

“If you have any query about this document, you may consult the issuer, the issue manager and the underwriter”

PROSPECTUS



GLOBAL HEAVY CHEMICALS LIMITED

Registered Office: 37, Segun Bagicha, Dhaka-1000
 Phone: +88-02-9330191, +88-02-9357244; Fax: +88-02-8312919
 Web: www.opsoglobal.com

PUBLIC ISSUE OF 12,000,000 ORDINARY SHARES OF BDT 10.00 EACH AT AN ISSUE PRICE OF BDT 20.00 EACH INCLUDING A PREMIUM OF BDT 10.00 PER SHARE AMOUNTING TO BDT 240,000,000.00

FOR RESIDENT BANGLADESHIS SUBSCRIPTION OPENS ON DECEMBER 09, 2012
 FOR RESIDENT BANGLADESHIS SUBSCRIPTION CLOSES ON DECEMBER 13, 2012
 FOR NON-RESIDENT BANGLADESHIS SUBSCRIPTION OPENS ON DECEMBER 09, 2012
 FOR NON-RESIDENT BANGLADESHIS SUBSCRIPTION CLOSES ON DECEMBER 22, 2012

ISSUE DATE OF THE PROSPECTUS: OCTOBER 09, 2012
THE ISSUE SHALL BE PLACED IN ‘N’ CATEGORY

UNDERWRITERS:

BMSL INVESTMENT LIMITED

Sadharan Bima Tower (7th Floor),
 37/A Dilkusha C/A, Dhaka-1000
 Phone: 7169428, 9570624, 9567002, Fax: 7123820
 Website: www.bmslinvestment.com

AB BANK LIMITED

BCIC Bhaban 30-31, Dilkusha C/A Dhaka-1000
 Phone: +88-02-9569732, 9571265 Ext: 107
 Fax: +88-02-7160592 Email: abil@abbank.com.bd

EASTERN BANK LIMITED

Jiban Bima Bhaban (2nd Floor), 10 Dilkusha C/A, Dhaka-1000
 Phone: +88-02-7120464, Fax: +88-02-7120251

MANAGERS TO THE ISSUE:



BMSL INVESTMENT LIMITED

Sadharan Bima Tower (7th Floor),
 37/ADilkusha C/A, Dhaka-1000
 Phone: 7169428, 9570624, 9567002, Fax: 7123820
 Website: www.bmslinvestment.com



AFC CAPITAL LIMITED

Tanaka Tower (2nd Floor) 42/1/Gha,
 Segun Baghicha, Dhaka-1000
 Tel: 7120795, 7121348, Fax: 7121348, 9550040
 Website: www.afccapital.org

CREDIT RATING STATUS:

	Long Term	Short Term
Entity Rating	A	ST-3
Date of Credit Rating	April 19, 2012	
Validity	April 18, 2013	October 18, 2012
RATING ASSIGNED BY: CREDIT RATING INFORMATION AND SERVICES LIMITED (CRISL)		

“CONSENT OF THE SECURITIES AND EXCHANGE COMMISSION HAS BEEN OBTAINED TO THE ISSUE/OFFER OF THESE SECURITIES UNDER THE SECURITIES AND EXCHANGE ORDINANCE, 1969, AND THE SECURITIES AND EXCHANGE COMMISSION (PUBLIC ISSUE) RULES, 2006. IT MUST BE DISTINCTLY UNDERSTOOD THAT IN GIVING THIS CONSENT THE COMMISSION DOES NOT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF THE ISSUER COMPANY, ANY OF ITS PROJECTS OR THE ISSUE PRICE OF ITS SECURITIES OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE OR OPINION EXPRESSED WITH REGARD TO THEM. SUCH RESPONSIBILITY LIES WITH THE ISSUER, ITS DIRECTORS, CHIEF EXECUTIVE OFFICER/CHIEF FINANCIAL OFFICER, ISSUE MANAGER, UNDERWRITER AND/OR AUDITOR”

ISSUE MANAGERS:



BMSL Investment Limited



AFC Capital Limited

ACRONYMS

Allotment	:	Letter of allotment for shares
BB	:	Bangladesh Bank
BO A/C	:	Beneficiary Owner's Account
Commission	:	Securities and Exchange Commission
Companies Act	:	Companies Act, 1994 (Act. No. XVIII of 1994)
CSE	:	Chittagong Stock Exchange Limited
DSE	:	Dhaka Stock Exchange Limited
FC Account	:	Foreign Currency Account
FI	:	Financial Institution
GHCL	:	Global Heavy Chemicals Limited
GOB	:	The Government of People's Republic of Bangladesh
IPO	:	Initial Public Offering
Issue	:	Public Issue
Issuer	:	Global Heavy Chemicals Limited
NAV	:	Net Asset Value of the Company
NBR	:	National Board of Revenue
NRB	:	Non Resident Bangladeshi
Offering Price	:	Price of the securities of Global Heavy Chemicals Limited being offered
Registered Office	:	Head Office of the Company
RJSC	:	Registrar of Joint Stock Companies & Firms
SC	:	Share Certificate
SEC	:	Securities and Exchange Commission
Securities	:	Shares of Global Heavy Chemicals Limited
Share Market	:	Market of the Securities
Sponsors	:	The sponsor shareholders of Global Heavy Chemicals Limited
STD Account	:	Short Term Deposit Account
Stockholders	:	Shareholders
Subscription	:	Application money
The Company	:	Global Heavy Chemicals Limited
VAT	:	Value Added Tax

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BMSL Investment Limited



AFC Capital Limited

GENERAL INFORMATION

BMSL Investment Limited (formerly Bangladesh Mutual Securities Limited) and **AFC Capital Limited** (The Managers to the Issue) have prepared this Prospectus based on the information provided by Global Heavy Chemicals Limited (the Issuer) and also upon several discussions with the Chairman, Managing Director and related executives of the Company. The Directors including Managing Director of Global Heavy Chemicals Limited and the two Issue Managers collectively and individually, having made all reasonable inquiries, confirm that to the best of their knowledge and belief, the information contained herein is true and correct in all material respect and that there are no other material facts, the omission of which, would make any statement herein misleading.

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No person is authorized to give any information or to make any representation not contained in this Prospectus and if given or made, any such information or representation must not be relied upon as having been authorized by the Company or Issue Managers.

The Issue as contemplated in this document is made in Bangladesh and is subject to the exclusive jurisdiction of the courts of Bangladesh. Forwarding this Prospectus to any person resident outside Bangladesh in no way implies that the Issue is made in accordance with the laws of that country or is subject to the jurisdiction of the laws of that country.

A copy of this Prospectus may be obtained from the Head Office of Global Heavy Chemicals Limited, AFC Capital Limited and BMSL Investment Limited, the underwriters and the Stock Exchanges where the securities will be traded.

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AFC Capital Limited

AVAILABILITY OF PROSPECTUS

The Prospectus of the Company shall be available at the following addresses:

NAME & ADDRESS	CONTACT PERSON	TELEPHONE NUMBER
COMPANY		
GLOBAL HEAVY CHEMICALS LIMITED 37, Segun Bagicha, Dhaka-1000 Fax: 088-02-8312919 Web: www.opsoglobal.com	Mr. Md. Ali Azam Executive Khondoker Ahaduzzaman Executive	9330191 9357244 9337111 Email: ahad.ghcl@opsnin.net
ISSUE MANAGERS		
BMSL INVESTMENT LIMITED Sadharan Bima Tower (7 th Floor), 37/A Dilkusha C/A, Dhaka-1000 Website: www.bmslinvestment.com	Mr. Md. Azizur Rahman Sr. Executive Officer	7169428 9570624 E-mail: info@bmsl.com.bd
AFC CAPITAL LIMITED Tanaka Tower (2 nd Floor), 42/1/Gha, Segun Bagicha, Dhaka-1000 Website: www.afccapital.org	Mr. Md. Abul Bashar Parvez Sr. Executive Officer	7120795 9572001 Email: capital.afc@gmail.com
UNDERWRITERS		
BMSL INVESTMENT LIMITED Sadharan Bima Tower (7 th Floor), 37/A Dilkusha C/A, Dhaka-1000 Website: www.bmslinvestment.com	Mr. Md. Golam Sarwar Bhuiyan Managing Director	9567002 9570624 E-mail: info@bmsl.com.bd
AB BANK LIMITED BCIC Bhaban (11 th Floor), 30-31, Dilkusha C/A Dhaka-1000	Shamim Ahmed Chaudhury Deputy Managing Director	9560312 Ext: 107 Email: info@abbank.com.bd
EASTERN BANK LIMITED Jiban Bima Bhaban (2 nd Floor), 10 Dilkusha C/A, Dhaka-1000	M Shahryar Faiz Associate Manager	7118975 7120464 E-mail: rahmanmsr@ebl-bd.com
STOCK EXCHANGES		
DHAKA STOCK EXCHANGE LIMITED (DSE) 9/F MOTIJHEEL C/A, DHAKA-1000	D S E Library	9564601-7 9666944-8
CHITTAGONG STOCK EXCHANGE LIMITED (CSE) CSE Building 1080 Sk Mujib Road, Agrabad C/A, Chittagong	C S E Library	714632-3 720871-3

Prospectus is also available on the websites of Global Heavy Chemicals Limited (www.opsoglobal.com), BMSL Investment Limited (www.bmslinvestment.com), AFC Capital Limited (www.afccapital.org), SEC (www.secbd.org), DSE (www.dsebd.org), CSE (www.csebd.com) and Public Reference Room of the Securities and Exchange Commission (SEC) for reading and study.

AUDITOR'S INFORMATION

NAME	ADDRESS	CONTACT NO.
AHMED ZAKER & CO. Chartered Accountants	45, Shaheed Syed Nazrul Islam Road Bijoynager, Saiham Sky View (2 nd Floor), Dhaka-1000	Telephone: 880-02-8391440-3, Fax: 880-02-8391011 E-mail: azcbangladesh@gmail.com web: www.ahmed-zaker.com

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BMSL Investment Limited



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SECTION I: STATUTORY CONDITIONS & DISCLOSURES

DISCLOSURES IN RESPECT OF ISSUANCE OF SECURITY IN DEMATERIALIZED FORMAT

“As per provision of the Depository Act, 1999 and regulation made there under, shares will be issued in dematerialized condition. All transfer/transmission/splitting will take place in the Central Depository Bangladesh Ltd. (CDBL) system and any further issuance of shares (rights/bonus) will be issued in dematerialized form only.

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CONDITIONS UNDER SECTION 2CC OF THE SECURITIES AND EXCHANGE ORDINANCE, 1969

PART-A

1. The company shall go for Initial Public Offer (IPO) for 12,000,000 ordinary shares of BDT 10.00 each at an issue price of BDT 20.00 per share including a premium of BDT 10.00 per share worth BDT 240,000,000.00 (Taka Twenty Four crore) following the Securities and Exchange Commission (Public Issue) Rules, 2006, the Depository Act, 1999 and regulations made there under.
2. The abridged version of the prospectus, as approved by the Commission, shall be published by the issuer in 04 (Four) national daily newspapers (two in Bangla and two in English), within 03 (Three) working days of issuance of the consent letter. The issuer shall post the full prospectus, vetted by the Securities and Exchange Commission, in the issuer's website and shall also put on the websites of the Commission, stock exchanges, and the Issue Managers within 03 (Three) working days from the date of issuance of this letter and shall remain posted till the closure of the subscription list. The issuer shall submit to SEC, the stock exchanges and the Issue Managers a diskette containing the text of the vetted Prospectus in “MS-Word” format.
3. Sufficient copies of prospectus shall be made available by the issuer so that any person requesting a copy may receive one. A notice shall be placed on the front of the application form distributed in connection with the offering, informing that interested persons are entitled to a prospectus, if they so desire, and that copies of prospectus may be obtained from the issuer and the Issue Managers. The subscription application shall indicate in bold type that no sale of securities shall be made, nor shall any money be taken from any person, in connection with such sale until twenty five days after the prospectus has been published.
4. The company shall submit 40 (Forty) copies of the printed prospectus to the Securities and Exchange Commission for official record within **5 (Five) working days** from the date of publication of the abridged version of the prospectus in the newspaper.
5. The issuer company and the Issue Managers shall ensure transmission of the prospectus, abridged version of the prospectus and relevant application forms for NRBs through e-mail, simultaneously with publication of the abridged version of the prospectus, to the Bangladesh Embassies and Missions abroad and shall also ensure sending of the printed copies of abridged version of the prospectus and application forms to the said Embassies and Missions within 05 (Five) working days of the publication date by express mail service (EMS) of the postal department. A compliance report shall be submitted in this respect to the SEC jointly by the issuer and the Issue Managers within 2 (two) working days from the date of said dispatch of the prospectus and the forms.
6. The paper clipping of the published abridged version of the prospectus, as mentioned at **condition no. 2 above**, shall be submitted to the Commission within 24 hours of the publication thereof.
7. The company shall maintain separate bank account(s) for collecting proceeds of the Initial Public Offering and shall also open Foreign Currency (FC) account(s) to deposit the application money of the Non- Resident Bangladeshis (NRBs) for IPO purpose, and shall incorporate full particulars of said FC account(s) in the prospectus. The company shall open the above-mentioned accounts for IPO purpose; and close these accounts after refund of over-subscription money. Non-Resident Bangladeshi (NRB) means Bangladeshi citizens staying abroad including all those who have dual citizenship (provided they have a valid Bangladeshi passport) or those, whose foreign passport bear

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a stamp from the concerned Bangladesh Embassy to the effect that no visa is required for traveling to Bangladesh.

8. The issuer company shall apply to all the stock exchanges in Bangladesh for listing within **07 (Seven) working days** from the date of issuance of this letter and shall simultaneously submit the vetted prospectus with all exhibits, as submitted to SEC, to the stock exchanges.
9. The following declaration shall be made by the company in the prospectus, namely:-

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“Declaration about listing of shares with the Stock Exchange(s):

None of the stock exchange(s), if for any reason, grants listing within 75 (Seventy Five) days from the closure of subscription, any allotment in terms of this prospectus shall be void and the company shall refund the subscription money within 15 (Fifteen) days from the date of refusal for listing by the stock exchanges, or from the date of expiry of the said 75 (Seventy Five) days, as the case may be.

In case of non-refund of the subscription money within the aforesaid 15 (Fifteen) days, directors of the company, in addition to the issuer company, shall be collectively and severally liable for refund of the subscription money, with interest at the rate of 2% (Two percent) per month above the bank rate, to the subscribers concerned.

The Issue Managers, in addition to the issuer company, shall ensure due compliance of the above mentioned conditions and shall submit compliance report thereon to the Commission within 07 (Seven) days of expiry of the aforesaid 15 (Fifteen) days time period allowed for refund of the subscription money.”

10. The subscription list shall be opened and the sale of securities commenced after **25 (Twenty Five) days** of the publication of the abridged version of the prospectus and shall remain open for **05 (Five) consecutive banking days**.
11. A non-resident Bangladeshi shall apply either directly by enclosing a foreign demand draft drawn on a bank payable at Dhaka, or through a nominee by paying out of foreign currency deposit account maintained in Bangladesh or in Taka, supported by foreign currency encashment certificate issued by the concerned bank, for the value of securities applied for through crossed bank cheque marking “Account Payee only”. The NRB applicants shall send applications to the issuer company within the closing date of the subscription so as to reach the same to the company by the closing date plus 09 (nine) days. Applications received by the company after the above time period will not be considered for allotment purpose.
12. The company shall apply the spot buying rate (IT clean) in US Dollar, UK Pound Sterling and Euro of Sonali Bank Limited, which shall be mentioned in the Prospectus, as prevailed on the date of opening of the subscription for the purpose of application of the NRBs and other non-Bangladeshi persons, where applicable.
13. The company and the Issue Managers shall ensure prompt collection/clearance of the foreign remittances of NRBs and other non-Bangladeshi(s), if applicable, for allotment of shares.
14. Upon completion of the period of subscription for securities, the Issuer and the Issue Managers shall jointly provide the Commission and the stock exchanges with the preliminary status of the subscription within **05 (Five) working days**, in respect of the following matters, namely: -
 - (a) Total number of securities for which subscription has been received;
 - (b) Amount received from the subscription; and
 - (c) Amount of commission paid to the bankers to the issue.
15. The Issuer and the Issue Managers shall jointly provide the Commission and the stock exchanges with the list of valid and invalid applicants (i.e. final status of subscription) in electronic form in 2

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(Two) CDs and final status of subscription to the Commission within **3 (Three) weeks** after the closure of the subscription along with bank statement (original), branch-wise subscription statement. The list of valid and invalid applicants shall be finalized after examination with the CDBL in respect of BO accounts and particulars thereof.

16. The IPO shall stand cancelled and the application money shall be refunded immediately (but not later than 05 (Five) weeks from the date of the subscription closure) if any of the following events occur:
 - (a) Upon closing of the subscription list it is found that the total number of valid applications (in case of under subscription including the number of the underwriter) is less than the minimum requirement as specified in the listing regulations of the stock exchange(s) concerned; or
 - (b) At least 50% of the IPO is not subscribed.
17. **20% of total public offering shall be reserved for ক্ষতিগ্রস্ত ক্ষুদ্র বিনিয়োগকারী, 10% of total public offering shall be reserved for non-resident Bangladeshi (NRB) and 10% for mutual funds and collective investment schemes registered with the Commission, and the remaining 60% shall be open for subscription by the general public. In case of under-subscription under any of the 20% and 10% categories mentioned above, the unsubscribed portion shall be added to the general public category and, if after such addition, there is over subscription in the general public category, the issuer and the managers to the issue shall jointly conduct an open lottery of all the applicants added together.**
18. All the applicants shall first be treated as applied for one minimum market lot of **250 shares worth BDT 5,000/-** (BDT Five Thousand only). If, on this basis, there is over subscription, then lottery shall be held amongst the applicants allocating one identification number for each application, irrespective of the application money. In case of over-subscription under any of the categories mentioned hereinabove, the issuer and the Issue Managers shall jointly conduct an open lottery of all the applications received under each category separately in presence of representatives from the issuer, the stock exchanges and the applicants, if there be any.
19. **An applicant cannot submit more than two applications, one in his/her own name and the other jointly with another person. In case an applicant makes more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, 15% (Fifteen percent) of the application money will be forfeited by the Commission and the balance amount will be refunded to the applicant.**
20. **The applicant shall provide with the same bank account number in the application form as it is in the BO account of the application.**
21. **The applicants who have applied for more than two applications using same bank account, their application will not be considered for lottery and the Commission will forfeit 15% (fifteen) of their subscription money too.**
22. Lottery (if applicable) shall be held within **04 (Four) weeks** from closure of the subscription date.
23. The company shall issue share allotment letters to all successful applicants within **05 (Five) weeks** from the date of the subscription closing. Within the same time, refund to the unsuccessful applicants shall be made in the currency in which the value of securities was paid for by the applicants without any interest, through direct deposit to the applicant's bank account as far as possible/Account Payee Check/refund warrants with bank account number, bank's name and branch as indicated in the securities application forms payable at Dhaka/Chittagong/Khulna/Rajshahi/Barisal/Sylhet/Bogra, as the case may be subject to condition no. 20 above.

Refund money of the unsuccessful applicants shall be credited directly to their respective bank accounts, who have chosen the option in the IPO application forms, as maintained with the bankers to the issue or any other banks mentioned in the application.

A compliance report in this regard shall be submitted to the Commission within **07 (seven) weeks** from the date of closure of subscription.

24. The company shall furnish the List of Allotees to the Commission and the stock exchange(s) simultaneously in which the shares will be listed, within **24 (Twenty Four) hours** of allotment.
25. In the event of under-subscription of the public offering, the unsubscribed portion of securities shall be taken up by the underwriter(s) (subject to Para -16 above). The issuer must notify the underwriters to take up the underwritten shares within **10 (Ten) days** of the closing of subscription on full payment of the share money within **15 (Fifteen) days** of the issuer's notice. The underwriter shall not share any underwriting fee with the Issue Managers, other underwriters, issuer or the sponsor group.
26. All issued shares of the issuer at the time of according this consent shall be subject to a **lock- in period of 03 (Three) years** from the date of issuance of prospectus or commercial operation, whichever comes later.

Provided that the persons (other than Directors and those who hold 5% or more shares in the company), who have subscribed to the shares of the company within immediately preceding two years of according consent shall be subject to a **lock-in period of 01 (One) year** from the date of issuance of prospectus or commercial operation, whichever comes later.
27. In respect of shares of Sponsors/Directors/Promoters (if in paper format) shall be handed over to security custodian bank registered with SEC and shall remain till completion of lock in and the name and branch of the bank shall be furnished to the Commission jointly by the issuer and Issue Managers, along with a confirmation thereof from the custodian bank, within one week of listing of the shares with the stock exchange(s). Or they (shares of Sponsors/Directors/Promoters) can be demated and will remain in lock-in under CDBL system and issuer will submit a dematerialization confirmation report generated by CDBL and attested by Managing Director of the company along with lock-in confirmation with SEC within one week of listing of the shares with the stock exchange(s). In respect of shares other than Sponsors/Directors/Promoters the issuer will ensure their lock-in of those shares and submit a statement to this effect to SEC.
28. The company shall apply to the stock exchanges for listing within **07 (Seven) working days** of issuance of this letter and shall simultaneously submit to the Commission attested copies of the application filed with the stock exchanges.
29. **"The company shall deposit 3% tax to the Government Treasury on the share premium of the IPO and submit authenticated copy of 'Treasury Chalan' to the Commission, among others, to obtain consent for holding of lottery in line with the NBR's Order No. জা.রা.বো/আয়কর বাজেট/২০১০/৯৭ dated 30.06.2010 and জা.রা.বো/কর-৪/অধিক্ষেত্র/১১(৪)/২০০৩(অংশ)-১/২২৫ dated 06.07.2010."**
30. **The company shall not declare any benefit/dividend based on the financial statements for the year ended on December 31, 2011 before listing of its capital with stock exchange(s).**

PART-B

1. The Issuer and the Issue Managers shall ensure that the abridged version of the prospectus and the full prospectus is published correctly and in strict conformity with the conditions of this letter without any error/omission, as vetted by the Securities and Exchange Commission.
2. The Issue Managers shall carefully examine and compare the published abridged version of prospectus on the date of publication with the copy vetted by SEC. If any

ISSUE MANAGERS:



BMSL Investment Limited



AFC Capital Limited

discrepancy/inconsistency is found, both the issuer and the Issue Managers shall jointly publish a corrigendum immediately in the same newspapers concerned, simultaneously endorsing copies thereof to SEC and the stock exchange(s) concerned, correcting the discrepancy/inconsistency as required under 'Due Diligence Certificates' provided with SEC.

3. Both the issuer company and the Issue Managers shall, immediately after publication of the prospectus and its abridged version, jointly inform the Commission in writing that the published prospectus and its abridged version are verbatim copies of the same as vetted by the Commission.
4. The fund collected through Public Offering shall not be utilized prior to listing with stock exchanges and that utilization of the said fund shall be effected through banking channel, i.e. through account payee cheque, pay order or bank drafts etc.
5. The company shall furnish report to the Commission and the stock exchanges on utilization of Public Offering proceeds within **15 (Fifteen) days** of the closing of **each month** until such fund is fully utilized, as mentioned in the schedule contained in the prospectus, and in the event of any irregularity or inconsistency, the Commission may employ or engage any person, at issuer's cost, to examine whether the issuer has utilized the proceeds for the purpose disclosed in the prospectus.
6. All transactions, excluding petty cash expenses, shall be effected through the company's bank account(s).
7. Proceeds of the Public Offering shall not be used for any purpose other than those specified in the prospectus. Any deviation in this respect must have prior approval of the shareholders in the Shareholders Meeting under intimation to SEC and stock exchanges.
8. Directors on the Company's Board will be in accordance with applicable laws, rules and regulations.
9. The financial statements should be prepared in accordance with Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) as required by the Securities and Exchange Rules, 1987.

PART-C

1. All the above conditions imposed under section 2CC of the Securities and Exchange Ordinance, 1969 shall be incorporated in the prospectus immediately after the page of the table of contents, with a reference in the table of contents, prior to its publication.
2. The Commission may impose further conditions/restrictions etc. from time to time as and when considered necessary which shall also be binding upon the issuer company.

PART-D

1. As per provision of the Depository Act, 1999 and regulations made there under, shares will only be issued in dematerialized condition. All transfer/ transmission/ splitting will take place in the Central Depository Bangladesh Limited (CDBL) system and any further issuance of shares (including rights/bonus) will be made in dematerialized form only.

An applicant (including NRB) shall not be able to apply for allotment of shares without Beneficial Owners (BO) account.

2. The company and the Issue Managers shall ensure due compliance of all the above conditions and the Securities and Exchange Commission (Public Issue) Rules, 2006.

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SECTION II: RISK FACTORS & MANAGEMENT'S PERCEPTIONS ABOUT THE RELATED RISKS

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 simultaneously:-

MATERIALITY

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The Risk factors have been determined on the basis of their materiality. The following factors have been considered for determining the materiality.

1. Some events may not be material individually but may be found material collectively.
2. Some events may have material impact qualitatively instead of quantitatively.
3. Some events may not be material at present but may be having material impact in the future.

1. Interest Rate Risks: GHCL is exposed to the volatility of interest rate as it has bank loan and finance lease. Any higher trend in interest rate in the future will definitely aggravate the adversity.

Management perception: GHCL has liquidated most of its outstanding Bank Loan with the proceeds from capital-raise to make the Gearing Ratio at a satisfactory level, which will significantly reduce the financial leverage and interest burden.

2. Exchange Rate Risks: GHCL is engaged in global trade as it procures its raw materials from overseas markets. Therefore, fluctuations in the related foreign currency rates may affect adversely to the company's liquidity and profitability and expose a threat to the stability of the Company.

Management Perception: GHCL settles its foreign transaction through USDollars in case of both export and import. While the value of functional currency fluctuates, the loss or gain on currency fluctuation for export automatically sets off against the loss or gain on currency fluctuation for import. As the value of export is always greater than the value of import, some balance is created in the foreign currency transaction. Furthermore, the Company is contemplating about setting a system of hedging on foreign currency transactions in the future.

3. Industry Risks:

(a) Market demand: The products of GHCL are sold both in local and international markets. Any economic recession, changes in tastes and fashions of the consumers, national income and other related factors may cause to decline the market demand of the company products.

Management Perception: The products of GHCL are essential for industrial production. It also gives values to its customers' satisfaction and changes in the market demand. Therefore its expert team promptly dedicates their creativity and research work to respond any changes in customers demand and product diversifications.

(b) Competition: GHCL is operating in a free market economy regime. The company might have to face stiff competition from its competitors:

Management Perception: Bangladesh industries enjoy the cheapest labor cost in the world, earning comparative advantages for its industries over their global competitors. In addition, the management of GHCL employs their efficiencies; expertise and discretions to minimize the cost of its products.

(c) Rising of Raw Materials costs: the cost of yarn and other chemicals are rising drastically round the year. It may hamper the profitability of the company significantly

Management Perception: GHCL is aware of the continuing market situation of its raw materials. The management of GHCL believes that long term planning for raw material management, exploring number of global markets, process

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costing for its finished products and trustworthy relations with the suppliers can mitigate the risk of rising of materials cost.

4. Risks steaming from technological changes: Changes in technologies may reduce the cost efficiency of the company.

Management perception: GHCL applies the latest technology in its manufacturing processes in the production. The machineries and equipment of the company are also the latest invention in the sector, which are imported from renowned manufacturers in the world.

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5. Potential or existing Govt. regulations may hamper the smooth operation of the business.

Management perception: The industries in Bangladesh are enjoying most friendly and pro-industry Govt. regulations ever.

6. History of non-operation, if any

The company has never been non-operative.

7. Operational risks: there may have some risks in operating the machineries and equipment, damaging company assets and lives of its employees and workers.

Management Perception: GHCL is always committed to ensuring congenial work environment and giving priority for the safety for its human resource. The company also has insured its assets to minimize the degree of losses.

8. Fire risk in the factory: accidented fire exposure in the factory may cause of damage the production as well as cause of workers' lives in the factory.

Management Perception: GHCL is always committed to ensuring genial work environment that free from fire in the factory and giving priority for the safety for its human resource and production, its holding fire insurance policy. The company also has insured its assets to minimize the degree of losses.

9. Other risk factors:

(a) Increasing labor cost: Labor cost is increasing day by day. Recently, Government fixed a minimum wage for the labor. It will definitely increase the labor cost. Increase in the labor cost will increase the product cost which may give the competitors a comparative advantage over the company.

Management Perception: The production process of GHCL is machine intensive, though the company applies various measures to train its labor force in order to increase the labor productivity and gaining cost efficiency in the production. It may also be noted that one United Nation study states that the labor cost in Bangladesh is the cheapest one in the world.

(b) Political Unrest: 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 the product upwards.

Management Perception: During the last forty years of post independence period, Bangladesh has gone through a variety of political situations. But presently, a sound political atmosphere is prevailing in the country. Both the ruling and the opposition parties are committed to the betterment of the country. Last democratic national assembly election and local council polls are instances of peaceful political situation in Bangladesh.

(c) Possible slowdown in economic growth in Bangladesh. Our 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

ISSUE MANAGERS:



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war, natural calamities, commodity and energy prices and various other factors. Any significant change may adversely affect our business and financials.

Management Perception: Bangladesh economy is booming for last few years. Consistent industrial growth along with increased agricultural production has made the Per Capita Income higher than that of recent years. In addition, favorable government policies and industry friendly policies by other regulatory bodies have proved to be congenial to the economy of the country.

- (d) Natural calamities: Bangladesh is a country where recurrent natural calamities take place every year. It is a serious threat to the business.**

Management perception: This type of situation is totally beyond the control of human being. Though the management of GHCL has a very little to do with, we have taken precautionary measures as per our ability to minimize the damage of the business in such situations and we shall continue to take such measures by using latest technological developments in this respect.

- (e) The group does not have any articulated policy for inter-company cost sharing or fund transfer.**

Management perception: Global Heavy chemicals Limited is a concern of Opsonin Group. Core are of businesses of our associates are diversified and so are their products. As a result, product of one company is sometimes consumed by other associate as raw materials. For example, GHCL's finished product Caustic Soda is used as raw materials by Opsonin Pharma Limited, Opso Salaine Limited and Crescent Chemicals Limited. On the other hand, GHCL uses finished product (Sulphuric Acid) of Crescent Chemical Limited. Consequently, there are a number of transactions taking places in the normal course of business between and among the associates. All the trades between the associates are done in the competitive price (arm's length price). It may be mentioned here that there are no inter company loan among the associates of the Opsonin Group.

ISSUE MANAGERS:



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SECTION III: DECLARATION AND DUE DILIGENCE CERTIFICATES

DECLARATION ABOUT THE RESPONSIBILITY OF THE DIRECTORS INCLUDING CEO OF THE COMPANY "GLOBAL HEAVY CHEMICALS LIMITED" IN RESPECT OF THE PROSPECTUS

This prospectus has been prepared, seen and approved by us, and we, individually and collectively, accept full responsibility for the authenticity and accuracy of the statements made, information given in the prospectus, documents, financial statements, exhibits, annexes, papers submitted to the Commission in support thereof, and confirm, after making all reasonable inquiries that all conditions concerning this public issue and prospectus have been met and that there are no other information or documents the omission of which make any information or statements therein misleading for which the Commission may take any civil, criminal or administrative action against any or all of us as it may deem fit.

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We also confirm that full and fair disclosure has been made in this prospectus to enable the investors to make a well informed decision for investment.

Sd/-
Capt. Abdus Sabur Khan (Retd.)
Chairman & CEO

Sd/-
Abdur Rouf Khan
Vice-Chairman

Sd/-
Abdur Rakib Khan
Vice-Chairman-2

Sd/-
Masuma Begum
Director

Sd/-
Zakia Sultana Khan
Director

Sd/-
Suraya Jebeen (Naz)
Director

Sd/-
Abdur Rakib Khan
Nominee Director of Oponin Pharma Limited

CONSENT OF DIRECTOR(S) TO SERVE AS DIRECTOR(S)

We hereby agree that we have been serving as Director(s) of Global Heavy Chemicals Limited and confirm to continue to act as a Director(s) of the Company:

Sd/-
Capt. Abdus Sabur Khan (Retd.)
Chairman & CEO

Sd/-
Abdur Rouf Khan
Vice-Chairman

Sd/-
Abdur Rakib Khan
Vice-Chairman-2

Sd/-
Masuma Begum
Director

Sd/-
Zakia Sultana Khan
Director

Sd/-
Suraya Jebeen (Naz)
Director

Sd/-
Abdur Rakib Khan
Nominee Director of Oponin Pharma Limited

DECLARATION ABOUT FILING OF PROSPECTUS WITH THE REGISTRAR OF JOINT STOCK COMPANIES AND FIRMS

A vetted and signed copy of this Prospectus has been filed for registration with the Registrar of Joint Stock Companies and Firms (RJSC), Bangladesh as required under Section 138 (1) of the Companies Act, 1994 on or before the date of publication of this prospectus in the newspaper.

ISSUE MANAGERS:



BMSL Investment Limited



AFC Capital Limited

DECLARATION BY THE ISSUER ABOUT THE APPROVAL FROM SECURITIES AND EXCHANGE COMMISSION FOR ANY MATERIAL CHANGES

In case of any material changes in any agreement, contract, instrument, facts and figures, operational circumstances and statement made in the Prospectus subsequent to the preparation of the Prospectus and prior to its publication shall be incorporated in the Prospectus and the said Prospectus should be published with the approval of the Commission.

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Sd/-

Capt. Abdus Sabur Khan (Retd.)
Chairman & CEO
Global Heavy Chemicals Limited

DECLARATION BY THE ISSUE MANAGERS ABOUT THE APPROVAL FROM SECURITIES AND EXCHANGE COMMISSION FOR ANY MATERIAL CHANGES REGARDING PROSPECTUS OF GLOBAL HEAVY CHEMICALS LIMITED

In case of any material changes in any agreement, contract, instrument, facts and figures, operational circumstances and statement made in the Prospectus subsequent to the preparation of the Prospectus and prior to its publication shall be incorporated in the Prospectus and the said Prospectus should be published with the approval of the Commission.

For Manager to the Issue

Sd/-
Md. Golam Sarwar Bhuiyan
Managing Director
BMSL Investment Limited

For Manager to the Issue

Sd/-
Mahbub H. Mazumdar FCMA
Chief Executive
AFC Capital Limited

ISSUE MANAGERS:



BMSL Investment Limited



AFC Capital Limited

DUE DILIGENCE CERTIFICATE OF MANAGER(S) TO THE ISSUE

Sub: Public offer of 12,000,000 Ordinary Shares of BDT 10.00 each at an issue price of BDT 20.00 per share including a premium BDT 10.00 each amounting to BDT 240,000,000.00 of Global Heavy Chemicals Limited.

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We, the under-noted Manager(s) to the Issue to the above mentioned forthcoming Issue, state as follows:

1. We, while finalizing the draft Prospectus pertaining to the said Issue, have examined various documents and other materials as relevant for adequate disclosures to the investors; and
2. On the basis of such examination and the discussion with the issuer Company, its directors and officers, and other agencies; independent verification of the statements concerning objects of the Issue and the contents of the documents and other materials furnished by the issuer Company;

WE CONFIRM THAT:

- a. the draft Prospectus forwarded to the Commission is in conformity with the documents, materials and papers relevant to the Issue;
- b. all the legal requirements connected with the said Issue have been duly complied with; and
- c. the disclosures made in the draft Prospectus are true, fair and adequate to enable the investors to make a well-informed decision for investment in the proposed Issue.

For Manager to the Issue

For Manager to the Issue

Sd/-

Sd/-

Md. Golam Sarwar Bhuiyan
Managing Director
BMSL Investment Limited

Mahbub H. Mazumdar FCMA
Chief Executive
AFC Capital Limited

ISSUE MANAGERS:



BMSL Investment Limited



AFC Capital Limited

DUE DILIGENCE CERTIFICATE OF THE UNDERWRITER(S)

Sub: Public offer of 12,000,000 Ordinary Shares of BDT 10.00 each at an issue price of BDT 20.00 per share including a premium BDT 10.00 each amounting to BDT 240,000,000.00 of Global Heavy Chemicals Limited.

We, the under-noted Underwriter(s) to the above-mentioned forthcoming Issue, state individually and collectively as follows:

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1. We, while underwriting the above mentioned issue on a firm commitment basis, have examined the draft Prospectus, other documents and materials as relevant to our underwriting decision; and
2. On the basis of such examination and the discussion with the Issuer Company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

WE CONFIRM THAT:

- a. All information as are relevant to our underwriting decision have been received by us and the draft prospectus forwarded to the Commission has been approved by us;
- b. We shall subscribe and take up the un-subscribed Securities against the above-mentioned Public issue within 15 (fifteen) days of calling up thereof by the issuer; and
- c. This underwriting commitment is unequivocal and irrevocable.

For Underwriter(s)

Sd/-

Managing Director

BMSL Investment Limited
AB Bank Limited
Eastern Bank Limited*

*As per board resolution dated 13/07/2011 of Eastern Bank Limited, the due diligence certificate was signed by Mr. Fakhru Alam, DMD instead of MD.

ISSUE MANAGERS:



BMSL Investment Limited



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SECTION IV: ISSUE SIZE AND PURPOSE OF THE PUBLIC OFFERING

CAPITAL STRUCTURE

	Shares (No.)	Amount (Taka)
Issued & fully paid-up Capital as on 31 December, 2011 (Before IPO)	60,000,000	600,000,000.00
Proposed IPO (Initial Public Offering)	12,000,000	120,000,000.00
Total Capital after IPO will be	72,000,000	720,000,000.00

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USE OF IPO PROCEEDS

The proceeds from the proposed IPO shall be utilized for the following purpose:

Sl No.	Purpose	Amount (Taka)
1.	Generator Procurement (One unit Germany made MWM brand new 11KV Natural Gas Generator with standard accessories)	171,170,060
2.	Building & other Civil Construction 1. One Stored Electric Substation Factory Building (1,054 sft)* 2. Three Stored Administration Building (4 Storied Foundation 7,128 sft) [Details are given below]	18,141,083
3.	Pipe, Pipe Rack and Electrical Works (70,860 feet MS, Copper & SS Pipe with Elbo, T, I-Beam, Channel, Angle Bar, Checker Plate & SS motor)	31,144,357
4.	Issue Cost Including Tax on Premium [Details at page no. 48]	19,544,500
Total		240,000,000

The Company did not enter into any contract for aforesaid utilization of proceeds.

[BREAK DOWN OF USE OF IPO PROCEEDS]

1. Generator Procurement:

Particular		Amount (Tk.)
L/C Value Euro 12,95,000.00 @110.00	142,450,000.00	142,450,000.00
L/C Commission & other Bank Charges		3,700,000.00
Insurance		420,869.00
Customes Duty 3%	4,273,500.00	
Other Customs related charge	82,000.00	
C&F Commission & other Charges	4,243,691.00	
		8,599,191.00
Installation Charge		7,000,000.00
Ventilation System		8,000,000.00
Carrying Charge		1,000,000.00
Total		171,170,060.00

ISSUE MANAGERS:



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DETAILS DESCRIPTION OF GENERATOR:

SN.	QTY	Description	Unit Price EURO	Amount Euro
1.	01	<p>One unit Brand new MWM Natural Gas Generating Set with standard accessories, Model TCG2032V16, Output 4300 kW rating, 11kV, 50Hz, 1.0 PF, 1000 RPM at ISO 3046 conditions and includes radiator coolers, gas pre-regulator and gas regulator units to be purchased from MWM Asia Pacific Pte. Ltd., 11 Klan Teck Road, Singapore.</p> <p>Note: Output based on gas with min. Mrthane No. of 80 ORIGIN: a. Complete Genset : Germany b. Switchboards, Silencer & Compensator : ASEAN PORT OF SHIPMENT: Any European Port/or ASEAN Port.</p> <p>VALIDITY: <u>30th June, 2013</u></p>	1,295,000.00	1,295,000.00

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Technical data 50 Hz – Natural gas applications

$No_x \leq 500 \text{ mg} / m_n^3$

Minimum methane number MN 70
dry exhaust manifolds

Engine type

TCG 2032 V16

Engine power	kW	4390
Speed	min-1	1000
Mean effective pressure	bar	19.4
Exhaust temperature	0C	436
Exhaust mass flow wet	Kg/h	22217
Combustion air mass flow	Kg/h	21488
Combustion air temperature for engine		
With air preheater minimum/design	0C	10/25
Ventilation air flow	Kg/h	114305

Engine parameters

Bore/stroke	mm	260/320
Displacement	dm ³	271.8
Compression ratio		12.0 : 1
Mean piston speed	m/s	10.7
Lube oil flow rate	m ³ /h	125
Lube oil content	dm ³	2200
Lube oil temperature engine inlet	0C	80
Typical mean lube oil consumption	g/kWh	0.3

Generator

Efficiency	%	97.95
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Energy balance

Electrical power	±8%	KW	4300
Jacket water heat	±8%	KW	1538
Intercooler LT heat	±8%	KW	326
Exhaust cooled to 120 0C	±8%	KW	2240
Lube oil heat		KW	543
Engine radiation heat		KW	220
Generator radiation heat		KW	90
Fuel Consumption		KW	9891
Specific fuel Consumption	+5%	kWh/kWh	2.25
Electrical efficiency	+5%	%	43.5
Thermal efficiency		%	43.7
Total efficiency		%	87.2

ISSUE MANAGERS:



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System parameters

TCG 2032 V16

Engine jacket water flow rate min. / max.	m ³ /h	105/130
Engine K _{vs} - value	m ³ /h	93
Intercooler coolant flow rate	m ³ /h	65
Intercooler K _{vs} - value	m ³ /h	57
Engine jacket water volume	Dm ³	570
Intercooler coolant volume	Dm ³	51
Engine Jacket water temperature max.	°C	78/90
-with glycol	°C	(78/90)
Intercooler coolant temperature	°C	40/44.4
Exhaust backpressure min. /max.	mbar	30/50
Maximum pressure loss in front of air cleaner	mbar	5
Gas flow pressure, fixed between	mbar	50....300
Air bottle, volume/ pressure	dm ³ /bar	2000/30

Dimensions 50 Hz Genset

Length	mm	8900
Width	mm	2750
Height	mm	3800
Dry weight genset	kg	49000

Noise emissions*50 Hz	Hz	63	125	250	500	1000	2000	4000	8000
Noise frequency band									

Engine type TCG 2032 V16

Exhaust noise 123 dB (A)	dB(lin)	131	124	122	121	117	115	113	109
Air-borne noise 109 dB(A)	dB(lin)	99	109	104	101	99	99	104	101

Exhaust noise at 1 m, ≤ 45°, ± 2.5 dB (A)

Air-borne noise at 1 m from the side, ± 1 dB (A)

*Values apply to natural gas applications, measured as noise pressure level.

The price stated includes remuneration of the personnel deputed by the SUPPLIER and it's LOCAL AGENT to undertake supervision, commissioning, training for trial run of the PLANT.

2. BUILDING & OTHER CIVIL CONSTRUCTION

1. One Stored Electric Substation Factory Building (1,054 sft) = Tk. 8,895,178.00
2. Three Stored Administration Building (4 Storied Foundation 7,128 sft) = Tk. 9,245,905.00

Total = Tk. 18,141,083.00

1. ONE STORED ELECTRIC SUBSTATION FACTORY BUILDING (1,054 SFT)

Detail Estimate & BOQ for Construction of proposed one Storied Electric substation Building at Global Heavy Chemical, Hasnabad, Keranigonj, Dhaka.

1. Foundation & Pilling works (Up to Plinth level) :
Item no 01.

Earth work in foundation & Plinth.

a. Earth Cutting in Foundation

5'-0" X 5'-0" X 5'-0" X 16	= 2000 cft
10'-0" X 30'-0" X 5'-0"	=1500 cft
	=3500 cft @ 3.00 = Tk.10,500.00

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b. Earth filling

3500 X 1/3 + 30'-0" X 60'-0" X 2 = 4767 cft @ 12.00 = Tk. 57,204.00

Item no 02.

Pilling works (No of =22 Nos; Length=100'; Dia=20")

a. Pile Boring

22 X 100'-0" = 2200 rft @ 200.00 = Tk. 440,000.00

b. Pipe casting

$\pi/4d^2h$ X 22 = 4819 cft @ 270.00 = Tk. 1,301,130.00

c. Pile head breaking

$\pi/4d^2 \times 4'-0"$ X 22 = 193 cft @ 65.00 = Tk. 12,545.00

Item no 03.

Brick Flat Soling

a. Soling In Foundation

5'-0" X 5'-0" X 16 = 400 sft

b. Soling In Floor

30'-0" X 60'-0" = 1800 sft

= 2200 @ 26.00 = Tk. 57,200.00

Item no 04.

Cement concrete work in foundation

5'-0" X 5'-0" X 16 = 400 @ 90.00 = Tk. 36,000.00

Total = Tk. 1,914,579.00

Item no 05.

Foundation work

a. Pile cap casting

4'-0" X 4'-0" X 1'-8" X 16 = 428 cft

26'-0" X 9'-0" X 1'-8" = 390 cft

= 818 CFT @ 270.00 = Tk. 220,860.00

b. Foundation for generator

26'-0" X 9'-0" X 1'-6" = 351 cft @ 270.00 = Tk. 94,770.00

Item no 06.

Grade Beam

R.C.C casting

361'-0" X 1'-0" X 1'-6" = 542 cft @ 270.00 = Tk. 146,340.00

Item no 07.

Floor casting (Rcc)

30'-0" X 58'-0" X 0'-6" = 870 cft @ 270.00 = Tk. 234,900.00

Item no 08.

10" Brick work from GB to Plinth Level

2 X (30'-0" + 60'-0") X 2'-0" X 0'-10" = 299 cft

58'-0" X 2'-0" X 2 X 0'-10" = 193 cft

26'-0" X 2'-0" X 4 X 0'-10" = 173 cft

= 665 cft @ 134.00 = Tk. 89,110.00

Item no 09.

M.S bar

a) Pilling----	4819 cft X 1%	=10709 kg	
b) Pile cap ----	818.3 cft X 2%	= 3637 kg	
c) Gr. Beam-	542 cft X 2% =	= 2408 kg	
d) Generator Foundation –	315 cft X 2% = 1400 kg		
e) PL casting (Rcc) -----	870 cft X 1% = 1934 kg		
		= 2088 kg @ 85.00	
			= Tk. 1,707,480.00

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Total for Foundation & Pilling works = Tk. 4,408,039.00

2. Super structure work (From plinth Level to 1st Roof).

Item no 01.

Column casting

C1= 1'-0" X 0'-10" X 30'-0" X 12	=300 cft		
C2=1'-8" X 1'-8" X 30'-0" X 4	=334 cft		
NC= 1'-8" X 1'-8" X 4'-0" X 6	=67 cft		
	=701 cft @ 270.00		= Tk. 189,270.00

Item no 02.

Lintel & Sun shed

a. Lintel:

(30'+58") X 2 X 2 X 10" X 15"	=367 cft		
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b. Sun shed:

(18" X 4" X 7") 6	= 21 cft		
	=388 cft @ 270.00		= Tk.104,760.00

Item no 03.

R.C.C slab casting

Maintenance Slab at level-21'-0"

(6'-6" X 58'-0" X 0'-6") X 2	=377 cft		
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Roof Slab casting

62'-0" X 34'-0" X 0'-6"	=1054 cft		
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Porch slab casting

10'-0" X 6'-0" X 0'-5"	= 25 cft		
	=1456 cft @ 270.00		= Tk.393,120.00

Item no 04.

R.C.C Beam casting

Roof Beam

361'-0" x 1'-0" X 1'-6"	= 618 cft		
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Maintenance Slab beam

118'-6" X 1'-6" X 1'-0"	=178 cft		
	=796 cft @ 270.00		= Tk.214,920.00

Item no 05.

MS bar

a) Column casting -----	701 cft X 2%	=3116 kg	
b) Lintel & Sun shed -----	388 cft X 1%	= 862 kg	
c) Slab casting	1456 cft X 1%	=3235 kg	
d) Beam casting	796 cft X 2%	=3538 kg	
Total		=10751 kg @ 85.00	= Tk.913,835.00
			Total = Tk. 1,815,905.00

Item no 06.

10" Brick work (From plinth to Roof beam).

{(30'+58') X 2 X 28' -(7'x8')} x10"=4058 cft @ 134.00 = Tk.543,772.00

Item no 07.

Plaster work

Wall – (30'+58') 2 X 28' X 2	=9856 sft	
Ceiling- 34' X 62'	=2108 sft	
Mezzanine Floor (58' X 6.5') 2	=754 sft	
Total		=12,718 sft @ 12.00 = Tk. 152,616.00

Item no 08.

Grill work

a) Window Grill (6' X 4.5') 6	=162 sqft	
b) Parapet Grill (58'+30') 2	=176 sqft	
Total		= 338 sqft @140.00 = Tk. 47,320.00

Item no 09.

SS Grill on mezzanine floor

(58' X 3') 2 = 348 sft @ 350.00 = Tk. 121,800.00

Item no 10.

Aluminum work

Window

6' X 4.5' X 6 =162 sft @ 320.00 = Tk.51,840.00

Item no 11.

Collapsible Gate& Shutter

7' X 8' =56 sft @ 600.00 = Tk. 33,600.00

Item no 12.

Color work

=12718 Sft @12.00 = Tk. 152,616.00

Item no 13.

Patent Stone casting on ground floor & roof top

30' X 58' X 4" X 2 = 1159cft @185.00 =Tk. 214,415.00

Item no 14.

Epoxy on Ground floor & Roof top= 1740 sft @230tk/sft = Tk. 400,200.00

Total for Super structure =Tk. 3,534,084.00

Abstract

Total for Foundation & Pilling works	= Tk. 4,408,039.00
Total for Super structure	= Tk. 3,534,084.00
Total for Civil work	=Tk. 7,942,123.00
Electric work 12% of civil work	= Tk. 953,055.00
Grand Total	= Tk. 8,895,178.00

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***Note:** Electric Substation Construction cost will be around TK. 8440.00 per sqf. which is presumably much higher than any civil construction cost due to heavy constructions like Earth Filling, Earth Pilling, Concrete foundation, Floor casting etc. by using heavy MS Bar. This will keep the factory safe from vibration of the heavy duty Generator. This will also keep the Electric substation safe.

2. THREE STORED ADMINISTRATION BUILDING (4 STORIED FOUNDATION 7,128 SFT)

Detail Estimate & BOQ of vertical extension of Administration Building at Global Heavy Chemical, Hasnabad, Keranigonj, Dhaka.

Item no 01

RCC work (1:2:4)

- a) **Column casting (C1)**
(10" x 10" x 10' x 4) = 27.78 cft
- b) **Column casting (C2)**
(10" x 15" x 10' x 16) = 166.67 cft
- c) **Column casting (C3)**
(15" x 15" x 10' x 7) = 109.37 cft
- d) **Lintel + Sun shed**
Lintel: (162+44) 2 x 10" x 15" = 429.17 cft
Sun shed: (18" x 4" x 8') 10 = 39.96 cft
- e) **Roof Beam: Lenth =**
[(162'+44') 2+44 x 7] = 720' x 12' x 18" = 1080 cft
- f) **Roof Slab casting-----** (162' x 44' x 7") = 4134.24 cft

Total = 5987.19 cft @ 208.39 TK/cft = TK 1,247,667.11

Item no 02 (MS bar)

- a) Column:- 303.825 cft x 2% = 1350 kg
 - b) Lintel + sun shed:- 316.11 cft x 1.5% = 1054 kg
 - c) Roof Beam:- 1080 cft x 2% = 4800 kg
 - d) Roof slab:- 4134.24 cft x 1% = 9187 kg
- = 16391 @ 65.60 tk/kg = TK 1,075,316.45**

Item no 03

Brick work.

- a) 10" [(162'+44') 2x805 - 7'x8' - (6x4.5) 10] 10" = 2647 @ tk 103.42/cft = Tk 273,706.42
- b) 5" (39'x8.5') 7 = 2174 sft @ tk 65.60/sft = Tk 14,262,327

Total = Tk 14,536,033.42

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Item no 04

Plaster work

- a) Wall- $[(162' + 44') \times 8.5] \times 2 + 39' \times 8.5 \times 2 = 7667 \text{ sft}$
 b) Ceiling ----- $162' \times 44' = 7128 \text{ sf}$

Total = 14,795 sqft @tk9.26/cft =Tk. 137,027.63

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Item no 05

Grill work

- a) Window Grill ----- $(6' \times 4.5') \times 10 = 270 \text{ sft}$
 b) Parapet Grill ----- $(162' + 44') \times 3 = 1236 \text{ sft}$

Total = 1506 sqft @tk108.05/sqft = Tk 162,728.99

Item no 06

- Aluminium window ---- $(6' \times 4.5' \times 6) = 270 \text{ sft @} 246.98 \text{ tk/sft} = \text{Tk } 66,684.62$
 Collapsible Gate + shutter--- $(7' \times 8') = 56 \text{ sft @} 463.09 \text{ tk/sft} = \text{Tk } 25,932.91$

Item no 07

- Wooden door ----- 7 nos @ 19,295.32 tk/no = Tk 135,067.22

Item no 08

- Colour work ----- 14,795 sft @9.26 tk/sft = Tk 137,027.63

Total =Tk 3,403,836.26

Item no 09

Marble work---

- $162' \times 44' + (40'' \times 4 + 50'' \times 16 + 60' \times 7) \times 8.5' = 8105.43 \text{ sft @} 385.91 \text{ tk/cft} = \text{Tk } 3,127,936.91$

Item no 10

- False ceiling ----- $162' \times 44' = 7128 \text{ sft @} 231.54 \text{ tk/sft} = \text{Tk } 1,650,444.28$
 (Perforated aluminum sheet)

Total = Tk 8,182,217.44

Item no 11

- Electric work ----- = Tk 409,110.90
 Sanitary + plumbing work ----- = Tk 654,576.67

Gross Total = Tk 9,245,905.00

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3. Pipe, Pipe Rack and Electrical Works:

Summary:

Particulars	Total
a. Pipe	9,176,400.00
b. Pipe Rack	3,725,900.00
c. Electrical Works	15,893,052.00
Installation cost	2,349,005
Total	31,144,357.00

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a. Pipe:

1. FLAKING (Caustic Soda) UNIT

Piping	MOC	Dia (Inch)	Total Length (Feet)	Unit Price	Total
		1/2"	1100	120.00	132,000.00
		3/4"	220	130.00	28,600.00
		1"	300	140.00	42,000.00
		1 1/2"	250	150.00	37,500.00
		2"	900	170.00	153,000.00
	MS	2 1/2"	300	170.00	51,000.00
		3"	100	180.00	18,000.00
		1/2"	200	160.00	32,000.00
		3/4"	150	180.00	27,000.00
		1"	750	200.00	150,000.00
		1 1/2"	500	220.00	110,000.00
		2"	125	250.00	31,250.00
	SS	2 1/2"	230	280.00	64,400.00
		3"	180	350.00	63,000.00
		Total:	5,305		939,750.00

2. SALT HANDLING & SATURATOR UNIT

Piping	MOC	Dia (Inch)	Total Length (Feet)	Unit Price	Total
		1/2"	225	120.00	27,000.00
	MS	3/4"	150	130.00	19,500.00
		1"	125	140.00	17,500.00
		1 1/2"	100	150.00	15,000.00
		1/2"	190	160.00	30,400.00
	SS	3/4"	250	180.00	45,000.00
		1"	140	200.00	28,000.00
		1"	80	180.00	14,400.00
		1 1/2"	80	190.00	15,200.00
		2"	120	220.00	26,400.00
	FR1	2 1/2"	90	210.00	18,900.00
		3"	300	205.00	61,500.00
		4"	150	220.00	33,000.00
	PVC	3"	200	105.00	21,000.00
		4"	120	120.00	14,400.00
		Total:	2,320		387,200.00

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3. BRINE PURIFICATION & VACUUM DRUM UNIT

Piping	MOC	Dia (Inch)	Total Length (Feet)	Unit Price	Total Price
		1/2"	295	120.00	35,400.00
		3/4"	260	130.00	33,800.00
		1"	300	140.00	42,000.00
		1 1/2"	100	150.00	15,000.00
		2"	100	170.00	17,000.00
	MS	2 1/2"	500	170.00	85,000.00
		3"	100	180.00	18,000.00
		1/2"	100	160.00	16,000.00
		3/4"	50	180.00	9,000.00
		1"	150	200.00	30,000.00
		1 1/2"	120	220.00	26,400.00
		2"	250	250.00	62,500.00
	SS	2 1/2"	100	280.00	28,000.00
		3"	150	350.00	52,500.00
		3/4"	100	180.00	18,000.00
		1"	300	180.00	54,000.00
		1 1/2"	900	190.00	171,000.00
	FR1	2"	650	220.00	143,000.00
		2 1/2"	1800	210.00	378,000.00
		3"	200	205.00	41,000.00
		4"	150	220.00	33,000.00
		6"	120	280.00	33,600.00
		1 1/2"	400	85.00	34,000.00
		2"	80	90.00	7,200.00
	PVC	3"	150	105.00	15,750.00
		4"	120	120.00	14,400.00
		12"	180	170.00	30,600.00
		1"	1030	60.00	61,800.00
	CPVC	1 1/2"	800	75.00	60,000.00
		2"	650	90.00	58,500.00
		2 1/2"	1700	95.00	161,500.00
		3"	120	105.00	12,600.00
		6"	250	130.00	32,500.00
	PP	1 1/2"	300	90.00	27,000.00
		1"	80	220.00	17,600.00
	GI	2"	200	950.00	190,000.00
		2 1/2"	150	1,050.00	157,500.00
			13,005.00	Total	2,223,150.00

4. CPW UNIT

Piping	MOC	Dia (Inch)	Total Length (Feet)	Unit Price	Total Price
		1/2"	260	120.00	31,200.00
		3/4"	450	130.00	58,500.00
		1"	350	140.00	49,000.00
		1 1/2"	400	150.00	60,000.00
		2"	200	170.00	34,000.00
	MS	2 1/2"	180	170.00	30,600.00
		3"	100	180.00	18,000.00

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		1"	300	180.00	54,000.00
		1½"	900	190.00	171,000.00
	FR1	2"	450	220.00	99,000.00
		2½"	500	210.00	105,000.00
		3"	200	205.00	41,000.00
		4"	300	220.00	66,000.00
		6"	300	280.00	84,000.00
		1"	100	160.00	16,000.00
		1½"	200	175.00	35,000.00
		2"	120	170.00	20,400.00
	PVC	3"	150	170.00	25,500.00
		6"	250	180.00	45,000.00
			5,710.00		1,043,200.00

5. CATHOLYTE-ANOLYTE & DECHLORINATION TOWER UNIT

Piping	MOC	Dia (Inch)	Total Length (Feet)	Unit Price	Total
		½"	120	120.00	14,400.00
		¾"	50	130.00	6,500.00
		1"	150	140.00	21,000.00
		1½"	90	150.00	13,500.00
		2"	580	170.00	98,600.00
	MS	2½"	40	170.00	6,800.00
		3"	100	180.00	18,000.00
		½"	80	160.00	12,800.00
		¾"	150	180.00	27,000.00
		1"	450	200.00	90,000.00
		1½"	180	220.00	39,600.00
	SS	2"	125	250.00	31,250.00
		3"	50	350.00	17,500.00
		¾"	50	160.00	8,000.00
		1"	100	160.00	16,000.00
		1½"	120	120.00	14,400.00
		2"	200	140.00	28,000.00
	PVC	6"	100	160.00	16,000.00
		8"	120	180.00	21,600.00
		12"	80	210.00	16,800.00
		1"	450	120.00	54,000.00
		1½"	550	100.00	55,000.00
		2"	250	100.00	25,000.00
		2½"	480	100.00	48,000.00
		3"	680	120.00	81,600.00
	CPVC	6"	20	110.00	2,200.00
		8"	150	100.00	15,000.00
		12"	100	100.00	10,000.00
		½"	300	65.00	19,500.00
		1"	310	70.00	21,700.00
	PP	2"	320	80.00	25,600.00
		3"	80	85.00	6,800.00
		4"	650	90.00	58,500.00
		8"	350	130.00	45,500.00

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		12"	120	150.00	18,000.00
	PVDF	3"	100	56.00	5,600.00
			7,845.00		1,009,750.00

6. WAD UNIT

Piping	MOC	Dia (Inch)	Total Length (Feet)	Unit Price	Total
		1/2"	200	80.00	16,000.00
		3/4"	80	85.00	6,800.00
		1"	250	90.00	22,500.00
	MS	1 1/2"	400	95.00	38,000.00
		2"	220	120.00	26,400.00
	SS	1"	80	260.00	20,800.00
		1 1/2"	50	280.00	14,000.00
		1 1/2"	80	135.00	10,800.00
		2"	500	140.00	70,000.00
	PVC	2 1/2"	800	160.00	128,000.00
		3"	290	180.00	52,200.00
		4"	60	210.00	12,600.00
			3,010.00	Total	418,100.00

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7. POWER HOUSE UNIT

Piping	MOC	Dia (Inch)	Total Length (Feet)	Unit Price	Total
		1/2"	950	80.00	76,000.00
		3/4"	50	85.00	4,250.00
		1"	150	95.00	14,250.00
		1 1/2"	140	110.00	15,400.00
		2"	1800	120.00	216,000.00
	MS	2 1/2"	40	160.00	6,400.00
		3"	50	210.00	10,500.00
			3,180.00	Total	342,800.00

8. HCL SYNTHESIS UNIT

Piping	MOC	Dia (Inch)	Total Length (Feet)	Unit Price	Total
		1/2"	100	120.00	12,000.00
		3/4"	50	130.00	6,500.00
		1"	220	140.00	30,800.00
		1 1/2"	90	150.00	13,500.00
		2"	670	170.00	113,900.00
	MS	2 1/2"	40	170.00	6,800.00
		3"	100	180.00	18,000.00
		1 1/2"	20	160.00	3,200.00
		3/4"	50	180.00	9,000.00
	SS	1"	40	200.00	8,000.00
		1 1/2"	90	220.00	19,800.00
		2"	450	220.00	99,000.00
		2"	45	220.00	9,900.00
		2 1/2"	85	210.00	17,850.00
	FR2	3"	50	205.00	10,250.00
		4"	40	220.00	8,800.00

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		6"	100	280.00	28,000.00
		1"	100	160.00	16,000.00
		1½"	120	175.00	21,000.00
		8"	120	180.00	21,600.00
		12"	80	220.00	17,600.00
	GI	2"	50	280.00	14,000.00
			2,710.00	Total	505,500.00

9. PROCESS WATER TANK, COOLING WATER & UTILITY UNIT

Piping	MOC	Dia (Inch)	Total Length (Feet)	Unit Price	Total
		2"	1800	170.00	306,000.00
	MS	2½"	40	170.00	6,800.00
			1,840.00	Total	312,800.00

10. DG & BOILER UNIT

Piping	MOC	Dia (Inch)	Total Length (Feet)	Unit Price	Total
		½"	950	120.00	114,000.00
		¾"	50	130.00	6,500.00
		1"	150	140.00	21,000.00
		1½"	140	150.00	21,000.00
		2"	1800	170.00	306,000.00
	MS	2½"	40	170.00	6,800.00
		3"	50	180.00	9,000.00
			3,180.00	Total	484,300.00

11. GAS COMPRESSOR UNIT

Piping	MOC	Dia (Inch)	Total Length (Feet)	Unit Price	Total
		1"	150	140.00	21,000.00
		1½"	140	150.00	21,000.00
		2"	300	170.00	51,000.00
	MS	2½"	80	170.00	13,600.00
		3"	120	180.00	21,600.00
			790.00	Total	128,200.00

12. CHLORINE UNIT

Piping	MOC	Dia (Inch)	Total Length (Feet)	Unit Price	Total
		½"	950	120.00	114,000.00
		¾"	170	130.00	22,100.00
		1"	150	140.00	21,000.00
		1½"	140	150.00	21,000.00
		2"	1800	170.00	306,000.00
	MS	2½"	130	170.00	22,100.00
		3"	250	180.00	45,000.00
			3,590.00	Total	551,200.00

ISSUE MANAGERS:



BMSL Investment Limited



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13. CELL HOUSE & RECTIFIER UNIT

Piping	MOC	Dia (Inch)	Total Length (Feet)	Unit Price	Total
		1/2"	330	120.00	39,600.00
		3/4"	550	130.00	71,500.00
		1"	150	140.00	21,000.00
		1 1/2"	140	150.00	21,000.00
		2"	150	170.00	25,500.00
	MS	2 1/2"	240	170.00	40,800.00
		3"	150	180.00	27,000.00
			1,710.00	Total	246,400.00

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14. BLEACHING POWDER & MOLDING MACHINE UNIT

Piping	MOC	Dia (Inch)	Total Length (Feet)	Unit Price	Total
		1/2"	950	120.00	114,000.00
		3/4"	450	130.00	58,500.00
		1"	530	140.00	74,200.00
		1 1/2"	280	150.00	42,000.00
		2"	250	170.00	42,500.00
	MS	2 1/2"	140	170.00	23,800.00
		3"	300	180.00	54,000.00
			2,900.00	Total	409,000.00

15. HYDROGEN BOTTLING UNIT

Piping	MOC	Dia (Inch)	Total Length (Feet)	Unit Price	Total
		1/2"	150	120.00	18,000.00
		3/4"	125	130.00	16,250.00
		1"	400	140.00	56,000.00
		2"	200	170.00	34,000.00
	MS	2 1/2"	140	170.00	23,800.00
		3"	150	180.00	27,000.00
			1,165.00	Total	175,050.00
			58,260.00	Total:	9,176,400.00

B. PIPE RACK

Steel Structure	MOC	Size (in Inch)	Total Length (Feet)	Unit Price	Total
		20"	120	400.00	48,000.00
		18"	300	390.00	117,000.00
		16"	270	420.00	113,400.00
I-Beam	MS	12"	200	600.00	120,000.00
		10"	200	640.00	128,000.00
		8"	210	425.00	89,250.00
		6"	100	450.00	45,000.00
	MS	5"	90	480.00	43,200.00
Channel		4"	1000	540.00	540,000.00
		3"	60	480.00	28,800.00
	MS	1 1/2"	100	520.00	52,000.00
Angle Bar		2"	1060	540.00	572,400.00
		4"	500	580.00	290,000.00
		4"	900	520.00	468,000.00

ISSUE MANAGERS:



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Checker Plate	MS	8" x 4"	160 pcs	4,250.00	680,000.00
					3,335,050.00

Motor			Qty	Unit Price	Total
Total Motor	MS		15	22,250.00	333,750.00

Pump			Qty	Unit Price	Total
Total Pump	MS		2	28,550.00	57,100.00

Total:					3,725,900.00
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C. ELECTRICAL WORKS:

1. FLAKING (Caustic Soda) UNIT

Cable	Conductor	Size Sq. mm)	Length (Meter)	Unit Price	Total
	Cu	2x1.0	850	70.00	59,500.00
	Cu	2x1.5	930	78.00	72,540.00
	Cu	2x2.5	350	105.00	36,750.00
	Cu	3x4	650	180.00	117,000.00
	Cu	3x6	743	130.00	96,590.00
	Cu	3x6	150	145.00	21,750.00
	AL	3x10	1200	395.00	474,000.00
	AL	3x16	840	425.00	357,000.00
	AL	3x25	930	430.00	399,900.00
	AL	3x35	808	470.00	379,760.00
	AL	3x50	925	480.00	444,000.00
	Cu	4x1.5	1340	290.00	388,600.00
	Cu	5x1.0	430	150.00	64,500.00
	Cu	6x1.5	355	170.00	60,350.00
	Cu	6x1.0	530	190.00	100,700.00
	Cu	10x1.5	210	220.00	46,200.00
	Cu	10x1.0	150	240.00	36,000.00
	Cu	12x1.0	1100	260.00	286,000.00
	Cu	12x1.5	420	450.00	189,000.00
			12,911.00		3,630,140.00

2. SALT HANDLING & SATURATOR UNIT

Cable	Conductor	Size Sq. mm)	Length (Meter)	Unit Price	Total
	Cu	2x1.0	525	70.00	36,750.00
	Cu	2x1.5	1103	78.00	86,034.00
	Cu	2x2.5	305	105.00	32,025.00
	Cu	3x4	309	180.00	55,620.00
	Cu	3x6	750	130.00	97,500.00
	Cu	3x6	403	145.00	58,435.00
	AL	3x10	508	395.00	200,660.00
	AL	3x16	120	425.00	51,000.00
	AL	3x25	575	430.00	247,250.00
	AL	3x35	105	470.00	49,350.00
	AL	3x50	120	480.00	57,600.00
	AL	3x70	300	650.00	195,000.00

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	Cu	4x2.5	808	120.00	96,960.00
	Cu	5x1.0	925	150.00	138,750.00
	Cu	6x1.5	903	170.00	153,510.00
	Cu	6x1.0	150	190.00	28,500.00
	Cu	12x1.0	508	260.00	132,080.00
	Cu	12x1.5	975	450.00	438,750.00
			9,392.00	Total	2,155,774.00

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3. BRINE PURIFICATION & VACUUM DRUM UNIT

Cable	Conductor	Size Sq. mm)	Length (Meter)	Unit Price	Total
	Cu	2x1.0	1200	70.00	84,000.00
	Cu	2x1.5	1303	78.00	101,634.00
	Cu	2x2.5	509	105.00	53,445.00
	Cu	3x4	950	180.00	171,000.00
	Cu	3x6	708	130.00	92,040.00
	Cu	3x6	503	145.00	72,935.00
			5,173.00		575,054.00

4. CPW UNIT

Cable	Conductor	Size Sq. mm)	Length (Meter)	Unit Price	Total
	Cu	2x1.0	475	70.00	33,250.00
	Cu	2x1.5	950	78.00	74,100.00
	Cu	2x2.5	403	105.00	42,315.00
	Cu	3x4	412	180.00	74,160.00
	Cu	3x6	625	130.00	81,250.00
	Cu	3x6	805	145.00	116,725.00
	Cu	4x1.5	152	290.00	44,080.00
	Cu	5x1.0	175	150.00	26,250.00
	Cu	6x1.5	1105	170.00	187,850.00
	Cu	6x1.0	408	190.00	77,520.00
	Cu	10x1.5	903	220.00	198,660.00
	Cu	10x1.0	778	240.00	186,720.00
	Cu	12x1.0	650	260.00	169,000.00
	Cu	12x1.5	1213	450.00	545,850.00
			9,054.00	Total	1,857,730.00

5. CATHOLYTE-ANOLYTE & DECHLORINATION TOWER UNIT

Cable	Conductor	Size Sq. mm)	Length (Meter)	Unit Price	Total
	Cu	2x2.5	775	105.00	81,375.00
	Cu	3x4	3025	180.00	544,500.00
	Cu	3x6	809	130.00	105,170.00
	Cu	3x6	720	145.00	104,400.00
	Cu	4x1.5	923	290.00	267,670.00
	Cu	5x1.0	327	150.00	49,050.00
	Cu	6x1.5	418	170.00	71,060.00
	Cu	6x1.0	1103	190.00	209,570.00
	Cu	10x1.5	712	220.00	156,640.00
			8,812.00	Total	1,589,435.00

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6. POWER HOUSE UNIT

Cable	Conductor	Size Sq. mm)	Length (Meter)	Unit Price	Total
	Cu	3x20	1216	331.00	402,500.00
	Cu	2x1.5	6378	78.00	497,484.00
	Cu	2x2.5	550	105.00	57,750.00
	Cu	3x4	930	180.00	167,400.00
	Cu	3x6	1203	130.00	156,390.00
	Cu	3x6	1105	145.00	160,225.00
	AL	3x16	4350	425.00	1,848,750.00
	AL	3x25	180	430.00	77,400.00
	AL	3x35	2550	470.00	1,198,500.00
	Cu	4x1.5	475	290.00	137,750.00
	Cu	5x1.0	258	150.00	38,700.00
	Cu	6x1.5	2250	170.00	382,500.00
	Cu	6x1.0	403	190.00	76,570.00
	Cu	10x1.5	1105	220.00	243,100.00
	Cu	10x1.0	1350	240.00	324,000.00
	Cu	12x1.0	1215	260.00	315,900.00
			25,518.00	Total	6,084,919.00
	Total:		70,860.00		15,893,052.00

IMPLEMENTATION SCHEDULE:

The implementation schedule is as follows:

Description	Schedule of Implementation
L/C Opening (for Generator)	Within 1 month after receiving IPO fund
Construction & Civil Works (for Building & other Civil Construction)	Within 5-6 months after receiving IPO fund
Erection and Installation (for Generator & Pipe, Pipe Rack and Electrical Works)	Within 5-6 months after receiving IPO fund
IPO Cost	Within 1 month after obtaining consent from Securities and Exchange Commission

Sd/-
Mohammad Shariful Haque
 Company Secretary & CFO

Sd/-
Capt. Abdus Sabur Khan (Retd.)
 Chairman & CEO

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SECTION V: DESCRIPTION OF THE BUSINESS

INCORPORATION

Global Heavy Chemicals Limited (GHCL) was incorporated as a Private Limited Company on the 19th day of September 2000 under the Companies Act, 1994 with the Registrar of Joint Stock Companies & Firms vide Incorporation No.C-41335(694)/2000. It was converted into a Public Limited Company on 16 September, 2010. Its authorized Capital is BDT 100.00 (One Hundred) Crore and present paid-up capital is BDT 60.00 (Sixty) Crore.

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In the year 2010, the Company changed its denomination of shares from BDT 100.00 to 10.00 through special resolution.

In the year 2011, the Company raised its paid-up capital through issuance of ordinary shares among sponsors/ public from BDT 10.00 (Ten) Crore to BDT 60.00 (Sixty) Crore.

INCEPTION OF COMMERCIAL OPERATION

The company has started its commercial operation on October 15, 2002.

FACTORY LOCATION

Global Heavy Chemicals Limited (GHCL) is located on the southern part of Dhaka district in Hasnabad union under Keraigonj Upazilla on the south side of the river Buriganga. GHCL has setup its production unit on 9.9567 acres of land.

NATURE OF BUSINESS

The principal activities and nature of the business of the company is to manufacture and distribute Sodium Hydroxide (Caustic Soda), Chlorine and other chemical products.

GROWTH

On inception, GHCL limited 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. The revenues earned in recent years reflect the significant growth of its business operation. As per the audited accounts of the year ended December 31, 2011 it is shown that GHCL earned net revenue of BDT 728.43 Million compared to BDT 530.08 (Approx) Million of the corresponding period in 2010.

BUSINESS OVERVIEW

HISTORY

Global Heavy Chemicals Limited (GHCL) was incorporated on the 19th, September of 2000. In the beginning of 21st Century, GHCL started its journey as the first private sector Chlorine-Alkali Industry in Bangladesh. Significantly related to all the hopes and expectations of the new century, GHCL has energized the vision to open new horizon for industrial development in the country.

Products of Global Heavy Chemicals Ltd., such as Caustic Soda, Chlorine, Bleaching Powder, Sodium Hypochlorite, Hydrochloric Acid, and Chlorinated Paraffin Wax (CPW) etc. will be used as "building blocks" to other industries of various dimensions to manufacture thousands of products required in everyday life. Chlorine - one of our planets basic elements & among the top ten chemicals in terms of

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production volume. It is the single material on which production of 60% other commercial chemicals, 85% of all pharmaceutical basic raw materials and 95% of all crop protection chemicals depends.

Keeping the industrial heritage of Keraniganj in mind, GHCL has set-up its production unit on a 9.9567 acars of land.

GHCL has incorporated most advance state-of-the-art technologies, machineries and equipments from Ineos-Chlor (ICI) of UK, Utile Engineering of UK, Bertrams Chemical Plants of Switzerland, Rolls-Royce Marine AS of Norway, ABB of Sweden, Hach of USA, Human Techno of Japan, Graphite (Carbon Everflow) and Nuberg Engineers of India.

PRODUCTS:

MAJOR PRODUCT

Caustic Soda (Flakes)/ Caustic Soda (Liquid)

Uses of Caustic Soda (Flakes)

Textile Dyeing & Knitting Dyeing

- Textile Dyeing & Knitting Dyeing Industries & Toiletries Industries
- Water treatment plant for pH control, ion ex-change resin regeneration, effluent treatment and descaling of pipe work systems.
- Pulp and paper processing industry, textile industry is confined to finish operation i.e. Scouring, Bleaching etc.
- Soap hydrolysis of animal vegetable oils and fats, detergents manufacturing industry etc.
- Pharmaceutical Industry
- Rayon industry in the process of rayon from bleached wood pulp.
- Food industry for washing, cleaning, refining of animal and vegetable oils to remove fatty acid etc.
- Laboratory, etching and electroplating industry.

BY-PRODUCTS

A by-product is a secondary product derived from a manufacturing process or chemical reaction. It is not the primary product or service being produced.

1. Liquid Chlorine

Uses of Liquid Chlorine

- ◆ Chemical industries (Manufacturers of various chemical compounds e.g. chlorinated lime, CPW, PVC, HCl etc.)
- ◆ Water purification and treatment e.g. public water supplies, swimming pools.
- ◆ Bleaching of pulps, shrink proofing wool, manufacture of trichloroethylene, neoprene etc.
- ◆ Processing of meat, fish, vegetables and fruit, in special batteries (with lithium or zinc) etc.

2. Hydrochloric Acid

Uses of Hydrochloric Acid

- ◆ Water treatment plant for pH control, ion ex-change resin regeneration, effluent treatment and descaling of pipe work systems
- ◆ Processing of bone in gelatin manufacturing industry
- ◆ Manufacturing of dyestuffs, casein, pharmaceuticals, synthetic etc.
- ◆ Galvanizing of metal surfaces CR coils from HR sheets, metal equipment surface cleaning.

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3. Clotech (Sodium Hypochlorite)

Uses of Clotech (Sodium Hypochlorite)

- ◆ Disinfections and odor control (Hospitals & Household uses), water purification, bleaching of cloth etc.
- ◆ Chlorination of drinking and process water (WHO), oil refineries, petroleum refineries etc.
- ◆ Textile industry, pulp and paper industry, silicate industry, food processors, wood processing etc..
- ◆ Elimination of slime and algae in swimming pool, fungicides and boiler water Hypochlorite).

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4. Clotech B (Stable Bleaching Powder)

Uses of Clotech B (Stable Bleaching Powder)

- ◆ Sewage disposal, odor control and cleaning (Washing plant), control of epidemic etc..
- ◆ Portable water purification, mosquito control etc..
- ◆ Bleaching agent (paper & textile), algacide, bactericidal, bacteriostatic and deodorant
- ◆ Elimination of slime and algae in swimming pools, sanitation and general hygiene.

5. CPW (Chlorinated Paraffin Wax)

Uses of CPW (Chlorinated Paraffin Wax)

- ◆ Rubber industry as a flame retardant chemical.
- ◆ In the paint industry in anti-corrosive and fire proof paints.
- ◆ In industrial lubricants like gear oil as a fire retardant chemical additive.
- ◆ In carbon paper as flexible coating.
- ◆ Used in PVC and Ethyl Cellulose industries as secondary plasticizer in the manufacture of shoe soles, tubing, cable wires, carpets etc. in other words, in all flexible PVC products.

PRODUCTS OR SERVICE CONTRIBUTING MORE THAN 10% OF THE COMPANY'S TOTAL REVENUES

Following are the products of the company, which contribute more than 10% of the company's total revenue. The following table illustrates the total turnover and respective percentage of products of GHCL that accounted for more than 10% of the total revenue:

(As per accounts)

Year 2010			Year 2011		
Product Name	Turnover in BDT	Contribution	Product Name	Turnover in BDT	Contribution
Caustic Soda	436,565,058	71.67%	Caustic Soda	629,896,900	75.22%

NAME OF ASSOCIATES, SUBSIDIARY/RELATED HOLDING COMPANY AND THEIR CORE AREAS OF BUSINESS

Name	Core Business	Relation
Opsonin Pharma Limited	To manufacture and sales of Pharmaceuticals Products	Holding Company
Opso Saline Limited	To manufacture and sales of Pharmaceuticals Products	Shareholder
Global Capsules Limited	To manufacture and sales of Gelatin, Capsule sells and DCP	Shareholder

DISTRIBUTION OF THE PRODUCTS OR SERVICES

Before our commencing production in 2002 all products were to be imported from overseas market. Realizing the huge market demand in the sectors like Textile, Garments, Pharmaceuticals, Power, Steel & Re-Rolling, Detergent industry in the country & also to support our another sister organization we set-up a plant to produce Caustic Soda & by products i.e. Hydrochloric Acid, Bleaching Powder, Chlorine, CPW in Bangladesh. Because of huge demand, we do not have to keep stock in the warehouse. Normally products are sold out just after production.

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COMPETITIVE CONDITIONS IN THE BUSINESS

The major competitors (product wise) of the company are:

Sl.	Name of the products	Major Competitors
1.	Caustic Soda	<ul style="list-style-type: none"> ASM Chemical Industries Limited SAMUDA Chemical Complex Limited Tasnim Chemical Complex Limited Various Importer
2.	Bleaching Powder	
3.	Hydrochloric Acid	
4.	Chlorine	
5.	Sodium Hypochlorite	<ul style="list-style-type: none"> ASM Chemical Industries Limited SAMUDA Chemical Complex Limited Tasnim Chemical Complex Limited
6.	Chlorinated Paraffin Wax (CPW)	

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SOURCES AND AVAILABILITY OF RAW MATERIALS AND THE NAME OF THE PRINCIPAL SUPPLIERS

Currently GHCL is importing raw materials from India, Japan, China & Taiwan. At this regards, GHCL's main raw material is Special type of Sodium Chloride (Salt) (Calcium & Magnesium Ratio 2:1), which we import from India. Available Raw materials & Suppliers list is as follows:

Materials Name	Manufacturer/Supplier	Supplier's Name
Sodium Chloride (Salt)	Friends Salt Works & Allied, India Kandla Export, India SKDJ Fintrade (P) Ltd., India Shraddha Overseas Private Ltd., India.	Teximco Iodized Salt. Ind. Ltd. Chittagong Teximco Iodized Salt. Ind. Ltd. Chittagong
Hydrated Lime (Calcium Hydroxide)	Advanced Niryat Pvt. Ltd., India Medimpex, India	Advanced Niryat Pvt. Ltd., India, Medimpex, India
Barium Carbonate	K-Well Industry Co. Ltd., China Globe Chem Imp. & Ltd., China Tianjin Bohai Chemical Industries Imp & Exp. Corp., China	Power Flame Ltd. Power Flame Ltd. Platypus International
Anhydrous Sodium Carbonate	Tainjin Dexinzhuchuang, China Tangshan Sanygu International, China Honorich Technology, China	Platypus International Power Flame Ltd.
Sulphuric Acid	Crescent Chemicals Ltd. Bangladesh	N/A
10% Sodium Sulphite Solution	Crescent Chemicals Ltd. Bangladesh	N/A
Meghna Flock	Advanced Niryat Pvt. Ltd., India	N/A
Alpha cellulose	Human Techno Co. Ltd., Japan	N/A
Low Density Polyethylene	Ineos Europe Limited, U.K. Borouge Pte Ltd. Sweden. Basel Asia Pacific Limited, Hongkong	KPL International- India Business Point Ltd. Linkers (Far East) Ltd.
High Density Polyethylene (Marlex)	The Plastic Exchange, Thailand	Queen Traders Ltd.
Liquid Paraffin	United Raw Material Solutions Inc., Taiwan	N/A
Sucrose	M/S. Australian Sugar Cane, Australian	Liberty Chemicals Ltd., Bangladesh

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SOURCES OF, AND REQUIREMENT FOR, POWER, GAS AND WATER; OR ANY OTHER UTILITIES

GHCL has 9.9 MW own power plant, which produces power by 03 nos Rolls-Royce Gas Generator 3.3mw capacity each. The factory has gas connection from TITAS Gas Supply and Distribution Company Limited. Ground water source is used for water supply.

NAMES OF THE CUSTOMER WHO PURCHASE 10% OR MORE OF THE COMPANY'S PRODUCTS/SERVICES

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(As per audit accounts)

NAME OF CUSTOMER	AMOUNT IN Tk.	VOLUME (%)
OPSONIN PHARMA LIMITED	16,918,400	13.12%

DESCRIPTION OF ANY CONTRACT WITH ITS PRINCIPAL SUPPLIERS AND CUSTOMERS

The company (GHCL) does not have any material contractual obligation with any of its suppliers or buyers.

DESCRIPTION OF ANY MATERIAL PATENTS, TRADEMARKS, LICENSES OR ROYALTY AGREEMENTS

The company has no patent, trade mark or royalty agreements; however, it has ISO 9001:2008 Certification License issued by 'UKAS QUALITY MANAGEMENT', (Certificate Number: 27951 Issue No. 2, Date of Issue: 08 November, 2010, Expiry Date: 07 November, 2013).

NUMBER OF EMPLOYEES AND NUMBER OF TOTAL FULL-TIME EMPLOYEES

The number of employees of the company at the Period ended 31-12-2011 was as follows:

(As per accounts)

Category	No. of Employee
Production Employee (Engineers & Workers)	344
Sales & Distribution Employees	40
Administrative Employees	26
Total	410

PRODUCTION OR SERVICES REGARDING CAPACITY AND CURRENT UTILIZATION

The production capacity & Capacity utilization of GHCL at present year as follow:

Sl No.	Name of Product	License Capacity MT/Year	Production Capacity MT/Year	Capacity Utilization MT in 2011	Utilization (%)
1	Caustic Soda	Not Applicable	19,000	12,350	65%
2	Liquid Chlorine Gas	Not Applicable	16,150	9,690	60%
3	Hydrochloric Acid	Not Applicable	32,400	29,160	90%
4	Sodium Hypochlorite	Not Applicable	1,600	1,280	80%
5	Clotech -B Bleaching Powder	Not Applicable	740	666	90%
6	Clotech (2Ltr & 3Ltr)	Not Applicable	150	135	90%
7	Chlorinated Paraffin Wax (CPW)	Not Applicable	920	828	90%

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SECTION VI: DESCRIPTION OF PROPERTY

A. The company has the following fixed assets as on December 31, 2011:

SL	Name of the Assets	W.D.V on December 31, 2011 (Tk.)
1	Land & Developments	1,625,122,000
2	Building & Other Civil Const.	196,514,966
3	Plant & Machinery	900,879,334
4	Generator	74,186,842
5	Pipe, Pipe Rack & Electrical	115,353,748
6	Furniture and Fixture	13,841,893
7	Tools & Equipments	52,492,579
8	Motor Vehicles	31,215,695
	Total	3,009,607,057

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- B. The above mentioned assets are located at the Company's factory premises at Hasnabad, Suvadda union under South Keraigonj Thana in Dhaka.
- C. All the assets of the Company are in its own name.
- D. 995.67 Decimals land among them land measuring 861.67 decimal and building, plant & machinery and by way of Hypothecation on Pipe, Pipe Rack & Electrical, Tools & equipment are mortgaged with HSBC, Uttara Bank Limited, Southeast Bank Limited and AB Bank Limited as co-lateral security for long term loan.
- E. All the assets are in good condition and no re-conditioned or second hand plant or machinery is purchased by the company.
- F. No Property is taken by the company under lease agreement.
- G. Description of Land:

SL No.	Location	Mouza	Deed no.	Area of land (Decimal)
1	Hasnabd, Suvadda, South Keraigonj, Dhaka	Naiyatola	8325	42.5
2			9089	111
3			9090	60
4			9088	62
5			9254	20.67
6			8667	10.5
7			8857	6
8			8008	20
9			8009	10.25
10			8214	10
11			8324	6
12			8128	14.25
13			8006	34
14			8003	28
15			8668	20
16			8215	64

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17			8007	101
18			8127	41.5
19			8004	43
20			8005	34
21			2522	45
22			3033	17
23			3056	61
24			4385	26
25			9722	3
26			18697	105
Total				995.67

*** Further to the above the company has given an advance amounting Tk. 4.00 crore to Mr. Fazlul Haque on June 16, 2011 for the purchase of 35 decimals land situated in Hasnabad, Keranigonj, Dhaka vide bairanmano. 7678 (reg.) dated June 16, 2011. Mentionable herethat the title deed of the above mentioned land is already executed in favor of “Global Heavy Chemicals Limited” on 21 May, 2012.

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SECTION VII: PLAN OF OPERATION & DISCUSSION OF FINANCIAL CONDITIONS

1 INTERNAL & EXTERNAL SOURCE OF CASH

The internal sources of the cash of the company are the share capital and reserve & Surplus and the external sources of cash are the bank loans.

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INTERNAL SOURCES OF FUND (as per Audited Accounts)

Particulars	2011	2010	2009
Total	1,791,540,274	448,857,663	83,322,752
Share Capital	600,000,000	100,000,000	50,000,000
Share Money Deposit	-	300,000,000	10,000,000
Share Premium	970,000,000	-	-
Retained Earnings	170,275,274	48,857,663	23,322,752
Share Holder's Loan	51,265,000	-	-

EXTERNAL SOURCES OF FUND

Particulars	2011	2010	2009
Total	58,453,528	1,038,715,806	841,477,787
Long term Loan	-	694,150,272	590,526,918
Short term Loan	58,453,528	344,565,534	250,950,869

2 ANY MATERIAL COMMITMENTS FOR CAPITAL EXPENDITURE AND EXPECTED SOURCES OF FUNDS FOR SUCH EXPENDITURE

The company has not yet made any material commitment for capital expenditure except for those that are mentioned in 'Use of Proceeds' from IPO fund.

3 CAUSES FOR ANY MATERIAL CHANGES FROM PERIOD TO PERIOD IN INCOME, COST OF GOODS SOLD, OTHER OPERATING EXPENSES AND NET INCOME

The Company's revenue and other income as well as operating expenses and net income have continued to change due to increasing business volume.

Amount in Taka			
HEADS OF ACCOUNTS	31-Dec-11	31-Dec-10	31-Dec-09
Revenue:			
Net Sales	728,431,825	530,079,053	465,504,247
Less: Cost of Goods Sold	413,669,938	328,388,613	321,819,710
Gross Profit	314,761,887	201,690,440	143,684,537
Less: Office & administrative Expenses	28,458,412	42,773,074	32,750,338
Operating Profit	286,303,475	158,917,366	110,934,199
Less: Financial Expenses	63,558,539	118,507,866	96,694,814
	222,744,936	40,409,500	14,239,385
Add: Other Income	1,523,241	446,357	425,365
Profit before Tax	224,268,177	40,855,857	14,664,750
Less: Provision for Taxation	84,100,566	15,320,946	5,499,281
Profit after Tax	140,167,611	25,534,911	9,165,469
Gross Profit	37.89%	34.39%	28.19%
Operating profit	39.30%	29.98%	23.73%
Net Profit	19.24%	4.82%	1.97%

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4 ANY SEASONAL ASPECTS OF THE COMPANY'S BUSINESS

There is no seasonal aspect in this business.

5 ANY KNOWN TRENDS, EVENTS OR UNCERTAINTIES THAT SHALL HAVE A MATERIAL EFFECT ON THE COMPANY'S FUTURE BUSINESS

There are no known trends in customer preferences that affect Company's operations. However, political unrest, hartal, and power crisis are the known events in our country that may affect the Company's business /operations.

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6 ANY CHANGE IN THE ASSETS OF THE COMPANY USED TO PAY OFF ANY LIABILITIES

No asset of the company has been used for paying off liabilities.

7 ANY LOAN TAKEN BY THE ISSUER FROM ITS HOLDING/PARENT COMPANY OR SUBSIDIARY COMPANY OR LOAN GIVEN TO AFORESAID COMPANY

No loan transaction with any of its holding/parent or subsidiary company. However, the Company has taken loan from its existing shareholders, which are given below:

Sl. No.	Name of Shareholder	Date of Loan Taken	Interest Rate	Amount
1	Padma Crown Ltd.	May, 2011	N/A	5,400,000.00
2	Padma Lamitube Ltd.	May, 2011	N/A	5,400,000.00
3	Mirza Mohammad Shobur Rahman	May, 2011	N/A	3,570,000.00
4	Barkutur Rahman	May, 2011	N/A	3,330,000.00
5	Mainul Hoq Khan	May, 2011	N/A	1,500,000.00
6	Sultana Khaleda Khan	May, 2011	N/A	1,500,000.00
7	Kefayetur Rahman	May, 2011	N/A	2,100,000.00
8	Saemur Rahman	May, 2011	N/A	1,800,000.00
9	Khondokar Rahat Hossain	May, 2011	N/A	3,600,000.00
10	K.M. Shah Alam Ansary	May, 2011	N/A	3,300,000.00
11	Shah Alam Mia	May, 2011	N/A	1,830,000.00
12	Khan Arifur Rahman	May, 2011	N/A	1,750,000.00
13	Lutfur Rahman	May, 2011	N/A	1,680,000.00
14	Mohammad Arifur Rahman	May, 2011	N/A	1,650,000.00
15	Salim Jahan	May, 2011	N/A	1,600,000.00
16	Jinat Tazmin	May, 2011	N/A	1,600,000.00
17	Mrs. Tania	May, 2011	N/A	1,600,000.00
18	Shamsun Nahar Begum	May, 2011	N/A	1,550,000.00
19	Shah Mahmud Osman Shohel	May, 2011	N/A	1,500,000.00
20	Bashir Ahmed	May, 2011	N/A	1,500,000.00
21	Mohiuddin	May, 2011	N/A	1,300,000.00
22	Malik Iqbal Kabir	May, 2011	N/A	840,000.00
23	Md. Zakirul Islam	May, 2011	N/A	800,000.00
24	Sohrab Hossain	May, 2011	N/A	300,000.00
25	Mujibur Rahman	May, 2011	N/A	265,000.00
Total:				51,265,000.00

Reason for taking such loan: The Company has received the above amount for allotment of share capital. Subsequently the above amount has been paid with the consent of the shareholders.

ISSUE MANAGERS:



BMSL Investment Limited



AFC Capital Limited

8 ANY FUTURE CONTRACTUAL LIABILITIES THE COMPANY MIGHT ENTER INTO WITHIN NEXT ONE YEAR, AND THE IMPACT

The company does not have any plan for next one year to contract for any new liabilities.

9 FUTURE CAPITAL EXPENDITURE

The company has no plan for capital expenditure except for those mentioned in the 'Use of Proceeds' from IPO fund.

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10 ANY VAT, INCOME TAX, CUSTOMS DUTY OR OTHER TAX LIABILITY INCLUDING ANY CONTINGENT LIABILITIES

a. Income Tax:

Year wise income tax status of the Company is depicted below:

Accounting Year	Assessment Year	Status
2006	2007-08	As per certificate given by DCT of Companies circle-7, Zone-3, Dhaka, dated 20.04.2008 the company's income tax case settled up to Assessment year 2007-2008.
2007	2008-09	As per certificate given by DCT of Companies circle-7, Zone-3, Dhaka, dated 03.05.2009 the company's income tax case settled up to Assessment year 2008-2009.
2008	2009-2010	As per certificate given by DCT of Companies circle-7, Zone-3, Dhaka, dated 23.05.2010 the company's income tax case settled up to Assessment year 2009-2010.
2009	2010-2011	As per certificate given by DCT of Companies circle-7, Zone-3, Dhaka, dated 12.01.2011 the company's income tax case settled up to Assessment year 2010-2011.
2010	2011-2012	As per certificate given by DCT of Companies circle-7, Zone-3, Dhaka, dated 25.10.2011 the company's income tax case settled up to Assessment year 2011-2012.

b. VAT:

As per certificate given by Revenue Officer, Circle-4 (VAT-LTU), dated 05/01/12 the Company has no VAT liability up to date and submits VAT return regularly.

c. Customs duty:

The company has no customs duty or other tax liability.

d. Contingent liabilities:

The company has no contingent liabilities.

11 ANY OPERATING LEASE THE COMPANY HAS ENTERED INTO DURING THE LAST FIVE YEARS

The company has no operating Lease during the past five years.

12 ANY FINANCIAL COMMITMENT, INCLUDING LEASE COMMITMENT, THE COMPANY HAD ENTERED INTO DURING THE PAST FIVE YEARS

The company has not entered into any financial lease commitment including lease commitment in the last five years.

13 ALL PERSONNEL RELATED SCHEMES

The remuneration packages of Global Heavy Chemicals Limited include salary and allowances, festive bonus and earned leave encashment.

14 BREAK DOWN OF ALL EXPENSES CONNECTED WITH THE PUBLIC ISSUE

Particulars	Basis	Amount in BDT
Managers to the Issue fee(BMSL Investment Ltd. & AFC Capital Ltd. - each 10 Lac)	1% on the public offering amount or TK. 2,000,000 whichever is lower	2,000,000.00
Credit Rating fee	Lump sum	250,000.00
Underwriting commission (0.50%)	0.20% on 50% of IPO amount	240,000.00
SEC fee		
Application fee	Fixed	10,000.00
Consent fee	0.15% of issued capital	360,000.00
Fees related to Listing with the stock exchanges		
Application fee		10,000.00
Listing fees for stock exchanges (DSE & CSE)	0.25% on 10 crore and @ 0.15% for rest amount of Paid-up Capital Range (10,000-20 lac)	2,360,000.00
CDBL fees and expenses		
Documentation fee		2,500.00
Initial Public Offering fee	0.025% on Total IPO	60,000.00
Annual fee		100,000.00
Commission expenses		
Bankers to the Issue commission	0.1% on Amount Collected (Assumed 10 Times)	2,400,000.00
Expenses related to printed and publication		
Printing of prospectus	Estimated (7,500 Numbers)	752,000.00
Post Issue Expenses	Estimated	5,400,000.00
Publication of abridge version of prospectus	Estimated	800,000.00
Printing of forms	Estimated	500,000.00
Lottery related expenses including BUET fee	Estimated	700,000.00
Tax on Share Premium	3% on premium amount	3,600,000.00
Total		19,544,500.00

NB: Actual costs will vary if above mentioned estimates differ and will be adjusted accordingly.

15 INFORMATION REGARDING REVALUATION OF ASSETS

Particulars of the valuer and summary of report are as follows:

Particulars	Name	Valuer's Qualification	Date	Value before revaluation	Value after revaluation	Revaluation Surplus
Land and Land developments	MAHFEL HUQ & CO.	Chartered Accountants	28 February, 2011	67,400,386	1,593,072,000	1,525,671,614

Reason for Valuation: To reflect fair value of the Land and Land developments in terms of the prevailing market price.

ISSUE MANAGERS:



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Work done by Mahfel Huq & Co.:

Following is a list of the major works done previously by Mahfel Huq & Co.:

1. Tiger Wires Limited
2. Bengal Tannery Limited
3. Manchester Composit Textile Mills Limited

16 TRANSACTION BETWEEN SUBSIDIARY/HOLDING COMPANY OR ASSOCIATE COMPANY AND THE ISSUER

The following transaction has taken place between associate/subsidiary/holding and the Company:

(As per note no. 2.17 in audited accounts)

SL	Related Party Companies	Nature of Transaction	Outstanding as on 31.12.2011	Head of A/C
1.0	Opsonin Pharma Ltd.	Sales	1,69,18,400	A/R
2.0	Opso Saline Ltd.	Sales	8,949,100	A/R
3.0	Global Capsules Ltd.	Sales	1,26,89,400	A/R
4.0	Jokky Garments Ltd.	Sales	7,50,900	A/R
5.0	Crescent Chemicals Ltd.	Purchases	12,75,285	A/P

SL	Related Party	Nature of Transaction	Amount	Head of A/C
1.0	Opsonin Pharma Ltd.	Share Allotment	105,00,00,000	Share Capital
2.0	Opso Saline Ltd.	Share Allotment	2,70,00,000	Share Capital
3.0	Global Capsules Ltd.	Share Allotment	2,52,00,000	Share Capital
4.0	Jokky Garments Ltd.	Share Allotment	1,95,00,000	Share Capital
5.0	Crescent Chemicals Ltd.	Share Allotment	2,13,30,000	Share Capital

NB: Mentionable here that Jokky Garments Ltd. and Crescent Chemicals Ltd. have transferred the share on June 12, 2012 and the matter is certified by RJSC on June 12, 2012.

17 AUDITORS CERTIFICATE REGARDING ALLOTMENT OF SHARES TO PROMOTERS OR SPONSOR SHAREHOLDERS FOR CONSIDERATION OTHER THAN IN CASH

This is to certify that the paid-up capital of Global Heavy Chemical Limited as of December 31, 2011 was BDT 600,000,000 divided into 60,000,000 ordinary shares of BDT 10/- each. Details are follows:

Allotment Date	Basis			Total Amount (BDT)
	In cash	Other than in cash	Bonus Share	
19.09.2000	5,000	-	-	500,000
11.12.2002	495,000	-	-	49,500,000
13.09.2010	500,000	-	-	50,000,000
09.06.2011	50,000,000	-	-	500,000,000
			Total	600,000,000

ISSUE MANAGERS:



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The company has split the face value of its ordinary share from BDT 100.00 to BDT 10.00 (16.09.2010) through a special resolution in the Extra-ordinary General Meeting held on 20-08-2010, and necessary amendments in the capital clause of the Memorandum of Association and Articles of Association were made accordingly. Hence, the paid up capital of the company stood at BDT 600,000,000 divided into 60,000,000 ordinary shares of BDT 10.00..

Dhaka
Date: January 22, 2012

Sd/-
Ahmed Zaker & Co.
Chartered Accountants

18 DECLARATION REGARDING SUPPRESSION OF MATERIAL INFORMATION

This is to declare that to the best of our knowledge and belief no information, facts, circumstance, that are material have not been suppressed that can change the terms and conditions under which the offer has been made to the public.

Sd/-

Capt. Abdus Sabur Khan (Retd.)
Chairman & CEO
Global Heavy Chemicals Limited

SECTION VIII: DIRECTORS AND OFFICERS

NAME, AGE, QUALIFICATION, EXPERIENCE AND POSITION OF ALL DIRECTORS OF THE COMPANY

SL	Name	Age	Experience	Position
1.	Capt. Abdus Sabur Khan (Retd.)	59 yrs	35 Years	Chairman & CEO
2.	Abdur Rouf Khan	54 yrs	34 Years	Vice-Chairman
3.	Abdur Rakib Khan	52 yrs	34 Years	Vice- Chairman-2
4.	Masuma Begum	55 yrs	1 Year	Director
5.	Zakia Sultana Khan	48 yrs	1 Year	Director
6.	Suraya Jebeen (Naz)	45 yrs	1 Year	Director
7.	Abdur Rakib Khan	52 yrs	34 Years	Nominee Director (Opsonin Pharma Ltd.)

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INFORMATION REGARDING DIRECTORS AND DIRECTORSHIP

SL	Name of Director	Position	Date of Becoming Director	Expiry of Current Term
1.	Capt. Abdus Sabur Khan (Retd.)	Chairman & CEO	19/09/2000	One third of total directors take retirement at every Annual General Meeting and will be eligible for re-election
2.	Abdur Rouf Khan	Vice-Chairman	19/09/2000	One third of total directors take retirement at every Annual General Meeting and will be eligible for re-election
3.	Abdur Rakib Khan	Vice-Chairman-2	19/09/2000	One third of total directors take retirement at every Annual General Meeting and will be eligible for re-election
4.	Masuma Begum	Director	31/05/2011	One third of total directors take retirement at every Annual General Meeting and will be eligible for re-election
5.	Zakia Sultana Khan	Director	31/05/2011	One third of total directors take retirement at every Annual General Meeting and will be eligible for re-election
6.	Suraya Jebeen (Naz)	Director	31/05/2011	One third of total directors take retirement at every Annual General Meeting and will be eligible for re-election
7.	Abdur Rakib Khan	Nominee Director (Opsonin Pharma Ltd.)	22/02/2012	One third of total directors take retirement at every Annual General Meeting and will be eligible for re-election

ISSUE MANAGERS:



BMSL Investment Limited



AFC Capital Limited

INVOLVEMENT OF DIRECTORS IN OTHER ORGANIZATION

Name of Director	Position in GHCL	Name of other Organization	Position
Capt. Abdus Sabur Khan (Retd.)	Chairman & CEO	Opsonin Pharma Ltd. Opso Saline Ltd. Global Capsules Ltd. Crescent Chemicals Ltd. Jokky Garments Ltd.	Chairman Chairman Chairman Chairman Director
Abdur Rouf Khan	Vice- Chairman	Opsonin Pharma Ltd. Opso Saline Ltd. Global Capsules Ltd. Crescent Chemicals Ltd. Jokky Garments Ltd.	Managing Director Vice Chairman Vice Chairman Director Chairman & MD
Abdur Rakib Khan	Vice- Chairman-2	Opsonin Pharma Ltd. Opso Saline Ltd. Global Capsules Ltd. Crescent Chemicals Ltd. Jokky Garments Ltd.	Executive Director Managing Director Managing Director Director Executive Director
Masuma Begum	Director	Nil	Nil
Zakia Sultana Khan	Director	Nil	Nil
Suraya Jebeen (Naz)	Director	Nil	Nil
Abdur Rakib Khan	Nominee Director (Opsonin Pharma Ltd.)	Nil	Nil

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ANY FAMILY RELATIONSHIP AMONG DIRECTORS AND TOP FIVE OFFICERS

Name of the Director	Position in GHCL	Relationship
Capt. Abdus Sabur Khan (Retd.)	Chairman & CEO	Elder Brother of Vice Chairman, Vice Chairman-2, Husband of Director Mrs. Masuma Begum
Mr. Abdur Rouf Khan	Vice- Chairman	Younger brother of Chairman & CEO, elder brother of Vice Chairman-2 & Husband of Director Mrs. Zakia Sultana Khan
Mr. Abdur Rakib Khan	Vice- Chairman-2	Younger brother of Chairman & CEO & Vice Chairman, Husband of Director Suraya Jebeen Naz
Mrs. Masuma Begum	Director	Wife of Chairman & CEO
Mrs. Zakia Sultana Khan	Director	Wife of Vice Chairman
Mrs. Suraya Jebeen Naz	Director	Wife of Vice- Chairman-2
Abdur Rakib Khan	Nominee Director (Opsonin Pharma Ltd.)	-

There is no family relationship among the directors and top five officers of the company.

ISSUE MANAGERS:



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SHORT BIO-DATA OF EACH DIRECTORS

Capt. Abdus Sabur Khan (Retd.):

One of the pioneer industrialists in Pharmaceutical & Chemical Sector, Capt. Abdus Sabur Khan (Retd.), 59, the Chairman & CEO of the Company is directly involved in the operation of the company. 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 Abdul Khaleque Khan from 1976-1986. He established M/S. Opso Saline Ltd. in 1987, M/S. Global Capsules Ltd. in 1990, Global Heavy Chemicals Ltd. in 2002 and Crescent Chemicals Ltd. in 2004 as Vice Chairman till 2005 & as a director of Jokky Garments Ltd. since 1984 efficiently & successfully. He became Chairman of the Opsonin Group on 3rd March 2005.

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Abdur Rouf Khan:

Abdur Rouf Khan, Aged-57 years, the Vice Chairman of the company 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, Global Heavy Chemicals Ltd., since 2002 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 has been successful in raising the position of the group to a highest level in Pharmaceutical & Chemical sector.

Abdur Rakib Khan:

Abdur Rakib Khan-aged 52 years, Vice Chairman-2 of the Company, 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 Executive Director in the year 1986. 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 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

Masuma Begum- aged 55 years is a Director of the Company. She completed her Graduation from Dhaka University in the year 1976 and joined family business in the year 2010.

Zakia Sultana Khan

Zakia Sultana Khan aged 48 years is a Director of the Company. She completed her Masters Degree from Dhaka University in the year 1988 and joined family business in the year 2010.

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Suraya Jebeen Naz

Suraya Jebeen Naz aged 45 years is a Director of the Company. She did her B.Sc (Hon's) from Mymensingh Agriculture University in the year 1992 & joined the family business in the year 2010.

CREDIT INFORMATION BUREAU (CIB) REPORT

Neither Global Heavy Chemicals Ltd. nor any of its Directors or Shareholders, who hold 5% or more shares in Paid-up capital of the issuer is loan defaulter in terms of the CIB Report of the Bangladesh Bank.

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NAME WITH POSITION, EDUCATIONAL QUALIFICATION, DATE OF JOINING IN THE COMPANY, LAST FIVE YEARS EXPERIENCE OF THE CEO, CFO, CS, ADVISORS, CONSULTANTS, ADDITIONAL AND DEPUTY MD AND ALL DEPARTMENTAL HEADS

The table below shows the set positions of GHCL:

SL	Name of the Executives	Designation	Academic Qualification	Experience
1.	Capt.Abdus Sabur Khan (Retd.)	Chief Executive Officer	Graduation from Dhaka University in year 1970 & from Pakistan Military Academy from 1971	35 Years
2.	Md. Kamruzzaman	Chief Coordinator	B.Sc., MBA	28 Years
3.	Dr. Debdas Kundu	General Manager Co-ordination	M. Pharm., MBA, Ph.D	27 Years
4.	Dr. Sayem Ahmed	Head of H.R.	M. Com. (DU), MBA, Ph.D, (USA)	21 Years
5.	Md. Shariful Haq	Company Secretary & CFO	M.Com (Accounting), CA CC	26 Years
6.	Md. Solaiman Hossain	Head of Information Technology	B.Sc Engg. (EEE), Masters in MIS, USA	16 Years
7.	Mohammad Hossain	International Sales Manager	M.Sc	28 Years
8.	Kamaluddin Ahmed	Commercial Manager	B.A	28 Years
9.	Engg. Dipak Kumar Kundu	Plant Manager	B.Sc Engg. (ME), MIEB, MBA	20 Years
10.	Md. Arifuzzaman Khan	Assistant Manager Finance & Accounts	M. Com (Accounting)	13 Years

ISSUE MANAGERS:



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SECTION IX: INVOLVEMENT OF DIRECTORS AND OFFICERS IN CERTAIN LEGAL PROCEEDINGS

No Directors or Officer of the company was involved in any of the following types of legal proceedings in the past ten years:

- Any bankruptcy petition filed by or against any company of which any officer or director of the issuer company filling the prospectus was a director, officer or partner at the time of the bankruptcy;
- Any conviction of director, officer in criminal proceedings or any criminal proceedings pending against him.
- Any order, judgment or decree of any Court of competent jurisdiction against any director, officer permanently or temporarily enjoying, barring, suspending or otherwise limiting the involvement of any director or officer in any type of business, securities or Banking activities.
- Any order of the Securities and Exchange Commission or other regulatory authority or foreign financial regulatory authority suspending or otherwise limiting the involvement of any director or officer in any type of business of securities or Banking activities.

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SECTION X: CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The auditor has certified that following related party transactions was made in accordance with **BAS-24 in their audit report (Note 2.17) which is as follows:**

SL	Related Party Companies	Nature of Transaction	Outstanding as on 31.12.2011	Head of A/C
1.0	Opsonin Pharma Ltd.	Sales	1,69,18,400	A/R
2.0	Opso Saline Ltd.	Sales	8,949,100	A/R
3.0	Global Capsules Ltd.	Sales	1,26,89,400	A/R
4.0	Jokky Garments Ltd.	Sales	7,50,900	A/R
5.0	Crescent Chemicals Ltd.	Purchases	12,75,285	A/P
SL	Related Party	Nature of Transaction	Amount	Head of A/C
1.0	Opsonin Pharma Ltd.	Share Allotment	105,00,00,000	Share Capital
2.0	Opso Saline Ltd.	Share Allotment	2,70,00,000	Share Capital
3.0	Global Capsules Ltd.	Share Allotment	2,52,00,000	Share Capital
4.0	Jokky Garments Ltd.	Share Allotment	1,95,00,000	Share Capital
5.0	Crescent Chemicals Ltd.	Share Allotment	2,13,30,000	Share Capital
6.0	Capt. Abdus Sabur Khan (Retd.)	Remuneration	8,90,000	Gen. & Admin. Expense
7.0	Abdur Rouf Khan	Remuneration	6,00,000	Gen. & Admin. Expense
8.0	Abdur Rakib Khan	Remuneration	11,50,000	Gen. & Admin. Expense

NB: Mentionable here that Jokky Garments Ltd. and Crescent Chemicals Ltd. have transferred the share on June 12, 2012 and the matter is certified by RJSC on June 12, 2012.

Except the above the Company neither entered into any transaction nor proposed any transaction during the last 02 (two) years between the issuer and any of the following persons:

- Any Director or Executive officer of the issuer.

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- b. Any director or officer.
- c. Any person owning 5% or more of the outstanding share of the issuer.
- d. Any member of the immediate family (including spouse, parents, brothers, sisters, children, and in-laws) of any of the above persons.
- e. any transaction or arrangement entered into by the issuer or its subsidiary for a person who is currently a Director or in any way connected with a Director of either the issuer company or any of its subsidiaries/holding company or associate concerns, or who was a Director or connected in any way with a Director at any time during the last three years prior to the issuance of the prospectus.
- f. Interest and Facilities enjoyed by the Directors:

The following Directors are providing full time service in the company. Their remuneration and board meeting fees for the year are given below:

(From January 01 to December 31, 2011)

SL	Name	Position	Remuneration	Board Meeting Fees
1	Capt. Abdus Sabur Khan (Retd.)	Chairman & CEO	BDT 890,000	BDT 35,000
2	Mr. Abdur Rouf Khan	Vice Chairman	BDT 600,000	BDT 30,000
3	Mr. Abdur Rakib Khan	Vice Chairman-2	BDT 1,150,000	BDT 30,000

**Mr. Abdur Rakib Khan receives BDT 1,100,000 as Managing Director and another BDT 50,000 as a Director.

- g. The company did not take or give any loan from or to any Director or any person connected with any Director nor did any Director or any person connected with any Director. However, the Company has taken loan from its existing shareholders, which are given under the head "ANY LOAN TAKEN BY THE ISSUER FROM ITS HOLDING/PARENT COMPANY OR SUBSIDIARY COMPANY OR LOAN GIVEN TO AFORESAID COMPANY".
- h. There were no facilities whether pecuniary or non-pecuniary enjoyed by the Directors except salary and board meeting fees as mentioned above.

SECTION XI: EXECUTIVE COMPENSATION

- a. Remuneration paid to top five salaried officers in the last accounting year and the name & designation of each

SL	Name	Designation	Amount in BDT
1	Capt. Abdus Sabur Khan (Retd.)	Chief Executive Officer	100,000
2	Mr. Abdur Rouf Khan	Vice Chairman	600,000
3	Mr. Abdur Rakib Khan	Vice Chairman-2	1,150,000
4	Md. Kamruzzaman	GM, Sales & Marketing	606,000
5	Dr. Debdas Kundu	GM, Co-ordination	456,000
6	Dr. Sayem Ahmed	Head of H. R.	456,000
7	Md. Solaiman Hossain	Head of IT	510,000

**Capt. Abdus Sabur Khan (Retd.) is acting as a CEO from December 01, 2011.

- b. Aggregate amount paid to all directors and officers as a group during the last accounting year

SL	Name	2011
1	Managing Director's Salary	BDT 1,100,000
2	Director Remuneration	BDT 1,540,000
3	Salary & Allowances	BDT 13,487,329

ISSUE MANAGERS:



BMSL Investment Limited



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c. Remuneration paid to director who was not an officer of the company during the last accounting year

The Company did not pay any remuneration to any person, who was not an officer of the Company during the last accounting year.

d. Any contract with any director or officer providing for the payment of future compensation

The Company has no contract with any Director/Officer providing for the payment of future compensation.

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e. Any Plan to substantially increase remunerations/salaries of Officers and Directors

There is no plan to increase salary except normal increment.

SECTION XII: OPTION GRANTED TO DIRECTORS, OFFICERS AND EMPLOYEES

The Company has not offered any option for issue of shares to any of the officers, directors and employees or to any outsiders.

SECTION XIII: TRANSACTION WITH THE DIRECTORS AND SUBSCRIBERS TO THE MEMORANDUM

A) Benefit from the Company:

The Promoters of the Company have not received any benefit other than the mentioned in “Certain Relationships and Related Transactions” and “Executive Compensation” part of the prospectus.

B) Directors and Subscriber’s Assets to the Company:

The Company has not received any assets, services of other consideration from its Directors and Subscribers to the memorandum except:

1. Fund against allotment of shares.
2. The following directors give full time service to the company:
 - i) Capt. Abdus Sabur Khan (Retd.) – Chairman & CEO
 - ii) Mr. Abdur Rouf Khan – Vice Chairman
 - iii) Mr. Abdur Rakib Khan – Vice Chairman-2
3. No assets were acquired or are to be acquired from the directors and subscribers to the memorandum.

But the company has taken loan from its shareholders which are mentioned under the head “ANY LOAN TAKEN BY THE ISSUER FROM ITS HOLDING/PARENT COMPANY OR SUBSIDIARY COMPANY OR LOAN GIVEN TO AFORESAID COMPANY”.

ISSUE MANAGERS:



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SECTION XIV: DECLARATION BY THE AUDITOR ABOUT NET TANGIBLE ASSETS AS ON 31.12.2011

TANGIBLE ASSETS PER SHARE

We have examined the following calculation of net tangible assets per share of Global Heavy Chemicals Limited for the year ended December 31, 2011.

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Based on our examination, we certify that these have been correctly prepared on the basis of Audited Financial Statements of the company for the year ended December 31, 2011.

Particulars	<i>Amount in BDT</i>
	December 31, 2011
Total Non-Current Assets	3,009,607,057
Total Current Assets	499,561,207
Total Current Liabilities	191,956,376
Total Non-Current Liabilities	51,265,000
Total Net Assets	3,265,946,888
Number of Shares outstanding	60,000,000
Net Tangible Asset Value per Share	54.43

Dated: January 22, 2012
Dhaka

Sd/-
Ahmed Zaker & Co.
Chartered Accountants

ISSUE MANAGERS:



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SECTION XV: SHAREHOLDING STRUCTURE AND FEATURES OF IPO

OWNERSHIP OF THE COMPANY'S SECURITIES

SL	Name of the Shareholder	Address	Position	Shareholdings	%
1	Capt. Abdus Sabur Khan (Retd.)	Bogra Road, Barisal	Chairman	3,233,340	5.389
2	Abdur Rouf Khan	Bogra Road, Barisal	Vice Chairman	3,233,330	5.389
3	Abdur Rakib Khan	Bogra Road, Barisal	Vice Chairman-2	3,233,330	5.389
4	Masuma Begum	House- 475, Road-32, Falcon Street, New DOHS, Mohakhali, Dhaka	Director	1,445,000	2.408
5	Zakia Sultana Khan	B/161, Road-23, New DOHS, Mohakhali, Dhaka	Director	1,445,000	2.408
6	Suraya Jebeen Naz	House- 161, Road-3, New DOHS, Mohakhali, Dhaka	Director	1,445,000	2.408
7	Opsonin Pharma Ltd.	30, New Eskaton Road, Dhaka.	Director	35,030,000	58.383
8	Sazia Zareen Shathi	House- 475, Road-32, Falcon Street, New DOHS, Mohakhali, Dhaka	Shareholder	45,000	0.075
9	Rubaiya Zarrin Khan	B/161, Road-23, New DOHS, Mohakhali, Dhaka	Shareholder	45,000	0.075
10	Saadman Rakib Khan	House- 161, Road-3, New DOHS, Mohakhali, Dhaka	Shareholder	45,000	0.075
11	Opso Saline Ltd.	37, Segun Bagicha, Dhaka	Shareholder	839,100	1.399
12	Global Capsules Ltd.	37, Segun Bagicha, Dhaka	Shareholder	894,500	1.490
13	M/S. Padma Crown Ltd.	32/1 Delu Road, New Eskaton, Dhaka	Shareholder	350,000	0.583
14	Padma Lamitube Ltd.	32/1 Delu Road, New Eskaton, Dhaka	Shareholder	350,000	0.583
15	Md. Fakhrul Islam Securities Ltd.	PBL Tower (8th Floor), 17, Gulshan North C/A, Circle-2, Dhaka	Shareholder	200,000	0.333
16	Khondokar Rahat Hossain	House No.2, Road No. 1, Sector 1, Uttara Model Town, Dhaka-1230.	Shareholder	310,000	0.517
17	Mr. Kefayetur Rahman	Souite No. 9/C, Motaleb Tower-2, Poribag, Dhaka.	Shareholder	310,000	0.517
18	Mr. Mirza Mohammad Shobur Rahman	Appt.B/4, House No.11, Road No.10, Dhanmondi, Dhaka.	Shareholder	260,000	0.433
19	Mr. Saemur Rahman	56/A, Paridas Road, Bangla Bazar, Dhaka.	Shareholder	290,000	0.483
20	Mr. Barkatur Rahman	Souite No. 9/C, Motaleb Tower-2, Poribag, Dhaka.	Shareholder	290,000	0.483

ISSUE MANAGERS:



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21	K.M. Shah Alam Ansary	Life Medicine, Sadar Road, Barisal.	Shareholder	331,500	0.553
22	Mohammad Arifur Rahman	703, West Kajipara, Mirpur, Dhaka-1216	Shareholder	290,000	0.483
23	Mr. Mohiuddin	Mohiuddin & Brothers, 10 SM Maleh Road, Tanbazar, Narayanganj.	Shareholder	280,000	0.467
24	Mr. Shah Mahmud Osman Shohel	Apt. No.B-4, House No.12-14, Road No. 06, Block-E, Niketon, Gulshan-1, Dhaka	Shareholder	290,000	0.483
25	Mr. Shah Alam Mia	1/1302. Eastern Tower, 20 New Eskaton, Dhaka	Shareholder	270,000	0.450
26	Mrs. Shamsun Nahar Begum	1/1302. Eastern Tower, 20 New Eskaton, Dhaka	Shareholder	310,000	0.517
27	Khan Arifur Rahman	120/4, Kobi Banojir Bagan, Shajahanpur, Dhaka.	Shareholder	310,000	0.517
28	Mr. Lutfur Rahman	130, North Badda, Lane No.-10, Dhaka	Shareholder	273,400	0.456
29	Mr. Salim Jahan	130, Nabagram Road, Barisal.	Shareholder	310,000	0.517
30	Mr. Jinat Tazmin	493/3, Malibag Bagan Bari R/A, Malibag, Dhaka.	Shareholder	210,000	0.350
31	Mrs. Tania	120/14, Kabi Banajir Bagan, Shajahanpur, Dhaka	Shareholder	210,000	0.350
32	Mr. Md. Jonid	Sutting Collection, Somodia Market, Teri Bazar, Chittagong	Shareholder	5,000	0.008
33	Mr. Sunil Chandra Saha	10/A4 Property State, 144 Shantinagar Bazar Road, Dhaka	Shareholder	10,000	0.017
34	Mr. Niharendu Deb	Flat P-2 4th Floor, 53 Puranapaltan Lane, Dhaka	Shareholder	10,000	0.017
35	Ms. Nina Khanam	G-2, Green Home, 25, CD87, Green Road, Dhaka	Shareholder	40,000	0.067
36	Mr. Mahmudul Haque Milon	G-2, Green Homes, CD & J, Green Road, Dhaka	Shareholder	40,000	0.067
37	Mrs. Begum Sonia	G-2, Green Homes, CD & J, Green Road, Dhaka	Shareholder	30,000	0.050
38	Mr. Abul Kalam Azad	Shurma Trading Corporation Shadaranbima Shadan1st Floor, 102 Agrabad, Chittagong	Shareholder	2,500	0.004
39	Mr. Md. Iqbal Aziz	119/2 Kazi Office Lane Flate-6/B, Boro Moghbazar, Dhaka	Shareholder	2,000	0.003
40	Mr. Md. Fazlur Rahman	ICD-1 Agrani Bank Ltd. Head Office, Motijheel, Dhaka	Shareholder	5,000	0.008
41	Mr. Golam Mostafa	House: 3122, Road: 3, Nurnobi Shaheb House, Green View Abashik Area, Halishahar, Chittagong	Shareholder	5,000	0.008

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42	Mr. Razi Uddin Ahmed	House No. 26, Road No.26sector No.5, Uttara Model Town, Dhaka	Shareholder	5,000	0.008
43	Mr. A N M Shakwath Hossain	House: 27, Road: 91/E, Block: E, Doli para, Uttara, Dhaka	Shareholder	5,000	0.008
44	Mr. Ashim Protim Poddar	Ab Enterprise,29/A Patuatuli (3rd Floor), Dhaka	Shareholder	3,000	0.005
45	Mrs. Marjia Aktar	1c Elephant Glory,276, Elephant Road, Dhaka	Shareholder	2,000	0.003
46	Mrs. Ruma Yasmin	269, Jagannath Saha Road, Lalbag, Dhaka	Shareholder	10,000	0.017
47	Mr. Iqbal Hossain	269, Jaganath Shaha Road, Lalbag, Dhaka	Shareholder	5,000	0.008
48	Mrs. Nilufar Begum	H: 1/A, Road; -1, Lane-4, Bldg, K-1, Halishahar H/E., Chittagong	Shareholder	5,000	0.008
49	Mrs. Rubia Akter	92 Central Road, Hatirpul, Dhanmondi, Dhaka	Shareholder	3,000	0.005
50	Mr. Md. Kamruzzaman	22-Northbrook Hall Road, Banglabazar, Dhaka	Shareholder	10,000	0.017
51	Mr. Md. Shahnoor Islam Khan	269, Jagannath Saha Road, Lalbag, Dhaka.	Shareholder	10,000	0.017
52	Mr. Kuntal Roy	G2 Green Homes 25 CD & J Green Roadgreen Homes, Dhaka.	Shareholder	25,000	0.042
53	Mrs. Afroza Samad	G2 Green Homes 25 CD & J Green Roadgreen Homes, Dhaka.	Shareholder	75,000	0.125
54	Mr. Aslam Mia	G2 Green Homes 25 CD & J Green Roadgreen Homes, Dhaka.	Shareholder	25,000	0.042
55	Mr. Tawhidul Islam	Rahman Mansion, Chanda Pukur, Parrahattarpul, Chittagong.	Shareholder	6,000	0.010
56	Mr. Md. Mamunor Rashid	M.S. Enterprise, Mahatab Center (4th Floor) Room No.: 1,31 Bijoynagar, Dhaka	Shareholder	5,000	0.008
57	Mr. Md. Tawhidul Haque	9/B R K Mission Road, Tikatuli, Dhaka.	Shareholder	50,000	0.083
58	Mr. Mohammed Mizanur Rahman	Seacom Shipping Lines Ltd.Taher Chamber (2nd Floor)10, Agrabad C/A,Chittagong	Shareholder	10,000	0.017
59	Mr. Sharif Alamgir Hossain	Appartment-201, House # 13,Road # 28(Old), Dhanmondi R/A, Dhaka	Shareholder	40,000	0.067
60	Mr. Showkat Hossain	Richfield Shipping Bd. Pvt Ltd. Facy Building (2nd Floor), 87 Agrabad C/A, Chittagong.	Shareholder	5,000	0.008

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61	Mr. Abdur Razzaque Khan	H# 500/A1, Road # 8, Dhanmondi, Dhaka	Shareholder	100,000	0.167
62	Mrs. Nurjehan Hudda	H# New-11a, Road-57, Gulshan-02,, Dhaka	Shareholder	125,000	0.208
63	Mr. Md Kamal Uddin	Flat No.: 1402,12/A Eskaton Road, Dhaka	Shareholder	400,000	0.667
64	Mr. Kazi Shahdat Hossain	Kazi Bothers, Kazi Complex, 50 Cawk Bazar, Barisal	Shareholder	50,000	0.083
65	Mr. Khondoker Jahid Hossain Salim	Khondoker Pharmacy, Sadar Road, Barisal	Shareholder	41,500	0.069
66	Mrs. Sanjida Yasmin	Kazi Brothers, Kazi Complex,50 Chawk Bazar, Barisal	Shareholder	10,000	0.017
67	Mr. Mohammad Ullah	35, Segun Bagicha, Dhaka.	Shareholder	50,000	0.083
68	Mr. Md. Musaddequl Haque	Sneha Tower (4th Floor), Near Pabna Sadar Thana, Thanapara, Salgaria, Pabna.	Shareholder	2,000	0.003
69	Mr. Sabir Ibne Karim	36, Purana Paltan, Sangbad Building (2nd Floor), Dhaka.	Shareholder	3,000	0.005
70	Mr. Abdul Kadir Babu	109 West Dhanmondi, (2nd Floor), Dhaka.	Shareholder	3,000	0.005
71	Mr. Santosh Kumar Datta	4/1 Kallyanpur Road, No-1, Flat No 2D, Mirpur, Dhaka.	Shareholder	3,000	0.005
72	Mr. ASM Ehsanul Haque	4/1 Wyre Street, Wari, Dhaka.	Shareholder	5,000	0.008
73	Mr. Md Habibur Rahman	B64 Chayabithi, Eastern Housing Bashabo, Dhaka.	Shareholder	5,000	0.008
74	Mr. Tarun Kumar Koiri	Navana Rafia Dipensia,Apt: 60, 37, Segun Bagicha, Dhaka	Shareholder	75,000	0.125
75	Mr. Jahar Lal Saha	55/13 Sm Maleh Road, Tanbazar, Sahapara, Narayangonj.	Shareholder	50,000	0.083
76	Mr. Md. Mahmudul Masuk Khan	Uttor Maruli, Bogra Sadar, Bogra	Shareholder	10,000	0.017
77	Mr. Bahuddin Mollah Pial	49, West Malibag (Ground Floor), Dhaka	Shareholder	2,000	0.003
78	Mr. Hamidul Haque	22 Rajmoni Ishakha Shoping Complex,Vip Road Kakrail, Dhaka	Shareholder	10,000	0.017
79	Mr. Quazi Md. Mahmudur Rahman	8/7, Khilgaon Govt. Staff Quarter,,Dhaka	Shareholder	5,000	0.008
80	Mr. Ziaul Hoque	House# 02, Apt # 2, Road # 21,Sector # 4, Uttara, Dhaka	Shareholder	110,000	0.183
81	Mrs. Vikarun Nessa Tulu	Fl # A-1, Sky View Eden,128 Shantinagar Pir Shaheber Goli, Dhaka	Shareholder	5,000	0.008

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82	Mr. Md. Harunur Rashid	30, Sidaswari Road, Dhaka	Shareholder	4,000	0.007
83	Mr. Md Shahid Ullah	43/2 Chameli Bagh, 3rd Floor, Shantinagar, Dhaka	Shareholder	35,000	0.058
84	Mr. Sakina Miraly	H# 11a, Road # 57, Gulshan -2, Dhaka	Shareholder	116,500	0.194
85	Mr. Amirul Islam Khan	304, Gulbagh, Malibagh, Dhaka	Shareholder	25,000	0.042
86	Mr. Md. Humayun Kabir	188, Wapda Road, West Rampura, Khilgoan, Dhaka	Shareholder	100,000	0.167
87	Mr. Mujibur Rahman	Ahmed Zaker & Co., 45, Bijoy Nagar, Dhaka	Shareholder	3,000	0.005
88	Mr. Mohammad Shohanuzzaman	564/2, Shaheen Bagh, Tejgaon, Dhaka	Shareholder	10,000	0.017
89	Mr. Md. Shamim Talukdar	Global Heavy Chemicals Ltd. Hasnabad, Keranigonj, Dhaka	Shareholder	5,000	0.008
90	Mr. Ariful Islam	125-North Bashaboo Metro Medical Center, Dhaka	Shareholder	5,000	0.008
91	Mrs. Farzana Afroz	G-42, (1st Floor), South Bonosree Dhaka	Shareholder	10,000	0.017
92	Mr. Mehdi Afzal	Plote-2/1, Flat No: 58, Lalmatia, Dhaka	Shareholder	10,000	0.017
93	Mr. M. Afsarul Qader	H# 23, Apt # 34. R # 6, Baridhara, Dhaka	Shareholder	10,000	0.017
94	Mr. Nur Mohammad	13/A, Bacaram Dayrui, Chak Bazar, Lalbag, Dhaka	Shareholder	10,000	0.017
95	Mr. Bashir Ahmed	17-17/1 Armanian Street, Nurjahan Plaza, Armanitola, Dhaka	Shareholder	15,000	0.025
96	Mr. Md. Mehboob Hossain Khan	Flat-E, Palton Plaza, 62/6 Purana Palton Lane, Dhaka	Shareholder	10,000	0.017
97	Mrs. Ruma Das	Flat No. B/4, 2, Chamili Bagh, Dhaka	Shareholder	25,000	0.042
98	Mr. Mohammad Saiful Alam Sumon	1419/3/A Khilgaon Jhilpar (2nd Floor), South Side Khilgaon, Dhaka	Shareholder	10,000	0.017
99	Mr. Md. Abdul Awal Chowdhury	Shah Ali Tower (4th Floor), 33 Kawran Bazar, Tejgaon, Dhaka	Shareholder	100,000	0.167
100	Mr. Iqbal Hassan Jony	1 No Mitford College Road, Dhaka	Shareholder	50,000	0.083
101	Mrs. Romana Rouf Chowdhury	Red Crescent Borak Tower, Level: 8, 37/3/A Eskaton Garden Road, Dhaka	Shareholder	500,000	0.833
102	Mr. Mosharaf Hossain Khan	Room No. 303, Al Amin Tower-3, 140/141 Shantinagar (2nd Floor), Dhaka	Shareholder	25,000	0.042
103	Mr. Mohammad Abdul Karim	Flat # 801, Building # 3, Eastern Tower 20 New Elephant Road, Dhaka	Shareholder	25,000	0.042

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104	Mr. Moinuddin Ahmed	57, New Chashara Road, Narayanganj	Shareholder	25,000	0.042
105	Mr. Numan Ahmed Khan	House#281, Road # 15, Old Dhanmondi, Dhaka	Shareholder	30,000	0.050
106	Mr. Md. Mukaddas Ali Bhuian	396/C Malibagh Chowdhuripara, Dhaka	Shareholder	10,000	0.017
107	Mr. Md. Amzad Hossain	15, Korbanigonj, Chittagong	Shareholder	25,000	0.042
108	Mr. Sukumar Chandra Paul	19, Korbanigonj, Chittagong	Shareholder	25,000	0.042
109	Mr. Modoris Ali	Vill/Post: Batashandi Bazar, Sylhet	Shareholder	50,000	0.083
110	Mr. Shafayet Kamal Siddiki	House :354, Ainnusbag Amtola, Dakhin Khan, Uttara, Dhaka	Shareholder	5,000	0.008
111	Mr. Bashir Ahmed	X-2 Cordial Homes 354 Dilu Road, Dhaka.	Shareholder	75,000	0.125
112	Mr. M. Shafiqul Islam Manil	129, New Eskaton Road, Rangs Eskaton Tower Classic, Aptt# B-10, Ramna, Dhaka	Shareholder	100,000	0.167
113	Mr. Mohammad Ariful Islam	129, New Eskaton Road, Rangs Eskaton Tower Classic, Aptt# B-10, Ramna, Dhaka	Shareholder	5,000	0.008
114	Mr. Md. Farhad Sarker	65, Free School Street, Kathal Bagan, Dhaka	Shareholder	20,000	0.033
115	Mr. Narayan Chandra Dev	56 Sm Maleh Roadtanbazar, Narayanganj	Shareholder	20,000	0.033
116	Mr. Shah Jahir Uddin Faquire	H# 08, Dhaka Housing, Uttar Adabar Ring Road, Shyamoli, Dhaka	Shareholder	10,000	0.017
117	Mrs. Habibun Nahar Lovely	H# 08, Dhaka Housing, Uttar Adabar Ring Road, Shyamoli, Dhaka	Shareholder	5,000	0.008
118	Mr. Shahnaj Begum	Uttara Bank Ltd. Shantinagar Br., Dhaka	Shareholder	5,000	0.008
119	Mrs. Dilara Chowdhury	7 D, Momenbag, Post: Shantinagar, Dhaka	Shareholder	15,000	0.025
120	Mr. Suman Bhakta	46/47 S.M. Maleha Road Rahman Super Market Tanbazar, Narayanganj	Shareholder	25,000	0.042
121	Mr. Rahman Nayar	Hoyse 9/1(1st) Floor Road: 01, Sec: 014, Block: D.Kaderabad Housing State, Mohammadpur, Dhaka	Shareholder	5,000	0.008
122	Mr. A. K. M. Abdur Razzaque	House No: 102, Road No: 17A, Baitul Aman Housing Societyadabor, Dhaka	Shareholder	5,000	0.008

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123	Mrs. Dev Bani	56 S. M. Maleh Road, Tanbazar, Narayangonj.	Shareholder	25,000	0.042
124	Mr. Shib Shankar Saha	56, S. M. Maleh Road, Tanbazar, Narayangonj.	Shareholder	35,000	0.058
125	Mr. Rony Saha	56 S. M. Maleh Road, Tanbazar, Narayangonj.	Shareholder	25,000	0.042
126	Mr. Imran Hossain	Rony Towers & Travels, City Heart (13 Th Floor), 67 Naya Paltan, Dhaka.	Shareholder	10,000	0.017
127	Mrs. Rokeya Ahmed	House No: 154, Road No: 1 (East) DOHS, Baridhara, Dhaka.	Shareholder	10,000	0.017
128	Mr. Abul Kalam Azad	24/7 Tajmohal Road, Block-C, Mohammadpur, Dhaka-1207	Shareholder	10,000	0.017
129	Mr. Md. Zahirul Haque Nanna	28/5 Tajmohal Road, 3rd Floor, Block-C, Mohammadpur, Dhaka	Shareholder	10,000	0.017
130	Mr. Md. Shorab Hossain	3/7, Khilgaon Malibagh Govt. Staff Quarter, Dhaka	Shareholder	5,000	0.008
131	Mr. Md. Rezaul Hasan	House: 30, Road: 26, Sector: 07, Uttara, Dhaka.	Shareholder	15,000	0.025
132	Mr. Md. Ekramul Haque	9d, Amynabad Co-Operative Housing Society Ltd. 56-57, Siddeshwari Road, Ramna, Dhaka	Shareholder	100,000	0.167
133	Mr. Md. Touhiduzzaman Khan	123/D/5, South Bishil, Road-10, Mirpure-1, Dhaka	Shareholder	100,000	0.167
134	Mr. Md Mostafizur Rahman	253, Jurin Munshi Bari, West Jurin, Shampur, Dhaka	Shareholder	100,000	0.167
135	Mr. Mainul Hoq Khan	32/1, Dilu Road , New Eskaton, Dhaka	Shareholder	50,000	0.083
136	Mrs. Sultana Khaleda Khan	32/1, Delu Road, New Eskaton, Dhaka	Shareholder	50,000	0.083
Total				60,000,000	100

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SECURITIES OWNED BY EACH DIRECTOR

Name of the Director	Address	Position	Shares Held	%
Capt. Abdus Sabur Khan (Retd.)	Bogra Road, Barisal	Chairman	3,233,340	5.389
Abdur Rouf Khan	Bogra Road, Barisal	Vice Chairman	3,233,330	5.389
Abdur Rakib Khan	Bogra Road, Barisal	Vice Chairman-2	3,233,330	5.389
Masuma Begum	House- 475, Road-32, Falcon Street, New DOHS, Mohakhali, Dhaka	Director	1,445,000	2.408
Zakia Sultana Khan	B/161, Road-23, New DOHS, Mohakhali, Dhaka	Director	1,445,000	2.408
Suraya Jebeen Naz	House- 161, Road-3, New DOHS, Mohakhali, Dhaka	Director	1,445,000	2.408
Abdur Rakib Khan	30, New Eskaton Road, Dhaka.	Nominee Director (Opsonin Pharma Limited)	35,030,000	58.383
Total			49,065,000	81.774

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LIST OF SPONSORS/DIRECTORS AND/OR SHAREHOLDERS WHO HOLD 5% OR MORE SHARES OF THE COMPANY

Name of the Shareholder	Address	Position	Shares Held	%
Abdur Rakib Khan	30, New Eskaton Road, Dhaka.	Nominee Director (Opsonin Pharma Limited)	35,030,000	58.383
Capt. Abdus Sabur Khan (Retd.)	Bogra Road, Barisal	Chairman	3,233,340	5.389
Abdur Rouf Khan	Bogra Road, Barisal	Vice Chairman	3,233,330	5.389
Abdur Rakib Khan	Bogra Road, Barisal	Vice Chairman-2	3,233,330	5.389

SECURITIES OWNED BY THE OFFICERS OF THE COMPANY

There is no officer holding any securities of the company except CEO.

POST IPO SHAREHOLDING BY THE SPONSORS/DIRECTORS

Sl.	Name of the Director	Position	Post Issue no. of Shares	Amount (Tk.)	Shares Held	%
1	Capt. Abdus Sabur Khan (Retd.)	Chairman	72,000,000	720,000,000	3,233,340	4.491
2	Abdur Rouf Khan	Vice Chairman			3,233,330	4.491
3	Abdur Rakib Khan	Vice Chairman-2			3,233,330	4.491
4	Masuma Begum	Director			1,445,000	2.007
5	Zakia Sultana Khan	Director			1,445,000	2.007
6	Suraya Jebeen Naz	Director			1,445,000	2.007
7	Abdur Rakib Khan	Nominee Director (Opsonin Pharma Limited)			35,030,000	48.653
Total					49,065,000	68.146

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SECTION XVI: DETERMINATION OF OFFERING PRICE

The issue price at Tk. 20.00 each including a premium of Tk. 10.00 per share is justified as details below:

Justification of Offering Price Under Different Methods		BDT
Method 1: Net Asset Value (NAV) per share	(a) Considering Revaluation Surplus	54.43
	(b) Without Considering Revaluation Surplus	29.00
Method 2: Historical Earnings based value per share		20.59

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Method-1: Equity based Value (NAV) per share

Particulars	Amount(BDT)
Paid-up Capital	600,000,000
Share Premium	970,000,000
Revaluation Surplus	1,525,671,614
Retained Earnings	170,275,274
Total shareholders' Equity (As on 31st December 2011)	3,265,946,888
Total number of shares	60,000,000
(a) Equity Based Value Per Share considering revaluation surplus (As on 31st December 2011)	54.43
(b) Equity Based Value Per Share without considering revaluation surplus (As on 31st December 2011)	29.00

Method-2: Earning based Value per share

Average Price Earnings of Pharmaceuticals & Chemicals (June, July and August, 2012)

$$= (20.81+20.26+18.49)/3 = 59.56/3 = 19.85$$

Average Price Earnings of market (June, July, and August, 2012)

$$= (12.53+11.80+11.80)/3 = 36.13/3 = 12.04$$

Lesser of 19.85 & 12.04 = 12.04

Period	No. of Shares	Weighted No. of Shares	Net Profit After Tax	Weighted Net Profit after tax
31-Dec-07	5,000,000	0.06	(1,568,497)	(92,265)
31-Dec-08	5,000,000	0.06	3,179,661	187,039
31-Dec-09	5,000,000	0.06	9,165,469	539,145
31-Dec-10	10,000,000	0.12	25,534,911	3,004,107
31-Dec-11	60,000,000	0.71	140,167,611	98,941,843
Total	85,000,000	1.00	176,479,155	102,579,870
Number of Shares outstanding before IPO				60,000,000
Weighted average EPS stands (102,579,870/60,000,000)				1.71
3 months average P/E (lesser of 19.85 & 12.04)				12.04
Earning Based Value Per Share (1.71 X 12.04)				20.59

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SECTION XVII: MARKET FOR THE SECURITIES BEING OFFERED

The issuer shall apply to all the stock exchanges in Bangladesh within 7(seven) working days from the date of consent accorded by the Commission to issue prospectus.

The issuer will apply at:



Dhaka Stock Exchange Limited
9/F, Motijheel Commercial Area, Dhaka- 1000.



Chittagong Stock Exchange Limited
CSE Building, 1080, Sheikh Mujib Road, Chittagong 4100.

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SECTION XVIII: DESCRIPTION OF SECURITIES OUTSTANDING OR BEING OFFERED

DIVIDEND, VOTING, PRE-EMPTION RIGHTS

The share capital of the Company is divided into ordinary shares carrying equal rights to vote and receive dividend in terms of the relevant provisions of the Companies Act, 1994 and the Articles of Association of the Company. Shareholders shall have the usual voting right in person or by proxy in connection with, among others, selection of Directors & Auditors and other usual agenda of General Meeting, Ordinary or Extra Ordinary. On a show of hand every shareholder present and every duly authorized representative of a shareholder present at a General Meeting shall have one vote and on a poll every shareholder present in person or by proxy shall have one vote for every share held by him/her.

CONVERSION & LIQUIDATION RIGHTS

If the company at any time issues convertible preference shares or Debenture with the consent of SEC, such holders of Securities shall be entitled to convert such securities into ordinary shares if it is so determined by the company.

Subject to the provisions of the Companies Act, 1994, Articles of Association of the Company and other relevant Rules in force, the Shares, if any, of the Company are freely transferable, the Company shall not charge any fee for registering transfer of shares. No transfer shall be made to firms, minors or persons of unsound mental health.

RIGHT FOR TRANSFER:

In terms of the provisions of the Companies Act 1994, Articles of Association of the Company and other relevant rules in force, the shares of the Company are transferable. The Company shall not charge any fee other than Government duties for registering transfer of shares. No shares shall be transferred to an infant or a person of unsound mind.

DIVIDEND POLICY

- The profit of the company, subject to any special right relating thereto created or authorized to be created by the Memorandum of Association subject to the provision of the Articles of Association, will be divisible among the members in proportion to the capital paid up on the Shares held by them respectively.
- No larger dividend will be declared than is recommended by the Directors, but the Company in its General Meeting may declare a smaller dividend. The declaration of Directors as to the amount of net Profit of the Company shall be conclusive.

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- c) No dividend will be payable except out of profits of the Company or any other undistributed profits. Dividend shall not carry interest as against the Company.
- d) The Directors may, from time to time, pay the members such interim dividend as in their judgment the financial position of the Company may justify.
- e) A transfer of Shares will not pass the right to any dividend declared thereon before the registration of transfer.
- f) There is no limitation on the payment of dividend.

OTHER RIGHTS OF STOCK HOLDERS

The shareholders will have the right to receive all periodical reports and statements, audited as well as un-audited, published by the company from time to time. The Directors will present the financial statements as required under the Law and International Accounting standards. Financial Statements will be prepared in accordance with Bangladesh Accounting Standards, consistently applied throughout the subsequent periods and present with the objective of providing maximum disclosure as per law and Bangladesh Accounting Standard to the shareholders regarding the Financial and operational position of the Company.

In case of any declaration of stock dividend by issue of bonus shares, all shareholders will be entitled to it in proportion to their shareholdings on the date of book closure for the purpose.

The shareholders holding not less than 10% of the issued/fully paid up capital of the company will have the right to requisition Extra-Ordinary General Meeting of the Company as provided under Section 84 of the Companies Act, 1994.

SECTION XIX: DEBT SECURITIES

There is no debt securities issued by the company and is not planning to issue any of such securities within next six months.

SECTION XX: LOCK-IN PROVISION

All issued shares of the issuer at the time of according consent to public offering shall be subject to a lock-in period of three years from the date of issuance of prospectus or commercial operation, whichever comes later.

Provided that the person, other than directors and those who hold 5% or more shares of the company, who has subscribed to the shares of the Company with immediately preceding two years of according consent, shall be subject to a lock-in period of one year from the date of issuance of prospectus or commercial operation whichever comes later and don't require any permission/notification to sell/transfer the shares after completion of one year lock-in.

Sl	Name	Position	Shareholdings	%	Date of Acquisition	Date of Issuance of Prospectus	Lock-in Period
1	Capt. Abdus Sabur Khan (Retd.)	Chairman	3,233,340	5.389	Sep 14, 2000	Oct 09, 2012	3 Yrs from issue date of prospectus
2	Abdur Rouf Khan	Vice-Chairman	3,233,330	5.389	Sep 14, 2000	Oct 09, 2012	3 Yrs from issue date of prospectus
3	Abdur Rakib Khan	Vice-Chairman-2	3,233,330	5.389	Sep 14, 2000	Oct 09, 2012	3 Yrs from issue date of prospectus
4	Masuma Begum	Director	1,445,000	2.408	Sep 13, 2010	Oct 09, 2012	3 Yrs from issue date of prospectus
5	Zakia Sultana Khan	Director	1,445,000	2.408	Sep 13, 2010	Oct 09, 2012	3 Yrs from issue date of prospectus
6	Suraya Jebeen Naz	Director	1,445,000	2.408	Sep 13, 2010	Oct 09, 2012	3 Yrs from issue date of prospectus
7	Opsonin Pharma Ltd.	Director	35,030,000	58.383	Sep 13, 2010	Oct 09, 2012	3 Yrs from issue date of prospectus
8	Sazia Zareen Shathi	Share Holder	45,000	0.075	Sep 13, 2010	Oct 09, 2012	3 Yrs from issue date of prospectus
9	Rubaiya Zarrin Khan	Share Holder	45,000	0.075	Sep 13, 2010	Oct 09, 2012	3 Yrs from issue date of prospectus

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10	Saadman Rakib Khan	Share Holder	45,000	0.075	Sep 13, 2010	Oct 09, 2012	3 Yrs from issue date of prospectus
11	Opso Saline Ltd.	Share Holder	839,100	1.399	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
12	Global Capsules Ltd.	Share Holder	894,500	1.490	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
13	M/S. Padma Crown Ltd.	Share Holder	350,000	0.583	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
14	Padma Lamitube Ltd.	Share Holder	350,000	0.583	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
15	Md. Fakhru Islam Securities Ltd.	Share Holder	200,000	0.333	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
16	Khondokar Rahat Hossain	Share Holder	310,000	0.517	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
17	Mr. Kefayetur Rahman	Share Holder	310,000	0.517	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
18	Mr. Mirza Mohammad Shobur Rahman	Share Holder	260,000	0.433	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
19	Mr. Saemur Rahman	Share Holder	290,000	0.483	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
20	Mr. Barkutur Rahman	Share Holder	290,000	0.483	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
21	K.M. Shah Alam Ansary	Share Holder	331,500	0.553	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
22	Mohammad Arifur Rahman	Share Holder	290,000	0.483	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
23	Mr. Mohiuddin	Share Holder	280,000	0.467	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
24	Mr. Shah Mahmud Osman Shohel	Share Holder	290,000	0.483	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
25	Mr. Shah Alam Mia	Share Holder	270,000	0.450	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
26	Mrs. Shamsun Nahar Begum	Share Holder	310,000	0.517	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
27	Khan Arifur Rahman	Share Holder	310,000	0.517	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
28	Mr. Lutfur Rahman	Share Holder	273,400	0.456	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
29	Mr. Salim Jahan	Share Holder	310,000	0.517	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
30	Mr. Jinat Tazmin	Share Holder	210,000	0.350	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
31	Mrs. Tania	Share Holder	210,000	0.350	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
32	Mr. Md. Jonid	Share Holder	5,000	0.008	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
33	Mr. Sunil Chandra Saha	Share Holder	10,000	0.017	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
34	Mr. Niharendu Deb	Share Holder	10,000	0.017	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
35	Ms. Nina Khanam	Share Holder	40,000	0.067	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
36	Mr. Mahmudul Haque Milon	Share Holder	40,000	0.067	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
37	Mrs. Begum Sonia	Share Holder	30,000	0.050	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
38	Mr. Abul Kalam Azad	Share Holder	2,500	0.004	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
39	Mr. Md. Iqbal Aziz	Share Holder	2,000	0.003	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
40	Mr. Md. Fazlur Rahman	Share Holder	5,000	0.008	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
41	Mr. Golam Mostafa	Share Holder	5,000	0.008	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
42	Mr. Razi Uddin Ahmed	Share Holder	5,000	0.008	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
43	Mr. A N M Shakwath Hossain	Share Holder	5,000	0.008	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
44	Mr. Ashim Protim Poddar	Share Holder	3,000	0.005	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
45	Mrs. Marjia Aktar	Share Holder	2,000	0.003	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
46	Mrs. Ruma Yasmin	Share Holder	10,000	0.017	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
47	Mr. Iqbal Hossain	Share Holder	5,000	0.008	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
48	Mrs. Nilufar Begum	Share Holder	5,000	0.008	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
49	Mrs. Rubia Akter	Share Holder	3,000	0.005	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
50	Mr. Md. Kamruzzaman	Share Holder	10,000	0.017	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
51	Mr. Md. Shahnoor Islam Khan	Share Holder	10,000	0.017	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
52	Mr. Kuntal Roy	Share Holder	25,000	0.042	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
53	Mrs. Afroza Samad	Share Holder	75,000	0.125	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
54	Mr. Aslam Mia	Share Holder	25,000	0.042	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
55	Mr. Tawhidul Islam	Share Holder	6,000	0.010	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
56	Mr. Md. Mamunur Rashid	Share Holder	5,000	0.008	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
57	Mr. Md. Tawhidul Haque	Share Holder	50,000	0.083	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
58	Mr. Mohammed Mizanur Rahman	Share Holder	10,000	0.017	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
59	Mr. Sharif Alamgir Hossain	Share Holder	40,000	0.067	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus

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60	Mr. Showkat Hossain	Share Holder	5,000	0.008	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
61	Mr. Abdur Razzaque Khan	Share Holder	100,000	0.167	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
62	Mrs. Nurjehan Hudda	Share Holder	125,000	0.208	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
63	Mr. Md Kamal Uddin	Share Holder	400,000	0.667	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
64	Mr. Kazi Shahdat Hossain	Share Holder	50,000	0.083	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
65	Mr. Khondoker Jahid Hossain Salim	Share Holder	41,500	0.069	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
66	Mrs. Sanjida Yasmin	Share Holder	10,000	0.017	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
67	Mr. Mohammad Ullah	Share Holder	50,000	0.083	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
68	Mr. Md. Musaddequl Haque	Share Holder	2,000	0.003	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
69	Mr. Sabir Ibne Karim	Share Holder	3,000	0.005	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
70	Mr. Abdul Kadir Babu	Share Holder	3,000	0.005	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
71	Mr. Santosh Kumar Datta	Share Holder	3,000	0.005	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
72	Mr. ASM Ehsanul Haque	Share Holder	5,000	0.008	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
73	Mr. Md Habibur Rahman	Share Holder	5,000	0.008	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
74	Mr. Tarun Kumar Koiri	Share Holder	75,000	0.125	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
75	Mr. Jahar Lal Saha	Share Holder	50,000	0.083	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
76	Mr. Md. Mahmudul Masuk Khan	Share Holder	10,000	0.017	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
77	Mr. Bahuddin Mollah Pial	Share Holder	2,000	0.003	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
78	Mr. Hamidul Haque	Share Holder	10,000	0.017	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
79	Mr. Quazi Md. Mahmudur Rahman	Share Holder	5,000	0.008	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
80	Mr. Ziaul Hoque	Share Holder	110,000	0.183	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
81	Mrs. Vikarun Nessa Tulu	Share Holder	5,000	0.008	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
82	Mr. Md. Harunur Rashid	Share Holder	4,000	0.007	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
83	Mr. Md Shahid Ullah	Share Holder	35,000	0.058	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
84	Mr. Sakina Miraly	Share Holder	116,500	0.194	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
85	Mr. Amirul Islam Khan	Share Holder	25,000	0.042	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
86	Mr. Md. Humayun Kabir	Share Holder	100,000	0.167	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
87	Mr. Mujibur Rahman	Share Holder	3,000	0.005	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
88	Mr. Mohammad Shohanuzzaman	Share Holder	10,000	0.017	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
89	Mr. Md. Shamim Talukdar	Share Holder	5,000	0.008	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
90	Mr. Ariful Islam	Share Holder	5,000	0.008	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
91	Mrs. Farzana Afroz	Share Holder	10,000	0.017	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
92	Mr. Mehdi Afzal	Share Holder	10,000	0.017	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
93	Mr. M. Afsarul Qader	Share Holder	10,000	0.017	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
94	Mr. Nur Mohammad	Share Holder	10,000	0.017	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
95	Mr. Bashir Ahmed	Share Holder	15,000	0.025	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
96	Mr. Md. Mehboob Hossain Khan	Share Holder	10,000	0.017	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
97	Mrs. Ruma Das	Share Holder	25,000	0.042	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
98	Mr. Mohammad Saiful Alam Sumon	Share Holder	10,000	0.017	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
99	Mr. Md. Abdul Awal Chowdhury	Share Holder	100,000	0.167	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
100	Mr. Iqbal Hassan Jony	Share Holder	50,000	0.083	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
101	Mrs. Romana Rouf Chowdhury	Share Holder	500,000	0.833	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
102	Mr. Mosharaf Hossain Khan	Share Holder	25,000	0.042	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
103	Mr. Mohammad Abdul Karim	Share Holder	25,000	0.042	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
104	Mr. Moinuddin Ahmed	Share Holder	25,000	0.042	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
105	Mr. Numan Ahmed Khan	Share Holder	30,000	0.050	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
106	Mr. Md. Mukaddas Ali Bhuiyan	Share Holder	10,000	0.017	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
107	Mr. Md. Amzad Hossain	Share Holder	25,000	0.042	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
108	Mr. Sukumar Chandra Paul	Share Holder	25,000	0.042	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
109	Mr. Modaris Ali	Share Holder	50,000	0.083	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus

110	Mr. Shafayet Kamal Siddiki	Share Holder	5,000	0.008	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
111	Mr. Bashir Ahmed	Share Holder	75,000	0.125	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
112	Mr. M. Shafiqul Islam Manil	Share Holder	100,000	0.167	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
113	Mr. Mohammad Ariful Islam	Share Holder	5,000	0.008	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
114	Mr. Md. Farhad Sarker	Share Holder	20,000	0.033	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
115	Mr. Narayan Chandra Dev	Share Holder	20,000	0.033	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
116	Mr. Shah Jahir Uddin Faquire	Share Holder	10,000	0.017	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
117	Mrs. Habibun Nahar Lovely	Share Holder	5,000	0.008	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
118	Mr. Shahnaj Begum	Share Holder	5,000	0.008	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
119	Mrs. Dilara Chowdhury	Share Holder	15,000	0.025	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
120	Mr. Suman Bhakta	Share Holder	25,000	0.042	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
121	Mr. Rahman Nayar	Share Holder	5,000	0.008	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
122	Mr. A. K. M. Abdur Razzaque	Share Holder	5,000	0.008	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
123	Mrs. Dev Bani	Share Holder	25,000	0.042	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
124	Mr. Shib Shankar Saha	Share Holder	35,000	0.058	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
125	Mr. Rony Saha	Share Holder	25,000	0.042	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
126	Mr. Imran Hossain	Share Holder	10,000	0.017	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
127	Mrs. Rokeya Ahmed	Share Holder	10,000	0.017	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
128	Mr. Abul Kalam Azad	Share Holder	10,000	0.017	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
129	Mr. Md. Zahirul Haque Nanna	Share Holder	10,000	0.017	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
130	Mr. Md. Shorab Hossain	Share Holder	5,000	0.008	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
131	Mr. Md. Rezaul Hasan	Share Holder	15,000	0.025	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
132	Mr. Md. Ekramul Haque	Share Holder	100,000	0.167	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
133	Mr. Md. Touhiduzzaman Khan	Share Holder	100,000	0.167	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
134	Mr. Md Mostafizur Rahman	Share Holder	100,000	0.167	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
135	Mr. Mainul Hoq Khan	Share Holder	50,000	0.083	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus
136	Mrs. Sultana Khaleda Khan	Share Holder	50,000	0.083	Jun 09, 2011	Oct 09, 2012	1 Yr from issue date of prospectus

- The lock-in period starts from the date of issuance of Prospectus.

SECTION XXI: SUBSCRIPTION, REFUND AND ALLOTMENT

REFUND OF SUBSCRIPTION MONEY

As per SEC Notification Dated February 9, 2010, the issuer shall refund application money to the unsuccessful applicants of the public offer by any of the following manner based on the options given by the applicant in the application form;-

- Through banking channel for onward deposit of the refund money into the applicant's bank account as provided in the respective application form for subscription; or
- Through issuance of refund warrant in the name and address of the applicant as provided in the respective application form for subscription:

Provided that, in case of deposit into the applicant's bank account, the applicant will bear the applicable service charge, if any, of the applicant's banker, and the issuer shall simultaneously issue a letter of intimation to the applicant containing, among others, the date and amount remitted with details of the bank through and to which bank such remittance has been effected."

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SUBSCRIPTION BY AND REFUND TO NON-RESIDENT BANGLADESHI (NRB)

1. A Non-Resident Bangladeshi shall apply either directly by enclosing a foreign demand draft drawn on a bank payable at Dhaka, or through a nominee by paying out of foreign currency deposit account maintained in Bangladesh or in Taka, supported by foreign currency encashment certificate issued by the concerned bank, for the value of securities applied for through crossed Bank cheque marking "Account Payee only".
2. The value of securities applied for by such person may be paid in Taka or US dollar or UK pound sterling or EURO at the rate of exchange mentioned in the securities application form.
3. Refund against oversubscription shall be made in the currency in which the value of securities was paid for by the applicant through Account Payee bank cheque payable at Dhaka with bank account number, Bank's name and Branch as indicated in the securities application form. If the applicants' bank accounts as mentioned in their IPO Application Forms are maintained with the Bankers to the Issue and other banks as mentioned below, refund amount of those applicants will be directly credited into the respective bank accounts as mentioned in their IPO Application Forms.

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ALLOTMENT

The company reserves the rights of accepting any application, either in whole, or in part. Successful applicants will be notified by the dispatch of an allotment letter by registered post/courier. Letter of allotment and refund warrants will be issued within 5(five) weeks from the closing of the subscription. After allotment the company will have to transfer the shares to the allottees' Beneficiary Owners (BO) account, which has been mentioned in the application form.

The company shall issue share allotment letter to all successful applicants, within 5 (five) weeks, from the date of the subscription closing date. At the same time, the unsuccessful application shall be refunded with the application money within 5 (five) weeks from the closing of the subscription date, by Account Payee Cheque, without interest payable at Dhaka/Chittagong/Khulna/Rajshahi/Barisal/Sylhet as the case may be.

Where the allotment is made, in whole or part in respect of joint application, the allotment letter will be dispatched to the person whose name appears first in the application form notwithstanding that the shares have been allotted to the joint applicants. Where joint applicant is accepted in par, the balance of any amount paid on application will be refunded without interest to the person named first in the application form.

SECTION XXII: AVAILABILITY OF THE SECURITIES

1. Securities

Securities	Number of Shares	Total amount (BDT)
20% of IPO of Ordinary Shares are reserved for affected small investors (ক্ষতিগ্রস্ত ক্ষুদ্র বিনিয়োগকারী). [A]	2,400,000	48,000,000
10% of public offer, i.e. 1,200,000 Shares shall be reserved for Non Resident Bangladeshis. [B]	1,200,000	24,000,000
10% of public offer of Shares shall be reserved for Mutual funds and Collective Investment schemes registered with the Commission. [C]	1,200,000	24,000,000
60% of public offer of Shares shall be opened for subscription by the General Public. [D]	7,200,000	144,000,000
Total [A+B+C+D]	12,000,000	240,000,000

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2. All as stated in 1[A], 1[B], 1[C] and 1[D] shall be offered for subscription and subsequent allotment by the Issuer, subject to any restriction, which may be imposed, from time to time, by the Securities and Exchange Commission.
3. In case of over-subscription, under any of the categories mentioned in the clause 1[A], 1[B], 1[C] and 1[D], the Issue Managers shall conduct an open lottery of all the applications received under each category separately in accordance with the letter of consent issued by the Securities and Exchange Commission.
4. In case of under-subscription, under any of the 20% and 10% category as mentioned in clause 1[A], 1[B], and 1[C] the unsubscribed portion shall be added to the general public category, and, if after such addition there is over-subscription in the general public category the issuer and the issue managers shall jointly conduct an open lottery of all the applicants added together.
5. In case of under-subscription of the public offering, the unsubscribed portion of shares shall be taken up by the underwriter(s).
6. The lottery as stated in clause (3) and (4) should be conducted in the presence of the representatives of Issuer, Stock Exchange(s) and the applicants, if there be any.

SECTION XXIII: ISSUE MANAGER & UNDERWRITER

MANAGERS TO THE ISSUE

BMSL Investment Limited, Sadharan Bima Tower (7th Floor), 37/A, Motijheel C/A, Dhaka-1000 and AFC Capital Limited, Tanaka Tower (2nd Floor), 42/1/Gha, Segun Bagicha, Dhaka-1000 are acting as Issue Managers. The issue Management fee for the Issue Managers shall be BDT 2,000,000.00.

UNDERWRITERS

As per Securities and Exchange Commission's guideline 50% of the Public Offer of 1,20,00,000 ordinary share i.e., 60,00,000 ordinary shares of BDT 10.00 each at an issue price BDT 20.00 (including premium BDT 10.00 each) i.e., for BDT 120,000,000.00 will be Underwritten by the following Underwriters for the IPO of Global Heavy Chemicals Limited with the underwriting Commission @ 0.20% (zero point two zero percent) .

SL	Name of Underwriter	Number of Shares	Amount in BDT
1	AB Bank Limited	2,000,000	40,000,000
2	Eastern Bank Limited	2,000,000	40,000,000
3	BMSL Investment Limited	2,000,000	40,000,000

No additional commission will be paid on the amount of shares required to be subscribed by the underwriter.

1. If and to the extent that the Shares offered to the public through a Prospectus authorized hereunder shall not have been subscribed in full by the closing date, the Company shall within 10 (ten) days of the closure of subscription call upon the underwriter in writing to subscribe the shares not so subscribed and ask the underwriter to pay for them in cash in full within 15 (fifteen) days of the date of said notice and said amount shall have to be credited into shares subscription account within the said period.
2. If payment is made by Cheque/Bank Draft by the underwriter it will be deemed that the underwriter has not fulfilled his obligation towards his underwriting commitment under this agreement, until such time as the Cheque/Bank Draft has been encashed and the Company's account credited.
3. In any case within 7 (seven) days after expiry of the aforesaid 15 (fifteen) days, the

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- Company shall send proof of subscription and deposit of share money by the underwriters, to the Commission.
4. In the case of failure by any underwriters to pay for the Shares within the stipulated time, the Company or Issuer will be of no obligation to pay any underwriting commission under this agreement.
 5. in case of failure by the Company through call upon the underwrites for the aforementioned purpose within the stipulate time, the company and its Directors shall individually and collectively be held responsible for consequence and /or penalties as determined by the Securities and Exchange Commission under the law.

RIGHT OF UNDERWRITERS ON COMPANY'S BOARD

Underwriters have not acquired any right to have their representatives in the Board of Directors of the Company.

COMMISSION FOR UNDERWRITERS

The company shall pay to the underwriters an underwriting commission at the rate of 0.20% of the value of shares underwritten by them out of the Public Issue.

SECTION XXIV: APPLICATION FOR SUBSCRIPTION

APPLICATION FOR SUBSCRIPTION

1. Application for shares may be made for a minimum lot of **250 shares** to the value of **Tk. 5,000** (Taka Five Thousands only) and should be made on the company's Printed Application Forms. Application Forms and Prospectus may be obtained from the Registered Office of the Company, members of Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited, or from the Bankers to the issue. In case, adequate forms are not available, applicants may use photocopied/ cyclostyled/ handwritten/typed copies of the forms. Applications must not be for less than 250 shares. Any application not meeting this criterion will not be considered for allotment purpose.
2. Joint application form for more than two (2) persons will not be accepted. In the case of joint application, each party must sign the application form.
3. Application must be in full name of individuals, or limited companies, or trusts or societies, and not in the name of firms, minors or persons of unsound mind. Applications from insurance, financial and market intermediary companies must be accompanied by Memorandum and Articles of Association.
4. **An applicant cannot submit more than two applications, one in his/her own name and the other jointly with another person. In case an applicant makes more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, 15% (fifteen) of the application money will be forfeited by the Commission and the balance amount will be refunded to the applicant.**
5. **The applicant shall provide with the same bank account number in the application form as it is in the BO account of the application.**
6. **The applicants who have applied for more than two applications using same bank account, their application will not be considered for lottery and the Commission will forfeit 15% (fifteen) of their subscription money too.**
7. Bangladeshi Nationals (including non-resident Bangladeshi Nationals working abroad) and foreign nationals shall be entitled to apply for the share.

ISSUE MANAGERS:



BMSL Investment Limited



AFC Capital Limited

8. Payment for subscription by investors other than Non-Resident Bangladeshi may be made to the said branches/offices of the banks mentioned below in Cash/ Cheque/Pay Order/Bank Draft. The Cheque/ Pay Order/ Bank Draft shall be made payable to the bank to which it is sent, be marked **“Global Heavy Chemicals Limited”**, shall bear the crossing **“A/C Payee Only”** and must be drawn on a bank in the same town of the bank to which application form is deposited.

9. All completed application forms together with remittances for the full amount, payable on application, shall be lodged by investors other than Non-Resident Bangladeshis with any of the branches of the Bankers to the Issue.

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10. A Non-Resident Bangladeshi (NRB) shall apply against the Public Offer either directly by enclosing a foreign demand draft, drawn on a bank payable at Dhaka, or through a nominee (including a Bank or a Company) by paying out of foreign currency deposit account maintained in Bangladesh, for the value of securities applied for. The value of securities applied for may be paid in Taka, US Dollars, Great Britain Pounds or Euro Dollars at the spot buying (IT Clean) rate of exchange prevailing the date of opening of subscription. Refund against over subscription of shares shall be made in the currency, in which the value of shares, applied for, was paid by the applicant. Shares application form against the quota for NRB shall be sent by the applicant directly along with a draft or cheque to the company at its registered office. Copies of application form and prospectus shall be available with the Bangladesh Embassy/High Commission in USA, UK, Saudi Arabia, UAE, Qatar, Kuwait, Oman, Bahrain, Malaysia, and South Korea and on the website of the SEC, Issuer Company, Issue Manager, DSE & CSE.

11. The IPO subscription money collected from investors (other than non-resident Bangladeshis) by the Bankers to the Issue will be remitted to the Company's STD A/C No. 4006-764501-004 with AB Bank Limited, New Elephant Road Branch, Dhaka, Bangladesh for this purpose.

12. The subscription money collected from Non-Resident Bangladeshis in US Dollars or Great Britain Pounds or Euro Dollars shall be deposited to three **FC accounts opened by the Company for IPO purpose as follows:**

SL	Name of the F C Account	Currency	Account No	Bank & Branch
1	Global Heavy Chemicals Ltd.	U S Dollar	4006-76501-040	AB Bank Ltd.
2	Global Heavy Chemicals Ltd.	U K Pound	4006-76501-018	New Elephant Road
3	Global Heavy Chemicals Ltd.	Euro	4006-764501-019	Branch, Dhaka

13. In the case of over-subscription of securities to the NRB applicants, refund shall be made by BRAC Bank Limited out of the “FC Account for IPO NRB Subscription”. BRAC Bank Limited has already opened the aforesaid FC Accounts and shall close these FC Accounts after refund of over-subscription, if any. BRAC Bank Limited has already opened the aforesaid FC accounts & Current Account and shall close these accounts after refund of over-subscription, if any.

Applications not in conformity with the above requirements and the instructions printed on the applicant form are liable to be rejected.

DECLARATION ABOUT LISTING OF SHARES WITH THE STOCK EXCHANGE(S)

In case none of the stock exchange(s), if for any reason, grants listing within 75 days from the closure of subscription, any allotment in terms of this prospectus shall be void and the company shall refund the subscription money within fifteen days from the date of refusal for listing by the stock exchanges, or from the date of expiry of the said 75 (seventy five) days, as the case may be.

ISSUE MANAGERS:



BMSL Investment Limited



AFC Capital Limited

In case of non-refund of the subscription money within the aforesaid fifteen days, the company directors, in addition to the issuer company, shall be collectively and severally liable for refund of the subscription money, with interest at the rate of 2% (two percent) per month above the bank rate, to the subscribers concerned.

The issue manager, in addition to the issuer company, shall ensure due compliance of the above mentioned conditions and shall submit compliance report thereon to the Commission within seven days of expiry of the aforesaid fifteen days time period allowed for refund of the subscription money.”

Trading and settlement regulation of the stock exchanges shall apply in respect of trading and settlement of the share of the company.

TRADING AND SETTLEMENT

Trading and settlement regulation of the stock exchanges shall apply in respect of trading and settlement of the shares of the company.

❖ THE ISSUE SHALL BE PLACED IN CATEGORY “N” WITH DSE AND CSE

ISSUE MANAGERS:



BMSL Investment Limited



AFC Capital Limited

SECTION XXV: BANKERS' TO THE ISSUE

Uttara Bank Limited

Local Office
Corporate Branch, Dhaka
Gulshan Branch, Dhaka
Karwan Bazar Branch, Dhaka
Shantinagar Branch, Dhaka
Satmasjid Road Branch, Dhaka
Pallabi Branch, Dhaka
Baniya Shakra, Dhaka
B.B. Avenue Branch, Dhaka
Azampur Branch, Dhaka
Islampur Branch, Dhaka
Uttara Branch, Dhaka
Joydevpur Branch, Dhaka
Narayanganj Branch
Agrabad Branch, Chittagong
Comilla Branch, Comilla
Mymensingh Branch
Sylhet Branch, Sylhet
Jessore Branch, Jessore
Sir Iqbal Road Branch, Khulna
Bogra Branch, Bogra
Rangpur Branch, Rangpur
Dinajpur Branch, Dinajpur
Barisal Branch, Barisal
Shaheb Bazar Branch, Rajshahi
Kushtia Branch, Kushtia
Tangail Branch, Tangail
Pabna Branch, Pabna
Cox's Bazar Branch, Cox's Bazar
Faridpur Branch, Faridpur

Premier Bank Limited

Dilkusha Branch, Dhaka
Gulshan Branch, Dhaka
Banani Branch, Dhaka
Imamganj Branch, Dhaka
Karwan Bazar Branch, Dhaka
Motijheel Branch, Dhaka
Dhanmondi Branch, Dhaka
Uttara Branch, Dhaka
Khatungonj Branch, Chittagong
Elephant Road Branch, Dhaka
DEPZ Branch, Savar, Dhaka
Islamic Banking Branch, Mohakhali, Dhaka
Kakrail Branch, Dhaka
Rokeya Sarani Branch, Dhaka
Kalabagan Branch, Dhaka
Rampura Branch, Dhaka
Barishal Branch, Barishal
Narayanganj Branch, Narayanganj
Zinzira Branch, Dhaka
Nawabpur Road Branch, Dhaka
Agrabad Branch, Chittagong
Meghna Ghat Branch, Narayanganj
Pahartoli Branch, Chittagong
Khulna Branch, Khulna
Islamic Banking Branch, Sylhet
O.R. Nizam Road Branch, Chittagong
Tongi Branch, Tongi, Gazipur
Moulvibazar Branch, Moulvibazar

IFIC Bank Limited

Federation Branch, Dhaka
Dhanmondi Branch, Dhaka
Moakhali Branch, Dhaka
Banani Branch, Dhaka
Shantinagar Branch, Dhaka
Elephant Branch, Dhaka
Islampur Branch, Dhaka
Karwan Bazar Branch, Dhaka
Naya Palton Branch, Dhaka
Uttara Branch, Dhaka
Malibagh Branch, Dhaka
Pallabi Branch, Dhaka
Lamatia Branch, Dhaka
Narsingdi Branch, Narsingdi
North Brook Hall Road Branch, Dhaka
Narayanganj Branch, Narayanganj
Faridpur Branch, Faridpur
Mymensingh Branch, Mymensingh
Stock Exchange Branch, Dhaka
Pragati Sarani Branch, Dhaka
Mirpur Branch, Dhaka
Agrabad Branch, Chittagong
CDA Avenue Branch, Chittagong
Madam Bibi Hat Branch, Chittagong
Cox's Bazar Branch, Cox's Bazar
Sheikh Mujib Road Branch, Chittagong
Comilla Branch, Comilla
Brahmanbaria Branch, Brahmanbaria
Chowmuhani Branch, Noakhali
Feni Branch, Feni
Alanker More Branch, Chittagong
Rajshahi Branch, Rajshahi
Rangpur Branch, Rangpur
Bogra Branch, Bogra
Pabna Branch, Pabna
Dinajpur Branch, Dinajpur
Khulna Branch, Khulna
Bora Bazar Branch, Khulna
Jessore Branch, Jessore
Kushtia Branch, Kushtia

Barisal Branch, Barisal
Sylhet Branch, Sylhet
Moulvi Bazar Branch, Moulvi Bazar
Uposohor Branch, Sylhet
Tuliker Branch, Sylhet

Jamuna Bank Limited

Mohakhali Branch, Dhaka
Sonagong Road Branch, Dhaka
Moulvibazar Branch, Dhaka
Dilkusha Branch, Dhaka
Motijheel Branch, Dhaka
Shantinagar Branch, Dhaka
Gulshan Branch, Dhaka
Dhanmondi Branch, Dhaka
Naya Bazar Islamic Banking Branch
Foreign Exchange Branch, Dhaka
Dholikhil Branch, Dhaka
Banani Branch, Dhaka
Malibagh Branch, Dhaka
Mirpur Branch, Dhaka
Uttara Branch, Dhaka
Christia Market Branch, Dhaka
Rayerbag Branch, Dhaka
Islampur Branch, Dhaka
Ring Road Branch, Dhaka
Narayanganj Branch, Narayanganj
Savar Branch, Dhaka
Tongi Branch, Dhaka
Agrabad Branch, Chittagong
Khatungonj Branch, Chittagong
Jubilee Road Islamic Banking Branch, Chittagong
Bahaddarhat Branch, Chittagong
Kadamtali Branch, Chittagong
Anderkilla Branch, Chittagong
Bhatiyani Branch, Chittagong
Narirabad Branch, Chittagong
Dewanhat Branch, Chittagong
Comilla Branch, Comilla
Feni Branch, Feni
Bogra Branch, Bogra
Dinajpur Branch, Dinajpur
Sylhet Branch, Sylhet
Rajshahi Branch, Rajshahi
Kustia Branch, Kustia
Barisal Branch, Barisal
Mymensingh Branch, Mymensingh

Eastern Bank Limited

Principal Branch, Dilkusha, Dhaka
Motijheel Branch, Dhaka
Mirpur Branch, Dhaka
Bashundhara Branch, Dhaka
Shamoly Branch, Dhaka
Narayanganj Branch
Choumuhoni Branch, Dhaka
Moulvibazar Branch
Uttara Garb-E-Newaz Branch
Siraj-Ud-Doula Road Branch, Chittagong
Chowhatta Branch, Sylhet
Agrabad Branch, Chittagong
Khatungonj Branch, Chittagong
Bogra Branch
Khulna Branch
Rajshahi Branch
Savar Branch
Jessie Branch
Mirpur Dar-Us-Salam Road Branch
O. R. Nizam Road Branch, Chittagong
Upashahar Branch, Sylhet

AB Bank Limited

Motijheel Branch, Dhaka
New Elephant Road Branch, Dhaka
Dhanmondi Branch, Dhaka
Islampur Branch, Dhaka
Karwan Bazar Branch, Dhaka
Progoti Sharani Branch, Dhaka
Rokeya Sharani Branch, Dhaka
Mirpur Branch, Dhaka
Kakrail Branch, Dhaka
Khulna Branch, Khulna
VIP Road Branch, Sylhet
Agrabad Branch, Chittagong
Rajshahi Branch, Rajshahi
Rangpur Branch, Rangpur
Barisal Branch, Barisal
Naogaon Branch, Naogaon

Southeast Bank Limited

Principal Branch, Dhaka
Corporate Branch, Dhaka
Imam anj Branch, Dhaka
Dhanmondi Branch, Dhaka
Uttara Branch, Dhaka
New Elephant Road Branch, Dhaka
Rokeya Sharani Branch, Dhaka
Kakrail Branch, Dhaka
Banani Branch, Dhaka
Bangshal Branch, Dhaka
New Eskaton Branch, Dhaka

Karwan Bazar Branch, Dhaka
Sat Moshjid Road Branch, Dhaka
Shaymoli Branch, Dhaka
Aganagar Branch, Dhaka
Pragati Sarani Branch, Dhaka
Madhabdi Branch (Rural), Narahingdi
Ashulia Branch (Rural), Dhaka
Narayanganj Branch, Narayanganj
Joypara Branch (Rural), Dhaka
Savar Branch, Dhaka
Mouchak Branch, Dhaka
Konabari Branch (Rural), Gazipur
Moulvibazar Branch, Moulvibazar
Pahartali Branch, Chittagong
Chowhatta Branch, Sylhet
Laldighirpar Branch, Sylhet
Pathantula Branch, Sylhet
Agrabad Branch, Chittagong
Jubilee Road Branch, Chittagong
Halishahar Branch, Chittagong
Chowmuhani Branch, Noakhali
CDA Avenue Branch, Chittagong
Cox's Bazar Branch, Cox's Bazar
Chagalnaiya Branch, Feni
Momin Road Branch, Chittagong
Rangpur Branch, Rangpur
Bogra Branch, Bogra
Khulna Branch, Khulna
Barisal Branch, Barisal
Rajshahi Branch, Rajshahi

United Commercial Bank Limited

Principal Branch, Dhaka
Nayabazar Branch, Dhaka
Dhanmondi Branch, Dhaka
Narayanganj Branch
Mirpur Branch, Dhaka
Uttara Branch, Dhaka
Corporate Branch, Gulshan Avenue,
Gulshan Branch, Dhaka
Mohakhali Branch, Dhaka
Banani Branch, Dhaka
Tejgaon Branch, Dhaka
Bijoynagar Branch, Dhaka
Mymensingh Branch
Khatungonj Branch, Chittagong
Agrabad Branch, Chittagong
Cox's Bazar Branch
Jubilee Road Branch, Chittagong
Comilla Branch
Majidee Court Branch, Noakhali
Sylhet Branch, Sylhet
Pabna Branch, Pabna
Rangpur Branch
Dinajpur Branch
Bogra Branch, Bogra
Rajshahi Branch, Rajshahi
Khulna Branch, Khulna
Jessore Branch, Jessore
Kushtia Branch, Kushtia
Barisal Branch, Barisal
Faridpur Branch

National Bank Limited

Agrabad Branch, Chittagong
Anderkilla Branch, Chittagong
Bangshal Road Branch, Dhaka
Banani Branch, Dhaka
Bhabubazar Branch, Dhaka
Bogra Branch, Bogra
Barisal Branch, Barisal
Elephant Road Branch, Dhaka
Foreign Exchange Branch, Dhaka
Gulshan Branch, Dhaka
Imamganj Branch, Dhaka
Islampur Branch, Dhaka
Jatrabari Branch, Dhaka
Karwan Bazar Branch, Dhaka
Khulna Branch, Khulna
Sylhet Branch, Sylhet
Feni Branch, Feni
S.K. Mojib Road Branch
Z.H. Sikder M.C. Branch, Dhaka
Malibagh Branch, Dhaka
Khatungonj Branch, Chittagong
Lake Circus Branch, Dhaka
Tongi Branch, Gazipur
Rifles Square Branch, Dhaka
Pagla Bazar Branch, Narayanganj
CDA Avenue Branch, Chittagong
Gazipur Branch, Gazipur
Zindabazar Bazar, Sylhet
Mirpur Branch, Dhaka
Moakhali Branch, Dhaka
Mohammadpur Branch, Dhaka
Motijheel Branch, Dhaka
Dhanmondi Branch, Dhaka
Dilkusha Branch, Dhaka
New Eskaton Branch, Dhaka
North Book Hall Branch, Dhaka
Pragati Sarani Branch, Dhaka
Rokeya Sarani Branch, Dhaka
Savar Bazar Branch, Savar, Dhaka

Uttara Branch, Dhaka
Chawk Bazar Branch, Chittagong
Chowmuhani Branch, Noakhali
Pahartali Branch, Chittagong
Halishahar Branch, Chittagong
Jubilee Road Branch, Chittagong
Tangail Branch, Tangail
Comilla Branch, Comilla
Rangpur Branch, Rangpur
Rajshahi Branch, Rajshahi
Narayanganj Branch, Narayanganj
Narsingdi Branch, Narsingdi
Faridpur Branch, Faridpur
Moulvibazar Branch, Moulvibazar
Mymensingh Branch, Mymensingh
Sunamganj Branch, Sunamganj

Investment Corporation of Bangladesh

Principal Branch, Dhaka
Agrabad Branch, Chittagong
Rajshahi Branch, Rajshahi
Khulna Branch, Khulna
Barisal Branch, Barisal
Sylhet Branch, Sylhet
Bogra Branch, Bogra
Local Office, Dhaka

Dutch-Bangla Bank Limited

Bijoynagar Branch, Dhaka
Boburhat Branch, Narsingdi
Narayanganj Branch, Narayanganj
B.B. Road Branch, Narayanganj
Patherhat Branch, Chittagong
Hathazari Branch, Chittagong
Dania Branch, Dhaka
Khulna Branch, Khulna
Sylhet Branch, Sylhet
Dhaka EPZ Branch, Savar, Dhaka
Board Bazar Branch, Gazipur
Netaiganj Branch, Narayanganj
Bogra Branch, Bogra
Barishal Branch, Barishal
Sinnar Branch, Narayanganj
CDA Avenue Branch, Chittagong
Joypara Branch, Dhaka
Biswanath Branch, Sylhet
Moulvibazar Branch, Moulvibazar
Muradpur Bazar, Chittagong
Golapgonj Branch, Sylhet
Rajshahi Branch, Rajshahi
Savar Bazar Branch, Dhaka
Gazipur Chowrasta Branch, Gazipur
Feni Branch, Feni
Comilla Branch, Comilla
Jubilee Road Branch, Chittagong
Kadamtali Branch, Chittagong
Mirzapur Branch, Tangail
Cox's Bazar Branch, Cox's Bazar
Lohagara Branch, Chittagong
Manikgonj Branch, Manikgonj
Fatikchhari Branch, Chittagong
Konabari Branch, Gazipur
Choumuhani Branch, Noakhali
Sonagazi Branch, Feni
Goala Bazar Branch, Sylhet
Khatungonj Branch, Chittagong
Mymensingh Branch, Mymensingh
Shahzadpur Branch, Sirajganj
Beani Bazar Branch, Sylhet
Chattak Branch, Sunamganj
Bandura Branch, Dhaka
Saidpur Branch, Nilphamari
Rangpur Branch, Rangpur
Jessore Branch, Jessore
Halishahar Branch, Chittagong
Basurhat Branch, Noakhali
Sremangal Branch, Moulvibazar
Kushtia Branch, Kushtia
Pabna Branch, Pabna
Narsingdi Branch, Narsingdi
Satmosjid Road Branch, Dhaka
Kushtia Branch, Kushtia
Dinajpur Branch, Dinajpur
Dagonbhuiyan Branch, Feni
Gobindaganj Branch, Gaibandha
Bhulta Branch, Narayanganj
Narayanganj BSCIC Branch, Narayanganj
Tongi Branch, Gazipur
Sakhira Branch, Sakhira
Madaripur Branch, Madaripur
Munsiganj Branch, Munsiganj
Habiganj Branch, Habiganj
Chittagong EPZ Branch, Chittagong
Faridpur Branch, Faridpur
Shahjalal Uposohor Branch, Sylhet
Tangail Branch, Tangail
Matuail Branch, Matuail, Dhaka
Keraniganj Branch, Keraniganj
Uttara Branch, Dhaka
Digpait Branch, Sadar Jamalpur

SECTION XXVI: MATERIAL CONTRACTS & OHTERS

MATERIAL CONTRACTS

The following are material contracts in the ordinary course of business, which have been entered into by the Company.

- Underwriting Agreement between the Company and the Underwriters
- Issue Management Agreement between the Company and the Manager to the Issue, Bangladesh Mutual Securities Ltd. and AFC Capital Limited.

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Copies of the aforementioned contracts and documents and a copy of Memorandum and Articles of Association of the Company and the Consent Order from the Securities and Exchange Commission may be inspected on any working day during office hours at the Company's Registered Office.

COMMISSION TO THE BANKER TO THE ISSUE

Commission at the rate of 0.10% of the amount collected will be paid to the Bankers to the issue for the services to be rendered by them.

SECTION XXVII: CORPORATE DIRECTORY

Registered Office	:	37, Segun Bagicha, Dhaka-1000, Bangladesh Tel: 9330191, 9337111, 9332394, and 9357244 Fax: 8312919.
Corporate Office	:	37, Segun Bagicha, Dhaka-1000, Bangladesh Tel: 9330191, 9337111, 9332394, and 9357244 Fax: 8312919. E-mail: kzaman@opsoglobal.com, azam@opsoglobal.com, ahad@opsoglobal.com Web: www.opsoglobal.com
Factory	:	Hasnabad, Keranigonj, Dhaka Tel: 7413426, 7419972-3
Auditor	:	AHMED ZAKER & CO. Chartered Accountants 45, Bijoynagar, Saiham Sky View (2 nd Floor), Dhaka-1000 Phone: 8391440-3, Fax: 880-2-8391011
Managers to the Issue	:	1. BMSL INVESTMENT LIMITED Sadharan Bima Tower (7 th Floor), 37/A Motijheel C/A, Dhaka-1000 Phone: 7169428, 9570624, 9567002, Fax: 7123820 Website: www.bmslinvestment.com 2. AFC CAPITAL LIMITED Tanaka Tower (2 nd Floor) 42/1/Gha, Segun Baghicha, Dhaka-1000 Tel: 7120795, 7121348, Fax: 7121348, 9550040 Website: www.afccapital.org
Legal Adviser	:	Mohammad Mushfiqur Rahman Khan Advocate, Bangladesh Supreme Court
Compliance Officer	:	Mohammad Shariful Haque Company Secretary

All investors are hereby informed that Mr. Mohammad Shariful Haque, Company Secretary, who will monitor the compliance of the Acts, and rules, regulations, notification, guidelines, conditions, orders/directions etc. issued by the Commission and/or Stock Exchange(s) applicable to the conduct of the business activities of the Company so as to promote the interest of the investors in the security issued by the Company, and for redressing investors' grievances.

ISSUE MANAGERS:



BMSL Investment Limited



AFC Capital Limited

SECTION XXVIII: FINANCIAL STATEMENTS

AUDITOR'S REPORT TO THE SHAREHOLDERS

We have audited the accompanying financial statements of **Global Heavy Chemicals Ltd.**, which comprise the Statement of financial position as at December 31, 2011 along with Statement of Comprehensive Income, Statement of Changes in equity and Statement of Cash Flow for the year then ended, and a summary of significant accounting policies and other explanatory notes.

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MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing, those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the financial statements give a true and fair view of the financial position of Global Heavy Chemicals Ltd. as of December 31, 2011 and of its financial performance for the year then ended in accordance with Bangladesh Financial Reporting Standards and comply with the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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 account as required by law have been kept by the company so far as it appeared from our examination of those books;

ISSUE MANAGERS:



BMSL Investment Limited



AFC Capital Limited

- c) the company's Statement of financial position, statement of comprehensive income, Statement of Changes in equity and Statement of Cash Flow dealt with by the report are in agreement with the books of accounts;
- d) the financial position of the Company as at December 31, 2011 and the profit for the year then ended have been properly reflected in the Financial Statements, and the Financial Statements have been prepared in accordance with Generally Accepted Accounting Principles (GAAP) as applicable in Bangladesh.
- e) the expenditures incurred during the year were for the purpose of the business of the Company;

Dhaka
Date: January 22, 2012

Sd/-
Ahmed Zaker & Co.
Chartered Accountants

ISSUE MANAGERS:



BMSL Investment Limited



AFC Capital Limited

GLOBAL HEAVY CHEMICALS LTD.
Statement of Financial Position
as at December 31, 2011

<u>HEADS OF ACCOUNTS</u>	<u>Notes</u>	<u>Amount in Taka</u>	
		<u>31.12.2011</u>	<u>31.12.2010</u>
<u>SOURCES OF FUNDS</u>			
Shareholders equity			
Share Capital	3.00	600,000,000	100,000,000
Share Money Deposit	4.00	-	300,000,000
Share Premium	5.00	970,000,000	-
Revaluation Reserve	6.00	1,525,671,614	1,525,671,614
Retained Earnings	7.00	170,275,274	48,857,663
		3,265,946,888	1,974,529,277
Long Term Loan			
Bank Loan	8.00	-	694,150,272
Share Holder's Loan		51,265,000	-
		51,265,000	694,150,272
Total Capital & Liabilities		3,317,211,888	2,668,679,548
<u>APPLICATION OF FUNDS</u>			
Non-Current Assets (A)			
Fixed Assets at cost less Depreciation	9.00	3,009,607,057	2,657,132,029
Machinery in Transit	10.00	-	39,225,179
		3,009,607,057	2,696,357,208
Current Assets (B)			
Advances, Deposits and Prepayments	11.00	255,204,614	197,413,596
Inventories	12.00	112,424,515	109,370,334
Accounts Receivable	13.00	128,905,535	71,636,424
Cash and cash equivalents	14.00	3,026,543	1,785,657
		499,561,207	380,206,011
Current Liabilities (C)			
A/C Payable Provision & Liabilities for Expenses	15.00	20,955,432	34,246,652
Advance against Sales	16.00	5,718,827	6,343,462
Short term Bank Loan	17.00	58,453,528	344,565,534
Provision for Tax	18.00	106,828,589	22,728,023
		191,956,376	407,883,671
Net Current Assets (D)=(B-C)		307,604,831	(27,677,660)
Total Assets (E)=(A+D)		3,317,211,888	2,668,679,548
Net Asset Value per Share (NAVs)		54.43	98.73

The annexed notes (1-24) form an integral part of these financial statements.

Approved by the Board on January 22, 2012 and signed on its behalf by :

Sd/-
Company Secretary
Signed as per our separate report of same date.

Dhaka
Date: January 22, 2012

Sd/-
Director

Sd/-
Chairman & CEO

Sd/-
Ahmed Zaker & Co.
Chartered Accountants

ISSUE MANAGERS:



BMSL Investment Limited



AFC Capital Limited

GLOBAL HEAVY CHEMICALS LTD.
Statement of Comprehensive Income
For the period from January 01, 2011 to December 31, 2011

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HEADS OF ACCOUNTS	Notes	Amount in Taka	
		<u>31.12.2011</u>	<u>31.12.2010</u>
Operating Income:			
Net Sales	19.00	728,431,825	530,079,053
Less: Cost of Goods Sold	20.00	413,669,938	347,805,795
Gross Profit		314,761,887	182,273,258
Less: Office & administrative Expenses	21.00	28,458,412	23,355,891
		286,303,475	158,917,367
Less: Financial Expenses	22.00	63,558,539	118,507,866
		222,744,936	40,409,501
Add: Other Income		1,523,241	446,357
Profit before Tax		224,268,177	40,855,858
Less: Provision for Taxation		84,100,566	15,320,947
Profit after tax		140,167,611	25,534,911
Earnings Per Share	23.00	3.71	2.55

The annexed notes (1-24) form an integral part of these financial statements.

Approved by the Board on January 22, 2012 and signed on its behalf by :

Sd/-
Company Secretary

Sd/-
Director

Sd/-
Chairman & CEO

Signed as per our separate report of same date.

Dhaka
Date: January 22, 2012

Sd/-
Ahmed Zaker & Co.
Chartered Accountants

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BMSL Investment Limited



AFC Capital Limited

GLOBAL HEAVY CHEMICALS LTD.
Statement of Changes in Equity
For the period from January 01, 2011 to December 31, 2011

Particulars	Share Capital	Share Money Deposit	Share premium	Retained Earnings	Revaluation Surplus	Total Shareholders Equity
Balance as at January 01, 2011	100,000,000	300,000,000	-	48,857,663	1,525,671,614	1,974,529,277
Addition of Share Money	-	1,200,000,000	-	-	-	1,200,000,000
Conversion to share capital	500,000,000	(500,000,000)	-	-	-	-
Conversion to share Premium	-	(1,000,000,000)	1,000,000,000	-	-	-
Tax deduct at source	-	-	(30,000,000)	-	-	(30,000,000)
Net profit during the year	-	-	-	140,167,611	-	140,167,611
Interim dividend paid during the year	-	-	-	(18,750,000)	-	(18,750,000)
Balance as at December 31, 2011	600,000,000	-	970,000,000	170,275,274	1,525,671,614	3,265,946,888

The annexed notes (1-24) form an integral part of these financial statements.

Approved by the Board on January 22, 2012 and signed on its behalf by :

Sd/-
Company Secretary

Sd/-
Director

Sd/-
Chairman&CEO

Signed as per our separate report of same date.

Dhaka
Date: January 22, 2012

Sd/-
Ahmed Zaker & Co.
Chartered Accountants

ISSUE MANAGERS:



BMSL Investment Limited



AFC Capital Limited

GLOBAL HEAVY CHEMICALS LTD.

Statement of Cash Flow

For the Period from January 01, 2011 to December 31, 2011

PARTICULARS	31.12.2011		31.12.2010
	Amount in Taka		Amount in Taka
A. CASH FLOW FROM OPERATING ACTIVITIES:			
Cash received from sales	672,061,320		474,522,329
Cash paid to suppliers, employees and others	(377,098,719)		(568,599,223)
Interest paid	(62,860,071)		(118,507,866)
Net Cash Provided by Operating Activities:	232,102,530		(212,584,760)
B. CASH FLOW FROM INVESTING ACTIVITIES:			
Fixed Assets Addition during the period	(354,042,512)		(370,607,964)
Advance for Factory Overhauling	(59,071,854)		-
Advance against Land Purchase	(40,000,000)		-
Net Cash Used in Investing Activities:	(453,114,366)		(370,607,964)
C. CASH FLOW FROM FINANCING ACTIVITIES:			
Bank loan (Term loan)	(694,150,272)		103,623,354
Bank loan (Short term loan)	(286,112,007)		93,614,665
Share Holder Loan	51,265,000		-
Share premium	770,000,000		-
Dividend Paid	(18,750,000)		-
Share Money Deposit	-		300,000,000
Share capital	400,000,000		40,000,000
Net Cash provided by Financing Activities:	222,252,722		537,238,019
D. Net Cash Inflow (A+B+C):	1,240,886		(45,954,705)
E. Opening Cash & Cash Equivalent	1,785,657		47,740,362
F. Closing Cash & Cash Equivalent (D+E):	3,026,543		1,785,657
Operating cash flow per share	6.14		(42.52)

Sd/-
Company Secretary

Sd/-
Managing Director

Sd/-
Chairman & CEO

Signed as per our separate report of same date.

Dhaka
Date: January 22, 2012

sd/-
Ahmed Zaker & Co.
Chartered Accountants

ISSUE MANAGERS:



BMSL Investment Limited



AFC Capital Limited

Notes to the Financial Statements

For the year ended December 31, 2011

1. Significant Accounting Policies and other Material information:-

1.01 Legal form of the Enterprise:

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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.

1.02 Registered Office of the Company:

Registered Office of the Company is located at 37, Shegun Bagicha, Dhaka-1000

1.03 Principal activities and nature of the business:

The principal activities and nature of the business of the company is to manufacture and distribute Sodium Hydroxide (Caustic Soda), Chlorine and other chemical products.

2. Significant Accounting Policies:

Basis of Preparation of Financial Statements

The Financial Statements of the Company are prepared on a going concern basis under historical cost convention and in accordance with the Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRSs), the Companies Act 1994, the Securities and Exchange Rules 1987 and other laws and rules applicable in Bangladesh.

2.01 Going Concern:

This financial statements 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.

2.02 Cash Flow Statement:

Cash Flow Statement is prepared in accordance with BAS 7 "Statement of Cash Flow" and the Securities and Exchange Rules, 1987 and the cash flow from the operating activities are shown under the direct method as prescribed.

2.03 Recognition of Fixed Assets and Depreciation:

In accordance with the International Accounting Standard adopted by The Institute of Chartered Accountants of Bangladesh (ICAB) as BAS 16 'Property Plant and Equipments, fixed assets 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:

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a)	Land & Developments	0%
b)	Building & Other Civil Construction	2.5%
c)	Plant & Machinery	2.5%
d)	Generator	5%
e)	Pipe, Pipe Rack & Electrical	5%
f)	Furniture and Fixture	10%
g)	Tools & Equipments	5%
h)	Motor Vehicles	10%

Revaluation of Fixed Assets:

The Land of the company was revalued at Tk. 1,593,072,000 by Mahfel Huq & Company, Chartered Accountants following “current cost method” resulting in a revaluation surplus of Tk. 1,525,671,614.

2.04 Impairment:

All assets except inventory arising from construction contracts financial assets is assessed at the end of each reporting period to determine whether there is any indication that an assets 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.

2.05 Revenue Recognition:

Revenue is recognized only when it is probable that the economic benefit of such transaction has been derived as per “BAS-18”.

Sales revenue is recognized when transactions related to sales are completed and the sales invoices are issued in favor of the buyers.

2.06 VAT:

The company’s trading income is subject to VAT and these VAT liabilities are accounted for as per VAT Act 1991 having been maintaining a VAT Current Account.

2.07 Valuation of Current Assets:

Sundry Debtors:

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.

Inventories:

In compliance with the requirements of BAS 2 "Inventories" & with 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.

2.08 RISK FACTOR & MANAGEMENT'S PERCEPTION REGARDING RISKS

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The sponsors have wide experience and expertise in the field of Pharmaceuticals & Chemicals Manufacturing. They are efficiently and effectively managing the existing operations with significant business growth. The company has good reputation in the domestic as well as international market for its quality products and commitment. This can be assumed that GHCL will not face any difficulty in its production & selling operations as Pharmaceutical & Chemical sectors are growing very fast in Bangladesh.

However, a business is always subject to various risk factors that have to be addressed properly because some time it is beyond control due to the volatile changing political and economical conditions in and out of the country.

I.Exchange Rate Risk:

GHCL imports raw materials and spares by making payments in foreign currency and the price of special grade industrial salt in the international market is very unstable. Also cost of the spare parts particularly for maintenance of the European origin capital machineries is very high. However, own low cost power generation ability of the company as well as highly skilled local engineers and availability of many locally made equipments has reduced the burden of foreign exchange utilization of the company that leads to profitability.

Appropriate and responsible mechanisms adopted by GHCL in the past in case of significant taka devaluation in order to keep the cost minimum and same will be followed in future. However, if the price of US Dollar rise so sharply against Taka, this will be a nationwide phenomenon experienced by the whole industry, there will be a market adjustment at the end of product price.

II.Industry Risks:

Government's industrial friendly policy is very important for any industrial sector for its growth and development. At present Government of Bangladesh is encouraging the entrepreneurs to manufacture basic chemicals to reduce its import burden. Despite good intention of the Government still the policy implementation time is very lengthy. Another major risk factor is shortage of power and gas supply. Apart from this there are other problems too such as recessions, political unrest; wars in different countries of the World embargoes have significant effects on the company operations and its profitability.

GHCL produce and sale Caustic Soda, Hydrochloric Acid, Bleaching Powder, Chlorine, Sodium Hypochlorite, Clotech 2 & 4 Liter & Chlorinated Paraffin Wax. The major consumers of the products of GHCL are Textiles Dyeing, Power Plant, Fertilizer, Pharmaceutical Industry, Paper Industry, Soap, Detergent, Rubber & Artificial Leather industry, Dhaka & Chittagong Wasa etc. There is a huge demand-supply gap for the products of the company in the Chemical market. The Company earned good name & fame in the chemical market of the country for its quality. As the products are very toxic content, it may bear some industrial risk causing human health effects and aquatic effects including water & environment pollution.

The company has internal risk mitigate system like using the modern equipped water treatment plant and using of foreign technical & experts for hazard identification, risk analysis and risk management specifying risk acceptance and risk reduction guidelines, process hazards management

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procedures, including emergency response procedures, structure financial and insurance provisions and establish communication procedures with affected employees and the public.

However, because of the high demand of industrial chemicals, the domestic market and industry will be benefited in comparison to imported products in terms of quality, cost and availability.

III. Interest Rate Risk:

Interest related expenditure of all short-term and long-term borrowed funds by GHCL is subject to revision with change of interest rates in the market. However Interest rates always a concern of the management. If the company has a business transaction with the bank/financial institution always involve with risk of gain or loss. Increase the interest rate over burden the financial charges and squeezes the profit earning of the company.

Company management is well aware of the bank interest and always thrives for procuring long term fund with minimum fixed interest rate. Company is always emphasizing on equity based financing.

IV. Market Risk and Price Risk:

The products of GHCL i.e. Caustic Soda, Hydrochloric Acid, Bleaching Powder, Chlorine, Sodium Hypochlorite, Clotech & CPW are normally used by Textiles Dyeing, Power Plant, Fertilizer, Pharmaceutical Industry, Paper Industry, Soap, Detergent, Rubber & Artificial Leather industry, Dhaka & Chittagong Wasa & others.

GHCL is the first private sector manufacturer of Caustic Soda, Hydrochloric Acid, Bleaching Powder, Chlorine, Sodium Hypochlorite, Clotech & CPW in Bangladesh. The yearly demand of Caustic Soda alone is around 1.25 Lac Metric Ton in Bangladesh which is covered by GHCL & other three manufacturers and on imported products. GHCL at the moment covers around 20% of the national demand.

V. Supply Risk :

GHCL is totally depended for its main raw materials of special grade sodium Chloride where magnesium and calcium ratio is 2:1, These materials are available with better price only in Gandhidham, Gujrat, India. But some times because of availability of ship and productivity of these special grade sodium chloride in Gujrat affects GHCL's production. But GHCL management is taking special attention to maintain excess stock of special grade sodium chloride to minimize this risk. Other raw materials i.e. Barium Carbonate, Sodium Carbonate, Meghna Flock & Alpha Cellulose are procured timely from Chinese, Indian and Japanese source. GHCL also requires Sulphuric Acid and Sodium Sulphite which are normally procured from sister concern M/s. Crescent Chemicals Ltd.

VI. Quality Control risk:

GHCL has no formal agreement with the selling distributors who are finally deal with the Customers. Distributors may adulterate the product of GHCL to gain some undue profit, where GHCL has no control over that risk.

The management of GHCL is very much aware of this issue. The company has been maintaining good relationship with distributors who purchase bulk quantity of the GHCL's products to minimize the quality risk.

VII. Infrastructural Risk:

Properly designed infrastructures by the competent engineering experts are vital for smooth operation and higher productivity unless the industry cannot be competitive with other competitors.

GHCL is located in a place that is well connected by roads and rivers. GHCL plant as a whole and each individual building within its compound has the touch of highly experienced group of local & foreign engineers. All the infrastructural facilities such as gas, electricity, telephone & other latest communication facilities are available. Computerized Distribution Control Systems (DCS) is able to

monitor and control entire operational activities of the whole plant from a single point. At least 3000 loops are connected with the central DCS system from the fields to receive data everyday.

VIII. Technological Risk:

Modern technology always plays a vital role for any business for ensuring quality products, Smooth project operation & better service to the customers is strictly followed in relation to minimizing costs.

GHCL has incorporated most advanced technology and equipment in its manufacturing plant and regularly upgrading the same for sustaining production growth by maintaining high standard of quality. Foreign experts are regularly visiting GHCL plant for monitoring smooth functionality of the machineries and providing necessary guidance for its maximum efficiency.

IX. Operational Risk :

Timely unavailability of special grade Industrial Salt (Sodium Chloride), shortage of gas supply labour shifting job, price increase of raw materials, natural calamities, political unrest situation may disrupt production of the company and can adversely, affect the profitability of the company.

GHCL has well experienced management team both in head office and production premises to run the operation efficiently. However, better human resources development plan for both officers and workers increase the efficiency more in operation. Recently the company introduces a well-designed performance evaluation system. In order to reduce the operational risk, an internal control policy has already been introduced through an established internal audit department.

Moreover company has taken a program to increase the electricity generation capacity to 4.30 megawatt more by importing a new gas generator which will minimize the electricity generation risk to a minimum level.

2.09 Financial Instruments:

Derivative:

According to BFRS 7: “Financial Instruments: Disclosures”, the company was not a party to any derivative contract (financial instruments) at the ` date, 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.

Non-Derivative:

Non-derivative financial instruments comprise of accounts and other receivable, borrowings and other payables and are shown at transaction cost as per BAS 39 “Financial Instruments: Recognition and Measurement”.

2.10 Currency of Reporting and Foreign currency Transactions:

Currency of Reporting:

The financial statements of the Company have been prepared in the Bangladeshi Taka.

Foreign currency Transactions

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

2.11 Contingent Liabilities:

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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 BAS-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.

2.12 Taxation:

Provision for taxation:

Provision for current income tax has been made at the rate of 37.5% as prescribed in the Finance Act, 2011 on the accounting profit made by the Company in compliance with BAS-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. The impact on the account of changes in the deferred tax assets and liabilities for the year ended December 31, 2011 has not been recognized in the profit and loss account as per BAS-12 "Income Taxes".

2.13 Benefits to the employees

The Company did not operate any Fund and not accounted and paid any employee benefit to the employees in accordance with the provisions of Bangladesh Accounting Standard-19, "Employee Benefit". But the board of the directors of the company has been decided to introduce the employees benefit plans and workers participation fund as per board regulation dated June 25, 2011. The employee benefit plans and workers participation fund will be effective from January 01, 2012. During the year under review, the company's number of employee stands 410, 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	Person
Production Employee (Engineers & Workers)	344
Sales & Distribution Employees	40
Administrative Employees	26
Total	410

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2.14 Borrowing Cost:

The borrowing cost were capitalized unless active development of related assets were interrupted or cease when the active development were cease the borrowing cost directly transferred to the Profit and Loss account as per BAS-23 “Borrowing Cost”.

2.15 Earnings per share:

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The company calculates Earning Per Share (EPS) in accordance with BAS-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	December 31, 2011
a)	Earnings attributable to the ordinary shareholders	140,167,611
b)	Number of Ordinary Shares. (Weighted Average)	378,08,219
c)	Earning Per Share	3.71

Weighted average number of ordinary shares outstanding during the year:

This represents the number of ordinary shares outstanding at the beginning of the year plus the number of shares issued during the year multiplied by a time-weighted factor is the number of months the specific shares is outstanding as a proportion of the total number of months in the year.

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.

2.16 Information about business segments:

As per BFRS 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.

2.17 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 BAS-24 “Related Party Disclosure”. The company engaged in a number of related party transactions on an arms length basis. All the transaction with related parties was made through local currency at market prices. During the year under audit there are following such related party transactions were made during the year:

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SL No.	Related Party Companies	Nature of Transaction	Outstanding as on 31.12.2011	Head of A/C
1.0	Opsonin Pharma Ltd.	Sales	1,69,18,400	A/R
2.0	Opso Saline Ltd.	Sales	8,949,100	A/R
3.0	Global Capsules Ltd.	Sales	1,26,89,400	A/R
4.0	Jokky Garments Ltd.	Sales	7,50,900	A/R
5.0	Crescent Chemicals Ltd.	Purchases	12,75,285	A/P
SL No.	Related Party	Nature of Transaction	Amount	Head of A/C
1.0	Opsonin Pharma Ltd.	Share Allotment	105,00,00,000	Share Capital
2.0	Opso Saline Ltd.	Share Allotment	2,70,00,000	Share Capital
3.0	Global Capsules Ltd.	Share Allotment	2,52,00,000	Share Capital
4.0	Jokky Garments Ltd.	Share Allotment	1,95,00,000	Share Capital
5.0	Crescent Chemicals Ltd.	Share Allotment	2,13,30,000	Share Capital
6.0	Capt. Abdus Sabur Khan (Retd.)	Remuneration	8,90,000	Gen. & Admin. Expense
7.0	Abdur Rouf Khan	Remuneration	6,00,000	Gen. & Admin. Expense
8.0	Abdur Rakib Khan	Remuneration	11,50,000	Gen. & Admin. Expense

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AFC Capital Limited

2.18 Name of the directors and the entities in which they have interest as at December 31, 2011

Sl. No.	Name of the Directors	Status with the Company	Entities where the have interest	Educational Qualification
1.	Capt. Abdus Sabur Khan (Retd.)	Chairman	Opsonin Pharma Ltd. Opso Saline Ltd. Global Capsules Ltd. Jokky Garments Ltd. Crescent Chemicals Ltd.	BA & Graduation from PMA, Kakul, Pakistan
2.	Abdur Rouf Khan	Vice Chairman	Opsonin Pharma Ltd. Opso Saline Ltd. Global Capsules Ltd. Jokky Garments Ltd. Crescent Chemicals Ltd.	B.Sc
3.	Abdur Rakib Khan	Vice Chairman-2	Opsonin Pharma Ltd. Opso Saline Ltd. Global Capsules Ltd. Jokky Garments Ltd. Crescent Chemicals Ltd.	B.Com
4.	Masuma Begum	Director	Nil	B.A
5.	Zakia Sultana Khan	Director	Nil	M.A
6.	Suraya Jebeen Naz	Director	Nil	B.Sc

2.19 Information on Financial Statements:

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.

2.20 Authorization date for issuing Financial Statements:

The financial statements were authorized by the Board of Directors on January 22, 2012 for issue after completion of review.

2.21 Components of the Financial Statements:

Following are the component of the financial statements.

- Statement of Financial Position as at December 31, 2011.
- Statement of Comprehensive Income for the year ended December 31, 2011.
- Statement of Changes in Equity for the year ended December 31, 2011.
- Statement of Cash Flow for the year ended December 31, 2011.
- Explanatory notes to the financial statements.

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2.22 Comparative:

Comparative information have been disclosed in respect of the previous year for all numerical information in the financial statements except for Cash Flow Statement and also the narrative and descriptive information 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 BAS-8 "Accounting Policies, Changes in Accounting Estimates and Errors".

2.23 General:

- The figure has been rounded off to the nearest Taka.
- The financial Statements have been prepared covering one year for the period from January 01, 2011 to December 31, 2011.

3.00 Share Capital

	Amount in Taka	
Authorized Capital	2011	2010
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.

Issued, subscribed and paid up Capital	2011	2010
60,000,000 ordinary shares of Tk.10/- each fully paid	600,000,000	100,000,000

Category of Shareholders	No. of Share		% of holding		Amount in Taka	
	2011	2010	2011	2010	2011	2010
Directors	14,035,000.00	9,700,000.00	23.39	97.00	140,350,000.00	97,000,000.00
Other than Director	45,965,000	300,000	76.61	3.00	459,650,000	3,000,000
Total	60,000,000	10,000,000	100	100	600,000,000	100,000,000

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Classification of shareholders as per their share holdings

Director

Class Interval	No. of Share holder		No. of Share		% of total holding	
	2011	2010	2011	2010	2011	2010
0001-100	-	-	-	-	-	-
101-500	-	-	-	-	-	-
501-1000	-	-	-	-	-	-
1001-5000	-	-	-	-	-	-
5001-10000	-	-	-	-	-	-
10001-20000	-	-	-	-	-	-
20001-30000	-	-	-	-	-	-
30001-40000	-	-	-	-	-	-
40001-50000	-	-	-	-	-	-
50001-100000	-	-	-	-	-	-
100001-1000000	-	-	-	-	-	-
1000001-40000000	6	3	14,035,000	9,700,000	23.39	97.00
Total	6	3	14,035,000	9,700,000	23.39	97.00

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Other than Director

Class Interval	No. of Share holder		No. of Share		% of total holding	
	2011	2010	2011	2010	2011	2010
1-100	-	-	-	-	-	-
101-500	-	-	-	-	-	-
501-1000	1	-	1,000.00	-	0.0017	-
1001-5000	35	-	146,500.00	-	0.2442	-
5001-10000	24	-	236,000.00	-	0.3933	-
10001-20000	7	-	124,500.00	-	0.2075	-
20001-30000	14	1	360,000.00	30,000	0.6000	0.30
30001-40000	5	-	190,000.00	-	0.3167	-
40001-50000	12	6	576,500.00	270,000	0.9608	2.70
50001-100000	10	-	925,000.00	-	1.5417	-
100001-1000000	26	-	8,375,500.00	-	13.9592	-
1000001-40000000	1	-	35,030,000.00	-	58.3833	-
Total	135	7	45,965,000	300,000	76.61	3.00

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				Amount in Taka	
4.00	Share Money Deposit:			<u>31.12.2011</u>	<u>31.12.2010</u>
	Opening Balance:			300,000,000	-
	Received During the year			1,200,000,000	300,000,000
				1,500,000,000	300,000,000
	Conversion to share capital			500,000,000	-
				1,000,000,000	300,000,000
	Tax deduct at source against Share Premium			30,000,000	-
				970,000,000	300,000,000
	Conversion to share Premium			970,000,000	-
	Balance as on December 31, 2011			-	300,000,000

				Amount in Taka	
5.00	Share Premium			<u>31.12.2011</u>	<u>31.12.2010</u>
	Total Share Premium received against 50,000,000 Share @ Tk.20			1,000,000,000	-
	Less: 3% Tax paid at source on 50,000,000 shares			30,000,000	-
	Total:			970,000,000	-

Note: The Global Heavy Chemicals Ltd. have got Permission for 55,000,000 share @ Tk.30 (Including a premium of Tk.20) for capital raising and the company deposited 3% Tax at source for the total premium amount of Tk.110,000,000 against 55,000,000 share. But the company could sell out 50,000,000 share and received Tk. 1,000,000,000 as share premium.

6.00 Revaluation Reserve

The Land of the company was revalued at Taka. 1,593,072,000 by Mahfel Huq & Company, Chartered Accountants.

Summary of Valuation report is noted below:

Summary of Valuation

				<u>31.12.2011</u>	<u>31.12.2010</u>
	Land: 995.67 decimal@ Tk. 1,600,000.00			1,593,072,000	1,593,072,000
	Total			1,593,072,000	1,593,072,000
	Less: Cost Adjustment			67,400,386	67,400,386
	Revaluation Surplus			1,525,671,614	1,525,671,614

7.00	Retained Earnings			<u>31.12.2011</u>	<u>31.12.2010</u>
	Balance as at January 01, 2011			48,857,663	23,322,752
	Add: Net profit during the year			140,167,611	25,534,911
				189,025,274	48,857,663
	Less: Interim dividend paid during the year			18,750,000	-
	Balance at December 31, 2011			170,275,274	48,857,663

The amount of Tk.1,87,50,000 represents dividend recommended by the board of directors @12.5% on the public portion of paid-up capital except sponsor share holder. (Tk. 1.25 per share) which was subsequently paid during the year 2011.

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8.00	Bank Loan				
	<u>Name of Bank</u>	<u>A/C Number</u>		<u>31.12.2011</u>	<u>31.12.2010</u>
	Uttara Bank Term Loan	61-3181		-	33,998,419
	HSBC Term Loan	011-034339/294,295		-	81,130,304
	AB Bank Term Loan	4006764501/464-467		-	444,169,492
	South East Bank	0015-713-755,749		-	134,852,057
	Total			-	694,150,272

9.00	Fixed Assets At Cost less Depreciation:			<u>31.12.2011</u>	<u>31.12.2010</u>
	Opening balance			2,690,692,248	794,412,670
	Add: Addition during the year			393,267,692	370,607,964
				3,083,959,940	1,165,020,634
	Add: Revaluation Surplus (Land)			-	1,525,671,614
				3,083,959,940	2,690,692,248
	Less: Depreciation Charged upto December 31, 2010			33,560,219	13,121,079
				3,050,399,721	2,677,571,169
	Less: Depreciation charged during the year			40,792,664	20,439,140
	Written Down Value as on December 31, 2011			3,009,607,057	2,657,132,029

A schedule of fixed assets is given in Annexure-A

10.00	Machinery at Transit			<u>31.12.2011</u>	<u>31.12.2010</u>
	L/C (Uttara Bank Ltd.)			-	39,225,179
	Total:			-	39,225,179

11.00	Advances, Deposits and Prepayments			<u>31.12.2011</u>	<u>31.12.2010</u>
	Security Deposits			23,680,188	17,389,676
	Advance for Factory Overhauling (Note: 11.01)			59,071,854	
	Advance Tax (Note: 11.02)			15,022,573	2,640,243
	Advance VAT (Note: 11.03)			2,267,330	937,227
	Advance against Land Purchases			40,000,000	-
	Other Advance & Deposit (Note: 11.04)			115,162,669	176,446,450
	Total:			255,204,614	197,413,596

11.01	Advance for Factory Overhauling:			<u>31.12.2011</u>	<u>31.12.2010</u>
	Factory overhauling			59,071,854	-
				59,071,854	-

The Global Heavy Chemicals Ltd. has started overhauling its factory phase by phase. During the year the company pays the above amount against factory overhauling.

11.02	Advance Tax			<u>31.12.2011</u>	<u>31.12.2010</u>
	Advance Tax on Share Premium			3,000,000	-
	Others Advance Tax			12,022,573	2,640,243
	Total:			15,022,573	2,640,243

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Note: The Global Heavy Chemicals Ltd. have got Permission for 55,000,000 share @ Tk.30 (Including a premium of Tk.20) for capital raising and the company deposited 3% Tax at source amount of Tk. 33,000,000 for the total premium amount of Tk.110,000,000 against 55,000,000 share. But the company could sell out 50,000,000 shares and received Tk. 1,000,000,000 as share premium and adjust Tk. 30,000,000 of advance Tax against received premium.

11.03	Advance VAT			31.12.2011	31.12.2010
	VAT Current A/C			2,267,330	937,227
	Balance as on December 31, 2011			2,267,330	937,227

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11.04	Other Advance & Deposit			31.12.2011	31.12.2010
	Advance to C & F agent			6,568,000	16,548,900
	Advance to Carrying agent			2,842,000	15,846,400
	Advance to supplier			35,966,949	55,481,705
	Advance for construction work			16,158,000	64,892,500
	Advance to employee			8,830,858	6,843,880
	L/C Margin at Uttara Bank Ltd.			41,851,000	15,587,205
	Other advance expenses and deposited			2,945,862	1,245,860
	Total:			115,162,669	176,446,450

	Aging of Other Advance & Deposit:			31.12.2011	31.12.2010
	Dues within three Months			74,855,735	114,690,193
	Dues within three Months to Six months			33,775,480	53,128,026
	Dues within Six Months to one year			6,531,454	8,628,231
	Total:			115,162,669	176,446,450

12.00	Inventories			31.12.2011	31.12.2010
	Raw Materials (Note: 12.01)			64,025,812	49,463,662
	Packing Materials (Note: 12.02)			7,564,564	11,540,466
	Finished Goods (Note: 12.03)			15,072,812	6,331,001
	Materials in Transit (Note: 12.04)			25,761,327	42,035,205
	Total:			112,424,515	109,370,334

A Schedule of Stock as per Companies Act, 1994 Schedule XI, Part-II, Para-3, is given in Annexure-B

12.01	Raw Materials			31.12.2011	31.12.2010
	Sodium Chloride (Salt)			44,452,675	29,242,590
	Hydrated Lime (Calcium Hydroxide)			3,254,820	4,258,650
	Barium Carbonate			5,634,580	856,700
	Anhydrous Sodium Carbonate			854,200	794,800
	Sulphuric Acid			485,200	328,500
	10% Sodium Sulphite Solution			365,800	509,900
	Meghna Flock			258,237	458,322
	Alpha cellulose			685,400	759,600
	Liquid Paraffin			8,034,900	12,254,600
	Total:			64,025,812	49,463,662

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12.02	Packing Materials				<u>31.12.2011</u>	<u>31.12.2010</u>
	High Density Polyethylene (HDP)				3,141,330	5,235,550
	Low Density Polyethylene (LDP)				2,946,800	4,594,194
	Drum				794,000	811,000
	Plastic Bag				436,800	546,000
	Other Packing Materials				245,634	353,722
	Total:				7,564,564	11,540,466

12.03	Finished Goods				<u>31.12.2011</u>	<u>31.12.2010</u>
	Caustic Soda (Flakes/Liquid)				9,342,820	2,889,814
	Hydrochloric Acid				1,197,192	795,320
	Bleaching Powder				1,018,900	898,100
	Sodium Hypochlorite				598,000	396,600
	Chlorinated Paraffin Wax (CPW)				1,894,000	648,000
	Clotech				289,000	481,667
	Liquid Chlorine Gas				732,900	221,500
	Total:				15,072,812	6,331,001

12.04	Materials in Transit				<u>31.12.2011</u>	<u>31.12.2010</u>
	Sodium Chloride (Salt)				-	26,181,900
	Hydrated Lime (Calcium Hydroxide)				-	4,852,000
	Barium Carbonate				-	1,764,800
	Liquid Paraffin				25,761,327	8,764,200
	Anhydrous Sodium Carbonate				-	472,305
	Total:				25,761,327	42,035,205

13.00	Accounts receivable:					
	<u>Name of the Parties</u>				<u>31.12.2011</u>	<u>31.12.2010</u>
	Sony Plastic Complex Ltd.				4,706,400	4,548,000
	Shabur Khan Electronics				5,246,900	-
	United Leather (Pvt) Ltd.				8,544,500	8,256,800
	Mohammadi Electric				2,220,300	2,145,600
	Crystal Plasticizers				1,298,500	1,254,800
	Ashraf Rubber & Plastic Industries				4,410,500	4,262,000
	Akij Food and Bevarage Ltd.				99,300	96,000
	H M Enterprise				5,953,200	5,752,800
	FC Exim (BD) Ltd.				1,185,300	1,145,400
	Medicus				5,248,200	-
	K. Rahman & Brothers				8,335,000	3,222,800
	A. Rahman & Co.				8,501,900	3,384,000
	Alam Enterprise				8,130,700	4,958,000
	Sufia Enterprise				7,889,100	3,758,200
	Premier Chemicals				5,001,298	3,245,800
	Nasir Chemicals				3,360,697	3,599,454
	Brothers Engineers				1,928,200	897,000
	Electra International				1,902,440	872,050
	KAFCO				131,900	127,500

ISSUE MANAGERS:



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Opsonin Pharma Ltd.			16,918,400	4,752,800
Medimet Pharmaceuticals			5,503,400	1,452,800
Opso Saline Ltd.			8,949,100	4,782,500
Global Capsules Ltd.			12,689,400	8,396,432
Jokky Garments Ltd.			750,900	725,688
Total			128,905,535	71,636,424

Aging of Accounts Receivable:			31.12.2011	31.12.2010
Dues within three Months			112,147,815	63,756,417
Dues within three Months to Six months			14,656,560	7,801,207
Dues within Six Months to one year			2,101,160	78,800
Total:			128,905,535	71,636,424

14.00 Cash and Cash Equivalents			31.12.2011	31.12.2010
Cash in hand (14.01)			1,642,398	1,458,620
Cash at bank (14.02)			1,384,145	327,037
Total			3,026,543	1,785,657

14.01 Cash in hand			1,642,398	1,458,620
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We could not physically verify the cash in hand as on December 31, 2011 due to our post dated audit appointment. However we have obtained a cash custody certificate from the company's management in support of the above amount.

14.02 Cash at bank			31.12.2011	31.12.2010
Uttara Bank, Shantinagar Br. A/C No. 21-4129			634,741	288,705
Uttara Bank, Shantinagar Br. A/C No. 21-4746			38,114	18,907
Uttara Bank, Shantinagar Br. A/C No. 21-4751			25,007	-
Dutch Bangla Bank Ltd. Shantinagar Br. A/C No. 108.110.22443			374,570	-
AB Bank, New Elephant road Br. A/C No. 501-002			311,713	19,425
Total			1,384,145	327,037

The above bank balances are reconciled with the Bank statements as at December 31, 2011 and found to be in order.

15.00 Accounts Payable, Provision & Liabilities for Expenses			31.12.2011	31.12.2010
Accounts Payable to supplier (Note: 15.01)			1,592,208	1,468,072
Provision for interest on AB Bank term Loan			140,287	15,034,066
Gas Bill Payable			13,162,788	12,556,504
Salary and Allowance Payable			3,581,649	2,236,056
Provision and liabilities for expenses (Note: 15.02)			2,398,500	2,666,249
Provision for Audit Fees			80,000	50,000
For Other Finance			-	235,705
Balance as at December 31, 2011			20,955,432	34,246,652

ISSUE MANAGERS:



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15.01	Accounts Payable to supplier				31.12.2011	31.12.2010
	<u>Name of the Parties</u>					
	Crescent Chemicals Ltd.				1,275,285	1,254,800
	Rashed Enterprise				168,425	210,540
	Miracal Industries Ltd.				146,453	-
	Hussain Plastic				2,045	2,732
	Total:				1,592,208	1,468,072

15.02	Provision and Liabilities for Expenses				31.12.2011	31.12.2010
	Provision Printing & Stationeries Expenses				106,137	64,950
	Provision for Telephone expenses				4,591	2,455
	Provision for hotel bill				76,468	152,680
	Provision for car bill				7,230	5,820
	Vehicle Maintenance Cost Payable				297,481	245,300
	Provision for Advertisement				28,458	103,500
	Generator fuel cost payable				33,984	42,980
	Carrying cost payable				504,279	462,850
	C&F bill payable				1,339,872	1,585,714
	Total:				2,398,500	2,666,249

16.00	Advance received against sales				31.12.2011	31.12.2010
	<u>Name of the Parties</u>					
	Nurjahan Chemicals Ltd.				467,354	196,928
	Shahjahan Chemicals				-	386,094
	Uttara Chemical Works				-	420,323
	Al- Maarij Enterprise				302,856	92,220
	H.K. Enterprise				-	437,207
	H.K. Chemicals				338,521	125,765
	National Builders Ltd				480,292	176,755
	Sanjit Roy				103,656	158,000
	M.R. Brothers				489,278	230,550
	Rony Enterprise				-	272,000
	Jarin Enterprise				2,065	-
	Ali & Sons				43,652	12,988
	Monwar Hosssain & Co				-	384,250
	Vanish Chemical Industries				249,682	403,174
	Comilla Chemical Supply				144,506	70,702
	Friends Chemicals				284,296	384,250
	Pride Enterprise				110,620	50,029
	Hoque Chemical Works				-	177,579
	Adarsha Chemical Supply				51,265	21,172
	N P Chemical				-	180,203
	The Chemico				358,753	241,270
	Banijja Bitan				376,295	230,550
	Dhaka Chemical				146,927	66,821
	A R Fashion				-	71,932
	Amir Hossain Chemicals				249,578	130,550

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Rupsha Chemical Works			56,498	18,095
Hoque Chemicals Co			594,353	300,000
Kasba Chemical			-	57,215
New Sun Chemicals			133,262	60,328
Arif Hossain Brothers			-	384,250
Mita Chemical & Scientific Store			342,978	182,135
Anowarul Islam			345,225	284,250
Monu Miah & Co			-	120,138
Chemtrack Ind			46,915	15,739
Total:			5,718,827	6,343,462

17.00 Short Term Bank Loan			<u>31.12.2011</u>	<u>31.12.2010</u>
Name of Bank	A/C Number			
Uttara Bank CC	31-83		34,346,745	185,107,351
Uttara Bank LTR	64-38,75,102,118		20,696,174	8,498,383
Uttara Bank OD	61-3948		(71,821)	20,424,087
Uttara Bank PAD			-	8,616,454
HSBC OD	011-034339/011		3,510,173	17,016,727
HSBC ROD	011-034339/251		-	50,410,500
AB Bank LTR	4006764501/700		-	23,635,175
AB Bank OD	4006764501/000		(27,743)	30,856,858
Total:			58,453,528	344,565,534

The above Short Term Loan represents the amount received from the respective Financial institution. The amount so received was utilized mainly for import for 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 Bank and the financial Institution. The chargeable rate of Interest for the loan amount carries a rate ranging from 12% to 16.5%.

18.00 Provision for Tax			<u>31.12.2011</u>	<u>31.12.2010</u>
Opening Balance			22,728,023	7,407,077
Add: Provision during the year			84,100,566	15,320,946
Balance as at December 31, 2011			106,828,589	22,728,023

Provision amounting to Taka 84,100,566 has been made on account of current period's Income Tax payable to Govt. authority.

19.00 Net Sales			<u>31.12.2011</u>	<u>31.12.2010</u>
Gross Sales (Note: 19.01)			837,415,245	609,167,235
Less: Vat			108,983,420	79,088,182
Total:			728,431,825	530,079,053

19.01 Gross Sales			<u>31.12.2011</u>	<u>31.12.2010</u>
		Total unit		
Caustic Soda (Flakes/Liquid)	11,998,500	Kg	629,896,900	436,565,058
Hydrochloric Acid	18,093,000	Kg	83,229,600	76,410,380
Bleaching Powder	661,500	Kg	19,859,200	12,322,019
Sodium Hypochlorite	1,188,500	Kg	5,942,600	3,530,342
Chlorinated Paraffin Wax (CPW)	812,500	Kg	82,857,100	71,354,856
Clotech	134,600	Kg	9,423,500	3,998,522

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Liquid Chlorine Gas	142,500	Kg	2,564,700	1,035,440
Used Sulphuric Acid	3,530,500	Kg	1,765,951	1,126,112
Export of Liquid Chlorine Gas	318,000	Kg	1,875,694	2,824,506
Total:			837,415,245	609,167,235

20.00	Cost of Goods Sold			31.12.2011	31.12.2010
	Opening Stock of Finished Goods			6,331,001	5,611,256
	Opening Stock of Packing Materials			11,540,466	6,914,268
				17,871,467	12,525,524
	Add: Production Cost (Note-20.01)			399,401,221	328,023,424
	Add: Packing Materials Purchases			19,034,626	25,128,314
				436,307,314	365,677,262
		Amount in Taka			
	Less: Closing Stock of Finished Goods	15,072,812.00			
	Closing Stock of Packing Materials	7,564,564.00		22,637,376	17,871,467
	Total			413,669,938	347,805,795

20.01	Production Cost			31.12.2011	31.12.2010
	Opening Stock of Raw Materials			91,498,867	6,314,500
	Add: Raw Materials Purchase			263,538,998	278,868,451
				355,037,865	285,182,951
	Less: Closing Stock of Raw Materials			89,787,139	91,498,867
	Raw Material Consumed			265,250,726	193,684,084
	Add: Direct and Indirect Expenses	Amount in Taka			
	Factory Wages	15,775,160			17,991,013
	Carriages	4,183,756			4,032,240
	Gas Expenses	67,172,066			72,075,516
	Fuel and Lubricants	6,665,046			16,397,567
	Depreciation	38,753,031			19,417,182
	Consumable Stores	1,601,436		134,150,495	4,425,823
	Total:			399,401,221	328,023,424

21.00	Office & Administrative Expenses			31.12.2011	31.12.2010
	Salary & Allowances			13,487,329	12,791,923
	Managing Director's Salary			1,100,000	960,000
	Director remuneration			1,540,000	1,200,000
	Office rent			511,265	318,000
	Telephone (Head Office)			487,246	254,101
	Printing & Stationery			949,873	644,358
	Electricity			516,547	266,956
	Professional fees			194,568	132,000
	Postage			324,652	149,865
	Entertainment			310,569	172,412
	Subscription			335,272	186,813
	EGM Expenses			213,520	-
	Computer Repairs and Accessories			412,876	397,617
	Traveling and Conveyance			348,793	253,468
	License fees and M. Tax			289,654	123,800
	Board Meeting Fees			215,000	55,000

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Books, Papers & Periodicals				88,456	69,853
Advertisement				176,542	124,730
Delivery Expenses				645,789	297,261
Carton Expenses				3,025,154	2,882,527
Vehicles Maintenance				1,245,674	1,053,252
Depreciation				2,039,633	1,021,957
Total				28,458,412	23,355,891

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				31.12.2011	31.12.2010
Directors Remuneration				1,540,000	1,200,000
EGM Expenses				213,520	-
Managing Director Salary				1,100,000	960,000
Board meeting fee				215,000	55,000

- i) The Board of Directors have drawn Tk. 5,000/- per 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) 8 meeting of the Board of Directors were held during the year.

22.00	Financial expenses				31.12.2011	31.12.2010
	Interest on Bank Loan				62,860,071	118,375,520
	Bank Charge & Others				698,468	132,346
	Total				63,558,539	118,507,866

23.00	Earning Per Share				31.12.2011	31.12.2010
	Income Attributable to the shareholders				140,167,611	25,534,911
	Number of outstanding share at the end of the year				37,808,219	10,000,000
	Basic Earning Per Share				3.71	2.55

Calculation of Weighted Average Number of Shares :

Alotment of Share-Existance		<u>Days of Utilization of Share</u> Days of Whole year		<u>No of Share</u>
	$\frac{365}{365}$	X	10,000,000	= 10,000,000

Alotment of Share -further issue		<u>Days of Utilization of Share</u> Days of Whole year		
	$\frac{203}{365}$	X	50,000,000	= 27,808,219

Total No of Share =

37,808,219

The Paid-up capital taka 50 crore has been increased through issuance of 50000000 share @ Tk. 30/- each (Including premium Tk. 20/-) on June 09, 2011.

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24.00 Event after the Reporting period:

As per BAS-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.

Increase Paid-up Capital:

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The board of directors of the company has decided to increase the Paid up Capital Tk. 12.00 Crore by issuing 1.2 Crore Ordinary Share @ Tk. 30.00 (including a premium of Tk.20.00 per share) through IPO (Initial Public Offer), Subject to approval of the Regularity authority.

ISSUE MANAGERS:



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GLOBAL HEAVY CHEMICALS LTD.
Schedule of Fixed Assets
For the year ended December 31, 2011

Annexure-A

Sl.	Name of the Assets	Balance as on January 01, 2011	Addition	Revaluation Surplus	Balance as on December 31, 2011	Rate	Depreciation				W.D.V as on December 31, 2011
							Opening		Charged during the Period	Total	
1	Land & Developments	67,400,386	32,050,000	1,525,671,614	1,625,122,000	0%	-		-	-	1,625,122,000
2	Building & Other Civil Const.	135,183,969	68,425,971	-	203,609,940	2.5%	3,358,380		3,736,594	7,094,974	196,514,966
3	Plant & Machinery	763,293,693	185,153,134	-	948,446,827	2.5%	24,468,023	Normal	18,470,642	47,567,493	900,879,334
						2.5%		Initial	4,628,828		
4	Generator	81,019,550	-	-	81,019,550	5%	2,928,137		3,904,571	6,832,708	74,186,842
5	Pipe, Pipe Rack & Electrical	59,089,002	62,007,849	-	121,096,851	5%	1,610,361		4,132,742	5,743,103	115,353,748
6	Furniture and Fixture	13,079,653	2,452,580	-	15,532,233	10%	288,606		1,401,734	1,690,340	13,841,893
7	Tools & Equipments	31,666,251	23,432,534	-	55,098,785	5%	460,084		2,146,122	2,606,206	52,492,579
8	Motor Vehicles	14,288,130	19,745,624	-	34,033,754	10%	446,628		2,371,431	2,818,059	31,215,695
		1,165,020,634	393,267,692	1,525,671,614	3,083,959,940		33,560,219		40,792,664	74,352,883	3,009,607,057

Note: 1. Six months depreciation has been charged on addition of fixed assets during the period.

2. The Land of the company was revalued at Taka. 1,593,072,000 by Mahfel Huq & Company, Chartered Accountants.

Allocation of Depreciation:

Production Expenses	38,753,031
Office & administrative Expenses	2,039,633
	40,792,664

ISSUE MANAGERS:



BMSL Investment Limited



AFC Capital Limited

GLOBAL HEAVY CHEMICALS LTD.

Schedule of Stock as per Companies Act, 1994 Schedule XI, Part -II, Para-3

As on December 31, 2012

Annexure-B

Raw Materials	Unit	31.12.2011			31.12.2010		
		Total unit	Cost per unit	Amount	Total unit	Cost per unit	Amount
Sodium Chloride (Salt)	Kg	7,067,198	6.29	44,452,675	5,223,663	5.60	29,242,590
Hydrated Lime (Calcium Hydroxide)	Kg	198,950	16.36	3,254,820	292,482	14.56	4,258,650
Barium Carbonate	Kg	125,269	44.98	5,634,580	21,400	40.03	856,700
Anhydrous Sodium Carbonate	Kg	25,362	33.68	854,200	26,515	29.98	794,800
Sulphuric Acid	Kg	49,764	9.75	485,200	37,857	8.68	328,500
10% Sodium Sulphite Solution	Kg	73,160	5.00	365,800	114,584	4.45	509,900
Meghna Flock	Kg	279	925.79	258,237	556	823.95	458,322
Alpha cellulose	Kg	1,181	580.23	685,400	1,471	516.40	759,600
Liquid Paraffin	Kg	48,558	165.47	8,034,900	83,213	147.27	12,254,600
Sub Total (A):				64,025,812			49,463,662

Packing Materials	Unit	31.12.2011			31.12.2010		
		Total unit	Cost per unit	Amount	Total unit	Cost per unit	Amount
High Density Polyethylene (HDP)	Kg	22,438	140	3,141,330	42,019	124.60	5,235,550
Low Density Polyethylene (LDP)	Kg	18,418	160	2,946,800	32,263	142.40	4,594,194
Drum	Pcs	635	1,250	794,000	729	1,112.50	811,000
Plastic Bag	Pcs	18,991	23	436,800	26,673	20.47	546,000
Other Packing Materials				245,634			353,722
Sub Total (B):				7,564,564			11,540,466

Finished Goods	Unit	31.12.2011			31.12.2010		
		Total unit	Cost per unit	Amount	Total unit	Cost per unit	Amount
Caustic Soda (Flakes/Liquid)	Kg	259,523	36	9,342,820	90,194	32.04	2,889,814
Hydrochloric Acid	Kg	299,298	4	1,197,192	223,404	3.56	795,320
Bleaching Powder	Kg	56,606	18	1,018,900	56,061	16.02	898,100
Sodium Hypochlorite	Kg	157,368	3.8	598,000	117,268	3.38	396,600
Chlorinated Paraffin Wax (CPW)	Kg	22,023	86	1,894,000	8,466	76.54	648,000
Clotech	Kg	4,738	61	289,000	8,872	54.29	481,667
Liquid Chlorine Gas	Kg	40,717	18	732,900	13,826	16.02	221,500
Sub Total (C):				15,072,812			6,331,001

Finished Goods	Unit	31.12.2011			31.12.2010		
		Total unit	Cost per unit	Amount	Total unit	Cost per unit	Amount
Sodium Chloride (Salt)	Kg			-	7,000,000	3.74	26,181,900
Hydrated Lime (Calcium Hydroxide)	Kg			-	400,000	12.13	4,852,000
Barium Carbonate	Kg			-	70,000	25.21	1,764,800
Liquid Paraffin	Kg	170,000.00	151.54	25,761,327	73000	120.06	8,764,200
Anhydrous Sodium Carbonate	Kg			-	24000	19.68	472,305
Sub Total (D):				25,761,327			42,035,205
Total (A+B+C+D):				112,424,515			109,370,334

ISSUE MANAGERS:



BMSL Investment Limited



AFC Capital Limited

Auditors' report Under Section-135 (1) and Para-24(1) of Part-II of Schedule-III of the Companies Act 1994

We, as the auditors having examined the Financial Statements of Global Heavy Chemicals Limited for the years ended December 31, 2011, 2010, 2009, 2008 and 2007 in pursuance of Section-135 (1) and Para-24 (1) of Part-II of Schedule-III of the Companies Act 1994 report that:

A) Statements of Assets and Liabilities of the company is as under:

HEADS OF ACCOUNTS	Amount in Taka				
	31-Dec-11	31-Dec-10	31-Dec-09	31-Dec-08	31-Dec-07
<u>SOURCES OF FUND</u>					
Shareholders' equity					
Share Capital	600,000,000	100,000,000	50,000,000	50,000,000	50,000,000
Share Money Deposit	-	300,000,000	10,000,000	10,000,000	10,000,000
Share Premium	970,000,000	-	-	-	-
Revaluation Reserve	1,525,671,614	1,525,671,614	-	-	-
Retained Earnings	170,275,274	48,857,663	23,322,752	14,157,283	10,977,622
	3,265,946,888	1,974,529,277	83,322,752	74,157,283	70,977,622
Long Term Loan					
Bank Loan	-	694,150,272	590,526,918	548,244,461	406,972,647
Share Holder's Loan	51,265,000	-	-	-	-
	51,265,000	694,150,272	590,526,918	548,244,461	406,972,647
Total Capital & Liabilities	3,317,211,888	2,668,679,549	673,849,670	622,401,744	477,950,269
<u>APPLICATION OF FUNDS</u>					
Non-Current Assets (A)					
Fixed Assets at cost Less Dep.	3,009,607,057	2,657,132,030	781,291,592	634,491,200	542,225,782
Machinery at Transit	-	39,225,179	49,430,954	133,107,584	53,793,175
	3,009,607,057	2,696,357,209	830,722,546	767,598,784	596,018,957
Current Assets (B)					
Advances, Deposits & Pre Payments	255,204,614	197,413,596	49,647,484	17,570,905	6,058,759
Inventories	112,424,515	109,370,335	18,840,024	13,159,797	12,163,200
Sundry Debtors	128,905,535	71,636,424	15,621,574	8,043,573	5,550,833
Cash and cash equivalents	3,026,543	1,785,657	47,740,362	5,374,167	2,276,419
	499,561,207	380,206,012	131,849,444	44,148,442	26,049,211
Current Liabilities (C)					
Provision & Liabilities for Expenses	20,955,432	34,246,652	30,396,143	10,152,963	5,592,899
Advance against Sales	5,718,827	6,343,463	-	-	-
Short term Bank Loan	58,453,528	344,565,534	250,950,869	177,284,723	138,525,000
Provision for Tax	106,828,589	22,728,023	7,375,308	1,907,796	-
	191,956,376	407,883,672	288,722,320	189,345,482	144,117,899
Net Current Assets D, (B-C)	307,604,831	(27,677,660)	(156,872,876)	(145,197,040)	(118,068,688)
Total Assets (E)=(A+D)	3,317,211,888	2,668,679,549	673,849,670	622,401,744	477,950,269

Dhaka
Dated: January 22, 2012

Sd/-
AHMED ZAKER & CO.
Chartered Accountants

PROSPECTUS

ISSUE MANAGERS:



BMSL Investment Limited



AFC Capital Limited

B) The statements of operating results of the company is as follow:

	Amount in Taka				
HEADS OF ACCOUNTS	31-Dec-11	31-Dec-10	31-Dec-09	31-Dec-08	31-Dec-07
Revenue:					
Net Sales	728,431,825	530,079,053	465,504,247	389,955,867	335,312,761
Less: Cost of Goods Sold	413,669,938	328,388,613	321,819,710	274,528,930	236,060,184
Gross Profit	314,761,887	201,690,440	143,684,537	115,426,937	99,252,577
Less: Office & administrative Expenses	28,458,412	42,773,074	32,750,338	32,792,662	31,918,428
Operating Profit	286,303,475	158,917,366	110,934,199	82,634,275	67,334,149
Less: Financial Expenses	63,558,539	118,507,866	96,694,814	77,546,818	68,902,646
	222,744,936	40,409,500	14,239,385	5,087,457	(1,568,497)
Add: Other Income	1,523,241	446,357	425,365	-	-
Profit before Tax	224,268,177	40,855,857	14,664,750	5,087,457	(1,568,497)
Less: Provision for Taxation	84,100,566	15,320,946	5,499,281	1,907,796	-
Profit after Tax	140,167,611	25,534,911	9,165,469	3,179,661	(1,568,497)

Dhaka

Dated: January 22, 2012

Sd/-

AHMED ZAKER & CO.

Chartered Accountants.

C) The statements of cash flows of the company is as under:

	Amount in Taka				
PARTICULARS	31-Dec-11	31-Dec-10	31-Dec-09	31-Dec-08	31-Dec-07
A. Cash Flow from Operating Activities:					
Cash received from sales	672,061,320	474,522,329	457,946,247	387,445,126	346,080,346
Cash paid to suppliers, employees& others	(377,098,719)	(568,599,223)	(274,912,370)	(301,868,915)	(217,017,319)
Interest paid	(62,860,071)	(118,507,866)	(96,694,814)	(77,546,818)	(68,902,646)
Net Cash Provided/(Used) by Operating Activities:	232,102,530	(212,584,760)	86,339,063	8,029,393	60,160,381
B. CASH FLOW FROM INVESTING ACTIVITIES:					
Fixed Assets Addition during the period	354,042,512	(370,607,964)	(159,921,471)	(107,416,364)	-
Advance for Factory Overhauling	(59,071,854)	-	-	-	-
Advance against Land purchase	(40,000,000)	-	-	-	-
Net Cash Used in Investing Activities:	(453,114,366)	(370,607,964)	(159,921,471)	(107,416,364)	-
C. CASH FLOW FROM FINANCING ACTIVITIES:					
Bank loan (Term loan)	(694,150,272)	103,623,354	42,282,457	63,724,996	(211,783,129)
Bank loan (Short-term loan)	(286,112,007)	93,614,665	73,666,146	38,759,723	138,525,000
Inter company loan	51,265,000	-	-	-	-
Share premium	770,000,000	-	-	-	-
Capital	400,000,000	40,000,000	-	-	10,000,000
Share Capital Deposit	-	300,000,000	-	-	-
Dividend Paid	(18,750,000)	-	-	-	-
Net Cash provided by Financing Activities:	222,252,722	537,238,019	115,948,603	102,484,719	(63,258,129)
D.Net Cash Inflow (A+B+C):	1,240,886	(45,954,705)	42,366,195	3,097,748	(3,097,748)
E. Opening Cash & Cash Equivalent	1,785,657	47,740,362	5,374,167	2,276,419	5,374,167
F. Closing Cash & cash Equivalents (D+E)	3,026,543	1,785,657	47,740,362	5,374,167	2,276,419

Dhaka

Dated: January 22, 2012

Sd/-

AHMED ZAKER & CO.

Chartered Accountants

D) Statement of Changes in Equity

Particulars	Share Capital	Share Money Deposit	Share Premium	Retained Earnings	Revaluation Reserve	Total Shareholders Equity
Balance as at January 01, 2011	100,000,000	300,000,000	-	48,857,663	1,525,671,614	1,974,529,277
Addition of Share Money	-	1,200,000,000	-	-	-	1,200,000,000
Conversion to share capital	500,000,000	(500,000,000)	-	-	-	-
Conversion to share premium	-	(1,000,000,000)	1,000,000,000	-	-	-
Tax deduct at source	-	-	(30,000,000)	-	-	(30,000,000)
Net profit during the period	-	-	-	140,167,611	-	140,167,611
Dividend paid during the year	-	-	-	(18,750,000)	-	(18,750,000)
Balance as at December 31, 2011	600,000,000	-	970,000,000	170,275,274	1,525,671,614	3,265,946,888
Balance as at January 01, 2010	50,000,000	10,000,000	-	23,322,752	-	83,322,752
Addition of Share Money	-	340,000,000	-	-	-	340,000,000
Conversion to share capital	50,000,000	(50,000,000)	-	-	-	-
Revaluation Gain on Assets	-	-	-	-	1,525,671,614	-
Net profit during the period	-	-	-	25,534,911	-	25,534,911
Balance as at December 31, 2010	100,000,000	300,000,000	-	48,857,663	1,525,671,614	448,857,663
Balance as at January 01, 2009	50,000,000	10,000,000	-	14,157,283	-	74,157,283
Net profit during the period	-	-	-	9,165,469	-	9,165,469
Balance as at December 31, 2009	50,000,000	10,000,000	-	23,322,752	-	83,322,752
Balance as at January 01, 2008	50,000,000	10,000,000	-	10,977,622	-	70,977,622
Net profit during the period	-	-	-	3,179,661	-	3,179,661
Balance as at December 31, 2008	50,000,000	10,000,000	-	14,157,283	-	74,157,283
Balance as at January 01, 2007	50,000,000	-	-	12,546,119	-	62,546,119
Addition of Share Money	-	10,000,000	-	-	-	10,000,000
Net profit during the period	-	-	-	(1,568,497)	-	(1,568,497)
Balance as at December 31, 2007	50,000,000	10,000,000	-	10,977,622	-	70,977,622

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E) The Company was incorporation on September 19, 2000

F) The Company has started its operation from January, 2002 so the statement of operating results

G) Dividend Declaration:	<u>31-Dec-11</u>	<u>31-Dec-10</u>	<u>31-Dec-09</u>	<u>31-Dec-08</u>	<u>31-Dec-07</u>
Cash dividend	12.50%	-	-	-	-
Stock dividend	-	-	-	-	-

H) The company has no subsidiary

I) No proceeds or parts of proceeds of the issue of share were applied directly to the company in the purchase of any business

Dhaka

Dated: January 22, 2012

Sd/-

AHMED ZAKER & CO.

Chartered Accountants

ISSUE MANAGERS:



BMSL Investment Limited



AFC Capital Limited

AUDITOR'S CERTIFICATE REGARDING CALCULATION OF EPS AND RATIOS

This is to certify that Global Heavy Chemicals Limited has maintained the following ratios as computed on the basis of the audited financial statements for the year ended 31 December 2007, 2008, 2009, 2010 and 2011

Particulars			31-Dec-11	31-Dec-10	31-Dec-09	31-Dec-08	31-Dec-07	Page 112
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1. Liquidity Ratios: (Times)

Current Ratio			2.60	0.72	0.46	0.23	0.18
Quick Ratio			2.02	0.51	0.39	0.16	0.10
Times Interest Earned Ratio			4.50	1.34	1.15	1.07	0.98
Debt to Equity Ratio			0.03	0.53	10.10	9.78	7.69

2. Operating Ratios: (Times)

Accounts Receivable Turnover Ratio			7.26	12.15	39.34	57.37	60.41
Inventory Turnover Ratio			3.73	5.12	20.11	21.68	19.41
Asset Turnover Ratio			0.14	0.15	0.34	0.35	0.54

3. Profitability Ratios:

Gross Margin Ratio			37.89%	34.39%	28.19%	25.91%	25.15%
Operating Income Ratio			39.30%	29.98%	23.83%	21.19%	20.08%
Net Income Ratio (before tax)			30.79%	7.71%	3.15%	1.30%	-0.47%
Net Income Ratio (after tax)			19.24%	4.82%	1.97%	0.82%	-0.47%
Return on Assets Ratio			4.26%	1.26%	1.03%	0.44%	-0.25%
Return on Equity Ratio			5.35%	2.48%	11.64%	4.38%	-2.21%
Earnings Per Share (EPS)			3.71	2.55	1.53	0.53	(0.26)

Dhaka
Dated: January 22, 2012

Sd/
AHMED ZAKER & CO.
Chartered Accountants

ISSUE MANAGERS:



BMSL Investment Limited



AFC Capital Limited

Ratio Calculation											
Particulars	Formula	For the Year ended									
		31.12.2011		31.12.2010		31.12.2009		31.12.2008		31.12.2007	
		Calculation	Ratio	Calculation	Ratio	Calculation	Ratio	Calculation	Ratio	Calculation	Ratio
Liquidity Ratios: (Times)											
Current Ratio	Current assets/Current liabilities	499,561,207	2.60	380,206,012	0.72	131,849,444	0.46	44,148,442	0.23	26,049,211	0.18
		191,956,376		530,343,672		288,722,320		189,345,482		144,117,899	
Quick Ratio	(Current assets-Inventories)/Current liabilities	387,136,692	2.02	270,835,677	0.51	113,009,420	0.39	30,988,645	0.16	13,886,011	0.10
		191,956,376		530,343,672		288,722,320		189,345,482		144,117,899	
Times Interest Earned Ratio	Operating Profit/Financial Expenses	286,303,475	4.50	158,917,366	1.34	110,934,199	1.15	82,634,275	1.07	67,334,149	0.98
		63,558,539		118,507,866		96,694,814		77,546,818		68,902,646	
Debt to Equity Ratio	Total debt/Total equity	109,718,528	0.03	1,038,715,806	0.53	841,477,787	10.10	725,529,184	9.78	545,497,647	7.69
		3,265,946,888		1,974,529,277		83,322,752		74,157,283		70,977,622	
Operating Ratios: (Times)											
Accounts Receivable Turnover Ratio	Net Sales/Average Accounts Receivables	728,431,825	7.26	530,079,053	12.15	465,504,247	39.34	389,955,867	57.37	335,312,761	60.41
		100,270,980		43,628,999		11,832,574		6,797,203		5,550,833	
Inventory Turnover Ratio	Cost of Goods Sold /Average inventory	413,669,938	3.73	328,388,613	5.12	321,819,710	20.11	274,528,930	21.68	236,060,184	19.41
		110,897,425		64,105,180		15,999,911		12,661,499		12,163,200	
Asset Turnover Ratio	Net Sales/Average Total Assets	728,431,825	0.14	530,079,053	0.15	465,504,247	0.34	389,955,867	0.35	335,312,761	0.54
		5,047,449,874		3,557,849,216		1,368,445,603		1,122,781,310		622,068,168	
Profitability Ratios:											
Gross Margin Ratio	Gross profit/Net Sales	276,008,857	37.89%	182,273,257	34.39%	131,219,512	28.19%	101,033,537	25.91%	84,330,701	25.15%
		728,431,825		530,079,053		465,504,247		389,955,867		335,312,761	
Operating Income Ratio	Operating profit/Net Sales	286,303,475	39.30%	158,917,366	29.98%	110,934,199	23.83%	82,634,275	21.19%	67,334,149	20.08%
		728,431,825		530,079,053		465,504,247		389,955,867		335,312,761	
Net Income Ratio (before tax)	Net profit before tax/Net Sales	224,268,177	30.79%	40,855,857	7.71%	14,664,750	3.15%	5,087,457	1.30%	(1,568,497)	-0.47%
		728,431,825		530,079,053		465,504,247		389,955,867		335,312,761	

Net Income Ratio (after tax)	Net profit after tax/Net Sales	140,167,611	19.24%	25,534,911	4.82%	9,165,469	1.97%	3,179,661	0.82%	(1,568,497)	-0.47%
		728,431,825		530,079,053		465,504,247		389,955,867		335,312,761	
Return on Assets Ratio	Net profit after tax/Average Total assets	140,167,611	4.26%	25,534,911	1.26%	9,165,469	1.03%	3,179,661	0.44%	(1,568,497)	-0.25%
		3,292,865,742		2,019,567,606		887,159,608		716,907,697		622,068,168	
Return on Equity Ratio	Net profit after tax/Total Shareholders equity	140,167,611	5.35%	25,534,911	2.48%	9,165,469	11.64%	3,179,661	4.38%	(1,568,497)	-2.21%
		2,620,238,082		1,028,926,015		78,740,018		72,567,453		70,977,622	
Earnings Per Share (EPS)	Net profit after tax/Ordinary shares outstanding	140,167,611	3.71	25,534,911	2.55	9,165,469	1.53	3,179,661	0.53	(1,568,497)	(0.26)
		37,808,219		10,000,000		6,000,000		6,000,000		6,000,000	

SECTION XXIX: AUDITOR'S ADDITIONAL DISCLOSURE

QUERY No. 01

Whether deferred tax and workers profit participation fund are required to be maintained by the company as per BAS-12 and Bangladesh Labor Act and impact on the accounts for 2011 if deferred tax and workers profit participation fund were accounted for;

AUDITOR'S RESPONSE:

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. The impact on the account of changes in the deferred tax assets and liabilities for the year ended December 31, 2011 has not been recognized in the profit and loss account as per BAS-12 "Income Taxes".

WORKERS PROFIT PARTICIPATION FUND:

The Company did not operate any Fund and not accounted and paid any employee benefit to the employees in accordance with the provisions of Bangladesh Accounting Standard-19, "Employee Benefit". But the board of the directors of the company has been decided to introduce the employees benefit plans and workers participation fund as per board regulation dated June 25, 2011 the employee benefit plans and workers participation fund will be effective from January 01, 2012.

QUERY No. 02

Whether TDS on board meeting attendance fees is deposited to Government Treasury or not;

AUDITOR'S RESPONSE:

TDS has been deducted from the board meeting attendance fees and subsequently deposited to Government Treasury.

ISSUE MANAGERS:



BMSL Investment Limited



AFC Capital Limited

QUERY No. 03

Provide detail note regarding shareholders loan as shown under long term loan with name wise schedule, date of loan taken, rate of interest and subsequent balance thereon and reason for taking such loan;

AUDITOR'S RESPONSE:

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LOAN FROM SHAREHOLDER

Sl. No.	Name of Shareholder	Date of Loan Taken	Interest Rate	Amount
1	Padma Crown Ltd.	May, 2011	N/A	5,400,000.00
2	Padma Lamitube Ltd.	May, 2011	N/A	5,400,000.00
3	Mirza Mohammad Shoebur Rahman	May, 2011	N/A	3,570,000.00
4	Barkutur Rahman	May, 2011	N/A	3,330,000.00
5	Mainul Hoq Khan	May, 2011	N/A	1,500,000.00
6	Sultana Khaleda Khan	May, 2011	N/A	1,500,000.00
7	Kefayetur Rahman	May, 2011	N/A	2,100,000.00
8	Saemur Rahman	May, 2011	N/A	1,800,000.00
9	Khondokar Rahat Hossain	May, 2011	N/A	3,600,000.00
10	K.M. Shah Alam Ansary	May, 2011	N/A	3,300,000.00
11	Shah Alam Mia	May, 2011	N/A	1,830,000.00
12	Khan Arifur Rahman	May, 2011	N/A	1,750,000.00
13	Lutfur Rahman	May, 2011	N/A	1,680,000.00
14	Mohammad Arifur Rahman	May, 2011	N/A	1,650,000.00
15	Salim Jahan	May, 2011	N/A	1,600,000.00
16	Jinat Tazmin	May, 2011	N/A	1,600,000.00
17	Mrs. Tania	May, 2011	N/A	1,600,000.00
18	Shamsun Nahar Begum	May, 2011	N/A	1,550,000.00
19	Shah Mahmud Osman Shohel	May, 2011	N/A	1,500,000.00
20	Bashir Ahmed	May, 2011	N/A	1,500,000.00
21	Mohiuddin	May, 2011	N/A	1,300,000.00
22	Malik Iqbal Kabir	May, 2011	N/A	840,000.00
23	Md. Zakirul Islam	May, 2011	N/A	800,000.00
24	Sohrab Hossain	May, 2011	N/A	300,000.00
25	Mujibur Rahman	May, 2011	N/A	265,000.00
Total:				51,265,000.00

Reason for taking such loan: The Company has received the above amount for allotment of share capital. Subsequently the above amount has been paid with the consent of the shareholders.

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QUERY No. 04

Disclosure regarding advance for factory overhauling mentioning list of machines that required overhauling, date of acquisition of such machineries;

AUDITOR'S RESPONSE:

The Details schedule of machines for factory overhauling has been are given below:

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Sl. No.	Name of the Machineries	Quantity	Year of acquisition
1	35 MTD Capacity Caustic Concentration & Flaking Complete Unit	01 Unit	2001
2	17 kA, 294V Dc Rectifier System	01 Unit	2000
3	Bichlor Electrolyzer & Accessories	01 Unit	2001
4	Bergen Gas Generator Engine Type KVGS-18G3	01 Unit	2001
5	Brine Purification System of Caustic Soda Plant	01 Unit	2001
6	Chlorine Gas Liquefying Plant	01 Unit	2001
7	Chlorine Gas Storage Tank	04 Unit	2001
8	Hydrogen Gas Manufacturing & Conversion Plant	01 Unit	2001

QUERY No. 05

Information as per requirement of Schedule XI part-I, para 4, 6 of the Companies Act, 1994 are not furnished;

AUDITOR'S RESPONSE:

All the debts of GHCL as per note: 13.00 of audit report considered good for which company holds no security other than the director's personal security.

At the end of the year under audit, Debts were dues from the following companies which are operating by the same management.

SL No.	Related Party Companies	Outstanding as on 31.12.2011	Head of A/C
1.0	Oponin Pharma Ltd.	1,69,18,400	A/R
2.0	Opso Saline Ltd.	89,49,100	A/R
3.0	Global Capsules Ltd.	1,26,89,400	A/R
4.0	Jokky Garments Ltd.	7,50,900	A/R

Discloser as per requirement of schedule XI part –I, Para 6:

The company (GHCL) has not any subsidiaries company.

During the year GHCL has not paid any advances and loans to any of its related companies.

QUERY No. 06

Information as per requirement of Schedule XI part –II, para 4,7, 8 of the Companies Act, 1994 are not furnished;

AUDITOR'S RESPONSE:

Discloser as per requirement of schedule XI part –II, Para 4:

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Sl. no.	Name	Designation	Remuneration/ Salary & Allowance	Board Meeting Fees
1	Capt. Abdus Sabur Khan (Retd.)	Chairman & CEO	890,000	35,000
2	Abdur Rouf Khan	Vice- Chairman	600,000	30,000
3	Abdur Rakib Khan	Vice- Chairman-2	1,150,000	30,000
4	Masuma Begum	Director	-	35,000
5	Zakia Sultana Khan	Director	-	40,000
6	Suraya Jebeen (Naz)	Director	-	35,000
7	Abdur Rakib Khan	Nominee Director (Opsonin Pharma Ltd.)	-	10,000
8	Md. Kamruzzaman	GM, Sales & Marketing	606,000	-
9	Dr. Debdas Kundu	GM, Co-ordination	456,000	-
10	Dr. Sayem Ahmed	Head of H. R.	456,000	-
11	Md. Solaiman Hossain	Head of IT	510,000	-

Discloser as per requirement of schedule XI part –II, Para 7:

Sl No.	Name of Product	License Capacity MT/Year	Production Capacity MT/Year	Capacity Utilization MT in 2011	Utilization (%)
1	Caustic Soda	Not Applicable	19,000	12,350	65%
2	Liquid Chlorine Gas	Not Applicable	16,150	9,690	60%
3	Hydrochloric Acid	Not Applicable	32,400	29,160	90%
4	Sodium Hypochlorite	Not Applicable	1,600	1,280	80%
5	Clotech -B Bleaching Powder	Not Applicable	740	666	90%
6	Clotech (2Ltr & 3Ltr)	Not Applicable	150	135	90%
7	Chlorinated Paraffin Wax (CPW)	Not Applicable	920	828	90%

Discloser as per requirement of schedule XI part –II, Para 8:

Particulars	Local purchases	Import	Total Purchases	Consumption	% of Consumption
Raw Material	18,447,730	245,091,268	263,538,998	265,250,726	100.65%
Packing Material	19,034,626	-	19,034,626	23,010,528	120.89%
Spare Parts	384,345	1,217,091	1,601,436	1,601,436	100%

Value of Export:

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Particulars	In Foreign currency	In BDT
Export of liquid Chlorine Gas	US\$ 28,620	1,875,694

QUERY No. 07

Rate of depreciation shown in note 2.03 of the audited accounts for the year ended 31/12/11 differs with those of 2010, 2009;

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AUDITOR'S RESPONSE:

The company has changes its depreciation rate for the year ended December 31st 2011. And shall be recognized prospectively by including it in profit or loss.

The depreciation rate was changes as follows:

Sl. No.	Name of the Assets	Depreciation Rate in 2011	Depreciation Rate in 2010	Depreciation Rate in 2009
1	Land & Developments	0%	0%	0%
2	Building & Other Civil Const.	2.50%	2.50%	2.50%
3	Plant & Machinery	2.50%	2.50%	2.50%
4	Generator	5%	5%	5%
5	Pipe, Pipe Rack & Electrical	5%	5%	5%
6	Furniture and Fixture	10%	5%	10%
7	Tools & Equipments	5%	5%	5%
8	Motor Vehicles	10%	5%	10%

QUERY No. 08

Information about changing of rate of depreciation for the year ended 31/12/11 and effect thereon is not mentioned as per requirement of BAS-8;

AUDITOR'S RESPONSE:

As per BAS-8 the effect of a change in an accounting estimate shall be recognized prospectively by including it in profit or loss in:

- The period of the change, if the change affects that period only; or
- The period of the change and future periods, if the change affects both. However, to the extent that a change in an accounting estimate gives rise to changes in assets and liabilities, or relates to an item of equity, it is recognized by adjusting the carrying amount of the related asset, liability, or equity item in the period of the change.

The company is considering changing depreciation at those rates as part of their policies. The year on for changing of rate of depreciation is attributed to the superior quality, durability, maintenance and longer liabilities of the assets.

QUERY No. 09

The schedule of fixed asset shows the period of accounts as 30 November 2010 which differs with the period of accounts mentioned in the audit report;

AUDITOR'S RESPONSE:

It is a clerical mistake in preparing the Accounts. But this mismatch did not reflect in the Accounts since the Accounts were prepared giving the effects of twelve months, though we will correct the error accordingly.

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QUERY No. 10

Mention the main product and by product produced by the company;

AUDITOR'S RESPONSE:

The list of main product and by product produced by the company has been below:

Main product:

1. Caustic Soda (Flakes)/ Caustic Soda (Liquid)

By product:

1. Liquid Chlorine
2. Hydrochloric Acid
3. Clotech (Sodium Hypochlorite)
4. Clotech B (Stable Bleaching Powder)
5. CPW (Chlorinated Paraffin Wax)

QUERY No. 11

Referring provision of Companies, 1994 specify whether tax on shares issued at premium can be paid from share premium account;

AUDITOR'S RESPONSE:

The Tax on share premium has been deducted from share premium account as per provision of Companies, 1994 section 57 (Application of premium received on issue of shares).

Sd/-

Dhaka.

Date: April 25, 2012

Ahmed Zaker & Co.
Chartered Accountants

AUDITORS' ADDITIONAL DISCLOSURE ABOUT THE SIGNIFICANT INCREASE OF PROFIT COMPARED TO PRIOR YEAR

During the year under review of the accounts of Global Heavy Chemicals Ltd.net profit after tax increased by **114.63** million from **25.53** million in the year 2010 to **140.17** million in the year 2011. It was a target set by GHCL management to increase the productivity, sales and profitability of the company. To achieve the desired goal, GHCL management brought some significant changes in both the operations and the business strategies, which include increased capacity utilization, increased labor efficiency and improved machinery performances. Minimization of financial expenses also contributes significant growth of the profit.

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We observe in course of our audit the following reasons behind the boost up of the company's profit:

1. Sales volume increased by 37%

Sales volume increased by 198.35 million from 530.08 million to 728.43 million in the year 2010 to 2011.

2. Savings in financial charges at around 55 million:

Because of pay off long term loan of around 700 million, financial charges decreased by an amount nearly 55 million, increasing the profit by the same amount.

3. Decrease in production cost:

In the year 2011 the ratio of Cost of Goods Sold reduced to around **57%** of Turnover from the **66%** in the year 2010. Consequent upon this the company earned a higher profit during the year. The Company could avail the cost efficiency due to the following reasons:

- a) Installation of high performance machinery* and equipments at a cost of about Taka 270 million the manual operation of production machineries could be reduced followed by the minimization of production cost like wages etc.
- b) Uninterrupted Gas supply in the plant* enabled the company management to run the production smoothly,
- c) Increased capacity utilization* allowed fixed overhead expenditures to apportion in sales volume.

4. Better unit selling price:

Unit selling price with better performance also attributed to the increased profit for the year.

Sd/-

Date: September 16, 2012
Dhaka.

Ahmed Zaker & Co.
Chartered Accountants

SECTION XXX: CREDIT RATING REPORT

CREDIT RATING REPORT ON GLOBAL HEAVY CHEMICALS LIMITED

REPORT: RR/1416/12

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This is a credit rating report as per the provisions of the Credit Rating Companies Rules 1996. CRISL's entity rating is valid one year for long-term rating and 6 months for short term rating from the date of rating. CRISL's Bank loan rating (blr) is valid one year for long term facilities and up-to 365 days (according to tenure of short term facilities) for short term facilities. After the above periods, these ratings will not carry any validity unless the entity goes for surveillance. CRISL followed Corporate Rating Methodology published in CRISL website www.crislbd.com

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Entity Rating :
Long Term: A
Short Term: ST-3

Outlook: Stable

Date of Rating	April 19, 2012	
	Long Term	Short Term
Entity Rating	A	ST-3
Outlook	Stable	

1.0 RATIONALE

CRISL has reaffirmed 'A' (pronounced as single A) rating in the Long Term and 'ST-3' rating in the Short Term to Global Heavy Chemicals Ltd. (hereinafter called "GHCL") based on its financials and both relevant qualitative and quantitative information up to the date of rating. The above ratings have been assigned in consideration of its fundamentals such as equity based capital structure, sound Group image, regular loan repayment history etc. However, the above factors have been constrained to some extent by moderate financial performance, exposure to operational & quality control risk, absence of articulated inter-company cost sharing and fund transfer policy etc.

Entities rated in this category are adjudged to offer adequate safety for timely repayment of financial obligations. This level of rating indicates a corporate entity with an adequate credit profile. Risk factors are more variable and greater in periods of economic stress than those rated in the higher categories. The short term rating indicates good certainty of timely payment. Liquidity factors and company fundamentals are sound. Although ongoing funding needs may enlarge total financing requirements, access to capital markets is good.

CRISL also placed the company with "Stable Outlook" considering that the existing fundamentals will remain unchanged in the foreseeable future

2.0 CORPORATE PROFILE

2.1 The Genesis

Global Heavy Chemicals Ltd. is a sister concern of Oposonin Group. The company was incorporated as a Private Limited Company on September 19, 2000 under the Companies Act 1994 with a paid up capital Tk.0.50 million against authorized capital of Tk.150.00 million. Subsequently the company has been converted into a Public Limited Company on September 16, 2010 and the paid up capital has been enhanced to Tk.600.00 million while authorized capital increased to Tk.1000.00 million. Moreover, the present move of GHCL for Initial Public Offerings (IPO) will again enhance the capital which will also dilute the existing share concentration. Presently, the company is producing import substitute industrial chemicals such as Caustic Soda, Hydrochloric Acid, Bleaching Powder, Chlorine, Sodium Hypochlorite and Chlorinated Paraffin Wax (CPW) etc, which have final use in textile, knitting & dyeing industries, WASA, fertilizer industries etc. The factory of GHCL is built on the land area of around 10 acres with building area of around 278,000 sft at Hasnabad, Keranigonj, Dhaka. The registered office of GHCL is located at 37, Shegunbagicha, Dhaka-1000.

CRISL rated GHCL in the previous year based on its fundamentals and it was assigned 'A' (pronounced as single A) in the Long Term and 'ST-3' rating in the Short Term. The company carried the rating comforts such as equity-based capital structure, good solvency, good infrastructural facilities, experienced management, etc. with concerns like moderate financial performances, average liquidity, absence of articulated inter-company cost sharing and fund transfer policy and other industry specific as well as macroeconomic factors. This report is being prepared as a part of rating surveillance, which covers the changes that took place in the fundamentals of the company that might have an impact on the above ratings.

2.2 Ownership and Control

Being a unit of Oposonin Group, the ownership of the company is mostly concentrated within different units of the Group and the family members of the Group Founder Chairman Late Abdul Khaleque Khan. The Oposonin Pharma Limited and other sister concerns of the Group hold 61.18% of the total shares while three sons of Mr. Khaleque and their family members hold 23.62% shares and remaining 15.20% shares are held by different individuals (13.70%) and institutions (1.50%). Among the family shareholding, the company Chairman & CEO Mr. Abdus Sabur Khan, Vice Chairman Mr. Abdur Rouf Khan and the Vice Chairman-2 Mr. Abdur Rakib Khan

**GLOBAL HEAVY
CHEMICALS
LIMITED**

ACTIVITY
Chemicals Producing

**DATE OF
INCORPORATION**
September 19, 2000

CHAIRMAN
Mr. Abdus Sabur
Khan (Retd.)

EQUITY
Tk. 3265.95 million

TOTAL ASSETS
Tk.3509.17 million

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BMSL Investment Limited



AFC Capital Limited

with their family members respectively hold 7.87% (each family). The detailed shareholding position has been shown in the table below:

*Concentrated
shareholding Pattern*

Sl.	Name	Designation	Shares(%)	Relationship
1	Retd. Capt. Abdus Sabur Khan (60)	Chairman & CEO	5.389	Brothers of each other
2	Abdur Rouf Khan (58)	Vice Chairman	5.389	
3	Abdur Rakib Khan (53)	Vice Chairman-2	5.389	
4	Masuma Begum (56)	Director	2.408	Wife of Chairman & CEO
5	Zakia Sultana Khan (49)	Director	2.408	Wife of Vice Chairman
6	Suraya Jabeen Naz (46)	Director	2.408	Wife of Vice Chairman-2
7	Sazia Zareen Shathi (26)	Shareholder	0.075	Daughter of Chairman & CEO
8	Rubaiya Zarrin Khan (21)	Shareholder	0.075	Daughter of Vice Chairman
9	Saadman Rakib Khan (19)	Shareholder	0.075	Son of Vice Chairman-2
10	Oponin Pharma Ltd.	Director	58.383	N/A
11	Other Sister concerns of the Group	Shareholder	2.799	N/A
12	Others	Shareholder	15.202	N/A
		Total	100	

3.0 CORPORATE GOVERNANCE

Corporate governance is the set of processes, customs, policies, laws and regulations, affecting the way a corporate is directed, administered and controlled to perform efficiently and generate long term economic value for its shareholders while respecting the interest of its stakeholders and the society as a whole. In pursuit of the above CRISL evaluated the corporate governance of GHCL in the following areas:

3.1 Board & its committee

The Board is consisted of 7 members. Currently, the Board is chaired by Abdus Sabur Khan who has completed Graduation from Dhaka University in the year 1970 and joined Pakistan Military academy and subsequently retired from Bangladesh Army in 1975. After the retirement Mr. Sabur joined in Oponin Pharma Limited and served as Managing Director from 1976-1986. Since inception, the Chairman other Directors have been directly involved in the business operation of the company. Among the other Board member, Mr. Abdur Rouf Khan has been acting as the Vice Chairman and Mr. Abdur Rakib Khan has been working as the Managing Director. The Board held 8 meetings in 2011 and 12 meetings in the previous year. The Board is yet to form any committee.

3.2 Corporate Management

GHCL has structured corporate management team with experienced professionals to run the business. Overall management is led by Mr. Abdus Sabur Khan who is also the Chairman of the Group. The operational activities are divided into eleven broad departments such as Human Resources & Administration, Finance & Accounts, Share, Operational Process Compliance, Information Technology, Commercial, Production, Factory Stores, Maintenance, Quality Assurance and Sales & Marketing- which are being headed by experienced professional team members. Since GHCL is a sister unit of a Group, the unit is also being managed by same key professionals of the Group, such as Human Resource Department and IT Department. The details of the key professionals of the company are delineated below:

*Structured corporate
management*

SL	Name of Executives	Designation	Academic Qualification	Experience (Years)	
				With Group	Total
1.	Capt. Abdus Sabur Khan (Retd.)	Chairman & CEO	Graduated from D.U, 1970 & from Pakistan Military Ac, 1971	36	36
2.	Abdur Rouf Khan	Vice Chairman	BSc Dhaka University	35	35
3.	Abdur Rakib Khan	Vice Chairman-2	Graduate	35	35
4.	Md. Shariful Haq	Company Secretary & CFO	M.Com (Accounting), CA CC	3	27
5.	Md. Kamruzzaman	GM, Sales & Marketing	B.Sc., MBA	29	30
6.	Dr. Debdas Kundu	GM, Coordination	M. Pharm., MBA, Ph.D	28	29
7.	Dr. Sayem Ahmed	Head of HR	M. Com., MBA, Ph.D	9	22
8.	Md. Solaiman Hossain	Head of IT	B.Sc Engg.(EEE), Ms in MIS	13	17
9.	Kamaluddin Ahmed	Commercial Manager	B.A	29	29
10.	Mohammad Hossain	Int. Sales Manager	M.Sc	27	27
11.	Engg. Dipak Kumar Kundu	Plant Manager	B.Sc Engg (ME), MIEB, MBA	21	21
12.	Engg. Milan Krishna Baral	Add. Plant Manager	B.Sc Engg (EEE), MIEB	10	13
13.	Bipul Biswas	Add. QA Manager	B. Pharm. (Hons.), M.Pharm.	20	30
14.	Md. Arifuzzaman Khan	Asst Manager, F & A	M. Com (Accounting), CMA (Inter)	4	14

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Combined HR management of the Group

3.3 Human Resource Management

GHCL does not have any separate human resources policy rather HR management is carried out by a combined policy of the Group. The policy includes detailed service rules, compensation structure, provident fund, gratuity, recruitment policy and other benefits for the human resources. In addition to the above, GHCL adheres to all aspects of legal compliance regarding Bangladesh Labor Law. Employees enjoy transportation and in-house medical facilities. Total Human Resource base of the company stood at 410 of which 344 are factory workers. Out of the factory workforce 90% are skilled while the rest are unskilled workers. During 2011, 59 employees have newly been recruited and 50 employees have left the company. The average wages of the workers at factory level stood at Tk.5500. HR turnover of the company has been found to be insignificant.

3.4 IT and its use in MIS

GHCL is operating under a shared IT infrastructure of the Group. All the IT policies, infrastructure, management, application development, support, training are being managed by the Corporate IT Department. The main database is located at the Corporate Head Office of Opsonin Pharma where all other operational points are connected through dedicated Radio Link or E1 bandwidth. In case of GHCL, the plant and head office is connected with central network by radio link and managed by Brac Net. The operational points are also connected through LAN and internet. Their database is comprised of different modules such as Procurement System, Material Inventory System, Production Management System, different Accounting Modules etc. Database servers are configured with highly secured 64 bit Oracle for Linux and others are latest version of Windows. Data centre is designed and setup as SAN (Storage Area Network) architecture with three layers backup policy.

Good IT infrastructure

3.5 Internal Control System

The internal control system of GHCL is being looked after by separate Operation Process Compliance (OPC) department of the Group. The department ensures structured internal control procedures for all the business units of the Group to safeguard the assets, promote operating efficiency and ensuring compliance with applicable policies and regulations of the units. The Operational Process Compliance (OPC) Department performs Internal Audit in each and every functional areas of the organization at least once in every quarter. The department has 3 members to manage the activities who directly report to the Group Management.

4.0 GROUP PROFILE

As mentioned earlier, GHCL is a concern of Opsonin Group, which started its journey in 1956 by Late Abdul Khaleque with "Opsonin Chemical Industries Ltd." The same was later renamed as "Opsonin Pharma Ltd." in 2005. The Group business is now successfully being led by three sons of Late Mr. Khaleque. At present the eldest son- Mr. Abdus Sabur Khan is the Chairman of the Opsonin Group. Currently the Group has 6 major concerns. Latest information regarding the Groups' business units, their assets, liabilities, equities, turnover, and net income are stated below:

(Figure in Million)

Business Units	Nature of Business/Major Products	Assets	Liabilities	Equity	Sales	Net Income
Global Heavy Chemicals Ltd. (Dec 2011)	Industrial Chemicals Manufacturing	3509.12	243.25	3265.95	728.43	140.17
Opsonin Pharma Ltd. (June 2011)	Pharmaceutical Business	2772.60	1656.26	1116.34	4099.44	109.32
Opso Saline Ltd. (Dec 2010)	Manufacturer of I.V. Fluid, Disposable Syringe & Ophthalmic Product	409.91	308.36	101.55	770.78	16.31
Global Capsules Ltd. (June 2011)	Manufacturer of Gelatin, Empty Hard Gelatin Capsule & Di-calcium Phosphate	277.38	166.46	110.92	496.90	15.41
M/s. Crescent Chemicals Ltd. (June 2011)	Manufacturer of Precipitated Calcium Carbonate, Hydrated Lime, Sulphuric Acid & LABSA	218.79	192.74	26.06	202.37	26.79
M/s. Jokky Garments (June 2011)	Export Oriented Garments Manufacturer	20.57	7.97	12.60	196.53	7.86
Total		7208.37	2575.04	4633.42	6494.45	315.86

Sound Group image

All the business units of the Group is managed and controlled under the umbrella of common control mechanism of the Group being guided and supervised by the Chairman. The Group does not have any articulated pricing policy for inter-company fund transfer. CRISL, however, factored the Group strength as an added advantage since it has created a good funding flexibility as well as support service.

5.0 INDUSTRY OUTLOOK

The chemical industry of to-day is quite broad. Its broader domain, now termed as chemical processing industries encompasses a wide range of products including petrochemicals, paper and pulp, petroleum refining, rubber and plastics, clay and glass product etc. Chemical and allied products include two general categories of products: basic chemical such as acids, alkalis, salt and organic chemicals.

Bangladesh Chemical Industries Corporation (BCIC), a state owned enterprise, is the pioneer in chemical industry

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in Bangladesh with concentration in producing fertilizer, acids, alkali, ammonia, chlorine, paper, pulp, rayon, bleaching powder etc. However, private sectors have rather been enthusiastic in chemical and allied products namely: pharmaceutical products, paints and varnishes, edible oil processing, soaps and detergents, cosmetic and toiletries, certain chemicals (zinc sulfate, chrome sulfate, alum, and iodization of salt), pesticides (formulation) and clay products. One study reports that around 300 units are in operation under this sector.

The development and growth of chemical industry in Bangladesh has been suffering from the predicaments of no sources of elements of sulfur, industrial grade salt, coke and coal and unfavorable tariff on materials. Expediting the chemical industry requires withdrawal of tariff on raw materials, easy banking facilities, acquisition of technology and inter-industry special tariff arrangement for products to be used as raw materials.

At present there is a versatile demand for Peroxide, Caustic and its other bi-products in our country which are currently met through imports and are sold for premium prices. Moreover, the huge prospect in the textile sector is also going to increase the demand for Caustic Soda in the near future. These scenarios, coupled with the overall industrialization trend in Bangladesh, present a unique opportunity for backward integration and service a niche but secured market and gain huge profit while adding to the country's GDP.

6.0 BUSINESS ANALYSIS

6.1 Products & its uses

GHCL is one of the largest manufacturers and suppliers of Chlorine, Caustic Soda, Hydrochloric Acid, Sodium Hypochlorite, Bleaching powder, Chlorinated Paraffin Wax (CPW) and other related products in Bangladesh. These products are mainly used in textile, dyeing & knitting industries, fertilizer industries, WASA etc. A brief description of each of the products is provided below:

Sl. No	Products	Major Uses
1	Caustic Soda (Flakes/ Liquid)	Textile, dyeing & knitting industries, Toiletries industries, Food industries, Pulp & paper industries, Laboratory, etching & electroplating industries.
2	Liquid Chlorine	Chemical & Fertilizer industries, Food Processing industries, Water purification.
3	Hydrochloric Acid	Power stations, Steel & re-rolling industries, Gelatin manufacturing industries, Pharmaceutical industries
4	Clotech (Sodium Hypochlorite)	Oil refineries, petroleum refineries, Textile, pulp & paper industries, Silicate industries, Food Processing industries, Wood processing and Household uses (disinfections & odor control) etc.
5	Clotech-B (Stable bleaching powder)	Garments washing purpose, Household uses.
6	Chlorinated Paraffin Wax (CPW)	Rubber industries, Artificial leather industries, PVC pipe manufacturing and Electric cable manufacturing etc.

High demand of products

6.2 Production Process

GHCL uses the Membrane Cell Process for production of caustic soda and chlorine. Among all other processes the Membrane Cell Process is the latest and best technology around the world for chlor-alkali production. The main raw material sodium chloride (brine) placed in the process, electrically decomposes to produce elemental chlorine, sodium hydroxide solution and elemental hydrogen. This overall process relies on ion-exchange membrane to separate the sodium and chlorine ions of aqueous sodium chloride (brine). Saturated brine is passed into the first chamber of the cell where the chloride ions are oxidized at the anode to chlorine. At the cathode, hydrogen in the water is reduced to hydrogen gas, releasing hydroxide ions into the solution. The non-permeable ion-exchange membrane at the center of the cell allows the sodium ions to pass to the second chamber where they react with the hydroxide ions to produce caustic soda. GHCL adheres to this production technology as it is environmentally sound, consumes less power, provides high safety margin and produces best quality products.

6.3 Raw Materials and Procurement Strategy

The major raw materials of GHCL are industrial grade salt (85%), barium carbonate and sodium sulphite etc. GHCL imports the major raw material (salt) from Gujrat, India. Although salt is largely available in our country, the same is not usable because of having high magnesium in salt components. Other raw materials i.e. Barium Carbonate, Sodium Carbonate, Meghna Flock and Alpha Cellulose are procured from China, Indian and Japan etc. GHCL also requires Sulphuric acid and Sodium Sulphite from its sister concern M/s. Crescent Chemicals Ltd. The Head of commercial department supervises and manages the procurement process of all raw materials sourcing, bargaining and order placing by analyzing the existing demand for company and buffer stock. Subsequently the orders are executed through letter of credit. The company maintains a good supply chain relationship with the raw material suppliers for minimizing the supply risk of the company. The company usually keeps raw materials for 3 months production requirements as inventory before further order is placed. The lead time for raw material procurement on an average is average 60 days.

6.4 Marketing and Distribution Strategy

GHCL is the first private sector manufacturer of Caustic soda, Hydrochloric Acid, Bleaching powder, Chlorine, Sodium Hypochlorite, Clotech and CPW in Bangladesh. The yearly demand of caustic soda alone is around 1.25 Lac Metric Ton in Bangladesh against which GHCL currently meets around 20%. The company has high reputation throughout the country for producing quality product. Most of the time, GHCL receives advance payment from the customers. Having huge market demand, the products are sold just after production. Hydrochloric acid is mainly supplied to its own sister concern, Global Capsules Limited which uses the raw

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material for producing capsule shells. All the buyers of GHCL collect the product from the factory gate by their own transportation facilities. In some instances GHCL takes responsibility to distribute products by its own transport.

7.0 PRODUCTION FACILITIES AND TECHNICAL ANALYSIS

7.1 Infrastructure & Facilities

The production facility of GHCL is located at the southern part of Dhaka district in Hasnabad union under Keranigonj Thana on the south side of the river Buriganga, about 2 km from Dhaka Zero Point. All the infrastructural facilities i.e. gas, electricity, telephone, communication facilities are available in the area. GHCL project is built on land area of around 10 acres of with building area is of 278,583 sft. The main unit of this facility is Bi-polar membrane cell house which includes rectifier transformer, DSC control room, anolyte and catholyte tank, de-chlorination building and quality control department. In addition to that, GHCL has primary and secondary brine purification area, chlorine drying, compression building, caustic evaporation and flaking building, hydrogen gas compression and bottling building, liquid caustic evaporation unit, separate bleaching powder production unit and chlorinated paraffin wax production unit, administrative building, etc. GHCL has been using renowned machineries for the core operation from the very beginning of commercial production. GHCL uses Bi-Polar Membrane Electrolyzer of Ineos-Chlor (ICI) of United Kingdom, Evaporation and Flaking unit of Bertram's Chemical Plants Ltd. Switzerland and Distribution Control Systems (DCS) of ABB etc. The factory is connected with gas line of 20 PSI and company uses gas pressure booster to fulfill the gas requirements. GHCL has three Rolls-Royce Gas generators with total capacity of 8.8 MW and one SDMO diesel generator with 500 KVA for emergency back-up support. In addition to that, the company has REB connection for any emergency situation. Besides the above, the company has guest house for officer, canteen facilities, accommodation facilities for workers and in-house medical facilities.

Good infrastructural facilities

GHCL has well equipped Quality Control Lab with the most modern & sophisticated QC equipments. In addition to centralized quality control system GHCL has computerized monitoring facility in each of its units and online quality control meters with adequate trained and experienced personnel. To maintain a pollution free environment, GHCL uses Automatic Effluent treatment plant for industrial water treatment. All the processed water of the plant is treated at the Automatic Effluent treatment plant. Moreover GHCL has a waste air dichlorination (WAD) area; i.e. if from anywhere of the plant chlorine leaks out, it is automatically sucked by vacuum of WAD area and gets dissolved in 18% concentrated caustic soda solution tank and subsequently by a auto generated process sodium hypochlorite is manufactured.

The company has insurance coverage with Green Delta Insurance Company Ltd. and Provati Insurance Company Ltd. for machinery, electrical installations, all stocks where sum insured of Tk.339.00 million and premium Tk.1.01 million.

8.0 IPO FUND UTILIZATION PLAN

GHCL is expecting to go for IPO, based on accounts ended December 31, 2011. The company has the plan to collect Tk.360.00 million (Share capital Tk.120.00 million and Premium Tk.240.00 million) from IPO proceed which is subject to approval of the regulatory body. After deducting the tax on premium Tk.7.20 million, the net amount will be Tk.352.80 million, which will be used to install one brand new gas generator (4.3 MW), replacement of parts and equipments of existing gas generator, electrolyze, caustic evaporation plant and liquid caustic plant, land development and construction and some other overhauling and construction.

9.0 BUSINESS PERFORMANCE ANALYSIS

GHCL's operation reflects average business performance. The company has recently increased the production capacity for some of the products. At present the production units are running with capacity utilization of around 70% and above. Current capacity utilization of each product is shown in the following table:

Sl.	Products	Capacity (MT/Yr)	Production(MT/Yr)	Capacity Utilization (%)
1	Caustic Soda	19,000	12,350	65%
2	Liquid Chlorine Gas	16,150	9,690	60%
3	Hydrochloric Acid	32,400	29,160	90%
4	Sodium Hypochlorite	1,600	1,280	80%
5	Clotech-B Bleaching powder	740	666	90%
6	Clotech (2Ltr & 3 Ltr)	150	135	90%
7	Chlorinated Paraffin Wax (CPW)	920	828	90%

10.0 FINANCIAL PERFORMANCE

10.1 Quality of Accounts

The book of accounts of the company has been found to be moderately structured and financial statements have been prepared with adequate disclosure. Ahmed Zaker & Co. is the appointed Chartered Accountants of the company.

Capacity utilization is around 70% and above

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10.2 Financial Performance & Profitability

The financial performance of GHCL has been found to be moderate with significant increase in sales revenue and the net profit, which was mainly due to decreasing cost of raw materials, overhead cost as well as finance cost. The company generated sales revenue of Tk.728.43 million during the year 2011 against Tk.530.08 million during the previous year. Similarly, the net profit after tax stood Tk.140.17 million during the year 2011 against Tk.25.53 million in the year 2010. The above performance led to significant improvement in the financial performance and operating efficiency during the last year.

Profitability Ratios	2011	2010	2009
Return on Average Assets (ROAA)%	4.26	1.26	1.03
Return on Average Equity (ROAE)%	5.35	2.48	11.64
Return on Average Capital Employed (ROACE)%	4.78	1.59	1.41
Gross Profit Margin%	43.21	34.39	28.19
Operating Profit Margin%	39.30	29.98	23.83
Net Profit Margin%	19.24	4.82	1.97
Cost to Revenue Ratio (%)	56.79	65.61	71.81
Administrative Cost to Revenue Ratio (%)	3.91	4.38	4.34
Finance Cost to Revenue Ratio (%)	8.73	22.36	20.77

Moderate financial performance

The above improvements in ROAA, ROAE ROACE after tax are mainly because of higher growth in net income than growth in assets, equity and net capital employed.

The cost efficiency of the company is largely dependent on the price of the main raw material i.e. special grade industrial salt. The price of this industrial grade salt in the international market is very unstable. However, the company has the capacity to absorb the shock of the raw material price escalation through adjusting the sales price. During the year 2011 cost to revenue ratio of the company decreased to 56.79% against 65.61% in the previous year. The administrative expenses to revenue stood at 3.91% in FY 2010-11 against 4.38% in the previous year. Moreover, finance cost to revenue ratio improved to 8.73% in during the year 2011 against 22.36% of the previous year due to significant discharge of financial obligation during the same period.

11.0 FINANCIAL STRENGTH AND SOLVENCY

Being a business unit of Opsonin Group, the company enjoys considerable funding facilities from other business units of the Group which is a key consideration for long run sustainability. However, solvency position of the company in isolation of the Group has also been found to be good. The capital structure of the company is as below:

(Figure in million Tk.)			
Particulars	2011	2010	2009
Current Assets (A)	499.56	380.21	131.85
Less: Current Liabilities (B)	191.96	530.35	288.72
Net current assets (A-B)	307.60	(150.14)	(156.87)
Fixed Assets	3009.61	2696.36	830.72
Net Capital Employed	3317.21	2546.22	673.85
Financed by:			
Non-current Liability	51.27	571.69	590.53
Adjusted Capital			
Share Capital	600.00	100.00	50.00
Share premium	970.00	100.00	0.00
Share Money Deposit	0.00	200.00	10.00
Revaluation Reserve	1525.67	1525.67	0.00
Retained Earnings	170.28	48.86	23.32
Total	3265.95	1974.53	83.32
Leverage Ratio (X)	0.07	0.56	10.55
Debt Service Coverage Ratio (X)	1.77	1.52	1.29
Interest Coverage Ratio (X)	4.53	1.34	1.15

The above financial position reveals that GHCL is an equity based company and capital structure comprises of 6.93% debt (of which 78.92% short term and 21.08% long term director's loan) and 93.07% equity as on December 31, 2011. The equity pie is composed of 18.37% share capital, 29.70% share premium, 46.72% revaluation reserve and rest 5.21% retained earnings. The leverage ratio decreased to stand at 0.07 time as on December 31, 2011 against 0.56 time in the previous year. The above was mainly due to increase in capital and decrease in term loan during the period. The debt service coverage ratio and interest coverage ratio of the company respectively stood at 1.77 times and 4.53 times during the year 2011 against 1.52 times and 1.34 times in the previous year. The above indicates that the company's position has slightly improved to repay debt obligations. Moreover, the recent plan to go for IPO will enhance the capital base which will positively affect the leverage structure.

12.0 LIQUIDITY ANALYSIS

Indicators	FY 2010-11	FY 2009-10	FY 2008-09
Current Ratio	2.60	0.72	0.46
Quick Ratio	2.02	0.51	0.39
Operating Cash flow	232.10	(212.58)	86.34

Equity based capital structure

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GHCL is operating with average liquidity considering the inter group funding flexibility. The company is mainly dependent on short term bank loan/ facilities for its working capital requirement. The current and quick ratio of the company respectively stood at 2.60 times and 2.02 times as on December 31, 2011 against 0.72 times and 0.51 times in the previous year. The cash conversion cycle of the company is comparatively long which stood at around 139 days in FY 2010-11 against 95 days in the previous year. While analyzing the cash flow from operation it was revealed that the company generated positive cash flow in the year 2011 against negative operating cash flow in the previous year.

13.0 CREDIBILITY AND BANKING RELATIONSHIP

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Average liquidity

13.1 Liability Position

Due to good credibility and strong market image of the group, GHCL has been enjoying working capital facilities from Uttara Bank Ltd. (UBL), HSBC and AB Bank. The details of loans' status are defined in following table:

(Figure in million Tk.)

Bank/FIs	Mode	Limit Sanctioned/ Investment	Outstanding Amount As on March 15, 2012	Repayment Status	Security Packages
HSBC	WC Funded	36.00	26.64	Regular	Details in 13.2
	WC Non-funded	130.23	32.43		
Total		166.23	59.07		
AB Bank Ltd.	WC Funded	2200.00	296.20	Regular	
	WC Non-funded	2000.00	-		
Total		4200.00	296.20		
Uttara Bank Ltd.	WC Funded	2100.00	1950.37	Regular	
	WC Non-funded	500.00	233.82		
	Term Loan	608.00	-		
Total		3208.00	2184.19		

13.2 Security Arrangement against Exposure

The mode of the security offered under each banking facilities are summarized below:

Name of the Banks	Security Arrangement
UBL	a) Hypothecation of all raw materials.
	b) Pari passu mortgage on 861.67 decimals land with factory building.
	c) Personal guarantee of all the Directors of the company.
	d) Corporate guarantee of Opsonin Chemicals Industries Ltd.
HSBC	a) 1 st charge over Borrower's Stocks of Raw Material and plant and machineries.
	b) Power of attorney for hypothecated goods.
	c) Demand Promissory Note for Tk.525 million from GHCL.
	d) Personal Guarantee of all the Directors.
	e) Corporate guarantee executed by the Group.
AB Bank Ltd.	a) 1 st charge (pari-passu and pro-rata basis) on land, buildings and other floating assets.
	b) Personal Guarantee of all the Directors.
	c) Corporate guarantee executed by the Group.

Regular loan repayment history

14.0 RISK ANALYSIS

14.1 Operational Risk

GHCL is well-equipped with all the modern machineries mostly imported from UK and Switzerland. Moreover, the company also avails quality chemists with adequately trained and experienced personnel. However, GHCL had to face a minor accident of leaking gas pipe of chlorine unit in October 15, 2011 by which several workers and general people became ill and the company had to pay a penalty to the Government. Besides, good recycling of toxic as well as wastage is a very important concern for chemical companies. Any deviation from these can cause a great trouble for the company. The workers also have to be more cautious, while working in a chemicals factory. Considering the above, GHCL is exposed to operational risk to some extent.

Adequate security coverage

14.2 Quality Control Risk

GHCL has well equipped Quality Control Lab with the most modern & sophisticated QC equipment. In addition to centralized quality control system GHCL has computerized monitoring facility in each of its units and online quality control meters with adequately trained and experienced personnel. But any deviation from process and QC mechanism may cause major problem in the production process as well as the quality of the product. Thus, considering the above, GHCL is exposed to quality control risk to some extent.

Exposed to operational risk

14.3 Environmental/Health Hazard Risk

The products of GHCL are chemical and its substance. GHCL's production facility is built in such way so that it can provide considerable safeguard against toxic emissions to the employees and workers. In addition to that, the company has central emission control system in case of any leakage of toxic fumes. GHCL has also pressure control monitoring system and alarm system which notifies ahead of any major mishap. As the products are very toxic in content, these may bear some risk causing human health effects and aquatic effects including water and environment pollution.

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14.4 Infrastructure and Technological Risks

GHCL is operating with modern infrastructural facilities and all buildings are constructed by maintaining standard building code to ensure safety in case of hazardous storm and earthquake etc. GHCL is also using world renowned machineries and modern technology for all its major production units. Computerized Distribution Control Systems (DCS) is able to monitor and control entire operational activities of the whole plant from a single point. At least 3000 loops are connected with the central DCS system from the fields to receive data every day. So considering the above CRISL does not foresee any major technological or obsolescence risk for GHCL in near future.

14.5 Power Generation Risk

The factory of GHCL runs on gas based power. Currently the factory is connected with 20 PSI gas line and has also been using a booster to meet the requirement. The necessary gas pressure for GHCL has been found to be of expected level. But considering the current gas situation of the country, CRISL foresees that the company is exposed to power generation risk.

14.6 Raw Material Supply Risk

In Bangladesh, chemical companies are fully dependent on imported raw materials for caustic soda production as the salt available domestically is unusable for the purpose. GHCL imports industrial grade salt from Gujrat, India. Though the company has good supply chain relationship with the suppliers, GHCL may occasionally face problem in terms of quality of raw material. CRISL views that, since the company has sole dependency on a single foreign source for their major raw material, GHCL is exposed to raw material supplies risk.

14.7 Market Risk

The products of GHCL are required and used by almost all industries of the country. Textiles, dyeing, power plant, fertilizer, pharmaceutical industry, paper industry, soap, detergent, rubber and artificial leather industry, Dhaka and Chittagong WASA- are the major consumers of the products. But till now the local market is competitive due to presence of both quality local producers and many global producers. On the other hand, any deviation from the standard may result in serious market image crisis. Considering the above, the company is exposed to moderate market risk.

15.0 OBSERVATION SUMMARY

Rating Comforts: <ul style="list-style-type: none"> • Equity based capital structure • Good solvency • Good infrastructural facilities • Sound Group image • High demand for the products • Experienced management team • Major market player in the industry • Regular payment history 	Rating Concerns: <ul style="list-style-type: none"> • Moderate financial performances • Long cash conversion cycle • Exposure to operational risk • Exposure to quality control risk • Absence of articulated inter company cost sharing and fund transfer policy
Business Prospects: <ul style="list-style-type: none"> • Scope of product diversification • Availability of Cheap Labor • Further Scope of Expansion 	Business Challenges: <ul style="list-style-type: none"> • Political instability • Skilled Labor crisis • Maintaining appropriate compliance standard • Dependency on foreign source for its major raw material

16.0 PROSPECTS

Chemical industry in Bangladesh is a thriving sector. Demand for chemical is rising in lather processing, textiles, paint, steel mills, paper mills, water treatment plants, fertilizer production and other manufacturing industry. Only government owned chemical industry i.e. BCIC is unable to fulfill this growing need. As such demand for caustic and its other bi-products are currently being met mostly through imports. Under these circumstances, GHCL has an opportunity to explore its market. By raising money through IPO, the company has planned to raise its existing production capacity as well as expand its product mix by producing newer products.

END OF THE REPORT

(Information used herein is obtained from sources believed to be accurate and reliable. However, CRISL does not guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Rating is an opinion on credit quality only and is not a recommendation to buy or sell any securities. All rights of this report are reserved by CRISL. Contents may be used by news media and researchers with due acknowledgement)

[We have examined, prepared, finalized and issued this report without compromising with the matters of any conflict of interest. We have also complied with all the requirements, policy procedures of the SEC rules as prescribed by the Securities and Exchange Commission.]

17.0 FINANCIAL STATEMENT

A. Balance Sheet

Particulars	2011	2010	2009
Non-Current Assets:	--	--	--
Property, Plant & Equipt.	3009.61	2657.13	781.29
Intangible Assets(net)			
Investment			
Other Non-current Assets		39.23	49.43
Total Non-Current Assets	3009.61	2696.36	830.72
Current Assets:	--	--	--
Inventories	112.42	109.37	18.84
Trade Debtors	128.91	71.64	15.62
Adv. Deposits & Prepayments	255.20	181.83	33.64
Other Current Assets	-	15.59	16.01
Total Current Assets Other than Cash	496.53	378.42	84.11
Cash & Bank Balances	3.03	1.79	47.74
Total Current Assets	499.56	380.21	131.85
Current Liabilities:	--	--	--
Short Term Loan	58.45	344.57	250.95
Long Term Loan-CP	-	122.46	-
Trade Creditors	20.96	06.34	-
Liabilities for Expenses	-	34.25	30.40
Proposed Dividend	-	-	-
Other ST Liabilities	112.55	22.73	07.38
Total Current Liabilities	191.96	530.35	288.72
Net Current Assets	307.60	(150.14)	(156.87)
Net Assets	3317.21	2546.22	673.85
Non-Current Liabilities:	--	--	--
Long Term Loan	-	571.69	590.53
Shareholders' Loan	51.27	-	-
Total Non-Current Liab.	51.27	571.69	590.53
Total Liabilities	243.23	1102.04	879.25
Shareholders' Equity:	--	--	--
Share Capital	600.00	100.00	50.00
Share Premium	970.00	200.00	-
Share Money Deposit	-	100.00	10.00
Revaluation Reserve	1525.67	1525.67	-
Retained Earnings	170.28	48.86	23.32
Total Shareholder's Equity	3165.95	1974.53	83.32
Total Equity and LT Liab.	3317.21	2546.22	673.85
Total Assets	3509.17	3076.56	962.57

B. Income Statement (For the year ended 31st December)

Particulars	2011	2010	2009
Sales Revenue	728.43	530.08	465.50
CoGS Excluding Dep.	374.92	328.39	321.82
Depreciation-Mfg	38.75	19.42	12.47
Cost of Goods Sold	413.67	347.81	334.28
Gross Profit	314.76	182.27	131.22
Depreciation-Admin.	2.04	1.02	0.66
Other Admin. Expenses	26.42	22.21	19.54
Total Admin.	28.46	23.23	20.20
Depreciation- Selling & Distribution	-	-	-
Selling & Distribution Exp.	-	0.12	0.09
Total Selling	-	0.12	0.09
Other Operating Exp.	-	-	-
Profit from Operation	286.30	158.92	110.93
Financial Cost	63.56	118.51	96.69
Other Income	1.52	0.45	0.43
Profit Before Tax	224.27	40.86	14.66
Income Tax	84.10	15.32	5.50
Profit After Tax	140.17	25.53	9.17

CRISL RATING SCALES AND DEFINITIONS LONG-TERM RATINGS OF CORPORATE	
RATING	DEFINITION
AAA Triple A (Highest Safety)	Investment Grade Entities rated in this category are adjudged to be of best quality, offer highest safety and have highest credit quality. Risk factors are negligible and risk free, nearest to risk free Government bonds and securities. Changing economic circumstances are unlikely to have any serious impact on this category of companies.
AA+, AA, AA- (Double A) (High Safety)	Entities rated in this category are adjudged to be of high quality, offer higher safety and have high credit quality. This level of rating indicates a corporate entity with a sound credit profile and without significant problems. Risks are modest and may vary slightly from time to time because of economic conditions.
A+, A, A- Single A (Adequate Safety)	Entities rated in this category are adjudged to offer adequate safety for timely repayment of financial obligations. This level of rating indicates a corporate entity with an adequate credit profile. Risk factors are more variable and greater in periods of economic stress than those rated in the higher categories.
BBB+, BBB, BBB- Triple B (Moderate Safety)	Entities rated in this category are adjudged to offer moderate degree of safety for timely repayment of financial obligations. This level of rating indicates that a company is under-performing in some areas. Risk factors are more variable in periods of economic stress than those rated in the higher categories. These entities are however considered to have the capability to overcome the above-mentioned limitations.
BB+, BB, BB- Double B (Inadequate Safety)	Speculative Grade Entities rated in this category are adjudged to lack key protection factors, which results in an inadequate safety. This level of rating indicates a company as below investment grade but deemed likely to meet obligations when due. Overall quality may move up or down frequently within this category.
B+, B, B- Single B (Risky)	Entities rated in this category are adjudged to be with high risk. Timely repayment of financial obligations is impaired by serious problems which the entity is faced with. Whilst an entity rated in this category might be currently meeting obligations in time through creating external liabilities.
CCC+, CCC, CCC- Triple C (Vulnerable)	Entities rated in this category are adjudged to be vulnerable and might fail to meet its repayments frequently or it may currently meeting obligations in time through creating external liabilities. Continuance of this would depend upon favorable economic conditions or on some degree of external support.
CC+, CC, CC- Double C (High Vulnerable)	Entities rated in this category are adjudged to be very highly vulnerable. Entities might not have required financial flexibility to continue meeting obligations; however, continuance of timely repayment is subject to external support.
C+, C, C- (Extremely Speculative)	Entities rated in this category are adjudged to be with extremely speculative in timely repayment of financial obligations. This level of rating indicates entities with very serious problems and unless external support is provided, they would be unable to meet financial obligations.
D (Default)	Default Grade Entities rated in this category are adjudged to be either already in default or expected to be in default.

Note: For long-term ratings, CRISL assigns + (Positive) sign to indicate that the issue is ranked at the upper-end of its generic rating category and - (Minus) sign to indicate that the issue is ranked at the bottom end of its generic rating category. Long-term ratings without any sign denote mid-levels of each group.

SHORT-TERM RATING OF CORPORATE	
ST-1	Highest Grade Highest certainty of timely payment. Short-term liquidity including internal fund generation is very strong and access to alternative sources of funds is outstanding. Safety is almost like risk free Government short-term obligations.
ST-2	High Grade High certainty of timely payment. Liquidity factors are strong and supported by good fundamental protection factors. Risk factors are very small.
ST-3	Good Grade Good certainty of timely payment. Liquidity factors and company fundamentals are sound. Although ongoing funding needs may enlarge total financing requirements, access to capital markets is good. Risk factors are small.
ST-4	Moderate Grade Moderate liquidity and other protection factors qualify an entity to be in investment grade. Risk factors are larger and subject to more variation.
ST-5	Non-Investment/Speculative Grade Speculative investment characteristics. Liquidity is not sufficient to ensure discharging debt obligations. Operating factors and market access may be subject to a high degree of variation.
ST-6	Default Entity is in default or is likely to default in discharging its short-term obligations. Market access for liquidity and external support is uncertain.

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**SECTION XXXI: INFORMATION INCLUDED AS PER SEC'S NOTIFICATION NO.
SEC/CMRRCD/2008/115/ADMIN/30 DATED OCTOBER 05, 2011**

1. EARNINGS PER SHARE (EPS) ON FULLY DILUTED BASIS (THE TOTAL EXISTING NO. OF SHARES):

Particulars	Amount in Taka
Net profit after Tax	140,167,611
No. of shares before IPO	60,000,000
Earnings per Share (EPS) on fully diluted basis	2.34

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2. NET PROFIT EXCLUDING EXTRA-ORDINARY INCOME OR NON-RECURRING INCOME COMING FROM OTHER THAN CORE OPERATIONS:

Particulars	Amount in Taka
Net profit before Tax	224,268,177
Less: Other Income	1,523,241
Net profit before tax except other income	222,744,936
Less: Provision for Taxation	83,529,351
Net profit after tax except other income	139,215,585

3. EARNINGS PER SHARES EXCLUDING EXTRA-ORDINARY INCOME OR NON-RECURRING INCOME COMING FROM OTHER THAN CORE OPERATIONS:

Particulars	Amount in Taka
Net profit before Tax	224,268,177
Less: Other Income	1,523,241
Net profit before tax except other income	222,744,936
Less: Provision for Taxation	83,529,351
Net profit after tax except other income	139,215,585
No. of shares before IPO	60,000,000
Earnings per Share (EPS) on fully diluted basis	2.32

4. NET ASSET VALUE PER SHARE:

- a) Net Asset Value with Revaluation Reserve based on fully diluted basis:
b) Net Asset Value without Revaluation Reserve based on fully diluted basis:

Particulars	Amount in Taka
Share Capital	600,000,000
Share Premium	970,000,000
Revaluation Reserve	1,525,671,614
Retained Earnings	170,275,274
Total Shareholders' Equity (with Revaluation Reserve)	3,265,946,888
Total Shareholders' Equity (without Revaluation Reserve)	1,740,275,274
Total Number of Ordinary Share	60,000,000
a) Net Assets Value (NAV) at BDT 10.00 per share	54.43
b) Net Assets Value (NAV) at BDT 10.00 per share	29.00

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"শেয়ার বাজারে বিনিয়োগ ঝুঁকিপূর্ণ, জেনে ও বুঝে বিনিয়োগ করুন।"

SECTION XXXII: APPLICATION FORM

"INTERESTED PERSONS ARE ENTITLED TO A PROSPECTUS, IF THEY SO DESIRE, AND THAT COPIES OF PROSPECTUS MAY BE OBTAINED FROM THE ISSUER AND THE ISSUE MANAGER"

GLOBAL HEAVY CHEMICALS LIMITED

APPLICATION FOR SHARES BY INVESTORS OTHER THAN NON-RESIDENT BANGLADESHI(S)

Warning: Please read the instructions on the back of this form. Incorrectly filled applications or application failing to comply with any instructions therein may be rejected.

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The Managing Director
GLOBAL HEAVY CHEMICALS LIMITED
37, Segun Bagicha, Dhaka-1000

Banker's Sl. No.

Dear Sir,

I/we apply for and request you to allot me/us numbers of Shares and I/we agree to accept the same or any smaller number that may be allotted to me / us upon the terms of the Company's Prospectus approved by the Securities and Exchange Commission subject to the Memorandum and Articles of Association of the company. Further, I/we authorize you to place my /our name (s) on the Register of Member (s) of the Company and deposit the said ordinary Shares in my / our Beneficiary Owner (BO) Account; I/we further authorize you to send a Crossed (A/C Payee Only) Cheque in respect of any application money refundable to me/us by post/courier at my/our risk to the first applicant's address stated below:

1. No. of ordinary shares of Tk. 20/-each including a premium of Tk. 10/- per share.
2. Amount of Tk. (in figure).....Taka (in words)only deposited vide
Cash/Cheque/Draft/Pay Order No. Dated.....
On.....BankBranch.

3. Beneficiary Owner (BO) Account No.

(If you do not mention your valid BO account no., your application will be treated as invalid)

4. I/we agree to fully abide by the instructions given herein.

5. Particulars of Applicant(s):

a) Sole/First Applicant:

Name:		
Father's /Husband's Name:		
Mother's Name:		
Postal Address:		
Occupation:	Nationality:	Telephone No. (If any):
For Refund Warrant: (Application will not be treated as valid if anyone uses a non-scheduled bank. To avoid this complication, investors are requested not to use the name of any non-scheduled bank) Please write the correct and full name of bank and branch.		
For refund purpose: I/We want refund through <input type="checkbox"/> Bank Account* <input type="checkbox"/> Hand Delivery/Courier (Please put tick mark in which refund will be made).		
Applicant's Bank A/C No.:		
Name of the Bank:		Branch:

b) Second Applicant:

Name:		
Father's /Husband's Name:		
Mother's Name:		
Postal Address:		
Occupation:-	Nationality:	Telephone No. (If any):

06. I/we hereby declare that I/We have read the Prospectus of **Global Heavy Chemicals Limited** and have willingly subscribed for.....No. of Ordinary Shares of Tk. 20/- each including a premium of Tk. 10/- per share.

07. Specimen Signature(s):

1 st Applicant: Name(in Block Letters)	Signature:
2 st Applicant: Name(in Block Letters)	Signature:

*In case of deposit in to the applicants Bank Account, the applicant will bear the applicable service charge, if any, of the applicants banker and the issuer shall simultaneously issue a letter of intimation to the applicant containing, among others, the date and the amount remitted with details of the bank through and to which bank such remittance has been effected.

BANKER'S ACKNOWLEDGEMENT

Certified that this Bank has received Tk. (in figure)..... (in word).....only from Mr./ Mrs./Ms..... being the Application Money for..... Nos. Ordinary Shares of **Global Heavy Chemicals Limited**.

Banker's Sl. No.

Seal and Date

Authorized Signature
(Name & Designation)

PROSPECTUS

ISSUE MANAGERS:



BMSL Investment Limited



AFC Capital Limited

INSTRUCTIONS

1. As per provision of Depository Act, 1999 and regulations made there under shares will only be issued in dematerialized condition. Please mention your Beneficiary Owner (BO) Account number in the application form. If you do not mention your valid Beneficiary Owner (BO) Account, your application will be treated as invalid.
2. All information must be typed or written in full (in Block Letters) in English or in Bengali and must not be abbreviated.
3. Application must be made on the Company's printed form/photocopy or on typed copy/hand written form thereof.
4. Application must not be for less than **250** Ordinary Shares and must be for a multiple of **250** Ordinary Shares. Any Application not meeting these criterions will not be considered for allotment purpose.
5. Remittance for the full amount of the Shares must accompany each Application and must be forwarded to any of the Bankers to the favoring A/C. Remittance should be in the form of Cash/ Cheque/ Bank Draft/ Pay Order payable to one of the Bankers to the Issue A/C **"Global Heavy Chemicals Limited"** and crossed **"A/C Payee only"** and must be drawn on a Bank in the same town as the Bank to which the Application Form has been sent.
6. In the case of Joint Application Form, the Allotment Letter will be dispatched to the person whose name appears first on this Application Form and where any amount is refundable in whole or in part the same will be refunded by Account Payee Cheque by post/courier service to the person named first on this Application Form in the manner prescribed in the Prospectus.
7. Joint Application Form for more than two persons will not be accepted. In case of Joint Application, each party must sign the Application Form.
8. Application must be in full name of individuals or companies or societies or trusts and not in the name of firms, minors or persons of unsound mind. Applications from financial and market intermediary companies must be accompanied by Memorandum and Articles of Association and Certificate of Incorporation.
9. **An applicant cannot submit more than two applications, one in his/her own name and another jointly with another person. In case an applicant makes more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition 15% (fifteen) of the application money will be forfeited by the Commission and the balance amount will be refunded to the applicant.**
10. No receipt will be issued for the payment made with Application, but the bankers will issue a provisional acknowledgment to the Issue for Application lodged with them.
11. In the case of non-allotment of securities, if the applicants' bank accounts as mentioned in their IPO Application Forms are maintained with the Bankers to the Issue, refund amount of those applicants will be directly credited into the respective bank "Account Payee" cheque(s) with bank account number and the name of bank and branch as mentioned in the application payable at Dhaka or Chittagong, as the case may be.
12. Allotment shall be made solely in accordance with the instructions of the Securities and Exchange Commission (SEC).
13. Making of any false statement in the Application or supplying of incorrect information therein or suppressing any relevant information shall make the Application liable to rejection and subject to forfeiture of application money and/or forfeiture of share (unit) before or after issuance of the same by the issuer. The said forfeited application money or share (unit) will be deposited in account specified by the Securities and Exchange Commission (SEC). This may be in addition to any other penalties as may be provided for by the law.
14. Applications, which do not meet the above requirements, or Applications, which are incomplete, shall not be considered for allotment purposes.
15. The Banker's to the Issue Banks shall be obliged to receive the A/C Payee Cheque(s) on the closing day of the subscription.
16. **No sale of securities shall be made, nor shall any money be taken from any person, in connection with such sale until 25(twenty five) days after the prospectus has been published.**
17. **The applicants who have applied for more than two applications using same bank account, their application will not be considered for lottery and the Commission will forfeit 15% (fifteen) of their subscription money too.**

ISSUE MANAGERS:



BMSL Investment Limited



AFC Capital Limited

BANKERS TO THE ISSUE

Uttara Bank Limited

Local Office
Corporate Branch, Dhaka
Gulshan Branch, Dhaka
Karwan Bazar Branch, Dhaka
Shantinagar Branch, Dhaka
Satmasjid Road Branch, Dhaka
Pallabi Branch, Dhaka
Baniya Shukha, Dhaka
B.B. Avenue Branch, Dhaka
Azampur Branch, Dhaka
Islampur Branch, Dhaka
Uttara Branch, Dhaka
Joydevpur Branch, Dhaka
Narayanganj Branch
Agrabad Branch, Chittagong
Comilla Branch, Comilla
Mymensingh Branch
Sylhet Branch, Sylhet
Jessore Branch, Jessore
Sir Iqbal Road Branch, Khulna
Bogra Branch, Bogra
Rangpur Branch, Rangpur
Dinaipur Branch, Dinaipur
Barisal Branch, Barisal
Shaheb Bazar Branch, Rajshahi
Kushtia Branch, Kushtia
Tangail Branch, Tangail
Pabna Branch, Pabna
Cox's Bazar Branch, Cox's Bazar
Faridpur Branch, Faridpur

Premier Bank Limited

Dilkusha Branch, Dhaka
Gulshan Branch, Dhaka
Banani Branch, Dhaka
Inamgonj Branch, Dhaka
Karwan Bazar Branch, Dhaka
Motiheel Branch, Dhaka
Dhanmondi Branch, Dhaka
Uttara Branch, Dhaka
Khatungonj Branch, Chittagong
Elephant Road Branch, Dhaka
DEPZ Branch, Savar, Dhaka
Islami Banking Branch, Mohakhali, Dhaka
Kakrail Branch, Dhaka
Rokeya Sarani Branch, Dhaka
Kalabagan Branch, Dhaka
Rampura Branch, Dhaka
Barishal Branch, Barishal
Narayanganj Branch, Narayanganj
Zinzira Branch, Dhaka
Nawalpur Road Branch, Dhaka
Agrabad Branch, Chittagong
Meghna Ghat Branch, Narayanganj
Pahartoli Branch, Chittagong
Khulna Branch, Khulna
Islami Banking Branch, Sylhet
O.R. Nizam Road Branch, Chittagong
Tongi Branch, Tongi, Gazipur
Moulvibazar Branch, Moulvibazar

IFIC Bank Limited

Federation Branch, Dhaka
Dhanmondi Branch, Dhaka
Moakhali Branch, Dhaka
Banani Branch, Dhaka
Shantinagar Branch, Dhaka
Elephant Road Branch, Dhaka
Islampur Branch, Dhaka
Karwan Bazar Branch, Dhaka
Naya Palton Branch, Dhaka
Uttara Branch, Dhaka
Malibagh Branch, Dhaka
Pallabi Branch, Dhaka
Lamatia Branch, Dhaka
Narsingdi Branch, Narsingdi
North Brook Hall Road Branch, Dhaka
Narayanganj Branch, Narayanganj
Faridpur Branch, Faridpur
Mymensingh Branch, Mymensingh
Stock Exchange Branch, Dhaka
Pragati Sarani Branch, Dhaka
Mirpur Branch, Dhaka
Agrabad Branch, Chittagong
CDA Avenue Branch, Chittagong
Madam Bibir Hat Branch, Chittagong
Cox's Bazar Branch, Cox's Bazar
Sheikh Mujib Road Branch, Chittagong
Comilla Branch, Comilla
Brahmanbaria Branch, Brahmanbaria
Choumuhani Branch, Noakhali
Feni Branch, Feni
Alanker More Branch, Chittagong
Rajshahi Branch, Rajshahi
Rangpur Branch, Rangpur
Bogra Branch, Bogra
Pabna Branch, Pabna
Dinaipur Branch, Dinaipur
Khulna Branch, Khulna
Bora Bazar Branch, Khulna
Jessore Branch, Jessore
Kushtia Branch, Kushtia

Barisal Branch, Barisal
Sylhet Branch, Sylhet
Moulvi Bazar Branch, Moulvi Bazar
Uposohor Branch, Sylhet
Tuliker Branch, Sylhet

Jamuna Bank Limited

Mohakhali Branch, Dhaka
Sonargong Road Branch, Dhaka
Moulvibazar Branch, Dhaka
Dilkusha Branch, Dhaka
Motiheel Branch, Dhaka
Shantinagar Branch, Dhaka
Gulshan Branch, Dhaka
Dhanmondi Branch, Dhaka
Naya Bazar Islami Banking Branch
Foreign Exchange Branch, Dhaka
Dhohikhal Branch, Dhaka
Banani Branch, Dhaka
Malibagh Branch, Dhaka
Mirpur Branch, Dhaka
Uttara Branch, Dhaka
Christia Market Branch, Dhaka
Rayerbag Branch, Dhaka
Islampur Branch, Dhaka
Ring Road Branch, Dhaka
Narayanganj Branch, Narayanganj
Savar Branch, Dhaka
Tongi Branch, Dhaka
Agrabad Branch, Chittagong
Khatungonj Branch, Chittagong
Jubilee Road Islami Banking Branch, Chittagong
Bahaddarhat Branch, Chittagong
Kadamtali Branch, Chittagong
Anderkilla Branch, Chittagong
Bhatyan Branch, Chittagong
Narirabad Branch, Chittagong
Dewanhat Branch, Chittagong
Comilla Branch, Comilla
Feni Branch, Feni
Bogra Branch, Bogra
Dinaipur Branch, Dinaipur
Sylhet Branch, Sylhet
Rajshahi Branch, Rajshahi
Kustia Branch, Kustia
Barishal Branch, Barishal
Mymensingh Branch, Mymensingh

Eastern Bank Limited

Principal Branch, Dilkusha, Dhaka
Motiheel Branch, Dhaka
Mirpur Branch, Dhaka
Bashundhara Branch, Dhaka
Shamoly Branch, Dhaka
Narayanganj Branch
Choumuhoni Branch, Dhaka
Moulvibazar Branch
Uttara Garib-E-Newaz Branch
Siraj-Ud-Doula Road Branch, Chittagong
Chouhatta Branch, Sylhet
Agrabad Branch, Chittagong
Khatungonj Branch, Chittagong
Bogra Branch
Khulna Branch
Rajshahi Branch
Savar Branch
Jessie Branch
Mirpur Dar-U-Salam Road Branch
O. R. Nizam Road Branch, Chittagong
Upashahar Branch, Sylhet

AB Bank Limited

Motiheel Branch, Dhaka
New Elephant Road Branch, Dhaka
Dhanmondi Branch, Dhaka
Islampur Branch, Dhaka
Karwan Bazar Branch, Dhaka
Progoti Sharini Branch, Dhaka
Rokeya Sarani Branch, Dhaka
Mirpur Branch, Dhaka
Kakrail Branch, Dhaka
Khulna Branch, Khulna
VIP Road Branch, Sylhet
Agrabad Branch, Chittagong
Rajshahi Branch, Rajshahi
Rangpur Branch, Rangpur
Barisal Branch, Barisal
Naogaon Branch, Naogaon

Southeast Bank Limited

Principal Branch, Dhaka
Corporate Branch, Dhaka
Imamganj Branch, Dhaka
Dhanmondi Branch, Dhaka
Uttara Branch, Dhaka
New Elephant Road Branch, Dhaka
Rokeya Sarani Branch, Dhaka
Kakrail Branch, Dhaka
Banani Branch, Dhaka
Bangshal Branch, Dhaka
New Eskaton Branch, Dhaka

Karwan Bazar Branch, Dhaka
Sat Moshjid Road Branch, Dhaka
Shaymoli Branch, Dhaka
Aganagar Branch, Dhaka
Pragati Sarani Branch, Dhaka
Madhabadi Branch (Rural), Narahingdi
Ashulia Branch (Rural), Dhaka
Narayanganj Branch, Narayanganj
Joypara Branch (Rural), Dhaka
Savar Branch, Dhaka
Mouchak Branch, Dhaka
Korabari Branch (Rural), Gazipur
Moulvibazar Branch, Moulvibazar
Pahartali Branch, Chittagong
Chouhatta Branch, Sylhet
Laldighirpaar Branch, Sylhet
Pathantula Branch, Sylhet
Agrabad Branch, Chittagong
Jubilee Road Branch, Chittagong
Halishahar Branch, Chittagong
Chowmuhani Branch, Noakhali
CDA Avenue Branch, Chittagong
Cox's Bazar Branch, Cox's Bazar
Chagalnaiya Branch, Feni
Momin Road Branch, Chittagong
Rangpur Branch, Rangpur
Bogra Branch, Bogra
Khulna Branch, Khulna
Barisal Branch, Barisal
Rajshahi Branch, Rajshahi

United Commercial Bank Limited

Principal Branch, Dhaka
Nayabazar Branch, Dhaka
Dhanmondi Branch, Dhaka
Narayanganj Branch
Mirpur Branch, Dhaka
Uttara Branch, Dhaka
Corporate Branch, Gulshan Avenue,
Gulshan Branch, Dhaka
Mohakhali Branch, Dhaka
Banani Branch, Dhaka
Tejgaon Branch, Dhaka
Bijoyagar Branch, Dhaka
Mymensingh Branch
Khatungonj Branch, Chittagong
Agrabad Branch, Chittagong
Cox's Bazar Branch
Jubilee Road Branch, Chittagong
Comilla Branch
Majidee Court Branch, Noakhali
Sylhet Branch, Sylhet
Pabna Branch, Pabna
Rangpur Branch
Dinaipur Branch
Bogra Branch, Bogra
Rajshahi Branch, Rajshahi
Khulna Branch, Khulna
Jessore Branch, Jessore
Kushtia Branch, Kushtia
Barisal Branch, Barisal
Faridpur Branch

National Bank Limited

Agrabad Branch, Chittagong
Anderkilla Branch, Chittagong
Bangshal Road Branch, Dhaka
Banani Branch, Dhaka
Babubazar Branch, Dhaka
Bogra Branch, Bogra
Barisal Branch, Barisal
Elephant Road Branch, Dhaka
Foreign Exchange Branch, Dhaka
Gulshan Branch, Dhaka
Imamganj Branch, Dhaka
Islampur Branch, Dhaka
Jatrabari Branch, Dhaka
Karwan Bazar Branch, Dhaka
Khulna Branch, Khulna
Sylhet Branch, Sylhet
Feni Branch, Feni
S.K. Mujib Road Branch
Z.H. Sikder M.C. Branch, Dhaka
Malibagh Branch, Dhaka
Khatungonj Branch, Chittagong
Lake Circus Branch, Dhaka
Tongi Branch, Gazipur
Rifles Square Branch, Dhaka
Pagla Bazar Branch, Narayanganj
CDA Avenue Branch, Chittagong
Gazipur Branch, Gazipur
Zindabazar Bazar, Sylhet
Mirpur Branch, Dhaka
Moakhali Branch, Dhaka
Mohammadpur Branch, Dhaka
Motiheel Branch, Dhaka
Dhanmondi Branch, Dhaka
Dilkusha Branch, Dhaka
New Eskaton Branch, Dhaka
North Book Hall Branch, Dhaka
Pragati Sarani Branch, Dhaka
Rokeya Sarani Branch, Dhaka
Savar Bazar Branch, Savar, Dhaka

Uttara Branch, Dhaka
Chawik Bazar Branch, Chittagong
Chowmuhani Branch, Noakhali
Pahartali Branch, Chittagong
Halishahar Branch, Chittagong
Jubilee Road Branch, Chittagong
Tangail Branch, Tangail
Comilla Branch, Comilla
Rangpur Branch, Rangpur
Rajshahi Branch, Rajshahi
Narayanganj Branch, Narayanganj
Netaiganj Branch, Narayanganj
Narsingdi Branch, Narsingdi
Faridpur Branch, Faridpur
Moulvibazar Branch, Moulvibazar
Mymensingh Branch, Mymensingh
Sunamgonj Branch, Sunamgonj

Investment Corporation of Bangladesh

Principal Branch, Dhaka
Agrabad Branch, Chittagong
Rajshahi Branch, Rajshahi
Khulna Branch, Khulna
Barisal Branch, Barisal
Sylhet Branch, Sylhet
Bogra Branch, Bogra
Local Office, Dhaka

Dutch-Bangla Bank Limited

Bijoyagar Branch, Dhaka
Baburhat Branch, Narsingdi
Narayanganj Branch, Narayanganj
B.B. Road Branch, Narayanganj
Patherhat Branch, Chittagong
Hatibzai Branch, Chittagong
Dania Branch, Dhaka
Khulna Branch, Khulna
Sylhet Branch, Sylhet
Dhaka EPZ Branch, Savar, Dhaka
Board Bazar Branch, Gazipur
Netaiganj Branch, Narayanganj
Bogra Branch, Bogra
Barishal Branch, Barishal
Simrail Branch, Narayanganj
CDA Avenue Branch, Chittagong
Joypara Branch, Dhaka
Biswanath Branch, Sylhet
Moulvibazar Branch, Moulvibazar
Muradpur Bazar, Chittagong
Golapgonj Branch, Sylhet
Rajshahi Branch, Rajshahi
Savar Bazar Branch, Dhaka
Gazipur Chowrasta Branch, Gazipur
Feni Branch, Feni
Comilla Branch, Comilla
Jubilee Road Branch, Chittagong
Kadamtali Branch, Chittagong
Mirzapur Branch, Tangail
Cox's Bazar Branch, Cox's Bazar
Lohagara Branch, Chittagong
Manikgonj Branch, Manikgonj
Fatikhahni Branch, Chittagong
Konabary Branch, Gazipur
Choumuhani Branch, Noakhali
Sonagazi Branch, Feni
Goala Bazar Branch, Sylhet
Khatungonj Branch, Chittagong
Mymensingh Branch, Mymensingh
Shahzadpur Branch, Sirajganj
Beani Bazar Branch, Sylhet
Chattak Branch, Sunamganj
Bandura Branch, Dhaka
Saidpur Branch, Nilphamari
Rangpur Branch, Rangpur
Jessore Branch, Jessore
Halishahar Branch, Chittagong
Basurhat Branch, Noakhali
Sremangal Branch, Moulvibazar
Kushtia Branch, Kushtia
Pabna Branch, Pabna
Narsindi Branch, Narsindi
Satmasjid Road Branch, Dhaka
Kushtia Branch, Kushtia
Dinaipur Branch, Dinaipur
Dagonbhuiyan Branch, Feni
Gobindaganj Branch, Gaibandha
Bhulta Branch, Narayanganj
Narayanganj BSCIC Branch, Narayanganj
Tongi Branch, Gazipur
Satkira Branch, Satkhira
Madanpur Branch, Madanpur
Munsiganj Branch, Munsiganj
Habiganj Branch, Habiganj
Chittagong EPZ Branch, Chittagong
Faridpur Branch, Faridpur
Shahjhal Uposohor Branch, Sylhet
Tangail Branch, Tangail
Matuail Branch, Matuail, Dhaka
Keraniganj Branch, Keraniganj
Uttara Branch, Uttara
Digipat Branch, Sadar Jamalpur

"শেয়ার বাজারে বিনিয়োগ ঝুঁকিপূর্ণ, জেনে ও বুঝে বিনিয়োগ করুন।"

“INTERESTED PERSONS ARE ENTITLED TO A PROSPECTUS, IF THEY SO DESIRE, AND THAT COPIES OF PROSPECTUS MAY BE OBTAINED FROM THE ISSUER AND THE ISSUE MANAGER”
GLOBAL HEAVY CHEMICALS LIMITED

APPLICATION FORM

APPLICATION FOR SHARES BY NON-RESIDENT BANGLADESHI(S)

(To be sent to the Company's Head Office)

Warning: Please read the instructions on the back of this form. Incorrectly filled applications or application failing to comply with any instructions therein may be rejected.

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The Managing Director
GLOBAL HEAVY CHEMICALS LIMITED
37, Segun Bagicha, Dhaka-1000

Dear Sir,

I/we apply for and request you to allot me/us numbers of Shares and I/we agree to accept the same or any smaller number that may be allotted to me/us upon terms of the Company's Prospectus approved by the Securities and Exchange Commission subject to the Memorandum and Articles of Association of the Company. Further, I/we authorize you to place my/our name(s) on the Register of Member(s) of the Company and deposit the said ordinary shares in my Beneficiary Owner ("BO") account; I/we further authorize you to send a crossed (Account Payee only) cheque in respect of any Application money refundable to me/us by post/courier at my/our risk to the first applicant's address stated below:

1. No. of ordinary shares of Tk. 20/- each including a premium of Tk. 10/- per share.
2. Total subscription money of the Amount of TK. (in figure) Taka (in words)
..... only convertible into US Dollar 1.00 = Tk. /UK Pound Sterling
1.00=Tk. / Euro 1.00 = Tk.
3. Payment by Draft/Cheque No. date. for US Dollar/UK Pound Sterling/Euro BDT.
drawn on Bank. Branch.

[illegible]

{If you do not mention your valid BO A/C No., your application will be treated as invalid}

5. I/we agree to fully abide by the instruction given herein.

6. Particulars of Applicant(s):

a) Sole/First Applicant:

Name:			
Father's /Husband's Name:			
Mother's Name:			
Postal Address:			
Occupation:	Nationality:	Telephone No. (If any):	
Passport No.:	Valid up to:	Date of Birth:	
For Refunds: Please write the correct and full name of bank and branch (Application will not be treated as valid if any one uses a nonscheduled bank. Applicants are requested not to use the name of any non-scheduled bank).			
Applicant's Bank A/C No.:			
Name of the Bank:		Branch:	

b) Second Applicant:

Name:			
Father's /Husband's Name:			
Mother's Name:			
Postal Address:			
Occupation:	Nationality:	Telephone No. (If any):	
Passport No.:	Valid up to:	Date of Birth:	

Nominee's Name:
Mailing Address:

07. I/we hereby declare that I/we have read the Prospectus of **Global Heavy Chemicals Limited** and have willingly subscribed for..... No. of Ordinary Shares of Tk. 20/- each including a premium of Tk. 10/- per share.

08. Specimen Signature(s):

1 st Applicant: Name(in Block Letters)		Signature:
2 st Applicant: Name(in Block Letters)		Signature:
Nominee's Name: (in Block Letters)		Signature:

*Please see the instructions in paragraphs 14 & 15 for the evidence required to establish Non-Resident Bangladeshis Status

ISSUE MANAGERS:

INSTRUCTIONS

1. As per provision of the Depository Act, 1999 and regulations made there under shares will only be issued in dematerialized condition. Please mention your Beneficiary Owner (BO) account number in the Application Form. If you do not mention your valid Beneficiary Owner (BO) account number, your application will be treated as invalid.
2. All information must be written or typed in Block Letters in English and must not be abbreviated.
3. An application must not be for less than **250** Ordinary Shares and must be for a multiple of **250** ordinary shares. Any application not meeting these criterions will not be considered for allotment purpose.
4. Application must be accompanied by a foreign demand draft drawn on a bank payable at Dhaka or cheque drawn out of foreign currency deposit account maintained in Bangladesh for the full value of shares favoring **“Global Heavy Chemicals Limited”** and crossed **“Account Payee only”**.
5. Application shall be sent by the applicant directly to the Company within----- so as to reach the Company within----- Applications sent after ----- or received by the Company after ----- will not be considered for allotment purpose.
6. Refund against over-subscription shall be made in the currency in which the value of Shares was paid for by the applicant through Account Payee Cheque Payable at Dhaka with bank account number, Bank's name and Branch.
7. In case of over-subscription, allotment shall be made by lottery solely in accordance with the instructions of the Securities and Exchange Commission (SEC).
8. Money receipt on clearance of draft or cheque, as the case may be, shall be sent by post to the applicant by the Company.
9. Joint Application by two persons will be acceptable. In such a case, allotment of refund shall be made by post to the first applicant. Note that a non-resident Bangladeshi (“NRB”) applicant cannot submit more than two applications, one in his/her own name and another jointly with other person by one cheque / DD/PO by US\$/UK Pound Sterling/EURO/BDT (supported by foreign currency encasement certificate). More than two applications by one cheque / DD/PO by US\$/UK Pound Sterling/EURO/BDT (supported by foreign currency encasement certificate) will not be allowed.
10. Application must be made by an individual, a company or societies, a trust or a society and not by a firm, minor or persons of unsound mind.
11. Making of any false statement in the application or supplying of incorrect information therein or suppressing any relevant information in the application shall make the Application liable to rejection and subject to forfeiture of application money and /or forfeiture of the share (unit) before or after issuance of the same by the issuer. The said forfeited application money or share (unit) will be deposited in account specified by the Securities and Exchange Commission (SEC). This may be in addition to any other penalties as may be provided for by the law.
12. The intending NRB applicants shall deposit the share subscription money by US Dollar (\$) / UK Pound Sterling / EURO demand draft drawn on any Bank and payable in Dhaka, Bangladesh, or through a nominee by paying out of a non-resident foreign currency deposit account maintained in Bangladesh or in Taka, supported by a foreign currency encasement certificate issued by the bank concerned, for the ordinary shares applied for, through crossed bank cheque marked “Account Payee only”, such that the issuer's collecting bank can clear the proceeds and deposit the same into the issuer's account in time.
13. The spot buying rate (IT Clean) in US Dollar (\$) / UK Pound Sterling / EURO of Sonali Bank Limited as prevalent on the day of opening of subscription opening will be applicable for the Non Resident Bangladeshi (NRB) applicants.
14. **The applicant shall furnish photocopies of relevant pages of valid passport(s) in support of his/her being a NRB, dual citizenship or of the foreign passport bearing an endorsement from the concerned Bangladeshi Embassy to the effect that no visa is required for him/her to travel to Bangladesh.**
15. In case of Joint Application, Joint Applicant shall also submit supporting papers/documents in support of their being a NRB as mentioned in para-14 (above).
16. **An applicant cannot submit more than two applications, one in his/her own name and another jointly with another person. In case an applicant makes more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition 15% (fifteen percent) of the application money will be forfeited by the Commission and the balance amount will be refunded to the application.**
17. **No issue of ordinary shares shall be made nor shall any money be taken from any person, in connection with such issue and subscription, until 25 (Twenty Five) days after the Prospectus have been published.**
18. In the case of non-allotment of the ordinary shares, if the applicants' bank accounts as mentioned in their Application Forms are maintained with any of the Bankers to the Issue, the amount refunded to those applicants will be directly credited into their ordinary respective bank accounts as mentioned in their Application Forms. Otherwise, refunds will be made only through “Account Payee” cheque(s) with bank account number and name of bank branch as mentioned in the Application Form, payable at Dhaka, Chittagong, Khulna, Barishal, Rajshahi or Sylhet, as the case may be.
19. **The applicants who have applied for more than two applications using same bank account, their application will not be considered for lottery and the Commission will forfeit 15% (fifteen) of their subscription money too.**

THE NRB APPLICATION ALONG WITH THE FOREIGN CURRENCY DRAFT, AS ABOVE, IS TO BE SUBMITTED TO THE COMPANY'S HEAD OFFICE DIRECTLY WITHIN THE STIPULATED TIME MENTIONED IN PARA-5.

ISSUE MANAGERS:



BMSL Investment Limited



AFC Capital Limited

"শেয়ার বাজারে বিনিয়োগ ঝুঁকিপূর্ণ, জেনে ও বুঝে বিনিয়োগ করুন।"

"INTERESTED PERSONS ARE ENTITLED TO A PROSPECTUS, IF THEY SO DESIRE, AND THAT COPIES OF PROSPECTUS MAY BE OBTAINED FROM THE ISSUER AND THE ISSUE MANAGER"

GLOBAL HEAVY CHEMICALS LIMITED

APPLICATION FOR SHARES BY AFFECTED SMALL INVESTORS (ক্ষতিগ্রস্ত ক্ষুদ্র বিনিয়োগকারী)

Warning: Please read the instructions on the back of this form. Incorrectly filled applications or application failing to comply with any instructions therein may be rejected.

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The Managing Director
GLOBAL HEAVY CHEMICALS LIMITED
37, Segun Bagicha, Dhaka-1000

Banker's Sl. No.

Dear Sir,

I/we apply for and request you to allot me/us numbers of Shares and I/we agree to accept the same or any smaller number that may be allotted to me / us upon the terms of the Company's Prospectus approved by the Securities and Exchange Commission subject to the Memorandum and Articles of Association of the company. Further, I/we authorize you to place my /our name (s) on the Register of Member (s) of the Company and deposit the said ordinary Shares in my / our Beneficiary Owner (BO) Account; I/we further authorize you to send a Crossed (A/C Payee Only) Cheque in respect of any application money refundable to me/us by post/courier at my/our risk to the first applicant's address stated below:

1. No. of ordinary shares of Tk. 20/-each including a premium of Tk. 10/- per share.

2. Amount of Tk. (in figure).....Taka (in words)only deposited vide

Cash/Cheque/Draft/Pay Order No..... Dated.....

On.....BankBranch.

3. Beneficiary Owner (BO) Account No.

(If you do not mention your valid BO account no., your application will be treated as invalid.)

4. I/we agree to fully abide by the instructions given herein.

5. Particulars of Applicant(s):

a) Sole/First Applicant:

Name:		
Father's /Husband's Name:		
Mother's Name:		
Postal Address:		
Occupation:	Nationality:	Telephone No. (If any):
For Refund Warrant: (Application will not be treated as valid if anyone uses a non-scheduled bank. To avoid this complication, investors are requested not to use the name of any non-scheduled bank) Please write the correct and full name of bank and branch.		
For refund purpose: I/We want refund through <input type="checkbox"/> Bank Account* <input type="checkbox"/> Hand Delivery/Courier (Please put tick mark in which refund will be made).		
Applicant's Bank A/C No.:		
Name of the Bank:	Branch:	

b) Second Applicant:

Name:		
Father's /Husband's Name:		
Mother's Name:		
Postal Address:		
Occupation:-	Nationality:	Telephone No. (If any):

06. I/we hereby declare that I/We have read the Prospectus of **Global Heavy Chemicals Limited** and have willingly subscribed for.....No. of Ordinary Shares of Tk. 20/- each including a premium of Tk. 10/- per share.

07. Specimen Signature(s):

1 st Applicant: Name(in Block Letters)	Signature:
2 nd Applicant: Name(in Block Letters)	Signature:

*In case of deposit in to the applicants Bank Account, the applicant will bear the applicable service charge, if any, of the applicants banker and the issuer shall simultaneously issue a letter of intimation to the applicant containing, among others, the date and the amount remitted with details of the bank through and to which bank such remittance has been effected.

BANKER'S ACKNOWLEDGEMENT

Certified that this Bank has received Tk. (in figure)..... (in word).....only from Mr./ Mrs./Ms..... being the Application Money for..... Nos. Ordinary Shares of **Global Heavy Chemicals Limited**.

Banker's Sl. No.

Seal and Date

Authorized Signature
(Name & Designation)

PROSPECTUS

ISSUE MANAGERS:



BMSL Investment Limited



AFC Capital Limited

INSTRUCTIONS

1. As per provision of the Depository Act, 1999 and regulations made there under shares will only be issued in dematerialized condition. Please mention your BO (Beneficiary Owner) account number in the Application Form. If you do not mention your valid BO (Beneficiary Owner) Account, your application will be treated as invalid.
2. All information must be typed or written in full (in block letters) in English or in Bengali and must not be abbreviated.
3. Application must be made on the Company's printed form/photocopy or on typed copy/hand written form thereof.
4. Application must not be for less than 250 ordinary shares and must be for a multiple of 250 ordinary shares. Any application not meeting these criterions will not be considered for allotment purpose.
5. Remittance for the full amount of the shares must accompany each application and must be forwarded to any of the Bankers' to the Issue. Remittance should be in the form of cash/cheque/bank draft/pay order payable to one of the Bankers' to the Issue favoring "GLOBAL HEAVY CHEMICALS LIMITED" and crossed "A/C Payee only" and must be drawn on a bank in the same town as the bank to which the application form has been sent.
6. In the case of a joint application form, the Allotment letter will be dispatched to the person whose name appears first on this application form and where amount is refundable in whole or in part the same will be refunded by Account Payee cheque by post/courier service to the person named first on this application form in the manner prescribed in the Prospectus.
7. Joint application form for more than two persons will not be accepted. In case of joint application, each party must sign the application form.
8. Applications must be in the full name of individuals or companies or societies or trusts and not in the name of firms, minors or persons of unsound mind. Application from financial and market intermediary companies and private companies must be accompanied by Memorandum of Association and Articles of Associations and Certificate of Incorporation.
9. **An applicant cannot submit more than two applications, one in his/her own name and another jointly with another person. In case an applicant makes more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, 15% (fifteen) of the application money will be forfeited by the Commission and the balance amount will be refunded to the applicant.**
10. No receipt will be issued for the payment made with application, but the bankers will issue a provisional acknowledgement to the issue for application lodged with them.
11. In the case of non-allotment of securities, if the applicants' bank accounts as mentioned in their IPO Application Forms are maintained with the Bankers to the Issue, refund amount of those applicants will be directly credited into the respective bank accounts as mentioned in their IPO Application Forms. Otherwise, refund will be made only through "Account Payee" cheque(s) showing bank account number and name of bank and branch as mentioned in the application payable at Dhaka or Chittagong, as the case may be.
12. Allotment shall be made solely in accordance with the instructions of the Securities and Exchange Commission.
13. Making of any false statement in the application or supplying of incorrect information therein or suppressing any relevant information shall make the application liable to rejection and subject to forfeiture of application money and / or forfeiture of share (unit) before or after issuance of the same by the issuer. The said forfeited Application money or share (unit) will be deposited in account specified by the Securities and Exchange Commission (SEC). This may be in addition to any other penalties as may be provided for by the law.
14. Applications which do not meet the above requirements, or applications, which are incomplete, shall not be considered for allotment purpose.
15. The Bankers' to the Issue shall be obliged to receive the A/C Payee Cheque(s) on the closing day of the subscription of the IPO.
16. **No sale of securities shall be made nor shall any money be taken from any person, in connection with such sale until twenty five days after the prospectus have been published.**
17. **The applicants who have applied for more than two applications using same bank account, their application will not be considered for lottery and the Commission will forfeit 15% (fifteen) of their subscription money too.**

ISSUE MANAGERS:



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SECTION XXXIII: MANAGEMENT DISCLOSURE

- Workers Profit Participation Fund: The Company has initiated workers profit participation fund which will be effective from January 01, 2012.
- 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. The impact on the account of changes in the deferred tax assets and liabilities for the year ended December 31, 2011 has not been recognized in the profit and loss account as per BAS-12 "Income Taxes".
- After installation of New Generator our production will be increased. To achieve 95% productivity we need to replace more than 32 pieces of Electorlyzer pan with accessories and 100 Pcs Membrane. At the same time to consume excess Chlorine we will have to import one 45TPD capacity Chlorine Compressor, One Freon Gas Compressor, different types of Chlorine Valves, various FRP Tanks and other accessories. In Caustic Soda Flaking unit we will have to import more than 6 pieces special type Nickel Alloy Pipe & 4 pieces of special type Nickel Alloy Sheet and other accessories.

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Sd/-

Date: April 26, 2012
Dhaka.

Capt. Abdus Sabur Khan (Retd.)
Chairman & CEO

ISSUE MANAGERS:



BMSL Investment Limited



AFC Capital Limited

Auditors Additional Disclosure on Financial Statements of Global Heavy Chemicals Ltd. (GHCL) for the year ended 2009.

Depreciation amounting to Tk. 24.64 lakh has been charged less in the financial statements of Global Heavy Chemicals Limited (GHCL) for the year 2009. Page | 141

The GHCL management has informed us that the said depreciation amount will be adjusted in the year 2012.

Sd/-

Date: September 16, 2012
Dhaka.

Ahmed Zaker & Co.
Chartered Accountants

Management Disclosure on Financial Statements of Global Heavy Chemicals Ltd. (GHCL) for the year ended 2009

The GHCL management has ensured that the Depreciation amounting to Tk. 24.64 lakh, which has been charged less in the financial statements of Global Heavy Chemicals Limited (GHCL) for the year 2009, will be adjusted in the year 2012.

Sd/-

Date: September 20, 2012
Dhaka.

Capt. Abdus Sabur Khan (Retd.)
Chairman & CEO