



# ANNUAL REPORT 2019

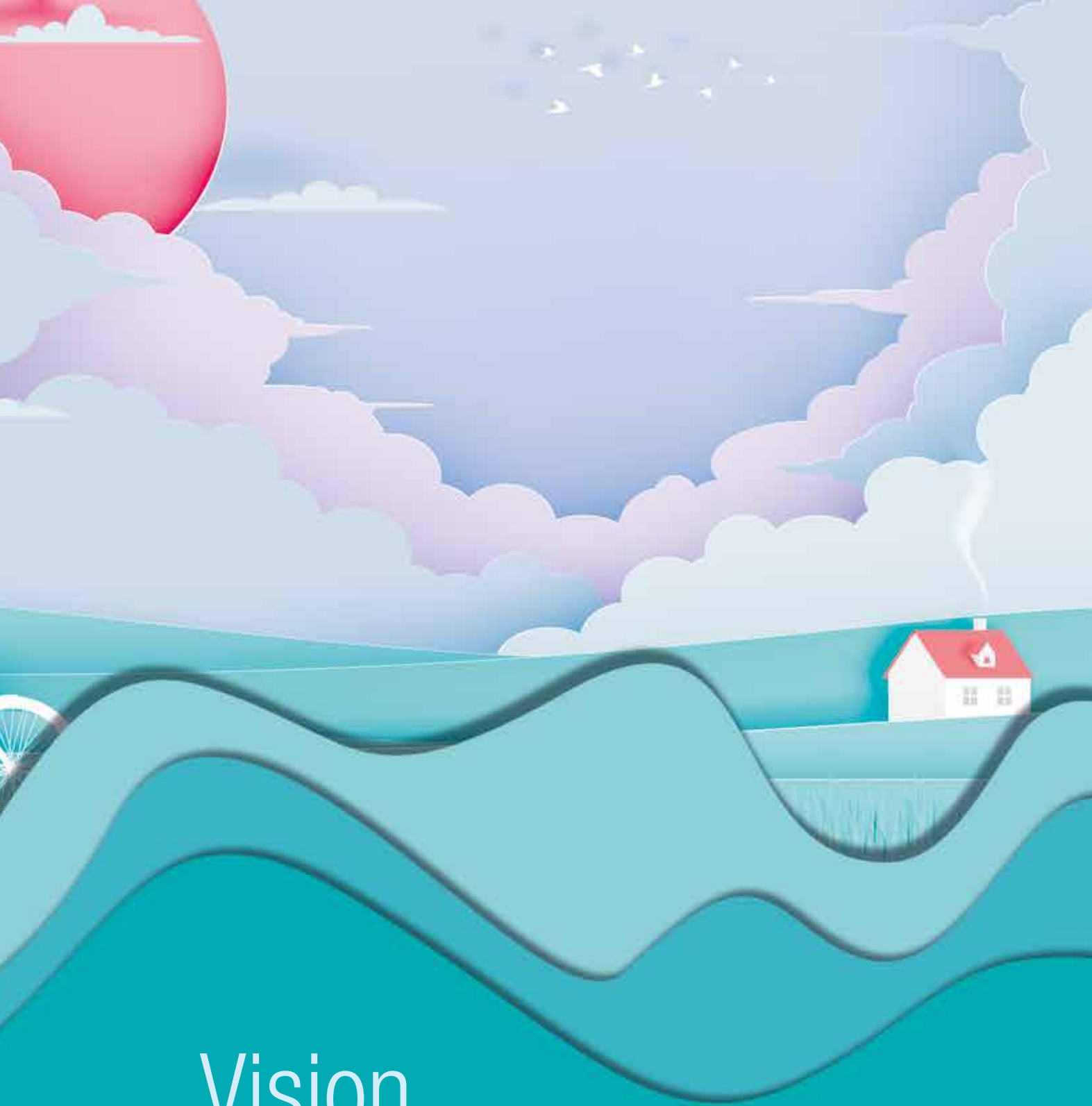






Our realms are full of colours. Every waking minute is an ensemble of vividly changing colours. The nature captures the essence of colours in the best way possible, just as the maker deemed fit in his infinite wisdom. At Berger we have been inspired to derive a meaning of these vivid colourscapes, bringing them closer to you helping you paint your imagination. Let us unite in a celebration of colours.





# Vision

To be the most preferred brand in the industry ensuring consumer delight.





# Mission

We shall increase our turnover by 100 percent in every five years.  
We shall remain socially committed ethical company.









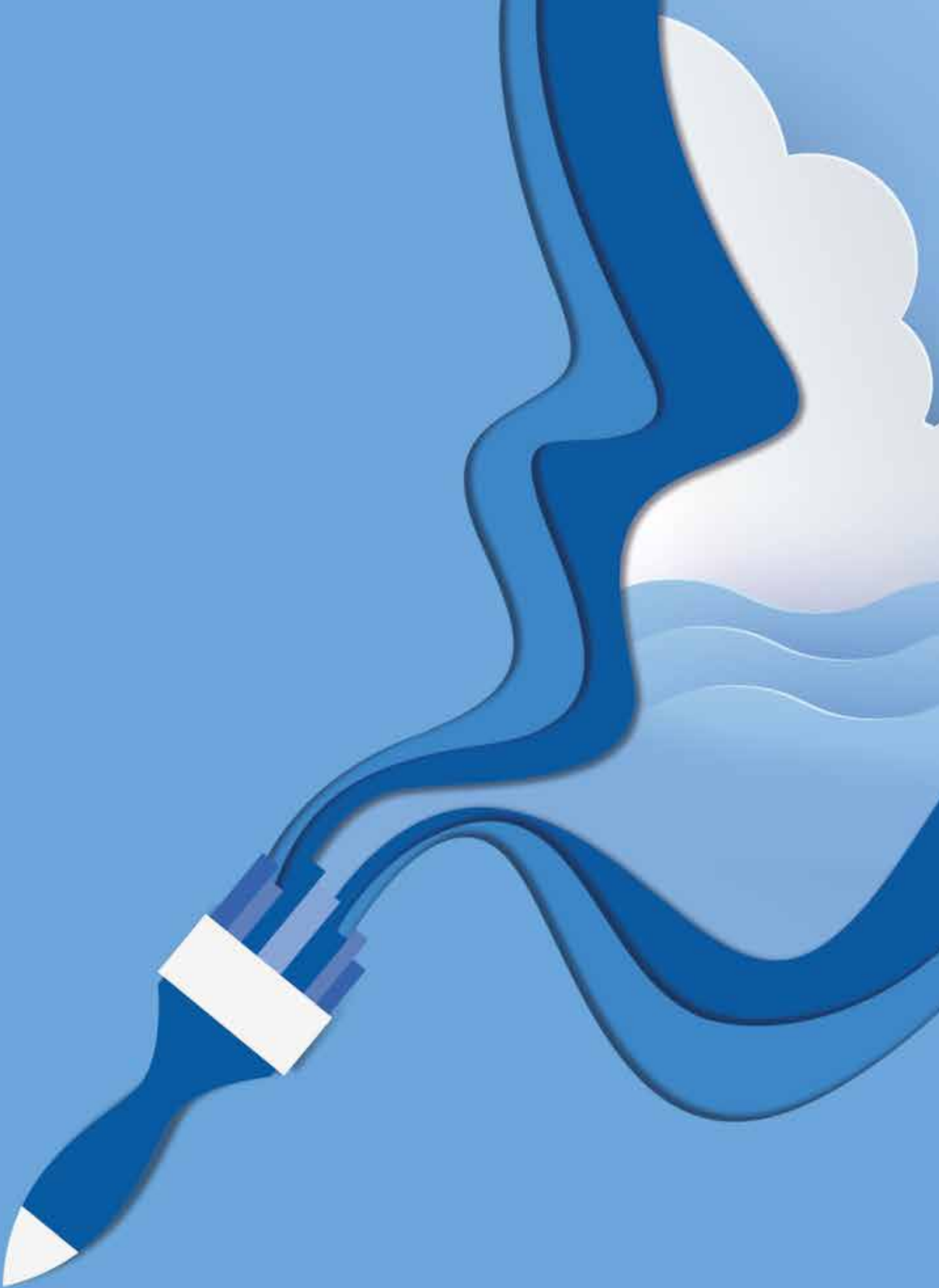
# Our Spirit

Our customers are our partners.

Our people are our strength.

Our shareholders are our foundations.

We proudly bring inspiration, strength and colour to communities through affiliation with our customers.





# Our Corporate Objective

Our aim is to add value to life, to outperform the peers in terms of longevity, customer service, revenue growth, earnings and cash generation.

We will be the employer of choice for all existing and future employees.





# Our Strategy

Our strategy is to build long-term partnerships with the customers/consumers. With their support, we aim to maximize the potential of our business- through a combination of enhanced quality of product, service, creative marketing, competitive pricing and cost efficiency.







# Our Values

- Respect:** Show an attitude of courtesy, admiration or esteem
- Integrity:** Act consistently with Berger's mission, being honest and transparent in what we do and say and accept responsibility for our collective and individual actions
- Commitment:** Be sincere and steadfast to protect Berger's interest and achieve goals
- Excellence:** Never be satisfied with simply meeting expectations; always try to exceed them significantly





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The Company

Berger is one of the oldest names in the paint industry and the country's major specialty paints business with products and ingredients dating back more than 250 years. Louis Berger, a German national, founded dye and pigment making business in England in 1760. Louis Berger & Sons Limited grew rapidly with a strong reputation for innovation and entrepreneurship, culminating in perfecting the process of making Prussian Blue, a deep blue dye—a color widely used for the uniforms of many European armies. Production of dyes and pigments evolved into production of paints and coatings, which till today, remains the core business of Berger. The company grew rapidly by establishing branches all over the world and through mergers and acquisitions with other leading paint and coating manufacturing companies.

Berger has been involved in the paint business in this part of the world since 1950, when paints were first imported from Berger UK and subsequently, from Berger Pakistan. In 1970, Berger Paints Bangladesh Limited (BPBL), erstwhile Jenson & Nicholson, had set up its paint factory in Chittagong. The shareholders were Jenson & Nicholson (J & N), Duncan Macneil & Co. Limited and Dada Group. Duncan Macneil subsequently sold their shares to the majority shareholder J & N Group. The Dada Group's share was ultimately vested with the Government of the Peoples' Republic of Bangladesh after the independence of the country in 1971. The name of the company was changed from J & N (Bangladesh) Limited to Berger Paints Bangladesh Limited on January 1, 1980. In August 2000, J & N Investments (Asia) Limited purchased the Government shareholding. In December 2005, the company issued 5% shares to the public and listed with Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE).

With the entry of Berger Paints into the Bangladesh market, the country has been able to benefit from more than 250 years of global paint industry experience. Over the decades, Berger has evolved to become the leading paint solutions provider in this country and has diversified into every sphere of the industry— from Decorative Paints to Industrial, Marine and Powder Coatings.

Berger has invested more in technology and Research & Development (R&D) than any other manufacturer in this market. It sources raw materials from some of the best known names in the world: ExxonMobil, DuPont, BASF, BYK, Cristal and Shell to name a few. The superior quality

of Berger's products has been possible because of its advanced plants and strict quality controls equal to the best international standards. Investment in technology and plant capacity is even more evident from the establishment of Powder Coating and Emulsion plants at the Dhaka factory. The state-of-the-art Dhaka factory is an addition to Berger's capacity, making it the paint giant in Bangladesh.

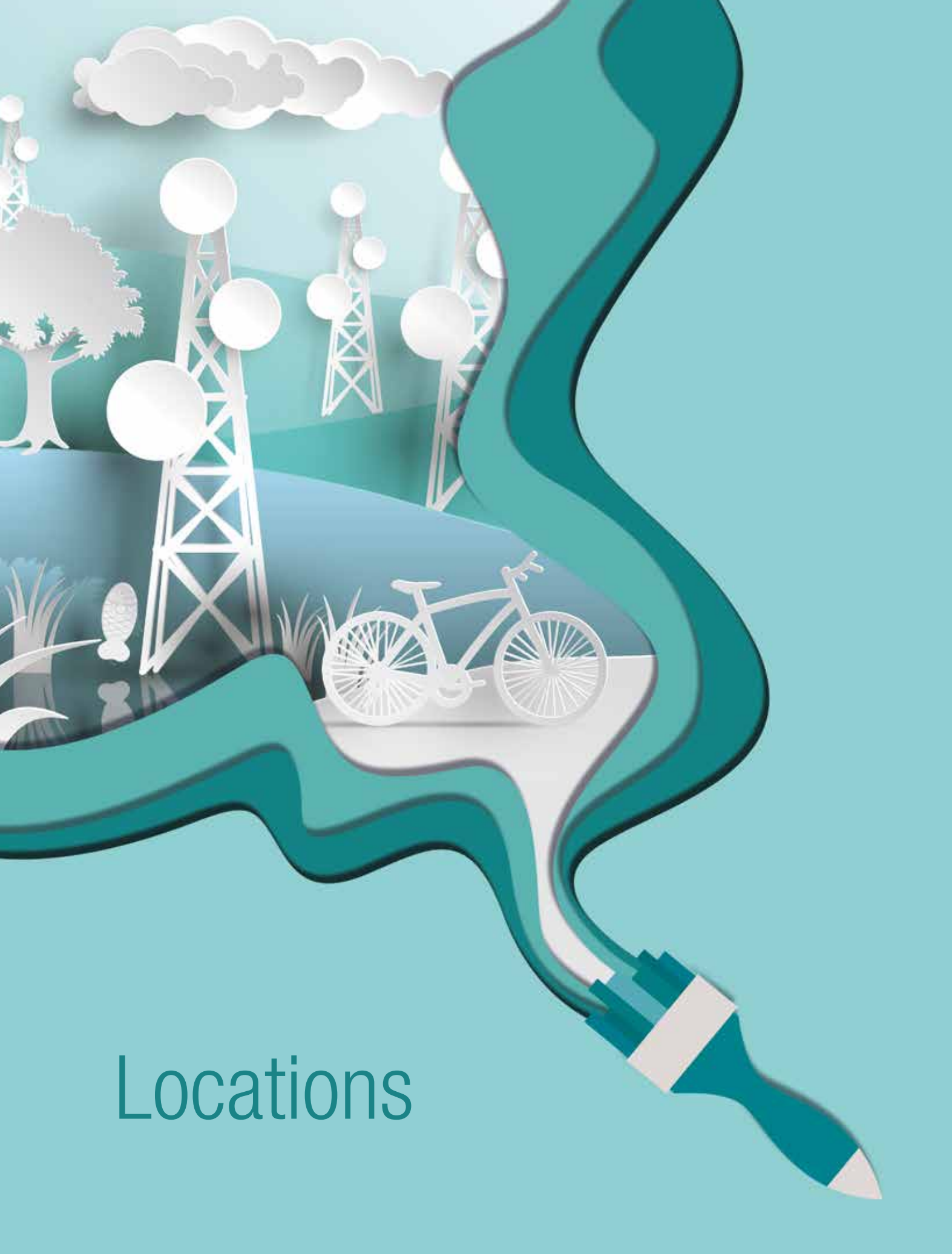
With its strong distribution network, Berger has reached almost every corner of Bangladesh. The nationwide dealer network, supported by sales depots strategically located at Dhaka, Chattogram, Rajshahi, Khulna, Bogura, Sylhet, Cumilla, Mymensingh, Barishal, Rangpur, Feni and Brahmanbaria has enabled them to strategically cater to all parts of the country.

The product range includes all types of Decorative Paints, specialized outdoor paints to protect against adverse weather conditions, Color Bank, Superior Marine Paints, Textured Coatings, Heat Resistant Paints, Roofing Compounds, Epoxies and Powder Coatings. In each of these product categories, Berger has been the pioneer. Berger also provides customer support; connecting consumers to technology through specialized Home Decor service; giving free technical advice on surface preparation, color consultancy, special color schemes etc. To bolster customer satisfaction, Berger launched Breathe Easy- the first odourless paint solution in Bangladesh. The company also maintained Innova Wood Coating, PowerBond adhesive, Vehicle Refinish and TexBond textile chemicals to cater to the needs of the customers.

As part of the company's endeavor for excellence and better service, Berger has expanded its operations to manufacture coil coatings through its joint venture with Becker Industrial Coatings Holding AB, Sweden named-Berger Becker Bangladesh Limited.

Apart from business, being a responsible corporate citizen, Berger Paints Bangladesh Limited has been promoting the young and creative talents of the country through Berger Young Painters' Art Competition (BYPAC), Berger Award for Excellence in Architecture (BAEA), Berger Awards Programme for Students of Architecture of BUET (BASAB), Khulna University Architecture Department-Berger (KUAD-BERGER) Award etc. Berger Paints has added another dimension to its social responsibilities by contributing to the wellbeing of autistic children in Bangladesh.





Locations

## REGISTERED & CORPORATE OFFICE

Berger House, House No. 8, Road No. 2  
Sector No. 3, Uttara Model Town, Dhaka-1230  
Phone: 02-48953665 (Hunting), Fax : 880-2-48951350  
E-mail: info@bergerbd.com, Web Site: www.bergerbd.com

## FACTORIES & PLANTS

### Dhaka Factory

102, Mouja-Taksur, Nabinagar, Savar, Dhaka  
Phone: +880 (2) 7791964, 02-7791620  
Fax: +880 (2) 7791894, E-mail: dhakafactory@bergerbd.com

### Chattogram Factory

27-D, FIDC Road, Kalurghat Heavy Industrial Area,  
Chattogram-4212  
Phone: +880 (31) 670472, Fax: +880 (31) 671639  
E-mail: chittagongfactory@bergerbd.com

### Powder Coating Plant

102, Mouja-Taksur, Nabinagar, Savar, Dhaka  
Phone: +880 (2) 7791964, Fax: +880 (2) 7791894

### Emulsion Plant

102, Mouja-Taksur, Nabinagar, Savar, Dhaka  
Phone: +880 (2) 7791964, Fax: +880 (2) 7791894

## SALES OFFICES

### Dhaka Sales Office (North and Central Region)

273-276, Tejgaon Industrial Area, Dhaka-1208  
Phone : 02 8870232-43, Fax : 02-8870232  
Email : dhksales@bergerbd.com

### Dhaka Sales Office (South Region)

Paiti, Matuail, Demra, [Dhaka-Demra highway], Dhaka  
Phone: 02-7500525, E-mail: dhksouth@bergerbd.com

### Chattogram Sales Office

43/3, Chatteswari Road, GPO Box No. 353, Chattogram-4000  
Phone: 031- 615893-4, 031-620960, Fax: 031-620507  
E-mail: chittagongsales@bergerbd.com

### Sylhet Sales Office

70, Antarango, Shahi Eidgah (Supply Road), Kazitulla, Sylhet-3100  
Phone: 0821-711399, E-mail: sylhetdepot@bergerbd.com

### Khulna Sales Office

Shabuj Baag 2 K.D.A Approach Road, Sonadanga, Khulna-9000  
Phone : 041-762917, E-mail: khulnadepot@bergerbd.com

### Bogura Sales Office

House No. 2996/3, Ward-15, Tinmatha Railgate  
Dhaka-Rangpur Highway, Puran Bogura, Bogura-5800  
Phone: 051-63319, E-mail: bogradepot@bergerbd.com

### Cumilla Sales Office

214, Ashrafpur, EPZ Road, Cumilla-3500  
Phone: 081-72940, E-mail: comilladepot@bergerbd.com

### Rajshahi Sales Office

Holding 1448, Ward 03, Colony- Jomshadipur, Motihar,  
Katakhali, Rajshahi  
Phone: 0721-750990, E-mail: rajshahidepot@bergerbd.com

### Mymensingh Sales Office

291/2/2, Mashkanda BSCIC, Mymensingh  
Phone: 091-51754, E-mail: mymensinghdepot@bergerbd.com

### Barishal Sales Office

2157, South Shagordi, Hazi Bari Road, Barishal  
Phone: 0431-72030, E-mail: barisaldepot@bergerbd.com

### Rangpur Sales Office

House-120, Road-1, New Adarshapara Ershad More, Rangpur  
Phone: 052155529

### Feni Sales Office

Holding No. 1031 [On Dhaka - Chattogram Highway,  
in front of BISIC Road]  
Ward No. 5, 2 no. Panchgachia Union, Bathania, Feni - 3900  
Phone : 01817294529

### Brahmanbaria Sales Office

Harez Kazi Bari, Ghatara-1, Brahmanbaria Sadar  
Brahmanbaria-3400, Phone : 0851-61332

### Berger Home Decor (Gulshan)

Concord Baksh Tower, Unit-1-A (1<sup>st</sup> Floor), Plot-11/A, Road-48,  
CWN, Gulshan-2, Dhaka-1212, Phone: 01938888775  
E-mail: decor@bergerbd.com

### Berger Home Decor (Dhanmondi)

House-39/B (New), Road-16 (New), Dhanmondi, Dhaka-1207  
Phone: 01971453666  
E-mail: decor\_dra@bergerbd.com

### Berger Home Decor (Uttara)

8, Garib E Newaz Avenue, Sector # 13, Uttara, Dhaka-1230  
Phone: 01977294166  
E-mail: decor\_uttara@bergerbd.com

### Berger Home Decor (Narayanganj)

Zobeda Monzil (Beside Rupayan Tower), 3/1 new Chashara,  
Jamtola, Narayanganj-1400, Phone: 01938887602

### Berger Home Decor (Cox's Bazar)

Korenthian House, Holding-089, Kolatoli Road, Cox's Bazar  
Phone: 0341-51880, 01844147450

## SUBSIDIARY COMPANY

### Jenson & Nicholson (Bangladesh) Limited

70, East Nasirabad I/A, Baizid Bostami Road, Chattogram-4000  
Phone: 031-682462  
E-mail: jnblinfo@bergerbd.com

## ASSOCIATE COMPANY

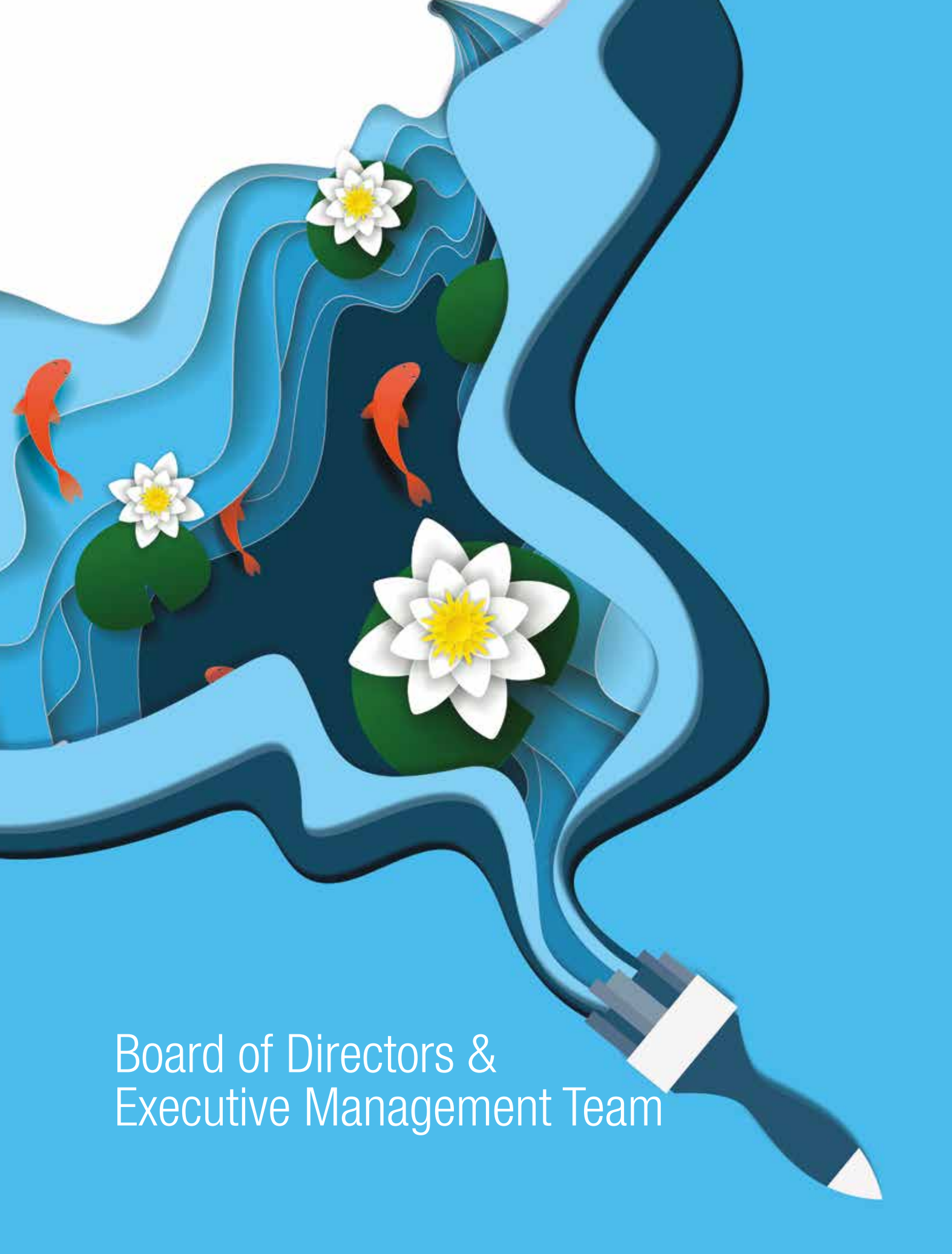
### Berger Becker Bangladesh Ltd.

Building-3, Plot-102, Mouja-Taksur, Nabinagar, Savar, Dhaka  
Phone: +880 (2) 7791964, Fax: +880 (2) 7708091  
E-mail: bbbi@bergerbd.com

### Berger Fosroc Ltd.

Berger House, House No. 8, Road No. 2  
Sector No. 3, Uttara Model Town, Dhaka-1230  
Phone: 02-48953665 (Hunting), Fax : 880-2-48951350

**FREE CALL** **১৬ সংক্রান্ত যেকোন সমাধানে**  
**08000-123456**



Board of Directors &  
Executive Management Team



### Board of Directors

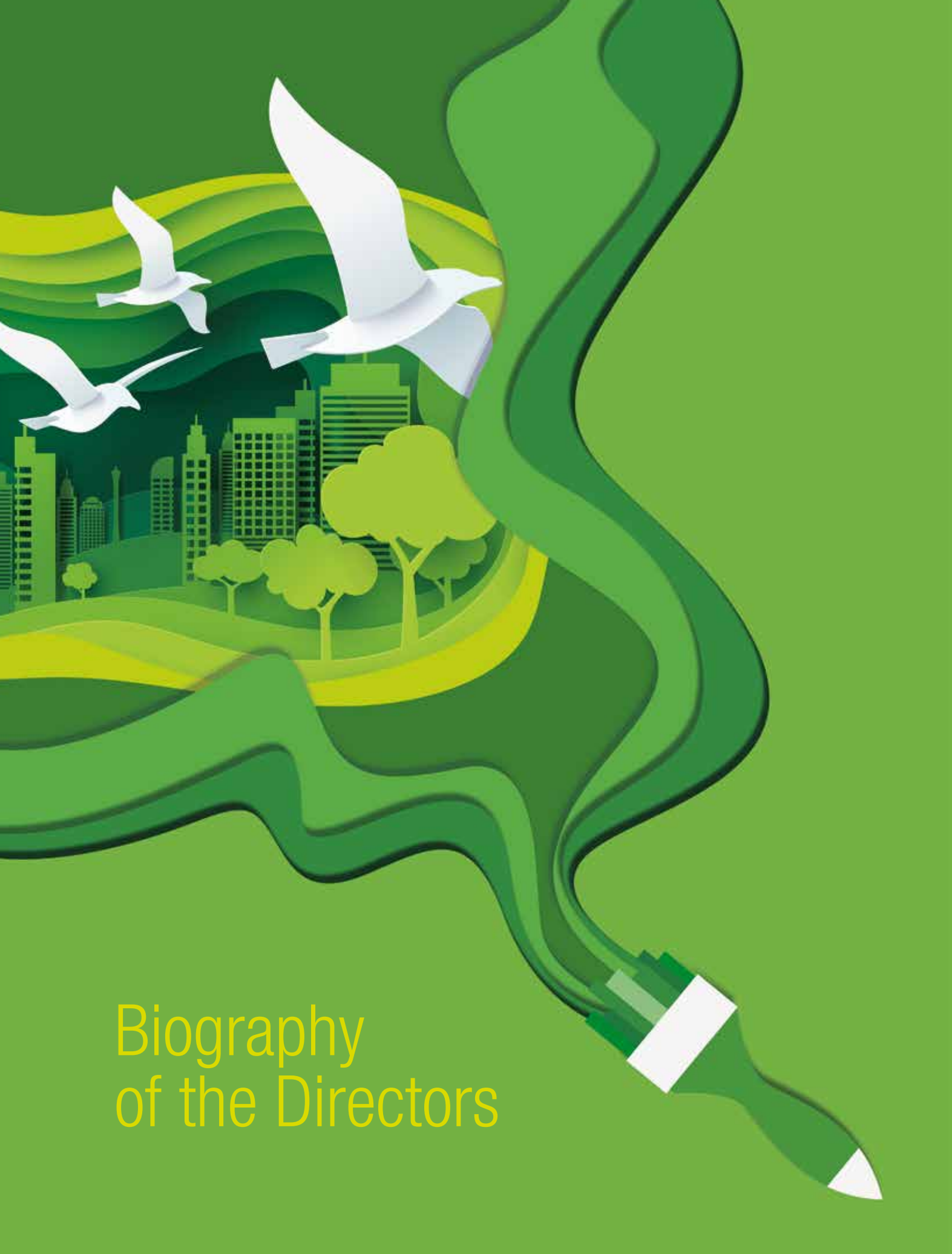
Mr. Gerald K. Adams  
Ms. Rupali Chowdhury  
Mr. Kuldip Singh Dhingra  
Mr. K. R. Das  
Mr. Anil Bhalla  
Mr. Jean-Claude Loutreuil  
Ms. Rishma Kaur  
Mr. Anis A. Khan  
Mr. Kanwardip Singh Dhingra  
Mr. Masud Khan  
Mr. Abhijit Roy  
Ms. Parveen Mahmud  
Mr. Abdul Khalek

Non-Executive Chairman  
Managing Director  
Non-Executive Director  
Non-Executive Director  
Non-Executive Director  
Non-Executive Director  
Non-Executive Independent Director  
Non-Executive Director  
Non-Executive Independent Director  
Non-Executive Director  
Non-Executive Independent Director  
Executive Director

### Executive management team

Ms. Rupali Chowdhury  
Mr. Abdul Khalek  
Mr. Sazzad Rahim Chowdhury  
Mr. Md Mohsin Habib Chowdhury  
Mr. A S M Obaidullah Mahmud  
Mr. Mohammad Nazim Uddin Helali  
Mr. Mushfequr Rahman  
Mr. Raquibul Alam  
Mr. Abul Kasem Mohammad Sadeque Nawaj  
Mr. Mohammad Abu Nader Al Mokaddes  
Mr. Anupam Paul  
Mr. H M Rakib Ullah Bashar  
Mr. Mohammad Ahsun Ullah  
Mr. Mohammad Azizul Hoque  
Mr. Muhammad Kawsar Hasan  
Mr. Md Golam Mostofa  
Mr. Mohammad Imranul Kabir  
Mr. Syed Mizanur Rahman  
Mr. A M M Sajjad  
Mr. Asif Mahmud Taiseer  
Mr. Golam Mohammad Moinuddin  
Mr. Iftekhar Ahmed Ronnie  
Mr. Jamil Ahmed  
Mr. Kakan Chandra Dey  
Mr. Khandker Abu Jafar Sadique  
Mr. Md Abdus Sabur Khan  
Mr. Md Ata I Muneer  
Mr. Md Hasanuzzaman  
Mr. Md Jasim Uddin Chowdhury  
Mr. Md Masudul Hasan  
Mr. Md Mokhechur Rahman  
Mr. Md Razibur Rahman  
Mr. Mohammad Khasru Meah  
Mr. Mohammad Shahadat Islam  
Mr. Nazrul Islam  
Ms. Rahat Afroze  
Mr. Sabuj Swapan Barua  
Mr. Shabbir Ahmad  
Mr. Syed Rashedul Alam

Managing Director  
Director & CFO  
Chief Financial Officer  
Sr. General Manager Sales & Marketing  
General Manager Research & Development  
CEO- Jenson & Nicholson (Bangladesh) Limited  
General Manager HR & Admin  
General Manager Supply Chain  
General Manager Marketing  
General Manager IT  
General Manager Works - Dhaka Factory  
General Manager Financial Planning & Monitoring  
General Manager Treasury & Financial Accounting  
General Manager Sales Trade  
General Manager Works - Chittagong Factory  
Head Business Process, Risk & Compliance  
GSM Industrial, Marine & Special Chemical  
HR BP Sales & Manufacturing  
Head Admin & Employee Relations - Chittagong Factory  
Head Treasury Management  
Head Production - Dhaka Factory  
Head Legal Affairs  
Head Compensation & HR Operations  
Head Demand Supply Planning & CSD  
Company Secretary  
Head VAT  
Regional Manager - Dhaka Central  
Head Projects Prolinks Decor  
Head QA & Process Control - Chittagong Factory  
Head Production - Chittagong Factory  
Head Special Coating & Chemicals  
Head ERP Administration  
Head Cost Accounting  
Head Financial Accounting  
Regional Manager - Chittagong  
Head Organization Development  
Regional Manager - Dhaka North  
Head Channel Development  
Head Vendor Dev and R&D Compliance - DF



# Biography of the Directors



**Mr. Gerald K. Adams**

Chairman since 2004

Mr. Jerry Adams is a professional company director. His directorships include: Chairman, Berger Paints Bangladesh Ltd.; Chairman, Bolix SA [a building materials company in Poland]; Chairman, La Casa Del Formaggio [a cheese manufacturer in Australia]; the University of Adelaide Business School Advisory Board; Director, MINDA, Inc [a not-for-profit organization providing accommodation and services to people with intellectual disabilities]. His previous executive roles include: Managing Director of Orica Consumer Products (Australia and New Zealand); President and CEO of Box USA (USA); Chief Executive of Amcor Fibre Packaging (Australia); Vice President and Director, Business Development, of Kraft Foods, (Asia-Pacific); and consultant, the Boston Consulting Group (USA). He has also served as the interim Dean of the University of Adelaide Business School. He was educated at the Harvard Business School (MBA, 1979); and the University of Washington (BA, 1975). He is a Fellow of the Australian Institute of Company Directors. Mr. Adams was born in 1953 in the US and now resides in Australia.



**Ms. Rupali Chowdhury**

Managing Director since 2008

Ms. Rupali Chowdhury is an MBA from IBA, University of Dhaka, and completed her Graduation with Honors in Chemistry from the University of Chittagong. She started her career with the multinational pharmaceutical and chemical Company, Ciba Geigy (Bangladesh) Limited and was Brand Manager while leaving the company in 1990. Ms. Rupali Chowdhury joined Berger Paints Bangladesh Limited in 1990 as Planning Manager and during her tenure she worked for various departments such as marketing, sales, supply chain and systems under different supervisory capacities. She became the Managing Director of the Company on 1 January 2008. She is also Chairman and Managing Director of Jenson & Nicholson (Bangladesh) Limited, a 100% subsidiary of Berger Paints Bangladesh Limited; and Director of Berger Becker Bangladesh Limited (a joint venture between Berger Paints Bangladesh Limited and Becker Industrial Coatings Holding AB, Sweden) and Berger Fosroc Limited (a joint venture between Berger Paints Bangladesh Limited and Fosroc International Limited, UK). She was the President of Foreign Investors' Chamber of Commerce & Industries (FICCI) for consecutive two terms. She is a Member of the Advisory Board of UNICEF Bangladesh and Director of Surjer Hashi Group. She is also a member of the Audit Committee of Berger Paints Bangladesh Limited. She is Independent Director of Linde Bangladesh Limited and Bata Shoe Company (Bangladesh) Limited.



**Mr. Kuldip Singh Dhingra**

Director since 2018

Mr. Kuldip Singh Dhingra is a Science Graduate from Delhi University and a distinguished alumnus awardee of his alma mater. He is the fourth generation of his family which has been in Paints business since 1898 and has personally over 50 years of experience in paints and related industries. He is an eminent industrialist and since 25 years is the Chairman of the Board of Directors of Berger Paints India Ltd which is amongst the largest paint producers globally, with multinational presence through wholly owned subsidiaries in Poland, Nepal, Russia, UK, France and Ukraine.



**Mr. K. R. Das**

Director since 1992

Mr. K.R. Das was born in India in 1931. On completion of his graduation in science with honors, he started his career with Gillanders Arbuthnot & Co. Limited in 1951. He was Head of Pigments Division when he left Gillanders in 1965. He joined Jenson & Nicholson Limited in 1965 and left the company in 1975 as General Sales Manager after ten years of service. He joined Berger Paints India Limited in 1975 and after twenty years of service retired in 1994 as Executive Director. Mr. Das has been working as Management Consultant since 1994. He is a director of Berger Paints India Limited, and Chairman of RDG Systems (Pvt.) Ltd, India. Mr. Das is the Regional Supervisory Director of Berger Paints Bangladesh Limited, and Director of Jenson & Nicholson (Bangladesh) Limited. He is also a member of the Audit Committee and Nomination & Remuneration Committee of Berger Paints Bangladesh Limited.



**Mr. Anil Bhalla**

Director Since 1994

Mr. Anil Bhalla was born in India in 1946. He graduated in Economics (Hons) from the University of Delhi and is a Fellow Chartered Accountant. He is the managing partner of JC Bhalla & Co., a reputed Chartered Accountants firm of India. He has over four decades of experience in professional services in both India and abroad. He has a wide range of experience in auditing, joint venture consultancy, tax consultancy, strategic business consultancy, business valuations, and mergers & acquisitions. He was a Member of the Northern India Regional Council of the Institute of Chartered Accountants of India (ICAI) from 1976 to 1979 and its Chairman from 1978 to 1979. He has served ICAI as member of different Committees namely Company Law, Expert advisory and Auditing and Assurance Standards Board. He was an Executive Committee member of the Income Tax Appellate Tribunal Bar Association of Delhi.

He was President of the Institute of Internal Auditors, Florida, USA Delhi Chapter. He is also a member of the Audit Committee and Nomination & Remuneration Committee of Berger Paints Bangladesh Limited.



**Mr. Jean-Claude Loutreuil**

Director since 1998

Mr. Jean-Claude Loutreuil was born in 1945 at Saint Laurent sur mer in France. He is an MBA from the University of Paris. He graduated from Pharmaceutical and Chemical High School of Anguerny, France. He was Managing Director in Janssen Pharmaceutica (Flubenol), Belgium and Managing Director (Veterinary sector) of Shering Plough. In 1988 he was in charge of U K Paint France as Director in connection with Russia. He served U K Paint Russia as Managing Director in Moscow and Krasnodar. He has been working for the last four decades mostly in Pharmaceutical and Chemical sectors as consultant.





**Ms. Rishma Kaur**  
Director since 2013

Ms. Rishma Kaur holds a Bachelor of Science (Hons) in Business Studies from University of Buckingham, United Kingdom. She was Chairperson of Paints & Allied Products Panel of Chemicals & Allied Products Export Promotion Council (CAPEXIL), India from 1997 to 1999. Presently, she is Executive Director and National Business Development Manager (Retail) in Berger Paints India Limited. Her other directorships include Seaward Packaging Ltd., U K Paints (India) Ltd., BJN Paints India Ltd., Berger Jenson & Nicholson (Nepal) and Jenson Nicholson (Bangladesh) Limited. She is also a member of the Audit Committee and Nomination & Remuneration Committee of Berger Paints Bangladesh Limited and Supervisory Board member: Bolix S.A Poland. She was born in 1972.



**Mr. Kanwardip Singh Dhingra**  
Director since 2016

Mr. Kanwardip Singh Dhingra is an Executive Director of Berger Paints India Limited. Mr. Dhingra holds a Bachelor's Degree in Chemical Engineering from University of Akron, Akron, Ohio, USA, with a Specialization in Polymer Engineering, and a Minor in Chemistry. Mr. Dhingra gathered working experience in the field of Paints and Specialty Coatings in The Rohm & Haas Company, Texas, USA. Prior to The Rohm & Haas Company, he had also worked with The Sherwin Williams Company, Ohio, USA, in the field of Sales and Marketing. Mr. Dhingra is also a member of the Entrepreneur's Organization. He is a member of the Audit Committee and Nomination & Remuneration Committee of Berger Paints Bangladesh Limited.



**Mr. Abhijit Roy**  
Director since 2017

Mr. Abhijit Roy graduated in Mechanical Engineering from Jadavpur University, and did his MBA from the Indian Institute of Management, Bangalore in 1991. He started his career with Asian Paints (I) Ltd., and thereafter joined Lab Garnier, a division of L'Oreal in 1994. He joined Berger Paints India Ltd. in the year 1996 as Product Manager for Color Bank Tinting System. He handled various assignments with Berger India including General Manager (Marketing), Vice President (Sales & Marketing), COO and finally took over as MD and CEO from 1st July 2012. He is also the Deputy Chairman of Confederation of Indian Industry (Eastern Region) and a Management Committee member of the Bengal Chamber of Commerce and Industry.



**Mr. Anis A. Khan**

Independent Director since 2016

Mr. Anis A. Khan, a Fellow of the Institute of Bankers, Bangladesh is Managing Director & CEO of Mutual Trust Bank Limited since April 2009. Prior to joining MTB, he headed IDLC Finance Limited for six years. A career banker, he earlier served for 21 years with the then Grindlays Bank p.l.c. and with its successor banks - ANZ Grindlays Bank and Standard Chartered Bank (SCB), both in Bangladesh and abroad. He also has sound knowledge of merchant banking, stock brokerage services, leasing, factoring, legal and compliance, mergers and acquisitions, business process re-engineering and transformation and up-gradation of information technology platforms, acquired in Bangladesh, India, UAE, UK, Australia and South Africa. He has presented a paper on "Financing the Transformation of the Bangladesh Garments Industry" at the School of South Asian Studies, University of Harvard, Cambridge, Massachusetts, USA and 'Achieving SDGs: Financial Inclusion, Bangladesh Perspective' at the Bangladesh Development Conference. He presented a paper on investment in Bangladesh at Yale University. He serves as Vice Chairman of IIDFC, Director of BD Ventures Ltd., Vice President of the Bangladesh Association of Publicly Listed Companies, Member of the Committee of MCCI Dhaka, Life Member of the SAARC Chamber of Commerce and Industry and Trustee Treasurer of the CSR Centre. He served as Chairman of the Association of Bankers, Bangladesh Limited during and Chairman of Primary Dealers Bangladesh Limited. He was presented the 'Business & Entrepreneur Excellence Award 2016' by UK Bangladesh Catalysts of Commerce & Industry in the category of "Inspirational Leader of the Year". He is the Chairman of the Board Audit Committee and Nomination & Remuneration Committee of Berger Paints Bangladesh Ltd.



**Mr. Masud Khan**

Independent Director since 2017

Mr Masud Khan is the Chairman of GSK Bangladesh. He is a seasoned professional with 38 years' work experience in leading multinational companies in Bangladesh and currently working as the Chief Executive Officer of Crown Cement Group. Earlier he worked in LafargeHolcim Bangladesh as CFO for 18 years and in British American Tobacco for 20 years. He is also an independent director of Marico Bangladesh Ltd and Viyellatex Ltd. His articles on professional and industry issues regularly feature in newspapers and magazines. He is also a lecturer in the ICAB for the past 38 years. He did his Bachelor of Commerce with Honours from St Xaviers' College under University of Kolkata. Thereafter, he qualified with distinction both as a Chartered as well as a Cost and Management Accountant from the Indian Institutes being a silver medalist at all India level in the CA Examination in the year 1977. He is a member of the Audit Committee of Berger Paints Bangladesh Limited.



**Ms. Parveen Mahmud**

Independent Director since January 2019

Ms. Parveen Mahmud is the Chairperson, Underprivileged Children Education Program (UCEP) – Bangladesh. She has diverse experiences in board leadership in different positions with national and international development agencies, corporates and as practicing accountant. She started her career with BRAC and was the Deputy Managing Director of PKSf. She was the Founding Managing Director of Grameen Telecom Trust. She was a partner in Acnabin & Co., Chartered Accountants. She is the first woman President of ICAB and also, the first female board member of the South Asian Federation of Accountants. She sits in numerous Boards including BRAC International and Chairs the Finance and Audit Committee, Transparency International Bangladesh, Centre for Policy Dialogue, PKSf, RDRS, Manusher Jonnyo Foundation, DAM Foundation for Economic Development and Grameenphone Ltd. She is an Independent Director of the Apex Footwear Ltd. She was the Chairperson of MIDAS, Acid Survivor's Foundation and Shasha Denims Ltd. She is a member of International Chamber of Commerce, Bangladesh. She is a member of the Audit Committee of Berger Paints Bangladesh Limited.

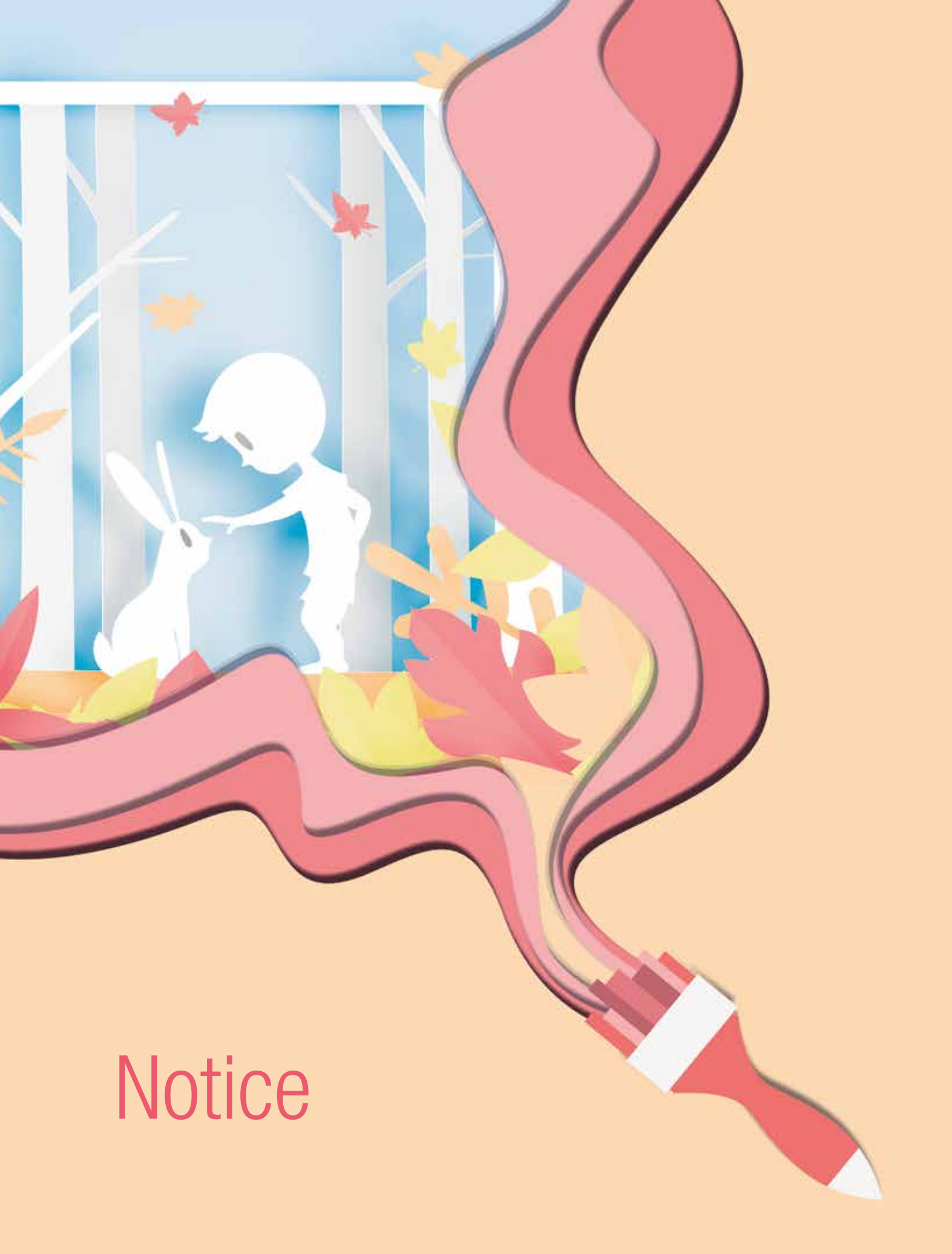


**Mr. Abdul Khalek**

Director since 2004

Mr. Khalek is a Fellow Chartered Accountant, and has his Masters of Commerce in Accounting from the University of Dhaka. He joined 'Proshika Manobik Unnayan Kendra' in 1985 and left the organization in 1993 as Chief Internal Auditor. He joined Berger Paints Bangladesh Limited in 1993 as Management Accountant and gradually elevated to Director & Chief Financial Officer. He is also a Director of Jenson & Nicholson (Bangladesh) Limited, Berger Becker Bangladesh Limited and Berger Fosroc Limited. He is serving the Foreign Investors' Chamber of Commerce & Industries as the convener of Trade, Tariff, Taxation & Company Affairs Sub-committee. He is a member of the Taxation & Corporate Laws Committee of the Institute of Chartered Accountants of Bangladesh (ICAB) Tariff & Taxation Sub-committee of Metropolitan Chamber of Commerce and Industries. He is a faculty of the ICAB. He is a member of the Institute of Internal Auditors of Bangladesh and Intellectual Property Association of Bangladesh. He is also a member of the Audit Committee of Berger Paints Bangladesh Limited.





Notice

## The 46<sup>th</sup> Annual General Meeting

Notice is hereby given to all Members of Berger Paints Bangladesh Limited that the 46<sup>th</sup> Annual General Meeting of the Members of the Company will be held on Wednesday, 17 July 2019, at 10.00 am at Golf Garden, Army Golf Club, Airport Road, Dhaka Cantonment, Dhaka-1206 to transact the following businesses:

### Agenda

**1. Reports and Financial Statements**

To receive, consider and adopt the Financial Statements and the Reports of the Directors and Auditors of the Company for the year ended 31 March 2019.

**2. Dividends**

To declare dividend for the year ended 31 March 2019 as recommended by the Board of Directors.

**3. Election of Directors**

To elect Directors in place of those who shall retire in accordance with the provisions of the Articles of Association of the Company.

**4. Appointment of Auditors**

- a) To appoint Auditors of the Company for the term until the conclusion of the next Annual General Meeting and to fix their remuneration.
- b) To appoint the Compliance Auditor for the year 2019-20.

By order of the Board of Directors



**Khandker Abu Jafar Sadique, ACS**  
Company Secretary

Dhaka, 2 July 2019

#### NOTES:

- a) The Shareholders whose names appear in the Members/Depository Register on the Record Date i.e. 25th June 2019 shall be eligible to attend the AGM of the Company and to receive the Dividend.
- b) A member eligible to attend and vote at the Annual General Meeting may appoint a proxy to attend and vote on his/her behalf. Proxy form must be affixed with requisite revenue stamp and must be submitted to the Registered Office of the Company not less than 48 hours before the time fixed for the Annual General Meeting.
- c) Only the Shareholders or their validly appointed proxies shall be allowed to have access to the registration process to attend the meeting. Admission into the meeting will be allowed on submission of the attendance slip sent with the Notice as well as verification of signature of Member(s) and/or Proxy holder(s).
- d) The Notice of the Annual General Meeting, Annual Report 2019 and Proxy Form are available at the Company's website [www.bergerbd.com](http://www.bergerbd.com). In case of non-receipt of Annual Report sent through e-mail, members may collect the same from the Company's Registered Office within 15<sup>th</sup> July 2019 by submitting a written application.
- e) As per circular of Bangladesh Securities and Exchange Commission, there will be no arrangement for gift or entertainment at the Annual General Meeting.



# Directors' Report

The Directors are pleased to present their 46th report of the Company along with the Audited Financial Statements and Auditors' Report for the year ended March 31, 2019.

### Industry outlook and possible future developments in the industry

After 7-8% growth in last few decades, in 2018-2019 the paint industry had experienced abnormally low volume growth of around 2%. Stagnation in real estate market due to rise in land price and construction materials price, high interest rates on housing loans effected the growth of the paints industry adversely. On top of that, high raw material cost in the international market and devaluation of Taka has forced major companies in the industry to increase price of paints. However, up country cities are growing faster than the metros. In the last quarter of 2018-2019, the paint industry growth has further slowed down due to slow demand, local government elections, and delay in new project initiation in public construction after the national elections and adverse weather conditions. Along with new construction overall repainting segment has also slowed down.

The paint industry has observed fierce competition among top players and some new entrants in 2018-19, who are trying to expand their distribution network. To gain market share, the paint companies are offering quality driven products for premium consumers and also providing very competitive prices for the economy markets.

Strong public investment has kept the GDP growth above 7% level, as projected by the World Bank. The GDP growth has not significantly changed the job market in last few years, which in turn would increase consumption of the goods and services. However, the mega projects undertaken by the government and infrastructure development like the metro rail, highways and flyovers, government housing projects, bridges, power plants, etc. will hopefully drive the growth of the building materials industries, including paint and construction chemicals in the upcoming years.

### Revenue and profitability

The Company achieved 7.58% sales value growth in the year ended March 31, 2019. The corresponding volume growth during the period was 2.77%. The company gained market share in 2018-2019.

At the backdrop of sales growth of 7.58%, the company achieved 17.18% growth in profit before tax. This is the result of all-out efforts to optimize cost while remaining competitive in the market. To offset the overall raw materials price inflation of 5%, product price was increased by 4.67%. Total expense of 2018-19 period reduced to 28.63% of net sales compared to 30.50% of previous year.

Expansion of distribution reach in the semi-urban and rural market along with innovative marketing strategies will be continued to maintain the leadership position in the market.

### New products and initiatives

A number of new products and initiatives were launched in 2018-19 to fulfill the diversified customer needs and explore new frontiers.

Berger Paints has launched WeatherCoat Antidirt Supreme, a new addition under Antidirt product range. It is an elastomeric exterior wall coating. Berger has also launched Jensolin Fluorescent Paint which provides a highly reflective finish, thereby enhances surface visibility of road signs, banner, festoons and signboards. Another introduction in Berger's adhesive division is Berger PowerBond 1K PUR - an adhesive suitable for all type of wood works, windows and door assembly, concrete and ceramic. Berger Paints has added liquid printing ink in its portfolio. Berger InkMaster is used by the flexible packaging material manufacturing industry to print on various plastic and polythene packets, sachet packs etc.

Home Décor service has been intensified to reach out the end consumers for correct application of the paints. The focus on the use of Express Painting Tools has been continued. On top of it, more than three thousand painters were trained in collaboration with National Skills Development Authority (NSDA).

### Risks and concerns

The major risk factors and concerns for the company are as follows:

#### Macro Economy

The level of activity within the general economy is of fundamental importance given its influence on construction and industrial activity levels, which in turn are key market segments for the paint manufacturing industry.

**External factors**

The Company's results may be affected by factors outside its control such as political unrest, strike, civil commotion and act of terrorism.

**Changes in income tax and value added tax**

Changes in income tax and VAT laws and sudden unpredictable changes in other business related laws may adversely impact results of operations and cash flows.

**Changes in environmental, health and safety laws and regulations**

In line with global practice, the government has been initiating notable changes in environmental, health and safety laws and regulations. The Company may require additional investment and expenditure to ensure conformity with future changes.

**Exchange rate fluctuation**

Since a large proportion of Berger's raw materials are imported, changes in currency exchange rates influence the result of the Company's operations.

**Management perception of the risks**

While many of the risk areas are beyond control of any single company, Berger is closely watching the trends and developments in each of the risk areas and takes the best possible measures to mitigate them through product and market diversification, efficient sourcing of materials, use of latest technology and investment in research and development to gain sustained competitive advantage. Being a strictly compliant company, Berger is aware of the global best practices in environment friendly manufacturing process. Berger played pioneer role installing Effluent Treatment Plant and Incinerator of global standard at its plants in conformity with environment related regulation. There is no threat to the sustainability of the business.

**Financial performance**

The Directors take pleasure in reporting the Financial Results of the Company for the year ended March 31, 2019 and recommend the following:

| In Thousands Taka  | For the year ended 31 March |             |
|--|-----------------------------|-------------|
|  | 2019                        | 2018        |
| Net sales  | 17,733,311                  | 16,483,497  |
| Cost of sales  | (9,915,583)                 | (9,129,356) |
| Gross profit   | 7,817,728                   | 7,354,141   |
| Income before tax  | 2,640,749                   | 2,253,564   |
| Current tax expenses                                     | (684,333)                   | (526,146)   |
| Deferred tax expenses                                    | (5,270)                     | (57,488)    |
| Net profit after tax                                     | 1,951,146                   | 1,669,930   |
| Add: Retained earning brought forward from previous year | 5,123,577                   | 4,024,248   |
| Amount available for distribution                        | 7,074,723                   | 5,694,178   |
| Dividend proposed  | (1,159,447)                 | (463,779)   |
| Issue of bonus share                                     | -                           | (106,822)   |
| Transfer to un-appropriated profit                       | 5,915,276                   | 5,123,577   |
| Basic Earnings Per Share (Taka)                          | 42.07                       | 36.01       |
| Net Operating Cash Flow Per Share (Taka)                 | 51.45                       | 29.58       |
| Net Asset Value Per Share (Taka)                         | 162.55                      | 130.47      |
| Gross Profit Margin (%)                                  | 44.08                       | 44.62       |
| Net Profit After Tax Margin (%)                          | 11.00                       | 10.13       |

**Dividend**

The Company has invested a substantial amount for expansion of capacity as well as diversification of products and businesses. However, the Directors are pleased to recommend 250% (two hundred fifty percent) cash dividend i.e. Tk. 25 (twenty five) for every Ordinary Share of Tk. 10 held on Record Date for the year 2018-2019.

## Corporate social responsibility

Being a responsible corporate citizen, Berger has been contributing to different social causes to bring positive changes in the society over many years.

Since 2009, Berger has been providing financial and other material aids to around 10-12 different organizations working for the development of autistic and differently challenged children in Bangladesh. Annual art competition and art exhibition for specially challenged children are also being arranged.

Other programs under corporate social responsibilities include the 23rd round of Berger Young Painters' Art Competition (BYPAC), an annual event to encourage young artistic talents. Competitive award-based scholarships were continued in 2018-2019 for the students of architecture departments of Bangladesh University of Engineering and Technology (BUET) and Khulna University.

In 2018-2019, Berger has introduced a new initiative for the faculty of fine Art, University of Dhaka. The award ceremony of 'Berger Award for Students of Faculty of Fine Art, University of Dhaka' was organized at the Faculty of Fine Art, University of Dhaka on October 7, 2018, where students with the highest CGPAs in the Honor's Program under eight departments of the Faculty of Fine Art, University of Dhaka were awarded and the student with the best artwork were awarded "Berger Student of the Year" award. An exhibition was held with the artworks of the award recipients.

Additionally, the company has distributed blankets and winter clothes among the poor people at different corners of the country. The company also facilitates interns of different academic backgrounds to let them gain firsthand knowledge and experience of the corporate world, and thus groom the potential leaders of the society. These initiatives of Berger Paints have made a significant beneficial impact in the society and received widespread coverage by the media.

## Contribution to national exchequer

During the period, the Company has contributed Tk. 4,281,299 thousand to the National Exchequer as Customs Duty, Income Tax, Value Added Tax and Supplementary Duty.

## Subsidiary company

Jenson & Nicholson (Bangladesh) Limited is a wholly owned subsidiary of the Berger Paints Bangladesh Limited. The company is involved with production and marketing of tin-containers and printing of tin sheets since 1995 in its factory at 70, East Nasirabad Industrial Area, Chittagong. The statement of the holding company's interest in the subsidiary company Jenson & Nicholson (Bangladesh) Limited as specified in sub section 1 of section 186 of The Companies Act 1994 is attached to the Annual Report and Financial Statements of the Company.

## New joint venture Berger Fosroc Limited

Berger Paints Bangladesh Limited has entered into a joint venture agreement with Fosroc International Limited, United Kingdom, for setting up of a joint venture company with the name "Berger Fosroc Limited" in Bangladesh for the purpose of carrying on the business of manufacturing and selling construction chemicals. Berger Paints Bangladesh Limited has 50% share in the Joint Venture. The joint venture agreement was signed on January 31, 2018 and Berger Fosroc Limited was incorporated on April 19, 2018. The company started commercial operation through trading with effect from September 12, 2018.

## Awards and recognitions

During the year Berger Paints Bangladesh Limited received Top VAT Payer Award under manufacturing category from the Government of Bangladesh. This is a recognition of the company's clean track record of compliance of fiscal laws. The award was handed over to the company on 10 December 2018.

Berger Paints Bangladesh Limited also received 'ICMAB Best Corporate Award 2017' in the category of multinational manufacturing industries for its sales & financial performance, contribution to national exchequer, HR management, corporate governance, shareholders' return, investment growth and CSR activities. The award was handed over to the company on 8 December 2018.

Berger Paints has won auspicious "Best Brand Award" in paint category for the 8th consecutive year. Bangladesh Brand Forum, in association with Daily Star, organized the event on 8 December 2018. Nielsen, the reputed research firm, conducted the required data collection and analysis to identify best brands of Bangladesh.

## Election of directors

- a) In the meeting of the Board of Directors of the Company held on July 17, 2018 Mr. Kuldip Singh Dhingra, nominee of J&N Investments (Asia) Limited, was appointed as an additional director in pursuance of the power conferred upon the Board by Article 111 of the Articles of Association of the Company. As required by section 91(1)(b) of the Companies Act 1994 Mr. Kuldip Singh Dhingra is proposed as a candidate for election as a Director. As required by section 93 of the Companies Act 1994 Mr. Kuldip Singh Dhingra has given consent to act as a Director of the Company. Mr. Kuldip Singh Dhingra, being the nominee of J&N Investments (Asia) Limited, which is holding 95% shares in the Company, may be elected as a Director.



- b) In the meeting of the Board of Directors of the Company held on January 28, 2019 Ms. Parveen Mahmud, FCA was appointed as Independent Director in pursuance of the power conferred upon the Board by Article 111 of the Articles of Association of the Company and as per the requirement of Corporate Governance Code issued by Bangladesh Securities and Exchange Commission. Her appointment is placed before the members at the Annual General Meeting for approval.
- c) Independent Director Mr. Anis A Khan has completed his three year term on 16 April 2019 and as per condition 1(2)(e) of the Corporate Governance Code issued on 3 June 2018 he has been re-appointed by the Board of Directors for the second term. His appointment is placed before the members at the Annual General Meeting for approval.
- d) The directors retiring by rotation under Article 121 and 122 are Mr. K. R. Das, Ms. Rishma Kaur and Mr. Kanwardip Singh Dhingra who, being eligible, offered themselves for re-election.

The Board of Directors recommends the above election/re-election.

#### Appointment of auditors

- a) The external auditors, Messrs. A. Qasem & Co., Chartered Accountants, will retire at the conclusion of the ensuing Annual General Meeting and being eligible for reappointment as per condition (b) of Bangladesh Securities and Exchange Commission's order no. SEC/CMRRCD/2009-193/104/Admin/ dated July 27, 2011 have expressed their willingness for reappointment. The Audit Committee has recommended the re-appointment of the auditor. The Board of Directors also recommends re-appointment of Messrs. A. Qasem & Co., Chartered Accountants.
- b) Messrs. MABS & J Partners has conducted the audit of corporate governance compliance report and issued certificate for the year ended 31 March 2019. Being eligible, they have expressed their interest for reappointment to conduct the audit for the year ended 31 March 2020. As per condition 9(2) of the notification no. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 issued by Bangladesh Securities and Exchange Commission, the shareholders are to appoint the professional issuing certificate on compliance of corporate governance code. The Board of Directors recommends their reappointment.

#### Corporate governance

The Status Report along with relevant disclosures and declarations required to be presented by the Company in pursuance of the notification no. BSEC/CMRRCD/2006-158/207/Admin/80 of 3 June 2018 issued by Bangladesh Securities and Exchange Commission is attached as Annexure 1, 2, 3, 4 and 5 of this report.

#### Human resource

As in the past, the Company continued to experience industrial peace and harmony throughout the year. The Company pursues policy for training and development program both locally and abroad to enhance and update the skills and knowledge of its human resources. The Board wishes to put on record its deep appreciation for the co-operation and efforts of all employees for the betterment of the organization.

#### Management appreciation

The members of the Board of Directors would like to take this opportunity to express their heartfelt thanks to all stakeholders including employees, customers, banks, insurance companies, government authorities, auditors, Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited, Central Depository Bangladesh Limited, utility providers and finally the shareholders for their immense support and contribution towards the success of the Company.

On behalf of the Board,



**Gerald K. Adams**  
Chairman  
May 28, 2019



# Management Discussion and Analysis

## Global and national economy

Global economy has grown at an average rate of 3 percent in 2018. Economic growth accelerated in more than half of the world's economies in both 2017 and 2018. Developed economies expanded at a steady 2.2% while unemployment rates in several developed economies have dropped to historical lows. Among the developing economies, East and South Asia maintained a moderate growth of 5.8% and 5.6% in 2018. \*

The recently escalating trade war between USA and China will adversely impact the global economic growth by 0.5%, according to IMF. This may create volatility in global demand-supply scenario and directly affect the prices of raw materials used in the paint industry.

Bangladesh has been able to maintain 6.5%-7% growth rate for a decade. In 2018-19 fiscal year the growth is projected to be 7.3% according to World Bank. This will put Bangladesh among the top five fastest growing economies in the world. Despite steady GDP growth, there is concern that the growth is achieved mostly through public sector spending, and the participation of private sector is inadequate. High interest rate on lending and irregularities of financial sector are also areas of concern. The paints industry is expected to experience steady growth along with the national economy.

## Operations of Berger Paints Bangladesh Ltd.

Berger Paints Bangladesh Ltd. has been operating in the country for almost fifty years. For the last two decades, the company has strengthened its position to become the market leader in paint industry of Bangladesh. Robust brand positioning by offering wide variety of high quality products for all the segments of the paint industry has been the key to this success. Berger Paints is committed to bringing innovative products to its consumers that are safe for their health and environmentally friendly. The company has two factories and fourteen sales offices to ensure extensive nationwide distribution of the company's products. Jensen & Nicholson (Bangladesh) Limited, a wholly owned subsidiary, enables the company to procure packing materials at competitive price.

Product range of Berger includes decorative coatings, high build industrial coatings, marine coatings, powder coatings & pretreatment chemicals, adhesives, wood coatings, vehicle refinishes, textile emulsions, construction chemicals, coil coatings, printing ink and paint application tools & accessories. Berger Paints is the first company in Bangladesh to offer a wide range of designer painting schemes for wall through Berger illusions. Recently launched products in decorative segment include Breathe Easy Eco Series, Luxury Silk Metallic finish, WeatherCoat AntiDirt LongLife and WeatherCoat Cool. Berger Protecton Protective coatings and Jensolin Fluorescent paints are some new introductions in the industrial segment. Fireguard Fire intumescent coatings for steel structures protects the structures from premature collapse. The company has recently launched Express Painting Tools for faster, cleaner and better painting work and introduced Express Painting Services for one stop painting solutions.

Berger Paints has made joint ventures with globally leading companies to form Berger Becker Bangladesh Limited and Berger Fosroc Limited to offer world-class coil coatings and construction chemicals to the Bangladeshi market. The company has gradually diversified to sustain its growth in almost all the product segments.

## The company's performance in 2018-19

### a) Accounting policies and estimation for preparation of financial statements:

The company has consistently followed the accounting and financial reporting standards that are applicable to it. These financial statements presented for the approval have been prepared and the disclosures of information are made in accordance with the International Financial Reporting Standards (IFRS), the Companies Act 1994 and the Bangladesh Securities and Exchange Rules 1987 as much as practicable. The statement of financial position and statement of profit or loss and other comprehensive income have been prepared according to International Accounting Standards (IAS) 1, Presentation of Financial Statements on accrual basis of accounting following going concern assumption under generally accepted accounting principles and practices in Bangladesh and statement of cash flows is prepared according to IAS 7, Statement of Cash Flows and has been presented under direct method as required by the Bangladesh Securities and Exchange Rules 1987. The preparation of financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses.

### b) Changes in accounting policies and estimation

The financial statements have been prepared on a historical cost basis. The financial statements provide comparative information in respect of the previous period.

\* Source: The World Economic Situation and Prospects 2019, a publication of the United Nations

As per listing regulations of Dhaka and Chittagong Stock Exchange, the accounting standards adopted by the Institute of Chartered Accountants of Bangladesh are mandatory for all listed companies.

In January 2018, the Institute of Chartered Accountants of Bangladesh (ICAB) has adopted International Financial Reporting Standards issued by the International Accounting Standards Board as IFRSs. As the ICAB previously adopted such standards as Bangladesh Financial Reporting Standards without any modification.

A number of new standards and amendments to standards are effective for annual periods beginning on or after 1 January 2018 and earlier application is permitted.

The Company applied IFRS 15 and IFRS 9 for the first time. Several other amendments and interpretations apply for the first time in 2018, but do not have an impact on the financial statements of the Company. The Company has not early adopted any standards, interpretations or amendments that have been issued, but are not yet effective.

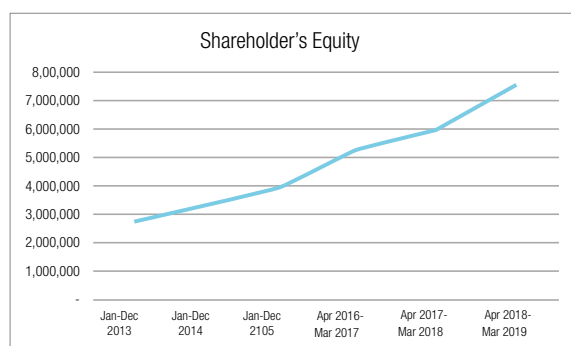
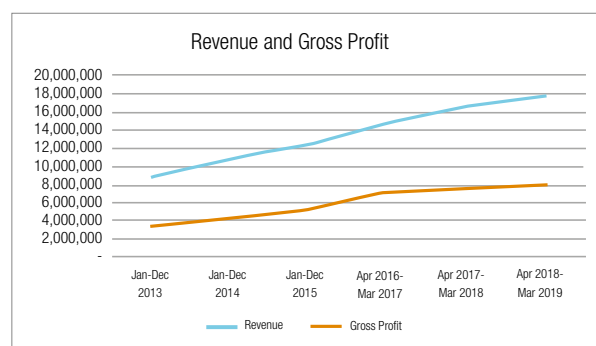
### c) Comparative analysis of financial performance

Berger Paints Bangladesh Limited has shown consistent growth in revenue and profitability. The key financial results of the company for current year along with preceding five years are presented below:

In Thousands Taka

| Particulars               | Jan-Dec 2013 | Jan-Dec 2014 | Jan-Dec 2015 | Apr 2016-Mar 2017 | Apr 2017-Mar 2018 | Apr 2018-Mar 2019 |
|---------------------------|--------------|--------------|--------------|-------------------|-------------------|-------------------|
| Revenue                   | 8,796,778    | 10,881,046   | 12,267,996   | 14,622,448        | 16,483,497        | 17,733,311        |
| Gross Profit              | 3,314,934    | 4,295,302    | 5,255,332    | 7,106,027         | 7,354,141         | 7,817,728         |
| Income Before Tax         | 1,228,511    | 1,488,774    | 1,933,454    | 2,454,008         | 2,253,564         | 2,640,749         |
| Net profit for the year   | 860,939      | 1,097,609    | 1,425,955    | 1,776,673         | 1,669,930         | 1,951,146         |
| Shareholders Equity       | 2,767,153    | 3,354,605    | 4,038,513    | 5,366,735         | 6,051,135         | 7,538,502         |
| Total Assets              | 4,282,362    | 5,353,863    | 6,339,060    | 8,437,826         | 8,994,215         | 10,719,024        |
| Total Current Assets      | 2,758,979    | 3,438,785    | 3,949,727    | 5,087,352         | 5,420,587         | 6,538,471         |
| Total Current Liabilities | 1,314,584    | 1,748,984    | 2,131,089    | 2,573,140         | 2,653,483         | 2,938,262         |
| Current Ratio (Time)      | 2.10         | 1.97         | 1.85         | 1.98              | 2.04              | 2.23              |

The company changed the accounting year from January-December to April-March in 2016. Therefore, the Financial Statements for 15 months covering January 2016 to March 2017 were presented at the AGM of 2017. For convenience of comparison, the financial performance of 12 months have been presented here.



During the year ended 31 March 2019, net profit growth was 16.84% whereas sales growth was 7.58%. This was the result of continuous efforts to optimize cost while gaining market share. Because of increase of raw materials price, cost of sales was 55.92% of net sales in 2018-19 compared to 55.38% of previous year. Total expense of 2018-19 period reduced to 28.63% of net sales compared to 30.50% of previous year.

The Company will continue with the best efforts to achieve better performance in coming years.

#### **Risks and concerns related to the financial statements:**

The company follows a number of accounting and financial reporting of standards and practices for addressing financial reporting risks. The Chief Financial Officer and the Managing Director are required to issues certificate about the accuracy of the financial statements. Moreover, the annual and quarterly financial statements are thoroughly reviewed by the Audit Committee before circulation to the shareholders and regulators.

#### **Future plan**

As notified in the Price Sensitive Information circulated on October 15, 2018, Bangladesh Economic Zone Authority (BEZA) has allotted thirty acres of land at Mirsarai & Feni Economic Zones to Berger Paints Bangladesh Ltd. A signing ceremony of the allotment agreement was held on October 17, 2018. This land will help the company optimize manufacturing process and support the growing demand for paints in Bangladesh market.



**Rupali Chowdhury**

Managing Director

May 28, 2019

The Directors also report that:

- a) The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;
- b) Proper books of accounts as required by law have been maintained.
- c) Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.
- d) International Accounting Standards (IAS)/Bangladesh Accounting Standards (BAS)/International Financial Reporting Standards (IFRS)/Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed.
- e) The system of internal control is sound in design and has been effectively implemented and monitored.
- f) The minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;
- g) There are no significant doubts upon the company's ability to continue as a going concern.
- h) The company does not have significant deviations from the last year's operating results.
- i) Segment-wise performance during the year is presented in note 2.29 of the Audited Financial Statements.
- j) Details of related party transactions have been presented in note 41 of the Audited Financial Statements.
- k) The company did not have any extraordinary gain or loss during the period in consideration.
- l) The company did not make any public issue during the year. The proceeds of IPO in 2005 were utilized in the manner specified in the prospectus. The financial results of the company did not deteriorate after the company went for IPO.
- m) There was no significant variance between Quarterly Financial Performance and Annual Financial Statements during the year.
- n) No bonus share or stock dividend has been or shall be declared as interim dividend;
- o) The remuneration to the directors including independent directors have been disclosed in notes 27 and 39 of the Audited Financial Statements.
- p) Key operating and financial data of preceding 5 (five) years have been summarized in Annexure 3.
- q) The number of Board meetings held during the year and attendance by each director has been disclosed in Annexure 4.
- r) The pattern of shareholding as required by the BSEC notification BSEC/CMRRCD/2006-158/207/Admin/80 of 3 June 2018 has been disclosed in Annexure 5.
- s) Required information about director being appointed/re-appointed has been presented in 'Biography of Directors' section of the Annual Report.
- t) The 'Management Discussion and Analysis' required by condition 1(5)(xxv) of BSEC notification BSEC/CMRRCD/2006-158/207/Admin/80 of 3 June 2018 is integral part of this report.

## CORPORATE GOVERNANCE COMPLIANCE STATUS

[As per condition No. 1(5)(xxvii)]

**Status of compliance with the conditions imposed by the Commission's Notification No. SEC/CMRRCD /2006-158/207/Admin/80 dated 3 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969:**

(Report under Condition No. 9)

| Condition No. | Title  | Compliance Status<br>(Put ✓ in the appropriate column) |              | Remarks<br>(if any) |
|---------------|--|--|--------------|---------------------|
|               |  | Complied   | Not Complied |                     |
| 1.0           | Board of Directors   |  |              |                     |
| 1(1)          | Size of the Board of Directors:<br>The total number of members of a company's Board of Directors (hereinafter referred to as "Board") shall not be less than 5 (five) and more than 20 (twenty).   | ✓  |              |                     |
| 1.2           | Independent Directors:   |  |              |                     |
| 1(2)(a)       | At least one-fifth (1/5) of the total number of directors in the company's Board shall be independent directors; any fraction shall be considered to the next integer or whole number for calculating number of independent director(s);   | ✓  |              |                     |
| 1(2)(b)(i)    | "Independent Director" means a director-<br>who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;   | ✓  |              |                     |
| 1(2)(b)(ii)   | who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members; | ✓  |              |                     |
| 1(2)(b)(iii)  | who has not been an executive of the company in immediately preceding 2 (two) financial years;   | ✓  |              |                     |
| 1(2)(b)(iv)   | who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;  | ✓  |              |                     |
| 1(2)(b)(v)    | who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;   | ✓  |              |                     |
| 1(2)(b)(vi)   | who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;  | ✓  |              |                     |
| 1(2)(b)(vii)  | who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;   | ✓  |              |                     |
| 1(2)(b)(viii) | who is not independent director in more than 5 (five) listed companies;  | ✓  |              |                     |
| 1(2)(b)(ix)   | who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBF); and  | ✓  |              |                     |
| 1(2)(b)(x)    | who has not been convicted for a criminal offence involving moral turpitude;   | ✓  |              |                     |

| Condition No. | Title   | Compliance Status<br>(Put ✓ in the appropriate column) |              | Remarks<br>(if any) |
|---------------|---|--|--------------|---------------------|
|               |   | Complied   | Not Complied |                     |
| 1(2)(c)       | The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM);   | ✓  |              |                     |
| 1(2)(d)       | The post of independent director(s) cannot remain vacant for more than 90 (ninety) days; and  | ✓  |              |                     |
| 1(2)(e)       | The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only:<br>Provided that a former independent director may be considered for reappointment for another tenure after a time gap of one tenure, i.e., three years from his or her completion of consecutive two tenures [i.e. six years]:<br>Provided further that the independent director shall not be subject to retirement by rotation as per Companies Act, 1994. | ✓  |              |                     |
| 1.3           | Qualification of Independent Director.  |  |              |                     |
| 1(3)(a)       | Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business;  | ✓  |              |                     |
| 1(3)(b)(i)    | Independent director shall have following qualifications:<br>Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association; or  | ✓  |              |                     |
| 1(3)(b)(ii)   | Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid-up capital of Tk. 100.00 million or of a listed company; or  | ✓  |              |                     |
| 1(3)(b)(iii)  | Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or Law; or   | ✓  |              |                     |
| 1(3)(b)(iv)   | University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or   |  |              | Not Applicable      |
| 1(3)(b)(v)    | Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;  |  |              | Not Applicable      |
| 1(3)(c)       | The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);  | ✓  |              |                     |
| 1(3)(d)       | In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.   |  |              | Not Applicable      |
| 1.4           | Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer.  |  |              |                     |
| 1(4)(a)       | The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals;  | ✓  |              |                     |
| 1(4)(b)       | The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;   | ✓  |              |                     |



| Condition No. | Title  | Compliance Status<br>(Put ✓ in the appropriate column) |              | Remarks<br>(if any) |
|---------------|--|--|--------------|---------------------|
|               |  | Complied   | Not Complied |                     |
| 1(4)(c)       | The Chairperson of the Board shall be elected from among the non-executive directors of the company;   | ✓  |              |                     |
| 1(4)(d)       | The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;  | ✓  |              |                     |
| 1(4)(e)       | In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from nonexecutive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.  |  |              | Not Applicable      |
| 1.5           | The Directors' Report to Shareholders  |  |              |                     |
| 1(5)(i)       | The Board of the company shall include the following additional statements or disclosures in the Directors' Report prepared under section 184 of the Companies Act, 1994 (Act No. XVIII of 1994):<br>An industry outlook and possible future developments in the industry; | ✓  |              |                     |
| 1(5)(ii)      | The segment-wise or product-wise performance;  | ✓  |              |                     |
| 1(5)(iii)     | Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;  | ✓  |              |                     |
| 1(5)(iv)      | A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;   | ✓  |              |                     |
| 1(5)(v)       | A discussion on continuity of any extraordinary activities and their implications (gain or loss);  | ✓  |              |                     |
| 1(5)(vi)      | A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;  | ✓  |              |                     |
| 1(5)(vii)     | A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments;   |  |              | Not Applicable      |
| 1(5)(viii)    | An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.;  |  |              | Not Applicable      |
| 1(5)(ix)      | An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;   | ✓  |              |                     |
| 1(5)(x)       | A statement of remuneration paid to the directors including independent directors;   | ✓  |              |                     |
| 1(5)(xi)      | A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;  | ✓  |              |                     |
| 1(5)(xii)     | A statement that proper books of account of the issuer company have been maintained;   | ✓  |              |                     |
| 1(5)(xiii)    | A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;   | ✓  |              |                     |
| 1(5)(xiv)     | A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;    | ✓  |              |                     |
| 1(5)(xv)      | A statement that the system of internal control is sound in design and has been effectively implemented and monitored;   | ✓  |              |                     |

| Condition No.  | Title  | Compliance Status<br>(Put ✓ in the appropriate column) |              | Remarks<br>(if any) |
|----------------|--|--|--------------|---------------------|
|                |  | Complied   | Not Complied |                     |
| 1(5)(xvi)      | A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;  | ✓  |              |                     |
| 1(5)(xvii)     | A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;   | ✓  |              |                     |
| 1(5)(xviii)    | An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;   | ✓  |              |                     |
| 1(5)(xix)      | A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;   | ✓  |              |                     |
| 1(5)(xx)       | An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;  |  |              | Not Applicable      |
| 1(5)(xxi)      | Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;   | ✓  |              |                     |
| 1(5)(xxii)     | The total number of Board meetings held during the year and attendance by each director;   | ✓  |              |                     |
| 1.5(xxiii)(a)  | A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:<br>Parent or Subsidiary or Associated Companies and other related parties (name-wise details);  | ✓  |              |                     |
| 1.5(xxiii)(b)  | Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details);  | ✓  |              |                     |
| 1.5(xxiii)(c)  | Executives; and  | ✓  |              |                     |
| 1(5)(xxiii)(d) | Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details);   | ✓  |              |                     |
| 1(5)(xxiv)(a)  | In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders:<br>A brief resume of the director;   | ✓  |              |                     |
| 1(5)(xxiv)(b)  | Nature of his or her expertise in specific functional areas; and   | ✓  |              |                     |
| 1(5)(xxiv)(c)  | Names of companies in which the person also holds the directorship and the membership of committees of the Board;  | ✓  |              |                     |
| 1(5)(xxv)(a)   | A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:<br>Accounting policies and estimation for preparation of financial statements; | ✓  |              |                     |
| 1(5)(xxv)(b)   | Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;   | ✓  |              |                     |
| 1(5)(xxv)(c)   | Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;  | ✓  |              |                     |
| 1(5)(xxv)(d)   | Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;  | ✓  |              |                     |

| Condition No. | Title   | Compliance Status<br>(Put ✓ in the appropriate column) |              | Remarks<br>(if any) |
|---------------|---|--|--------------|---------------------|
|               |   | Complied   | Not Complied |                     |
| 1(5)(xxv)(e)  | Briefly explain the financial and economic scenario of the country and the globe;   | ✓  |              |                     |
| 1(5)(xxv)(f)  | Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and  | ✓  |              |                     |
| 1(5)(xxv)(g)  | Future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;  | ✓  |              |                     |
| 1(5)(xxvi)    | Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A; and   | ✓  |              |                     |
| 1(5)(xxvii)   | The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9   | ✓  |              |                     |
| 1(6)          | Meetings of the Board of Directors:<br>The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code. | ✓  |              |                     |
| 1.7           | Code of Conduct for the Chairperson, other Board members and Chief Executive Officer  |  |              |                     |
| 1(7)(a)       | The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;  | ✓  |              |                     |
| 1(7)(b)       | The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.  | ✓  |              |                     |
| 2.0           | Governance of Board of Directors of Subsidiary Company  |  |              |                     |
| 2(a)          | Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;  | ✓  |              |                     |
| 2(b)          | At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company;   | ✓  |              |                     |
| 2(c)          | The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company;  | ✓  |              |                     |
| 2(d)          | The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;  | ✓  |              |                     |
| 2(e)          | The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.  | ✓  |              |                     |
| 3.0           | Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS).  |  |              |                     |
| 3(1)(a)       | Appointment:<br>The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);  | ✓  |              |                     |

| Condition No. | Title  | Compliance Status<br>(Put ✓ in the appropriate column) |              | Remarks<br>(if any)                    |
|---------------|--|--|--------------|--|
|               |  | Complied   | Not Complied |  |
| 3(1)(b)       | The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;   | ✓  |              |  |
| 3(1)(c)       | The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;   | ✓  |              |  |
| 3(1)(d)       | The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;  | ✓  |              |  |
| 3(1)(e)       | The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).   | -  |              | No such incidence arose                |
| 3(2)          | Requirement to attend Board of Directors' Meetings:<br>The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board:<br>Provided that the CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters. | ✓  |              | HIAC did not attend the Board Meetings |
| 3.3           | Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)  |  |              |  |
| 3(3)(a)(i)    | The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief: These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and                       | ✓  |              |  |
| 3(3)(a)(ii)   | These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;  | ✓  |              |  |
| 3(3)(b)       | The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members;   | ✓  |              |  |
| 3(3)(c)       | The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.  | ✓  |              |  |
| 4.0           | Board of Directors' Committee.   |  |              |  |
| 4(i)          | For ensuring good governance in the company, the Board shall have at least following sub-committees:<br>Audit Committee; and   | ✓  |              |  |
| 4(ii)         | Nomination and Remuneration Committee.   | ✓  |              |  |
| 5.0           | Audit Committee  |  |              |  |
| 5(1)(a)       | Responsibility to the Board of Directors:<br>The company shall have an Audit Committee as a sub-committee of the Board;  | ✓  |              |  |
| 5(1)(b)       | The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business;   | ✓  |              |  |
| 5(1)(c)       | The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.  | ✓  |              |  |
| 5(2)(a)       | Constitution of the Audit Committee:<br>The Audit Committee shall be composed of at least 3 (three) members;   | ✓  |              |  |

| Condition No. | Title   | Compliance Status<br>(Put ✓ in the appropriate column) |              | Remarks<br>(if any)     |
|---------------|---|--|--------------|-------------------------|
|               |   | Complied   | Not Complied |                         |
| 5(2)(b)       | The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;  | ✓  |              |                         |
| 5(2)(c)       | All members of the audit committee should be “financially literate” and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;   | ✓  |              |                         |
| 5(2)(d)       | When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee; |  |              | No such vacancy arose   |
| 5(2)(e)       | The company secretary shall act as the secretary of the Committee;  | ✓  |              |                         |
| 5(2)(f)       | The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.   | ✓  |              |                         |
| 5(3)(a)       | Chairperson of the Audit Committee:<br>The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;   | ✓  |              |                         |
| 5(3)(b)       | In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.   |  |              | No such incidence arose |
| 5(3)(c)       | Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM):<br>Provided that in absence of Chairperson of the Audit Committee, any other member from the Audit Committee shall be selected to be present in the annual general meeting (AGM) and reason for absence of the Chairperson of the Audit Committee shall be recorded in the minutes of the AGM.   | ✓  |              |                         |
| 5(4)(a)       | Meeting of the Audit Committee:<br>The Audit Committee shall conduct at least its four meetings in a financial year:<br>Provided that any emergency meeting in addition to regular meeting may be convened at the request of any one of the members of the Committee;   | ✓  |              |                         |
| 5(4)(b)       | The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two-third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.   | ✓  |              |                         |
| 5(5)(a)       | Role of Audit Committee<br>The Audit Committee shall:<br>Oversee the financial reporting process;   | ✓  |              |                         |
| 5(5)(b)       | Monitor choice of accounting policies and principles;   | ✓  |              |                         |
| 5(5)(c)       | Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;   | ✓  |              |                         |
| 5(5)(d)       | Oversee hiring and performance of external auditors;  | ✓  |              |                         |



| Condition No.  | Title   | Compliance Status<br>(Put ✓ in the appropriate column) |              | Remarks<br>(if any)     |
|----------------|---|--|--------------|-------------------------|
|                |   | Complied   | Not Complied |                         |
| 5(5)(e)        | Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;   | ✓  |              |                         |
| 5(5)(f)        | Review along with the management, the annual financial statements before submission to the Board for approval;  | ✓  |              |                         |
| 5(5)(g)        | review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;   | ✓  |              |                         |
| 5(5)(h)        | Review the adequacy of internal audit function;   | ✓  |              |                         |
| 5(5)(i)        | Review the Management's Discussion and Analysis before disclosing in the Annual Report;   | ✓  |              |                         |
| 5(5)(j)        | Review statement of all related party transactions submitted by the management;   | ✓  |              |                         |
| 5(5)(k)        | Review Management Letters or Letter of Internal Control weakness issued by statutory auditors;  | ✓  |              |                         |
| 5(5)(l)        | Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and  | ✓  |              |                         |
| 5(5)(m)        | <p>Oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission:</p> <p>Provided that the management shall disclose to the Audit Committee about the uses or applications of the proceeds by major category (capital expenditure, sales and marketing expenses, working capital, etc.), on a quarterly basis, as a part of their quarterly declaration of financial results:</p> <p>Provided further that on an annual basis, the company shall prepare a statement of the proceeds utilized for the purposes other than those stated in the offer document or prospectus for publication in the Annual Report along with the comments of the Audit Committee.</p> |  |              | Not Applicable          |
| 5.6            | Reporting of the Audit Committee  |  |              |                         |
| 5(6)(a)(i)     | Reporting to the Board of Directors:<br>The Audit Committee shall report on its activities to the Board;  | ✓  |              |                         |
| 5(6)(a)(ii)(a) | The Audit Committee shall immediately report to the Board on the following findings, if any:<br>Report on conflicts of interests;   |  |              | No such incidence arose |
| 5(6)(a)(ii)(b) | Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;  |  |              | No such incidence arose |
| 5(6)(a)(ii)(c) | Suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and  |  |              | No such incidence arose |
| 5(6)(a)(ii)(d) | Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;   |  |              | No such incidence arose |

| Condition No. | Title  | Compliance Status<br>(Put ✓ in the appropriate column) |              | Remarks<br>(if any)                        |
|---------------|--|--|--------------|--|
|               |  | Complied   | Not Complied |  |
| 5(6)(b)       | Reporting to the Authorities:<br>If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier. |  |              | No such incidence arose                    |
| 5(7)          | Reporting to the Shareholders and General Investors:<br>Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.   | ✓  |              |  |
| 6(1)(a)       | Nomination and Remuneration Committee (NRC).<br>Responsibility to the Board of Directors:<br>The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board;   | ✓  |              |  |
| 6(1)(b)       | The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;  | ✓  |              |  |
| 6(1)(c)       | The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5) (b).   | ✓  |              |  |
| 6(2)(a)       | Constitution of the NRC:<br>The Committee shall comprise of at least three members including an independent director;  | ✓  |              |  |
| 6(2)(b)       | All members of the Committee shall be non-executive directors;   | ✓  |              |  |
| 6(2)(c)       | Members of the Committee shall be nominated and appointed by the Board;  | ✓  |              |  |
| 6(2)(d)       | The Board shall have authority to remove and appoint any member of the Committee;  | ✓  |              |  |
| 6(2)(e)       | In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;   |  |              | No such vacancy arose                      |
| 6(2)(f)       | The Chairperson of the Committee may appoint or co-opt any external expert and/ or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/ or member(s) of staff shall be required or valuable for the Committee;   |  |              | No such appointment / co-opt required      |
| 6(2)(g)       | The company secretary shall act as the secretary of the Committee;   | ✓  |              |  |
| 6(2)(h)       | The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;   | ✓  |              | 1st Meeting of NRC held on 28 January 2019 |
| 6(2)(i)       | No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.  | ✓  |              |  |

| Condition No. | Title  | Compliance Status<br>(Put ✓ in the appropriate column) |              | Remarks<br>(if any)                        |
|---------------|--|--|--------------|--|
|               |  | Complied   | Not Complied |  |
| 6(3)(a)       | Chairperson of the NRC:<br>The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;  | ✓  |              |  |
| 6(3)(b)       | In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;  |  |              | Not Applicable                             |
| 6(3)(c)       | The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders:<br>Provided that in absence of Chairperson of the NRC, any other member from the NRC shall be selected to be present in the annual general meeting (AGM) for answering the shareholder's queries and reason for absence of the Chairperson of the NRC shall be recorded in the minutes of the AGM. | ✓  |              |  |
| 6(4)(a)       | Meeting of the NRC:<br>The NRC shall conduct at least one meeting in a financial year;   |  |              | 1st Meeting of NRC held on 28 January 2019 |
| 6(4)(b)       | The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;  |  |              | Not Applicable                             |
| 6(4)(c)       | The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);  | ✓  |              |  |
| 6(4)(d)       | The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.   | ✓  |              |  |
| 6(5)(a)       | Role of the NRC:<br>NRC shall be independent and responsible or accountable to the Board and to the Shareholders   | ✓  |              |  |
| 6(5)(b)(i)(a) | Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:<br>The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;          | ✓  |              |  |
| 6(5)(b)(i)(b) | The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and   | ✓  |              |  |
| 6(5)(b)(i)(c) | Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;   | ✓  |              |  |
| 6(5)(b)(ii)   | Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;   | ✓  |              |  |
| 6(5)(b)(iii)  | Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;  | ✓  |              |  |
| 6(5)(b)(iv)   | Formulating the criteria for evaluation of performance of independent directors and the Board;   | ✓  |              |  |
| 6(5)(b)(v)    | Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and   | ✓  |              |  |

| Condition No. | Title  | Compliance Status<br>(Put ✓ in the appropriate column) |              | Remarks<br>(if any) |
|---------------|--|--|--------------|---------------------|
|               |  | Complied   | Not Complied |                     |
| 6(5)(b)(vi)   | Developing, recommending and reviewing annually the company's human resources and training policies;   | ✓  |              |                     |
| 6(5)(c)       | The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.  | ✓  |              |                     |
| 7.0           | External or Statutory Auditors   |  |              |                     |
| 7(1)(i)       | The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:-<br>Appraisal or valuation services or fairness opinions;   | ✓  |              |                     |
| 7(1)(ii)      | Financial information systems design and implementation;   | ✓  |              |                     |
| 7(1)(iii)     | Book-keeping or other services related to the accounting records or financial statements;  | ✓  |              |                     |
| 7(1)(iv)      | Broker-dealer services;  | ✓  |              |                     |
| 7(1)(v)       | Actuarial services;  | ✓  |              |                     |
| 7(1)(vi)      | Internal audit services or special audit services;   | ✓  |              |                     |
| 7(1)(vii)     | Any service that the Audit Committee determines;   | ✓  |              |                     |
| 7(1)(viii)    | Audit or certification services on compliance of corporate governance; and   | ✓  |              |                     |
| 7(1)(ix)      | Any other service that creates conflict of interest.   | ✓  |              |                     |
| 7(2)          | No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company:<br>Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members. | ✓  |              |                     |
| 7(3)          | Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.  | ✓  |              |                     |
| 8.0           | Maintaining a website by the Company.  |  |              |                     |
| 8(1)          | The company shall have an official website linked with the website of the stock exchange.  | ✓  |              |                     |
| 8(2)          | The company shall keep the website functional from the date of listing.  | ✓  |              |                     |
| 8(3)          | The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).   | ✓  |              |                     |
| 9.0           | Reporting and Compliance of Corporate Governance.  |  |              |                     |
| 9(1)          | The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.      | ✓  |              |                     |
| 9(2)          | The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.  | ✓  |              |                     |
| 9(3)          | The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.  | ✓  |              |                     |

## Financial Performance

For the year ended 31 March 2019 along with last five years

In Thousands Taka

| Particulars               | Jan-Dec<br>2013 | Jan-Dec<br>2014 | Jan-Dec<br>2015 | Apr 2016-<br>Mar 2017 | Apr 2017-<br>Mar 2018 | Apr 2018-<br>Mar 2019 |
|---------------------------|-----------------|-----------------|-----------------|-----------------------|-----------------------|-----------------------|
| Revenue                   | 8,796,778       | 10,881,046      | 12,267,996      | 14,622,448            | 16,483,497            | 17,733,311            |
| Gross Profit              | 3,314,934       | 4,295,302       | 5,255,332       | 7,106,027             | 7,354,141             | 7,817,728             |
| Income Before Tax         | 1,228,511       | 1,488,774       | 1,933,454       | 2,454,008             | 2,253,564             | 2,640,749             |
| Net profit for the year   | 860,939         | 1,097,609       | 1,425,955       | 1,776,673             | 1,669,930             | 1,951,146             |
| Shareholders Equity       | 2,767,153       | 3,354,605       | 4,038,513       | 5,366,735             | 6,051,135             | 7,538,502             |
| Total Assets              | 4,282,362       | 5,353,863       | 6,339,060       | 8,437,826             | 8,994,215             | 10,719,024            |
| Total Current Assets      | 2,758,979       | 3,438,785       | 3,949,727       | 5,087,352             | 5,420,587             | 6,538,471             |
| Total Current Liabilities | 1,314,584       | 1,748,984       | 2,131,089       | 2,573,140             | 2,653,483             | 2,938,262             |
| Current Ratio (Time)      | 2.10            | 1.97            | 1.85            | 1.98                  | 2.04                  | 2.23                  |

The company changed the accounting year from January-December to April-March in 2016. Therefore, the Financial Statements for 15 months covering January 2016 to March 2017 were presented at the AGM of 2017. For convenience of comparison, the financial performance of 12 months have been presented here.

## Attendance at Board Meetings

The number of Board Meetings and the attendance of Directors from 1 April 2018 to 31 March 2019:

| Name of Director  | Meetings held | Attended |
|---|---------------|----------|
| Mr. Gerald K. Adams, Non-Executive Chairman             | 4             | 4        |
| Ms. Rupali Chowdhury, Managing Director                 | 4             | 4        |
| Mr. Kuldip Singh Dhingra, Non-Executive Director        | 4             | 2        |
| Mr. K. R. Das, Non-Executive Director                   | 4             | 3        |
| Mr. Anil Bhalla, Non-Executive Director                 | 4             | 4        |
| Mr. Jean-Claude Loutreuil, Non-Executive Director       | 4             | 2        |
| Ms. Rishma Kaur, Non-Executive Director                 | 4             | 4        |
| Mr. Anis A. Khan, Non-Executive Independent Director    | 4             | 4        |
| Mr. Kanwardip Singh Dhingra, Non-Executive Director     | 4             | 4        |
| Mr. Masud Khan, Non-Executive Independent Director      | 4             | 4        |
| Mr. Abhijit Roy, Non-Executive Director                 | 4             | 1        |
| Ms. Parveen Mahmud, Non-Executive Independent Director* | 4             | -        |
| Mr. Abdul Khalek, Executive Director                    | 4             | 4        |

\* Ms. Parveen Mahmud joined the Board on 28 January 2019.



## Pattern of Shareholding

As at 31 March 2019

| Categories                                       | Name                              | Shares     |
|--|-----------------------------------|------------|
| Shareholders holding 10% or more shares (Parent) | J & N Investments (Asia) Ltd., UK | 44,058,740 |
| Chairman   | Mr. Gerald K. Adams               | Nil        |
| Managing Director                                | Ms. Rupali Chowdhury              | Nil        |
| Director & Chief Financial Officer               | Mr. Abdul Khalek                  | Nil        |
| Nominee Director                                 | Mr. Kuldip Singh Dhingra          | Nil        |
| Nominee Director                                 | Mr. K. R. Das                     | Nil        |
| Nominee Director                                 | Mr. Anil Bhalla                   | Nil        |
| Nominee Director                                 | Mr. Jean-Claude Loutreuil         | Nil        |
| Nominee Director                                 | Ms. Rishma Kaur                   | Nil        |
| Nominee Director                                 | Mr. Kanwardip Singh Dhingra       | Nil        |
| Nominee Director                                 | Mr. Abhijit Roy                   | Nil        |
| Independent Director                             | Mr. Anis A. Khan*                 | Nil        |
| Independent Director                             | Mr. Masud Khan                    | Nil        |
| Independent Director                             | Ms. Parveen Mahmud                | Nil        |
| Company Secretary                                | Mr. Khandker Abu Jafar Sadique    | Nil        |
| Head of Internal Audit                           | Mr. Md Golam Mostofa              | Nil        |
| Executives:                                      |                                   |            |
| GM- Research & Development                       | Dr. A. S. M. Obaidullah Mahmud    | 190        |
| Senior GM- Sales & Marketing                     | Mr. Md. Mohsin Habib Chowdhury    | Nil        |
| CEO JNBL   | Mr. Mohammad Nazimuddin Helali    | Nil        |
| GM- Human Resource & Administration              | Mr. Mushfequr Rahman              | Nil        |
| GM- Supply Chain                                 | Mr. Raquibul Alam                 | Nil        |

\* Spouse of Mr. Anis A. Khan holds 100 shares. The spouses and minor children of other persons did not hold any share of the Company on 31 March 2019.

## Classification of shareholders by holding

As at 31 March 2019

| Shareholding range          | Type of shareholders | Number of shares  | % of share holding | Number of shareholders |
|-----------------------------|----------------------|-------------------|--------------------|------------------------|
| Less than 501 shares        | G. Public& Inst      | 400,985           | 0.86%              | 4,885                  |
| 501 to 5,000 shares         | G. Public& Inst      | 373,019           | 0.80%              | 297                    |
| 5,001 to 10,000 shares      | Institution          | 56,199            | 0.12%              | 7                      |
| 10,001 to 20,000 shares     | Institution          | 139,286           | 0.30%              | 9                      |
| 20,001 to 30,000 shares     | Institution          | 96,273            | 0.21%              | 4                      |
| 30,001 to 40,000 shares     | Institution          | 34,655            | 0.07%              | 1                      |
| 40,001 to 50,000 shares     | Institution          | 48,174            | 0.10%              | 1                      |
| 50,001 to 100,000 shares    | Institution          | 115,390           | 0.25%              | 2                      |
| 100,001 to 1,000,000 shares | Institution          | 1,055,159         | 2.28%              | 3                      |
| Over 1,000,000 shares       | Group                | 44,058,740        | 95.00%             | 1                      |
| <b>Total</b>                |                      | <b>46,377,880</b> | <b>100.00%</b>     | <b>5,210</b>           |

### Audit Committee

|                                |           |
|--------------------------------|-----------|
| Mr. Anis A. Khan               | Chairman  |
| Mr. Masud Khan                 | Member    |
| Ms. Parveen Mahmud             | Member    |
| Ms. Rupali Chowdhury           | Member    |
| Mr. K. R. Das                  | Member    |
| Mr. Anil Bhalla                | Member    |
| Ms. Rishma Kaur                | Member    |
| Mr. Kanwardip Singh Dhingra    | Member    |
| Mr. Abdul Khalek               | Member    |
| Mr. Khandker Abu Jafar Sadique | Secretary |

### Nomination and Remuneration Committee

|                                |           |
|--------------------------------|-----------|
| Mr. Anis A. Khan               | Chairman  |
| Mr. K. R. Das                  | Member    |
| Mr. Anil Bhalla                | Member    |
| Ms. Rishma Kaur                | Member    |
| Mr. Kanwardip Singh Dhingra    | Member    |
| Mr. Khandker Abu Jafar Sadique | Secretary |

### Management Committee

|                                    |                  |
|------------------------------------|------------------|
| Ms. Rupali Chowdhury               | Chairman         |
| Mr. Abdul Khalek                   | Member           |
| Mr. Sazzad Rahim Chowdhury         | Member           |
| Mr. Md. Mohsin Habib Chowdhury     | Member           |
| Mr. Mohammad Nazimuddin Helali     | Member           |
| Mr. Mohammad Ahsun Ullah           | Member           |
| Mr. H. M. Rakib Ullah Bashar       | Member           |
| Dr. A. S. M. Obaidullah Mahmud     | Member           |
| Mr. Mohammad Abu Nader Al Mokaddes | Member           |
| Mr. Raquibul Alam                  | Member           |
| Mr. Anupam Paul                    | Member           |
| Mr. Abul Kasem Md. Sadeque Nawaj   | Member           |
| Mr. Muhammad Kawsar Hasan          | Member           |
| Mr. Mohammad Azizul Hoque          | Member           |
| Mr. Mohammad Imranul Kabir         | Member           |
| Mr. Md. Golam Mostofa              | Member           |
| Mr. Mushfequr Rahman               | Member Secretary |

## Certificate from CEO and CFO

Regarding the Financial Statements  
For the year ended 31 March 2019

The Board of Directors  
Berger Paints Bangladesh Limited

### Declaration on Financial Statements for the year ended 31 March 2019

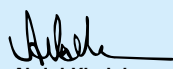
Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. SEC/CMRRCD /2006-158/207/Admin/80 dated 3 June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

- (1) The Financial Statements of Berger Paints Bangladesh Limited for the year ended on 31 March 2019 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- (2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- (3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
- (4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- (5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- (6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that:

- (i) We have reviewed the financial statements for the year ended on March 31, 2019 and that to the best of our knowledge and belief:
  - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

  
**Rupali Chowdhury**  
Managing Director

  
**Abdul Khalek**  
Chief Financial Officer

Dhaka, 28 May 2019

# Audit Committee Report

For the year ended 31 March 2019

The Audit Committee of Berger Paints Bangladesh Limited is pleased to confirm that the following activities have been carried out from 1 April 2018 to 31 March 2019:

- Enhance good practices in financial reporting and risk management.
- Ensure establishment of adequate internal controls and compliance with laws and regulations.
- Ensure that the preparation, presentation and submission of financial statements have been made in accordance with the prevailing laws, standards and regulations.

During the period the audit committee held four meetings. Attendance of the members at those meetings during April 2018 – March 2019 period are as follows:

| Member of Committee                         |                      | 21 May<br>2018 | 17 July<br>2018 | 30 October<br>2018 | 28 January<br>2019 |
|---|----------------------|----------------|-----------------|--------------------|--------------------|
| <b>Mr. Anis A. Khan</b> , Chairman          | Independent Director | ✓              | ✓               | ✓                  | ✓                  |
| <b>Ms. Rupali Chowdhury</b> , Member        | Managing Director    | ✓              | ✓               | ✓                  | ✓                  |
| <b>Mr. Masud Khan</b> , Member              | Independent Director | ✓              | ✓               | ✓                  | ✓                  |
| <b>Ms. Parveen Mahmud</b> , Member          | Independent Director | -              | -               | -                  | -                  |
| <b>Mr. K. R. Das</b> , Member               | Nominated Director   | -              | ✓               | ✓                  | ✓                  |
| <b>Mr. Anil Bhalla</b> , Member             | Nominated Director   | ✓              | ✓               | ✓                  | ✓                  |
| <b>Ms. Rishma Kaur</b> , Member             | Nominated Director   | ✓              | ✓               | ✓                  | ✓                  |
| <b>Mr. Kanwardip Singh Dhingra</b> , Member | Nominated Director   | ✓              | ✓               | ✓                  | ✓                  |
| <b>Mr. Abdul Khalek</b> , Member            | Director & CFO       | ✓              | ✓               | ✓                  | ✓                  |

Ms. Parveen Mahmud joined the Board of Directors on 28 January 2019 and attended the first meeting on 28 May 2019.

In pursuance with Corporate Governance Code issued on 03 June 2018, the Audit Committee also reviewed the internal audit reports, the interim and annual financial statements and the financial performance of Berger Paints Bangladesh Limited as well as its subsidiary company Jenson & Nicholson (Bangladesh) Limited for the year ended 31 March 2019. The Audit Committee has also reviewed the Management Discussion & Analysis included in the Annual Report and the related party transactions as detailed in note 41 to the financial statements.

The Committee has also overseen the hiring and performance of external auditors. The auditors, A. Qasem & Co., Chartered Accountants have completed their first term of service and being eligible for reappointment under section 210 of the Companies Act 1994 and Bangladesh Securities and Exchange Commission's order no. SEC/CMRRCD/2009-193/104/Admin/ dated July 27, 2011, have expressed their interest for reappointment. The Audit Committee recommends to reappoint Messrs. A. Qasem & Co., Chartered Accountants at the ensuing annual general meeting.

The Committee found adequate arrangement to present a true and fair view of the financial status of the company and did not find any material deviation, discrepancies or any adverse finding/observation in the areas of reporting.

On behalf of the Audit Committee



**Anis A. Khan**  
Chairman

Dhaka, 28 May 2019

# Nomination and Remuneration Committee Report

For the year ended 31 March 2019

The Nomination and Remuneration Committee (NRC) of Berger Paints Bangladesh Limited is pleased to present the report for the year ended 31 March 2019.

The Board of Directors of Berger Paints Bangladesh Limited has established the NRC on 30 October 2018 in line with Bangladesh Securities and Exchange Commission's Notification No. SEC/CMRRCD /2006-158/207/Admin/80 dated 3 June 2018.

The committee comprises of the following members:

|   |          |
|---|----------|
| <b>Mr. Anis A Khan</b> , Non-executive Independent Director | Chairman |
| <b>Mr. K R Das</b> , Non-executive Director                 | Member   |
| <b>Mr. Anil Bhalla</b> , Non-executive Director             | Member   |
| <b>Ms. Rishma Kaur</b> , Non-executive Director             | Member   |
| <b>Mr. Kanwardip Singh Dhingra</b> , Non-executive Director | Member   |

The Company Secretary is the secretary of the Committee.

During April 1, 2018 – March 31, 2019 period the NRC held one meeting on 28 January 2019. All members of the NRC were present in the meeting. The committee reviewed the terms of reference of the NRC, code of conduct for the Directors and employees of the company and the appointment of Ms. Parveen Mahmud, FCA as Independent Director.

## Nomination and remuneration policy and evaluation criteria of the company:

Berger Paints Bangladesh views nomination of the suitable persons paying competitive remuneration as well as proper evaluation through unbiased standard procedure as the factor for the company's long term success. The company follows a transparent selection process for recruitment of the potential candidates on the basis of role profile. The company gives great emphasis on four values throughout the recruitment and evaluation process: Respect, Integrity, Commitment and Excellence. The prospective candidates are evaluated through in-house assessors and if required, external experts are engaged. The company also takes security clearance of all candidates before employment. Annual objective setting in concurrence with the superior and half-yearly performance review is also done meticulously. The performance is evaluated based on a matrix that equally emphasizes behavioral and functional aspects of performance. For nomination, remuneration and evaluation of Directors and top level employees, the NRC recommends the prospective candidates so that the qualifications and experience are best suited for the position.

On behalf of the Nomination and Remuneration Committee



**Anis A. Khan**

Chairman

Dhaka, 28 May 2019



## Report to the Shareholders of Berger Paints Bangladesh Limited on compliance on the Corporate Governance Code

[Certificate as per condition No. 1(5)(xxvii)]

We have examined the compliance status to the Corporate Governance code by **Berger Paints Bangladesh Limited** for the year ended on 31 March 2019. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 of the Bangladesh Securities and Exchange Commission.

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

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

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

- The Company have complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued the by Commission;
- The Company have complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this;
- Proper books and records have been kept by the Company as required under the Companies Act, 1994, the securities laws and other relevant laws; and
- The Governance of the Company is satisfactory subject to the remarks and observations as reported in the attached corporate governance compliance status.

Dhaka, 28 May 2019



**MABS & J Partners**  
Chartered Accountants

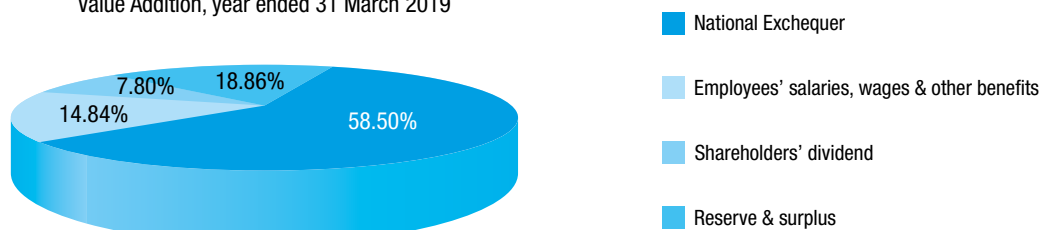
## Value Added Statement

| In Thousands Taka                      | For the year ended 31 March 2019 |               | For the year ended 31 March 2018 |               |
|--|----------------------------------|---------------|----------------------------------|---------------|
|  | Amount                           | %             | Amount                           | %             |
| Turnover                               | 21,050,450                       |               | 19,629,605                       |               |
| Less: Purchase of materials & Services | 13,732,297                       |               | 12,561,262                       |               |
| <b>Value added</b>                     | <b>7,318,153</b>                 | <b>100.00</b> | <b>7,068,343</b>                 | <b>100.00</b> |

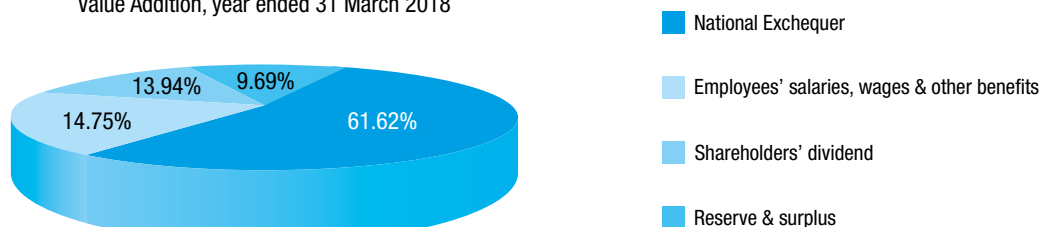
### Applications:

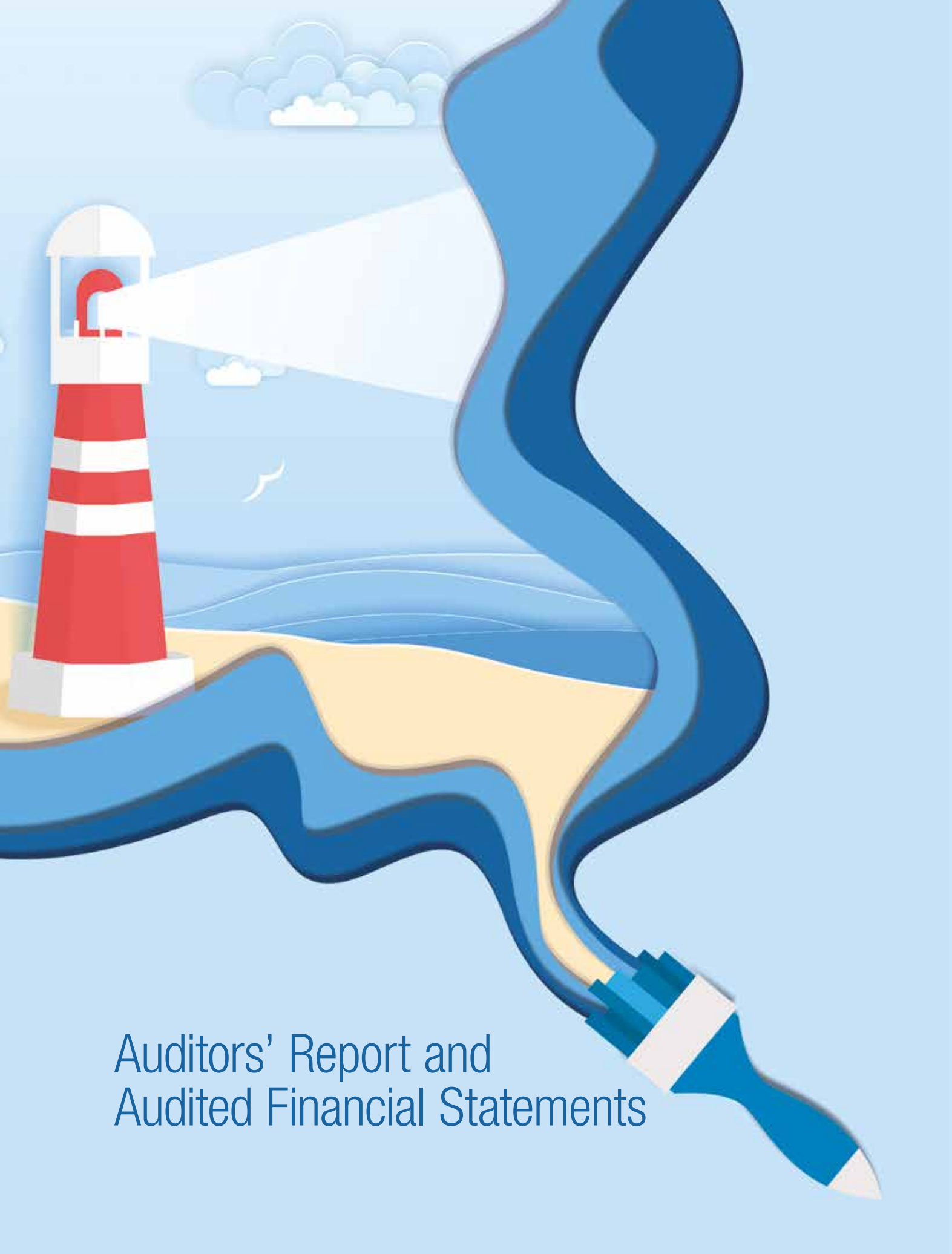
|   |                  |               |                  |               |
|---|------------------|---------------|------------------|---------------|
| National Exchequer                          | 4,281,299        | 58.50         | 4,355,831        | 61.62         |
| Employees' salaries, wages & other benefits | 1,085,708        | 14.84         | 1,042,582        | 14.75         |
| Shareholders' dividend                      | 570,601          | 7.80          | 985,530          | 13.94         |
| Reserve & surplus                           | 1,380,545        | 18.86         | 684,400          | 9.69          |
|   | <b>7,318,153</b> | <b>100.00</b> | <b>7,068,343</b> | <b>100.00</b> |

Value Addition, year ended 31 March 2019



Value Addition, year ended 31 March 2018





# Auditors' Report and Audited Financial Statements

# Independent Auditors' Report To the Shareholders of Berger Paints Bangladesh Limited

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of Berger Paints Bangladesh Limited (the Company), which comprise the statement of financial position as at 31 March 2019, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give true and fair view, in all material respects, of the financial position of the Company as at 31 March 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

### Basis for opinion

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

### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements for year ended 31 March 2019. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

| Sn | Key Audit Matter   | How our audit addressed the key audit matter  |
|----|--|---|
| 1  | <p><b>Inventories:</b></p> <p>Inventories represent about 19%, of the total assets of the Company, inventories are thus a material item to the financial statements. Please refer to note 08 to the financial statements.</p> <p>As described in the accounting policy note 2.13 to the financial statements, inventories are valued at the lower of cost or net realisable values. As such, management is required to make judgements in determining whether inventories are being appropriately valued, and also need to make provision for aged inventories, if required.</p> | <ul style="list-style-type: none"> <li>• Tested the operating effectiveness of key controls over inventories; including observing the process of management's year-end inventory count.</li> <li>• Verified a sample of inventory items to ensure that costs have been appropriately recorded.</li> <li>• Tested on a sample basis the net realisable value by comparing costs to recent selling prices and assessing the reasonableness of any resulting write down of inventory items.</li> </ul> |

|   |   |  |
|---|---|--|
|   | <p>Due to the value and volume of inventories being held by the company at the reporting date and the complexities involved in the accounting and presentation thereof, Inventories has been considered as a key audit matter.</p>  | <ul style="list-style-type: none"> <li>Assessed whether appropriate provisions have been recognised for aged, damaged, slow moving or obsolete inventories by reviewing the age of inventories held and evaluating management's basis for determining the usability of inventories.</li> <li>Performed cut-off tests to determine that the purchases and sales of the inventories have been captured in the correct accounting period.</li> <li>Reviewed the historical accuracy of inventory provisions and the level of write-downs.</li> </ul>  |
| 2 | <p><b>Appropriateness of revenue recognition and disclosures on the impact of the initial application of IFRS 15.</b></p> <p>As described in the accounting policy note 2.19 to the financial statements, the company recognises revenue upon transfer of control as per the newly adopted IFRS 15 – <i>Revenue from Contracts with Customers</i>. The company has reported total revenue of BDT 17,733 million. Refer to note 24 to the financial statements.</p> <p>The company's primary customers are its dealers who are also entitled to incentives on the total value of goods invoiced.</p> <p>Given the significance and complexities involved in the accounting of Revenue, appropriate recognition of revenue has been considered as a key audit matter.</p> | <ul style="list-style-type: none"> <li>Assessed the environment of the measurement as well as other relevant systems supporting the accounting of revenue.</li> <li>Assessed manual as well as application controls supporting revenue recognition.</li> <li>Assessed the invoicing and measurement systems up to entries in the general ledger.</li> <li>Examined customer invoices and receipts of payment on a test basis.</li> <li>Tested the revenue charging model against the regulatory guidelines, contractual provisions and accounting standards, on a sample basis.</li> <li>Assessed the design of the processes set up to account for the transactions in accordance with the new standard.</li> <li>Assessed whether the sufficiency of disclosures as required by the new standard have been met.</li> <li>Assessed whether any adjustments is required to be made to opening balances due to the adoption of the new standard.</li> </ul> |

#### Other matter

The financial statements of Berger Paints Bangladesh Limited for the year ended 31 March 2018 were audited by another auditor who expressed an unmodified opinion on those statements on 21 May 2018.

#### Other information included in the Company's March 31, 2019 Annual Report

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the Financial Statements and our Auditor's Report thereon. Our opinion on the Financial Statements of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to

the date of the auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. Based on the information read and reviewed, we have nothing to report in this regard.

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

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

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

### Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



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

#### Report on other legal and regulatory requirements

In accordance with the Companies Act 1994 and the Securities and Exchange Rules 1987, we also report the following:

- i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- ii) 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 these books;
- iii) the statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account and returns; and
- iv) the expenditure incurred was for the purposes of the Company's business.



**A. Qasem & Co.**  
Chartered Accountants  
Dhaka, 28 May 2019

# Berger Paints Bangladesh Limited

## Statement of Financial Position

As at 31 March

| In Thousands Taka  | Note (s) | 2019              | 2018             |
|--|----------|-------------------|------------------|
| <b>Assets</b>  |          |                   |                  |
| Property, plant and equipment                              | 3        | 3,781,328         | 3,230,921        |
| Capital work-in-progress                                   | 4        | 227,760           | 110,892          |
| Intangible assets  | 5        | 78,123            | 89,907           |
|  |          | <b>4,087,211</b>  | <b>3,431,720</b> |
| Investment - at cost                                       | 6        | 93,343            | 89,300           |
| <b>Total non-current assets</b>                            |          | <b>4,180,554</b>  | <b>3,521,020</b> |
| Short term investment - FDR                                | 7        | 401,237           | -                |
| Inventories  | 8        | 2,025,209         | 2,250,601        |
| Trade and other receivables                                | 9        | 1,663,524         | 1,580,048        |
| Advances, deposits and prepayments                         | 10       | 429,540           | 400,414          |
| Cash and cash equivalents                                  | 11       | 1,892,143         | 1,115,230        |
| Inter - company receivables                                | 12       | 126,818           | 74,294           |
| <b>Total current assets</b>                                |          | <b>6,538,471</b>  | <b>5,420,587</b> |
| <b>Total assets</b>  |          | <b>10,719,025</b> | <b>8,941,607</b> |
| <b>Equity and liabilities</b>                              |          |                   |                  |
| Share capital  | 13.2     | 463,779           | 231,889          |
| Share premium  | 14       | -                 | 115,068          |
| General reserve  | 13.2     | -                 | 10,000           |
| <b>Retained earnings</b>                                   | 15       | <b>7,074,723</b>  | <b>5,694,178</b> |
| <b>Equity attributable to the Company's equity holders</b> |          | <b>7,538,502</b>  | <b>6,051,135</b> |
| Deferred tax liabilities                                   | 16       | 242,259           | 236,989          |
| <b>Total non-current liabilities</b>                       |          | <b>242,259</b>    | <b>236,989</b>   |
| Trade and other payables                                   | 17       | 2,011,274         | 2,428,559        |
| Provision for royalty                                      | 18       | 309,863           | 215,455          |
| Provision for current tax                                  | 19       | 180,851           | (27,843)         |
| Provision for employees' retirement gratuity               | 20       | 30,699            | 28,523           |
| Dividend payable   | 21       | 405,430           | 8,642            |
| Liability for unclaimed IPO application money              | 22       | 147               | 147              |
| <b>Total current liabilities</b>                           |          | <b>2,938,264</b>  | <b>2,653,483</b> |
| <b>Total liabilities</b>                                   |          | <b>3,180,523</b>  | <b>2,890,472</b> |
| <b>Total equity and liabilities</b>                        |          | <b>10,719,025</b> | <b>8,941,607</b> |
| <b>Contingent liabilities</b>                              | 23       | <b>676,366</b>    | <b>574,273</b>   |
| <b>Net asset value per share (Taka)</b>                    | 40       | <b>162.55</b>     | <b>130.47</b>    |

The accompanying notes 1 to 42 and Annexure-A form an integral part of these financial statements.

  
Managing Director

  
Director & CFO

As per our report of same date

  
Company Secretary

Dhaka, 28 May 2019

  
A. Qasem & Co.  
Chartered Accountants

# Berger Paints Bangladesh Limited

## Statement of profit or loss and other comprehensive income

| In Thousands Taka                              |                   | For the year ended 31 March |                    |
|--|-------------------|-----------------------------|--------------------|
|  | Note (s)          | 2019                        | 2018               |
| Revenue-net                                    | 24                | 17,733,311                  | 16,483,497         |
| Cost of sales                                  | 25                | (9,915,583)                 | (9,129,356)        |
| <b>Gross profit</b>                            |                   | <b>7,817,728</b>            | <b>7,354,141</b>   |
| Selling, distribution and warehousing expenses | 26                | (4,648,693)                 | (4,628,229)        |
| Administrative and general expenses            | 27                | (509,596)                   | (488,562)          |
| Other operating expenses                       | 28                | (101,822)                   | (88,804)           |
| Other operating income                         | 29                | 183,231                     | 177,955            |
|  |                   | <b>(5,076,880)</b>          | <b>(5,027,640)</b> |
| <b>Operating income</b>                        |                   | <b>2,740,848</b>            | <b>2,326,501</b>   |
| Finance costs                                  | 30                | (7,227)                     | (7,090)            |
| Investment income                              | 31                | 37,716                      | 45,214             |
| <b>Net finance income</b>                      |                   | <b>30,489</b>               | <b>38,124</b>      |
| Other non-operating income                     | 32                | 7,979                       | 7,170              |
| <b>Income before WPPF and tax</b>              |                   | <b>2,779,316</b>            | <b>2,371,795</b>   |
| Workers' profit participation and welfare fund | 2.17 (iii) & 17.1 | (138,567)                   | (118,231)          |
| <b>Income before tax</b>                       |                   | <b>2,640,749</b>            | <b>2,253,564</b>   |
| Current tax expenses                           | 2.18 & 19         | (684,333)                   | (526,146)          |
| Deferred tax expenses                          | 2.18 & 16.1       | (5,270)                     | (57,488)           |
|  |                   | <b>(689,603)</b>            | <b>(583,634)</b>   |
| <b>Net profit for the year</b>                 |                   | <b>1,951,146</b>            | <b>1,669,930</b>   |
| <b>Total comprehensive income</b>              |                   | <b>1,951,146</b>            | <b>1,669,930</b>   |
| <b>Basic earnings per share (Taka)</b>         | 40                | <b>42.07</b>                | <b>36.01</b>       |
| <b>Diluted earnings per share (Taka)</b>       | 40                | <b>42.07</b>                | <b>36.01</b>       |

The accompanying notes 1 to 42 and Annexure-A form an integral part of these financial statements.

  
Managing Director

  
Director & CFO

As per our report of same date

  
Company Secretary

Dhaka, 28 May 2019

  
A. Qasem & Co.  
Chartered Accountants

# Berger Paints Bangladesh Limited

## Statement of Changes in Equity

In Thousands Taka

| For the year ended 31 March 2018   | Share capital  | General reserve | Share premium  | Retained earnings | Total equity     |
|------------------------------------|----------------|-----------------|----------------|-------------------|------------------|
| Balance as at 01 April 2017        | 231,889        | 10,000          | 115,068        | 5,009,778         | 5,366,735        |
| Net profit for the year            | -              | -               | -              | 1,669,930         | 1,669,930        |
| Distribution of cash dividend      | -              | -               | -              | (985,530)         | (985,530)        |
| <b>Balance as at 31 March 2018</b> | <b>231,889</b> | <b>10,000</b>   | <b>115,068</b> | <b>5,694,178</b>  | <b>6,051,135</b> |

| For the year ended 31 March 2019   | Share capital  | General reserve | Share premium | Retained earnings | Total equity     |
|------------------------------------|----------------|-----------------|---------------|-------------------|------------------|
| Balance as at 01 April 2018        | 231,889        | 10,000          | 115,068       | 5,694,178         | 6,051,135        |
| Net profit for the year            | -              | -               | -             | 1,951,146         | 1,951,146        |
| Distribution of cash dividend      | -              | -               | -             | (463,779)         | (463,779)        |
| Bonus shares issued                | 231,890        | (10,000)        | (115,068)     | (106,822)         | -                |
| <b>Balance as at 31 March 2019</b> | <b>463,779</b> | <b>-</b>        | <b>-</b>      | <b>7,074,723</b>  | <b>7,538,502</b> |

Note(s) 13.2 13.2 13.2 & 14 15

The accompanying notes 1 to 42 and Annexure-A form an integral part of these financial statements.

  
Managing Director

  
Director & CFO

As per our report of same date

  
Company Secretary

Dhaka, 28 May 2019

  
A. Qasem & Co.  
Chartered Accountants

# Berger Paints Bangladesh Limited

## Statement of Cash Flows

| In Thousands Taka  |           | For the year ended 31 March |                  |
|--|-----------|-----------------------------|------------------|
|  | Note (s)  | 2019                        | 2018             |
| <b>Cash flows from operating activities (A)</b>                  |           |                             |                  |
| Cash received from customers                                     |           | 17,661,488                  | 15,981,023       |
| Cash received from other operating income                        |           | 202,069                     | 230,058          |
| Cash paid to suppliers and employees                             |           | (15,001,818)                | (14,084,128)     |
| Income tax paid  | 19        | (475,639)                   | (754,902)        |
| <b>Net cash flows from operating activities</b>                  | <b>40</b> | <b>2,386,100</b>            | <b>1,372,051</b> |
| <b>Cash flows from investing activities (B)</b>                  |           |                             |                  |
| Capital expenditures   | 3, 4 & 5  | (1,150,591)                 | (910,164)        |
| Investment in BFL  | 6.1       | (4,043)                     | -                |
| Short term investment - FDR                                      | 7         | (401,237)                   | -                |
| Proceeds from disposal of assets                                 | 3.3       | 13,674                      | 9,213            |
| <b>Net cash used in investing activities</b>                     |           | <b>(1,542,196)</b>          | <b>(900,951)</b> |
| <b>Cash flows from financing activities (C)</b>                  |           |                             |                  |
| Dividend paid  | 21        | (66,991)                    | (985,194)        |
| <b>Net cash used in financing activities</b>                     |           | <b>(66,991)</b>             | <b>(985,194)</b> |
| Increase / (Decrease) in cash and cash equivalents (D) = (A+B+C) |           | 776,913                     | (514,094)        |
| Opening cash and cash equivalents (E)                            |           | 1,115,230                   | 1,629,324        |
| <b>Closing net cash and cash equivalents (D+E)</b>               |           | <b>1,892,143</b>            | <b>1,115,230</b> |

The accompanying notes 1 to 42 and Annexure - A form an integral part of these financial statements.

  
Managing Director

  
Director & CFO

As per our report of same date

  
Company Secretary

Dhaka, 28 May 2019

  
A. Qasem & Co.  
Chartered Accountants

# Berger Paints Bangladesh Limited

## Notes to the Financial Statements

As at and for the year ended 31 March 2019

### 1 Company profile and overview of its operational activities

#### 1.1 Legal form of the Company

Berger Paints Bangladesh Limited (the Company) was incorporated under the Companies Act, 1994 on 6 June 1973 as a 'Private' company, limited by shares. Subsequently, the Company was converted to 'Public' company limited by shares vide Extraordinary General Meeting held on 21 June 2005. The company is listed with Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) of Bangladesh w.e.f. 27 December 2005 and 21 December 2005 respectively.

#### 1.2 Address of the registered and corporate office

The registered office and corporate office of the Company are located at Berger House, House 8, Road 2, Sector 3, Uttara Model Town, Dhaka 1230.

#### 1.3 Description of the companies and nature of business

##### Berger Paints Bangladesh Limited

The principal activities of the Company throughout the year continued to be manufacturing and marketing of liquid and non-liquid paints and varnishes, emulsion and coating.

##### Jenson & Nicholson (Bangladesh) Limited

Berger Paints Bangladesh Limited owns 100% shares of Jenson & Nicholson (Bangladesh) Limited – J&N (B) L. The Company was incorporated under the Companies Act, 1994 as a 'Private' limited company on 25 January 1990 having its registered office at 43/3 Chattaswari Road, Chittagong. The Corporate office of the company is located at Berger House, House # 8, Road # 2, Sector # 3, Uttara Model Town, Dhaka 1230. The principal activities of the Company until 12 August 1995 were trading and indenting. It started commercial production and marketing of tin-containers and printing of tin sheets from 12 August 1995 and 01 September 1997 respectively in its factory at 70, East Nasirabad Industrial Area, Chittagong - 4209.

##### Berger Becker Bangladesh Limited

Berger Paints Bangladesh Limited also owns 49% shares of Berger Becker Bangladesh Limited – (BBBL). BBBL was incorporated on 20 December 2011 as a Joint Venture of Becker Industrial Coatings Holding AB, Sweden and Berger Paints Bangladesh Limited. Registered office and Corporate office of the company are located at Berger House, House # 8, Road # 2, Sector # 3, Uttara Model Town, Dhaka 1230. The company commenced commercial production of Coil Coating with effect from 11 September 2012 in its factory located at Building No - 03, Plot No - 102, Mouza - Taksur, Nabinagar, Savar, Dhaka - 1340.

##### Berger Fosroc Limited

Berger Paints Bangladesh Limited also owns 50% shares of Berger Fosroc Limited – (BFL). Berger Fosroc Limited was incorporated on 19 April 2018 as a Private Limited Company under the Companies Act, 1994. This is a joint venture between Berger Paints Bangladesh Limited and Fosroc International Limited, UK. The address of the Company's registered office is Berger House, House - 8, Road - 2, Sector - 3, Uttara Model Town, Dhaka 1230. The company commenced its operation through trading with effect from 12 September 2018.

### 2 Summary of significant accounting policies

The accounting policies set out below, which comply with IFRS, have been applied consistently to all periods presented in these financial statements.

#### Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), the Companies Act 1994 and the Securities and Exchange Rules 1987.

The title and format of these financial statements follow the requirements of IFRS which are to some extent different from the requirement of the Companies Act 1994. However, such differences are not material and in the view of management IFRS titles and format give better presentation to the shareholders.

On 14 December 2017, the Institute of Chartered Accountants of Bangladesh (ICAB) has adopted International Financial Reporting Standards issued by the International Accounting Standards Board as IFRSs. As the ICAB previously adopted such standards as Bangladesh Financial Reporting Standards without any modification, this recent adoption will not have any impact on the financial statements of the Company going forward.



## **Authorisation for issue**

These financial statements have been authorised for issue by the Board of Directors of the Company on 28 May 2019.

### **2.1 Basis of preparation and presentation of the financial statements**

The financial statements have been prepared and the disclosures of information are made in accordance with the International Financial Reporting Standards (IFRS), the Companies Act, 1994 and the Bangladesh Securities and Exchange Rules 1987 as much as practicable. The statement of financial position and statement of profit or loss and other comprehensive income have been prepared according to International Accounting Standards (IAS) 1 Presentation of Financial Statements on accrual basis of accounting following going concern assumption under generally accepted accounting principles and practices in Bangladesh and statement of cash flows is prepared according to IAS 7 Statement of Cash Flows and has been presented under direct method as required by the Bangladesh Securities and Exchange Rules 1987.

### **2.2 Basis of measurement**

These financial statements have been prepared on historical cost basis except for inventories which are measured at lower of cost and net realisable value.

### **2.3 Principal accounting policies**

The specific accounting policies have been selected and applied by the Company's management for significant transactions and events that have a material effect within the framework for preparation and presentation of financial statements. Financial statements have been prepared and presented in compliance with IAS 1 Presentation of Financial Statements. The previous period's figures were re-arranged according to the same accounting principles. Compared to the previous period, there were no significant changes in the accounting and valuation policies affecting the financial position and performance of the Company.

Accounting and valuation methods are disclosed for reasons of clarity. The Company classified the expenses using the function of expenses method as per IAS 1 Presentation of Financial Statements.

### **2.4 Application of standards**

The following IASs and IFRSs are applicable for the preparation of financial statements for the period under review.

|         |   |
|---------|---|
| IAS 1   | Presentation of financial statements                            |
| IAS 2   | Inventories   |
| IAS 7   | Statement of cash flows   |
| IAS 8   | Accounting policies, changes in accounting estimates and errors |
| IAS 10  | Events after the reporting period                               |
| IAS 12  | Income taxes  |
| IAS 16  | Property, plant and equipment                                   |
| IAS 19  | Employee benefits   |
| IAS 21  | The effects of changes in foreign exchange rates                |
| IAS 23  | Borrowing costs   |
| IAS 24  | Related party disclosures                                       |
| IAS 28  | Investments in associates                                       |
| IAS 33  | Earnings per share  |
| IAS 37  | Provisions, contingent liabilities and contingent assets        |
| IAS 38  | Intangible assets   |
| IAS 39  | Financial Instruments: Recognition and Measurement              |
| IFRS 3  | Business combinations   |
| IFRS 7  | Financial Instruments, disclosures                              |
| IFRS 8  | Operating segments  |
| IFRS 9  | Financial Instruments   |
| IFRS 10 | Consolidated financial statements                               |
| IFRS 15 | Revenue from Contract with Customers                            |

#### **2.4.1 Initial application of new standards**

The entity has initially applied IFRS 9 (see 2.14) and IFRS 15 (see 2.19) from 1 April 2018. These two new standards do not have a material effect on the financial statements.

Due to the transition methods chosen by the management in applying these standards, comparative information throughout these financial statements has not been restated to reflect the requirements of the new standards.

## **2.4.2 New standards issued but not yet effective**

### **IFRS 16 Leases**

IFRS 16 eliminates the earlier operating/finance lease dual accounting model for leases. Instead, there is a single, on-balance sheet accounting model, similar to current finance lease accounting. Issued in January 2016, the new IFRS is replaced the existing guidance in IAS 17 Leases. IFRS 16 is effective for annual reporting periods beginning on or after 1 January 2019.

The Company is assessing the potential impact on its financial statements resulting from the application of IFRS 16 on its financial statements.

## **2.5 Use of estimates and judgments**

The preparation of financial statements in conformity with IASs and IFRSs, require management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognized in the financial statements are stated in the following notes:

|            |   |
|------------|---|
| Note : 3.1 | Depreciation                                |
| Note : 5.1 | Amortization                                |
| Note : 9   | Trade and other receivables                 |
| Note : 17  | Trade and other payables                    |
| Note : 19  | Provision for current tax                   |
| Note : 20  | Provision for employees retirement gratuity |

## **2.6 Reporting period**

The reporting period of the company covers the period from 01 April to 31 March and is followed consistently.

## **2.7 Going concern**

The company has adequate resources to continue its operation for foreseeable future. As per management assessment there is no material uncertainty related to events or conditions which may cast significant doubt upon the Company's' ability to continue as a going concern. For this reason the financial statements have been prepared on going concern basis.

## **2.8 Functional and presentational currency and level of precision**

These financial statements are presented in Taka, which is also the company's functional currency. Indicated figures have been rounded off to nearest thousand Taka.

## **2.9 Previous period's figures and phrases**

Wherever considered necessary, previous year's figures and phrases have been re-arranged to conform to the current year's presentation.

## **2.10 Property, plant and equipment**

### **i. Recognition and measurement**

Tangible fixed assets are capitalized at cost of acquisition and subsequently stated at cost less accumulated depreciation in compliance with of IAS 16 Property, Plant and Equipment. The cost of an item of property, plant and equipment comprises its purchase price, import duties and non-refundable taxes, after deducting trade discount and rebates and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the intended manner.

### **ii. Subsequent costs**

The cost of replacing or upgrading part of an item of property, plant and equipment is recognized in the carrying amount of the item, if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in the profit or loss and other comprehensive income.

### **iii. Depreciation of property, plant & equipment**

Depreciation on property, plant and equipment is provided on a straight line basis over their estimated useful life.

Depreciation for addition to property, plant and equipment, is charged from the month in which the asset comes into use or being capitalized and depreciation continues to be provided until such time as the written down value is reduced to Taka one. Depreciation on disposals of property, plant and equipment, ceases from the month in which the deletion thereof takes place.

The depreciation rate(s) are as follows:

| Category of property, plant and equipment   | Rate (%) |
|---|----------|
| Long lease hold land:                       |          |
| Chittagong factory                          | 2        |
| Corporate office - Dhaka                    | 1        |
| Buildings – on freehold and leasehold lands | 2        |
| Buildings – other construction              | 10       |
| Plant and machinery                         | 10       |
| Factory and laboratory equipment            | 20       |
| Other machinery & equipment                 | 12.5     |
| Office equipment                            | 15       |
| Furniture, fixtures and fittings            | 12.5     |
| Computer                                    | 20       |
| Motor vehicles                              | 20 & 25  |
| Loose tools                                 | 50       |

#### iv. Gain or loss on disposal

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognized in the statement of profit or loss and other comprehensive income.

#### 2.11 Capital work-in-progress

Capital work-in-progress is stated at cost of acquisition and also subsequently stated at cost, until the construction is completed or the assets are being ready to use. No depreciation is charged on capital-work-in progress.

#### 2.12 Intangible assets

Intangible assets includes IT Software and Trademarks.

##### i. Recognition and measurement

Intangible assets that are acquired by the Company and have finite useful lives are measured initially at cost. After initial recognition, it is carried at its cost less accumulated amortization. Intangible assets are recognized as per IAS 38 if, and only if:

- it is probable that future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

The cost of an intangible asset comprises its purchase price, import duties and non-refundable taxes, after deducting trade discounts and rebates and any directly attributable cost of preparing the asset for its intended use.

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and day to day maintenance charge if any are charged to profit or loss and other comprehensive income as incurred.

Internally generated intangible assets (excluding capitalized development costs) are recognized as expenses in the consolidated statement of profit or loss and other comprehensive income for the period in which the expenditure is incurred.

##### ii. Subsequent costs

Subsequent costs are capitalized only when the future economic benefits are embodied in the specific asset and it is probable that the future economic benefit will follow to the Company and such cost can be measured reliably. All other costs are charged to the statement of profit or loss and other comprehensive income as incurred.

##### iii. Amortization

Amortization is recognized in the statement of profit or loss and other comprehensive income on a straight line basis over the estimated useful life of each items of intangible assets from the month they are available for use.

The amortization rates based on the estimated useful life of the intangible assets are presented below:

| Category of intangible assets | Rate (%) |
|-------------------------------|----------|
| Software                      | 20       |
| Trade marks                   | 10 -20   |

Amortization methods and useful life is reviewed at each year-end and adjusted, if appropriate.

#### iv. Derecognition

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of intangible assets, measured as the difference between the net disposal proceeds and the carrying amount of the assets, are recognized in the statement of profit or loss and other comprehensive income.

### 2.13 Inventories

#### i. Recognition and measurement

Inventories are measured at the lower of cost and net realizable value (NRV) in compliance with the requirements of IAS 2. Where the NRV falls below cost, the inventory is written down to its recoverable amount and the fall in value is charged to the statement of profit or loss and other comprehensive income.

The cost of inventories comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of the business, less the estimated costs of completion and selling expenses.

#### ii. Inventory write off

It includes the cost of written off or written down values of redundant, damaged or obsolete items which are dumped and/or old stocks. However, "slow-moving" items are considered as immaterial and capable of being used and/or disposed of at least at their carrying book value. The amount of any write-down of inventory is recognized as an expense.

#### iii. Goods in transit (GIT)

Goods in transit (GIT) has been recognized on FOB Basis.

### 2.14 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### a. Financial assets

The Company initially recognizes receivables and term deposit on the date that they are originated. All other financial assets are recognized initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

The entity derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in such transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability. Non-derivative financial assets comprise of investment in associates, trade and other receivables, and cash and cash equivalents.

#### i. Investment in associate

Investment in associate is recognized initially at cost.

#### ii. Trade and other receivables

Assets are carried at original invoice amount less the outstanding over 360 days.

#### iii. Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at bank including short term deposits which are held and available for use by the Company without any restriction. There is an insignificant risk of change in value of the same. Operational overdraft that is repayable on demand and form an integral part of the Companies cash management are included as a component of cash and cash equivalents for the purpose only of the statement of the cash flows.

#### **b. Financial liabilities**

Financial liabilities are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument. The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired. Non-derivative financial liabilities comprise trade and other payables, and interest bearing borrowings.

#### **i. Trade and other payables**

Trade and other payables are recognized at the amount payable for settlement in respect of goods and services received by the company.

#### **ii. Interest-bearing borrowings**

Interest-bearing borrowings comprise short term loan and operational overdraft.

### **2.15 Advances, deposits and prepayments**

Advances and prepayments are initially measured at cost. After initial recognition advances are carried at cost less deductions, adjustments or charges to other account. Deposits are measured at payment value.

### **2.16 Provisions and contingent liabilities and assets**

#### **i. Provisions**

The preparation of financial statements in conformity with IAS 37 Provisions, Contingent Liabilities and Contingent Assets requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses, assets and liabilities, and the disclosure requirements for contingent assets and liabilities during and at the date of the financial statements.

In accordance with para 14 of IAS 37 provisions are recognized in the following situations:

- a. When the Company has a present obligation as a result of past event;
- b. When it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and

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

Other provisions are valued in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets and, if required, in accordance with IAS 19 Employee Benefits. Other provisions comprise all recognizable risks from uncertain liabilities and anticipated losses from pending transactions.

#### **ii. Contingent liabilities and assets**

Contingent liabilities and assets are current or possible obligations or assets, arising from past events and whose existence is due to the occurrence or non-occurrence of one or more uncertain future events which are not within the control of the Company. In accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets are those disclosed in the notes to the financial statements.

### **2.17 Employee benefits**

#### **i. Defined benefit plan (Employees' retirement gratuity fund)**

The Company established Gratuity Fund vide Board of Directors resolution # 2(a) of 21st June 2005. The Fund was approved by the National Board of Revenue vide order # 6(12)/KAMAPRO/2006/601 of 19th October 2006. During the year Taka 30,699 thousand provision were made for all permanent employees on the payroll of the Company. The amount was subsequently paid to the gratuity fund on 2 May 2019.

The Company introduced gratuity scheme in 1978 (effective from 6 June 1973). In terms of the scheme, on completion of a minimum five years of uninterrupted service with the Company, all permanent employees are entitled to gratuity equivalent to two months basic (latest) pay for each completed year or major part of a year of their respective services. The fund as mentioned above has replaced the scheme and enacted similar benefits for employees.

#### **ii. Defined contribution plan (Staff provident fund)**

The Company, through the trustees, has been maintaining recognized contributory provident funds for all eligible permanent employees.

#### **iii. Workers' profit participation and welfare fund**

Provision for workers' profit participation and welfare fund has been made @ 5% of profit as per provision of the Bangladesh Labour Act 2006 (Amended in 2013) and payable to these Funds and Bangladesh Sramik Kallyan Foundation.

## 2.18 Taxation

Income tax expenses represent the sum of the tax currently payable and deferred tax. Income tax expense is recognized in the statement of profit or loss and other comprehensive income except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

### i. Current tax:

Provision is made at the rate of 25% applied on 'estimated' taxable profit as a "Publicly Traded Company".

The tax currently payable is Based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using the tax rates that have been enacted or substantively enacted till the date of statement of financial position.

### ii. Deferred tax:

Deferred tax has been recognized in accordance with IAS 12. Deferred tax is provided using the liability method for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amount used for taxation purpose. Deferred tax is determined at the rate of 25%.

#### a. Deferred tax assets

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

#### b. Deferred tax liabilities

Provision is made at the rate applied on the amount of temporary difference between accounting and fiscal written down value of fixed assets.

## 2.19 Revenue recognition

Revenue is recognized when invoice for products and services are made and the significant risk and reward of ownership are transferred to the customers, recovery of the consideration is probable, associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. The five step model has been complied in case of revenue recognition:

Specific policies regarding the recognition of revenue are as follows:

### i. Revenue from sales of goods

Revenue from the sale of goods shall be recognized when all the following conditions have been satisfied:

- a) the entity has transferred to the buyer the significant risks and rewards of ownership of the goods and customer obtains control of the goods;
- b) it is probable that a significant reversal in the amount of cumulative revenue recognised will not occur
- c) the amount of revenue can be measured reliably;
- d) it is probable that the economic benefits associated with the transaction will flow to the entity.

### ii. Rendering of services

Under IFRS 15, the total consideration in the service contracts will be allocated to all services based on their stand-alone prices. The stand-alone prices will be determined based on the list prices at which the Group sells the services in separate transactions.

-service (or a bundle of services) that is distinct-customer can get the benefit from the good or service either on its own or together with readily available resources.

-a series of distinct services that are substantially the same and that have the same pattern of transfers to the customer-promise to transfer the service is separately identifiable from other promise in the contract.

### iii. Income derived from color bank operation

Income is recognized after the execution of services according to the terms and conditions of agreement between the dealer and Berger Paints Bangladesh Limited.



#### **iv. Income derived from management services**

Revenue from management services is recognized in statement of profit or loss and other comprehensive income when:

- a) the amount of revenue can be measured reliably;
- b) it is probable that the economic benefits associated with the transaction will flow to the entity;
- c) the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- d) the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

#### **iv. Income derived from dividend**

Income from dividend is recognized when the shareholders' right to receive payment is established. This is usually when the dividend is declared.

#### **v. Income derived from interest**

Finance income comprises interest income on fixed deposits, Short Notice Deposit (SND) and amounts due from related parties. Interest income is recognized in statement of profit or loss when it accrues, using the effective interest rate method and considering the time proportion Basis.

Finance costs comprises interest expense on operational overdraft, LTR, term loan and short term borrowings . All finance expenses are recognised in the statement of profit or loss.

Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis.

#### **2.20 Borrowing costs**

In compliance with the requirements of IAS 23 Borrowing Costs, borrowing costs of operational period on short term loan and operational overdraft facility is charged off as revenue expenditure as they were incurred.

#### **2.21 Repairs, upkeep and maintenance charges**

These are charged out as revenue expenditure in the period in which these are incurred.

#### **2.22 Bad and doubtful debts**

This item takes into account both actual bad debts written off and movements in the provision for doubtful debts above 360 days.

#### **2.23 Advertising and promotional expenses**

All costs associated with advertising and promotional activities are charged out in the period incurred.

#### **2.24 Foreign currency transaction**

Transactions in foreign currencies are translated to Taka at the foreign exchange rates prevailing on the date of transaction. All monetary assets and liabilities denominated in foreign currencies at reporting date are translated to Taka at the rates of exchange prevailing on that date. Resulting exchange differences arising on the settlement of monetary items or on translating monetary items are recognized in the statement of profit or loss and other comprehensive income as per IAS 21 The Effects of Changes in Foreign Exchange Rates.

#### **2.25 Related party transactions**

As per IAS 24 Related party transaction, parties are considered to be related if one of the party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The Company carried out transactions in the ordinary course of business at an arm's length basis at commercial rates with related parties.

#### **2.26 Event after the reporting period**

Events after the reporting period that provide additional information about the Company's position at the reporting date are reflected in the financial statements. Material events after the reporting period that are not adjusting events are disclosed by way of note.

#### **2.27 Comparatives and reclassification**

Comparative information has been disclosed for all numerical information in the financial statements and also the narrative and descriptive information when it is relevant for understanding of the current period financial statements. To facilitate comparison, certain relevant balances pertaining to the previous period have been rearranged/reclassified wherever considered necessary to conform to current periods presentation.

#### **2.28 Earnings per share (EPS)**

The Company presents basic and diluted (when dilution is applicable) earnings per share (EPS) in accordance with IAS 33 Earning Per Share.

**i. Basic earnings per share (BEPS)**

This has been calculated by dividing the profit or loss attributable to the ordinary share holders with the weighted average number of ordinary shares outstanding at the end of the year, adjusted for the effect of change in number of shares for bonus issue.

**ii. Diluted earning per share (DEPS)**

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares. However, dilution of EPS is not applicable for these financial statements as there was no dilutive potential ordinary shares during the relevant years.

**iii. Weighted average numbers of ordinary shares**

The weighted numbers average number of ordinary shares outstanding during the year is the number of ordinary shares outstanding at the beginning of the year, adjusted by the number of ordinary shares issued during the year multiplied by a time-weighting factor. The time-weighted factor is the number of days that the shares are outstanding as a proportion of the total number of days in the year. The weighted average number of shares is calculated by assuming that the shares have always been in issue. This means that they have been issued at the start of the year presented as the comparative figures.

**2.29 Information about segments**

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. Segment result for the period ended 31 March 2019 and segment assets and liabilities on that date are as follows:

In Thousands Taka

| Particulars                     | Own manufactured items | Imported items | Total       |
|---------------------------------|------------------------|----------------|-------------|
| Gross sales                     | 20,993,712             | 242,383        | 21,236,095  |
| TOC, VAT & SD (proportionate)   | (3,462,804)            | (39,980)       | (3,502,784) |
| Net sales                       | 17,530,908             | 202,403        | 17,733,311  |
| Gross profit                    | 7,728,499              | 89,229         | 7,817,728   |
| Net operating expenses & income | 5,018,934              | 57,946         | 5,076,880   |
| Profit before tax               | 2,610,608              | 30,141         | 2,640,749   |
| Segment total assets            | 10,596,681             | 122,344        | 10,719,025  |
| Segment liabilities             | 3,144,221              | 36,302         | 3,180,523   |

|                   |   | As at 31 March   |                  |
|-------------------|---|------------------|------------------|
| In Thousands Taka |   | 2019             | 2018             |
| <b>3</b>          | <b>Property, plant and equipment - notes 2.5, 2.10, 3.1 and 3.3</b> |                  |                  |
|                   | <b>At cost</b>  |                  |                  |
|                   | Opening balance   | 5,356,229        | 4,291,536        |
|                   | Addition during the year  | 1,015,132        | 1,110,302        |
|                   | Disposal during the year - note 3.3                                 | (30,780)         | (45,609)         |
|                   | <b>Closing balance</b>  | <b>6,340,581</b> | <b>5,356,229</b> |
|                   | <b>Accumulated depreciation</b>                                     |                  |                  |
|                   | Opening balance   | 2,125,308        | 1,775,979        |
|                   | Charged for the year - note 3.1                                     | 459,031          | 392,894          |
|                   | Adjustment on disposal during the year - note 3.3                   | (25,086)         | (43,565)         |
|                   | <b>Closing balance</b>  | <b>2,559,253</b> | <b>2,125,308</b> |
|                   | <b>Written down value as at 31 March</b>                            | <b>3,781,328</b> | <b>3,230,921</b> |

**Note:** Schedule of property, plant and equipment and depreciation thereon is presented in **Annexure-A**.

**3.1 Segregation of depreciation amount to manufacturing, selling and administrative units - notes 2.5, 2.10 (iii) and 3**

|  |                |                |
|--|----------------|----------------|
| Manufacturing overhead - note 25.3                       | 245,745        | 197,605        |
| Selling, distribution and warehousing expenses - note 26 | 166,957        | 151,446        |
| Administrative and general expenses - note 27            | 46,329         | 43,843         |
| <b>Total</b>   | <b>459,031</b> | <b>392,894</b> |

**3.2 Fully depreciated items - cost thereof**

**1,081,650**      **853,696**

**3.3 Following items were disposed off during the year - note 32**

| Particulars               | Cost<br>(Note 3) | Acc. Dep (Note 3)<br>(Note 3.2) | WDV   | Sale proceeds | Mode of sale |
|---------------------------|------------------|---------------------------------|-------|---------------|--------------|
| Building                  | 4,285            | 884                             | 3,401 | 38            | Quotation    |
| Plant and machinery       | 1,491            | 1,491                           | -     | 420           | Quotation    |
| Office equipment          | 2,765            | 2,631                           | 134   | 159           | Quotation    |
| Computer                  | 2,728            | 2,636                           | 92    | 139           | Quotation    |
| Furniture & fixtures      | 657              | 462                             | 195   | 26            | Quotation    |
| Motor vehicles            | 18,811           | 16,939                          | 1,872 | 12,821        | Quotation    |
| Loose tools               | 43               | 43                              | -     | 70            | Quotation    |
| Total as at 31 March 2019 | 30,780           | 25,086                          | 5,694 | 13,674        |              |
| Total as at 31 March 2018 | 45,609           | 43,565                          | 2,044 | 9,214         |              |

|                   |  | As at 31 March |                |
|-------------------|--|----------------|----------------|
| In Thousands Taka |  | 2019           | 2018           |
| <b>4</b>          | <b>Capital work in progress - notes 2.11 and 4.1</b> |                |                |
|                   | Opening balance                                      | 110,892        | 338,372        |
|                   | Addition during the year                             | 220,608        | 106,839        |
|                   | Transferred to property, plant and equipment         | (103,740)      | (334,319)      |
|                   | <b>Closing balance</b>                               | <b>227,760</b> | <b>110,892</b> |

**4.1 Details of capital work in progress - note 4**

|                       |                |                |
|-----------------------|----------------|----------------|
| Land                  | 76,359         | -              |
| Building              | 77,906         | 44,126         |
| Plant and machinery   | 45,217         | 50,308         |
| Factory equipment     | 27,761         | 14,829         |
| Furniture and fixture | 384            | -              |
| Software              | 133            | -              |
| Computer              | -              | 1,629          |
| <b>Total</b>          | <b>227,760</b> | <b>110,892</b> |

**5 Intangible assets - notes 2.5, 2.12 and 5.1**

| Particulars                           | Software       | Trade marks  | Total          | Total          |
|---------------------------------------|----------------|--------------|----------------|----------------|
| <b>At cost</b>                        |                |              |                |                |
| Opening balance                       | 205,649        | 1,511        | 207,160        | 179,818        |
| Addition during the year              | 18,011         | 580          | 18,591         | 27,342         |
| <b>Closing balance</b>                | <b>223,660</b> | <b>2,091</b> | <b>225,751</b> | <b>207,160</b> |
| <b>Accumulated amortization</b>       |                |              |                |                |
| Opening balance                       | 116,547        | 706          | 117,253        | 91,022         |
| Charged during the year - note 5.1    | 30,213         | 162          | 30,375         | 26,231         |
| <b>Closing balance</b>                | <b>146,760</b> | <b>868</b>   | <b>147,628</b> | <b>117,253</b> |
| <b>Carrying amount as at 31 March</b> | <b>76,900</b>  | <b>1,223</b> | <b>78,123</b>  | <b>89,907</b>  |

**5.1 Segregation of amortization amount to selling and administrative units - notes 2.5, 2.12 (iii) and 5**

|  |               |               |
|--|---------------|---------------|
| Selling, distribution and warehousing expenses - note 26 | 162           | 97            |
| Administrative and general expenses - note 27            | 30,213        | 26,134        |
|  | <b>30,375</b> | <b>26,231</b> |

|                   |   | As at 31 March   |                  |
|-------------------|---|------------------|------------------|
| In Thousands Taka |   | 2019             | 2018             |
| <b>6</b>          | <b>Investments - at cost</b>  |                  |                  |
| <b>6.1</b>        | <b>Make-up:</b>   |                  |                  |
|                   | Jenson & Nicholson (Bangladesh) Limited - note 6.2  | 50,100           | 50,100           |
|                   | Berger Becker Bangladesh Limited - note 6.3   | 39,200           | 39,200           |
|                   | Berger Fosroc Limited - note 6.4  | 4,043            | -                |
|                   |   | <b>93,343</b>    | <b>89,300</b>    |
| <b>6.2</b>        | The Company owns 100% paid-up ordinary share capital of Tk 50,100 thousand (501,000 shares of Taka 100 each) of J&N (B) L, which is a wholly owned and managed subsidiary of the Company. J&N (B) L has a carried forward retained earnings of Taka 480,633 thousand at the end of 31 March 2019. BPBL earned Taka 3,000 thousand from J&N (B) L as management charges during the year. Other pertinent transactions with in J&N (B) L are reported in notes 2.19 (iii), 6.1, 12, 25.3, 27, 29, 31 and 41.  |                  |                  |
| <b>6.3</b>        | The Company owns 49% paid-up ordinary share capital of Taka 39,200 thousand (3,920,000 shares of Taka 10 each) of Berger Becker Bangladesh Limited (BBBL), which is a joint venture of Becker Industrial Coatings Holding AB, Sweden and Berger Paints Bangladesh Limited (BPBL). BBBL has a carried forward retained earnings of Taka 314,629 thousand at the end of 31 March 2019. During the year BPBL earned Taka 2,488 thousand from BBBL as management charges. Other pertinent transactions with and interest in BBBL are reported in notes 2.14 (i), 2.19 (iii), 6.1, 12, 25.3, 26, 27, 29 and 41.                              |                  |                  |
| <b>6.4</b>        | The Company owns 50% paid-up ordinary share capital of Taka 4,043 thousand (40,425 shares of Taka 100 each) of Berger Fosroc Limited (BFL), which is a joint venture of Fosroc International Limited, United Kingdom and Berger Paints Bangladesh Limited (BPBL). BFL has a carried forward retained earnings of Taka 7,439 thousand at the end of 31 March 2019. During the year BPBL earned Taka 1,695 thousand from BFL as management charges and Taka 2,655 thousand as marketing service fees. Other pertinent transactions with and interest in BFL are reported in notes 2.14 (i), 2.19 (iii), 6.1, 12, 25.3, 26, 27, 29 and 41. |                  |                  |
| <b>7</b>          | <b>Short term investment - FDR - note 2.14a (iii)</b>   |                  |                  |
|                   | FDR for more than three months with scheduled banks & FI  |                  |                  |
|                   | Four months   | 251,237          | -                |
|                   | Six months  | 150,000          | -                |
|                   |   | <b>401,237</b>   | <b>-</b>         |
| <b>8</b>          | <b>Inventories - notes 2.13, 25 and 25.1</b>  |                  |                  |
|                   | Raw materials   | 737,143          | 825,372          |
|                   | Semi - finished products  | 141,726          | 132,678          |
|                   | Packing materials   | 41,194           | 40,475           |
|                   |   | <b>920,063</b>   | <b>998,525</b>   |
|                   | Finished goods - notes 25 and 25.4  |                  |                  |
|                   | Own manufactured items  | 624,438          | 527,952          |
|                   | Imported items  | 102,770          | 87,206           |
|                   |   | <b>727,208</b>   | <b>615,158</b>   |
|                   | Inventories in transit - GIT - note 2.13 (iii)  | 293,446          | 570,768          |
|                   | Store, consumables and promotional items  |                  |                  |
|                   | Stores and consumables  | 46,302           | 42,947           |
|                   | Promotional items   | 38,190           | 23,203           |
|                   |   | <b>84,492</b>    | <b>66,150</b>    |
|                   |   | <b>2,025,209</b> | <b>2,250,601</b> |

|                   |   | As at 31 March   |                  |
|-------------------|---|------------------|------------------|
| In Thousands Taka |   | 2019             | 2018             |
| <b>9</b>          | <b>Trade and other receivables - notes 2.5, 2.14 a (ii) and 34 (iii)</b>  |                  |                  |
| <b>9.1</b>        | <b>Trade receivables</b>  |                  |                  |
|                   | Unsecured - note 9.2  | 1,706,709        | 1,610,408        |
|                   | General provision for bad and doubtful debts - notes 2.22, 9.2 and 16   | (55,900)         | (31,424)         |
|                   | Considered to be good   | 1,650,809        | 1,578,984        |
|                   | Other receivables- notes 9.3 and 34 (iii)   | 12,715           | 1,064            |
|                   |   | <b>1,663,524</b> | <b>1,580,048</b> |
| <b>9.2</b>        | <b>Maturity wise presentation of trade receivable-unsecured:</b>  |                  |                  |
|                   | Outstanding over 360 days - note 9.1  | 55,900           | 31,424           |
|                   | Outstanding over 180 days to below 360 days   | 46,154           | 28,116           |
|                   | Outstanding below 180 days  | 1,604,655        | 1,550,868        |
|                   |   | <b>1,706,709</b> | <b>1,610,408</b> |
| <b>9.3</b>        | <b>Other receivables include interest accrued on investments - note 9.1</b>                                     | <b>12,715</b>    | <b>1,064</b>     |
| <b>10</b>         | <b>Advances, deposits and prepayments - note 2.15</b>   |                  |                  |
| <b>10.1</b>       | <b>The make-up</b>  |                  |                  |
|                   | Advances  |                  |                  |
|                   | Employees   |                  |                  |
|                   | House building loans - note 10.3  | 72,397           | 56,644           |
|                   | Other   | 6,181            | 3,353            |
|                   |   | 78,578           | 59,997           |
|                   | Goods and services  | 28,456           | 50,501           |
|                   | Value added tax - VAT   | 106,344          | 70,015           |
|                   | Supplementary duty - SD   | 5,351            | 18,770           |
|                   | Rental  | 159,247          | 171,145          |
|                   |   | 299,398          | 310,431          |
|                   |   | 377,976          | 370,428          |
|                   | Deposits  |                  |                  |
|                   | Security deposits   | 36,535           | 17,260           |
|                   | Prepaid expenses  |                  |                  |
|                   | Insurance and other   | 15,029           | 12,726           |
|                   |   | <b>429,540</b>   | <b>400,414</b>   |
| <b>10.2</b>       | <b>These include dues realizable/adjustable after one year from the date of statement of financial position</b> | <b>186,815</b>   | <b>159,453</b>   |
| <b>10.3</b>       | <b>Advance recoverable in cash - note 10.1</b>  | <b>72,397</b>    | <b>56,644</b>    |



|   |  | As at 31 March   |                  |
|---|--|------------------|------------------|
| In Thousands Taka   |  | 2019             | 2018             |
| <b>11</b>   | <b>Cash and cash equivalents - note 2.14 a (iii)</b>                 |                  |                  |
|   | Current:   |                  |                  |
|   | Term deposit accounts (FDR) - notes 31 and 34 (ii) (b)               |                  |                  |
|   | Three months   | 800,000          | 150,000          |
|   |  | 800,000          | 150,000          |
|   | Current and collection accounts                                      | 838,392          | 800,711          |
|   | Short term deposit accounts (STD) - notes 31 and 34 (ii) (b)         |                  |                  |
|   | Operational account  | 225,880          | 140,422          |
|   | Dividend account   | 11,068           | 10,608           |
|   | IPO account  | 331              | 325              |
|   |  | 237,279          | 151,355          |
|   | Foreign currency current accounts - notes 2.24, 30 and 34 (i)        |                  |                  |
|   | Operational account  | 11,664           | 3,246            |
|   | IPO account  | 61               | 60               |
|   |  | 11,725           | 3,306            |
|   | Cash in hand   | 4,747            | 9,858            |
|   | Cash and cash equivalents  | <b>1,892,143</b> | <b>1,115,230</b> |
| <b>12</b>   | <b>Inter- company receivables - notes 6, 29, 31, 34 (iii) and 41</b> |                  |                  |
|   | Due from / (to) J&N (B) L - note 6.2                                 | 106,338          | 65,694           |
|   | Due from / (to) BBBL - note 6.3                                      | 8,558            | 8,600            |
|   | Due from / (to) BFL - note 6.4                                       | 11,922           | -                |
|   |  | <b>126,818</b>   | <b>74,294</b>    |
| <b>13</b>   | <b>Share capital</b>   |                  |                  |
| <b>13.1</b>   | <b>Authorized share capital</b>                                      |                  |                  |
|   | 100,000,000 ordinary shares of Taka 10 each                          | 1,000,000        | 400,000          |
| During the year the company increased the authorized number of share from 40,000,000 to 100,000,000 through special resolution of the 8th Extraordinary General Meeting held on 17 July 2018. |  |                  |                  |
| <b>13.2</b>   | <b>Issued, subscribed and paid-up share capital</b>                  |                  |                  |
|   | 46,377,880 ordinary shares of Taka 10 each                           | <b>463,779</b>   | <b>231,889</b>   |

The company issued 100% bonus share, recommended at the Board meeting held on 21 May 2018 and approved by the members at the Annual General Meeting held on 17 July 2018. The bonus share (Tk 231,889 thousand) was issued by utilizing Tk 10,000 thousand from General Reserve, Tk 115,068 thousand from Share Premium and Tk 106,822 thousand from Retained Earnings. The impact of issuing the bonus share increased the number of Issued, subscribed and paid-up share to 46,377,880 from 23,188,940 - notes 14 & 15.

The Company converted the face value of its share from Taka 100 to Taka 10 each vide a special resolution passed on 21 June 2005. The Company issued 1,159,500 ordinary shares of Tk 10 each through initial public offer (IPO), vide the consent letter of Securities and Exchange Commission ref SEC/CI/IPO-71/2005/168 dated 10 October 2005.

### 13.3 Composition of shareholding - note 40

| Shareholders                             | Number of share   | % of share holding | In Thousands Taka | In Thousands Taka |
|--|-------------------|--------------------|-------------------|-------------------|
| <b>Foreign shareholders</b>              |                   |                    |                   |                   |
| J & N Investments (Asia) Limited - Group | 44,058,740        | 95.00              | 440,587           | 220,294           |
| Institutions & General public            | 612,150           | 1.31               | 6,122             | 3,573             |
| <b>Bangladeshi shareholders</b>          |                   |                    |                   |                   |
| Institutions (financial & others)        | 990,355           | 2.14               | 9,904             | 6,928             |
| General public                           | 716,635           | 1.55               | 7,166             | 1,095             |
| <b>Total</b>                             | <b>46,377,880</b> | <b>100.00</b>      | <b>463,779</b>    | <b>231,889</b>    |

### 13.4 Classification of shareholders by range - note 40

| Shareholding range          | Type of shareholders | 31 March 2019     |                    |                        | 31 March 2018           |
|-----------------------------|----------------------|-------------------|--------------------|------------------------|-------------------------|
|                             |                      | Number of shares  | % of share holding | Number of shareholders | Number of share holders |
| Less than 501 shares        | G. Public& Inst      | 400,985           | 0.86%              | 4,885                  | 1,258                   |
| 501 to 5,000 shares         | G. Public& Inst      | 373,019           | 0.80%              | 297                    | 35                      |
| 5,001 to 10,000 shares      | Institution          | 56,199            | 0.12%              | 7                      | 5                       |
| 10,001 to 20,000 shares     | Institution          | 139,286           | 0.30%              | 9                      | 9                       |
| 20,001 to 30,000 shares     | Institution          | 96,273            | 0.21%              | 4                      | 1                       |
| 30,001 to 40,000 shares     | Institution          | 34,655            | 0.07%              | 1                      | 3                       |
| 40,001 to 50,000 shares     | Institution          | 48,174            | 0.10%              | 1                      | 4                       |
| 50,001 to 100,000 shares    | Institution          | 115,390           | 0.25%              | 2                      | 2                       |
| 100,001 to 1,000,000 shares | Institution          | 1,055,159         | 2.28%              | 3                      | 2                       |
| Over 1,000,000 shares       | Group                | 44,058,740        | 95.00%             | 1                      | 1                       |
| <b>Total</b>                |                      | <b>46,377,880</b> | <b>100.00%</b>     | <b>5,210</b>           | <b>1,320</b>            |

### 13.5 Market price per share

| Traded stock exchanges    | Last trade date |               | In Taka  |          |
|---------------------------|-----------------|---------------|----------|----------|
|                           | 2019            | 2018          | 2019     | 2018     |
| Dhaka Stock Exchange      | 31 March 2019   | 29 March 2018 | 1,797.70 | 2,146.00 |
| Chittagong Stock Exchange | 31 March 2019   | 29 March 2018 | 1,805.20 | 2,128.50 |

The Company has declared 100% bonus share at the Board meeting held on 21 May 2018, which was approved by the members at the AGM held on 17 July 2018.

|                   |                        | As at 31 March |                |
|-------------------|------------------------|----------------|----------------|
| In Thousands Taka |                        | 2019           | 2018           |
| <b>14</b>         | <b>Share premium</b>   |                |                |
|                   | Opening balance        | 115,068        | 115,068        |
|                   | Bonus shares issued    | (115,068)      | -              |
|                   | <b>Closing balance</b> | <b>-</b>       | <b>115,068</b> |

The Company issued bonus share out of the share premium amounting Tk 115,068 thousand as per recommendation of 173rd Board of Directors' Meeting held on 21 May 2018 and subsequently approved by the members at the 45th Annual General Meeting held on 17 July 2018 - note - 13.2.

|           |   |                  |                  |
|-----------|---|------------------|------------------|
| <b>15</b> | <b>Retained earnings</b>                |                  |                  |
|           | Opening balance                         | 5,694,178        | 5,009,778        |
|           | Net profit for the year                 | 1,951,146        | 1,669,930        |
|           |   | 7,645,324        | 6,679,708        |
|           | Distribution of cash dividend - note 21 | (463,779)        | (985,530)        |
|           | Bonus shares issued - note 13.2         | (106,822)        | -                |
|           | <b>Closing balance</b>                  | <b>7,074,723</b> | <b>5,694,178</b> |

**16 Deferred tax liabilities - notes 2.18.ii & 16.1**

|  | Carrying amount  | Tax base         | Taxable/ (deductible)<br>temporary difference | Taxable/ (deductible)<br>temporary difference |
|--|------------------|------------------|---|---|
| Property, plant and equipment                  | 2,893,464        | 1,837,829        | 1,055,635                                     | 1,007,903                                     |
| Provision for employee benefit plan - note 20  | (30,699)         | -                | (30,699)                                      | (28,523)                                      |
| Provision for bad debts - 9.1                  | (55,900)         | -                | (55,900)                                      | (31,424)                                      |
| <b>Net temporary difference</b>                | <b>2,806,865</b> | <b>1,837,829</b> | <b>969,036</b>                                | <b>947,956</b>                                |
| Effective tax rate                             |                  |                  | 25%   | 25%   |
| <b>Deferred tax liabilities as at 31 March</b> |                  |                  | <b>242,259</b>                                | <b>236,989</b>                                |

|                   |   | As at 31 March                                     |                  |
|-------------------|---|--|------------------|
| In Thousands Taka |   | 2019   | 2018             |
| <b>16.1</b>       | <b>Deferred tax expenses</b>  |  |                  |
|                   | Opening balance   | 236,989  | 179,501          |
|                   | Closing balance   | 242,259  | 236,989          |
|                   | Deferred tax expenses   | <b>5,270</b>                                       | <b>57,488</b>    |
| <b>17</b>         | <b>Trade and other payables - notes 2.5, 2.14 (b) (i) and 34 (i)</b>  |  |                  |
| <b>17.1</b>       | <b>The make-up</b>  |  |                  |
|                   | For revenue expenses - note 17.2                                      | 1,165,255  | 1,068,153        |
|                   | For trading supplies - note 34 (ii) (a)                               | 578,791  | 1,127,066        |
|                   | For other finance - note 17.3   | 106,352  | 95,277           |
|                   | For capital expenditure   | 22,309   | 19,832           |
|                   |   | 1,872,707  | 2,310,328        |
|                   | Workers' profits participation and welfare funds - note 2.17 (iii)    | 138,567  | 118,231          |
|                   |   | <b>2,011,274</b>                                   | <b>2,428,559</b> |
| <b>17.2</b>       | <b>Creditors for revenue expenses - note 17.1</b>                     |  |                  |
|                   | Accrued charges   | 1,100,499  | 1,011,012        |
|                   | Provision for turnover rebate   | 58,409   | 50,022           |
|                   | Training and consultancy fee  | 6,347  | 7,119            |
|                   |   | <b>1,165,255</b>                                   | <b>1,068,153</b> |
| <b>17.3</b>       | <b>Creditors for other finance - note 17.1</b>                        |  |                  |
|                   | Clearing account  | 30,000   | 48,480           |
|                   | Security deposits   | 24,735   | 23,992           |
|                   | Tax deduction at source   | 35,754   | 11,982           |
|                   | Staff income tax  | 11,362   | 5,971            |
|                   | Supplementary duty and others   | 4,501  | 4,852            |
|                   |   | <b>106,352</b>                                     | <b>95,277</b>    |
| <b>18</b>         | <b>Provision for royalty</b>  |  |                  |
|                   | Opening balance   | 215,455  | 219,032          |
|                   | Payment during the year   | -  | (87,657)         |
|                   |   | 215,455  | 131,375          |
|                   | Charged for the year - notes 28, 36.1 and 41                          | 94,408   | 84,080           |
|                   | <b>Closing balance</b>  | <b>309,863</b>                                     | <b>215,455</b>   |
|                   | The service provider-wise break down of current charge is as follows: |  |                  |
|                   | <b>Name of the trade marks provider</b>                               | <b>Name of the product</b>                         |                  |
|                   | J&N Investments (Asia) Limited  | Robbialac, Colorizer, Apexior 1 & 3 and Protection |                  |
|                   |   | 94,408   | 84,080           |
|                   |   | <b>94,408</b>                                      | <b>84,080</b>    |

As per the agreement between J & N Investments (Asia) Limited and Berger Paints Bangladesh Limited, an amount is required to be paid as Royalty @ 1.00% on net sales of the products under the technical categories Robbialac, Colorizer, Apexior 1 & 3 and Protection for using the trademarks owned by former. The agreement was renewed for five years from 1 January 2017 to 31 December 2021.

|                   |  | As at 31 March |                 |
|-------------------|--|----------------|-----------------|
| In Thousands Taka |  | 2019           | 2018            |
| <b>19</b>         | <b>Provision for current tax - notes 2.5 and 2.18 (i)</b>  |                |                 |
|                   | Opening balance  | (27,843)       | 200,913         |
|                   | Provision made for the year  | 684,333        | 526,146         |
|                   |  | 656,490        | 727,059         |
|                   | Tax deducted at source and paid in advance   | (475,639)      | (754,902)       |
|                   | <b>Closing balance</b>   | <b>180,851</b> | <b>(27,843)</b> |
| <b>20</b>         | <b>Provision for employees' retirement gratuity - notes 2.5, 2.17 (i) and 16</b>   |                |                 |
|                   | Opening balance  | 28,523         | 63,930          |
|                   | Provision made for the year  | 30,699         | 28,638          |
|                   |  | 59,222         | 92,568          |
|                   | Transferred to gratuity fund   | (28,523)       | (64,045)        |
|                   | <b>Closing balance</b>   | <b>30,699</b>  | <b>28,523</b>   |
| <b>21</b>         | <b>Dividend payable</b>  |                |                 |
|                   | Opening balance  | 8,642          | 8,306           |
|                   | Distribution during the year - note 15   | 463,779        | 985,530         |
|                   |  | 472,421        | 993,836         |
|                   | Payment during the year  | (66,991)       | (985,194)       |
|                   | <b>Closing balance</b>   | <b>405,430</b> | <b>8,642</b>    |
| <b>22</b>         | <b>Liability for unclaimed IPO application money</b>   |                |                 |
|                   | Opening balance  | 147            | 147             |
|                   | Refunded during the year   | -              | -               |
|                   | <b>Closing balance</b>   | <b>147</b>     | <b>147</b>      |
| <b>23</b>         | <b>Contingent liabilities - note 2.16 (ii)</b>   |                |                 |
|                   | Contingent liabilities of the Company that relate to issue of letter of credit and bank guarantee to third parties as presented below: |                |                 |
|                   | <b>(i) Letter of Credit</b>  |                |                 |
|                   | Raw Material   |                |                 |
|                   | Commercial Bank of Ceylon PLC  | 91,440         | 75,850          |
|                   | Standard Chartered Bank  | 86,094         | 90,806          |
|                   | Citi Bank NA   | 28,511         | 58,579          |
|                   | Eastern Bank Limited   | 44,970         | 21,334          |
|                   | BRAC Bank Limited  | 191,512        | 194,645         |
|                   |  | 442,527        | 441,214         |
|                   | <b>(ii) Capital expenditure</b>  | 21,636         | 57,856          |
|                   | <b>(iii) Bank guarantee</b>  |                |                 |
|                   | Standard Chartered Bank for BBBL   | 73,500         | 73,500          |
|                   | The Hongkong and Shanghai Banking Corporation Limited for BFL  | 137,000        | -               |
|                   | Others   | 1,703          | 1,703           |
|                   |  | <b>212,203</b> | <b>75,203</b>   |
|                   |  | <b>676,366</b> | <b>574,273</b>  |

## 24 Revenue - notes 2.19 (i) and 25.4

The make-up of sales is as follows

|   |      | For the year ended 31 March |                   |          |                   |
|---|------|-----------------------------|-------------------|----------|-------------------|
|   |      | 2019                        |                   | 2018     |                   |
| In Thousands Taka                                   | Unit | Quantity                    | Taka              | Quantity | Taka              |
| <b>Own manufactured items - Paints &amp; others</b> |      |                             |                   |          |                   |
| Liquid  | KL   | 77,902                      | 18,256,928        | 75,853   | 16,853,263        |
| Non-liquid  | MT   | 30,680                      | 2,736,784         | 29,498   | 2,608,973         |
|   |      |                             | 20,993,712        |          | 19,462,236        |
| <b>Imported items - Paints &amp; others</b>         |      |                             |                   |          |                   |
| Liquid  | KL   | 106                         | 109,338           | 222      | 160,634           |
| Non-liquid  | MT   | 276                         | 84,448            | 289      | 86,458            |
| Others  | Pcs  | -                           | 48,597            | -        | 55,194            |
|   |      |                             | 242,383           |          | 302,286           |
|   |      | note 25.4                   | <b>21,236,095</b> |          | <b>19,764,522</b> |
| Turn Over Commission (TOC)                          |      |                             | (185,645)         |          | (134,917)         |
| Value added tax - VAT                               |      |                             | (2,857,000)       |          | (2,675,638)       |
| Supplementary duty - SD                             |      |                             | (460,139)         |          | (470,470)         |
|   |      |                             | (3,502,784)       |          | (3,281,025)       |
|   |      |                             | <b>17,733,311</b> | *        | <b>16,483,497</b> |
| Thereof, exports sales amounted to - note 36.2      |      |                             | 49,657            |          | 27,684            |

\* As per IFRS 15 Revenue from Contract with Customers, amounts collected on behalf of third parties such as Value Added Tax (VAT) and Supplementary Duty (SD) are excluded from revenue.

| In Thousands Taka                                  |  | For the year ended 31 March |                  |
|--|--|-----------------------------|------------------|
|  |  | 2019                        | 2018             |
| <b>25 Cost of sales</b>                            |  |                             |                  |
| Opening stock of finished goods - notes 8 and 25.4 |  |                             |                  |
| Own manufactured items                             |  | 527,952                     | 510,667          |
| Imported items                                     |  | 87,206                      | 81,627           |
|  |  | 615,158                     | 592,294          |
| Purchases - imported - note 25.4                   |  | 198,109                     | 229,222          |
|  |  | 813,267                     | 821,516          |
| Cost of production                                 |  |                             |                  |
| Material consumed - notes 25.1, 25.5 and 25.6      |  | 8,931,024                   | 8,110,747        |
| Manufacturing overheads - note 25.3                |  | 898,500                     | 812,251          |
|  |  | 9,829,524                   | 8,922,998        |
| <b>Cost of finished goods available for sale</b>   |  | 10,642,791                  | 9,744,514        |
| Closing stock of finished goods - notes 8 and 25.4 |  |                             |                  |
| Own manufactured items                             |  | (624,438)                   | (527,952)        |
| Imported items                                     |  | (102,770)                   | (87,206)         |
|  |  | (727,208)                   | (615,158)        |
| Cost of sales                                      |  | <b>9,915,583</b>            | <b>9,129,356</b> |
| <b>25.1 Materials consumed</b>                     |  |                             |                  |
| Opening stock - note 8                             |  |                             |                  |
| Raw materials                                      |  | 825,372                     | 793,535          |
| Semi - finished products                           |  | 132,678                     | 107,280          |
| Packing materials                                  |  | 40,475                      | 47,422           |
|  |  | 998,525                     | 948,237          |
| Purchases - note 25.2                              |  |                             |                  |
| Raw materials                                      |  | 7,264,275                   | 6,738,948        |
| Packing materials                                  |  | 1,588,287                   | 1,422,087        |
|  |  | 8,852,562                   | 8,161,035        |
|  |  | 9,851,087                   | 9,109,272        |
| Closing stock - note 8                             |  |                             |                  |
| Raw materials                                      |  | (737,143)                   | (825,372)        |
| Semi - finished products                           |  | (141,726)                   | (132,678)        |
| Packing materials                                  |  | (41,194)                    | (40,475)         |
|  |  | (920,063)                   | (998,525)        |
| Notes - 25, 25.5 and 25.6                          |  | <b>8,931,024</b>            | <b>8,110,747</b> |



| In Thousands Taka |   | For the year ended 31 March |                  |
|-------------------|---|-----------------------------|------------------|
|                   |   | 2019                        | 2018             |
| <b>25.2</b>       | <b>Materials purchase - cost and direct charges - note 25.1</b> |                             |                  |
|                   | <b>Raw materials</b>  |                             |                  |
|                   | Imported  | 6,602,984                   | 6,062,951        |
|                   | Indigenous  | 661,291                     | 675,997          |
|                   |   | 7,264,275                   | 6,738,948        |
|                   | Packing materials - indigenous                                  | 1,588,287                   | 1,422,087        |
|                   |   | <b>8,852,562</b>            | <b>8,161,035</b> |
| <b>25.3</b>       | <b>Manufacturing overheads - note 25</b>                        |                             |                  |
|                   | Salary and wages*   | 338,530                     | 321,128          |
|                   | Welfare expenses  | 22,494                      | 21,785           |
|                   | Third party and casuals   | 34,200                      | 32,461           |
|                   | Depreciation - note 3.1   | 245,745                     | 197,605          |
|                   | Fuel, water and power   | 77,921                      | 74,556           |
|                   | Repairs and maintenance - note 2.21                             | 34,453                      | 31,057           |
|                   | Raw materials shifting charges                                  | 19,161                      | 13,177           |
|                   | Stores and spares consumed - note 25.6                          | 14,253                      | 13,007           |
|                   | Insurance   | 4,672                       | 3,587            |
|                   | Training and recruitment expenses                               | 3,650                       | 1,520            |
|                   | Security and cleaning service                                   | 8,475                       | 10,497           |
|                   | Third party production charges                                  | 56,402                      | 54,911           |
|                   | Outsourcing employee cost                                       | 9,680                       | 7,055            |
|                   | Other overhead  | 3,645                       | 2,799            |
|                   | Travelling and conveyance                                       | 6,778                       | 4,466            |
|                   | Production incentive  | 2,839                       | 8,483            |
|                   | Research, development and experimental costs                    | 2,167                       | 3,657            |
|                   | Process development   | 4,160                       | -                |
|                   | Rent, rates and other taxes                                     | 8,848                       | 10,033           |
|                   | L/C and bank charges  | 427                         | 467              |
|                   |   | <b>898,500</b>              | <b>812,251</b>   |

\* The amount has been arrived after crediting Tk 1,200 thousand (2017-18: Tk 900 thousand) from JNBL, Tk 746 thousand (2017-18: Tk 1,238 thousand), from BBBL and Tk 508 thousand (2017-18: Nil) and from BFL being realization of management charges - notes 6.2, 6.3 and 6.4.

**25.4 Particulars in respect of stocks, sales and purchases of finished goods**

| In Thousands Taka                        | Unit  | Opening Stock |         | Closing Stock |         | Sales during the year |            | Purchase |         |
|--|-------|---------------|---------|---------------|---------|-----------------------|------------|----------|---------|
|  |       | Qty           | Taka    | Qty           | Taka    | Qty                   | Taka       | Qty      | Taka    |
| Own manufactured items - Paints & others |       |               |         |               |         |                       |            |          |         |
| Liquid                                   | Ltr   | 3,774         | 446,376 | 4,328         | 526,170 | 77,902                | 18,256,928 | -        | -       |
| Non-Liquid                               | KG    | 1,096         | 81,576  | 1,514         | 98,268  | 30,680                | 2,736,784  | -        | -       |
|  |       |               | 527,952 |               | 624,438 |                       | 20,993,712 |          |         |
| Imported items - Paints & others         |       |               |         |               |         |                       |            |          |         |
| Liquid                                   | Ltr   | 48            | 40,295  | 65            | 54,433  | 106                   | 109,338    | -        | -       |
| Non-Liquid                               | KG    | 65            | 19,575  | 89            | 23,253  | 276                   | 84,448     | -        | -       |
| Brush & Rollers                          | Pcs   | -             | 27,336  | -             | 25,084  | -                     | 48,597     | -        | -       |
|  |       |               | 87,206  |               | 102,770 |                       | 242,383    |          | 198,109 |
| For the year ended 31 March 2019         |       | Taka          | 615,158 |               | 727,208 |                       | 21,236,095 |          | 198,109 |
| For the year ended 31 March 2018         |       | Taka          | 592,294 |               | 615,158 |                       | 19,764,522 |          | 229,222 |
|  | Notes |               | 25 & 8  |               | 25 & 8  |                       | 24         |          | 25      |

**25.5 Analysis of materials consumed**

|                                 | For the year ended 31 March 2019 |                  | For the year ended 31 March 2018 |                  |
|---------------------------------|----------------------------------|------------------|----------------------------------|------------------|
| In Thousands Taka               | Qty - KG                         | Taka             | Qty - KG                         | Taka             |
| <b>Raw materials</b>            |                                  |                  |                                  |                  |
| Resin                           | 1,212                            | 248,031          | 1,177                            | 239,995          |
| Pigments                        | 9,178                            | 2,095,533        | 8,766                            | 1,927,648        |
| Solvents and oils               | 53,743                           | 1,201,076        | 51,561                           | 1,135,836        |
| Additives, chemicals and others | 71,430                           | 3,798,816        | 67,309                           | 3,378,234        |
|                                 | 135,563                          | 7,343,456        | 128,813                          | 6,681,713        |
| Packing materials               |                                  | 1,587,568        |                                  | 1,429,034        |
|                                 |                                  | <b>8,931,024</b> |                                  | <b>8,110,747</b> |
| Notes - 25, 25.1 and 25.6       |                                  |                  |                                  |                  |

**25.6 Consumption of imported and indigenous materials and stores and spares and the percentage of each to the total consumption**

| In Thousands Taka          | For the year ended 31 March 2019 |              | For the year ended 31 March 2018 |              |
|----------------------------|----------------------------------|--------------|----------------------------------|--------------|
|                            | Taka                             | %            | Taka                             | %            |
| Imports                    | 6,671,761                        | 90.9         | 6,017,937                        | 90.1         |
| Indigenous                 | 671,695                          | 9.1          | 663,776                          | 9.9          |
| Note 25.5                  | <b>7,343,456</b>                 | <b>100.0</b> | <b>6,681,713</b>                 | <b>100.0</b> |
| <b>Check - consumption</b> |                                  |              |                                  |              |
| Raw materials              | 7,343,456                        | 82.2         | 6,681,713                        | 82.4         |
| Packing materials          | 1,587,568                        | 17.8         | 1,429,034                        | 17.6         |
| Notes 25, 25.1 and 25.5    | <b>8,931,024</b>                 | <b>100.0</b> | <b>8,110,747</b>                 | <b>100.0</b> |

| In Thousands Taka |   | For the year ended 31 March |                  |
|-------------------|---|-----------------------------|------------------|
|                   |   | 2019                        | 2018             |
| <b>26</b>         | <b>Selling, distribution and warehousing expenses</b> |                             |                  |
|                   | Advertising expenses - note 2.23                      | 2,133,729                   | 2,303,099        |
|                   | Salary and wages*                                     | 451,700                     | 447,178          |
|                   | Third party and casuals                               | 87,566                      | 85,927           |
|                   | Welfare expenses                                      | 30,130                      | 30,793           |
|                   | Training and recruitment expenses                     | 3,846                       | 4,101            |
|                   | Security and cleaning service                         | 19,340                      | 21,738           |
|                   | Outsourcing employee cost                             | 54,926                      | 61,943           |
|                   | Production incentive                                  | 1,708                       | 753              |
|                   | Other overhead  | 4,914                       | 3,406            |
|                   | <b>Warehousing and distribution expenses</b>          |                             |                  |
|                   | Transportation and handling charges**                 | 215,271                     | 181,008          |
|                   | Repair & maintenance - others - note 2.21             | 22,280                      | 17,370           |
|                   | Rent, rates and fees                                  | 53,630                      | 42,325           |
|                   | Electricity, water and gas                            | 11,498                      | 10,172           |
|                   | Insurance   | 2,285                       | 1,566            |
|                   |   | 304,964                     | 252,441          |
|                   | <b>Selling expenses</b>                               |                             |                  |
|                   | Sales promotional expenses - note 2.23                | 1,059,467                   | 976,771          |
|                   | Paint delivery expenses                               | 169,385                     | 160,324          |
|                   | Salesmen travelling                                   | 57,116                      | 57,294           |
|                   | Rent, rates and fees                                  | 64,707                      | 55,744           |
|                   | Bad debts - note 2.22                                 | 28,261                      | 6,913            |
|                   | Color Bank operational expenses - note 29             | 4,024                       | 6,285            |
|                   | Illusion expense - note 29                            | 5,613                       | 200              |
|                   | Amortization of trade marks - note 5.1                | 162                         | 97               |
|                   |   | 1,388,735                   | 1,263,628        |
|                   | Depreciation - note 3.1                               | 166,957                     | 151,446          |
|                   | Cost of free issue                                    | 178                         | 1,776            |
|                   |   | <b>4,648,693</b>            | <b>4,628,229</b> |

\* This amount has been arrived after crediting Tk 125 thousand (2017-18: Tk 206 thousand) from BBBL and Tk 85 thousand (2017-18: Nil) from BFL being earning of management fees - notes 6.3 & 6.4.

\*\* This amount has been arrived at after netting recoveries from carrying contractor as loss in transit.

|     |       |
|-----|-------|
| 966 | 1,486 |
|-----|-------|

|                   |   | For the year ended 31 March |                |
|-------------------|---|-----------------------------|----------------|
| In Thousands Taka |   | 2019                        | 2018           |
| <b>27</b>         | <b>Administrative and general expenses</b>        |                             |                |
|                   | Salary and wages *                                | 295,478                     | 274,276        |
|                   | Welfare expenses                                  | 7,769                       | 6,485          |
|                   | Third party and casuals                           | 1,525                       | 2,928          |
|                   | Training and recruitment expenses                 | 7,203                       | 9,990          |
|                   | Employee engagement                               | 4,905                       | 1,699          |
|                   | Security and cleaning service                     | 4,173                       | 4,850          |
|                   | Outsourcing employee cost                         | 2,608                       | 1,778          |
|                   | Production incentive                              | 444                         | -              |
|                   | Postage and telecommunication                     | 7,098                       | 8,442          |
|                   | Depreciation and amortization - notes 3.1 and 5.1 | 76,542                      | 69,977         |
|                   | Travelling, haulage and passage                   | 6,003                       | 7,923          |
|                   | Repair and maintenance - others - note 2.21       | 30,210                      | 37,048         |
|                   | Share department expenses                         | 10,867                      | 3,489          |
|                   | Bank charges                                      | 7,775                       | 10,810         |
|                   | Vehicle expenses                                  | 10,027                      | 10,275         |
|                   | Electricity, fuel and water                       | 5,777                       | 6,070          |
|                   | Printing and stationery                           | 7,120                       | 5,808          |
|                   | Rates and fees                                    | 995                         | 632            |
|                   | Subscription and donation                         | 1,969                       | 640            |
|                   | CSR activity                                      | 6,108                       | 4,772          |
|                   | Entertainment                                     | 5,244                       | 9,732          |
|                   | Corporate affairs department's expenses           | 199                         | 133            |
|                   | Insurance   | 415                         | 329            |
|                   | Legal and professional charges                    | 6,397                       | 7,591          |
|                   | Auditors' remuneration                            | 1,096                       | 1,051          |
|                   | Newspaper and periodicals                         | 519                         | 421            |
|                   | Directors fees                                    | 420                         | 420            |
|                   | Other overhead                                    | 710                         | 992            |
|                   |   | <b>509,596</b>              | <b>488,562</b> |

\* The amount has been arrived after crediting Tk 1,800 thousand (2017-18: Tk 1,350 thousand) from JN(B)L, Tk 1,617 thousand (2017-18: Tk 2,683 thousand) from BBBL and Tk 1,102 thousand (2017-18: Nil) from BFL being realization of management charges - notes 6.2, 6.3 and 6.4.

## **28 Other operating expenses**

|   |                |               |
|---|----------------|---------------|
| Royalty - notes 18 and 36.1                                   | 94,408         | 84,080        |
| Training, consultancy and technical know how fees - note 36.1 | 7,414          | 4,724         |
|   | <b>101,822</b> | <b>88,804</b> |

| In Thousands Taka |  | For the year ended 31 March |                |
|-------------------|--|-----------------------------|----------------|
|                   |  | 2019                        | 2018           |
| <b>29</b>         | <b>Other operating income</b>                                    |                             |                |
|                   | Service charges from house building loans                        | 656                         | 535            |
|                   | Scrap sales and sundry recoveries                                | 36,499                      | 32,787         |
|                   | Color Bank operational income - notes 2.19 (ii) and 26           | 98,524                      | 108,453        |
|                   | Insurance claim and other realizations                           | 11,157                      | 14,808         |
|                   | Income from illusion - note 26                                   | 25,466                      | 15,807         |
|                   | Rental income from JNBL, BBBL & BFL - notes 6.2, 6.3, 6.4 and 12 | 8,274                       | 5,533          |
|                   | Marketing service fee - note 6.4                                 | 2,655                       | -              |
|                   | Others   | -                           | 32             |
|                   |  | <b>183,231</b>              | <b>177,955</b> |
| <b>30</b>         | <b>Finance costs</b>   |                             |                |
|                   | Interest paid for operational overdraft - OD - note 2.20         | 7,698                       | 8,183          |
|                   | Exchange (gain)/loss - notes 2.24, 10 and 34                     | (471)                       | (1,093)        |
|                   |  | <b>7,227</b>                | <b>7,090</b>   |
| <b>31</b>         | <b>Investment income</b>   |                             |                |
|                   | Interest earned on - note 2.19 (v)                               |                             |                |
|                   | Term deposits, operational and other- notes 7, 11 and 34 (ii b)  | 34,138                      | 39,683         |
|                   | Loan to subsidiary - J & N (Bangladesh) Limited - notes 6.2 & 12 | 3,578                       | 5,531          |
|                   |  | <b>37,716</b>               | <b>45,214</b>  |
| <b>32</b>         | <b>Other non-operating income</b>                                |                             |                |
|                   | Income on sale of property, plant and equipment - note 3.3       | <b>7,979</b>                | <b>7,170</b>   |
| <b>33</b>         | <b>Capacity and production</b>                                   |                             |                |

### 33.1 Own manufacture

Figures in Thousands

| Line of Business | Unit | Installed capacity               |                                  | Actual Production                |                                  |
|------------------|------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
|                  |      | (Single shift)                   |                                  | (Multiple shifts as applicable)  |                                  |
|                  |      | For the year ended 31 March 2019 | For the year ended 31 March 2018 | For the year ended 31 March 2019 | For the year ended 31 March 2018 |
| Liquid           | LT   | 101,138                          | 91,237                           | 78,457                           | 75,528                           |
| Non-liquid       | KG   | 39,729                           | 32,802                           | 31,098                           | 29,220                           |

**33.2** Licensed capacity is no more applicable and the regulatory authority does not exercise any direct control over the procurement, production or sale.

## 34 Financial risk management

The Company has exposures to the following risks from its use of financial instruments:

- i. Liquidity risk
- ii. Market risk
- iii. Credit risk

The management is responsible for the establishment and oversight of the company's risk management policies that are established to identify and analyze the risks faced by the company, to set appropriate risks limits and controls, and to monitor risks and adherence to limits. Management discloses the exposures to risk and how they arise as well as its objectives, policies and processes for managing the risk and the methods used to measure the risk. The company has exposures to the following risks from its use of financial instruments:

### i. Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company ensures that it has sufficient cash and cash equivalents to meet expected operational expenses, including financial obligations through preparation of the cash flow forecast, prepared based on timeline of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date. Moreover, the Company seeks to maintain short term lines of credit with scheduled commercial banks to ensure payment of obligations in the event that there is insufficient cash to make the required payment. The requirement is determined in advance through cash flows projections and credit lines facilities with banks are negotiated accordingly.

The following are the contractual maturities of financial liabilities of the Company:

In Thousands Taka

| Financial liabilities   | As at 31 March 2019 |                        |                          |                 |
|---|---------------------|------------------------|--------------------------|-----------------|
|   | Carrying amount     | Contractual cash flows | Within 12 months or less | Above 12 months |
| Trade and other payables including dividend payable and IPO application money | 2,416,851           | 2,416,851              | 2,416,851                | -               |

| Financial liabilities   | As at 31 March 2018 |                        |                          |                 |
|---|---------------------|------------------------|--------------------------|-----------------|
|   | Carrying amount     | Contractual cash flows | Within 12 months or less | Above 12 months |
| Trade and other payables including dividend payable and IPO application money | 2,437,348           | 2,437,348              | 2,437,348                | -               |

### ii. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

#### a. Currency risk

The currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rate. The Company experiences currency risks on export sales and purchase of raw material, spare parts, accessories and capital items. Most of Company's foreign currency purchases are denominated in USD and EURO.

The Company's exposures to foreign currency risk was as follows based on notional amounts (in thousand Taka)

In Thousands Taka

| <b>Foreign currency denominated assets</b> | <b>As at 31 March 2019</b> | <b>As at 31 March 2018</b> |
|--|----------------------------|----------------------------|
| Receivable from customers - Inland export  | 21,823                     | 5,162                      |
| Cash and cash equivalents - note 11        | 11,725                     | 3,306                      |

| <b>Foreign currency denominated liabilities</b> | <b>As at 31 March 2019</b> | <b>As at 31 March 2018</b> |
|---|----------------------------|----------------------------|
| Trade payables - note 17.1                      | 578,791                    | 1,127,066                  |
| Royalty - note 18                               | 309,863                    | 215,455                    |

The foreign exchange gain was Taka 471 thousand for the period ended 31 March 2019 and Taka 1,093 thousand was for the Period ended 31 March 2018 - note 30.

The company has applied the following significant foreign exchange rates:

| <b>Foreign currency</b> | <b>As at 31 March 2019</b> | <b>As at 31 March 2018</b> |
|-------------------------|----------------------------|----------------------------|
| US Dollar               | 84.30                      | 83.50                      |
| EURO                    | 96.32                      | 104.17                     |
| GBP                     | 111.65                     | 119.06                     |

**b. Interest risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

At the reporting date, the financial assets and financial liabilities are as follows:

In Thousands Taka

| <b>Financial instruments</b>         | <b>As at 31 March 2019</b> | <b>As at 31 March 2018</b> |
|--------------------------------------|----------------------------|----------------------------|
| <b>Financial assets</b>              |                            |                            |
| Short term investment - FDR - note 7 | 401,237                    | -                          |
| Cash and cash equivalents - note 11  | 1,892,143                  | 1,115,230                  |
| <b>Financial liabilities</b>         |                            |                            |
| Operational overdraft                | -                          | -                          |

**iii. Credit risk:**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Company has written credit policies with terms and conditions allowed to debtors and the exposure to credit risk is monitored on an ongoing basis to ensure collection within stipulated time. Debtors are categorized according to their risk profile-i.e. frequency of payment, legal status, financial condition etc. Trade and other debtors consist of domestic receivable, inland export receivable and interest receivable.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

The maximum exposure to credit risk at the reporting date was as follows:

| <b>Particulars</b>        | <b>As at 31 March 2019</b> | <b>As at 31 March 2018</b> |
|---------------------------|----------------------------|----------------------------|
| <b>Trade receivable</b>   |                            |                            |
| Local receivable          | 1,684,886                  | 1,605,246                  |
| Inland export receivable  | 21,823                     | 5,162                      |
| Note - 9.1                | <b>1,706,709</b>           | <b>1,610,408</b>           |
| <b>Other receivables:</b> |                            |                            |
| Accrued interest          | 12,715                     | 1,064                      |
| Inter-company receivable  | 126,818                    | 74,294                     |
|                           | <b>139,533</b>             | <b>75,358</b>              |



|                   |  | For the year ended 31 March |                  |
|-------------------|--|-----------------------------|------------------|
| In Thousands Taka |  | 2019                        | 2018             |
| <b>35</b>         | <b>Value of imports - at CIF basis</b>                   |                             |                  |
|                   | Raw materials  | 6,461,673                   | 5,313,468        |
|                   | Capital goods  | 237,118                     | 290,521          |
|                   | Stores and spares  | 6,876                       | 7,594            |
|                   |  | <b>6,705,667</b>            | <b>5,611,583</b> |
| <b>36</b>         | <b>Transactions in equivalent foreign currency</b>       |                             |                  |
| <b>36.1</b>       | <b>Expenses</b>  |                             |                  |
|                   | Royalty - notes 18, 28 and 34 (ii a)                     | 94,408                      | 84,080           |
|                   | Training and consultancy fee - note 28                   | 7,414                       | 4,724            |
|                   | Foreign travel for Company's business                    | 6,457                       | 13,553           |
|                   |  | <b>108,279</b>              | <b>102,357</b>   |
| <b>36.2</b>       | <b>Earnings</b>  |                             |                  |
|                   | Inland export sales - note 24                            | <b>49,657</b>               | <b>27,684</b>    |
| <b>37</b>         | <b>Dividend remitted in terms of foreign currency to</b> |                             |                  |
|                   | J & N Investments (Asia) Limited - Net of TDS            | -                           | 842,627          |

| In Number |   | As at 31 March 2019 | As at 31 March 2018 |
|-----------|---|---------------------|---------------------|
| <b>38</b> | <b>Expenditure incurred on employees - note 39</b>  |                     |                     |
|           | * Salaries, wages and benefits - notes 25.3, 26 & 27 **   |                     |                     |
| a.        | Employment throughout the year in receipt of remuneration aggregating Tk 36,000 or more per annum       | 543                 | 486                 |
| b.        | Employment for a part of the year and in receipt of remuneration aggregating Tk 3,000 or more per month | 42                  | 96                  |
| c.        | Rest  | -                   | -                   |
|           |   | <b>585</b>          | <b>582</b>          |

\*\* Includes all types of benefits paid and provided both in cash and kind other than the re-imbursement of expenses incurred for the Company's business.

|                   |   | For the year ended 31 March |                |
|-------------------|---|-----------------------------|----------------|
| In Thousands Taka |   | 2019                        | 2018           |
| <b>39</b>         | <b>Remuneration of Directors, Executives, Managers &amp; Officers - notes 25.3, 26, 27 and 38</b>   |                             |                |
| <b>39.1</b>       | <b>Managerial remuneration for managers and officers only</b>   |                             |                |
|                   | Salary, allowances and benefits   | 865,754                     | 842,262        |
|                   | Contributions to employees' benefit scheme - note 2.17  | 40,773                      | 38,789         |
|                   | Reimbursable expenses   | 67,584                      | 61,412         |
|                   | Taka  | <b>974,111</b>              | <b>942,463</b> |
|                   | Number  | <b>430</b>                  | <b>424</b>     |
| <b>39.2</b>       | <b>Managing director, executive director, managers and officers, based upon respective employment terms having specified limits, are provided following benefits:</b> |                             |                |
|                   | a. Rental: Managing director is provided free-furnished accommodation and others are provided cash allowances.  |                             |                |
|                   | b. Residential telephone / cellphone mainly for the Company's business.   |                             |                |
|                   | c. Transportation: Company's car with chauffeur or cash allowance for chauffeur.  |                             |                |
| <b>39.3</b>       | <b>Board meeting fee</b>  |                             |                |
|                   | Only the local independent directors are entitled to Tk 2,500 as board meeting fee for attending each board meeting.  |                             |                |

|  |   | For the year ended 31 March |                   |
|--|---|-----------------------------|-------------------|
| In Thousands Taka  |   | 2019                        | 2018              |
| <b>40</b>  | <b>Earnings per share (EPS) - Basic - note 2.28</b>               |                             |                   |
| The computation of EPS is given below:   |   |                             |                   |
| Net profit attributable to the ordinary shareholders - Taka in '000  |   | 1,951,146                   | 1,669,930         |
| Net cash inflow from operating activities (NOCF) - Taka in '000  |   | 2,386,100                   | 1,372,051         |
| Net asset value (NAV) - Taka in '000   |   | 7,538,502                   | 6,051,135         |
| Number of ordinary shares outstanding during the year  |   | 46,377,880                  | 46,377,880        |
| Weighted average number of ordinary shares outstanding (40.1)  |   | 46,377,880                  | 46,377,880        |
| Basic Earnings per share (EPS) for the year  |   | 42.07                       | 36.01             |
| Diluted earnings per share (DEPS) for the year   |   | 42.07                       | 36.01             |
| Net operating cash flow per share (NOCFPS)   |   | 51.45                       | 29.58             |
| Net asset value per share (NAVPS)  |   | 162.55                      | 130.47            |
| <b>40.1</b>  | <b>Weighted average number of ordinary shares outstanding</b>     |                             |                   |
| The weighted average number of ordinary shares outstanding during the year is the number of ordinary shares outstanding at the beginning of the year, adjusted by the number of ordinary shares issued during the year multiplied by a time-weighting factor. The time-weighting factor is the number of days that the shares are outstanding as a proportion of the total number of days in the year. The weighted average number of shares is calculated by assuming that the shares have always been in issue. This means that they have been issued at the start of the year presented as the comparative figures. |   |                             |                   |
| Outstanding shares   |   | 23,188,940                  | 23,188,940        |
| Effect of issue of bonus shares for the year 2017-18   |   | 23,188,940                  | 23,188,940        |
|  |   | <b>46,377,880</b>           | <b>46,377,880</b> |
| <b>40.2</b>  | <b>Diluted earning per share</b>                                  |                             |                   |
| No diluted earnings per share is required to be calculated for the period as there was no scope for dilution during these years.   |   |                             |                   |
| <b>40.3</b>  | <b>Cash flows from operating activities under indirect method</b> |                             |                   |
| <b>Net profit for the year</b>   |   | 1,951,146                   | 1,669,930         |
| <b>Non cash items:</b>   |   |                             |                   |
| Depreciation   |   | 459,031                     | 392,894           |
| Amortization   |   | 30,375                      | 26,231            |
|  |   | <b>489,406</b>              | <b>419,125</b>    |
| <b>Non operating expenses (income)</b>   |   |                             |                   |
| Income on sale of property, plant and equipment  |   | (7,979)                     | (7,170)           |
|  |   | <b>(7,979)</b>              | <b>(7,170)</b>    |
| Changes in working capital   |   |                             |                   |
| Short term investment - FDR  |   |                             |                   |
| Inventories  |   | 225,392                     | (334,313)         |
| Trade and other receivables  |   | (83,476)                    | (488,495)         |
| Advances, deposits and prepayments   |   | (29,126)                    | (75,750)          |
| Inter - company receivables  |   | (52,524)                    | 51,229            |
| Trade and other payables   |   | (417,287)                   | 347,747           |
| Provision for royalty  |   | 94,408                      | (3,577)           |
| Provision for current tax  |   | 208,694                     | (228,756)         |
| Provision for employees' retirement gratuity   |   | 2,176                       | (35,407)          |
|  |   | <b>(51,743)</b>             | <b>(767,322)</b>  |
| Deferred tax expenses  |   | 5,270                       | 57,488            |
| <b>Net cash flows from operating activities</b>  |   | <b>2,386,100</b>            | <b>1,372,051</b>  |

#### 41 Related party transactions - notes 2.25, 6, 12 and 18

During the Period under review, the Company carried out a number of transactions with related parties in the normal course of business and on arms' length basis. The names of the related parties, nature of these transactions and their closing balance at the end of 2019 have been set out below in accordance with the provision of IAS 24 Related Party Disclosures.

In Thousands Taka

| Name of the related party              | Nature of relationship | Nature of transaction      | Transactions during the year |                         | Balance as at 31 March 2019 |                |
|--|------------------------|----------------------------|------------------------------|-------------------------|-----------------------------|----------------|
|  |                        |                            | Purchase of goods/services   | Sale of goods/ Services | Receivable                  | Payable        |
| Jenson & Nicholson (Bangladesh) Ltd    | Subsidiary             | Packing container purchase | 544,148                      |                         | 106,338                     | -              |
| Berger Becker Bangladesh Limited       | Associate              | Joint Venture              |                              | 967                     | 8,558                       | -              |
| Berger Fosroc Limited                  | Associate              | Joint Venture              |                              | 36,062                  | 11,922                      | -              |
| <b>Total inter-company receivables</b> |                        |                            | <b>544,148</b>               | <b>37,029</b>           | <b>126,818</b>              | <b>-</b>       |
| J&N Investments (Asia) Limited         | Group                  | Trade marks                | 94,408                       | -                       | -                           | 309,863        |
| J&N Investments (Asia) Limited         | Group                  | Dividend                   | -                            | -                       | -                           | 396,530        |
| <b>Total inter-company payables</b>    |                        |                            | <b>94,408</b>                | <b>-</b>                | <b>-</b>                    | <b>706,393</b> |

| Name of the related party              | Nature of relationship | Nature of transaction      | Transactions during the year |                         | Balance as at 31 March 2018 |                |
|--|------------------------|----------------------------|------------------------------|-------------------------|-----------------------------|----------------|
|  |                        |                            | Purchase of goods/services   | Sale of goods/ Services | Receivable                  | Payable        |
| Jenson & Nicholson (Bangladesh) Ltd    | Subsidiary             | Packing container purchase | 521,501                      | -                       | 65,694                      | -              |
| Berger Becker Bangladesh Limited       | Associate              | Joint Venture              | -                            | 9,011                   | 8,600                       | -              |
| <b>Total inter-company receivables</b> |                        |                            | <b>521,501</b>               | <b>9,011</b>            | <b>74,294</b>               | <b>-</b>       |
| J&N Investments (Asia) Limited         | Group                  | Trade marks                | 84,080                       | -                       | -                           | 215,455        |
| J&N Investments (Asia) Limited         | Group                  | Dividend                   | -                            | -                       | -                           | -              |
| <b>Total inter-company payables</b>    |                        |                            | <b>84,080</b>                | <b>-</b>                | <b>-</b>                    | <b>215,455</b> |

#### 42 Events after the reporting period - note 2.26

The Board of Directors of Berger Paints Bangladesh Limited at its 177th meeting held on 28 May 2019 recommended a final cash dividend of 250% of its paid up capital. The dividend is subject to final approval by the shareholders at the forthcoming Annual General Meeting of the company scheduled to be held on 17 July 2019.

## Schedule of Property, plant and equipment and depreciation thereon

| Category of assets               | Cost            |                          |                          | Closing Balance | Accumulated depreciation |                         |                        | Written down value as at 31 March 2019 |                 |
|----------------------------------|-----------------|--------------------------|--------------------------|-----------------|--------------------------|-------------------------|------------------------|--|-----------------|
|                                  | Opening Balance | Addition during the year | Disposal during the year |                 | Opening Balance          | Charged during the year | Adjustment on disposal |  | Closing Balance |
| Land                             | 340,779         | 527,182                  | -                        | 867,961         | 6,802                    | 433                     | -                      | 7,235                                  | 860,726         |
| Building                         | 1,331,274       | 82,605                   | (4,285)                  | 1,409,594       | 239,006                  | 37,706                  | (884)                  | 275,828                                | 1,133,766       |
| Plant and machinery              | 1,685,794       | 153,883                  | (1,491)                  | 1,838,186       | 656,514                  | 142,355                 | (1,491)                | 797,378                                | 1,040,808       |
| Office equipment                 | 197,821         | 27,677                   | (2,765)                  | 222,733         | 103,946                  | 21,656                  | (2,631)                | 122,971                                | 99,762          |
| Factory and laboratory equipment | 1,182,158       | 150,672                  | -                        | 1,332,830       | 786,067                  | 148,126                 | -                      | 934,193                                | 398,637         |
| Computer                         | 170,155         | 13,439                   | (2,728)                  | 180,866         | 90,852                   | 25,344                  | (2,636)                | 113,560                                | 67,306          |
| Furniture and fixtures           | 111,886         | 29,067                   | (657)                    | 140,296         | 60,838                   | 12,845                  | (462)                  | 73,221                                 | 67,075          |
| Motor vehicles                   | 324,734         | 27,921                   | (18,811)                 | 333,844         | 169,767                  | 68,137                  | (16,939)               | 220,965                                | 112,879         |
| Loose tools                      | 11,628          | 2,686                    | (43)                     | 14,271          | 11,516                   | 2,429                   | (43)                   | 13,902                                 | 369             |
| Total as at 31 March 2019        | 5,356,229       | 1,015,132                | (30,780)                 | 6,340,581       | 2,125,308                | 459,031                 | (25,086)               | 2,559,253                              | 3,781,328       |
| Total as at 31 March 2018        | 4,291,536       | 1,110,302                | (45,609)                 | 5,356,229       | 1,775,979                | 392,894                 | (43,565)               | 2,125,308                              | 3,230,921       |

In Thousands Taka

In Thousands Taka



Auditors' Report and  
Audited Financial Statements  
(Consolidated)

# Independent Auditors' Report To the Shareholders of Berger Paints Bangladesh Limited

## Report on the Audit of the Financial Statements

### Opinion

We have audited the consolidated financial statements of Berger Paints Bangladesh Limited and its subsidiary (the Group) which comprise the consolidated statement of financial position as at 31 March 2019, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements give true and fair view, in all material respects, of the consolidated financial position of the Group as at 31 March 2019, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

### Basis for opinion

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

### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the consolidated financial statements for the year ended 31 March 2019. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

| Sn | Key Audit Matter   | How our audit addressed the key audit matter  |
|----|--|---|
| 1  | <p><b>Valuation of Inventories</b></p> <p><i>Refer to note 08 to the consolidated financial statements.</i></p> <p>Inventories represent about 19%, of the total assets of the Group, inventories are thus a material item to the consolidated financial statements.</p> | <ul style="list-style-type: none"> <li>• Tested the operating effectiveness of key controls over inventories; including observing the process of management's year-end inventory count.</li> <li>• Verified a sample of inventory items to ensure that costs have been appropriately recorded.</li> <li>• Tested on a sample basis the net realisable value by comparing costs to recent selling prices and assessing the reasonableness of any resulting write down of inventory items.</li> </ul> |

|   |  |  |
|---|--|--|
|   | <p>As described in the accounting policy note 3.5 to the consolidated financial statements, inventories are valued at the lower of cost or net realisable values. As such, management is required to make judgements in determining whether inventories are being appropriately valued, and also need to make provision for aged inventories, if required.</p> <p>Due to the value and volume of inventories being held by the company at the reporting date and the complexities involved in the accounting and presentation thereof, Inventories has been considered as a key audit matter.</p>  | <ul style="list-style-type: none"> <li>Assessed whether appropriate provisions have been recognised for aged, damaged, slow moving or obsolete inventories by reviewing the age of inventories held and evaluating management's basis for determining the usability of inventories.</li> <li>Performed cut-off tests to determine that the purchases and sales of the inventories have been captured in the correct accounting period.</li> <li>Reviewed the historical accuracy of inventory provisions and the level of write-downs.</li> </ul>  |
| 2 | <p><b>Appropriateness of revenue recognition and disclosures on the impact of the initial application of IFRS 15.</b></p> <p><i>Refer to note 24 to the consolidated financial statements.</i></p> <p>As described in the accounting policy note 3.11 to the consolidated financial statements, the Group recognises revenue upon transfer of control as per the newly adopted IFRS 15 – Revenue from Contracts with Customers. The Group has reported total revenue of BDT 17,800 million.</p> <p>The Group's primary customers are its dealers who are also entitled to incentives on the total value of goods invoiced.</p> <p>Given the significance and complexities involved in the accounting of Revenue, appropriate recognition of revenue has been considered as a key audit matter.</p> | <ul style="list-style-type: none"> <li>Assessed the environment of the measurement as well as other relevant systems supporting the accounting of revenue.</li> <li>Assessed manual as well as application controls supporting revenue recognition.</li> <li>Assessed the invoicing and measurement systems up to entries in the general ledger.</li> <li>Examined customer invoices and receipts of payment on a test basis.</li> <li>Tested the revenue charging model against the regulatory guidelines, contractual provisions and accounting standards, on a sample basis.</li> <li>Assessed the design of the processes set up to account for the transactions in accordance with the new standard.</li> <li>Assessed whether the sufficiency of disclosures as required by the new standard have been met.</li> <li>Assessed whether any adjustments is required to be made to opening balances due to the adoption of the new standard.</li> </ul> |

#### Other matter

The consolidated financial statements of the Group for the year ended 31 March 2018, were audited by another auditor who expressed an unmodified opinion on those statements on 21 May 2018.

#### Other information included in the Company's March 31, 2019 Annual Report

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the Financial Statements and our Auditor's Report thereon. Our opinion on the consolidated Financial Statements of the Group does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements of the Group, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements of the Group or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of the auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. Based on the information read and reviewed, we have nothing to report in this regard.



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

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

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

## Auditor's responsibilities for the audit of the consolidated financial statements

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

#### Report on other legal and regulatory requirements

In accordance with the Companies Act 1994 and the Securities and Exchange Rules 1987, we also report the following:

- i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- ii) in our opinion, proper books of account as required by law have been kept by the Group so far as it appeared from our examination of these books;
- iii) the consolidated statement of financial position and consolidated statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account and returns; and
- iv) the expenditure incurred was for the purposes of the Group's business.



**A. Qasem & Co.**  
Chartered Accountants  
Dhaka, 28 May 2019

# Berger Paints Bangladesh Limited


## Consolidated Statement of Financial Position

As at 31 March

| In Thousands Taka  | Notes | 2019              | 2018             |
|--|-------|-------------------|------------------|
| <b>Assets</b>  |       |                   |                  |
| Property, plant and equipment                              | 4     | 4,215,898         | 3,678,207        |
| Capital work-in-progress                                   | 5     | 368,886           | 112,706          |
| Intangible assets  | 6     | 82,084            | 94,602           |
|  |       | <b>4,666,868</b>  | <b>3,885,515</b> |
| Investment in associate                                    | 7     | 201,993           | 160,393          |
| <b>Total non-current assets</b>                            |       | <b>4,868,861</b>  | <b>4,045,908</b> |
| Inventories  | 8     | 2,163,423         | 2,393,316        |
| Trade and other receivables                                | 9     | 1,704,502         | 1,605,681        |
| Advances, deposits and prepayments                         | 10    | 437,054           | 405,860          |
| Short term investment                                      | 11    | 401,237           | -                |
| Cash and cash equivalents                                  | 12    | 1,904,547         | 1,139,217        |
| <b>Total current assets</b>                                |       | <b>6,610,763</b>  | <b>5,544,074</b> |
| <b>Total assets</b>  |       | <b>11,479,624</b> | <b>9,589,982</b> |
| <b>Equity and liabilities</b>                              |       |                   |                  |
| Share capital  | 13    | 463,779           | 231,889          |
| Share premium  | 14    | -                 | 115,068          |
| General reserve  |       | -                 | 10,000           |
| Retained earnings  | 15    | 7,707,281         | 6,231,294        |
| <b>Equity attributable to the Company's equity holders</b> |       | <b>8,171,060</b>  | <b>6,588,251</b> |
| Deferred tax liabilities                                   | 16    | 316,388           | 309,354          |
| <b>Total non-current liabilities</b>                       |       | <b>316,388</b>    | <b>309,354</b>   |
| Trade and other payables                                   | 17    | 2,063,049         | 2,481,951        |
| Provision for royalty                                      | 18    | 309,863           | 215,455          |
| Provision for current tax                                  | 19    | 169,534           | (54,949)         |
| Provision for employees' retirement gratuity               | 20    | 44,153            | 41,131           |
| Dividend payable   | 21    | 405,430           | 8,642            |
| Liability for unclaimed IPO application money              | 22    | 147               | 147              |
| <b>Total current liabilities</b>                           |       | <b>2,992,176</b>  | <b>2,692,377</b> |
| <b>Total liabilities</b>                                   |       | <b>3,308,564</b>  | <b>3,001,731</b> |
| <b>Total equity and liabilities</b>                        |       | <b>11,479,624</b> | <b>9,589,982</b> |

The annexed notes 1 to 36 and annexure-A form an integral part of these financial statements.

  
Managing Director

  
Director & CFO

  
Company Secretary

As per our report of same date

Dhaka, 28 May 2019

  
A. Qasem & Co.  
Chartered Accountants


# Berger Paints Bangladesh Limited

## Consolidated statement of profit or loss and other comprehensive income

| In Thousands Taka                                     |       | For the year ended 31 March |                    |
|---|-------|-----------------------------|--------------------|
|   | Notes | 2019                        | 2018               |
| Revenue   | 24    | 17,800,412                  | 16,532,653         |
| Cost of sales   | 25    | (9,857,158)                 | (9,027,414)        |
| <b>Gross profit</b>                                   |       | <b>7,943,254</b>            | <b>7,505,239</b>   |
| Selling, distribution and warehousing expenses        | 26    | (4,671,696)                 | (4,650,202)        |
| Administrative and general expenses                   | 27    | (539,057)                   | (518,685)          |
| Other operating expenses                              | 28    | (101,822)                   | (88,804)           |
| Other operating income                                | 29    | 208,798                     | 202,911            |
| <b>Total operating expenses</b>                       |       | <b>(5,103,777)</b>          | <b>(5,054,780)</b> |
| <b>Income from operation</b>                          |       | <b>2,839,477</b>            | <b>2,450,459</b>   |
| Finance cost  | 30    | (7,318)                     | (7,105)            |
| Investment income                                     | 31    | 34,138                      | 39,683             |
|   |       | <b>26,820</b>               | <b>32,578</b>      |
| Other non-operating income                            | 32    | 8,418                       | 7,169              |
| Share of profit of associate                          | 7     | 37,557                      | 35,760             |
|   |       | <b>45,975</b>               | <b>42,929</b>      |
| <b>Profit before WPPF and Tax</b>                     |       | <b>2,912,272</b>            | <b>2,525,966</b>   |
| Workers' profit participation and welfare fund (WPPF) |       | (143,318)                   | (123,917)          |
| <b>Net profit before tax</b>                          |       | <b>2,768,954</b>            | <b>2,402,049</b>   |
| <b>Income tax expenses:</b>                           |       |                             |                    |
| Current tax expense                                   | 19    | (715,332)                   | (555,012)          |
| Deferred tax expense                                  | 16    | (7,034)                     | (59,143)           |
|   |       | <b>(722,366)</b>            | <b>(614,155)</b>   |
| <b>Net profit for the year</b>                        |       | <b>2,046,588</b>            | <b>1,787,894</b>   |
| Other comprehensive expenses                          |       | -                           | -                  |
| <b>Total comprehensive income</b>                     |       | <b>2,046,588</b>            | <b>1,787,894</b>   |
| Basic Earnings per share (EPS) Taka                   | 34    | 44.13                       | 38.55              |

The annexed notes 1 to 36 and annexure-A form an integral part of these financial statements.

  
Managing Director

  
Director & CFO

As per our report of same date

  
Company Secretary

Dhaka, 28 May 2019

  
A. Qasem & Co.  
Chartered Accountants

# Berger Paints Bangladesh Limited

## Consolidated Statement of Changes in Equity

In Thousands Taka

| For the year ended 31 March 2018   | Share capital  | General reserve | Share premium  | Retained earning | Total            |
|------------------------------------|----------------|-----------------|----------------|------------------|------------------|
| Balance as at 01 April 2017        | 231,889        | 10,000          | 115,068        | 5,428,930        | 5,785,887        |
| Net profit for the year            | -              | -               | -              | 1,787,894        | 1,787,894        |
| Dividend for the year              | -              | -               | -              | (985,530)        | (985,530)        |
| <b>Balance as at 31 March 2018</b> | <b>231,889</b> | <b>10,000</b>   | <b>115,068</b> | <b>6,231,294</b> | <b>6,588,251</b> |

| For the year ended 31 March 2019   | Share capital  | General reserve | Share premium | Retained earning | Total            |
|------------------------------------|----------------|-----------------|---------------|------------------|------------------|
| Balance as at 01 April 2018        | 231,889        | 10,000          | 115,068       | 6,231,294        | 6,588,251        |
| Net profit for the year            | -              | -               | -             | 2,046,588        | 2,046,588        |
| Distribution of cash dividend      | -              | -               | -             | (463,779)        | (463,779)        |
| Bonus shares issued                | 231,890        | (10,000)        | (115,068)     | (106,822)        | -                |
| <b>Balance as at 31 March 2019</b> | <b>463,779</b> | <b>-</b>        | <b>-</b>      | <b>7,707,281</b> | <b>8,171,060</b> |

The annexed notes 1 to 36 and annexure-A form an integral part of these financial statements.

  
Managing Director

  
Director & CFO

As per our report of same date

  
Company Secretary

Dhaka, 28 May 2019

  
A. Qasem & Co.  
Chartered Accountants

# Berger Paints Bangladesh Limited

## Consolidated Statement of Cash Flows

In Thousands Taka

For the year ended 31 March

|  | 2019               | 2018             |
|--|--------------------|------------------|
| <b>Cash flows from operating activities</b>                        |                    |                  |
| Cash received from customers                                       | 17,725,123         | 16,024,815       |
| Cash received from other operating income                          | 212,084            | 248,422          |
| Cash paid to suppliers and employees                               | (14,883,433)       | (14,024,748)     |
| Payment of interest  | (7,789)            | (8,198)          |
| Income tax paid  | (490,849)          | (771,832)        |
| <b>A. Net cash flows from operating activities</b>                 | <b>2,555,136</b>   | <b>1,468,459</b> |
| <b>Cash flows from investing activities</b>                        |                    |                  |
| Capital expenditures   | (1,331,648)        | (993,250)        |
| Proceeds from sale of property, plant and equipment                | 14,113             | 9,214            |
| Short term investment  | (401,237)          | -                |
| Investment in BFL  | (4,043)            | -                |
| <b>B. Net cash used in investing activities</b>                    | <b>(1,722,815)</b> | <b>(984,036)</b> |
| <b>Cash flows from financing activities</b>                        |                    |                  |
| Dividend paid  | (66,991)           | (985,194)        |
| <b>C. Net cash used in financing activities</b>                    | <b>(66,991)</b>    | <b>(985,194)</b> |
| <b>Net increase/(decrease) in cash and cash equivalent (A+B+C)</b> | <b>765,330</b>     | <b>(500,771)</b> |
| Opening cash and cash equivalents                                  | 1,139,217          | 1,639,988        |
| <b>Closing cash and cash equivalents</b>                           | <b>1,904,547</b>   | <b>1,139,217</b> |

The annexed notes 1 to 36 and annexure-A form an integral part of these financial statements.

  
Managing Director

  
Director & CFO

As per our report of same date

  
Company Secretary

Dhaka, 28 May 2019

  
A. Qasem & Co.  
Chartered Accountants

# Berger Paints Bangladesh Limited

## Notes to the Consolidated Financial Statements

As at and for the year ended 31 March 2019

### 1 Company profile and overview of its operational activities

#### 1.1 Company profile

Berger Paints Bangladesh Limited (the Company) was incorporated under the Companies Act, 1994 on 6 June 1973 as a 'Private' company, limited by shares. Subsequently, the Company was converted to 'Public' company limited by shares vide Extraordinary General Meeting held on 21 June 2005. The company is listed with Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) of Bangladesh wef. 27 December 2005 and 21 December 2005 respectively.

Berger Paints Bangladesh Limited owns 100% shares of Jenson & Nicholson (Bangladesh) Limited, 49% shares of Berger Becker Bangladesh Limited and 50% shares of Berger Fosroc Limited. The consolidated financial statements of the company as at and for the period ended 31 March 2019 comprise the company, its subsidiary and the group's interest in associate as a jointly controlled entity.

#### 1.2 Address of the registered and corporate office

The registered and corporate offices of the Company are located at Berger House, House 8, Road 2, Sector 3, Uttara Model Town, Dhaka 1230.

#### 1.3 Description of the companies and nature of business

##### Berger Paints Bangladesh Limited

The principal activities of the Company throughout the period continued to be manufacturing and marketing of liquid and non-liquid paints and varnishes, emulsion and coating.

##### Jenson & Nicholson (Bangladesh) Limited

Berger Paints Bangladesh Limited owns 100% shares of Jenson & Nicholson (Bangladesh) Limited – J&N (B) L. The Company was incorporated under the Companies Act, 1994 as a 'Private' limited company on 25 January 1990 having its registered office at 43/3 Chattaeswari Road, Chittagong. The Corporate office of the company is located at Berger House, House # 8, Road # 2, Sector # 3, Uttara Model Town, Dhaka 1230. The principal activities of the Company until 12 August 1995 were trading and indenting. It started commercial production and marketing of tin-containers and printing of tin sheets from 12 August 1995 and 01 September 1997 respectively in its factory at 70, East Nasirabad Industrial Area, Chittagong - 4209.

##### Berger Becker Bangladesh Limited

Berger Paints Bangladesh Limited also owns 49% shares of Berger Becker Bangladesh Limited – (BBBL). BBBL was incorporated on 20 December 2011 as a Joint Venture of Becker Industrial Coatings Holding AB, Sweden and Berger Paints Bangladesh Limited. Registered office and Corporate office of the company are located at Berger House, House # 8, Road # 2, Sector # 3, Uttara Model Town, Dhaka 1230. The company commenced commercial production of Coil Coating with effect from 11 September 2012 in its factory located at Building No - 03, Plot No - 102, Mouza - Taksur, Nabinagar, Savar, Dhaka -1340.

##### Berger Fosroc Limited

Berger Paints Bangladesh Limited also owns 50% shares of Berger Fosroc Limited – (BFL). Berger Fosroc Limited was incorporated on 19 April 2018 as a Private Limited Company under the Companies Act, 1994. This is a joint venture between Berger Paints Bangladesh Limited and Fosroc International Limited, UK. The address of the Company's registered office is Berger House, House - 8, Road - 2, Sector - 3, Uttara Model Town, Dhaka 1230. The company commenced its operation through trading with effect from 12 September 2018.

### 2 Basis of preparation and presentation of the consolidated financial statements

#### 2.1 Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), the Companies Act 1994 and the Securities and Exchange Rules 1987.



The title and format of these financial statements follow the requirements of IFRS which are to some extent different from the requirement of the Companies Act 1994. However, such differences are not material and in the view of management IFRS titles and format give better presentation to the shareholders.

On 14 December 2017, the Institute of Chartered Accountants of Bangladesh (ICAB) has adopted International Financial Reporting Standards issued by the International Accounting Standards Board as IFRSs. As the ICAB previously adopted such standards as Bangladesh Financial Reporting Standards without any modification, this recent adoption will not have any impact on the financial statements of the Company going forward.

#### **Authorisation for issue**

These financial statements have been authorised for issue by the Board of Directors of the Company on 28 May 2019.

### **2.2 Basis of measurement**

These financial statements have been prepared on historical cost basis except for inventories which are measured at lower of cost and net realisable value.

### **2.3 Principal accounting policies**

The specific accounting policies have been selected and applied by the Company's management for significant transactions and events that have a material effect within the framework for preparation and presentation of financial statements. Financial statements have been prepared and presented in compliance with IAS 1 Presentation of Financial Statements. The previous period's figures were re-arranged according to the same accounting principles. Compared to the previous period, there were no significant changes in the accounting and valuation policies affecting the financial position and performance of the Company.

Accounting and valuation methods are disclosed for reasons of clarity. The Company classified the expenses using the function of expenses method as per IAS 1 Presentation of Financial Statements.

### **2.4 Application of standards**

The following IASs and IFRSs are applicable for the preparation of financial statements for the year under review.

|         |   |
|---------|---|
| IAS 1   | Presentation of Financial Statements                            |
| IAS 2   | Inventories   |
| IAS 7   | Statement of Cash Flows   |
| IAS 8   | Accounting Policies, Changes in Accounting Estimates and Errors |
| IAS 10  | Events After The Reporting Period                               |
| IAS 12  | Income Taxes  |
| IAS 16  | Property, Plant and Equipment                                   |
| IFRS 15 | Revenue from Contract with Customers                            |
| IAS 19  | Employee Benefits   |
| IAS 21  | The Effects of Changes in Foreign Exchange Rates                |
| IAS 23  | Borrowing Costs   |
| IAS 24  | Related Party Disclosures                                       |
| IAS 28  | Investments in Associates                                       |
| IAS 33  | Earnings Per Share  |
| IAS 37  | Provisions, Contingent Liabilities and Contingent Assets        |
| IAS 38  | Intangible Assets   |
| IAS 39  | Financial Instruments: Recognition and Measurement              |
| IFRS 3  | Business Combinations   |
| IFRS 9  | Financial Instruments   |
| IFRS 7  | Financial Instruments, disclosures                              |
| IFRS 8  | Operating Segments  |
| IFRS 10 | Consolidated Financial Statements                               |

#### 2.4.1 Initial application of new standards

The entity has initially applied IFRS 9 (see 3.6) and IFRS 15 (see 3.11) from 1 April 2018. These two new standards do not have a material effect on the financial statements.

Due to the transition methods chosen by the management in applying these standards, comparative information throughout these financial statements has not been restated to reflect the requirements of the new standards.

#### 2.4.2 New standards issued but not yet effective

##### IFRS 16 Leases

IFRS 16 eliminates the earlier operating/finance lease dual accounting model for leases. Instead, there is a single, on-balance sheet accounting model, similar to current finance lease accounting. Issued in January 2016, the new IFRS is replaced the existing guidance in IAS 17 Leases. IFRS 16 is effective for annual reporting periods beginning on or after 1 January 2019.

The Company is assessing the potential impact on its financial statements resulting from the application of IFRS 16 on its financial statements.

#### 2.5 Use of estimates and judgments

The preparation of consolidated financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognized in the financial statements are stated in the following notes:

|           |   |
|-----------|---|
| Note : 4  | Depreciation                                |
| Note : 6  | Amortization                                |
| Note : 9  | Trade and other receivables                 |
| Note : 17 | Trade and other payables                    |
| Note : 18 | Provision for royalty                       |
| Note : 19 | Provision for current tax                   |
| Note : 20 | Provision for employees retirement gratuity |

#### 2.6 Reporting period

The reporting period of the company covers the period from 01 April to 31 March and is followed consistently.

#### 2.7 Reporting and comparative figures and phases

Wherever considered necessary, previous Period's figures and phrases have been re-arranged to conform to the current Period's presentation and relevant accounting periods have enumerated below:

#### 2.8 Going concern

The Company has adequate resources to continue its operation for foreseeable future. As per management assessment there is no material uncertainty related to events or conditions which may cast significant doubt upon the Company's' ability to continue as a going concern. For this reason the financial statements have been prepared on going concern basis.

#### 2.9 Functional and presentational currency and level of precision

These financial statements are presented in Taka, which is also the Company's functional currency. indicated figures have been rounded off to nearest thousand Taka.

### 3 Significant accounting policies

The accounting policies set out below, which comply with IFRS, have been applied consistently to all periods presented in these consolidated financial statements.

### **3.1 Consolidation of financial statements**

These consolidated financial statements comprise the consolidated statement of financial position, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Company and the results of operations and total assets and liabilities of its subsidiary is included in the consolidated financial statements on a line by line basis.

#### **i. Basis of consolidation**

The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extend possible, in the same manner as the Company's separate financial statements.

IFRS-10 "Consolidated Financial Statements" introduces a new control model that focuses on whether the group has power over an investee, exposure or rights to variable returns from its involvement with the investee and ability to use its power to affect those returns. An investor has power over an investee when the investor has existing rights that gives it the current ability to direct the relevant activities that significantly affect the investee's returns.

Power arises from rights. An investor is exposed, or has rights, to variable returns from its involvement with the investee when the investor's returns from its involvement have the potential to vary as a result of the investee's performance. An investor controls an investee if the investor not only has the power over the investee and exposure or rights to variable returns from its involvement with the investee, but also has the ability to use its power to affect the investor's return from its involvement with the investee.

#### **ii. Investment in Subsidiary**

Subsidiary is the entity, controlled by the Berger Paints Bangladesh Limited (BPBL). Control exists when BPBL has the power to govern the financial and operating policies of an entity so as to obtain benefit from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. The financial statements of subsidiary have been included in the consolidated financial statements from the current year until the date that it ceases.

#### **iii. Loss of control**

Upon the loss of control, the Group derecognizes the assets and liabilities of the subsidiary and other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognized in statement of profit or loss and other comprehensive income. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

#### **iv. Investment in Associate**

Associate is the entity in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power of another entity. Investment in associate is accounted for using the equity method and are recognized initially at cost. The consolidated financial statements include the Group's share of the consolidated comprehensive income of equity accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases. When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of the investment, including any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

#### **v. Intra-group transactions**

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions are eliminated in preparing consolidated financial statements.

#### **vi. Non-controlling interest**

Non-controlling interest is the net assets of consolidated subsidiary consists of the amount of equity attributable to the non-controlling shareholders at the time on which investments were made by the Company in its subsidiary Company and further movements in their share in equity, subsequent to the dates of investment. However, the Group Company is holding 100% share of subsidiary Company , so no non-controlling interest is presented in the consolidated financial statements.

**vii. Companies considered in consolidated financial statements.**

| <b>Name of company</b>                    | <b>% of holding</b> | <b>Relationship</b> |
|---|---------------------|---------------------|
| Jenson and Nicholson (Bangladesh) Limited | 100                 | Subsidiary          |
| Berger Becker Bangladesh Limited          | 49                  | Associate           |
| Berger Fosroc Limited                     | 50                  | Associate           |

**3.2 Property, plant and equipment**

**i. Recognition and measurement**

Tangible fixed assets are capitalized at cost of acquisition and subsequently stated at cost less accumulated depreciation in compliance with IAS 16 Property, Plant and Equipment. The cost of an item of property, plant and equipment comprises its purchase price, import duties and non-refundable taxes, after deducting trade discount and rebates and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the intended manner.

**ii. Subsequent costs**

The cost of replacing or upgrading part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to day servicing of property, plant and equipment are recognized in the profit and loss account as incurred.

**iii. Depreciation of property, plant & equipment**

Depreciation on property, plant and equipment is provided on a straight line Basis over the estimated useful lives of each item of property, plant and equipment.

Depreciation for addition to property, plant and equipment, is charged from the month in which the asset comes into use or being capitalized and Depreciation continues to be provided until such time as the written down value is reduced to Taka one. Depreciation on disposals of property, plant and equipment, ceases from the month in which the deletion thereof takes place.

**The depreciation rate(s) are as follows:**

| <b>Category of property, plant and equipment</b> | <b>Rate (%)</b> |
|--|-----------------|
| Land   | 1-2             |
| Building   | 2 - 2.5         |
| Buildings – other construction                   | 10-33.33        |
| Plant and machinery                              | 7.5 - 10        |
| Office equipment                                 | 15 - 20         |
| Factory and laboratory equipment                 | 20              |
| Computer   | 20              |
| Electrical installation                          | 12.5            |
| Furniture, fixtures and fittings                 | 12.5            |
| Motor vehicles                                   | 20 & 25         |
| Loose tools                                      | 50              |

**iv. Gain or loss on disposal**

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognized in the consolidated statement of profit or loss and other comprehensive income.

### 3.3 Capital work-in-progress

Capital work-in-progress is stated at cost of acquisition and also subsequently stated at cost, until the construction is completed or the assets are being ready to use. No depreciation is charged on capital-work-in progress.

### 3.4 Intangible assets

Intangible assets includes IT Software and Trademarks.

#### i. Recognition and measurement

Intangible assets that are acquired by the Company and have finite useful lives are measured initially at cost. After initial recognition, it is carried at its cost less accumulated amortization and accumulated impairment loss, if any. Intangible assets are recognized as per IAS 38 if, and only if:

- a. it is probable that future economic benefits that are attributable to the asset will flow to the entity; and
- b. the cost of the asset can be measured reliably.

The cost of an intangible asset comprises its purchase price, import duties and non-refundable taxes, after deducting trade discounts and rebates; and any directly attributable cost of preparing the asset for its intended use.

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and day to day maintenance charge if an are charged to profit or loss and other comprehensive income as incurred.

Development activities involve the design, construction and testing of preproduction of new and substantially improved products and processes. Development expenditures are recognized as an intangible asset when the Company can demonstrate all of the following:

- a. the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- b. its intention to complete the intangible asset and use or sell it;
- c. its ability to use or sell the intangible asset;
- d. how the intangible asset will generate probable future economic benefits. Among other things, the entity can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset;
- e. the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset;
- f. its ability to measure reliably the expenditure attributable to the intangible asset during its development

Other development expenditure is recognized in the consolidated statement of profit or loss and other comprehensive income as incurred. Development cost once recognized as an expense, are not recognized as an asset in a subsequent period.

Internally generated intangible assets (excluding capitalized development costs) are recognized as expenses in the consolidated statement of profit or loss and other comprehensive income for the period in which the expenditure is incurred.

#### ii. Subsequent costs

Subsequent costs are capitalized only when they increase the future economic benefits embodied in the specific asset to which they relates and it is probable that the future economic benefit will follow to the Company and such cost can be measures reliably. All other costs are charged to the statement of profit or loss and other comprehensive income as incurred.

#### iii. Amortization

Amortization is recognized in the consolidated statement of profit or loss and other comprehensive income on a straight line basis over the estimated useful life of each items of intangible assets from the date they are available for use. No amortization is charged on corporate membership.

The amortization rates based on the estimated useful life of the intangible assets are presented below:

| Category of intangible assets | Rate (%) |
|-------------------------------|----------|
| Software                      | 20       |
| Trade marks                   | 10-20    |

Amortization methods and useful lives are reviewed at each period -end and adjusted, if appropriate.

#### **iv. Derecognition**

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use of it disposal. Gains or losses arising from derecognition of intangible assets, measured as the difference between the net disposal proceeds and the carrying amount of the assets, are recognized in the consolidated statement of profit or loss and other comprehensive income.

### **3.5 Inventories**

#### **i. Recognition and measurement**

Inventories are measured at the lower of cost and net realizable value (NRV) in compliance with the requirements IAS 2. Where the NRV falls below cost, the inventory is written down to its recoverable amount and the fall in value is charged to the consolidated statement of profit or loss and other comprehensive income

Standard cost comprises value of materials, standard activity cost and overheads.

The cost of inventories comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of the business, less the estimated costs of completion and selling expenses.

#### **ii. Inventory write off**

It includes the cost of written off or written down values of redundant, damaged or obsolete items which are dumped and/or old stocks. However, "slow-moving" items are considered as immaterial and capable of being used and/or disposed of at least at their carrying book value. The amount of any write-down of inventory is recognized as an expense.

#### **iii. Goods in transit (GIT)**

Goods in transit (GIT) has been recognized on FOB Basis.

### **3.6 Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### **a. Financial assets**

The Group initially recognizes receivables and term deposit on the date that they are originated. All other financial assets are recognized initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The entity derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in such transferred financial assets that is created or retained by the Group is recognized as a separate asset or liability. Non-derivative financial assets comprise, investment in associates, trade and other receivables, and cash and cash equivalents.

#### **i. Investment in associate**

Investment in associate is recognized initially at cost. Subsequent to initial recognition, investment in associate is measured at original cost after adjusting share of post acquisition change in net assets, less any impairment losses. However, the losses recognized in respect of the associate are limited to the carrying amount of the investment in associate.

#### **ii. Trade and other receivables**

Trade & other receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at original invoice amount less an estimate made for doubtful debts based on a review.

### **iii. Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand, cash at bank including short term deposits which are held and available for use by the Company without any restriction. There is an insignificant risk of change in value of the same. Bank overdraft that is repayable on demand and form an integral part of the companies cash management are included as a component of cash and cash equivalents for the purpose only of the statement of the cash flows.

### **b. Financial liabilities**

Financial liabilities are recognized initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument. The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired. Non-derivative financial liabilities comprise trade & other payables, and interest bearing borrowings.

#### **i. Trade and other payables**

Trade and other payables are recognized at the amount payable for settlement in respect of goods and services received by the Company.

#### **ii. Interest-bearing borrowings**

Interest-bearing borrowings comprise short term bank loan/operational overdraft. These are initially recognized at fair value.

## **3.7 Advances, deposits and prepayments**

Advances and prepayments are initially measured at cost. After initial recognition advances are carried at cost less deductions, adjustments or charges to other account. Deposits are measured at payment value.

## **3.8 Provisions and contingent liabilities and assets**

### **i. Provisions**

The preparation of financial statements in conformity with IAS 37 Provisions, Contingent Liabilities and Contingent Assets requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses, assets and liabilities, and the disclosure requirements for contingent assets and liabilities during and at the date of the financial statements.

In accordance with para 14 of IAS 37 provisions are recognized in the following situations:

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

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

Other provisions are valued in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets and, if required, in accordance with IAS 19 Employee Benefits. Other provisions comprise all recognizable risks from uncertain liabilities and anticipated losses from pending transactions.

### **ii. Contingent liabilities and assets**

Contingent liabilities and assets are current or possible obligations or assets, arising from past events and whose existence is due to the occurrence or non-occurrence of one or more uncertain future events which are not within the control of the Company. In accordance with IAS 37 Provision, Contingent Liabilities and Contingent Assets those are disclosed in the notes to the financial statements.



### **3.9 Employee benefits**

#### **i. Defined benefit plan (Employees' retirement gratuity fund)**

The Company operates a funded gratuity scheme recognized by the National Board of Revenue for Group "BPBL" and unrecognized & unfunded gratuity scheme for subsidiary - Jenson & Nicholson (Bangladesh) Limited. Provision for which has been made in respect of all eligible employees and reflected in these accompanying financial statements.

#### **ii. Defined contribution plan (Staff provident fund)**

The Company, through the trustees, has been maintaining recognized contributory provident funds for all eligible permanent employees.

#### **iii. Workers' profit participation and welfare fund**

Provision for workers' profit participation and welfare fund has been made @ 5% of profit as per provision of the Bangladesh Labour Act 2006 (Amended in 2013) and payable to these Funds and Bangladesh Sramik Kallyan Foundation.

### **3.10 Taxation**

Income tax expenses represent the sum of the tax currently payable and deferred tax. Income tax expense is recognized in the statement of profit or loss and other comprehensive income except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

#### **i. Current tax:**

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous year. Provisions for corporate income tax of group Company is made @ 25% and @ 35% for its subsidiary-J & N (Bangladesh) Limited.

The tax currently payable is based on taxable profit for the period. Taxable profit differs from net profit as reported in the statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using the tax rates that have been enacted or substantively enacted till the date of statement of financial position.

#### **ii. Deferred tax:**

Deferred tax has been recognized in accordance with IAS 12. Deferred tax is provided using the liability method for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amount used for taxation purpose. Deferred tax is determined at the effective income tax rate prevailing at the reporting date.

##### **a. Deferred tax assets**

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

##### **b. Deferred tax liabilities**

Provision is made at the effective tax rate applied on the amount of temporary difference between accounting and fiscal written down value of fixed assets.

### **3.11 Revenue recognition**

IFRS 15 establishes a comprehensive model for timeframe, measurement and criteria of revenue recognition. It replaces existing revenue recognition guidance, including IAS 18 Revenue, IAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programmes.

Revenue is recognized when the significant risk and reward of ownership are transferred to the buyer, recovery of the consideration is probable, associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. The five step model has been complied in case of revenue recognition:

Specific policies regarding the recognition of revenue are as follows:

#### **i. Revenue from sales of goods**

Revenue from the sale of goods shall be recognized when all the following conditions have been satisfied:

- a) the entity has transferred to the buyer the significant risks and rewards of ownership of the goods and customer obtains control of the goods;
- b) it is probable that a significant reversal in the amount of cumulative revenue recognised will not occur
- c) the amount of revenue can be measured reliably;
- d) it is probable that the economic benefits associated with the transaction will flow to the entity; and

#### **ii. Rendering of services**

Under IFRS 15, the total consideration in the service contracts will be allocated to all services based on their stand-alone prices. The stand-alone prices will be determined based on the list prices at which the Group sells the services in separate transactions.

-service (or a bundle of services) that is distinct-customer can get the benefit from the good or service either on its own or together with readily available resources.

-a series of distinct services that are substantially the same and that have the same pattern of transfers to the customer-promise to transfer the service is separately identifiable from other promise in the contract.

Determination of transaction price for revenue from sale of goods and rendering of services.

The Transaction price is the amount of consideration to which an entity to be entitled in exchange for transferring goods or services to a customer. The Transaction price excludes amounts collected on behalf of third parties e.g. certain sales taxes.

#### **iii. Income derived from color bank operation**

Income is recognized after the execution of services according to the term and condition of agreement between dealer and Berger Paints Bangladesh Limited.

#### **iv. Income derived from dividend**

Income from dividend is recognized when the shareholders' right to receive payment is established. This is usually when the dividend is declared.

#### **v. Income derived from interest**

Finance income comprises interest income on fixed deposits, Short Notice Deposit (SND) and amounts due from related parties. Interest income is recognized in statement of profit or loss when it accrues, using the effective interest rate method and considering the time proportion Basis.

Finance costs comprises interest expense on operational overdraft, LTR, term loan and short term borrowings . All finance expenses are recognised in the statement of profit or loss.

Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis.

### **3.12 Borrowing costs**

In compliance with the requirements of IAS 23 Borrowing Costs, borrowing costs of operational period on short term loan and overdraft facilities are charged off as revenue expenditure as they were incurred.

### **3.13 Repairs, upkeep and maintenance charges**

These are charged out as revenue expenditure in the period in which these are incurred.

### **3.14 Bad and doubtful debts**

This item takes into account both actual bad debts written off and movements in the provision for doubtful debts.

### **3.15 Advertising and promotional expenses**

All costs associated with advertising and promotional activities are charged out for the period incurred.

### **3.16 Foreign currency transaction**

Transactions in foreign currencies are translated to Taka at the foreign exchange rates prevailing on the date of transaction. All monetary assets and liabilities denominated in foreign currencies at reporting date are translated to Taka at the rates of exchange prevailing on that date. Resulting exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognized in the consolidated statement of profit or loss and other comprehensive income as per IAS 21 The Effects of Changes in Foreign Exchange Rates.

### **3.17 Related party transactions**

As per IAS 24 Related party transaction, parties are considered to be related if one of the party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The Company carried out transactions in the ordinary course of business at an arm's length basis at commercial rates with related parties.

### **3.18 Event after the reporting period**

Events after the reporting period that provide additional information about the Company's position at the reporting date are reflected in the financial statements. Material events after the reporting period that are not adjusting events are disclosed by way of note.

### **3.19 Comparatives and reclassification**

Comparative information has been disclosed for all numerical information in the financial statements and also the narrative and descriptive information when it is relevant for understanding of the current period's financial statements. To facilitate comparison, certain relevant balances pertaining to the previous period have been rearranged/reclassified whenever considered necessary to confirm to current period's presentation.

### **3.20 Earnings per share (EPS)**

The Company presents Earnings Per Share (EPS) in accordance with IAS 33 Earning Per Share, which has been shown on the face of consolidated statement of profit or loss and other comprehensive income.

#### **i. Basic Earnings per share (BEPS)**

This has been calculated by dividing the profit or loss attributable for the period by number of ordinary shares outstanding at the end of the period.

#### **ii. Diluted earning per share (DEPS)**

No diluted EPS is required to be calculated for the period as there is no dilutive potential ordinary shares during the period under review.

#### **iii. Weighted average numbers of ordinary shares**

The weighted numbers average number of ordinary shares outstanding during the year is the number of ordinary shares outstanding at the beginning of the year, adjusted by the number of ordinary shares issued during the year multiplied by a time-weighting factor. The time-weighted factor is the number of days that the shares are outstanding as a proportion of the total number of days in the year. The weighted average number of shares is calculated by assuming that the shares have always been in issue. This means that they have been issued at the start of the year presented as the comparative figures.

|                   |  | As at 31 March   |                  |
|-------------------|--|------------------|------------------|
| In Thousands Taka |  | 2019             | 2018             |
| <b>4</b>          | <b>Property, plant and equipment</b>   |                  |                  |
|                   | <b>At cost</b>                         |                  |                  |
|                   | Opening balance                        | 6,040,325        | 4,884,528        |
|                   | Addition during the year               | 1,056,866        | 1,201,406        |
|                   | Disposal during the year               | (32,226)         | (45,609)         |
|                   | <b>Closing balance</b>                 | <b>7,064,965</b> | <b>6,040,325</b> |
|                   | <b>Accumulated depreciation</b>        |                  |                  |
|                   | Opening balance                        | 2,362,118        | 1,965,818        |
|                   | Charged for the year                   | 513,481          | 439,865          |
|                   | Adjustment on disposal during the year | (26,532)         | (43,565)         |
|                   | <b>Closing balance</b>                 | <b>2,849,067</b> | <b>2,362,118</b> |
|                   | <b>Written down value</b>              | <b>4,215,898</b> | <b>3,678,207</b> |

Note: Schedule of consolidated property, plant and equipment is presented in Annexure-A.

#### 4.1 Segregation of depreciation to manufacturing, selling and administrative unit

|  |                |                |
|--|----------------|----------------|
| Manufacturing overhead                         | 255,490        | 239,484        |
| Selling, distribution and warehousing expenses | 205,675        | 151,446        |
| Administrative and general expenses            | 52,316         | 48,935         |
|  | <b>513,481</b> | <b>439,865</b> |

#### 5 Capital work-in-progress

|  |                |                |
|--|----------------|----------------|
| Opening balance                              | 112,706        | 348,204        |
| Addition during the year                     | 384,379        | 108,654        |
| Transferred to property, plant and equipment | (128,199)      | (344,152)      |
| <b>Closing balance</b>                       | <b>368,886</b> | <b>112,706</b> |

#### 5.1 Details of capital work-in-progress

|                     |                |                |
|---------------------|----------------|----------------|
| Land                | 76,359         | -              |
| Building            | 83,791         | 45,941         |
| Plant and machinery | 177,019        | 50,307         |
| Office equipment    | 27,761         | -              |
| Factory equipment   | 3,823          | 14,829         |
| Computer            | 133            | 1,629          |
|                     | <b>368,886</b> | <b>112,706</b> |

|                          |  | As at 31 March       |             |       |           |           |
|--------------------------|--|----------------------|-------------|-------|-----------|-----------|
| In Thousands Taka        |  | 2019                 | 2018        |       |           |           |
| 6                        | Intangible assets  |                      |             |       |           |           |
|                          | Software   | Corporate membership | Trade marks | Total | Total     |           |
| At cost                  |  |                      |             |       |           |           |
|                          | Opening balance  | 210,098              | 3,300       | 1,511 | 214,909   | 187,567   |
|                          | Addition during the year   | 18,022               | -           | 580   | 18,602    | 27,342    |
|                          | Closing balance  | 228,120              | 3,300       | 2,091 | 233,511   | 214,909   |
| Accumulated amortization |  |                      |             |       |           |           |
|                          | Opening balance  | 119,601              | -           | 706   | 120,307   | 93,331    |
|                          | Charged for the year   | 30,958               | -           | 162   | 31,120    | 26,976    |
|                          | Closing balance  | 150,559              | -           | 868   | 151,427   | 120,307   |
|                          | Carrying amount as at 31 March   | 77,561               | 3,300       | 1,223 | 82,084    | 94,602    |
| 6.1                      | Segregation of amortization amount to selling and administrative units |                      |             |       |           |           |
|                          | Selling, distribution and warehousing expenses                         |                      |             |       | 162       | 97        |
|                          | Administrative and general expenses                                    |                      |             |       | 30,958    | 26,879    |
|                          |  |                      |             |       | 31,120    | 26,976    |
| 7                        | Investment in associate  |                      |             |       |           |           |
|                          | Opening balance  |                      |             |       | 160,393   | 124,633   |
|                          | Additional investment during the year                                  |                      |             |       | 4,043     | -         |
|                          | Share of profit of associate   |                      |             |       | 37,557    | 35,760    |
|                          | Closing balance  |                      |             |       | 201,993   | 160,393   |
| 8                        | Inventories  |                      |             |       |           |           |
|                          | Raw materials  |                      |             |       | 786,403   | 879,769   |
|                          | Semi finished goods  |                      |             |       | 195,778   | 184,641   |
|                          | Packing materials  |                      |             |       | 41,194    | 40,475    |
|                          |  |                      |             |       | 1,023,375 | 1,104,885 |
|                          | Finished goods   |                      |             |       |           |           |
|                          | Own manufactured products  |                      |             |       | 629,598   | 532,965   |
|                          | Imported products  |                      |             |       | 102,770   | 87,206    |
|                          |  |                      |             |       | 732,368   | 620,171   |
|                          | Goods in-transit   |                      |             |       | 316,962   | 596,561   |
|                          | Store, consumables and promotional items                               |                      |             |       | 90,718    | 71,699    |
|                          |  |                      |             |       | 407,680   | 668,260   |
|                          |  |                      |             |       | 2,163,423 | 2,393,316 |

|                   |  | As at 31 March   |                  |
|-------------------|--|------------------|------------------|
| In Thousands Taka |  | 2019             | 2018             |
| <b>9</b>          | <b>Trade and other receivables</b>                                 |                  |                  |
|                   | Trade receivables-unsecured  | 1,722,878        | 1,623,113        |
|                   | Provision for bad and doubtful debt on unsecured trade receivables | (55,900)         | (31,424)         |
|                   | Considered to be good  | 1,666,978        | 1,591,689        |
|                   | Other receivables  | 17,044           | 5,392            |
|                   | Receivables with associate   | 20,480           | 8,600            |
|                   |  | <b>1,704,502</b> | <b>1,605,681</b> |
|                   | <b>Maturity wise presentation of trade receivables-unsecured:</b>  |                  |                  |
|                   | Outstanding over 360 days  | 55,900           | 31,424           |
|                   | Outstanding over 180 days to below 360 days                        | 46,358           | 28,116           |
|                   | Outstanding below 180 days   | 1,620,620        | 1,563,573        |
|                   |  | <b>1,722,878</b> | <b>1,623,113</b> |
| <b>10</b>         | <b>Advances, deposits and prepayments</b>                          |                  |                  |
|                   | Advances to employees  |                  |                  |
|                   | House building loans   | 73,193           | 57,537           |
|                   | Others   | 7,090            | 3,353            |
|                   |  | 80,283           | 60,890           |
|                   | Advance for goods and services                                     | 28,645           | 51,225           |
|                   | Value Added Tax-VAT  | 107,748          | 70,149           |
|                   | Supplementary Duty   | 5,451            | 18,770           |
|                   | Advance for rent   | 159,247          | 171,145          |
|                   |  | 301,091          | 311,289          |
|                   | Deposits-Security deposits   | 39,694           | 20,020           |
|                   | Pre paid expenses and other  | 15,986           | 13,661           |
|                   |  | 55,680           | 33,681           |
|                   |  | <b>437,054</b>   | <b>405,860</b>   |
| <b>11</b>         | <b>Short term investment</b>                                       |                  |                  |
|                   | Above three months but less than six months                        | 401,237          | -                |
|                   |  | <b>401,237</b>   | <b>-</b>         |
| <b>12</b>         | <b>Cash and cash equivalents</b>                                   |                  |                  |
|                   | Cash at banks:   |                  |                  |
|                   | Current and collection accounts                                    | 850,586          | 824,535          |
|                   | Short term deposit accounts  | 237,279          | 151,354          |
|                   | Foreign currency current accounts                                  | 11,725           | 3,308            |
|                   |  | 1,099,590        | 979,197          |
|                   | Cash in hand   | 4,957            | 10,020           |
|                   |  | 1,104,547        | 989,217          |
|                   | Investment in FDR  | 800,000          | 150,000          |
|                   |  | <b>1,904,547</b> | <b>1,139,217</b> |

|   |  | As at 31 March |         |
|---|--|----------------|---------|
| In Thousands Taka   |  | 2019           | 2018    |
| <b>13 Share capital</b>   |  |                |         |
| Authorized share capital  |  |                |         |
| 1000,000,000 ordinary shares of Taka 10 each  |  | 1,000,000      | 400,000 |
| During the year the company increased the authorized number of share from 40,000,000 to 100,000,000 through special resolution of the 8th Extraordinary General Meeting held on 17 July 2018. |  |                |         |
| <b>Issued, subscribed and paid-up share capital</b>   |  |                |         |
| 46,377,880 ordinary shares of Taka 10 each  |  | 463,779        | 231,889 |

The company issued 100% bonus share recommended at the Board meeting held on 21 May 2018 and approved by the members at the Annual General Meeting held on 17 July 2018. The bonus share (Tk 231,889 thousand) was issued by utilizing Tk 10,000 thousand from General Reserve, Tk 115,068 thousand from Share Premium and Tk 106,822 thousand from Retained Earnings. The impact of issuing the bonus share increased the number of Issued, subscribed and paid-up share to 46,377,880 from 23,188,940

### 13.1 Composition of shareholding

| Shareholders                             | Number of share   | % of share holding | In Thousands Taka | In Thousands Taka |
|--|-------------------|--------------------|-------------------|-------------------|
| <b>Foreign shareholders</b>              |                   |                    |                   |                   |
| J & N Investments (Asia) Limited - Group | 44,058,740        | 95.00              | 440,587           | 220,294           |
| Institutions & General public            | 612,150           | 2.10               | 6,122             | 3,573             |
| <b>Bangladeshi shareholders</b>          |                   |                    |                   |                   |
| Institutions (financial & others)        | 990,355           | 2.54               | 9,904             | 6,928             |
| General public                           | 716,635           | 0.36               | 7,166             | 1,095             |
| <b>Total</b>                             | <b>46,377,880</b> | <b>100.00</b>      | <b>463,779</b>    | <b>231,889</b>    |

### 13.2 Classification of shareholders by range

| Shareholding range          | Type of shareholders | 31 March 2019     |                    |                        | 31 March 2018           |
|-----------------------------|----------------------|-------------------|--------------------|------------------------|-------------------------|
|                             |                      | Number of shares  | % of share holding | Number of shareholders | Number of share holders |
| Less than 501 shares        | G. Public& Inst      | 400,985           | 0.86               | 4,885                  | 1,258                   |
| 501 to 5,000 shares         | G. Public& Inst      | 373,019           | 0.80               | 297                    | 35                      |
| 5,001 to 10,000 shares      | Institution          | 56,199            | 0.12               | 7                      | 5                       |
| 10,001 to 20,000 shares     | Institution          | 139,286           | 0.30               | 9                      | 9                       |
| 20,001 to 30,000 shares     | Institution          | 96,273            | 0.21               | 4                      | 1                       |
| 30,001 to 40,000 shares     | Institution          | 34,655            | 0.07               | 1                      | 3                       |
| 40,001 to 50,000 shares     | Institution          | 48,174            | 0.10               | 1                      | 4                       |
| 50,001 to 100,000 shares    | Institution          | 115,390           | 0.25               | 2                      | 2                       |
| 100,001 to 1,000,000 shares | Institution          | 1,055,159         | 2.28               | 3                      | 2                       |
| Over 1,000,000 shares       | Group                | 44,058,740        | 95.00              | 1                      | 1                       |
| <b>Total</b>                |                      | <b>46,377,880</b> | <b>100.00</b>      | <b>5,210</b>           | <b>1,320</b>            |

The Company declared 100% bonus share at the Board meeting held on 21 May 2018 which was approved by the members at the AGM held on 17 July 2018.

| In Thousands Taka |   | As at 31 March  |           |                       |                       |
|-------------------|---|-----------------|-----------|-----------------------|-----------------------|
|                   |   | 2019            | 2018      |                       |                       |
| 14                | Share premium   |                 |           |                       |                       |
|                   | Opening balance                                       | 115,068         | 115,068   |                       |                       |
|                   | Bonus shares issued                                   | (115,068)       | -         |                       |                       |
|                   | Closing balance                                       | -               | 115,068   |                       |                       |
| 15                | Retained earnings                                     |                 |           |                       |                       |
|                   | Opening balance                                       | 6,231,294       | 5,428,930 |                       |                       |
|                   | Net profit for the year                               | 2,046,588       | 1,787,894 |                       |                       |
|                   |   | 8,277,882       | 7,216,824 |                       |                       |
|                   | Distribution of cash dividend                         | (463,779)       | (985,530) |                       |                       |
|                   | Bonus shares issued                                   | (106,822)       | -         |                       |                       |
|                   | Closing balance                                       | 7,707,281       | 6,231,294 |                       |                       |
| 16                | Deferred tax liabilities                              |                 |           |                       |                       |
|                   |   | Carrying amount | Tax base  | Taxable/ (deductible) | Taxable/ (deductible) |
|                   | Property, plant and equipment excluding land          | 3,321,234       | 2,040,348 | 1,280,886             | 1,227,268             |
|                   | Provision for employee benefit plans                  | (44,153)        | -         | (44,153)              | (41,131)              |
|                   | Provision for bad debts                               | (55,900)        | -         | (55,900)              | (31,424)              |
|                   | Net temporary difference                              |                 |           | 1,180,833             | 1,154,713             |
|                   | Deferred tax liabilities as at 31 March               |                 |           | 316,388               | 309,354               |
| 16.1              | Deferred tax expenses                                 |                 |           |                       |                       |
|                   | Opening balance                                       |                 |           | 309,354               | 250,211               |
|                   | Closing balance                                       |                 |           | 316,388               | 309,354               |
|                   | Deferred tax expenses                                 |                 |           | 7,034                 | 59,143                |
| 17                | Trade and other payables                              |                 |           |                       |                       |
|                   | For revenue expenses - note 17.1                      |                 |           | 1,178,182             | 1,077,725             |
|                   | For trading supplies                                  |                 |           | 607,544               | 1,162,513             |
|                   | For other finance - note 17.2                         |                 |           | 111,696               | 97,964                |
|                   | For capital expenditure                               |                 |           | 22,309                | 19,832                |
|                   |   |                 |           | 1,919,731             | 2,358,034             |
|                   | Workers' profit participation and welfare fund (WPPF) |                 |           | 143,318               | 123,917               |
|                   |   |                 |           | 2,063,049             | 2,481,951             |
| 17.1              | Payable for revenue expenses                          |                 |           |                       |                       |
|                   | Accrued charges                                       |                 |           | 1,113,426             | 1,020,584             |
|                   | Provision for trade rebate                            |                 |           | 58,409                | 50,022                |
|                   | Training and consultancy fee                          |                 |           | 6,347                 | 7,119                 |
|                   |   |                 |           | 1,178,182             | 1,077,725             |
| 17.2              | Payable for other finance                             |                 |           |                       |                       |
|                   | Clearing account                                      |                 |           | 30,000                | 48,481                |
|                   | Security deposits                                     |                 |           | 25,731                | 24,622                |
|                   | Tax and VAT deduction at source                       |                 |           | 37,227                | 13,544                |
|                   | Staff income tax                                      |                 |           | 11,516                | 6,030                 |
|                   | Others  |                 |           | 7,222                 | 5,287                 |
|                   |   |                 |           | 111,696               | 97,964                |



|  |   | As at 31 March |                 |
|--|---|----------------|-----------------|
| In Thousands Taka  |   | 2019           | 2018            |
| <b>18</b>  | <b>Provision for royalty</b>                          |                |                 |
|  | Opening balance                                       | 215,455        | 219,032         |
|  | Remitted during the year                              | -              | (87,657)        |
|  |   | 215,455        | 131,375         |
|  | Charged for the year                                  | 94,408         | 84,080          |
|  | <b>Closing balance</b>                                | <b>309,863</b> | <b>215,455</b>  |
| <b>19</b>  | <b>Provision for current tax</b>                      |                |                 |
|  | Opening balance                                       | (54,949)       | 161,871         |
|  | Provision for the year                                | 715,332        | 555,012         |
|  |   | 660,383        | 716,883         |
|  | Payment and adjustment made during the year           | (490,849)      | (771,832)       |
|  | <b>Closing balance</b>                                | <b>169,534</b> | <b>(54,949)</b> |
| <b>20</b>  | <b>Provision for employees' retirement gratuity</b>   |                |                 |
|  | Opening balance                                       | 41,131         | 74,297          |
|  | Provision for the year                                | 31,545         | 30,879          |
|  |   | 72,676         | 105,176         |
|  | Transferred to gratuity fund during the year          | (28,523)       | (64,045)        |
|  | <b>Closing balance</b>                                | <b>44,153</b>  | <b>41,131</b>   |
| <b>21</b>  | <b>Dividend payable</b>                               |                |                 |
|  | Opening balance                                       | 8,642          | 8,306           |
|  | Distribution during the year - note 15                | 463,779        | 985,530         |
|  |   | 472,421        | 993,836         |
|  | Payment during the year                               | (66,991)       | (985,194)       |
|  | <b>Closing balance</b>                                | <b>405,430</b> | <b>8,642</b>    |
| <b>22</b>  | <b>Liability for unclaimed IPO application money</b>  |                |                 |
|  | Opening balance                                       | 147            | 147             |
|  | Refunded during the year                              | -              | -               |
|  | <b>Closing balance</b>                                | <b>147</b>     | <b>147</b>      |
| <b>23</b>  | <b>Contingent liabilities</b>                         |                |                 |
| Contingent liabilities of the Company that relate to issue of letter of credit and bank guarantee to third parties as presented below: |   |                |                 |
| <b>i</b>   | <b>Letter of Credit</b>                               |                |                 |
|  | <b>Raw Material</b>                                   |                |                 |
|  | Commercial Bank of Ceylon PLC                         | 91,440         | 75,850          |
|  | Standard Chartered Bank                               | 132,896        | 109,967         |
|  | Citi Bank NA  | 28,511         | 58,579          |
|  | Eastern Bank Limited                                  | 44,970         | 21,334          |
|  | BRAC Bank Limited                                     | 191,512        | 194,645         |
|  |   | 489,329        | 460,375         |
| <b>ii</b>  | <b>Capital expenditure</b>                            | 21,636         | 133,086         |
| <b>iii</b>   | <b>Bank guarantee</b>                                 |                |                 |
|  | Standard Chartered Bank                               | 73,606         | 73,500          |
|  | The Hongkong and Shanghai Banking Corporation Limited | 137,000        | -               |
|  | Others  | 1,703          | 1,703           |
|  |   | <b>212,309</b> | <b>75,203</b>   |
|  |   | <b>723,274</b> | <b>668,664</b>  |

|                   |  | For the year ended 31 March |                   |
|-------------------|--|-----------------------------|-------------------|
| In Thousands Taka |  | 2019                        | 2018              |
| <b>24</b>         | <b>Revenue</b>                                       |                             |                   |
|                   | Net revenue of group-BPBL                            | 17,733,311                  | 16,483,497        |
|                   | Net revenue of subsidiary-J & N (Bangladesh) Limited | 611,249                     | 570,657           |
|                   |  | 18,344,560                  | 17,054,154        |
|                   | Inter-company sales                                  | (544,148)                   | (521,501)         |
|                   |  | <b>17,800,412</b>           | <b>16,532,653</b> |
| <b>25</b>         | <b>Cost of sales</b>                                 |                             |                   |
|                   | Opening stock of finished goods                      | 620,171                     | 596,757           |
|                   | Purchases of finished goods for the year             | 198,109                     | 229,222           |
|                   |  | <b>818,280</b>              | <b>825,979</b>    |
|                   | Cost of goods manufactured                           |                             |                   |
|                   | Raw material consumed - notes 25.1                   | 8,693,296                   | 7,870,683         |
|                   | Manufacturing overhead - note 25.2                   | 1,077,950                   | 950,923           |
|                   |  | <b>9,771,246</b>            | <b>8,821,606</b>  |
|                   |  | 10,589,526                  | 9,647,585         |
|                   | Closing stock of finished goods                      | (732,368)                   | (620,171)         |
|                   | <b>Cost of sales</b>                                 | <b>9,857,158</b>            | <b>9,027,414</b>  |
| <b>25.1</b>       | <b>Raw materials consumed</b>                        |                             |                   |
|                   | Opening stock:                                       |                             |                   |
|                   | Raw materials  | 879,769                     | 853,366           |
|                   | Semi finished goods                                  | 184,641                     | 154,098           |
|                   | Packing materials                                    | 40,475                      | 47,422            |
|                   |  | 1,104,885                   | 1,054,886         |
|                   | Purchases for the year                               |                             |                   |
|                   | Raw materials  | 7,567,647                   | 7,020,096         |
|                   | Packing materials                                    | 1,588,287                   | 1,422,087         |
|                   | Intercompany sales                                   | (544,148)                   | (521,501)         |
|                   |  | 8,611,786                   | 7,920,682         |
|                   | Closing stock:                                       |                             |                   |
|                   | Raw materials  | (786,403)                   | (879,769)         |
|                   | Semi finished goods                                  | (195,778)                   | (184,641)         |
|                   | Packing materials                                    | (41,194)                    | (40,475)          |
|                   |  | (1,023,375)                 | (1,104,885)       |
|                   |  | <b>8,693,296</b>            | <b>7,870,683</b>  |

|                   |   | For the year ended 31 March |                  |
|-------------------|---|-----------------------------|------------------|
| In Thousands Taka |   | 2019                        | 2018             |
| <b>25.2</b>       | <b>Manufacturing overhead</b>                         |                             |                  |
|                   | Salary and wages                                      | 393,734                     | 347,831          |
|                   | Welfare expenses                                      | 27,396                      | 26,551           |
|                   | Third party and casuals                               | 50,456                      | 47,747           |
|                   | Depreciation  | 295,025                     | 239,485          |
|                   | Fuel, water and power                                 | 87,166                      | 84,568           |
|                   | Repairs and maintenance                               | 49,029                      | 45,331           |
|                   | Raw material shifting charge                          | 20,759                      | 13,463           |
|                   | Stores and spares consumed                            | 14,253                      | 13,007           |
|                   | Insurance   | 5,901                       | 4,920            |
|                   | Training and recruitment expenses                     | 3,650                       | 1,520            |
|                   | Security and cleaning service                         | 8,475                       | 10,497           |
|                   | Third party production charge                         | 56,402                      | 54,911           |
|                   | Outsourcing employee cost                             | 9,680                       | 7,055            |
|                   | Printing charge and other overhead                    | 25,454                      | 25,010           |
|                   | Travelling and conveyance                             | 6,778                       | 4,466            |
|                   | Production incentive                                  | 2,839                       | 8,483            |
|                   | Research, development and experimental costs          | 2,167                       | 3,657            |
|                   | Process development                                   | 5,960                       | 498              |
|                   | Rent, rates and other taxes                           | 12,399                      | 11,456           |
|                   | L/C and bank charges                                  | 427                         | 467              |
|                   |   | <b>1,077,950</b>            | <b>950,923</b>   |
| <b>26</b>         | <b>Selling, distribution and warehousing expenses</b> |                             |                  |
|                   | Advertising   | 2,133,729                   | 2,303,099        |
|                   | Salary and wages                                      | 451,700                     | 450,584          |
|                   | Third party and casuals                               | 87,566                      | 85,927           |
|                   | Welfare expenses                                      | 30,130                      | 30,793           |
|                   | Training and recruitment                              | 3,846                       | 4,101            |
|                   | Security and cleaning                                 | 19,340                      | 21,738           |
|                   | Outsourcing   | 54,926                      | 61,943           |
|                   | Production incentive                                  | 1,708                       | 753              |
|                   | Other overhead  | 4,914                       | 3,406            |
|                   | Warehousing and distribution                          | 327,967                     | 274,416          |
|                   | Selling expenses                                      | 1,388,735                   | 1,260,123        |
|                   | Depreciation and amortization                         | 166,957                     | 151,543          |
|                   | Cost of free issue                                    | 178                         | 1,776            |
|                   |   | <b>4,671,696</b>            | <b>4,650,202</b> |

|                   |  | For the year ended 31 March |                |
|-------------------|--|-----------------------------|----------------|
| In Thousands Taka |  | 2019                        | 2018           |
| <b>27</b>         | <b>Administrative and general expenses</b> |                             |                |
|                   | Personnel cost -Salary and wages           | 305,723                     | 293,449        |
|                   | Welfare expenses                           | 9,142                       | 7,616          |
|                   | Third party and casuals                    | 2,830                       | -              |
|                   | Training and recruitment                   | 7,203                       | 10,558         |
|                   | Safety, security and cleaning service      | 6,262                       | 4,850          |
|                   | Outsourcing employee cost                  | 2,608                       | 1,778          |
|                   | Production incentive                       | 444                         | -              |
|                   | Postage and communication                  | 7,760                       | 8,442          |
|                   | Depreciation and amortization              | 82,456                      | 75,814         |
|                   | Travelling, haulage and passage            | 7,666                       | 9,225          |
|                   | Repair and maintenance                     | 32,220                      | 38,855         |
|                   | Share department expenses                  | 10,867                      | 3,489          |
|                   | Bank charges                               | 7,950                       | 11,122         |
|                   | Vehicle expenses                           | 10,857                      | 10,275         |
|                   | Electricity, fuel and water                | 5,777                       | 6,070          |
|                   | Printing and stationery                    | 7,319                       | 6,080          |
|                   | Rent, rates and fees                       | 995                         | 632            |
|                   | Subscription and donation                  | 2,034                       | 695            |
|                   | CSR activity                               | 6,108                       | 4,772          |
|                   | Entertainment                              | 5,897                       | 11,098         |
|                   | Corporate affairs department's expenses    | 199                         | 133            |
|                   | Insurance                                  | 415                         | 329            |
|                   | Legal and professional charges             | 7,047                       | 8,516          |
|                   | General charges                            | 849                         | 1,895          |
|                   | Auditors' remuneration                     | 6,873                       | 1,272          |
|                   | Newspaper and periodicals                  | 519                         | 421            |
|                   | Directors fee                              | 420                         | 630            |
|                   | ISO Expenses                               | 617                         | 669            |
|                   |  | <b>539,057</b>              | <b>518,685</b> |
| <b>28</b>         | <b>Other operating expenses</b>            |                             |                |
|                   | Royalty fees                               | 94,408                      | 84,080         |
|                   | Training and consultancy fees              | 7,414                       | 4,724          |
|                   |  | <b>101,822</b>              | <b>88,804</b>  |
| <b>29</b>         | <b>Other operating income</b>              |                             |                |
|                   | Service charges from house building loan   | 656                         | 535            |
|                   | Scrap sales and sundry recoveries          | 62,066                      | 53,703         |
|                   | Income from color bank operation           | 98,524                      | 108,453        |
|                   | Insurance claim and other realizations     | 11,157                      | 14,808         |
|                   | Income from illusion                       | 25,466                      | 15,807         |
|                   | Rental income                              | 8,274                       | 5,533          |
|                   | Others                                     | 2,655                       | 4,072          |
|                   |  | <b>208,798</b>              | <b>202,911</b> |

|                   |   | For the year ended 31 March |               |
|-------------------|---|-----------------------------|---------------|
| In Thousands Taka |   | 2019                        | 2018          |
| <b>30</b>         | <b>Finance cost</b>                             |                             |               |
|                   | Finance cost on operational overdraft           | 11,367                      | 13,729        |
|                   | Exchange loss / (gain)                          | (471)                       | (1,093)       |
|                   |   | 10,896                      | 12,636        |
|                   | Inter-company transaction                       | (3,578)                     | (5,531)       |
|                   |   | <b>7,318</b>                | <b>7,105</b>  |
| <b>31</b>         | <b>Investment income</b>                        |                             |               |
|                   | Interest on term deposit                        | 37,716                      | 45,214        |
|                   | Inter-company transaction                       | (3,578)                     | (5,531)       |
|                   |   | <b>34,138</b>               | <b>39,683</b> |
| <b>32</b>         | <b>Other non-operating income</b>               |                             |               |
|                   | Income on sale of property, plant and equipment | 8,418                       | 7,169         |
|                   |   | <b>8,418</b>                | <b>7,169</b>  |
| <b>33</b>         | <b>Financial risk management</b>                |                             |               |

The Company has exposures to the following risks from its use of financial instruments:

- i. Liquidity risk
- ii. Market risk
- iii. Credit risk

The management is responsible for the establishment and oversight of the company's risk management policies that are established to identify and analyze the risks faced by the company, to set appropriate risks limits and controls, and to monitor risks and adherence to limits. Management discloses the exposures to risk and how they arise as well as its objectives, policies and processes for managing the risk and the methods used to measure the risk. The company has exposures to the following risks from its use of financial instruments.

#### i. Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company ensures that it has sufficient cash and cash equivalents to meet expected operational expenses, including financial obligations through preparation of the cash flow forecast, prepared based on timeline of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date. Moreover, the Company seeks to maintain short term lines of credit with scheduled commercial banks to ensure payment of obligations in the event that there is insufficient cash to make the required payment. The requirement is determined in advance through cash flows projections and credit lines facilities with banks are negotiated accordingly.

The following are the contractual maturities of financial liabilities of the Company:

| In Thousands Taka   |  |                     |                        |                          |                 |
|---|--|---------------------|------------------------|--------------------------|-----------------|
| Financial liabilities   |  | As at 31 March 2019 |                        |                          |                 |
|   |  | Carrying amount     | Contractual cash flows | Within 12 months or less | Above 12 months |
| Trade and other payables including dividend payable and payable for IPO application money |  | 2,468,626           | 2,468,626              | 2,468,626                | -               |
| Financial liabilities   |  | As at 31 March 2018 |                        |                          |                 |
|   |  | Carrying amount     | Contractual cash flows | Within 12 months or less | Above 12 months |
| Trade and other payables including dividend payable and payable for IPO application money |  | 2,490,740           | 2,490,740              | 2,490,740                | -               |

## ii. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

### a. Currency risk

The currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rate. The company experiences currency risks on export sales and purchase of raw material, spare parts, accessories and capital items. Most of company's foreign currency purchases are denominated in USD and EURO.

| In Thousands Taka | As at 31 March |      |
|-------------------|----------------|------|
|                   | 2019           | 2018 |

The company's exposures to foreign currency risk was as follows based on notional amounts

#### Foreign currency denominated assets

|                                  |        |       |
|----------------------------------|--------|-------|
| Receivable from customers-Export | 21,823 | 5,162 |
| Cash at bank                     | 11,725 | 3,308 |

#### Foreign currency denominated liabilities

|                            |         |           |
|----------------------------|---------|-----------|
| Trade payables             | 607,544 | 1,162,513 |
| Royalty and technical fees | 309,863 | 215,455   |

#### The company has applied the following significant foreign exchange rates:

|           |        |        |
|-----------|--------|--------|
| US Dollar | 84.30  | 83.50  |
| EURO      | 96.33  | 104.17 |
| GBP       | 111.65 | 119.06 |

### b. Interest risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

At the reporting date, the financial assets and financial liabilities are as follows:

#### Financial instruments

##### Financial assets

|                   |           |           |
|-------------------|-----------|-----------|
| Investment in FDR | 401,237   | -         |
| Cash at bank      | 1,904,547 | 1,139,217 |

##### Financial liabilities

|                       |   |   |
|-----------------------|---|---|
| Operational overdraft | - | - |
|-----------------------|---|---|

### iii. Credit risk:

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The company has a written credit policies with terms and conditions allowed to debtors and the exposure to credit risk is monitored on an ongoing basis to ensure collection within stipulated time. Debtors are categorized according to their risk profile-i.e. frequency of payment, legal status, financial condition etc. Trade and other debtors consist of domestic receivable, export receivable, inland export debtors and interest receivable.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

#### The maximum exposure to credit risk at the reporting date was as follows:

| In Thousands Taka             | As at 31 March   |                  |
|-------------------------------|------------------|------------------|
|                               | 2019             | 2018             |
| <b>Financial Instruments:</b> |                  |                  |
| Local receivable              | 1,701,055        | 1,617,951        |
| Export receivable             | 21,823           | 5,162            |
|                               | <b>1,722,878</b> | <b>1,623,113</b> |
| <b>Other receivables:</b>     |                  |                  |
| Accrued interest              | 17,044           | 5,392            |
| Inter-company receivable      | 20,480           | 8,600            |
|                               | <b>37,524</b>    | <b>13,992</b>    |

### 34 Basic earnings per share (EPS)

|  |            |            |
|--|------------|------------|
| Net profit attributable to ordinary shareholders       | 2,046,588  | 1,787,894  |
| Net cash inflow from operating activities (NOCF)       | 2,555,136  | 1,468,459  |
| Net asset value (NAV)                                  | 8,171,060  | 6,588,251  |
| Number of ordinary shares outstanding during the year  | 46,377,880 | 46,377,880 |
| Weighted average number of ordinary shares outstanding | 46,377,880 | 46,377,880 |
|  |            |            |
| Basic earnings per share (EPS) Taka                    | 44.13      | 38.55      |
| Deluted earning per share (DEPS) Taka                  | 44.13      | 38.55      |
| Net operating cash flow per share (NOCFPS) Taka        | 55.09      | 31.66      |
| Net asset value per share (NAVPS) Taka                 | 176.18     | 142.06     |

### 34.1 Cash flows from operating activities under indirect method

| In Thousands Taka                               | For the year ended 31 March |                  |
|---|-----------------------------|------------------|
|   | 2019                        | 2018             |
| <b>Net profit for the year</b>                  | 2,046,588                   | 1,787,894        |
| <b>Non cash items:</b>                          |                             |                  |
| Depreciation                                    | 513,481                     | 439,865          |
| Amortization                                    | 31,120                      | 26,976           |
|   | <b>544,601</b>              | <b>466,841</b>   |
| <b>Non operating income</b>                     |                             |                  |
| Income on sale of property, plant and equipment | (8,418)                     | (7,169)          |
| Share of associates                             | (37,557)                    | (35,760)         |
|   | <b>(45,975)</b>             | <b>(42,929)</b>  |
| <b>Changes in working capital</b>               |                             |                  |
| Inventories                                     | 229,893                     | (318,311)        |
| Trade and other receivables                     | (98,821)                    | (503,101)        |
| Advances, deposits and prepayments              | (31,194)                    | (75,146)         |
| Trade and other payables                        | (418,903)                   | 347,631          |
| Provision for royalty                           | 94,408                      | (3,577)          |
| Provision for current tax                       | 224,483                     | (216,820)        |
| Provision for employees' retirement gratuity    | 3,022                       | (33,166)         |
|   | <b>2,888</b>                | <b>(802,490)</b> |
| Deferred tax expenses                           | 7,034                       | 59,143           |
| <b>Net cash flows from operating activities</b> | <b>2,555,136</b>            | <b>1,468,459</b> |

### 35 Name of the auditors of companies

| Name of the company                     | Relationship | Auditors for the statutory financial statement |
|---|--------------|--|
| Jenson & Nicholson (Bangladesh) Limited | Subsidiary   | Hoda Vasi Chowdhury & Co.                      |
| Berger Becker Bangladesh Limited        | Associate    | Hoda Vasi Chowdhury & Co.                      |
| Berger Fosroc Limited                   | Associate    | Nurul Faruq Hasan & Co.                        |

### 36 Events after the reporting period - note 3.18

The Board of Directors of Berger Paints Bangladesh Limited at its 177<sup>th</sup> meeting held on 28 May 2019 recommended a final cash dividend of 250% of its paid up capital. The dividend is subject to final approval by the shareholders at the forthcoming Annual General Meeting of the company scheduled to be held on 17 July 2019.



## Schedule of consolidated property, plant and equipment and depreciation thereon

| Category of assets               | Cost                        |                       |                       | Accumulated depreciation    |                      |                        | Written down value as at 31 March 2019 |
|----------------------------------|-----------------------------|-----------------------|-----------------------|-----------------------------|----------------------|------------------------|--|
|                                  | Balance as at 01 April 2018 | Addition for the year | Disposal for the year | Balance as at 31 March 2019 | Charged for the year | Adjustment on disposal |  |
| Land                             | 347,579                     | 527,182               | -                     | 874,761                     | 433                  | -                      | 867,526                                |
| Building                         | 1,471,746                   | 86,519                | (4,285)               | 1,553,980                   | 43,128               | (884)                  | 1,246,005                              |
| Plant and machinery              | 2,104,000                   | 166,503               | (2,646)               | 2,267,857                   | 176,498              | (2,646)                | 1,292,751                              |
| Office equipment                 | 202,452                     | 28,229                | (2,805)               | 227,876                     | 22,390               | (2,671)                | 101,471                                |
| Factory and laboratory equipment | 1,276,992                   | 173,118               | (251)                 | 1,449,859                   | 160,011              | (251)                  | 453,495                                |
| Computer                         | 173,968                     | 14,015                | (2,728)               | 185,255                     | 25,778               | (2,636)                | 68,547                                 |
| Furniture and fixtures           | 115,650                     | 29,407                | (657)                 | 144,400                     | 13,151               | (462)                  | 68,818                                 |
| Motor vehicles                   | 328,988                     | 27,921                | (18,811)              | 338,098                     | 68,910               | (16,939)               | 114,035                                |
| Loose tools                      | 11,815                      | 2,691                 | (43)                  | 14,463                      | 2,434                | (43)                   | 369                                    |
| Electrical installation          | 7,135                       | 1,281                 | -                     | 8,416                       | 748                  | -                      | 2,881                                  |
| <b>Total as at 31 March 2019</b> | <b>6,040,325</b>            | <b>1,056,866</b>      | <b>(32,226)</b>       | <b>7,064,965</b>            | <b>513,481</b>       | <b>(26,532)</b>        | <b>4,215,898</b>                       |
| In Thousands Taka                |                             |                       |                       |                             |                      |                        |  |
| Total as at 31 March 2018        | 4,884,528                   | 1,201,406             | (45,609)              | 6,040,325                   | 439,865              | (43,565)               | 3,678,207                              |



পরিচালনা পর্ষদের  
প্রতিবেদন

কোম্পানিতে পরিচালকবৃন্দ আনন্দের সাথে আপনাদের সামনে তাদের ৪৬তম প্রতিবেদন এবং তার সাথে ৩১ মার্চ ২০১৯ তারিখে সমাপ্ত বছরের নিরীক্ষিত আর্থিক প্রতিবেদনসমূহ ও নিরীক্ষকের প্রতিবেদন পেশ করছেন।

#### রঙ শিল্পের সার্বিক অবস্থা ও সম্ভাব্য ভবিষ্যৎ পরিস্থিতি

বিগত কয়েক দশক ধরে ৭-৮% প্রবৃদ্ধি অর্জনের পর ২০১৮-১৯ এ রঙ শিল্পে অস্বাভাবিকভাবে মাত্র ২% ভলিউম প্রবৃদ্ধি হয়েছে। জমি এবং নির্মাণ সামগ্রীর মূল্য বৃদ্ধি, গৃহ নির্মাণ খণ্ডে উচ্চ সুদের হার ইত্যাদি কারণে আবাসন খাতে স্থবিরতার কারণে রঙ শিল্পের প্রবৃদ্ধি ব্যাহত হয়েছে। এছাড়াও আন্তর্জাতিক বাজারে কাঁচামালে মূল্য বৃদ্ধির এবং টাকার অবমূল্যায়নের কারণে এই শিল্পের বেশির ভাগ প্রতিষ্ঠান মূল্য বাড়তে বাধ্য হয়। শহরতলিতে রঙের ব্যবহার মহনগরগুলির চেয়ে দ্রুত হারে বৃদ্ধি পাচ্ছে। ২০১৮-১৯ এর শেষ প্রান্তিকে চাহিদা হ্রাস, স্থানীয় সরকার নির্বাচন, জাতীয় নির্বাচনের পর নতুন প্রকল্প গ্রহণে ধীর গতি এবং প্রতিকূল আবহাওয়ার কারণে এ শিল্পের প্রবৃদ্ধি হ্রাস পায়।

২০১৮-১৯ সালে রঙ শিল্পের প্রধান প্রতিষ্ঠানগুলির মধ্যে প্রবল প্রতিযোগিতা এবং নতুন কয়েকটি প্রতিষ্ঠানের সরবরাহ নেটওয়ার্ক সম্প্রসারণের চেষ্টা লক্ষ্য করা যায়। বাজার সম্প্রসারণের জন্য রঙ কোম্পানিগুলি অভিজাত ভোক্তাদের জন্য খুবই উন্নতমানের পণ্য এবং সাধারণ ভোক্তাদের জন্য প্রতিযোগিতামূলক মূল্যে তাদের পণ্য বিতরণ করে থাকে।

সরকারি খাতে বিনিয়োগের মাধ্যমে জিডিপি প্রবৃদ্ধির হার ৭% এর উপরে থাকবে বলে বিশ্ব ব্যাংক আশা করে। জিডিপি প্রবৃদ্ধির ফলে বিগত কয়েক বছরে চাকুরির বাজারে তেমন পরিবর্তন আসেনি যা পণ্য এবং সেবার চাহিদা বৃদ্ধি করতো। মেট্রোরেল, মহাসড়ক, ফ্লাইওভার, সরকারি আবাসন প্রকল্প, সেতু, বিদ্যুৎকেন্দ্র ইত্যাদির ন্যায্য অবকাঠামো উন্নয়নকারি সরকারি প্রকল্পসমূহের কারণে অবকাঠামো নির্মাণখাতে, রঙ ও কন্সট্রাকশন কেমিক্যাল শিল্পের প্রবৃদ্ধি বজায় থাকবে বলে আশা করা যায়।

#### বিক্রয় প্রবৃদ্ধি

৩১ মার্চ ২০১৯ তারিখে সমাপ্ত বছরে কোম্পানি ৭.৫৮% বিক্রয় প্রবৃদ্ধি অর্জন করে। এ সময়ে ভলিউম প্রবৃদ্ধির হার ছিলো ২.৭৭%। এ সময়ে আমাদের মার্কেটে শেয়ারও বৃদ্ধি পেয়েছে।

৭.৫৮% বিক্রয় প্রবৃদ্ধির বিপরীতে কোম্পানির করপূর্ব মুনাফা ১৭.১৮% বৃদ্ধি পায়। বাজারে প্রতিযোগিতায় টিকে থাকার সাথে সাথে ব্যয় নিয়ন্ত্রণের সর্বসঙ্গী প্রচেষ্টার মাধ্যমে এই অর্জন সম্ভব হয়েছে। কাঁচামালের মূল্য প্রায় ৫% বৃদ্ধির বিপরীতে পণ্যের মূল্য ৪.৬৭% বৃদ্ধি করা হয়। আগের বছরে মোট ব্যয় নীট বিক্রয়ের ৩০.৫০% ছিল যা ২০১৮-১৯ বছরে ২৮.৬৩% এ নেমে আসে। মফস্বল ও গ্রামীণ এলাকায় পণ্য সরবরাহ নেটওয়ার্ক বিস্তৃত করা এবং নতুন বিপণন কৌশলের মাধ্যমে বাজারে আমাদের নেতৃত্ব ধরে রাখা।

#### নতুন পণ্য

গ্রাহকদের বিভিন্ন চাহিদার কথা মাথায় রেখে এবং নিজেদের পণ্য সত্তার আরও সমৃদ্ধি করে তুলতে ২০১৮-১৯ সালে বার্জার পেইন্টস্ বাংলাদেশ লিমিটেড বাজারে নিয়ে এসেছে বেশ কিছু নতুন পণ্য।

বার্জার পেইন্টস্ ওয়েদারকোট অ্যান্টিডার্ট পণ্য পরিসরে যুক্ত করেছে ওয়েদারকোট অ্যান্টিডার্ট সুপ্রিম নামের এক নতুন পণ্য। এটি ঝড়-বৃষ্টি-ধূলা ময়লা থেকে বাইরের দেয়ালকে সুরক্ষা করে। বার্জার জেনসলিন ফ্লোরেসেন্ট নামে আরেকটি পেইন্ট চালু করেছে, যা অত্যন্ত প্রতিফলিত ফিনিশিং নিশ্চিত করে। রোড সাইন, ব্যানার, ফেস্টুন এবং সাইনবোর্ড দৃশ্যমান বৃদ্ধি করে। এছাড়াও বার্জার অ্যাডহেসিভ বিভাগ যোগ হয়েছে। বার্জার পাওয়ারবন্ড 1KPUR যা সব ধরনের কাঠের কাজ, দরজা ও জানালা, কর্কক্রিট ও সিরামিকের জন্য উপযুক্ত আঠা সরবরাহ করে। বার্জার পেইন্টস্ লিকুইড প্রিটিং ইংক নামে এক নতুন মাত্রা যোগ করেছে। বার্জার ইংক মাস্টার প্যাকেজিং উপাদান উৎপাদন শিল্পে বিভিন্ন ধরনের প্লাস্টিক এবং পলিথিন ব্যাগ, স্যাশে প্যাক ইত্যাদি তৈরিতে ব্যবহার করা হয়।

হোম ডেকর সার্ভিস আরও জোরালোভাবে ভোক্তাদের রঙ সংক্রান্ত সঠিক ব্যবহারবিধি নিশ্চিত করেছে। এক্সপ্রেস পেইন্টিং সরঞ্জাম ব্যবহারের গুরুত্ব অব্যাহত রয়েছে সবশেষে তিন হাজারের বেশি পেইন্টারদের ন্যাশনাল স্কিলস্ ডেভেলপমেন্ট অথরিটি (এনএসডিএ) দ্বারা প্রশিক্ষণ দেয়া হয়েছে।

#### ঝুঁকিসমূহ

কোম্পানির সাথে সংশ্লিষ্ট ঝুঁকিসমূহ নিম্নরূপ:

#### সামগ্রিক অর্থনীতি

সামগ্রিক অর্থনীতির কর্মকাণ্ড কোম্পানির জন্য অত্যন্ত গুরুত্বপূর্ণ কারণ এর দ্বারা নির্মাণশিল্প ও শিল্পায়ন প্রভাবিত হয় যা রঙ উৎপাদন-শিল্পের মূল বাজার।

#### বাহ্যিক বিষয়াবলি

রাজনৈতিক অস্থিরতা, ধর্মঘট, গণ-আন্দোলন ও সন্ত্রাসী কর্মকাণ্ডের মতো বিষয়ের কারণে কোম্পানির ফলাফল প্রভাবিত হয়।

#### আয়কর ও মূল্য সংযোজন করে পরিবর্তন

আয়কর ও মূল্য সংযোজন কর আইনে পরিবর্তন, করের হার বৃদ্ধি এবং বাণিজ্য বিষয়ক আইনে আকস্মিক পরিবর্তনের কারণে কোম্পানির মুনাফা ও অর্থ প্রবাহের উপর বিরূপ প্রভাব পড়তে পারে।

#### পরিবেশ, স্বাস্থ্য ও নিরাপত্তা সংক্রান্ত আইনে পরিবর্তন

আন্তর্জাতিক পরিমণ্ডলের সাথে তাল মিলিয়ে সরকার বিভিন্ন সময়ে পরিবেশ, স্বাস্থ্য ও নিরাপত্তা সংক্রান্ত আইন ও বিধিতে পরিবর্তন এনে থাকে যার পরিপালন নিশ্চিত করতে কোম্পানিকে অতিরিক্ত বিনিয়োগ ও ব্যয় করতে হতে পারে।

#### মুদ্রার বিনিময় হারে পরিবর্তন

যেহেতু বার্জারের কাঁচামালের বড় অংশই আমদানি নির্ভর, বৈদেশিক মুদ্রার বিনিময় হারের পরিবর্তনের কারণে কোম্পানির মুনাফা প্রভাবিত হয়।

#### ঝুঁকি বিষয়ে ব্যবস্থাপনা কর্তৃপক্ষের মূল্যায়ন

যদিও বেশিরভাগ ঝুঁকি কোম্পানি বিশেষের আয়ত্তের বাইরে, এরূপ প্রত্যেক ঝুঁকির বিষয়ে বার্জার পেইন্টস্ সর্বদা সতর্ক দৃষ্টি রাখে এবং পণ্য ও বাজার বহুমুখীকরণ, দক্ষভাবে কাঁচামাল সংগ্রহ, সর্বাধুনিক প্রযুক্তি ব্যবহার এবং গবেষণা কার্যক্রমে বিনিয়োগের মাধ্যমে এসকল ঝুঁকির মোকাবলা ও কোম্পানির প্রতিযোগিতামূলক অবস্থান অর্জন করে। পরিবেশ বিধিমালায় একনিষ্ঠ অনুসারী হিসেবে বার্জার পেইন্টস্ আন্তর্জাতিক মানের এক্সয়েন্ট ট্রিটমেন্ট প্লান্ট এবং ইনসিনারেটর স্থাপন করে এক্ষেত্রে পথপ্রদর্শকের ভূমিকা পালন করেছে।

## আর্থিক ফলাফল

পরিচালকগণ আনন্দের সাথে ৩১ মার্চ, ২০১৯ তারিখে সমাপ্ত বছরের আর্থিক প্রতিবেদন পেশ করছেন এবং নিম্নলিখিত পদ্ধতিতে মুনাফা বন্টনের সুপারিশ করছেন:

| টাকা '০০০                                   | ৩১ মার্চ ২০১৯ তারিখে<br>সমাপ্ত বছরের জন্য | ৩১ মার্চ ২০১৮ তারিখে<br>সমাপ্ত বছরের জন্য |
|---|---|---|
| নিট বিক্রয়                                 | ১৭,৭৩৩,৩১১                                | ১৬,৪৮৩,৪৯৭                                |
| বিক্রিত পণ্যের ব্যয়                        | (৯,৯১৫,৫৮৩)                               | (৯,১২৯,৩৫৬)                               |
| মোট লাভ                                     | ৭,৮১৭,৭২৮                                 | ৭,৩৫৪,১৪১                                 |
| কর-পূর্ব মুনাফা                             | ২,৬৪০,৭৪৯                                 | ২,২৫৩,৫৬৪                                 |
| কর সঞ্চিতি                                  | (৬৮৪,৩৩৩)                                 | (৫২৬,১৪৬)                                 |
| বিলম্বিত কর সঞ্চিতি                         | (৫,২৭০)                                   | (৫৭,৪৮৮)                                  |
| কর-পরবর্তী মুনাফা                           | ১,৯৫১,১৪৬                                 | ১,৬৬৯,৯৩০                                 |
| যোগ: পূর্ববর্তী বছরের অবশিষ্ট মুনাফা        | ৫,১২৩,৫৭৭                                 | ৪,০২৪,২৪৮                                 |
| বিতরণযোগ্য মুনাফা                           | ৭,০৭৪,৭২৩                                 | ৫,৬৯৪,১৭৮                                 |
| প্রস্তাবিত লভ্যাংশ                          | (১,১৫৯,৪৪৭)                               | (৪৬৩,৭৭৯)                                 |
| বোনাস শেয়ার ইস্যু                          | -   | (১০৬,৮২২)                                 |
| অবশিষ্ট মুনাফায় স্থানান্তর                 | ৫,৯১৫,২৭৬                                 | ৫,১২৩,৫৭৭                                 |
| মৌলিক শেয়ার প্রতি আয় (টাকা)               | ৪২.০৭                                     | ৩৬.০১                                     |
| শেয়ার প্রতি নিট পরিচালন অর্থ প্রবাহ (টাকা) | ৫১.৪৫                                     | ২৯.৫৮                                     |
| শেয়ার প্রতি নিট সম্পদের মূল্য (টাকা)       | ১৬২.৫৫                                    | ১৩০.৪৭                                    |
| মোট লাভের হার (%)                           | ৪৪.০৮                                     | ৪৪.৬২                                     |
| নিট লাভের হার (%)                           | ১১.০০                                     | ১০.১৩                                     |

## লভ্যাংশ

উৎপাদন ক্ষমতা বৃদ্ধি এবং পণ্য ও ব্যবসায় বহুমুখীকরণের উদ্দেশ্যে কোম্পানি প্রচুর বিনিয়োগ করেছে। এ সত্ত্বেও পরিচালনা পর্ষদ ২০১৮-২০১৯ সালের জন্য ২৫০% (দুইশত পঞ্চাশ শতাংশ) নগদ লভ্যাংশ অর্থাৎ ১০ টাকা মূল্যের প্রতিটি সাধারণ শেয়ারে ২৫ টাকা নগদ লভ্যাংশ ঘোষণার সুপারিশ করেছেন।

## সামাজিক দায়বদ্ধতা

দায়িত্বশীল কর্পোরেট প্রতিষ্ঠান হিসেবে বার্জার বহু বছর ধরে বিভিন্ন সামাজিক কর্মকাণ্ডে অবদান রেখে চলেছে। ২০০৯ সাল থেকে বার্জার অটস্টিক শিশুদের উন্নয়নে কাজ করে এমন ১০-১২টি বিভিন্ন প্রতিষ্ঠানকে আর্থিক এবং অন্যান্য সহযোগিতা করে আসছে। এই শিশুদের জন্য বার্ষিক চিত্রাঙ্কন প্রতিযোগিতা এবং চিত্র প্রদর্শনীও আয়োজন করা হচ্ছে।

অন্যান্য কর্পোরেট সামাজিক কর্মকাণ্ডসমূহের মধ্যে রয়েছে ২৩তম বার্জার ইয়াং পেইন্টারস্ আর্ট কম্পিটিশন (বিওয়াইপিএসি) যা তরুণ, মেধাবী চিত্র শিল্পীদের জন্য একটি বার্ষিক প্রতিযোগিতা। বুয়েট এবং খুলনা বিশ্ববিদ্যালয়ের স্থাপত্য বিভাগের শিক্ষার্থীদের জন্য বিভিন্ন প্রতিযোগিতামূলক স্কেলারশিপও ২০১৮-১৯ সালে অব্যাহত ছিলো। এ বছর ঢাকা বিশ্ববিদ্যালয়ের চারুকলা অনুষদে শিক্ষার্থীদের জন্য নতুন একটি উদ্যোগ নেয়া হয়েছে। বার্জার অ্যাওয়ার্ড ফর স্টুডেন্টস্ অব ফ্যাকাল্টি অব ফাইন আর্ট, ইউনিভার্সিটি অব ঢাকা শীর্ষক পুরস্কার বিতরণী অনুষ্ঠানে ঢাকা বিশ্ববিদ্যালয়ের চারুকলা অনুষদের আটটি বিভাগের সম্মান শ্রেনির সেরা সিজিপিএ অর্জনকারী শিক্ষার্থীদেরকে ৭ অক্টোবর ২০১৮ তারিখে পুরস্কৃত করা হয়। এছাড়াও শ্রেষ্ঠ শিল্প কর্মের জন্য 'বার্জার স্টুডেন্ট অব দি ইয়ার' পুরস্কার প্রদান করা হয়। পুরস্কার প্রাপ্ত শিক্ষার্থীদের শিল্পকর্ম নিয়ে একটি প্রদর্শনীও আয়োজন করা হয়।

এছাড়াও দেশের বিভিন্ন প্রান্তের দরিদ্র ও শীতাত্তরদের জন্য কোম্পানি কম্বল ও শীতবস্ত্র বিতরণ করেছে। বিভিন্ন প্রতিষ্ঠানের শিক্ষার্থীদেরকে বাস্তব জ্ঞান লাভে সহযোগিতার উদ্দেশ্যে বার্জার পেইন্টস্ ইন্টারশিপ-এর সুযোগ দিয়ে থাকে। এর ফলে, তারা ব্যবসায়িক পরিমণ্ডল সম্পর্কে বাস্তব জ্ঞান লাভের পাশাপাশি ভবিষ্যৎ নেতৃত্ব গ্রহণের জন্য উপযুক্ত হয়ে ওঠে। এই সকল পদক্ষেপের মাধ্যমে বার্জার পেইন্টস্ সমাজে ইতিবাচক প্রভাব বিস্তারের পাশাপাশি গণমাধ্যমে ও বেশ সাড়া জাগিয়েছে।

## জাতীয় কোষাগারে অবদান

আবগারী শুষ্ক, আয়কর, মূল্য সংযোজন কর এবং সম্পূরক শুষ্ক বাবদ এ বছর কোম্পানি জাতীয় কোষাগারে প্রায় ৪২৮ কোটি ১২ লক্ষ ৯৯ হাজার টাকা প্রদান করেছে।

## পুরস্কার ও সম্মাননা

এ বছর বার্জার পেইন্টস্ বাংলাদেশ লিমিটেড উৎপাদন খাতে সেরা মূসক প্রদানকারী কোম্পানি হিসেবে বাংলাদেশ সরকারের নিকট হতে সম্মাননা লাভ করে। এই সম্মাননা আর্থিক আইন কানুন পরিপালনে কোম্পানির সাফল্যের স্বীকৃতি। এই পুরস্কারটি ১০ ডিসেম্বর ২০১৮ তারিখে কোম্পানিকে প্রদান করা হয়।

বার্জার পেইন্টস্ বাংলাদেশ লিমিটেড উৎপাদন খাতের বহুজাতিক কোম্পানি শ্রেণিতে 'আইসিএমএবি বেস্ট কর্পোরেট অ্যাওয়ার্ড ২০১৭' লাভ করেছে। এই পুরস্কার কোম্পানির বিক্রয় ও আর্থিক ফলাফল, জাতীয় রাজস্ব অবদান, মানব সম্পদ ব্যবস্থাপনা, কর্পোরেট সুশাসন, শেয়ার হোল্ডার রিটার্ন, বিনিয়োগ প্রবৃদ্ধি এবং সিএসআর কার্যকাণ্ডের স্বীকৃতি। এই পুরস্কারটি ৮ ডিসেম্বর ২০১৮ তারিখে কোম্পানিকে প্রদান করা হয়। অষ্টম বারের মতো বার্জার পেইন্টস্ বাংলাদেশ লিমিটেড রঙ শিল্পে সেরা ব্র্যান্ড হিসেবে 'বেস্ট ব্র্যান্ড অ্যাওয়ার্ড' লাভ করেছে। বাংলাদেশ ব্র্যান্ড ফোরাম এবং ডেইলিস্টারের যৌথ আয়োজনে ৮ ডিসেম্বর ২০১৮ তারিখে এই পুরস্কার প্রদান করা হয়।

## সাবসিডিয়ারি কোম্পানি

জেনসন অ্যান্ড নিকোলসন (বাংলাদেশ) লিমিটেড বার্জার পেইন্টস্ বাংলাদেশ লিমিটেডের একটি সাবসিডিয়ারি কোম্পানি। এই কোম্পানিটি ১৯৯৫ সাল থেকে ৭০, পূর্ব নাসিরাবাদ শিল্প এলাকা, চট্টগ্রামে অবস্থিত নিজস্ব কারখানায় টিন-কন্টেইনার ও প্রিন্টেড টিন শীট উৎপাদন ও বাজারজাত করে আসছে।

কোম্পানি আইনের ১৮৬ ধারার ১ উপধারা অনুসারে এ কোম্পানিটির সাবসিডিয়ারি কোম্পানি জেনসন অ্যান্ড নিকোলসন (বাংলাদেশ) লিমিটেডের আর্থিক বিবরণী এই প্রতিবেদনের সাথে সংযুক্ত করা হলো।

### নতুন জয়েন্টভেঞ্চার বার্জার ফসরক লিমিটেড

বার্জার পেইন্টস বাংলাদেশ লিমিটেড যুক্তরাজ্য ভিত্তিক ফসরক ইন্টারন্যাশনালের সাথে জয়েন্টভেঞ্চার চুক্তিবদ্ধ হয়েছে যার মাধ্যমে প্রতিষ্ঠিত কোম্পানি বার্জার ফসরক লিমিটেড বাংলাদেশে নির্মাণশিল্পে ব্যবহৃত কেমিক্যালস্ উৎপাদন ও বিপণন করবে। বার্জার পেইন্টস বাংলাদেশ লিমিটেড এই জয়েন্টভেঞ্চার কোম্পানিতে ৫০% শেয়ার ধারণ করে। জয়েন্টভেঞ্চার চুক্তি ৩১ জানুয়ারি ২০১৮ তারিখে স্বাক্ষরিত হয় এবং বার্জার ফসরক লিমিটেড ১৯ এপ্রিল ২০১৮ তারিখে নিগমিত হয়। এ কোম্পানি ১২ সেপ্টেম্বর ২০১৮ তারিখ হতে বাণিজ্যিক কার্যক্রম শুরু করেছে।

### পরিচালক নির্বাচন

ক) সংঘবিধির ১১১ অনুচ্ছেদে প্রদত্ত ক্ষমতাবলে পরিচালনা পর্ষদ ১৭ জুলাই ২০১৮ তারিখের সভায় জেএন্ডএন ইনভেস্টমেন্টস্ (এশিয়া) লিমিটেডের মনোনয়ন অনুসারে জনাব কুলদীপ সিং খিঙ্ডাকে পরিচালক নিয়োগ করে। কোম্পানি আইন ১৯৯৪ এর ধারা ৯১(১)(খ) অনুসারে জনাব কুলদীপ সিং খিঙ্ডাকে নির্বাচনের জন্য পেশ করা হলো। কোম্পানি আইন ১৯৯৪ এর ধারা ৯৩ অনুসারে জনাব কুলদীপ সিং খিঙ্ডাকে পরিচালক পদে দায়িত্ব পালনে সম্পত্তি জ্ঞাপন করেছেন। কোম্পানির ৯৫% শেয়ারধারী জেএন্ডএন ইনভেস্টমেন্টস্ (এশিয়া) লিমিটেডের মনোনীত জনাব কুলদীপ সিং খিঙ্ডাকে পরিচালক হিসেবে নির্বাচিত করা যেতে পারে।

খ) সংঘবিধির ১১১ অনুচ্ছেদে প্রদত্ত ক্ষমতাবলে এবং কর্পোরেট গভর্নেন্স কোড অনুসারে পরিচালনা পর্ষদ ২৮ জানুয়ারি ২০১৯ তারিখের সভায় মিসেস পারভিন মাহমুদ, এফসিএ-কে স্বতন্ত্র পরিচালক নিয়োগ করে। এই নিয়োগ আনুমোদনের জন্য সাধারণ সভায় পেশ করা হলো।

গ) স্বতন্ত্র পরিচালক জনাব আনিস এ খান ১৬ এপ্রিল ২০১৯ তারিখে ৩ বছর মেয়দ পূর্ণ করেছেন এবং ৩ জুন ২০১৮ তারিখের কর্পোরেট গভর্নেন্স কোড-এর শর্ত নং ১(২) (ই) অনুসারে পরিচালক পর্ষদ তাকে দ্বিতীয় মেয়াদের জন্য পুনরায় নিয়োগ করেছেন। এই নিয়োগ আনুমোদনের জন্য সাধারণ সভায় পেশ করা হলো।

ঘ) সংঘবিধির ১২১ ও ১২২ অনুচ্ছেদ অনুসারে জনাব কে আর দাশ, মিসেস রিশমা কাউর এবং জনাব কানওয়ার সিং খিঙ্ডা অবসর গ্রহণ করেছেন এবং যোগ্য বিধায় পুনর্নির্বাচিত হওয়ার ইচ্ছা পোষণ করেছেন।

পরিচালনা পর্ষদ এসকল নির্বাচন/পুনর্নির্বাচনের সুপারিশ করেন।

### নিরীক্ষক নিয়োগ

ক) মেসার্স এ. কাশেম অ্যান্ড কোং চার্টার্ড অ্যাকাউন্ট্যান্ট নিরীক্ষক পদ হতে আসন্ন বার্ষিক সাধারণ সভার শেষে অবসর গ্রহণ করবেন এবং বাংলাদেশ সিকিউরিটি এক্সচেঞ্জ কমিশনের আদেশ নং এইসি/সিএমআরসিডি/২০০৯-১৯৩/১০৪/অ্যাডমিন তারিখে ২৭ জুলাই ২০১১-এর শর্ত বি অনুসারে যোগ্য বিধায় পুনঃ নিয়োগের ইচ্ছা প্রকাশ করেছেন। অডিট কমিটি পুনঃ নিয়োগের বিষয়ে সুপারিশ করেছেন। পরিচালনা পর্ষদও মেসার্স এ. কাশেম এন্ড কোং চার্টার্ড অ্যাকাউন্ট্যান্টসকে পুনঃ নিয়োগের জন্য সুপারিশ করেছেন।

খ) মেসার্স ম্যাবস অ্যান্ড জে পার্টনার্স ৩১ ডিসেম্বর ২০১৯ তারিখে সমাপ্ত বছরের জন্য কর্পোরেট গভর্নেন্স কমপ্লায়েন্স রিপোর্ট নিরীক্ষা করেছেন এবং সনদ পত্র প্রদান করেছেন। পুনঃ নিয়োগের যোগ্য বিধায় ৩১ ডিসেম্বর ২০২০ তারিখে সমাপ্ত বছরের নিরীক্ষা করার জন্য ইচ্ছা প্রকাশ করেছেন। বাংলাদেশ সিকিউরিটি এক্সচেঞ্জ কমিশনের নোটিফিকেশন নং বিএসইসি/সিএমআরসিডি/২০০৬-১৫৮/২০৭/অ্যাডমিন/৮০ তারিখ ৩ জুন ২০১৮ এর শর্ত ৯(২) অনুসারে কর্পোরেট গভর্নেন্স কমপ্লায়েন্স সার্টিফিকেট নিরীক্ষাকারী প্রতিষ্ঠানের নিয়োগ সাধারণ সভায় অনুমোদিত হবে। পরিচালনা পর্ষদ তাদের পুনঃ নিয়োগের জন্য সুপারিশ করেছেন।

### কর্পোরেট সুশাসন

বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশনের নোটিফিকেশন নং বিএসইসি/সিএমআরসিডি/২০০৬-১৫৮/২০৭/অ্যাডমিন/৮০ তারিখ ৩ জুন ২০১৮ অনুসারে প্রয়োজনীয় ঘোষণা ও প্রতিবেদনসমূহ সংযুক্তি ১,২,৩,৪ ও ৫ আকারে এ প্রতিবেদনের সাথে সংযুক্ত হলো।

### মানব সম্পদ

পূর্বের বছরগুলোর মতো বছরব্যাপী এবারও কোম্পানিতে পূর্ণ শান্তি ও শৃঙ্খলা বজায় ছিল। মানবসম্পদের দক্ষতা উন্নয়নের জন্য কোম্পানি দেশে-বিদেশে আনুষ্ঠানিক ও অনানুষ্ঠানিক প্রশিক্ষণের আয়োজন করে আসছে। পর্ষদ এই কোম্পানির উন্নয়নে এর সকল কর্মকর্তা-কর্মচারীর প্রচেষ্টা ও সহযোগিতাকে কৃতজ্ঞচিত্তে স্বরণ করছে।

### ব্যবস্থাপনা কর্তৃপক্ষের স্বীকৃতি

পরিচালনা পর্ষদ কোম্পানির সাফল্যে অবদান রাখার জন্য সকল কর্মকর্তা-কর্মচারী, ক্রেতা, ব্যাংক, বীমা কোম্পানি, সরকারি সংস্থাসমূহ, নিরীক্ষক, বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন, ঢাকা স্টক এক্সচেঞ্জ, চট্টগ্রাম স্টক এক্সচেঞ্জ, সেন্ট্রাল ডিপোজিটরী বাংলাদেশ লিমিটেড, সেবাদাতা এবং সর্বোপরি শেয়ারহোল্ডারগণকে আন্তরিক ধন্যবাদ জানাচ্ছেন।

পরিচালনা পর্ষদের পক্ষ থেকে,

জেরাল্ড কে. এ্যাডামস্  
সভাপতি

২৮ মে ২০১৯

## নিরীক্ষিত আর্থিক বিবরণী

### বার্জার পেইন্টস্ বাংলাদেশ লিমিটেড আর্থিক অবস্থার বিবরণী

| টাকা '০০০                                  | টাকা      | ৩১ মার্চ ২০১৯     | ৩১ মার্চ ২০১৮    |
|--|-----------|-------------------|------------------|
| <b>সম্পদ</b>                               |           |                   |                  |
| সম্পত্তি, কারখানা ও যন্ত্রপাতি             | ৩         | ৩,৭৮১,৩২৮         | ৩,২৩০,৯২১        |
| প্রক্রিয়াধীন মূলধন                        | ৪         | ২২৭,৭৬০           | ১১০,৮৯২          |
| অস্পর্শনীয় সম্পদ                          | ৫         | ৭৮,১২৩            | ৮৯,৯০৭           |
|  |           | ৪,০৮৭,২১১         | ৩,৪৩১,৭২০        |
| বিনিয়োগ-ক্রয়মূল্যে                       | ৬         | ৯৩,৩৪৩            | ৮৯,৩০০           |
| <b>মোট স্থায়ী সম্পদ</b>                   |           | <b>৪,১৮০,৫৫৪</b>  | <b>৩,৫২১,০২০</b> |
| মেয়াদী জমা                                | ৭         | ৪০১,২৩৭           | -                |
| মজুদ                                       | ৮         | ২,০২৫,২০৯         | ২,২৫০,৬০১        |
| বিবিধ দেনাদার                              | ৯         | ১,৬৬৩,৫২৪         | ১,৫৮০,০৪৮        |
| অগ্রিম, জামানত ও আগাম প্রদান               | ১০        | ৪২৯,৫৪০           | ৪০০,৪১৪          |
| নগদ অর্থ ও সদৃশ সম্পদ                      | ১১        | ১,৮৯২,১৪৩         | ১,১১৫,২৩০        |
| আন্তঃ কোম্পানি পাওনা                       | ১২        | ১২৬,৮১৮           | ৭৪,২৯৪           |
| <b>মোট চলতি সম্পদ</b>                      |           | <b>৬,৫৩৮,৪৭১</b>  | <b>৫,৪২০,৫৮৭</b> |
| <b>মোট সম্পদ</b>                           |           | <b>১০,৭১৯,০২৫</b> | <b>৮,৯৪১,৬০৭</b> |
| <b>মালিকানা স্বত্ব ও দায় সমূহ</b>         |           |                   |                  |
| শেয়ার মূলধন                               | ১৩.২      | ৪৬৩,৭৭৯           | ২৩১,৮৮৯          |
| শেয়ার প্রিমিয়াম                          | ১৪        | -                 | ১১৫,০৬৮          |
| সাধারণ তহবিল                               | ১৩.২      | -                 | ১০,০০০           |
| অবশিষ্ট মুনাফা                             | ১৫        | ৭,০৭৪,৭২৩         | ৫,৬৯৪,১৭৮        |
| <b>মোট মালিকানা স্বত্ব</b>                 |           | <b>৭,৫৩৮,৫০২</b>  | <b>৬,০৫১,১৩৫</b> |
| বিলম্বিত কর                                | ১৬        | ২৪২,২৫৯           | ২৩৬,৯৮৯          |
| <b>মোট দীর্ঘমেয়াদী দায়</b>               |           | <b>২৪২,২৫৯</b>    | <b>২৩৬,৯৮৯</b>   |
| বিবিধ পাওনাদার                             | ১৭        | ২,০১১,২৭৪         | ২,৪২৮,৫৫৯        |
| রয়্যালটি সঞ্চিতি                          | ১৮        | ৩০৯,৮৬৩           | ২১৫,৪৫৫          |
| আয়কর সঞ্চিতি                              | ১৯        | ১৮০,৮৫১           | (২৭,৮৪৩)         |
| কর্মচারীদের অবসর প্রচেষ্টা                 | ২০        | ৩০,৬৯৯            | ২৮,৫২৩           |
| প্রদেয় লভ্যাংশ                            | ২১        | ৪০৫,৪৩০           | ৮,৬৪২            |
| অদাবিকৃত শেয়ার আবেদনের অর্থ               | ২২        | ১৪৭               | ১৪৭              |
| <b>মোট চলতি দায়</b>                       |           | <b>২,৯৩৮,২৬৪</b>  | <b>২,৬৫৩,৪৮৩</b> |
| <b>মোট দায়</b>                            |           | <b>৩,১৮০,৫২৩</b>  | <b>২,৮৯০,৪৭২</b> |
| <b>মোট মালিকানা স্বত্ব ও দায় সমূহ</b>     |           | <b>১০,৭১৯,০২৫</b> | <b>৮,৯৪১,৬০৭</b> |
| সম্ভাব্য দায়                              | ২৩        | ৬৭৬,৩৬৬           | ৫৭৪,২৭৩          |
| <b>শেয়ার প্রতি নিট সম্পদ মূল্য (টাকা)</b> | <b>৪০</b> | <b>১৬২.৫৫</b>     | <b>১৩০.৪৭</b>    |

সংযুক্ত টীকা নং ১ থেকে ৪২ এবং সংযুক্তি-এ এই আর্থিক প্রতিবেদনসমূহের অবিচ্ছেদ্য অংশ

ব্যবস্থাপনা পরিচালক

পরিচালক ও সিএফও  
আমাদের একই তারিখের প্রতিবেদন অনুসারে

কোম্পানি সচিব

ঢাকা, ২৮ মে ২০১৯

এ. কাশেম এন কোং  
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# বাজার পেইন্টস বাংলাদেশ লিমিটেড

## লাভ ও ক্ষতি এবং অন্যান্য সম্মিলিত আয়ের বিবরণী

| টাকা '০০০                               | টাকা              | ৩১ মার্চ ২০১৯ তারিখে<br>সমাপ্ত বছরের জন্য | ৩১ মার্চ ২০১৮ তারিখে<br>সমাপ্ত বছরের জন্য |
|---|-------------------|---|---|
| নিট বিক্রয়                             | ২৪                | ১৭,৭৩৩,৩১১                                | ১৬,৪৮৩,৪৯৭                                |
| বিক্রিত পণ্যের ব্যয়                    | ২৫                | (৯,৯১৫,৫৮৩)                               | (৯,১২৯,৩৫৬)                               |
| <b>মোট লাভ</b>                          |                   | <b>৭,৮১৭,৭২৮</b>                          | <b>৭,৩৫৪,১৪১</b>                          |
| বিক্রয়, বিতরণ ও সংরক্ষণ ব্যয়          | ২৬                | (৪,৬৪৮,৬৯৩)                               | (৪,৬২৮,২২৯)                               |
| প্রশাসনিক ব্যয় ও সাধারণ খরচ            | ২৭                | (৫০৯,৫৯৬)                                 | (৪৮৮,৫৬২)                                 |
| অন্যান্য পরিচালন ব্যয়                  | ২৮                | (১০১,৮২২)                                 | (৮৮,৮০৪)                                  |
| অন্যান্য পরিচালন আয়                    | ২৯                | ১৮৩,২৩১                                   | ১৭৭,৯৫৫                                   |
|   |                   | (৫,০৭৬,৮৮০)                               | (৫,০২৭,৬৪০)                               |
| <b>পরিচালন মুনাফা</b>                   |                   | <b>২,৭৪০,৮৪৮</b>                          | <b>২,৩২৬,৫০১</b>                          |
| ঋণ জনিত ব্যয়                           | ৩০                | (৭,২২৭)                                   | (৭,০৯০)                                   |
| বিনিয়োগ হতে আয়                        | ৩১                | ৩৭,৭১৬                                    | ৪৫,২১৪                                    |
| <b>নিট আর্থিক আয়</b>                   |                   | <b>৩০,৪৮৯</b>                             | <b>৩৮,১২৪</b>                             |
| অন্যান্য পরিচালন বহির্ভূত আয়           | ৩২                | ৭,৯৭৯                                     | ৭,১৭০                                     |
| <b>ডব্লিউপিপিএফ ও আয়করপূর্ব মুনাফা</b> |                   | <b>২,৭৭৯,৩১৬</b>                          | <b>২,৩৭১,৭৯৫</b>                          |
| মুনাফায় শ্রমিকের অংশ (ডব্লিউপিপিএফ)    | ২.১৭ (iii) ও ১৭.১ | (১৩৮,৫৬৭)                                 | (১১৮,২৩১)                                 |
| <b>আয়করপূর্ব মুনাফা</b>                |                   | <b>২,৬৪০,৭৪৯</b>                          | <b>২,২৫৩,৫৬৪</b>                          |
| আয়কর                                   | ২.১৮ ও ১৯         | (৬৮৪,৩৩৩)                                 | (৫২৬,১৪৬)                                 |
| বিলম্বিত কর                             | ২.১৮ ও ১৬.১       | (৫,২৭০)                                   | (৫৭,৪৮৮)                                  |
|   |                   | (৬৮৯,৬০৩)                                 | (৫৮৩,৬৩৪)                                 |
| <b>নিট লাভ</b>                          |                   | <b>১,৯৫১,১৪৬</b>                          | <b>১,৬৬৯,৯৩০</b>                          |
| <b>সর্বমোট সম্মিলিত আয়</b>             |                   | <b>১,৯৫১,১৪৬</b>                          | <b>১,৬৬৯,৯৩০</b>                          |
| শেয়ার প্রতি আয় (টাকা)                 | ৪০                | ৪২.০৭                                     | ৩৬.০১                                     |
| ডাইলিউটেড শেয়ার প্রতি আয় (টাকা)       | ৪০                | ৪২.০৭                                     | ৩৬.০১                                     |

সংযুক্ত টীকা নং ১ থেকে ৪২ এবং সংযুক্তি-এ এই আর্থিক প্রতিবেদনসমূহের অবিচ্ছেদ্য অংশ

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ঢাকা, ২৮ মে ২০১৯

এ. কাশেম এন কোং  
চার্টার্ড অ্যাকাউন্ট্যান্টস্



# বাজার পেইন্টস বাংলাদেশ লিমিটেড মালিকানা স্বত্বের পরিবর্তন বিবরণী

টাকা '০০০

| ৩১ মার্চ ২০১৮ তারিখে সমাপ্ত বছরের জন্য | শেয়ার মূলধন   | সাধারণ তহবিল  | শেয়ার প্রিমিয়াম | অবশিষ্ট মুনাফা   | মোট              |
|--|----------------|---------------|-------------------|------------------|------------------|
| ১ এপ্রিল, ২০১৭-এ স্থিতি                | ২৩১,৮৮৯        | ১০,০০০        | ১১৫,০৬৮           | ৫,০০৯,৭৭৮        | ৫,৩৬৬,৭৩৫        |
| চলতি বছরের নিট লাভ                     | -              | -             | -                 | ১,৬৬৯,৯৩০        | ১,৬৬৯,৯৩০        |
| নগদ লভ্যাংশ বিতরণ                      | -              | -             | -                 | (৯৮৫,৫৩০)        | (৯৮৫,৫৩০)        |
| <b>৩১ মার্চ, ২০১৮-এ স্থিতি</b>         | <b>২৩১,৮৮৯</b> | <b>১০,০০০</b> | <b>১১৫,০৬৮</b>    | <b>৫,৬৯৪,১৭৮</b> | <b>৬,০৫১,১৩৫</b> |

| ৩১ মার্চ ২০১৯ তারিখে সমাপ্ত বছরের জন্য | শেয়ার মূলধন   | সাধারণ তহবিল | শেয়ার প্রিমিয়াম | অবশিষ্ট মুনাফা   | মোট              |
|--|----------------|--------------|-------------------|------------------|------------------|
| ১ এপ্রিল, ২০১৮-এ স্থিতি                | ২৩১,৮৮৯        | ১০,০০০       | ১১৫,০৬৮           | ৫,৬৯৪,১৭৮        | ৬,০৫১,১৩৫        |
| চলতি বছরের নিট লাভ                     | -              | -            | -                 | ১,৯৫১,১৪৬        | ১,৯৫১,১৪৬        |
| নগদ লভ্যাংশ বিতরণ                      | -              | -            | -                 | (৪৬৩,৭৭৯)        | (৪৬৩,৭৭৯)        |
| বোনাস শেয়ার ইস্যু                     | ২৩১,৮৯০        | (১০,০০০)     | (১১৫,০৬৮)         | (১০৬,৮২২)        | -                |
| <b>৩১ মার্চ, ২০১৯-এ স্থিতি</b>         | <b>৪৬৩,৭৭৯</b> | <b>-</b>     | <b>-</b>          | <b>৭,০৭৪,৭২৩</b> | <b>৭,৫৩৮,৫০২</b> |

টাকা ১৩.২ ১৩.২ ১৩.২ ও ১৪ ১৫

সংযুক্ত টীকা নং ১ থেকে ৪২ এবং সংযুক্তি-এ এই আর্থিক প্রতিবেদনসমূহের অবিচ্ছেদ্য অংশ

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# বাজার পেইন্টস বাংলাদেশ লিমিটেড

## অর্থপ্রবাহ বিবরণী

| টাকা '০০০  | টাকা     | ৩১ মার্চ ২০১৯ তারিখে<br>সমাপ্ত বছরের জন্য | ৩১ মার্চ ২০১৮ তারিখে<br>সমাপ্ত বছরের জন্য |
|--|----------|---|---|
| <b>পরিচালন কার্য খাতে অর্থপ্রবাহ (ক)</b>           |          |   |   |
| ক্রেতাদের থেকে প্রাপ্ত অর্থ                        |          | ১৭,৬৬১,৪৮৮                                | ১৫,৯৮১,০২৩                                |
| অন্যান্য পরিচালন কার্য থেকে প্রাপ্ত অর্থ           |          | ২০২,০৬৯                                   | ২৩০,০৫৮                                   |
| সরবরাহকারী ও কর্মচারীদের প্রদত্ত অর্থ              |          | (১৫,০০১,৮১৮)                              | (১৪,০৮৪,১২৮)                              |
| আয়কর পরিশোধ                                       | ১৯       | (৪৭৫,৬৩৯)                                 | (৭৫৪,৯০২)                                 |
| পরিচালন কার্য খাতে নিট অর্থপ্রবাহ                  | ৪০       | ২,৩৮৬,১০০                                 | ১,৩৭২,০৫১                                 |
| <b>বিনিয়োগ কার্যক্রম খাতে অর্থপ্রবাহ (খ)</b>      |          |   |   |
| স্থায়ী সম্পদ ক্রয়                                | ৩, ৪ ও ৫ | (১,১৫০,৫৯১)                               | (৯১০,১৬৪)                                 |
| বিএফএল-এ বিনিয়োগ                                  | ৬.১      | (৪,০৪৩)                                   | -   |
| স্বল্পমেয়াদী বিনিয়োগ                             | ৭        | (৪০১,২৩৭)                                 | -   |
| স্থায়ী সম্পদ বিক্রয়                              | ৩.৩      | ১৩,৬৭৪                                    | ৯,২১৩                                     |
| বিনিয়োগ কার্যক্রম খাতে নিট অর্থপ্রবাহ             |          | (১,৫৪২,১৯৬)                               | (৯০০,৯৫১)                                 |
| <b>আর্থিক কার্যক্রম খাতে অর্থপ্রবাহ (গ)</b>        |          |   |   |
| লভ্যাংশ প্রদান                                     | ২১       | (৬৬,৯৯১)                                  | (৯৮৫,১৯৪)                                 |
| আর্থিক কার্যক্রম খাতে নিট অর্থপ্রবাহ               |          | (৬৬,৯৯১)                                  | (৯৮৫,১৯৪)                                 |
| <b>নগদ অর্থ ও ব্যাংকে জমার হ্রাস (ঘ) = (ক+খ+গ)</b> |          |   |   |
|  |          | ৭৭৬,৯১৩                                   | (৫১৪,০৯৪)                                 |
| <b>প্রারম্ভিক নগদ অর্থ ও সদৃশ সম্পদ (ঙ)</b>        |          |   |   |
|  |          | ১,১১৫,২৩০                                 | ১,৬২৯,৩২৪                                 |
| <b>বছরান্তে নগদ অর্থ ও সদৃশ সম্পদ (ঘ+ঙ)</b>        |          |   |   |
|  |          | ১,৮৯২,১৪৩                                 | ১,১১৫,২৩০                                 |

সংযুক্ত টীকা নং ১ থেকে ৪২ এবং সংযুক্তি-এ এই আর্থিক প্রতিবেদনসমূহের অবিচ্ছেদ্য অংশ

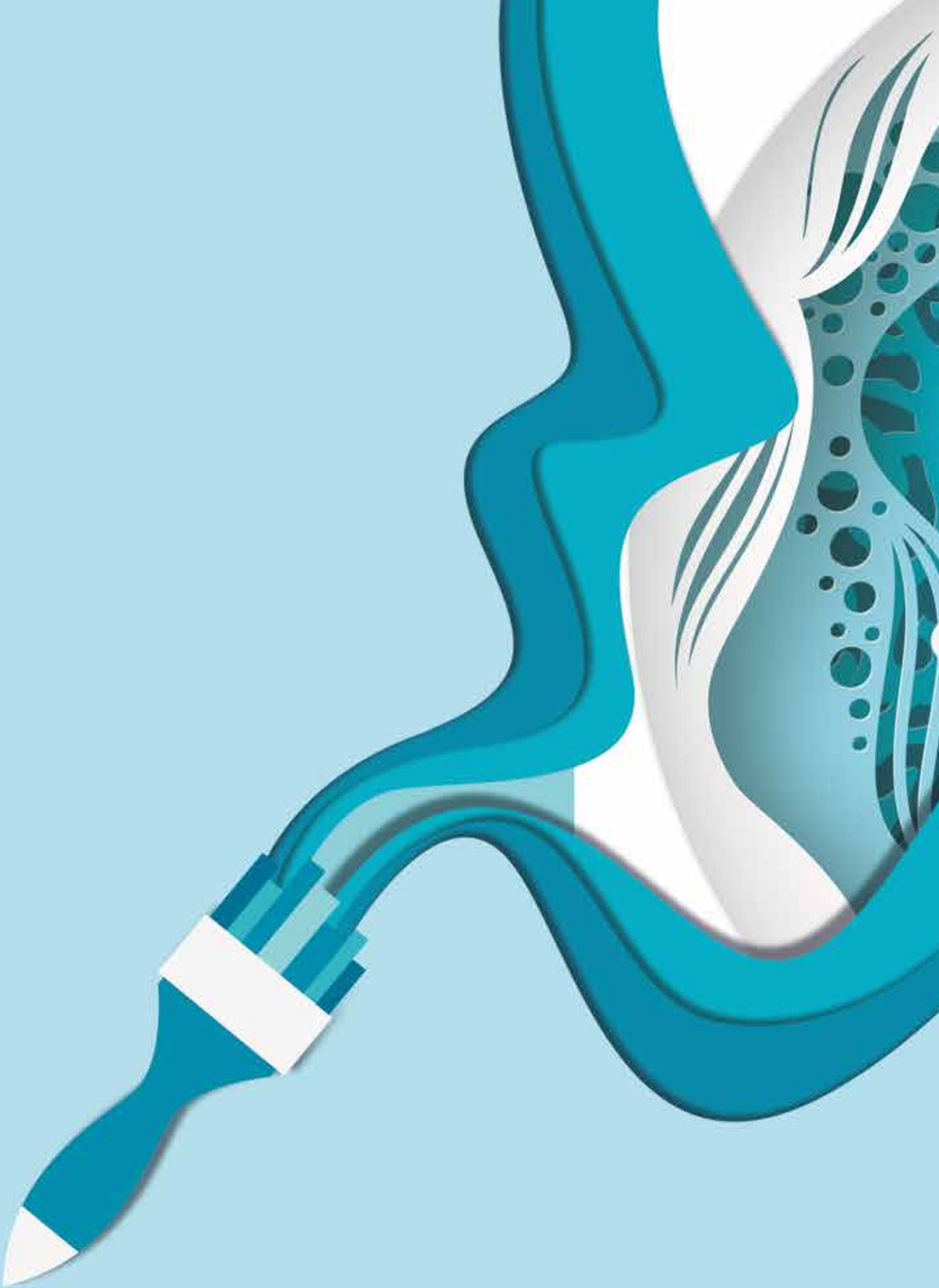
ব্যবস্থাপনা পরিচালক

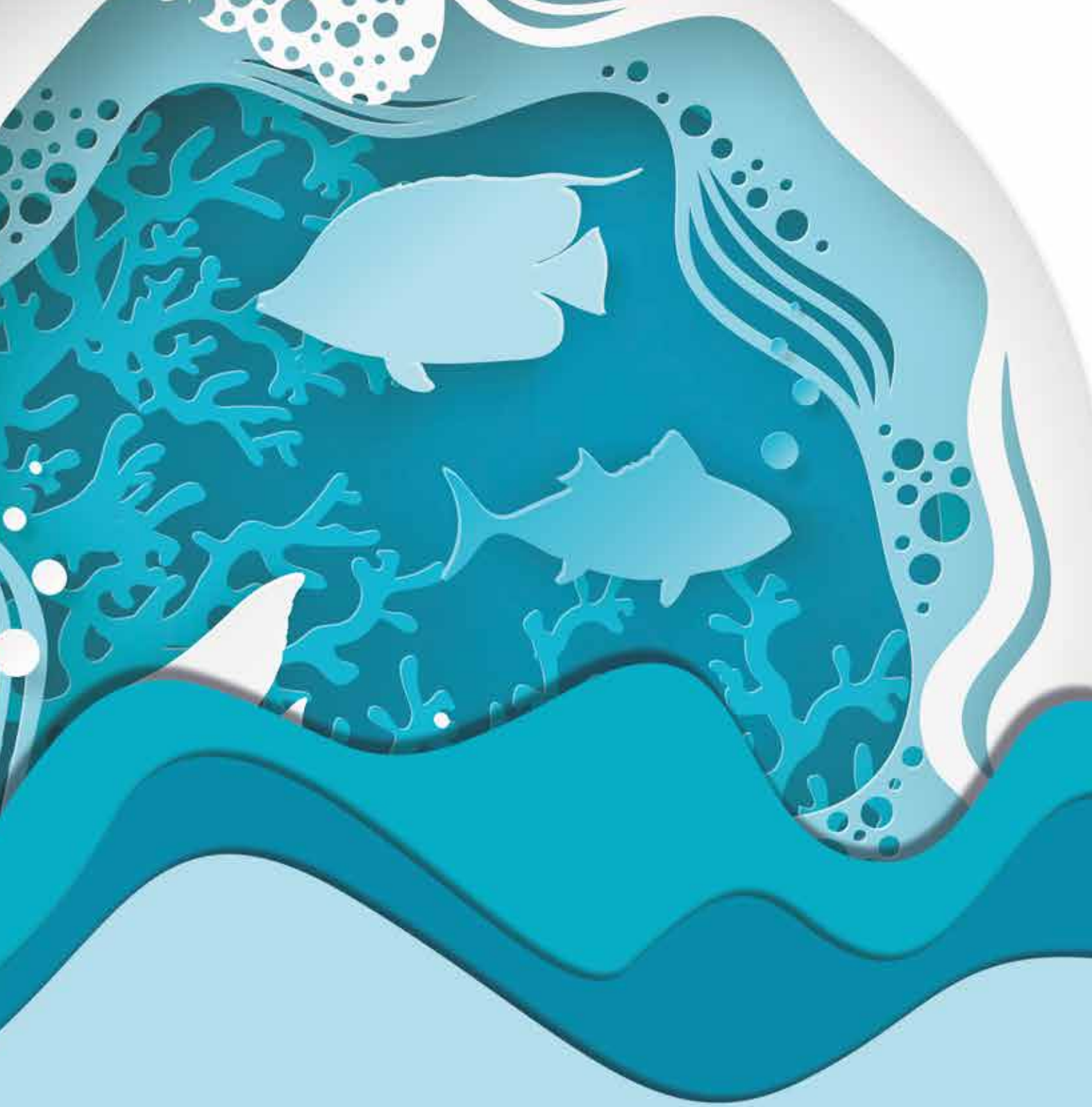
পরিচালক ও সিএফও  
আমাদের একই তারিখের প্রতিবেদন অনুসারে

কোম্পানি সচিব

ঢাকা, ২৮ মে ২০১৯

এ. কাশেম এন্ড কোং  
চার্টার্ড অ্যাকাউন্ট্যান্টস





# Subsidiary Company Profile

# Jenson & Nicholson (Bangladesh) Limited

## Directors' Report

The Directors of Jenson & Nicholson (Bangladesh) Limited are pleased to present their 29th report for the year ended March 31, 2019 along with the Audited Financial Statements and the Auditors' Report thereon.

During the period the company's sales increased by 7%. Due to increase of key raw material in global market and devaluation of Bangladeshi Taka against USD, cost of sales increased by 14%. As a result, income before tax of the company reduced by 19% to Tk. 90,717 thousand against Tk. 108,029 thousand of the previous year. The company is investing for enhancement of production capacity for gradually expanding customer base and diversifying product range. In view of the above, the Board of Directors did not recommend any dividend for the year ended March 31, 2019.

Jenson & Nicholson (Bangladesh) Limited is offering best quality food grade product range in addition to the products for paint industry. The company achieved certificate from SGS United Kingdom Ltd. for food grade safety in production process, Food Safety System Certification 22000 (FSSC 22000) covering the requirements of ISO 22000:2005, ISO/IS 22002-4 and additional FSSC 22000 requirements.

The Directors retiring by rotation under Article 32 are Mr. K. R. Das and Mr. Kanwardip Singh Dhingra who, being eligible, offered themselves for re-election. The Board of Directors recommends their re-election.

Our existing Auditor Messrs Hoda Vasi Chowdhury & Co., Chartered Accountants retire at the ensuing Annual General Meeting and, being eligible, offered themselves for reappointment.

We wish to acknowledge the continued assistance from the management of Berger Paints Bangladesh Limited to make Jenson & Nicholson (Bangladesh) Limited successful. We would also like to thank all stakeholders like employees, customers, banks, insurance companies, government authorities, auditors and utility providers for their immense support and contribution towards the Company.

On behalf of the Board,



Rupali Chowdhury  
Managing Director  
May 27, 2019

# Hoda Vasi Chowdhury & Co

Chartered Accountants

## Independent Auditors' Report To the Shareholders of Jenson & Nicholson (Bangladesh) Limited

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Jenson & Nicholson (Bangladesh) Limited, (the company) which comprise the statement of financial position as at 31 March 2019, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the state of company's affairs in all material respects of the financial position of the Company as at 31 March 2019, and of its financial performance and its cash flows for the year then ended in accordance with applicable International Financial Reporting Standards (IFRSs), International Accounting Standards (IASs) and other laws and regulations applicable for this company in Bangladesh.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the **"Auditor's Responsibilities for the Audit of the Financial Statements"** section of our report.

We believe that, the audit evidence we have obtained are sufficient and appropriate to provide a basis of our audit opinion.

#### Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with ethical requirement that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that, non-audit services as prohibited by the ethical requirements were not provided by us to the company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Management's Responsibilities for other Information

Management is responsible for the other Information. The other information comprises the information including Director's report included in annual report but does not included in the financial statements and our auditor's report thereon.

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

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

Management is responsible for the preparation and fair presentation of financial statements in accordance with applicable IFRSs and IASs. This responsibility includes designing implementing and maintaining internal control relevant to the presentation and fair presentation of the financial statement 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.

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

## Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit, we also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

## Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act (#18) 1994, we also report the following:

- a) We have obtained all the information and explanation 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; and
- c) The statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account.

Dhaka, 27 May 2019

  
**Hoda Vasi Chowdhury & Co.**  
Chartered Accountants



# Jenson & Nicholson (Bangladesh) Limited

## Statement of Financial Position

As at 31 March

In Thousands Taka

### Assets

#### Non- Current Assets

Property, plant and equipment

Capital work-in-progress

Intangible assets

#### Total non- current assets

#### Current Assets

Inventories

Trade & Other Receivables

Advances, deposits and prepayments

Advance tax

Cash and cash equivalent

#### Total current assets

#### Total Assets

#### Equity and Liabilities

Share capital

Retained earnings

#### Non-current Liabilities

Deferred tax liabilities

#### Total non-current liabilities

#### Current Liabilities

Inter-company payable -BPBL

Trade and other payables

Employees' retirement gratuity

#### Total current liabilities

#### Total Liabilities

#### Total equity and liabilities

#### Contingent Liabilities

|                                      | 2019           | 2018           |
|--------------------------------------|----------------|----------------|
| <b>Assets</b>                        |                |                |
| <b>Non- Current Assets</b>           |                |                |
| Property, plant and equipment        | 434,570        | 447,286        |
| Capital work-in-progress             | 141,126        | 1,815          |
| Intangible assets                    | 3,962          | 4,695          |
| <b>Total non- current assets</b>     | <b>579,658</b> | <b>453,796</b> |
| <b>Current Assets</b>                |                |                |
| Inventories                          | 145,038        | 149,469        |
| Trade & Other Receivables            | 20,498         | 17,034         |
| Advances, deposits and prepayments   | 7,514          | 5,446          |
| Advance tax                          | 11,317         | 27,106         |
| Cash and cash equivalent             | 12,404         | 23,987         |
| <b>Total current assets</b>          | <b>196,771</b> | <b>223,042</b> |
| <b>Total Assets</b>                  | <b>776,429</b> | <b>676,838</b> |
| <b>Equity and Liabilities</b>        |                |                |
| Share capital                        | 50,100         | 50,100         |
| Retained earnings                    | 480,633        | 422,679        |
|                                      | <b>530,733</b> | <b>472,779</b> |
| <b>Non-current Liabilities</b>       |                |                |
| Deferred tax liabilities             | 74,129         | 72,365         |
| <b>Total non-current liabilities</b> | <b>74,129</b>  | <b>72,365</b>  |
| <b>Current Liabilities</b>           |                |                |
| Inter-company payable -BPBL          | 106,338        | 65,695         |
| Trade and other payables             | 51,775         | 53,391         |
| Employees' retirement gratuity       | 13,454         | 12,608         |
| <b>Total current liabilities</b>     | <b>171,567</b> | <b>131,694</b> |
| <b>Total Liabilities</b>             | <b>245,696</b> | <b>204,059</b> |
| <b>Total equity and liabilities</b>  | <b>776,429</b> | <b>676,838</b> |
| <b>Contingent Liabilities</b>        | <b>46,908</b>  | <b>94,497</b>  |

  
Managing Director

  
Director

As per our report of same date

  
Company Secretary

  
Hoda Vasi Chowdhury & Co.  
Chartered Accountants

Dhaka, 27 May 2019

# Jenson & Nicholson (Bangladesh) Limited

## Statement of profit or loss and other comprehensive income

| In Thousands Taka                              | For the year ended 31 March |                |
|--|-----------------------------|----------------|
|  | 2019                        | 2018           |
| Revenue  | 611,249                     | 570,657        |
| Cost of sales                                  | (484,453)                   | (423,356)      |
| <b>Gross profit</b>                            | <b>126,796</b>              | <b>147,301</b> |
| <b>Expenses</b>                                |                             |                |
| Warehouse and distribution                     | (23,003)                    | (21,975)       |
| Administrative                                 | (27,661)                    | (28,771)       |
| Other operating income-net                     | 25,567                      | 24,956         |
|  | (25,097)                    | (25,790)       |
| <b>Profit from operation</b>                   | <b>101,699</b>              | <b>121,511</b> |
| Service charges                                | (3,000)                     | (2,250)        |
| Financial charges                              | (3,669)                     | (5,546)        |
|  | (6,669)                     | (7,796)        |
| Other non-operating income                     | 439                         | -              |
| <b>Profit before WPPF and tax</b>              | <b>95,469</b>               | <b>113,715</b> |
| Workers' profit participation and welfare fund | (4,752)                     | (5,686)        |
| <b>Income before tax</b>                       | <b>90,717</b>               | <b>108,029</b> |
| Provision for current tax                      | (30,999)                    | (28,866)       |
| Provision for deferred tax                     | (1,764)                     | (1,655)        |
|  | (32,763)                    | (30,521)       |
| <b>Net Income for the year</b>                 | <b>57,954</b>               | <b>77,508</b>  |

  
Managing Director

  
Director

As per our report of same date

  
Company Secretary

  
Hoda Vasi Chowdhury & Co.  
Chartered Accountants

Dhaka, 27 May 2019



# Jenson & Nicholson (Bangladesh) Limited

## Statement of Cash Flows

In Thousands Taka

For the year ended 31 March

### Cash flows from Operating Activities (A)

Cash received from customers

Cash received from other operating income

Cash paid to suppliers and employees

Payment of interest

Income tax paid

**Net cash from operating activities**

| 2019           | 2018          |
|----------------|---------------|
| 607,785        | 563,770       |
| 25,567         | 24,956        |
| (445,438)      | (469,842)     |
| (3,669)        | (5,546)       |
| (15,210)       | (16,930)      |
| <b>169,035</b> | <b>96,408</b> |

### Cash flows from Investing Activities (B)

Capital expenditures

Proceeds from sale of assets

**Net cash used in investing activities**

|                  |                 |
|------------------|-----------------|
| (181,057)        | (83,085)        |
| 439              | -               |
| <b>(180,618)</b> | <b>(83,085)</b> |

### Cash flows from Financing Activities (C)

(Decrease)/Increase in cash and bank balance (D)= (A+B+C)

Cash & cash equivalents at the beginning of the year ( E )

**Cash & cash equivalents at the end of the year (D+ E )**

|               |               |
|---------------|---------------|
| -             | -             |
| (11,583)      | 13,323        |
| 23,987        | 10,664        |
| <b>12,404</b> | <b>23,987</b> |

### These comprise the following

Cash and Bank balances

|               |               |
|---------------|---------------|
| 12,404        | 23,987        |
| <b>12,404</b> | <b>23,987</b> |

  
Managing Director

  
Director

As per our report of same date

  
Company Secretary

  
Hoda Vasi Chowdhury & Co.  
Chartered Accountants

Dhaka, 27 May 2019



Events

## 8<sup>th</sup> EGM and 45<sup>th</sup> AGM of Berger Paints Bangladesh Limited



The 8<sup>th</sup> Extraordinary General Meeting (EGM) and the 45<sup>th</sup> Annual General Meeting (AGM) of Berger Paints Bangladesh Limited was held on July 17, 2018 at International Convention City, Dhaka. Gerald K. Adams, Chairman, presided over the meeting. Managing Director Rupali Chowdhury along with other directors Anil Bhalla, K. R. Das, Jean-Claude Loutreuil, Anis A. Khan, Masud Khan, Rishma Kaur, Kanwardip Singh Dhingra, Abdul Khalek and company secretary Khandker Abu Jafar Sadique also attended the meetings. At the EGM, the authorized capital of the company was increased from Taka 40 crore to Taka 100 crore.

Gerald K. Adams presented the Directors' Report, Auditors' Report and Audited Financial Statements for the year ended March 31, 2018 before the shareholders. Rupali Chowdhury replied to the shareholders' queries.

100% Stock Dividend and 200% Cash Dividend was declared for 2017-2018 in the meeting.



## Launching of New Products



### Berger InkMaster

Berger Paints has recently added liquid printing ink in its portfolio - Berger InkMaster. Liquid Ink products are used by the flexible packaging material manufacturing industry to print on various plastic and polythene packets, sachet packs etc. These packaging materials are used for packing products of food & beverage, FMCG, chemicals, pharmaceuticals and many other industries. Initially, gravure inks like reverse lamination ink, standard poly surface ink and deep freeze resistant ink have been launched.

### Jensolin Fluorescent Paint

Jensolin Fluorescent Paint is a solvent based quick drying paint with light reflective fluorescent pigment, which provides a highly reflective finish, thereby enhances surface visibility. It is useful for all types of surfaces both indoors and outdoors. It is an excellent paint to highlight road signs, banner, festoons and signboards.



### Berger PowerBond 1K PUR Adhesive

Berger PowerBond 1K PUR is a single component moisture curing polyurethane wood adhesive. It is a fast drying, ready to use adhesive with a very high bond strength, excellent water resistance and gap filling properties. It is suitable for all type of wood works, windows and door assembly, staircase, plywood, rigid plastics foam, concrete and ceramic.

## Inauguration of Home Decor Franchise

Berger Paints Bangladesh Limited has commenced the operation of Berger Experience Zone franchised to Dina Hardware Paint and Electric located at 12/A, Main Road, Mohammadi Housing Limited, Mohammadpur, Dhaka. This franchise based experience zone is the first of its kind by Berger Paints Bangladesh Limited.



Reducing hassle of customers by providing one-point solution for all the painting requirements is the main objective of this venture. Customers can avail the services related to product purchase, painting supervision, illusions paints, trained painters, color scheme selection, and other paint related solutions under one roof i.e. Berger Experience Zone.

Rupali Chowdhury, Managing Director, Berger Paints Bangladesh Limited inaugurated this Experience Zone at Dina Hardware Paint and Electric on December 26, 2018. Mohsin Habib Chowdhury, Senior General Manager, Sales and Marketing; A K M Sadeque Nawaj, General Manager, Marketing; Azizul Haque, General Manager, Trade Sales of Berger Paints were also present at the inauguration ceremony.



## 23<sup>rd</sup> Berger Young Painters' Art Competition 2018



The award giving ceremony for the 23<sup>rd</sup> Berger Young Painters' Art Competition was held on November 19, 2018, at the Utshab Banquet Hall of Radisson Blu hotel. Rupali Chowdhury, MD, Berger Paints, Mohsin Habib Chowdhury, Senior GM-Sales and Marketing, Berger Paints and Professor Nisar Hossain, Dean, Faculty of Fine Arts, DU and Chairman of Jury Committee spoke in the program. The six winners of the 23<sup>rd</sup> Berger Young Painters' Art Competition (BYPAC) 2018 are CHITRAM SEN ANIK (1st), MD. TARIQUL ISLAM HEROK (2nd), NABARAJ ROY (3rd), JANNATUL NESA TUMPA (4th), ASMA CHOWDHURY (5th) and SUBORNA MORSHEADA (6th). In the program, Ms. Rupali Chowdhury handed over the crests to the winners and Professor Nisar Hossain handed over the certificates and prize money.

The ceremony was further brightened by honoring the prominent artist, Professor Abul Barq Alvi with Life Time Achievement Award of BYPAC 2018. The exhibition of the selected 40 paintings of BYPAC 2018, including the 6 winning artworks was held at Zainul Gallery (Gallery-1) from November 20-24, 2018.

## Berger Award for Students of Faculty of Fine Art, University of Dhaka 2018



The award ceremony of Berger Award for Students of Faculty of Fine Art, University of Dhaka was organized at the Faculty of Fine Art, DU on October 7, 2018. The program was graced by Prof. Dr. Md. Akhtaruzzaman, Vice Chancellor, University of Dhaka, as the chief guest and Ms. Rupali Chowdhury, Managing Director, Berger Paints Bangladesh Limited as special guest.

Berger Paints Bangladesh Limited has initiated a scholarship program for the students obtaining top positions in honors' program under 8 departments of FFA, DU in order to nurture their creativity and reward their success in their academic pursuit. At the event, scholarships were awarded to students who achieved highest C.G.P.As in the BFA Honors' Examination in 2016-17 session, among them were Md. Tariqul Islam (Drawing and Painting), Md. Rasel Rana (Graphic Design), Dipankar Singha (Printmaking), Utpol Kumar (Oriental Art), Sourav Das (Ceramics), Susmita Mukherjee Misty (Sculpture) and Md. Rezaul Karim Rezon (Crafts). Dipankar Singha from the department of printmaking was the winner of the Berger Student of The Year Award 2018.

At the end of award ceremony, the chief guest and special guest inaugurated the art exhibition at the Zainul Gallery of Faculty of Fine Art.

## MD of BPBL Elected President of BPMA

Rupali Chowdhury, Managing Director, Berger Paints Bangladesh Ltd. has been elected President of Bangladesh Paint Manufacturers' Association. The members of the association elected her president for 2019-2020 at their 41<sup>st</sup> Annual General Meeting recently held in Dhaka. Bangladesh Paint Manufacturers' Association (BPMA) is a not for profit leading body representing the paint manufacturers & suppliers of Bangladesh. It is the voice of Bangladesh paint industry, providing representation in the market and at government level. The association seeks to advance, encourage and recognize the highest standards of paints and also safeguard the interest of the paint producers.



## Berger Paints won ICMAB Best Corporate Award 2017



Berger Paints Bangladesh Limited recently received 'ICMAB Best Corporate Award 2017' in the category of Multinational Manufacturing Industries for its sales & financial performance, contribution to national exchequer, HR management, corporate governance, shareholders' return, investment growth and CSR activities. Mr. Abdul Khalek, CFO & Director of Berger Paints Bangladesh Limited received 'ICMAB Best Corporate Award' from the Chief Guest Abul Maal Abdul Muhit, former Honorable Minister, Ministry of Finance, the Government of the People's Republic of Bangladesh at the award ceremony of 'ICMAB Best Corporate Award 2017'.

## Berger wins Best Brand Award

Berger Paints Bangladesh Limited has won the Best Brand award for 2018 in paint category for the 8<sup>th</sup> consecutive year. The award event was organized by Bangladesh Brand Forum, in association with Daily Star. Nielsen, a reputed research firm, has conducted the required data collection and analysis to identify best brands of Bangladesh.





## Berger Paints received Highest VAT Payer Award



The National Board of Revenue (NBR) has been recognizing the highest VAT payers for the last several years to encourage industrialists and businesses to be compliant and to deposit the actual amounts of VAT paid by consumers. Berger Paints Bangladesh Limited once again has been awarded the Highest VAT Payer Award by the National Board of Revenue (NBR) under manufacturing category for the 2016-17 financial year. Director and CFO of Berger Paints Bangladesh Limited, Abdul Khalek, FCA received the award from Abul Maal Abdul Muhit, former Honorable Minister, Ministry of Finance, the Government of the People's Republic of Bangladesh.

## Eid Anondo Barate Gari Asbe Barite-Gift hand over program

Two cars were handed over to the lucky winners of raffle draw under the Eid scheme for dealers which was run from July 1 to August 31, 2018. Major attractions of the scheme (Toyota Aqua, Toyota Vitz), iPhone 10, Samsung Note 9, Kuala Lumpur Couple Trip, Bangkok Couple Trip, Cox's Bazar Couple Trip, Sylhet Couple Trip, Sofa set, AC, Smart TV, and different home appliances.

Rupali Chowdhury, Managing Director, Berger Paints handed over the key of the cars to Mr. Abul Kashem – Dubai Traders, Rajshahi depot and Mr. Zakir Hossain - Ali Shah Store from Chattogram depot.



## Berger Paints Handed over Motorcycles to 'Samporko Club' Winners

On 11 October 2018, Rupali Chowdhury, Managing Director of Berger Paints Bangladesh Limited handed over motorcycles among 13 winners from the best painters of Berger 'Samporko Club' chosen through raffle draw from each sales office across the country.

Berger 'Samporko Club' is a new scheme brought to the painters by Berger Paints Bangladesh Limited throughout the year with a view to providing them with many facilities and training for developing their lifestyle. At present, under the scheme more than 7000 painters have been enjoying facilities like- training, life insurance, accidental insurance and many others.



## Berger Awards Scholarship for Children of Dealers and Painters



Berger Paints Bangladesh Limited organized a program to honour meritorious children of dealers of Berger 'Club Supreme' and painters of Berger 'Samporko Club' in appreciation of their scoring G.P.A. 5 in S.S.C. and H.S.C. examinations in 2018. The event was organized at Head Office of Berger Paints Bangladesh Limited at Uttara on October 3, 2018 in Dhaka.

## BERGER Inter University Chess Competition 2018



With an aim to promote chess, Berger Paints has taken the initiative of organizing annual Inter University Chess Competitions since 2017. This year, Independent University Bangladesh (IUB) was the host of this tournament. 16 teams from 11 universities and a total of 96 chess players participated in this tournament from 7-11 November. In finale of the event, Professor Mohammad Omar Rahman, Vice Chancellor, IUB was present as the Chief Guest and Mohsin Habib Chowdhury, Sr. General Manager, Sales & Marketing, Berger Paints graced the event as the Special Guest, Grand Master Niaz Morshed is contributed his expertise as an advisor of this event.

## Land Lease Agreement Signing Ceremony between BEZA and Berger Paints

A land lease agreement signing ceremony was held on 17 October 2018 at Radisson Blu hotel in Dhaka, between Berger Paints Bangladesh Limited and Bangladesh Economic Zones Authority (BEZA) for an allotment of 30 acres of land to Berger Paints Bangladesh Limited at Mirsarai Economic Zone. Berger Paints will establish its third factory in this premise.







**BERGER PAINTS BANGLADESH LIMITED**  
Berger House, House # 8, Road # 2, Sector # 3, Uttara Model Town, Dhaka-1230



**PROXY FORM**

I/We .....  
of .....  
being a member of Berger Paints Bangladesh Limited do hereby appoint  
Mr. / Ms. ....  
of .....  
as my/our proxy to attend and vote for me/us on my/our behalf at the 46<sup>th</sup> Annual General Meeting of the Company to be held on  
Wednesday, 17 July 2019, at 10.00 am at Golf Garden, Army Golf Club, Airport Road, Dhaka Cantonment, Dhaka-1206  
and at any adjournment thereof.  
As witness my hand this day of ..... 2019.

Affix  
taka 20/-  
Revenue  
Stamp

(Signature of the Proxy)

(Signature of the Shareholder)

Dated.....

Dated.....

BO ID No:

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
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|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|

Note: The proxy form should reach the Corporate Office of the Company not less than 48 hours before the time fixed for the meeting.

Signature Verified

Authorized Signatory  
Berger Paints Bangladesh Limited



**BERGER PAINTS BANGLADESH LIMITED**  
Berger House, House # 8, Road # 2, Sector # 3, Uttara Model Town, Dhaka-1230



**Member's Attendance Slip**

I hereby record my attendance at the 46<sup>th</sup> Annual General Meeting being held on Wednesday, 17 July 2019  
at 10.00 am at Golf Garden, Army Golf Club, Airport Road, Dhaka Cantonment, Dhaka-1206

BO ID No:

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Name of the Member/Proxy .....

Signature .....

Date ..... 2019.

**Note:** Please present this slip at the Reception Desk





*Paint Your Imagination*



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