rouf Khan	Vice Chairman	8
Abdur Rakib Khan	Managing Director	8
Masuma Begum	Director	8
Zakia Sultana Khan	Director	8
Suraya Jebeen Naz	Director	8
Opsonin Pharma Ltd. Represented by Abdur Rakib Khan	Director	8
Md. Shakerur Rahman	Independent Director	8
Dr. Khondokar Rahat Hossain	Independent Director	8

### **Audit Committee Meeting and Attendance**

Name of Members	Status	Attended
Md. Shakerur Rahman	Chairman of Audit Committee	4
Masuma Begum	Member	4
Zakia Sultana Khan	Member	4
Suraya Jebeen Naz	Member	4
Khondoker Ahaduzzaman	Member Secretary	4

### **Nomination & Remuneration Committee Meeting and Attendance**

Name of Members	Status	Attended
Dr. Khondokar Rahat Hossain	Chairman of NRC Committee	1
Masuma Begum	Member	1
Zakia Sultana Khan	Member	1
Suraya Jebeen Naz	Member	1
Khondoker Ahaduzzaman	Member Secretary	1

## Annexure: 04

**Pattern of Shareholding as on June 30, 2021**

Name of the Shareholders	Status	Shares held	%
a) Parent/Subsidiary/Associated Companies and other related parties			
Opso Saline Ltd.	Share Holder	839,250	1.17%
Global Capsules Ltd.	Share Holder	894,500	1.24%
b) Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children			
Capt. Abdus Sabur Khan (Retd.)	Chairman	3,343,340	4.64%
Abdur Rouf Khan	Vice Chairman	3,343,330	4.64%
Abdur Rakib Khan	Managing Director	3,343,330	4.64%
Masuma Begum	Director	1,445,000	2.01%
Zakia Sultana Khan	Director	1,445,000	2.01%
Suraya Jebeen Naz	Director	1,445,000	2.01%
Opsonin Pharma Ltd. Represented by Abdur Rakib Khan	Director	35,030,000	48.65%
Md. Shakerur Rahman	Independent Director	-	-
Dr. Khondokar Rahat Hossain	Independent Director	310,000	0.43%
Sazia Zareen Shathi	Shareholder	45,000	0.06%
Rubaiya Zarrin Khan	Shareholder	45,000	0.06%
Saadman Rakib Khan	Shareholder	45,000	0.06%
Khondoker Ahaduzzaman	Company Secretary	-	-
Mohammad Mizanur Rahman	Chief Financial Officer	-	-
S. M. Feroz Ahmed	Head of Internal Audit	-	-
c) Executives			
Md. Monjur Ahmed	Head of Engineering	-	-
Md. Masudur Rahman	Head of Production	-	-
Md. Jakaria Khan	Assistant Manager	-	-
Md. Harun-Or-Rashid	Co-Ordinator	-	-
Kh. Tuheen Akter	Assistant Manager	-	-
d) Shareholders holding ten percent (10%) or more voting interest in the company			
Opsonin Pharma Ltd. Represented by Abdur Rakib Khan	Director	35,030,000	48.65%

## Annexure: 05

### **Global Heavy Chemicals Limited** **Declaration by Managing Director & Chief Financial Officer**

Date: October 28, 2021

The Board of Directors  
Global Heavy Chemicals Ltd.  
37 Segun Bagicha, Dhaka

Subject: Declaration on Financial Statements for the year ended on 30 June 2021

Dear Sirs,

Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMR-RCD/2006-158/207/Admin/80 Dated 03 June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

- (1) The Financial Statements of Global Heavy Chemicals Ltd. for the year ended on 30 June 2021 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- (2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- (3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
- (4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- (5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- (6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that: -

- (i) We have reviewed the financial statements for the year ended on 30 June 2021 and that to the best of our knowledge and belief:
  - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

  
Abdur Rakib Khan  
Managing Director

  
Mohammad Mizanur Rahman  
Chief Financial Officer

## Annexure: 06

### Audit Committee Report

The principal purpose of the Audit Committee is to assist the Board in effective fulfillment of its oversight responsibilities. The Committee has distinct terms of reference (TOR) developed confirming to the Code of Corporate Governance issued by the Bangladesh Securities and Exchange Commission (BSEC) which includes but not confined to overseeing the financial reporting process, monitoring accounting policies and principles, evaluating internal control risk management practices, reviewing the statement of significant related party transactions, assessing potential conflict of Interests etc. This report outlines the activities conducted by the Audit Committee throughout the year.

**Composition of the Committee:** The Audit Committee consists of the following members:

Sl. No.	Name of the Director	Position
01.	Md. Shakerur Rahman	Chairman of Audit committee
02.	Masuma Begum	Member
03.	Zakia Sultana Khan	Member
04.	Suraya Jebeen Naz	Member
05.	Khondoker Ahaduzzaman	Member Secretary

**Function of the Committee:** The main role of the Audit Committee is to assist the Board of Directors to effectively carry on its responsibilities relating to financial and other connected affairs of Global Heavy Chemicals Ltd. The Committee is empowered to:

- Examine any matter relating to the financial and others issues related to the company;
- Monitor all internal and external Audit;
- Review internal and external Audit reports and follow up on recommendations;
- Review the efficiency of internal control systems and procedures;
- Evaluate the Quality of Accounting Policies and their adherence to Statutory and regulatory Compliances;
- Review the company's Annual Report and Accounts and Internal Financial Statements prepared for disclosure before submission to the Board;
- Ensure that Company's polices are firmly Committed to the highest standards and in the best interests of all stakeholders;

**Regulatory Compliance:** The committee monitors the due compliance with all requirements through the quarterly statements submitted by the accounts unit. The committee also analyzed the differences, increase & decrease of operating and non-operating income and deviations arrived in the business process and books of accounts under the circumstances.

**Internal Audit:** The internal Audit team of the company carries out regular internal audit of all departments. The committee regularly reviewed the performance of internal audit and inspects substantial functions and reports thereof.

**External Auditor:** The Committee assessed the Independence, objectivity and expertise of the Independent auditors engaged to carry out the Audit for the year 2020-21. As per regulation 15 (2) & (3) of DSE and CSE (Listing) regulations 2015 existing auditor is not eligible for re-appointment because of fulfillment of 3-year period. Based on the evaluation of expression of interest from ARTISAN, Chartered Accountants Address: Sonargaon Terrace (2nd Floor), House-52, Road-13C, Block-E, Banani, Dhaka-1213, Bangladesh the Committee has proposed the Board to appoint ARTISAN, Chartered Accountants for the year 2021-2022 which shall be subject to the approval of the shareholders in the 20th Annual General Meeting.

#### Testimony

We confirm that:

- a) The accounting and reporting policies of the company were consistent with legal requirements and agreed ethical practice;
- b) The scope and planning of the external audit were, in our opinion, adequate;
- c) The internal control system was in order;
- d) The External Auditors report was in satisfactory;



Md. Shakerur Rahman  
Chairman, Audit committee

Dhaka 28 October 2021

## Annexure: 07

### Report on the Nomination & Remuneration Committee (NRC)

The Nomination & Remuneration Committee of Global Heavy Chemicals Ltd. is appointed by the Board of Directors, as required by Corporate Governance Code of Bangladesh Securities and Exchange Commission (BSEC) notification. The NRC consists of four members, of whom one is independent director who is the chairperson of the committee and other three are non-executive directors. Company Secretary is the secretary of the committee.

Pursuant to code 6.5(c) of the codes of corporate governance, the Nomination & Remuneration Policy of the Company is presented hereunder at a glance:

#### Nomination & Remuneration Committee (NRC)

The Nomination & Remuneration Committee (NRC) was set up with clear terms of reference. The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top-level executive as well as a policy for formal process of considering remuneration of directors, top level executive. The Nomination and Remuneration Committee (NRC) shall conduct at least one meeting a year, consider its own act and terms of reference to ensure that it is functioning at maximum usefulness and recommend any updates necessary to the Board for consent.

During the year, NRC recommended all Directors including Independent Director and Managing director to the Board as required to identify individuals who are qualified to become Directors in accordance with the nomination criteria laid down, and recommend their appointment/ re-appointment and removal to the Board.

#### The Composition of the NRC

The Board of Directors has appointed the Nomination & Remuneration Committee comprising four members including of whom one is independent director who is the chairperson of the committee and other three are non-executive directors. Company Secretary is the secretary of the committee. The following members of the Committee are:

Dr. Khondokar Rahat Hossain, Independent Director (Chairman, NRC)  
Masuma Begum (Member)  
Zakia Sultana Khan (Member)  
Suraya Jebeen Naz (Member)  
Khondoker Ahaduzzaman (Member Secretary)

#### The Responsibilities of the Nomination Committee

The Committee shall be independent and responsible or accountable to the Board and to the Shareholders. The responsibilities of the Committee are as follows:

- Review and recommend the size and composition of the Board, including review of Board succession plans and the succession of the Chairman.
- Review and recommend a policy to the Board relating to the nomination criteria for determining qualifications, positive attributes, experiences and Independence of Directors and top level executives.
- Assist the Board as required to identify individuals who are qualified to become Directors and who may be appointed in top level executive position in accordance with the nomination criteria laid down, and

- recommend their appointment/re-appointment and removal to the Board.
- Review and recommend to the Board the policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality.
  - Review the Code of Conduct of Board on a periodic basis, and recommend any amendments for Board consideration.
  - Ensure that an effective induction process is in place for any newly appointed Director and regularly review its effectiveness.
  - Identifying the Company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria.
  - Developing, recommending and reviewing annually the Company's human resources and training policies.
  - Review and recommend a policy to Board relating to the remuneration of the Directors and top level executive, considering the following:
  - The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable Directors to run the Company successfully,
  - The relationship of remuneration to performance is clear and meets appropriate performance benchmarks, and
  - Remuneration to Directors and top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
  - Assist the Board to formulate the criteria for evaluation of performance of the Board including Independent Director.
  - Review and recommend to the Board the meeting attendance fees for the Non-Executive Directors of the Board.
  - Recommend a report to the Board on activities of the Committee during the financial year.
  - Such other key issues/matters as may be referred by the Board or as may be necessary in view of the provisions of the Country's Laws, Rules and Regulations.

On behalf of the Nomination & Remuneration Committee



Dr. Khondokar Rahat Hossain

Chairman

Nomination and Remuneration Committee  
Dhaka 21 September 2021

## Annexure: 08

### Report to the Shareholders of Global Heavy Chemicals Ltd. on compliance on the Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code by Global Heavy Chemicals Limited for the year ended on June 30, 2021. This Code relates to the Notification No. BSEC/CMR-RCD/2006-158/207/Admin/80, Dated: 3 June 2018 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

This is scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

- (a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above-mentioned Corporate Governance Code issued by the Commission except condition no. 1 (4) (C);
- (b) The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- (c) Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws; and
- (d) The governance of the company is satisfactory.

For A. K. M. Delwer Hussain & Associates



A. K. M. Delwer Hussain FCMA  
Principal & CEO

Place : Dhaka  
Date : December 01, 2021

## Global Heavy Chemicals Ltd.

### Status of compliance

Status of compliance with the conditions imposed by the Commission's Notification No. SEC/CMR-RCD/2006-158/134/Admin/44 dated 07 August 2012 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

Condition No.	Title	Compliance Status		Remarks (If any)
		Complied	Not Complied	
	<b>Board of Directors</b>			
1(1)	Size of the Board of Directors	√		
1(2)	Independent Directors	√		
1(2) (a)	At least one-fifth (1/5) of the total number of directors	√		
1(2)(b)(i)	Does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company	√		
1(2)(b)(ii)	Not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares.	√		
1(2)(b)(iii)	Not been an executive of the company in immediately preceding 2 (two) financial years	√		
1	Does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies	√		
1(2)(b)(v)	Not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange	√		
1(2)(b)(vi)	Not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market	√		
1(2)(b)(vii)	Not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code	√		
1(2)(b)(viii)	Not independent director in more than 5 (five) listed companies	√		
1(2)(b)(ix)	Not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFI); and	√		
1(2)(b)(x)	Not been convicted for a criminal offence involving moral turpitude	√		
1(2)(c)	Independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM)	√		
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days	√		
1(2)(e)	The tenure of office of an independent director shall be for a period of 3 (three) years	√		
1(3)	<b>Qualification of Independent Director</b>	√		
1(3)(a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws,	√		
1(3)(b)(i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association	√		
1(3)(b)(ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or			

Condition No.	Title	Compliance Status		Remarks (If any)
		Complied	Not Complied	
	Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid-up capital of Tk. 100.00 million or of a listed company	-		
1(3)(b)(iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale	-		
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law	-		
1(3)(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification	-		
1(3)(c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause	✓		
1(3)(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission			N/A
1(4)	<b>Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer</b>			
1(4)(a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals	✓		
1(4)(b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company	✓		
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company		✓	
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer	✓		
1(4)(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes	✓		
1(5)	<b>Directors' Report to Shareholders</b>			
1(5)(i)	An industry outlook and possible future developments in the industry	✓		
1(5)(ii)	The segment-wise or product-wise performance	✓		
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment	✓		
1(5)(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable	✓		
1(5)(v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss)			No such matter
1(5)(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions	✓		
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments	✓	IPO proceeds already been utilized earlier and report accordingly	
1(5)(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc			No such issue arose
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements			No such matter to explain
1(5)(x)	Statement of remuneration paid to the directors including independent directors	✓		

Condition No.	Title	Compliance Status		Remarks (If any)
		Complied	Not Complied	
1(5)(xi)	Statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity	√		
1(5)(xii)	Statement that proper books of account of the issuer company have been maintained	√		
1(5)(xiii)	Statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment	√		
1(5)(xiv)	Statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	√		
1(5)(xv)	statement that the system of internal control is sound in design and has been effectively implemented and monitored	√		
1(5)(xvi)	statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress	√		
1(5)(xvii)	statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons thereof shall be disclosed	√		
1(5)(xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained	√		
1(5)(xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized	√		
1(5)(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year			The Board has declared dividend
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend	√		
1(5)(xxii)	The total number of Board meetings held during the year and attendance by each director	√		
1(5)(xxiii)	<b>A report on the pattern of shareholding:</b>			
1(5)(xxiii)(a)	Parent or Subsidiary or Associated Companies and other related parties (name-wise details)	√		
1(5)(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details)	√		
1(5)(xxiii)(c)	Executives; and	√		
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details)	√		
1(5)(xxiv)	Appointment or reappointment of a director:			
1(5)(xxiv)(a)	a brief resume of the director	√		
1(5)(xxiv)(b)	nature of his or her expertise in specific functional areas; and			
1(5)(xxiv)(c)	names of companies in which the person also holds the directorship and the membership of committees of the Board	√		
1(5)(xxv)	<b>Management's Discussion and Analysis of financial statements</b>			
1(5)(xxv)(a)	Accounting policies and estimation for preparation of financial statements	√		
1(5)(xxv)(b)	Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes	√		
1(5)(xxv)(c)	comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year			

Condition No.	Title	Compliance Status		Remarks (If any)
		Complied	Not Complied	
	with immediate preceding five years explaining reasons thereof	✓		
1(5)(xxv)(d)	compare such financial performance or results and financial position as well as cash flows with the peer industry scenario	✓		
1(5)(xxv)(e)	briefly explain the financial and economic scenario of the country and the globe	✓		
1(5)(xxv)(f)	risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and	✓		
1(5)(xxv)(g)	future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM	✓		
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A	✓		
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C	✓		
1(6)	Meetings of the Board of Directors	✓		
1(7)	<b>Code of Conduct for the Chairperson, other Board members and Chief Executive Officer</b>			
1(7)(a)	The Board shall lay down a code of conduct,	✓		
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company	✓		
2	<b>Governance of Board of Directors of Subsidiary Company.</b>	The Company has no subsidiary company		
2(a)	provisions relating to the composition of the Board of the holding company			N/A
2(b)	at least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company			N/A
2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review			N/A
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also			N/A
2(e)	the Audit Committee of the holding company shall also review the financial statements			N/A
3	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS)			
3(1)	<b>Appointment</b>			
3(1)(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC)	✓		
3(1)(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals	✓		
3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time	✓		
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS	✓		
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board	✓		
3(2)	The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board	✓		
3(3)	<b>Duties of (MD) or (CEO) and Chief Financial Officer (CFO)</b>			
3(3)(a)	The MD or CEO and CFO shall certify to the Board that they have reviewed			

Condition No.	Title	Compliance Status		Remarks (If any)
		Complied	Not Complied	
	financial statements	√		
3(3)(a)(i)	do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading	√		
3(3)(a)(ii)	true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws	√		
3(3)(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members	√		
3(3)(c)	certification of the MD or CEO and CFO shall be disclosed in the Annual Report	√		
4	<b>Board of Directors' Committee.</b>			
4(i)	Audit Committee	√		
4(ii)	Nomination and Remuneration Committee	√		
5	Audit Committee.	√		
5(1)	Responsibility to the Board of Directors	√		
5(1)(a)	company shall have an Audit Committee as a sub-committee of the Board	√		
5(1)(b)	Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company	√		
5(1)(c)	Audit Committee shall be responsible to the Board the duties of the Audit Committee shall be clearly set forth in writing	√		
5(2)	<b>Constitution of the Audit Committee</b>			
5(2)(a)	audit Committee shall be composed of at least 3 (three) members	√		
5(2)(b)	Constitution of audit committee with board member include at least 1 (one) independent director	√		
5(2)(c)	all members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience	√		
5(2)(d)	Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy			There was no such case
5(2)(e)	the company secretary shall act as the secretary of the Committee	√		
5(2)(f)	the quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director	√		
5(3)	<b>Chairperson of the Audit Committee</b>			
5(3)(a)	Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director	√		
5(3)(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting,	√		No such incident arose
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting	√		
5(4)	<b>Meeting of the Audit Committee</b>			
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year	√		
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two-third of the members of the Audit Committee	√		
5(5)	<b>Role of Audit Committee</b>			
5(5)(a)	Oversee the financial reporting process	√		
5(5)(b)	monitor choice of accounting policies and principles	√		
5(5)(c)	monitor Internal Audit and Compliance process	√		

Condition No.	Title	Compliance Status		Remarks (If any)
		Complied	Not Complied	
5(5)(d)	oversee hiring and performance of external auditors	√		
5(5)(e)	hold meeting with the external or statutory auditors for review of the annual financial statements	√		
5(5)(f)	review along with the management, the annual financial statements before submission to the Board for approval	√		
5(5)(g)	review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval	√		
5(5)(h)	review the adequacy of internal audit function	√		
5(5)(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report	√		
5(5)(j)	review statement of all related party transactions submitted by the management	√		
5(5)(k)	review Management Letters or Letter of Internal Control weakness issued by statutory auditors	√		
5(5)(l)	oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors		√	
5(5)(m)	oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission		√	
5(6)	<b>Reporting of the Audit Committee</b>			
5(6)(a)	<b>Reporting to the Board of Directors</b>			
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board	√		
5(6)(a)(ii)	The Audit Committee shall immediately report to the Board on the following findings	√		
5(6)(a)(ii)(a)	report on conflicts of interests			There was no such case
5(6)(a)(ii)(b)	suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements			There was no such case
5(6)(a)(ii)(c)	suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations			There was no such case
5(6)(a)(ii)(d)	audit Committee deems necessary shall be disclosed to the Board immediately			There was no such case
5(6)(b)	if the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier			There was no such case
5(7)	Report on activities carried out by the Audit Committee to the Shareholders and General Investors	√		
6	Nomination and Remuneration Committee			
6(1)	Responsibility to the Board of Directors			
6(1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board	√		
6(1)(b)	the NRC shall assist the Board	√		
6(1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing	√		
6(2)	Constitution of the NRC	√		
6(2)(a)	the Committee shall comprise of at least three members including an independent director	√		

Condition No.	Title	Compliance Status		Remarks (If any)
		Complied	Not Complied	
6(2)(b)	all members of the Committee shall be non-executive directors	√		
6(2)(c)	members of the Committee shall be nominated and appointed by the Board	√		
6(2)(d)	the Board shall have authority to remove and appoint any member of the Committee	√		
6(2)(e)	in case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee			There was no such case
6(2)(f)	the Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee			There was no such case
6(2)(g)	the company secretary shall act as the secretary of the Committee	√		
6(2)(h)	the quorum of the NRC meeting shall not constitute without attendance of at least an independent director	√		
6(2)(i)	no member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company	√		
6(3)	Chairperson of the NRC			
6(3)(a)	the Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director	√		
6(3)(b)	in the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes			There was no such case
6(3)(c)	the Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders	√		
6(4)	Meeting of the NRC			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year	√		
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC			No emergency meeting conveyed
6(4)(c)	the quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee	√		
6(4)(d)	the proceedings of each meeting of the NRC shall duly be recorded in the minutes	√		
6(5)	Role of the NRC			
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders	√		
6(5)(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board	√		
6(5)(b)(i)	formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors	√		
6(5)(b)(i)(a)	the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully	√		
6(5)(b)(i)(b)	the relationship of remuneration to performance is clear and meets appropriate performance benchmarks	√		
6(5)(b)(i)(c)	remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals	√		
6(5)(b)(ii)	devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality	√		

Condition No.	Title	Compliance Status		Remarks (If any)
		Complied	Not Complied	
6(5)(b)(iii)	identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board	√		
6(5)(b)(iv)	formulating the criteria for evaluation of performance of independent directors and the Board	√		
6(5)(b)(v)	identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria	√		
6(5)(b)(vi)	developing, recommending and reviewing annually the company's human resources and training policies	√		
6(5)(c)	the company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	√		
7	External or Statutory Auditors.			
7(1)	the issuer company shall not engage its external or statutory auditors to perform the following services of the company			
7(1)(i)	Appraisal or valuation services or fairness opinions	√		
7(1)(ii)	financial information systems design and implementation	√		
7(1)(iii)	book-keeping or other services related to the accounting records or financial statements	√		
7(1)(iv)	broker-dealer services	√		
7(1)(v)	actuarial services	√		
7(1)(vi)	internal audit services or special audit services	√		
7(1)(vii)	any service that the Audit Committee determines	√		
7(1)(viii)	audit or certification services on compliance of corporate governance as required	√		
7(1)(ix)	any other service that creates conflict of interest	√		
7(2)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company	√		
7(3)	representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders	√		
8	Maintaining a website by the Company.			
8(1)	The company shall have an official website linked with the website of the stock exchange	√		
8(2)	The company shall keep the website functional from the date of listing	√		
8(3)	the company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange	√		
9	Reporting and Compliance of Corporate Governance			
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report	√		
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting	√		
9(3)	the directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not	√		

## Independent Auditor's Report

### To the Shareholder of Global Heavy Chemicals Limited Report on the Audit of the Financial Statements

#### 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 2021, 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 2021, 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 applicable laws and regulations.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' 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.

#### Emphasis of Matter

Without qualifying our opinion, we draw attention on the matter as disclosed below:

1. In the year 2011, the company had revalued property, plant and equipment and the resulting revaluation gain on land was recognized in the financial statements. The consequential effects of deferred tax on revaluation gain have been reflected in the financial statements during the year ended 30 June 2021.
2. The companies fourth quarter sales had been decreased due to bad effect of covid -19 pandemic situation.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statement 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><b>Revenue recognition and measurement</b></p> <p>During the year, the Company reported sales revenue of Tk. 579,148,111 which has increased by BDT 25,494,016 equivalent to 5% 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>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"> <li>◆ Segregation of duties in invoice creation and modification;</li> <li>◆ Timing of revenue recognition considering point of revenue recognition;</li> </ul>

<p>Revenue recognized as per IFRS 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 substantive procedures in relation to the revenue recognition and measurement comprises the following:</p> <ul style="list-style-type: none"> <li>◆ Obtaining through understanding of revenue recognition and measurement procedures applied by the Company.</li> <li>◆ Assessing occurrence and accuracy of sales revenue recognized by inspecting sample selected source documents such as sales order and invoice/VAT challan issued.</li> <li>◆ 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;</li> <li>◆ Making inquiries of appropriate personnel regarding changes occurred during the year and corroborating their explanation with further documentary evidence;</li> <li>◆ Finally assessing the appropriateness and presentation of disclosure notes against relevant IFRSs as applicable.</li> </ul>
Refer to note no. 23.00 to the financial statements for details	
<p><b>Property, Plant and Equipment</b></p> <p>Property, plant and equipment amounting Tk. 4,340,958,349 was carried at carrying value representing approximately 86% of total assets of the Company as on 30 June 2021.</p> <p>Since PPE comprises a significant portion of the Company's total assets, it involves management judgment in determining estimated useful lives to charge 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"> <li>◆ Obtaining and documenting complete procurement process of the Company for the acquisition of PPE;</li> <li>◆ Reviewing recognition, measurement and valuation basis of PPE in compliance with IAS 16: Property, plant and equipment;</li> <li>◆ Inspecting supporting documents for the acquisition of PPE made during the year to verify their ownership and accuracy of amount capitalized;</li> <li>◆ Reviewing and assessing methods and assumptions used by the management in determining estimated useful lives and therefore reasonableness of rate of depreciation used.</li> <li>◆ Assessing the appropriateness of presentation and adequacy of disclosures with relevant IFRSs.</li> </ul>
Refer to note no. 6.00 to the financial statements for details	

Valuation of closing inventories	
Closing inventories aggregating to BDT 244,926,215 was recognized in the statement of financial position as on 30 June 2021. Compared with previous year, this has increased by BDT 6,258,702 closing inventories were all held at factory premises of the Company. Since determining valuation of these inventories involves management judgements 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>Our audit responses comprise the following procedures:</p> <ul style="list-style-type: none"> <li>◆ Evaluating the design and implementation of key inventory control operating across factory premises.</li> <li>◆ Attending and observing the physical inventory at the reporting date.</li> <li>◆ Evaluating compliance with instructions of management count procedures during the count.</li> <li>◆ Inspecting physical stock counting report as on 30 June 2021 and reconciling count results to closing inventories listings and performing test count on selected items to test completeness, accuracy and existence of inventories.</li> <li>◆ 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.</li> </ul>
Refer to Note # 8.00 to the financial statements for details	

#### Other Matter

Due to the outbreak of global pandemic "Covid-19" declared by the World Health Organization (WHO) and subsequent spread of the virus resulting in deteriorating situation in Bangladesh during the conduct of audit at the company, our audit procedures were mainly tailored to the material areas of the financial statements with more emphasis placed on obtaining documentary evidence from the company and testing their sufficiency and appropriateness using the online platforms and limited physical verification to avoid the risk of getting contacted the virus and safety of audit team members.

#### Other Information

Management is responsible for the other information. The other information comprises all of the information in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

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 and, in doing so, we 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, IASs, 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 functions 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.

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 judgment 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 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 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 auditors' 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 auditors' 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 event in a manner that achieves fair presentation.
- Obtained sufficient 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 provided those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and 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 determined 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 auditors' 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, and the Securities and Exchange Rules 1987 and relevant notifications issued by the Bangladesh Securities and Exchange Commission, we also report that:

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

Place: Dhaka  
Dated: 28 October, 2021  
DVC No: 2111070478AS643886



Ahmed Zaker & Co.  
Chartered Accountants  
(Zabed A Mridha, FCA)  
Partner  
Enrol no: 478

**Global Heavy Chemicals Limited**  
**Statement of Financial Position**  
**As at 30 June 2021**

Particulars	Notes	30-Jun-21	(Amount in Taka) 30-Jun-20
<b>ASSETS:</b>			
<b>Non-Current Assets</b>		<b>4,34,09,58,349</b>	<b>4,12,05,82,285</b>
Property, Plant & Equipments	6.00	4,34,09,58,349	4,12,05,82,285
<b>Current Assets</b>		<b>70,11,78,549</b>	<b>62,18,32,959</b>
Advances, Deposits and Prepayments	7.00	15,66,98,420	10,63,97,952
Inventories	8.00	24,49,26,215	23,86,67,513
Accounts Receivable	9.00	26,80,33,597	24,40,20,807
Cash and Cash Equivalents	10.00	3,15,20,317	3,27,46,687
<b>TOTAL ASSETS</b>		<b>5,04,21,36,898</b>	<b>4,74,24,15,244</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders equity</b>		<b>3,93,49,27,533</b>	<b>3,92,12,38,124</b>
Share Capital	11.00	72,00,00,000	72,00,00,000
Share Premium		1,08,34,00,000	1,08,34,00,000
Revaluation Reserve	12.00	1,46,46,44,749	1,46,46,44,749
Retained Earnings	13.00	66,68,82,784	65,31,93,375
<b>Non-Current Liabilities</b>		<b>51,77,86,492</b>	<b>49,45,19,692</b>
Long Term Loan	14.00	2,93,60,110	-
Deferred Tax (Assets)/Liabilities	15.00	48,84,26,382	49,45,19,692
<b>Current Liabilities &amp; Provisions</b>		<b>58,94,22,873</b>	<b>32,66,57,428</b>
Accounts Payable	16.00	30,96,551	47,79,550
Provision & Liabilities for Expenses	17.00	4,22,20,094	3,79,82,940
Unclaimed Dividend	18.00	1,17,17,641	1,29,58,855
Share money (Refundable)		1,15,45,000	1,15,45,000
Advance received against Sales	19.00	59,96,634	58,56,087
Short term Bank Loan	20.00	44,23,62,940	19,12,77,695
Provision For WPPF	21.00	14,82,757	21,67,582
Provision for Income Tax	22.00	7,10,01,256	6,00,89,718
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>5,04,21,36,898</b>	<b>4,74,24,15,244</b>
<b>Net Asset Value (NAV) per share</b>	31.00	<b>54.65</b>	<b>54.46</b>

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.

Place: Dhaka  
Date: 28 October 2021


  
Ahmed Zaker & Co.  
Chartered Accountants

**Global Heavy Chemicals Limited**  
**Statement of Profit or Loss and Others Comprehensive Income**  
**For the year ended June 30, 2021**

<b>Particulars</b>	<b>Notes</b>	(Amount in Taka)	
		<b>2020-2021</b>	<b>2019-2020</b>
Net Sales	23.00	57,91,48,111	55,36,54,095
Cost of Goods Sold	24.00	(45,30,59,253)	(42,95,98,463)
<b>Gross Profit</b>		<b>12,60,88,858</b>	<b>12,40,55,632</b>
<b>Operating Expenses</b>		<b>(5,55,03,351)</b>	<b>(5,07,44,923)</b>
Office & Administrative Expenses	25.00	(4,91,36,420)	(4,47,15,632)
Selling & Distribution Expenses	26.00	(63,66,931)	(60,29,291)
<b>Operating Income</b>		<b>7,05,85,506</b>	<b>7,33,10,709</b>
Financial Expenses	27.00	(4,00,73,974)	(2,85,48,151)
<b>Profit before other income</b>		<b>3,05,11,532</b>	<b>4,47,62,558</b>
Other Income	28.00	6,26,361	7,56,673
<b>Profit / Loss Before Tax &amp; WPPF</b>		<b>3,11,37,893</b>	<b>4,55,19,231</b>
Provision For WPPF		<b>(14,82,757)</b>	<b>(21,67,582)</b>
<b>Profit/(Loss) Before Tax</b>		<b>2,96,55,137</b>	<b>4,33,51,648</b>
<b>Income Tax Expenses</b>		<b>(48,18,228)</b>	<b>(2,53,27,270)</b>
Provision for Current Tax	22.00	(1,09,11,538)	(35,86,760)
Provision for Deferred Tax	15.01	60,93,310	(2,17,40,510)
<b>Net Profit after tax</b>		<b>2,48,36,909</b>	<b>1,80,24,378</b>
<b>Other comprehensive income</b>			
Deferred tax on land valuation (prior year)			6,10,26,865
<b>Total comprehensive income</b>		<b>2,48,36,909</b>	<b>(4,30,02,487)</b>
<b>Earnings Per Share</b>	29.00	<b>0.34</b>	<b>0.25</b>

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.

Place: Dhaka  
Date: 28 October 2021

  
Ahmed Zaker & Co.  
Chartered Accountants

**Global Heavy Chemicals Limited**  
**Statement of Changes in Equity**  
**For the year ended June 30, 2021**

(Amount in Taka)

Particulars	Share Capital	Share premium	Retained Earnings	Revaluation Surplus	Total Shareholders Equity
Balance as at July 01, 2020	72,00,00,000	1,08,34,00,000	65,31,93,375	1,46,46,44,749	3,92,12,38,124
Dividend paid for the year '19-'20	-	-	(1,11,47,500)	-	(1,11,47,500)
Net profit during the Year	-	-	2,48,36,909	-	2,48,36,909
<b>Balance as at June 30 2021</b>	<b>72,00,00,000</b>	<b>1,08,34,00,000</b>	<b>66,68,82,784</b>	<b>1,46,46,44,749</b>	<b>3,93,49,27,533</b>

**Statement of Changes in Equity**  
**For the year ended June 30, 2020**

Particulars	Share Capital	Share premium	Retained Earnings	Revaluation Surplus	Total Shareholders Equity
Balance as at July 01, 2019	720,000,000	1,083,400,000	646,316,497	1,525,671,614	3,975,388,111
Dividend paid for the year 18-19	-	-	(11,147,500)	-	(11,147,500)
Prior year adjustment ( deferred tax on land revaluation)	-	-	-	(61,026,865)	-
Net profit during the Year	-	-	18,024,378	-	18,024,378
<b>Balance as at June 30 2020</b>	<b>720,000,000</b>	<b>1,083,400,000</b>	<b>653,193,374</b>	<b>1,464,644,749</b>	<b>3,982,264,988</b>


  
Company Secretary


  
Chief Financial Officer


  
Managing Director


  
Chairman

Signed as per our separate report of same date.

 Place: Dhaka  
 Date: 28 October 2021

# Global Heavy Chemicals Limited

## Statement of Cash Flows For the year ended June 30, 2021

PARTICULARS	Notes	Amount in Taka	
		2020-2021	2019-2020
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>			
Cash Received from Customers		55,52,75,868	55,03,82,010
Cash Received from other Income		6,26,361	7,56,673
Payment to Suppliers and Employees		(47,60,22,674)	(42,23,47,444)
Payment for Financial Expenses		(4,00,73,974)	(2,85,48,151)
Income Tax Paid		(1,06,02,431)	(1,51,66,769)
<b>Net cash generated from/(used in) Operating Activities</b>		<b>2,92,03,150</b>	<b>8,50,76,319</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>			
Acquisition of Property, Plant and Equipment		(29,84,86,160)	(11,77,00,084)
<b>Net cash provided from/(used in) Investing Activities</b>		<b>(29,84,86,160)</b>	<b>(11,77,00,084)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>			
Short Term Loan (Net)		25,10,85,245	4,12,11,214
Long Term Loan (Net)		2,93,60,109	(1,18,47,500)
Dividend Paid		(1,23,88,714)	
<b>Net cash provided from/(used in) Financing Activities</b>		<b>26,80,56,640</b>	<b>2,93,63,714</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)</b>		<b>(12,26,370)</b>	<b>(32,60,051)</b>
Cash and Cash Equivalents at the beginning		3,27,46,687	3,60,06,738
Cash and Cash Equivalents at the end		3,15,20,317	3,27,46,687
<b>Net Operating Cash Flow Per Share of Tk. 10 each</b>	32	<b>0.41</b>	<b>1.18</b>

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

Place: Dhaka

Date: 28 October 2021

## GLOBAL HEAVY CHEMICALS LIMITED

### Notes to the Financial Statements As at and for the year ended June 30, 2021

#### 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 2021;
- (ii) Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2021;
- (iii) Statement of Changes in Equity for the year ended 30 June 2021;
- (iv) Statement of Cash Flows for the year ended 30 June 2021 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 2020 to 30th June 2021.

## 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, 2021 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:

Category	30 June 2021	30 June 2020
Production Employee (Engineers & Workers)	365	351
Sales & Distribution Employees	42	31
Administrative Employees	36	42
Total:	443	424

### 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	2020-2021	2019-2020
a)	Earnings attributable to the ordinary shareholders	24,836,909	18,024,378
b)	Number of ordinary shares (Weighted Average)	72,000,000	72,000,000
c)	Earnings Per Share (EPS)	0.34	0.25

#### 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
			30.06.2021	30.06.2020	
1.0	Opsonin Pharma Ltd.	Sales	5,921,204	17,329,215	A/R
2.0	Opso Saline Ltd.	Sales	16,688,237	7,040,249	A/R
3.0	Global Capsules Ltd.	Sales	32,095,003	25,936,445	A/R
4.0	Crescent Chemicals Ltd.	Purchases	2,548,450	4,258,100	A/P

SL No.	Name of Related Party	Nature of Transaction	Amount		Head of A/C
			2020-2021	2019-2020	
1.0	Capt. Abdus Sabur Khan (Retd.)	Remuneration	840,000	840,000	Operating Expense
2.0	Abdur Rouf Khan	Remuneration	840,000	840,000	Operating Expense
3.0	Abdur Rakib Khan	Remuneration	1440,000	1440,000	Operating Expense

### 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 October 28, 2021 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".

### 3.24 Prior year adjustment

The company has recognized deferred tax on revaluation of land during the year. The valuation of the Land was conducted in the year 2011. Prior year deferred tax adjustment was given on revalued amount of land @ 4%.

## 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.

#### 6.00 Property, Plant & Equipment

Opening balance

Add: Addition during the year/Period

Less: Accumulated depreciation

Less: Depreciation charged during period

Written Down Value at 30 June, 2021

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

#### 7.00 Advances, Deposits and Prepayments

Security Deposits

Advance Tax

Note: 7.01

Advance VAT

Note: 7.02

Other Advance & Deposit

Note: 7.03

Total

		Amount in Taka	
		30-Jun-21	30-Jun-20
	4,76,17,01,453	4,64,40,01,369	
Opening balance	29,84,86,160	11,77,00,084	
Add: Addition during the year/Period	5,06,01,87,613	4,76,17,01,453	
	64,11,19,168	56,80,08,440	
Less: Accumulated depreciation	4,41,90,68,445	4,19,36,93,013	
	7,81,10,096	7,31,10,728	
Less: Depreciation charged during period	4,34,09,58,349	4,12,05,82,285	
Written Down Value at 30 June, 2021			

	Amount in Taka	
	30-Jun-21	30-Jun-20
<b>7.01 Advance Tax</b>		
Tax deduction at source and Advance Tax paid	3,27,74,690	2,21,72,259
<b>Total</b>	<u>3,27,74,690</u>	<u>2,21,72,259</u>
Advance Tax paid at import stage, deduction at source on sales and Bank interest income.		
<b>7.02 Advance VAT</b>		
VAT Current A/C	33,67,408	50,09,787
<b>Closing Balance</b>	<u>33,67,408</u>	<u>50,09,787</u>
<b>7.03 Other Advance &amp; Deposit</b>		
Advance to C & F agent	51,42,580	72,54,184
Advance to Carrying agent	24,51,205	25,48,410
Advance for Capital Expenditure	4,25,45,000	-
Advance to supplier	1,89,52,140	2,84,58,720
Advance to employee	1,32,45,820	1,31,54,025
L/C Margin	12,45,820	11,54,200
Other advance expenses and deposited	1,28,75,490	25,48,100
<b>Total</b>	<u>9,64,58,055</u>	<u>5,51,17,639</u>
<b>Aging of Other Advance &amp; Deposit</b>		
Dues within three Months	5,69,10,252	3,25,19,407
Dues within three Months to Six months	2,79,72,836	1,59,84,115
Dues within Six Months to one year	1,15,74,967	66,14,117
<b>Total</b>	<u>9,64,58,055</u>	<u>5,51,17,639</u>
<b>8.00 Inventories</b>		
Raw Materials	Note: 8.01	11,85,48,120
Packing Materials	Note: 8.02	1,05,48,215
Finished Goods	Note: 8.03	11,45,84,780
Others		12,45,100
<b>Total</b>		<u>24,49,26,215</u>
<b>8.01 Raw Materials</b>		
Sodium Chloride (Salt)		8,09,61,637
Hydrated Lime (Calcium Hydroxide)		1,04,89,373
Barium Carbonate		85,77,604
Anhydrous Sodium Carbonate		13,01,489
Sulphuric Acid		9,68,068
10% Sodium Sulphite Solution		10,53,007
Meghna Flock		5,01,862
Alpha cellulose		7,89,138
Liquid Paraffin		1,39,05,942
<b>Total</b>		<u>11,85,48,120</u>
		<u>11,56,84,521</u>

		Amount in Taka	
		30-Jun-21	30-Jun-20
8.02	Packing Materials		
	High Density Polyethylene (HDP)	63,50,923	64,91,776
	Low Density Polyethylene (LDP)	30,51,313	31,21,335
	Drum	4,08,779	4,17,846
	Plastic Bag	3,03,032	3,09,752
	Other Packing Materials	4,34,168	4,43,797
	Total	<u>1,05,48,215</u>	<u>1,07,84,506</u>
8.03	Finished Goods		
	Caustic Soda (Flakes/Liquid)	7,96,95,487	7,71,69,796
	Hydrochloric Acid	25,62,808	24,81,588
	Bleaching Powder	36,20,903	35,06,150
	Sodium Hypochlorite	13,22,209	12,80,306
	Chlorinated Paraffin Wax (CPW)	1,74,64,053	1,69,10,586
	CloTech	84,08,837	81,42,346
	Liquid Chlorine Gas	15,10,483	14,62,614
	Total	<u>11,45,84,780</u>	<u>11,09,53,386</u>
9.00	Accounts receivable		
	Name of the Parties		
	Sony Plastic Complex Ltd.	71,29,260	75,04,484
	Shabur Khan Electronics	1,68,30,919	1,77,16,757
	United Leather (Pvt) Ltd.	1,55,07,569	1,63,23,757
	Mohammadi Electric	1,80,03,251	1,89,50,790
	Crystal Plasticizers	15,62,563	16,44,803
	Ashraf Rubber & Plastic Industries	60,56,220	63,74,968
	H M Enterprise	75,27,654	79,23,846
	FC Exim (BD) Ltd.	1,00,69,200	1,05,99,158
	Medicus	1,68,37,995	1,77,24,205
	K. Rahman & Brothers	5,47,94,031	3,66,25,296
	A. Rahman & Co.	1,70,24,171	1,79,20,180
	Alam Enterprise	48,02,520	26,34,232
	Sufia Enterprise	1,02,81,065	1,08,22,174
	Premier Chemicals	13,00,321	13,68,759
	Nasir Chemicals	84,85,345	89,31,942
	Brothers Engineers	75,98,780	79,98,716
	Electra International	17,75,668	18,69,124
	Opsonin Pharma Ltd.	59,21,204	1,73,29,215
	Medimet Pharmaceuticals	77,42,622	7,81,707
	Opso Saline Ltd.	1,66,88,237	70,40,249
	Global Capsules Ltd.	3,20,95,002	2,59,36,445
	Total	<u>26,80,33,597</u>	<u>24,40,20,807</u>
	Aging of Accounts Receivable		
	Dues within three Months	183,015,605	180,475,423
	Dues within three Months to Six months	53,433,236	52,691,604
	Dues within Six Months to one year	7,571,966	7,466,870
	Total	<u>244,020,807</u>	<u>240,633,897</u>

		Amount in Taka		
		30-Jun-21	30-Jun-20	
10.00	Cash and Cash Equivalents			
	Cash in hand	(10.01)	52,45,820	3,405,761
	Cash at banks	(10.02)	2,62,74,497	29,340,926
	Total		<u>3,15,20,317</u>	<u>32,746,687</u>
10.01	Cash in hand			
	Cash in hand		52,45,820	3,405,761
			<u>52,45,820</u>	<u>3,405,761</u>
10.02	Cash at banks			
	Bank Name	Branch Name	A/C No.	
	Uttara Bank	Shantinagar	21-4129	4,40,485
	Uttara Bank	Shantinagar	21-4751	343
	Uttara Bank	Shantinagar	30-7382	6,00,000
	Uttara Bank	Shantinagar	21-4201	13,48,595
	Uttara Bank	Shantinagar	21-4204	20,91,601
	Pubali Bank	New Eskaton	104028738	9,23,477
	Pubali Bank	New Eskaton	12000600	4,69,864
	DBBL	Shantinagar	108.110.22443	11,73,353
	AB Bank	New Elephant Road	501-430	81,98,313
	AB Bank	New Elephant Road	501-000	655
	AB Bank	New Elephant Road	501-002	56,264
	AB Bank	New Elephant Road	501-004	11,145
	AB Bank	New Elephant Road	501-431	1,02,37,500
	AB Bank	Malibagh	501-430	7,20,999
	AB Bank	New Elephant Road	501-018	194
	AB Bank	New Elephant Road	501-040	1,662
	AB Bank	New Elephant Road	501-019	48
	Total			<u>2,62,74,497</u>
				<u>2,93,40,926</u>

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

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

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 '21			30 Jun '20		
	No. of Share	Value	%	No. of Share	Value	%
Director & Sponsor	49,705,000	497,050,000	69.035	49,705,000	497,050,000	69.035
General Shareholders	22,295,000	222,950,000	30.965	22,295,000	222,950,000	30.965
Total	72,000,000	720,000,000	100.000	72,000,000	720,000,000	100.000

**11.03.01) Classification of shareholders as per their share holdings  
Director & Sponsor**

Class Interval	30 Jun '21			30 Jun '20		
	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	1	310,000	0.431
1000001-40000000	7	49,395,000	68.604	7	49,395,000	68.604
<b>Total</b>	<b>8</b>	<b>49,705,000</b>	<b>69.035</b>	<b>8</b>	<b>49,705,000</b>	<b>69.035</b>

**General Shareholders**

Class Interval	30 Jun '21			30 Jun '20		
	No. of Share Holder	No. of Share	%	No. of Share Holder	No. of Share	%
1-100	323	10,459	0.015	327	11,049	0.015
101-500	1,233	3,34,616	0.465	1,399	3,73,728	0.519
501-1000	269	2,27,485	0.316	235	2,08,303	0.289
1001-5000	396	10,08,597	1.401	402	9,84,436	1.367
5001-10000	112	8,62,796	1.198	95	7,21,839	1.003
10001-20000	34	5,17,065	0.718	34	5,19,790	0.722
20001-30000	18	4,44,133	0.617	21	5,38,094	0.747
30001-40000	9	3,12,460	0.434	3	99,625	0.138
40001-50000	13	5,94,177	0.825	13	5,94,377	0.826
50001-100000	13	9,23,750	1.283	9	6,09,628	0.847
100001-1000000	24	82,58,214	11.470	25	88,32,883	12.268
1000001-40000000	2	88,01,248	12.224	2	88,01,248	12.224
<b>Total</b>	<b>2,446</b>	<b>2,22,95,000</b>	<b>30.9653</b>	<b>2,565</b>	<b>2,22,95,000</b>	<b>30.9653</b>

**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
<b>Total</b>	<b>1,593,072,000</b>
Less: Original Cost	67,400,386
Revaluation Surplus	1,525,671,614
Less: prior year adjustment	61,026,865
<b>Revaluation surplus</b>	<b>1,464,644,749</b>

	Amount in Taka	
	30-Jun-21	30-Jun-20
<b>13.00 Retained Earnings</b>		
Opening Balance	65,31,93,375	64,63,16,497
Add: Net profit during the Period	<u>2,48,36,909</u>	<u>1,80,24,378</u>
	<u>67,80,30,284</u>	<u>66,43,40,875</u>
Less: Dividend paid during the Period	<u>1,11,47,500</u>	<u>1,11,47,500</u>
<b>Total</b>	<b><u>66,68,82,784</u></b>	<b><u>65,31,93,375</u></b>
<b>14.00 Long Term Loan</b>		
Utra Bank (Shanti Nogor Branch)	<u>2,93,60,110</u>	<u>-</u>
	<b><u>2,93,60,110</u></b>	<b><u>-</u></b>
<b>15.00 Deferred Tax (Assets)/Liabilities</b>		
Written Down Value excluding Land	2,53,42,26,323	2,39,07,45,484
Written Down Value excluding Land (Tax Base)	<u>63,46,72,915</u>	<u>65,67,74,175</u>
Temporary Difference	<u>1,89,95,53,408</u>	<u>1,73,39,71,309</u>
Tax Rate	<u>22.5%</u>	<u>25%</u>
Deferred Tax (Assets)/Liabilities	<u>42,73,99,517</u>	<u>43,34,92,827</u>
Prior year adjustment on revaluation of land	<u>6,10,26,865</u>	<u>6,10,26,865</u>
<b>Deferred Tax (Assets)/Liabilities</b>	<b><u>48,84,26,382</u></b>	<b><u>49,45,19,692</u></b>
No Deffered Tax Liability on revalued land has been provided as the management does not intend to sell the land in near future.		
<b>15.01 Provision for Deferred Tax</b>		
This represents provision is made for deferred income tax to pay future income tax liability		
Deferred Tax (Assets)/Liabilities as on June 30,2021	42,73,99,517	43,34,92,827
Less: Balance as on July 01,2020	<u>43,34,92,827</u>	<u>41,17,52,317</u>
Provision made for the current year	<u>(60,93,310)</u>	<u>2,17,40,510</u>
<b>16.00 Accounts Payable</b>		
Name of the Parties		
Crescent Chemicals Ltd.	25,48,450	42,58,100
Sino Bangla Ltd.	<u>5,48,101</u>	<u>5,21,450</u>
<b>Total</b>	<b><u>30,96,551</u></b>	<b><u>47,79,550</u></b>
<b>17.00 Provision and Liabilities for Expenses</b>		
Gas Bill Payable	3,07,28,113	3,12,75,958
Salary and Allowance Payable	<u>29,14,580</u>	<u>51,42,860</u>
Director remuneration payable	<u>31,20,000</u>	<u>-</u>
Provision for Audit Fees	<u>3,45,000</u>	<u>2,30,000</u>
Provision for Telephone expenses	<u>11,254</u>	<u>9,541</u>
Carrying cost payable	<u>51,01,148</u>	<u>13,24,581</u>
<b>Total</b>	<b><u>4,22,20,094</u></b>	<b><u>3,79,82,940</u></b>
<b>18.00 Unclaimed Dividend</b>		
This is made up as follows:		
2011-2012	16,64,962	16,64,962
2012-2013	<u>10,98,722</u>	<u>10,98,722</u>
2013-2014	<u>9,41,223</u>	<u>9,41,223</u>
2015-2016	<u>11,74,976</u>	<u>12,65,842</u>
2016-2017	<u>6,71,973</u>	<u>8,12,485</u>
2017-2018	<u>12,45,836</u>	<u>32,18,512</u>
2018-2019	<u>19,92,548</u>	<u>39,57,109</u>
2019-2020	<u>29,27,401</u>	<u>-</u>
<b>Total</b>	<b><u>1,17,17,641</u></b>	<b><u>1,29,58,855</u></b>

	Amount in Taka	
	30-Jun-21	30-Jun-20
19.00 Advance received against sales		
Name of the Parties		
Nurjahan Chemicals Ltd.	4,15,605	4,05,864
Shahjahan Chemicals	6,23,389	6,08,778
Rony Enterprise	3,74,090	3,65,322
Vanish Chemical Industries	5,99,914	5,85,854
Friends Chemicals	5,02,226	4,90,455
Hoque Chemical Works	8,27,448	8,08,055
The Chemico	3,39,011	3,31,065
Banijja Bitan	5,30,802	5,18,361
Hoque Chemicals Co	4,06,053	3,96,536
Arif Hossain Brothers	11,15,482	10,89,338
Monu Miah & Co	2,62,614	2,56,459
Total	59,96,634	58,56,087
The above amount was received from the listed dealers of the company against sales		
20.00 Short Term Bank Loan		
Name of Bank		
Uttara Bank CC	18,29,67,251	14,52,14,850
Uttara Bank LTR	22,63,248	1,24,58,410
Pubali Bank OD	24,57,51,669	2,48,45,014
Pubali Bank LTR	1,13,80,772	87,59,421
Total	44,23,62,940	19,12,77,695
The above Short Term Loan 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%.		
21.00 Provision for Workers Profit Participation Fund		
Opening Balance	21,67,582	46,20,814
Add: Provision made for Current income year	14,82,757	21,67,582
Less : Disbursed During the period	36,50,339	67,88,396
Closing Balance	21,67,582	46,20,814
	14,82,757	21,67,582
22.00 Provision for Income Tax		
Opening Balance	6,00,89,718	6,77,48,768
Add: Provision made for Current income year	1,09,11,538	35,86,760
Less : Adjustment for current Assessment year	7,10,01,256	7,13,35,528
Closing Balance	-	1,12,45,810
	7,10,01,256	6,00,89,718
23.00 Net Sales		
Gross Local Sales	66,60,20,328	63,67,02,209
Local Export Sales	12,95,950	-
Total Gross Sales (Note: 23.01)	66,73,16,278	63,67,02,209
Less: Value added Tax (VAT)	8,68,72,217	8,30,48,114
Total	57,91,48,111	55,36,54,095

		Amount in Taka	
		30-Jun-21	30-Jun-20
23.01	Gross Sales		
	Caustic Soda (Flakes/Liquid)	42,87,45,982	43,77,00,366
	Hydrochloric Acid	2,63,26,067	2,51,18,321
	Bleaching Powder	5,51,18,638	4,30,48,758
	Sodium Hypochlorite	1,93,92,281	1,85,02,633
	Chlorinated Paraffin Wax (CPW)	9,61,29,354	9,17,19,285
	Clotech	3,55,26,610	1,48,14,306
	Liquid Chlorine Gas	56,96,734	54,35,389
	Used Sulphuric Acid	3,80,612	3,63,150
	Total	<u>66,73,16,278</u>	<u>63,67,02,209</u>
24.00	Cost of Goods Sold		
	Materials Consumed	(Note-24.01) 16,55,50,288	16,02,70,347
	Direct Labour	3,56,39,885	3,18,21,326
	Manufacturing Overhead	<u>25,55,00,474</u>	<u>26,02,61,936</u>
	Cost of Production	45,66,90,647	45,23,53,609
	Add: Opening Stock of Finished Goods	<u>11,09,53,386</u>	<u>8,81,98,240</u>
	Less: Closing Stock of Finished Goods	56,76,44,033	54,05,51,849
	Cost of Goods Sold:	(11,45,84,780)	(11,09,53,386)
		<u>45,30,59,253</u>	<u>42,95,98,463</u>
24.01	Materials Consumed		
	Opening Stock of Raw Materials	11,56,84,521	11,39,96,999
	Opening Stock of Packing Materials	1,07,84,506	1,04,41,394
	Add: Raw Materials Purchase	15,80,79,146	15,12,48,501
	Add: Packing Materials Purchases	1,00,98,450	1,10,52,480
	Less: Closing Stock of Raw Materials	<u>29,46,46,623</u>	<u>28,67,39,374</u>
	Less: Closing Stock of Packing Materials	(11,85,48,120)	(11,56,84,521)
	Materials Consumed:	(1,05,48,215)	(1,07,84,506)
		<u>16,55,50,288</u>	<u>16,02,70,347</u>
24.02	Manufacturing Overhead		
	Carriages	48,65,845	45,18,450
	Gas Expenses	17,73,10,115	18,68,59,972
	Fuel and Lubricants	46,85,120	45,84,550
	Depreciation (Annexure-A)	6,63,93,582	6,21,44,119
	Rrepair & Maintanace	22,45,812	21,54,845
	Manufacturing Overhead:	<u>25,55,00,474</u>	<u>26,02,61,936</u>
25.00	Office & Administrative Expenses		
	Salary & Allowances	2,98,28,256	2,56,27,848
	Managing Director's Salary	14,40,000	14,40,000
	Director remuneration	16,80,000	16,80,000
	Office rent	6,00,000	6,00,000
	Telephone	3,24,580	4,22,910
	Printing & Stationery	6,37,757	6,09,221
	Electricity	2,10,886	2,01,450
	Audit Fees	3,45,000	2,30,000
	Postage	87,501	1,98,002
	Entertainment	47,537	1,40,936
	AGM Expenses	2,45,820	7,14,300
	Computer Repairs and Accessories	1,44,632	1,38,161
	Traveling and Conveyance	1,67,294	1,59,809
	Annual Subscription and Professional fees	12,16,850	11,62,450

Books, Papers & Periodicals  
Advertisement  
Vehicles Maintenance  
Depreciation (Annexure-A)  
Total

Amount in Taka		
	30-Jun-21	30-Jun-20
Books, Papers & Periodicals	84,502	80,721
Advertisement	1,48,651	1,42,000
Vehicles Maintenance	2,10,640	2,01,215
Depreciation (Annexure-A)	1,17,16,514	1,09,66,609
Total	<u>4,91,36,420</u>	<u>4,47,15,632</u>

#### Payment/perquisites to Directors and officers

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

##### Particulars

Directors Remuneration	16,80,000	16,80,000
AGM Expenses	2,45,820	7,14,300
Managing Director Salary	14,40,000	14,40,000
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.		

#### 26.00 Selling & Distribution Expenses

Salary & Allowances	23,58,351	22,33,287
Delivery Expenses	8,86,237	8,39,240
Carton Expenses	20,26,693	19,19,217
Vehicles Maintenance	10,95,650	10,37,547
Total	<u>63,66,931</u>	<u>60,29,291</u>

#### 27.00 Financial expenses

Bank interest & charges	4,00,73,974	2,85,48,151
Total	<u>4,00,73,974</u>	<u>2,85,48,151</u>

#### 28.00 Other Income

Bank Interest	5,22,911	6,50,832
Wastage sales	1,03,450	1,05,841
Total	<u>6,26,361</u>	<u>7,56,673</u>

#### 29.00 Earnings Per Share

Surplus for the year attributable to the shareholders	2,48,36,909	1,80,24,378
Number of outstanding share at the end of the year	7,20,00,000	7,20,00,000
Basic Earnings Per Share	<u>0.34</u>	<u>0.25</u>

#### 30.00 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 October 2021 recommended dividend for the year ended June 30, 2021 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.

#### 31.00 Net Asset Value Per Share

Net Asset Value at the end of the Year	3,93,49,27,533	3,92,12,38,124
Number of outstanding share at the end of the year	7,20,00,000	7,20,00,000
Total:	<u>54.65</u>	<u>54.46</u>

	Amount in Taka	
	30-Jun-21	30-Jun-20
32.00 Net Operating Cash Flows per share(NOCF)		
Net Cash Provided by Operating Activities	2,92,03,150	8,50,76,319
Number of outstanding share at the end of the year	7,20,00,000	7,20,00,000
Total:	0.41	1.18
33.00 Reconciliation of Net Profit with Cash Flows from Operating Activities for the Year Ended 30 June 2021 - Under Indirect Method is Given below:		
Profit/(Loss) before tax	2,96,55,137	4,33,51,648
Adjustments for non-cash items:		
Provision For WPPF Current Year	14,82,757	21,67,582
Depreciation	7,81,10,096	7,31,10,728
Net Profit/(Loss) before changes in working capital	10,92,47,989	11,86,29,959
Changes in working capital:		
(Increase)/Decrease of Current Assets	(6,99,69,529)	(2,72,41,423)
Increase in Inventories	(62,58,702)	(2,60,30,880)
Increase in Accounts Receivables	(2,40,12,790)	(33,86,910)
Decrease in Advances, Deposits & Prepayments	(3,96,98,037)	21,76,367
Increase/(Decrease) of Current Liabilities	26,94,702	1,34,75,366
Accounts Payable	(16,82,999)	18,68,535
Provision & Liabilities for Expenses	42,37,154	1,14,92,006
Advance Received against Sales	1,40,547	1,14,825
WPPF Paid	(21,67,582)	(46,20,814)
Income Tax Paid	(1,06,02,431)	(1,51,66,769)
Net Increase/(Decrease) in working capital	(8,00,44,840)	(3,35,53,639)
Net cash flows from operating activities	2,92,03,150	8,50,76,319

**Global Heavy Chemicals Limited**  
 Schedule of Property, Plant & Equipments  
 For the year ended June 30, 2021

Annexure-A  
 Amount in Taka

Particulars	Balance as on July 01, 2020	Addition during the year	Balance as on June 30, 2021	Dep. Rate	Depreciation			W.D.V as on June 30, 2021
					Balance as on July 01, 2020	Charged during the year	Balance as on June 30, 2021	
Land & Developments	1,72,98,36,801	7,68,95,225	1,80,67,32,026	0%	-	-	-	1,80,67,32,026
Building & Other Civil Construction	28,85,43,330	62,15,481	29,47,58,811	2.5%	6,44,21,752	57,58,426	7,01,80,178	22,45,78,633
Plant & Machinery	1,98,56,24,387	12,72,88,173	2,11,29,12,560	2.5%	33,17,14,506	4,23,03,454	37,40,17,960	1,73,88,94,600
Generator	38,08,88,213	5,82,41,501	43,91,29,714	5%	10,24,13,081	1,68,35,832	11,92,48,913	31,98,80,801
Pipe, Pipe Rack & Electrical	20,85,08,523	92,54,840	21,77,63,363	5%	6,95,32,571	62,25,693	7,57,58,264	14,20,05,099
Furniture and Fixture	2,55,72,614	5,42,840	2,61,15,454	10%	1,50,00,995	11,11,446	1,61,12,441	1,00,03,013
Tools & Equipments	10,86,93,831	2,00,48,100	12,87,41,931	5%	3,67,67,975	45,98,698	4,13,66,673	8,73,75,258
Motor Vehicles	3,40,33,754	-	3,40,33,754	10%	2,12,68,288	12,76,547	2,25,44,835	1,14,88,919
<b>Balance as at June 30, 2021</b>	<b>4,76,17,01,453</b>	<b>29,84,86,160</b>	<b>5,06,01,87,613</b>		<b>64,11,19,168</b>	<b>7,81,10,096</b>	<b>71,92,29,264</b>	<b>4,34,09,58,349</b>
<b>Balance as at June 30, 2020</b>	<b>4,64,40,01,369</b>	<b>11,77,00,084</b>	<b>4,76,17,01,453</b>		<b>56,80,08,440</b>	<b>7,31,10,728</b>	<b>64,11,19,168</b>	<b>4,12,05,82,285</b>

**Allocation of Depreciation Charged during the year:**

	30 June '21	30 June '20
Manufacturing Overhead	6,63,93,582	62,144,119
Office & Administrative Expenses	1,17,16,514	10,966,609
	<u>7,81,10,096</u>	<u>73,110,728</u>

# Global Heavy Chemicals Limited

Schedule of Current Tax Calculation  
For the year ended June 30, 2021

**PARTICULARS**

Annexure-C
Amount in Taka
2020-2021

**Current tax:**

Minimum Tax

1,06,02,431

Regular Tax

1,40,931

**Higher One****1,06,02,431**

Add: Last year Assessment Claim

3,09,107

1,09,11,538**A) Minimum Tax**

Turnover

57,91,48,111

Other income

6,26,361

Minimum Tax on turnover &amp; other income

57,97,74,472

Deducted Tax at source

34,78,647

**Higher One**1,06,02,431**1,06,02,431****B) Regular Tax**

The above balance is made up as follows:

Income tax on business income

-

Income tax on other income

1,40,931

**Total**1,40,931**i) Income tax on business income:**

Profit before tax

2,96,55,137

Add: Accounting depreciation

7,81,10,096

Less: Tax depreciation

(14,90,68,220)

Less: Other income

(6,26,361)

**Taxable business income****(4,19,29,349)****Tax rate**

22.50%

Income tax on business income

-**ii) Income tax on other income:**

Other Income

6,26,361

Tax rate

22.50%

**Income tax on other income****1,40,931**



# Global Heavy Chemicals Limited

## Proxy Form

Revenue stamp  
of  
TK 20.00

I/We .....

of .....

being a Member of Global Heavy Chemicals Limited hereby appoint

Mr. /Ms. ....

of.....

as my proxy in my/our absence to attend and vote for me/us and on my/our behalf at the 20<sup>th</sup> Annual General Meeting of the Company to be held on December 23, 2021 and at any adjournment thereof.

As witness my hand this..... Day of December 2021

Signature of Proxy.....

Signature of Member.....

Register Folio no. /BO ID of Member



## Global Heavy Chemicals Limited Attendance Slip

Name of Member.....

Name of Proxy.....

Register Folio No. /BO ID of Member

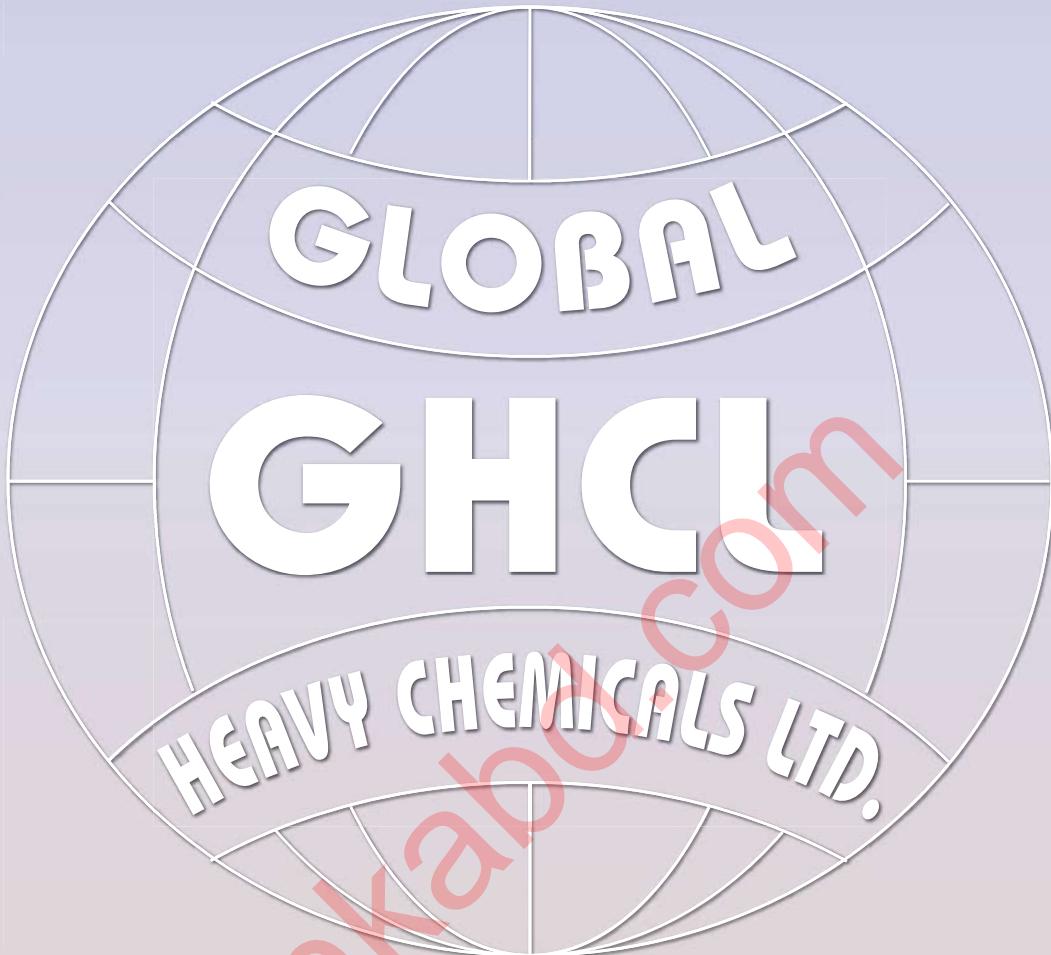
I/we hereby record my/our presence at the 20<sup>th</sup> Annual General Meeting of Global Heavy Chemicals Limited on Thursday, December 23, 2021 at 11.00 a.m. at **Digital Platform**.

Signature of Member.....

Signature of Proxy.....

### N. B.

- ◆ The Member attending the meeting is requested to mention the registered name and Folio no./BO ID on this slip and present the same at the registration counter.
- ◆ As per directive of Bangladesh Securities and Exchange Commission (BSEC), no food or gift will be arranged at the AGM.



গ্লোবাল হেভি কেমিক্যালস് লিমিটেড  
GLOBAL HEAVY CHEMICALS LIMITED

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