

Global Heavy Chemicals Limited

Last Update: 01/03/2013

No. of Shares	: 12,000,000 Ordinary Shares @ Tk. 20.00 (Including Tk. 10.00 as Premium)
Credit Rating	: A, St-3
Issue Manager	: BMSL Investment Limited & AFC Capital Limited
Auditor	: AHMED ZAKER & CO.
IPO Proceeds	: Tk. 240.00 Million
Usage of IPO Proceeds	:

Particulars	Amount (In ML)
Generator Procurement	171.17
Building & other Civil Construction 1. One Stored Electric Substation Factory Building 2. Three Stored Administration Building	18.14
Pipe, Pipe Rack and Electrical Works	31.14
Issue Cost Including Tax on Premium	19.54
Total	240.00

Company Snapshots:

Sector	: Pharmaceuticals & Chemicals
Paid Up Capital	: Tk. 600.00 Million (Pre IPO)
Paid Up Capital	: Tk. 720.00 Million (Post IPO)
EPS (Pre IPO)	: Tk. 3.71
EPS (Post IPO)	: 2.75
Sector P/E	: 17.17
Year End	: December
Placement	: 10,935,000 share @ Tk.30 (Including a premium of Tk.20)
Last AGM	: September 30, 2012 (25% Cash)

Company Insight:

Global Heavy Chemicals Limited (GHCL) was incorporated as a Private Limited Company on the September 19, 2000 under the Companies Act. It was converted into a Public Limited Company on September 16, 2010. Its authorized Capital is BDT 100.00 (One Hundred) Crore and present paid-up capital is BDT 60.00 (Sixty) Crore.

Dividend Information:

The company distributed Tk.1,87,50,000 as interim 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.

Financial Position:

Particulars	2011	2010	2009
Net Sales	728.43	530.08	465.50
Gross Profit	314.76	182.37	131.22
Operating Income	286.30	158.92	110.93
Net Income	140.17	25.53	14.66
Bank Loan	-	694.15	590.53
Share Holder's Loan	51.27	-	-
Retained Earnings	170.28	48.86	23.32

Important Ratios:

Particulars	2011	2010	2009	2008
Profitability Ratio:				
Gross Profit Ratio	37.89%	34.39%	28.19%	25.91%
Operating Profit Ratio	39.30%	29.98%	23.83%	21.19%
Net Income Ratio	19.24%	4.82%	1.97%	0.82%
ROE	5.35%	2.48%	11.64%	4.38%
ROA	4.26%	1.26%	1.03%	0.44%
Per Share Ratio:				
EPS	3.71	2.55	1.53	0.53
NAV	54.43	98.73	67.56	
Liquidity Ratio:				
Current Ratio	2.60	0.72	0.46	0.23
Debt Equity Ratio	0.03	0.53	10.10	9.78
Times Interest Earned	4.50	1.34	1.15	1.07
Operating Ratio:				
A/C Receivable Turnover	7.26	12.15	39.34	57.37
Inventory Turnover	3.73	5.12	20.11	21.68
Asset Turnover	0.14	0.15	0.34	0.35

Growth (%):

Particulars	2011	2010
Sales	37.42%	13.87%
Gross Profit	72.59%	38.98%
Operating Income	80.15%	43.26%
EPS Growth	45.49%	66.66%
NPAT	449%	74.15%
NAV	(44.87)	46.13%

Competitive Standing:

Figure in ML

Particulars	Global Heavy Chemical (2011)	Salvo Chemical	Kohinoor Chemical	ACI Formulation
Revenue	728.43	155.89	2502.05	2554.05
Gross Profit	314.76	69.14	433.48	578.49
Net Profit After Tax	140.17	33.76	60.36	134.93
Paid Up Capital	600.00	421.05	50.00	450.00
EPS (Latest Annualized)	2.75	0.88	7.76	3.00
PE (Diluted-2012)	-	31.02	20.58	27.10
NAV	54.43	13.42	1.57	54.63

Major Products:

Sl. No.	Product	Major Users
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.