

**Berger Paints Bangladesh Limited**  
**Statement of Financial Position (Unaudited)**  
**As at 31 December 2019**

		Taka in '000	
	Notes	31 Dec 2019	31 Mar 2019
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	3,804,198	3,781,328
Capital work-in-progress		672,542	227,760
Intangible assets		57,200	78,123
		<b>4,533,940</b>	<b>4,087,211</b>
Investment - at cost		93,343	93,343
<b>Total non-current assets</b>		<b>4,627,283</b>	<b>4,180,554</b>
<b>Current assets</b>			
Inventories	4	2,476,757	2,025,209
Trade and other receivables	5	1,718,483	1,663,524
Advances, deposits and prepayments	6	116,711	429,540
Short term investment - FDR		451,237	401,237
Cash and cash equivalents	7	2,273,541	1,892,143
Inter - company receivables		85,947	126,818
<b>Total current assets</b>		<b>7,122,676</b>	<b>6,538,471</b>
<b>Total assets</b>		<b>11,749,959</b>	<b>10,719,025</b>
<b>Equity and liabilities</b>			
Share capital		463,779	463,779
Retained earnings		7,439,998	7,074,723
<b>Equity attributable to the Company's equity holders</b>	10	<b>7,903,777</b>	<b>7,538,502</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities	8	246,403	242,259
<b>Total non-current liabilities</b>		<b>246,403</b>	<b>242,259</b>
<b>Current liabilities</b>			
Trade and other payables	9	3,008,541	2,011,274
Provision for royalty		383,926	309,863
Provision for current tax		197,314	180,851
Employees' retirement gratuity		-	30,699
Dividend payable		9,851	405,430
Liability for unclaimed IPO application money		147	147
<b>Total current liabilities</b>		<b>3,599,779</b>	<b>2,938,264</b>
<b>Total liabilities</b>		<b>3,846,182</b>	<b>3,180,523</b>
<b>Total equity and liabilities</b>		<b>11,749,959</b>	<b>10,719,025</b>
<b>Net Asset Value Per Share (NAVPS) Tk.</b>	10	<b>170.42</b>	<b>162.55</b>

  
**Managing Director**

  
**Director**

  
**General Manager**  
**Treasury & Financial Accounting**

  
**Company Secretary**

Dhaka, 30 January 2020

**Berger Paints Bangladesh Limited**  
**Statement of Profit or Loss and Other Comprehensive Income (Unaudited)**  
**For the period from 1 April 2019 to 31 December 2019**

Notes	Taka in '000			
	Apr-Dec 2019	Apr-Dec 2018	Oct-Dec 2019	Oct-Dec 2018
Revenue-net	13,570,375	12,271,198	5,011,842	4,574,235
Cost of sales	(7,231,569)	(7,046,353)	(2,605,246)	(2,540,102)
<b>Gross profit</b>	<b>6,338,806</b>	<b>5,224,845</b>	<b>2,406,596</b>	<b>2,034,133</b>
Selling, distribution and warehousing expenses	(3,959,349)	(3,252,179)	(1,425,142)	(1,176,116)
Administrative and general expenses	(382,738)	(377,368)	(132,736)	(131,851)
Other operating expenses	(79,287)	(71,780)	(28,789)	(25,844)
Other operating income	137,156	141,488	42,607	44,494
	<b>(4,284,218)</b>	<b>(3,559,839)</b>	<b>(1,544,060)</b>	<b>(1,289,317)</b>
<b>Operating income</b>	<b>2,054,588</b>	<b>1,665,006</b>	<b>862,536</b>	<b>744,816</b>
Finance cost	(3,583)	(8,720)	(3,556)	(116)
Investment income	146,134	14,834	52,367	7,456
<b>Net finance income</b>	<b>142,551</b>	<b>6,114</b>	<b>48,811</b>	<b>7,340</b>
Other non-operating income	1,754	5,745	964	932
<b>Income before WPPF and tax</b>	<b>2,198,893</b>	<b>1,676,865</b>	<b>912,311</b>	<b>753,088</b>
Workers' profit participation and welfare fund (WPPF)	(109,857)	(83,558)	(45,567)	(37,608)
<b>Income before tax</b>	<b>2,089,036</b>	<b>1,593,307</b>	<b>866,744</b>	<b>715,480</b>
Current tax expenses	(560,170)	(421,453)	(231,057)	(184,465)
Deferred tax Expenses	(4,144)	(246)	(7,417)	(1,906)
	<b>(564,314)</b>	<b>(421,699)</b>	<b>(238,474)</b>	<b>(186,371)</b>
<b>Net income</b>	<b>1,524,722</b>	<b>1,171,608</b>	<b>628,270</b>	<b>529,109</b>
<b>Basic earnings per share (EPS) Tk.</b>	<b>32.88</b>	<b>25.26</b>	<b>13.55</b>	<b>11.41</b>

  
**Managing Director**

  
**Director**

  
**General Manager**  
Treasury & Financial Accounting

  
**Company Secretary**

Dhaka, 30 January 2020

**Berger Paints Bangladesh Limited**  
**Statement of Changes in Equity (Unaudited)**  
**For the period from 1 April 2019 to 31 December 2019**

Taka in '000

Particulars	Share capital	General reserve	Share Premium	Retained earnings	Total equity
Balance as at 1 April 2018	231,889	10,000	115,068	5,694,178	6,051,135
Dividend declared during the period	-	-	-	(463,779)	(463,779)
Stock dividend paid during the period	231,890	(10,000)	(115,068)	(106,822)	-
Net income for the period	-	-	-	1,171,608	1,171,608
<b>Balance as at 31 December 2018</b>	<b>463,779</b>	<b>-</b>	<b>-</b>	<b>6,295,185</b>	<b>6,758,964</b>
Balance as at 1 April 2019	463,779	-	-	7,074,723	7,538,502
Dividend declared during the period	-	-	-	(1,159,447)	(1,159,447)
Net income for the period	-	-	-	1,524,722	1,524,722
<b>Balance as at 31 December 2019</b>	<b>463,779</b>	<b>-</b>	<b>-</b>	<b>7,439,998</b>	<b>7,903,777</b>

  
**Managing Director**

  
**Director**

  
**General Manager**  
Treasury & Financial Accounting

  
**Company Secretary**

Dhaka, 30 January 2020

**Berger Paints Bangladesh Limited**  
**Statement of Cash Flows (Unaudited)**  
For the period from 1 April 2019 to 31 December 2019

	Taka in '000	
	Apr-Dec 2019	Apr- Dec 2018
<b>Cash flows from operating activities (A)</b>		
Cash received from customers	13,531,020	12,246,717
Cash received from other operating income	267,687	151,401
Cash paid to suppliers and employees	(10,434,658)	(10,537,005)
Interest paid	(3,583)	(8,720)
Income tax paid	(543,707)	(351,446)
<b>Net cash flows from operating activities</b>	<b>2,816,759</b>	<b>1,500,947</b>
<b>Cash flows from investing activities (B)</b>		
Investment in Berger Fosroc Ltd.	-	(4,043)
Capital expenditures	(835,317)	(951,539)
Proceeds from disposal of property, plant and equipment	4,982	9,735
<b>Net cash used in investing activities</b>	<b>(830,335)</b>	<b>(945,847)</b>
<b>Cash flows from financing activities (C)</b>		
Dividend paid	(1,555,026)	(66,985)
<b>Net cash used in financing activities</b>	<b>(1,555,026)</b>	<b>(66,985)</b>
Increase / (Decrease) in cash and cash equivalents (D) = (A+B+C)	431,398	488,115
Opening cash and cash equivalents (E)	2,293,380	1,115,230
<b>Closing cash and cash equivalents (D+E)</b>	<b>2,724,778</b>	<b>1,603,345</b>
<b>Reconciliation of cash and cash equivalents:</b>		
	As at	
	31 Dec 2019	31 Dec 2018
Short term deposit- FDR- more than three months	451,237	650,000
Cash and cash equivalents	2,273,541	953,345
<b>Closing net cash and cash equivalents</b>	<b>2,724,778</b>	<b>1,603,345</b>
<b>Net Operating Cash Flows Per Share (NOCFPS) Tk.</b>	<b>60.73</b>	<b>32.36</b>

  
Managing Director

  
Director

  
General Manager  
Treasury & Financial Accounting

  
Company Secretary

Dhaka, 30 January 2020



**Berger Paints Bangladesh Limited**  
**Consolidated Statement of Financial Position (Unaudited)**  
**As at 31 December 2019**

	Notes	Taka in '000	
		31 Dec 2019	31 Mar 2019
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3a	4,396,692	4,215,898
Capital work-in-progress		700,164	368,886
Intangible assets		60,603	82,084
Investment in associates		228,703	201,993
<b>Total non-current assets</b>		<b>5,386,162</b>	<b>4,868,861</b>
<b>Current assets</b>			
Inventories	4a	2,632,161	2,163,423
Trade and other receivables	5a	1,783,248	1,704,502
Advances, deposits and prepayments	6a	119,895	437,054
Short term investment		451,237	401,237
Cash and cash equivalents	7a	2,281,794	1,904,547
<b>Total current assets</b>		<b>7,268,335</b>	<b>6,610,763</b>
<b>Total assets</b>		<b>12,654,497</b>	<b>11,479,624</b>
<b>Equity and liabilities</b>			
Share capital		463,779	463,779
Retained earnings		8,169,560	7,707,281
<b>Equity attributable to the Company's equity holders</b>	10a	<b>8,633,339</b>	<b>8,171,060</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities	8a	336,209	316,388
<b>Total non-current liabilities</b>		<b>336,209</b>	<b>316,388</b>
<b>Current liabilities</b>			
Trade and other payables	9a	3,083,740	2,063,049
Provision for royalty		383,926	309,863
Provision for current tax		192,990	169,534
Provision for employees retirement gratuity		14,295	44,153
Dividend payable		9,851	405,430
Liability for unclaimed IPO application money		147	147
<b>Total current liabilities</b>		<b>3,684,949</b>	<b>2,992,176</b>
<b>Total liabilities</b>		<b>4,021,158</b>	<b>3,308,564</b>
<b>Total equity and liabilities</b>		<b>12,654,497</b>	<b>11,479,624</b>
<b>Net Asset Value Per Share (NAVPS) Tk.</b>	10a	<b>186.15</b>	<b>176.18</b>

  
**Managing Director**

  
**Director**

  
**General Manager**  
**Treasury & Financial Accounting**

  
**Company Secretary**

Dhaka, 30 January 2020

**Berger Paints Bangladesh Limited**  
**Consolidated Statement of Profit or Loss and Other Comprehensive Income (Unaudited)**  
**For the period from 1 April 2019 to 31 December 2019**

Notes	Taka in '000			
	Apr-Dec 2019	Apr-Dec 2018	Oct - Dec 2019	Oct - Dec 2018
Revenue-net	13,642,306	12,320,540	5,038,584	4,590,912
Cost of sales	(7,171,639)	(7,009,458)	(2,576,639)	(2,523,476)
<b>Gross profit</b>	<b>6,470,667</b>	<b>5,311,082</b>	<b>2,461,945</b>	<b>2,067,436</b>
Selling, distribution and warehousing expenses	(3,977,018)	(3,269,178)	(1,432,203)	(1,182,127)
Administrative and general expenses	(405,800)	(399,172)	(140,326)	(139,104)
Other operating expenses	(79,287)	(71,780)	(28,789)	(25,844)
Other operating income	161,849	163,190	51,737	51,414
<b>Operating expenses</b>	<b>(4,300,256)</b>	<b>(3,576,940)</b>	<b>(1,549,581)</b>	<b>(1,295,661)</b>
<b>Operating income</b>	<b>2,170,411</b>	<b>1,734,142</b>	<b>912,364</b>	<b>771,775</b>
Finance costs	(3,592)	(8,812)	(3,560)	407
Investment income	143,093	12,839	51,543	6,210
<b>Net finance income</b>	<b>139,501</b>	<b>4,027</b>	<b>47,983</b>	<b>6,617</b>
Other non-operating income	4,178	5,745	2,876	932
Share of profit of associates	26,710	24,102	6,736	8,829
	<b>30,888</b>	<b>29,847</b>	<b>9,612</b>	<b>9,761</b>
<b>Income before WPPF and Tax</b>	<b>2,340,800</b>	<b>1,768,016</b>	<b>969,959</b>	<b>788,153</b>
Workers' profit participation and welfare fund (WPPF)	(115,511)	(87,014)	(48,071)	(39,056)
<b>Net income before tax</b>	<b>2,225,289</b>	<b>1,681,002</b>	<b>921,888</b>	<b>749,097</b>
Current tax expenses	(583,742)	(446,617)	(242,508)	(198,481)
Deferred tax income/(expenses)	(19,821)	1,222	(13,587)	1,420
	<b>(603,563)</b>	<b>(445,395)</b>	<b>(256,095)</b>	<b>(197,061)</b>
<b>Net income</b>	<b>1,621,726</b>	<b>1,235,607</b>	<b>665,793</b>	<b>552,036</b>
<b>Basic earnings per share (EPS) Tk.</b>	<b>34.97</b>	<b>26.64</b>	<b>14.36</b>	<b>11.90</b>

  
**Managing Director**

  
**Director**

  
**General Manager**  
**Treasury & Financial Accounting**

  
**Company Secretary**

Dhaka, 30 January 2020

**Berger Paints Bangladesh Limited**  
**Consolidated Statement of Changes in Equity (Unaudited)**  
**For the period from 1 April 2019 to 31 December 2019**

Taka. in '000

Particulars	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
Dividend declared during the period	-	-	-	(463,779)	(463,779)
Stock dividend paid during the period	231,890	(10,000)	(115,068)	(106,822)	-
Net income for the period	-	-	-	1,235,607	1,235,607
Balance as at 31 December 2018	463,779	-	-	6,896,300	7,360,079
Balance as at 01 April 2019	463,779	-	-	7,707,281	8,171,060
Cash dividend declared during the period	-	-	-	(1,159,447)	(1,159,447)
Net income for the period	-	-	-	1,621,726	1,621,726
Balance as at 31 December 2019	463,779	-	-	8,169,560	8,633,339

  
Managing Director

Dhaka, 30 January 2020

  
Director

  
General Manager  
Treasury & Financial Accounting

  
Company Secretary

**Berger Paints Bangladesh Limited**  
**Consolidated statement of cash flows (Unaudited)**  
**For the period from 1 April 2019 to 31 December 2019**

	Notes	Taka in '000	
		Apr-Dec 2019	Apr-Dec 2018
<b>Cash flows from operating activities (A)</b>			
Cash received from customers		13,543,627	12,272,366
Cash received from other operating income		324,875	171,108
Cash paid to suppliers and employees		(10,402,242)	(10,470,799)
Interest Paid		(3,592)	(8,812)
Income tax paid		(560,286)	(366,604)
<b>Net cash flows from operating activities</b>	<b>11a&amp;12a</b>	<b>2,902,382</b>	<b>1,597,259</b>
<b>Cash flows from investing activities (B)</b>			
Capital expenditures		(927,515)	(1,058,864)
Investment in Berger Fosroc Ltd.		-	(4,043)
Proceeds from disposal of assets		7,406	9,735
<b>Net cash used in investing activities</b>		<b>(920,109)</b>	<b>(1,053,172)</b>
<b>Cash flows from financing activities (C)</b>			
Dividend paid		(1,555,026)	(66,985)
<b>Net cash used in financing activities</b>		<b>(1,555,026)</b>	<b>(66,985)</b>
Increase in cash and cash equivalents (D) = (A+B+C)		427,247	477,102
Opening cash and cash equivalents (E)		2,305,784	1,139,217
<b>Closing net cash and cash equivalents (D+E)</b>		<b>2,733,031</b>	<b>1,616,319</b>
<b>Reconciliation of closing cash and cash equivalents:</b>			
		As at	
		31 Dec 2019	31 Dec 2018
Short term deposit- more than three months		451,237	650,000
Cash and cash equivalents		2,281,794	966,319
<b>Closing net cash and cash equivalents</b>		<b>2,733,031</b>	<b>1,616,319</b>
<b>Operating Cash Flows Per Share Tk.</b>	<b>11a</b>	<b>62.58</b>	<b>34.44</b>

  
**Managing Director**

  
**Director**

  
**General Manager**  
**Treasury & Financial Accounting**

  
**Company Secretary**

Dhaka, 30 January 2020



**BERGER PAINTS BANGLADESH LIMITED**  
**SELECTED NOTES TO THE FINANCIAL STATEMENT (UNAUDITED)**  
**FOR THE PERIOD ENDED 31 DECEMBER 2019**

**1 Status and nature of business**

The Company was incorporated on 6 June 1973 under the Companies Act 1913. Company's shares are listed with Dhaka and Chittagong Stock Exchanges and are placed under "A" category. The principal activities of the Company are manufacturing and marketing of liquid, cement and powder paints & varnishes, emulsion and coating.

Berger Paints Bangladesh Limited holds 100% share of Jenson & Nicholson (Bangladesh) Limited - J&NBL. The principal activities of J&NBL are production and marketing of metal containers and printing of metal sheets.

Berger Paints Bangladesh Limited holds 49% share of Berger Becker Bangladesh Limited-BBBL. The principal activities of BBBL are manufacturing and marketing of coil coatings.

Berger Paints Bangladesh Limited has set up a joint venture company with Fosroc International Limited, United Kingdom in the name of "Berger Fosroc Limited" in Bangladesh, incorporated on 19 April 2018, for the purpose of carrying on the business to manufacture and sell construction chemicals. Berger Paints Bangladesh Limited has 50% share in the joint venture.

**2 Basis of preparation**

These financial statements have been prepared in accordance with the requirement of Bangladesh Accounting Standard 34 "Interim Financial Reporting" and the requirements of the Securities & Exchange Rules 1987.

The same accounting policies, presentation, methods of computation, applicable standards of Bangladesh Financial Reporting Standards (BFRS) and Bangladesh Accounting Standards (BAS) have been followed in these interim financial statements as were applied in the preparation of the company's financial statements for the year ended 31 March 2019.

		Taka in '000	
		31 Dec 2019	31 Mar 2019
<b>3 Property, Plant and Equipment</b>			
Property, Plant and Equipment - at cost	6,698,525	6,340,581	
Accumulated depreciation	(2,894,327)	(2,559,253)	
	<u>3,804,198</u>	<u>3,781,328</u>	
<b>3 a. Consolidated Property, Plant and Equipment</b>			
Property, Plant and Equipment - at cost	7,619,741	7,064,965	
Accumulated depreciation	(3,223,049)	(2,849,067)	
	<u>4,396,692</u>	<u>4,215,898</u>	
<b>4 Inventories</b>			
Raw materials	1,078,662	737,143	
Semi-processed and bulk products	132,005	141,726	
Packing materials	42,674	41,194	
Finished goods	745,084	727,208	
Stores & Promotional items	69,849	84,492	
Stocks in transit	408,483	293,446	
	<u>2,476,757</u>	<u>2,025,209</u>	
<b>4 a. Consolidated Inventories</b>			
Raw materials	1,139,685	786,403	
Semi-processed and bulk products	186,486	195,778	
Packing materials	35,546	41,194	
Finished goods	754,893	732,368	
Stores & Promotional items	77,643	90,718	
Stocks in transit	437,908	316,962	
	<u>2,632,161</u>	<u>2,163,423</u>	
<b>5 Trade &amp; other receivables</b>			
Trade debtors -unsecured	1,755,648	1,706,709	
General provision for bad & doubtful debts	(65,484)	(55,900)	
	1,690,164	1,650,809	
Other receivables	28,319	12,715	
Considered to be good	<u>1,718,483</u>	<u>1,663,524</u>	

*Le. C.*

*Abul*

*Abul*

*Soumya*  
30.01.2020

*L.C.*

		Taka in '000	
		31 Dec 2019	31 Mar 2019
<b>9 Trade and other payables</b>			
Revenue expenses		1,621,982	1,165,255
Trading supplies		1,074,089	578,791
Other finance		159,170	106,352
Capital expenditure		43,443	22,309
Workers' profits participation & welfare funds		109,857	138,567
		<b>3,008,541</b>	<b>2,011,274</b>
<b>9 a. Consolidated Trade and other payables</b>			
Revenue expenses		1,633,933	1,178,182
Trading supplies		1,126,020	607,544
Other finance		164,833	111,696
Capital expenditure		43,443	22,309
Workers' profits participation & welfare funds		115,511	143,318
		<b>3,083,740</b>	<b>2,063,049</b>
<b>10 NAV per share</b>			
<b>The computation of NAV per share</b>			
Total assets		11,749,959	10,719,025
Total liabilities		(3,846,182)	(3,180,523)
Net Assets Value		<u>7,903,777</u>	<u>7,538,502</u>
Number of ordinary shares used to compute NAV		<u>46,377,880</u>	<u>46,377,880</u>
<b>NAV per share</b>	<b>Taka</b>	<b>170.42</b>	<b>162.55</b>
<b>10 a. Consolidated NAV per share</b>			
<b>The computation of NAV per share</b>			
Total assets		12,654,497	11,479,624
Total liabilities		(4,021,158)	(3,308,564)
Net Assets Value		<u>8,633,339</u>	<u>8,171,060</u>
Number of ordinary shares used to compute NAV		<u>46,377,880</u>	<u>46,377,880</u>
<b>NAV per share</b>	<b>Taka</b>	<b>186.15</b>	<b>176.18</b>
		Taka in '000	
		Apr- Dec 2019	Apr- Dec 2018
<b>11 EPS and NOCFPS per share</b>			
Earnings (PAT) attributable to ordinary shareholders		<u>1,524,722</u>	<u>1,171,608</u>
Number of ordinary shares used to compute EPS and NOCEPS		<u>46,377,880</u>	<u>46,377,880</u>
Net cash flow from operating activities (NOCFPS)		<u>2,816,759</u>	<u>1,500,947</u>
<b>EPS -Basic</b>	<b>Taka</b>	<b>32.88</b>	<b>25.26</b>
<b>Net Operating cash flow per share (NOCFPS)</b>	<b>Taka</b>	<b>60.73</b>	<b>32.36</b>
<b>11 a. Consolidated EPS and NOCFPS per share</b>			
Earnings (PAT) attributable to ordinary shareholders		<u>1,621,726</u>	<u>1,235,607</u>
Number of ordinary shares used to compute EPS and NOCEPS		<u>46,377,880</u>	<u>46,377,880</u>
Net cash flow from operating activities (NOCFPS)		<u>2,902,382</u>	<u>1,597,259</u>
<b>EPS -Basic</b>	<b>Taka</b>	<b>34.97</b>	<b>26.64</b>
<b>Net Operating cash flow per share (NOCFPS)</b>	<b>Taka</b>	<b>62.58</b>	<b>34.44</b>

*[Signature]*

*[Signature]*

*[Signature]*

*Suleym*  
30.01.2020



Taka in '000	
Apr- Dec 2019	Apr- Dec 2018

## 12 Reconciliation of net income with cash flows from operating activities

### Cash flows from operating activities under indirect method

Net income	1,524,722	1,171,608
<b>Adjustment for non-cash items and others:</b>		
Depreciation and Amortization	385,360	364,761
Other non-operating income	(1,754)	(5,745)
Deferred expenses	4,144	246
<b>Changes in operating assets and liabilities</b>		
(Increase)/Decrease in trade and other receivables	(54,959)	(29,402)
(Increase)/ Decrease in inventories	(451,548)	(383,958)
Increase/(Decrease) in trade and other payables	997,267	325,949
(Increase)/Decrease in inter-company receivable	40,871	(43,305)
(Increase)/Decrease advance, deposits and prepayments	312,829	(29,714)
Increase/(Decrease) in provision for royalty	74,063	66,023
Increase/(Decrease) in provision for gratuity	(30,699)	(5,523)
Increase/(Decrease) in provision for current tax	16,463	70,007
	<u>1,292,037</u>	<u>329,339</u>
<b>Net cash flows from operating activities</b>	<b><u>2,816,759</u></b>	<b><u>1,500,947</u></b>

## 12 a. Reconciliation of consolidated net income with consolidated cash flows from operating activities

### Cash flows from operating activities under indirect method

Net income	1,621,726	1,235,607
<b>Adjustment for non-cash items and others:</b>		
Depreciation and Amortization	433,696	406,077
Other non-operating income	(4,178)	(5,745)
Share of profit of associates	(26,710)	(24,102)
Deferred tax expenses	19,821	(1,222)
<b>Changes in operating assets and liabilities</b>		
(Increase)/Decrease in trade and other receivables	(78,746)	(53,095)
(Increase)/ Decrease in inventories	(468,738)	(402,441)
Increase/(Decrease) in trade and other payables	1,020,691	336,345
(Increase)/Decrease advance, deposits and prepayments	317,159	(35,245)
Increase/(Decrease) in provision for royalty	74,063	66,023
Increase/(Decrease) in provision for gratuity	(29,858)	(4,956)
Increase/(Decrease) in provision for current tax	23,456	80,013
	<u>1,280,656</u>	<u>361,652</u>
<b>Net cash flows from operating activities</b>	<b><u>2,902,382</u></b>	<b><u>1,597,259</u></b>

## 13 Related party transactions

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 period		Balance as at 31 Dec. 2019	
			Purchase of goods/ services	Sale of goods/Services	Receivable	Payable
Jenson & Nicholson (Bangladesh) Ltd	Subsidiary	Packing container purchase	440,645	-	48,602	-
Berger Becker Bangladesh Limited	Associate	Joint Venture	-	18	7,582	-
Berger Fosroc Limited	Associate	Joint Venture	-	99,949	29,763	-
<b>Total inter-company receivables</b>			<b>440,645</b>	<b>99,967</b>	<b>85,947</b>	<b>-</b>
J&N Investments (Asia) Limited	Group	Trade marks	-	-	-	383,927
J&N Investments (Asia) Limited	Group	Dividend	-	-	-	-
<b>Total inter-company payables</b>			<b>-</b>	<b>-</b>	<b>-</b>	<b>383,927</b>

*Handwritten signatures and initials:*

*Handwritten signature and date:* 30.07.2020



Name of the related party	Nature of relationship	Nature of transaction	Transactions during the period		Balance as at 31 Dec. 2018	
			Purchase of goods/ services	Sale of goods/ Services	Receivable	Payable
Jenson & Nicholson (Bangladesh) Ltd	Subsidiary	Packing container purchase	394,977		95,393	-
Berger Becker Bangladesh Limited	Associate	Joint Venture	-	954	16,365	-
Berger Fosroc Limited	Associate	Joint Venture		16,910	5,841	-
<b>Total inter-company receivables</b>			<b>394,977</b>	<b>17,864</b>	<b>117,599</b>	-
J&N Investments (Asia) Limited	Group	Trade marks	-	-	-	281,479
J&N Investments (Asia) Limited	Group	Dividend	-	-	-	396,530
<b>Total inter-company payables</b>			-	-	-	<b>678,009</b>

#### 14 Significant Deviation

The earnings per share (EPS) for third quarter ended 31 December 2019 increased significantly from same period of previous year as a result of decline in price of key raw materials and increase in net financial income.

The net operating cash flow per share (NOCFPS) increased significantly from same period of previous year mainly because of improvement in working capital management.

#### 15 General

Figures appearing in these financial statements have been rounded off to the nearest thousand Taka.

  
Managing Director

  
Director

  
General Manager  
Treasury & Financial Accounting

  
Company Secretary

Dhaka, 30 January 2020