

ANNUAL REPORT 2019-20



BERGER
Trusted Worldwide

BERGER PAINTS BANGLADESH LIMITED

TRUST
HAS TO BE
EARNED

ANNUAL REPORT 2019-20

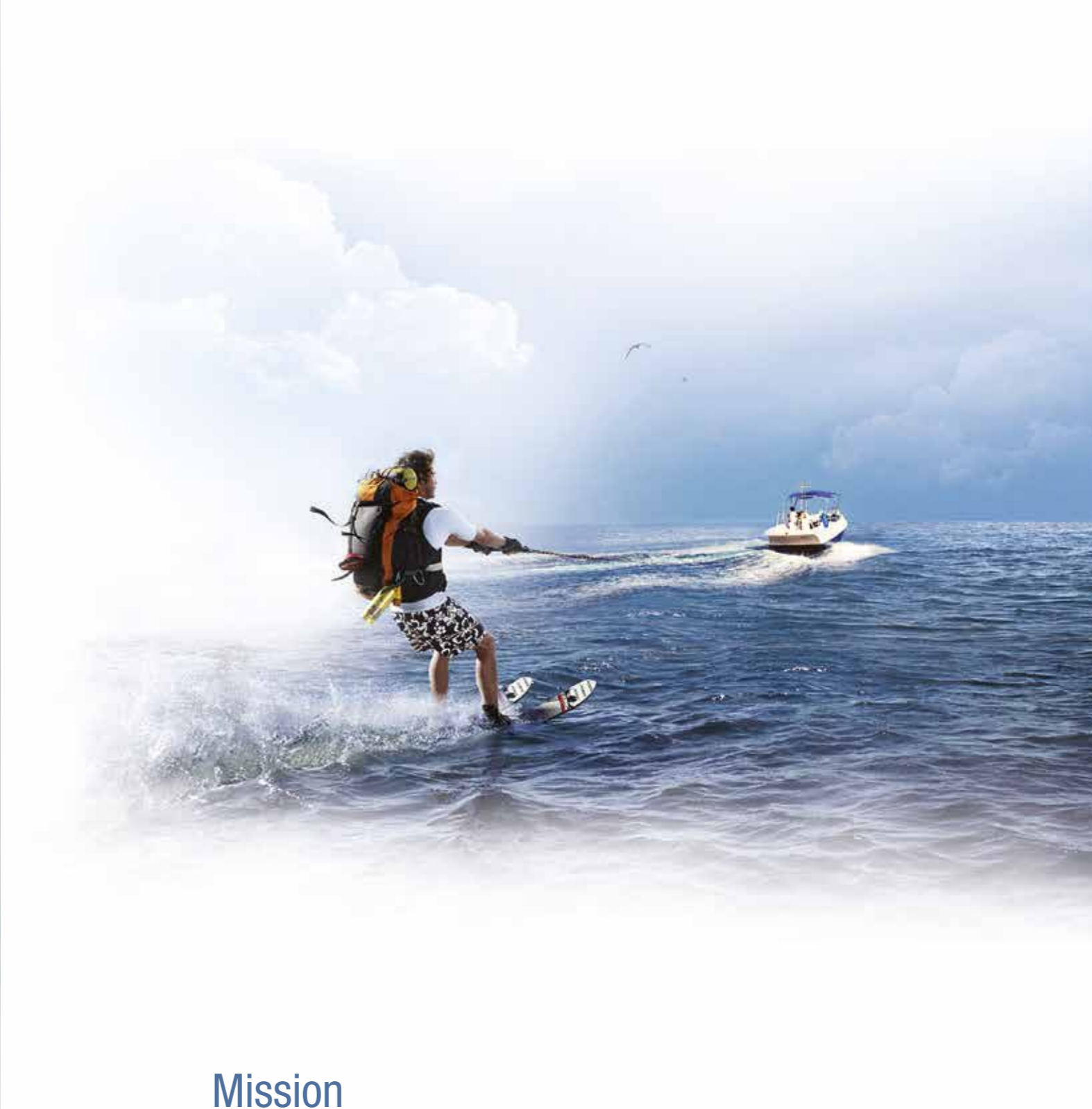
Our realms are full of colours. Every waking minute is an ensemble of vividly changing colours. The nature captures the essence of colours in the best way possible, just as the maker deemed fit in His infinite wisdom. At Berger we have been inspired to derive a meaning of these vivid colourscapes, bringing 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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A photograph of a man in blue shorts and a straw hat walking barefoot on a wooden bridge over a river. He is carrying two large bundles of harvested rice on a shoulder pole. The background shows lush green trees and a misty atmosphere.

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 Experience Zone; 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. Berger Fosroc Limited is another joint venture with global leader Fosroc International Limited to cater world-class construction chemicals to Bangladesh. Berger Paints Bangladesh Ltd. and Chogoku Marine Paints Ltd of Japan have entered into an agreement for manufacture of marine and related industrial paints in Bangladesh. Berger is the first Bangladeshi company to manufacture such world-class marine paint products in the country.

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: +88-02-48953665 (Hunting), Fax: +88-02-48951350
E-mail: info@bergerbd.com, Web Site: www.bergerbd.com

FACTORIES & PLANTS

Dhaka Factory
102, Mouja-Taksur, Nabinagar, Savar, Dhaka
Phone: +88-02-7791964, +88-02-7791620
Fax: +88-02-7791894, E-mail: dhakafactory@bergerbd.com

Chattogram Factory
27-D, FIDC Road, Kalurghat Heavy Industrial Area, Chattogram-4212
Phone: +88-031-670472, Fax: +88-031-671639
E-mail: chittagongfactory@bergerbd.com

Emulsion Plant
102, Mouja-Taksur, Nabinagar, Savar, Dhaka
Phone: +88-02-7791964, Fax: +88-02-7791894

Powder Coating Plant
102, Mouja-Taksur, Nabinagar, Savar, Dhaka
Phone: +88-02-7791964, Fax: +88-02-7791894

SALES OFFICES

Dhaka Sales Office (North and Central Region)
273-276, Tejgaon Industrial Area, Dhaka-1208
Phone: +88-02-8870232-43, Fax: +88-02-8870232
Email: dhksales@bergerbd.com

Dhaka Sales Office (South Region)
Paiti, Matuail, Demra, [Dhaka-Demra highway], Dhaka
Phone: +88-02-7500525, E-mail: dhksouth@bergerbd.com

Chattogram Sales Office
43/3, Chatterwari Road, GPO Box No. 353, Chattogram-4000
Phone: +88-031-615893-4, +88-031-620960, Fax: +88-031-620507
E-mail: chittagongsales@bergerbd.com

Barishal Sales Office
2157, South Shagordi, Hazi Bari Road, Barishal
Phone: +88-0431-72030, E-mail: barisaldepot@bergerbd.com

Bogura Sales Office
House No. 2996/3, Ward-15, Tinmatha Railgate
Dhaka-Rangpur Highway, Puran Bogura, Bogura-5800
Phone: +88-051-63319, E-mail: bogradepot@bergerbd.com

Brahmanbaria Sales Office
Harez Kazi Bari, Ghatara-1, Brahmanbaria Sadar
Brahmanbaria-3400, Phone: +88-0851-61332

Cumilla Sales Office
214, Ashrafpur, EPZ Road, Cumilla-3500
Phone: +88-081-72940, E-mail: comilladepot@bergerbd.com

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

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

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

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

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

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

Berger Experience Zone (Cox's Bazar)
Korenthian House, Holding-089, Kolatoli Road, Cox's Bazar
Phone: 0341-51880, 01844147450

Berger Experience Zone (Dhanmondi)
House-39/B (New), Road-16 (New), Dhanmondi, Dhaka-1207
Phone: 01971453666
E-mail: decor_dra@bergerbd.com

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

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

Berger Experience Zone (Uttara)
8, Garib E Newaz Avenue, Sector # 13, Uttara, Dhaka-1230
Phone: 01977294166
E-mail: decor_uttara@bergerbd.com

SUBSIDIARY COMPANY

Jenson & Nicholson (Bangladesh) Limited
70, East Nasirabad I/A, Baizid Bostami Road, Chattogram-4000
Phone: 031-682462
E-mail: jnblinfo@jnbl.com.bd

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: bbbbl@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





Board of Directors & Executive Management Team

Board of Directors

Mr. Gerald K. Adams
Ms. Rupali Chowdhury
Mr. Kuldip Singh Dhingra
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
Mr. Sunil Sharma

Executive management team

Ms. Rupali Chowdhury
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. Syed Mizanur Rahman
Mr. A M M Sajjad
Mr. Asif Mahmud Taiseer
Mr. Faisal Ahmad
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 Faridul Alam
Mr. Md Hasanuzzaman
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

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
Non-Executive Director
Non-Executive Director

Managing Director
Chief Financial Officer
Sr General Manager Sales & Marketing
General Manager R&D
CEO JNBL
General Manager HR & Admin
General Manager Supply Chain
General Manager Marketing
General Manager IT
General Manager Works - DF
General Manager FPM
General Manager T&FA
General Manager - Sales Trade
General Manager Works - CF
Head BPRC
HR BP Sales & Manufacturing
Head Admin & Employee Relations - CF
Head Treasury Management
Divisional Sales Manager
Head Production - DF
Head Legal Affairs
Head Compensation & HR Operations
Head Demand Supply Planning & CSD
Company Secretary
Head VAT
Divisional Sales Manager
Head Engineering - CF
National Sales Manager, Non-decorative
Head Production - CF
Head Special Coating & Chemicals
Head ERP Administration
Head Cost Accounting
Head Financial Accounting
Divisional Sales Manager
Head Organization Development
Divisional Sales Manager
Head Projects Prolinks Experience Zone
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]; and the University of Adelaide Business School Advisory Board. 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

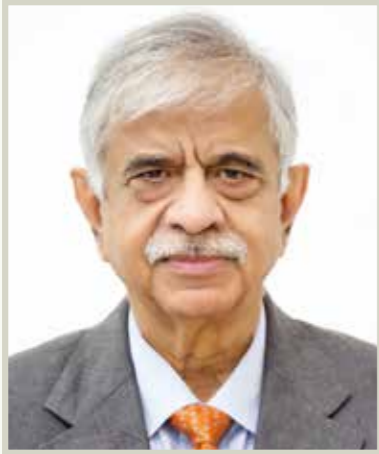
Ms. Rupali Chowdhury is an MBA from IBA, University of Dhaka, and completed her Graduation with Honors in Chemistry from the University of Chittagong. She started her career with the multinational pharmaceutical and chemical Company, Ciba Geigy (Bangladesh) Limited and was Brand Manager while leaving 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 is the President of Foreign Investors' Chamber of Commerce & Industries (FICCI) for third term. She is a Member of the Advisory Board of UNICEF Bangladesh and President of Bangladesh Paints Manufacturers Association. 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 fifty years of experience in paints and related industries. He is an eminent industrialist and since twenty five 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. 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 since 2012. He is also the Chairman of Confederation of Indian Industry (Eastern Region) and a Management Committee member of the Bengal Chamber of Commerce and Industry and Ex President of Indian Paint Association.



Mr. Anis A. Khan
Independent Director since 2016

Mr. Anis A. Khan, a Fellow of the Institute of Bankers, Bangladesh is former Managing Director & CEO of Mutual Trust Bank Limited. Prior to joining MTB, he headed IDLC Finance Limited for six years. He served earlier for 21 years with the then Grindlays Bank plc, ANZ Grindlays Bank and Standard Chartered Bank. He has sound knowledge in 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. He has presented papers on economy of Bangladesh at University of Harvard, Cambridge, Massachusetts, USA at the Bangladesh Development Conference held there in 2015 and at Yale University in 2019. He serves as Vice President of MCCI Dhaka and Life Member of the SAARC Chamber of Commerce and Industry. He has served as Chairman of the Association of Bankers, Bangladesh Limited and Primary Dealers Bangladesh Limited. He was presented 'Business & Entrepreneur Excellence Award 2016' by the UK Bangladesh Catalysts of Commerce & Industry in the category of "Inspirational Leader of the Year". He is an Adjunct Professor in the School of Business of Independent University Bangladesh. He also serves as Independent Director of Summit Alliance Port Limited, Ananta Apparels Limited and Trust Bank Limited. He has recently been inducted on the board of Central Counterparty Bangladesh Limited, a newly formed company for the clearing operations of the stock exchanges. 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 (to be reconstituted shortly as Unilever Consumer Care Ltd) and Chief Advisor of the Board of Crown Cement Group Bangladesh. He is a seasoned professional with 40 years' work experience in leading multinational and local companies in Bangladesh. He served LafargeHolcim Bangladesh as Chief Financial Officer for 18 years and British American Tobacco for 20 years. He speaks and writes articles on professional and industry issues in newspapers, electronic media and at educational institutions e.g. ICAB, ACCA and ICMA Bangladesh. He is a lecturer in the ICAB for the past four decades. 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 Chartered Accountancy Examination in the year 1977. He is also an independent director of Marico Bangladesh Ltd. Singer Bangladesh Ltd., Community Bank Ltd. and Viyellatex Ltd. 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 is 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, Transparency International Bangladesh, Centre for Policy Dialogue, Bishwo Shahittyo Kendro, PKSF, RDRS, Ghashful, Manusher Jonnyo Foundation, DAM Foundation for Economic Development, Cider Int. School, Chittagong 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 Melvin Jones Fellow and the President, Lions Club of Chittagong Parijat Elite, Lions Clubs International, District 315-B4, 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 retired from executive role of Director & Chief Financial Officer in July 2019. He served Foreign Investors' Chamber of Commerce & Industries as the convener of Trade, Tariff, Taxation & Company Affairs Sub-committee; the Institute of Chartered Accountants of Bangladesh (ICAB) as member of Taxation & Corporate Laws Committee; and Metropolitan Chamber of Commerce and Industries as member of Tariff & Taxation Sub-committee. He was a faculty of the ICAB. He is a member of the Audit Committee of Berger Paints Bangladesh Limited, nominated Director of Jenson & Nicholson (Bangladesh) Ltd., and Independent Director of HeidelbergCement Bangladesh Ltd.



Mr. Sunil Sharma
Director since June 2020

Mr. Sunil Sharma was born in November 1951 at Delhi, India. He graduated in Economics Honours from Shri Ram College of Commerce, Delhi University in 1972 and then did his MBA from Faculty of Management Studies, Delhi University passing out in 1974. He has spent over 45 years in the Paint Industry, starting with Goodlass Nerolac Paints and the last 29 years have been with Berger group. He retired as President, British Paints (SBU of Berger Paints India Ltd) in November 2014 and is on the Board of Berger Becker Coatings, India since inception of the Company in 1997.



Mr. Sazzad Rahim Chowdhury
Chief Financial Officer since June 2019

Mr. Sazzad Rahim Chowdhury is a Fellow Chartered Accountant with almost three decades of professional experience leading finance function of multinational companies in diverse industries. Prior to joining Berger Paints Bangladesh Limited, he served Novartis Bangladesh Limited for six years as Finance Director & Company Secretary and CFO for Distribution Markets Sri Lanka & Maldives. He was Chief Financial Officer of Citycell (a joint venture of Singapore Telecom and Pacific Bangladesh Telecom Ltd.). He also served different finance leadership positions at British American Tobacco Bangladesh Limited; Unilever Bangladesh Limited and KAFCO. He is a Director of Berger Becker Bangladesh Limited and Berger Fosroc Limited.



Mr. Md. Golam Mostofa
Head, Business Process, Risk and Compliance since 2017

Mr. Md. Golam Mostofa is the Head of Internal Audit and Compliance (HIAC) designated as Head, Business Process, Risk & Compliance (BPRC) at Berger Paints Bangladesh Limited. He is a Fellow Chartered Accountant and holds BBA and MBA from the University of Dhaka. He has 15 years of extensive professional experience in manufacturing companies, NGOs and audit firm. He joined Berger in 2011 as manager, internal audit and gradually elevated to the present position. Before joining Berger, he served BRAC (the largest NGO in the world), Lafarge Holcim Bangladesh Limited and ACNABIN Chartered Accountants. His areas of expertise include risk based internal audit, financial control, financial accounting, payable management and ISO and OHSAS management.



Mr. Khandker Abu Jafar Sadique
Company Secretary since 2015

Mr. Khandker Abu Jafar Sadique is an Associate Member of the Institute of Chartered Secretaries of Bangladesh and holds BBA (Management Studies) and MBA (Strategic & International Management) from the University of Dhaka. He is also a member of Dhaka Taxes Bar Association. He has thirteen years of experience in company secretariat. He joined Berger Paints in 2007 and gradually elevated to the present position. Besides company secretariat, he is also responsible for corporate taxation and serves as Company Secretary of subsidiary and associates of Berger Paints Bangladesh Ltd.: Jenson & Nicholson (Bangladesh) Ltd., Berger Becker Bangladesh Limited and Berger Fosroc Limited. He is a member of Corporate Laws Review Sub-Committee of the Institute of Chartered Secretaries of Bangladesh.

Notice

The 47th Annual General Meeting

Notice is hereby given to all Members of Berger Paints Bangladesh Limited that the 47th Annual General Meeting of the Members of the Company will be held on Tuesday, July 28, 2020 at 10.00 a.m. using **digital platform** (in pursuance with BSEC Order SEC/SRMRC/04-231/25 dated 08 July 2020) to transact the following businesses:

Agenda

ORDINARY BUSINESS:

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 2020.

2. Dividends

To declare dividend for the year ended 31 March 2020 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 2020-21.

SPECIAL BUSINESS:

5. To pass an Ordinary Resolution according approval to purchase materials from related parties

To accord approval to purchase materials from subsidiary and associate companies, as per requirement of the BSEC Notification No. BSEC/CMRRCD/2009-193/2/Admin/103 dated 5 February 2020.

6. To pass an Ordinary Resolution according approval to provide loan and guarantee in favour of related parties

To accord approval to provide loan and guarantee in favour of subsidiary and associate companies, as per requirement of the BSEC Order No. SEC/CMMRRCD/2006-159/Admin/02-10 dated 10 September 2006.

By order of the Board of Directors



Khandker Abu Jafar Sadique, ACS
Company Secretary

Dhaka, 13 July 2020

NOTES:

- a) The Shareholders whose names appear in the Members/Depository Register on the Record Date i.e. 12 July 2020 shall be eligible to attend the AGM of the Company and to receive the Dividend.
- b) The detailed login process and link of the online portal to attend the meeting will be communicated to the shareholders through email in due course and will be available at the company's website www.bergerbd.com
- c) 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.
- d) Only the Shareholders or their validly appointed proxies shall be allowed to have access to the registration process to attend the meeting.
- e) The Notice of the Annual General Meeting, Annual Report and Proxy Form are available at the Company's website www.bergerbd.com and will be sent to the registered email addresses of the shareholders. Shareholders may collect hard copies of the Annual Report from the Company's registered office by submitting a written request.



Directors' Report

The Directors are pleased to present their 47th report of the Company along with the Audited Financial Statements and Auditors' Report for the year ended March 31, 2020.

Industry outlook and possible future developments in the industry

World economy is passing through most unprecedented slowdown due to COVID-19. The global economic growth is likely to be negligible or even negative in the current financial year as well as in the next fiscal year. The economy of Bangladesh will also be heavily impacted due to its dependency on export sector (readymade garments and human capital) that are linked with the global economic growth. However, the comprehensive effect of COVID-19 on Bangladesh economy and the world is yet to be measured.

A number of international paint companies are now operating in Bangladesh. The product offerings of Bangladesh paint market is diversifying from decorative paints towards specialized coatings and industrial paints to cater to the changes in demand structure. The paint market is currently facing very soft demand due to the lockdown measures undertaken to contain the spread of Corona virus. In 2020-21, the overall paint market in Bangladesh may witness negative growth. As a result, competitive pressure among the paint companies will be intensified.

Revenue and profitability

The Company achieved 6.13% sales value growth in the year ended March 31, 2020. The corresponding volume growth during the period was 5.59%. The company gained market share in 2019-2020.

At the backdrop of sales growth of 6.13%, the company achieved 16.72% growth in income before tax. This is the result of all-out efforts to optimize cost while remaining competitive in the market. Due to higher investment for brand development total expense of 2019-20 period increased to 30.74% of net sales compared to 28.63% 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 undertaken in 2019-20 to fulfill the diversified customer needs and explore new frontiers.

Berger Paints has launched WeatherCoat Touch Putty, a specially designed acrylic based readymade putty for exterior application. Its special water resistance property makes it readily applicable for the touch up jobs on exterior surface. Another new product of Berger Paints is WeatherCoat Bio Wash. This is a unique solution having wide spectrum of biocidal efficacy that provides strong protection of painted wall from damp & moisture.

Berger Xpress Sealer is a new introduction to sealer product range of Berger. This product has excellent alkali resistance properties and can be applied on freshly prepared concrete & masonry surface within 3 to 7 days, allowing faster project completion.

Berger Paints introduced Texbond Wetting Agent for woven segment in Textile Chemicals division. Jensonin Fluorescent Paint is a new product of Berger which provides a highly reflective finish, thereby enhances surface visibility of road signs, banner, festoons and signboards.

From January 2019, Berger Paints has taken the initiative of establishing Berger Experience Zones. The objective of this initiative is to create one-stop centers where customers can get all painting solutions and experience the wide range of offerings of Berger. Currently, 24 Berger Experience Zones are operating throughout the country. Among these, 16 outlets are owned and operated by Berger Paints directly, these are called "Flagship Point". These include the previous Berger Home Décor services, which have been rebranded as Berger Experience Zone. The rest 8 outlets are franchised to dealers.

Berger Paints Bangladesh Ltd. and Chogoku Marine Paints, Ltd (CMP) of Japan have entered into an agreement for cooperation and collaboration in the field of marine and related industrial paints in Bangladesh. The agreement envisages joint efforts in producing, marketing and purchasing marine and related industrial paints in Bangladesh. Berger will be the first Bangladeshi company to manufacture such world-class marine paint products in the country.

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 , 2020 and recommend the following:

In Thousands Taka	For the year ended 31 March	
	2020	2019
Net sales	18,820,154	17,733,311
Cost of sales	(9,978,398)	(9,907,342)
Gross profit	8,841,756	7,825,969
Income before tax	3,092,467	2,649,490
Current tax expenses	(814,470)	(686,393)
Deferred tax income/(expenses)	14,451	(5,270)
Net profit after tax	2,292,448	1,957,827
Add: Retained earning brought forward from previous year	5,951,929	5,153,549
Amount available for distribution	8,244,378	7,111,376
Dividend proposed	(1,368,147)	(1,159,447)
Transfer to un-appropriated profit	6,876,231	5,951,929
Basic Earnings Per Share (Taka)	49.43	42.21
Net Operating Cash Flow Per Share (Taka)	77.66	51.62
Net Asset Value Per Share (Taka)	187.77	163.34
Gross Profit Margin (%)	46.98%	44.13%
Net Profit After Tax Margin (%)	12.18%	11.04%

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 295% cash dividend i.e. Tk. 29.50 for every Ordinary Share of Tk. 10 held on Record Date for the year 2019-2020.

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.

In 2019-20, the 24th round of Berger Young Painters' Art Competition (BYPAC) was arranged to encourage young artistic talents. The 9th Berger Award for Excellence in Architecture (BAEA) was arranged through joint collaboration of Berger Paints Bangladesh Limited and Institute of Architects Bangladesh (IAB). Berger Paints, in collaboration with the department of Architecture, Khulna University, organized ARCHKU-Berger Award Program 2019 to award the meritorious students of ARCHKU.

A program was organized to award the meritorious children of dealers of 'Berger Club Supreme' and painters of 'Berger Shomporko Club', who have achieved G.P.A. 5 in S.S.C. and H.S.C. examinations in 2019-20.

In 2019-20, Berger has launched "Berger Wrong Bodle Rongin Kori", a campaign which aims to create awareness and to warn the society against wrongdoings through giant wall arts. So far, the wall art campaign was implemented on 15 buildings; 7 at Dhaka, 5 at Chittagong and 3 at Khulna.

Berger Paints Group has contributed Taka 14,800 thousand to Bangladesh Labor Welfare Foundation for the last fiscal year. BPBL, Jenson & Nicholson (Bangladesh) Ltd. and Berger Becker Bangladesh Ltd. provided the amount as a share of their profits for workers' welfare as per Bangladesh Labour Act 2006.

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.

Contribution to national exchequer

During the period, the Company has contributed Taka 4,828,804 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.

Awards and recognitions

During the year Berger Paints Bangladesh Limited received Top VAT Payer Award 2017-18 under manufacturing category from the Government of Bangladesh. This is a recognition of the company's clean track record of compliance of fiscal laws.

Berger Paints Bangladesh Limited also received 'ICMAB Best Corporate Award 2018' 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.

Berger Paints has won auspicious "Best Brand Award" from Bangladesh Brand Forum in paint category for the 9th consecutive year. Nielsen, the reputed research firm, conducted the required data collection and analysis to identify best brands of Bangladesh.

Berger Paints Bangladesh Limited received Supply Chain Excellence Award 2019 from the Bangladesh Supply Chain Management Society (BSCMS) in the categories of supply chain planning and Customer Service, Warehousing and Distribution.

Election of directors

a) Managing Director Ms. Rupali Chowdhury has completed her five year term on December 31 , 2019. Being eligible for reappointment for the fourth term as per section 110(3) of Companies Act 1994 and as per the recommendation of the Nomination and Remuneration Committee, the Board of Directors has re-appointed her as Managing Director with effect from January 1 , 2020 and seeks the members' confirmation.

b) In the meeting of the Board of Directors of the Company held on June 18, 2020 Mr. Sunil Sharma, 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. Sunil Sharma is proposed as a candidate for election as a Director. As required by section 93 of the Companies Act 1994 Mr. Sunil Sharma has given consent to act as a Director of the Company. Mr. Sunil Sharma, being the nominee of J&N Investments (Asia) Limited, which is holding 95% shares in the Company, may be elected as a Director.

c) Independent Director Mr. Masud Khan has completed his three year term on 24 January 2020 and being eligible for reappointment 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. Anil Bhalla, Mr. Jean-Claude Loutreuil and Mr. Abhijit Roy 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 2021. 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 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

June 18, 2020

Management Discussion and Analysis

Global and national economy

COVID-19 has triggered the deepest global recession in decades. While the ultimate outcome is still uncertain, the pandemic will result in contractions across the vast majority of emerging market and developing economies. It will also do lasting damage to labor productivity and potential output. The enormous global shock will lead to steep recessions in many countries. The baseline forecast envisions a 5.2% contraction in global GDP in 2020-the deepest global recession in decades. Per capita incomes in most emerging and developing economies will shrink this year. *

Bangladesh has been able to maintain 6.5%-7% growth rate for a decade. Government has revised the growth rate to 5.2% as opposed to 8.2% target for 2019-20. Prolonged lockdown throughout the country due to COVID-19 pandemic is the main reason for decline of GDP growth rate.

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. Jenson & 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 include WeatherCoat Touch Putty, WeatherCoat Bio Wash, Berger Xpress Sealer and Texbond Wetting Agent.

From January 2019, Berger Paints has taken the initiative of establishing Berger Experience Zones. The objective of this initiative is to create one-stop centers where customers can get all painting solutions and experience the wide range of offerings of Berger. Currently, 24 Berger Experience Zones are operating throughout the country. Among these, 16 outlets are owned and operated by Berger Paints directly, these are called "Flagship Point". These include the previous Berger Home Décor services, which have been rebranded as Berger Experience Zone. The rest 8 outlets are franchised to dealers.

Berger Paints Bangladesh Ltd. and Chogoku Marine Paints, Ltd (CMP) of Japan have entered into an agreement for cooperation and collaboration in the field of marine and related industrial paints in Bangladesh. The agreement envisages joint efforts in producing, marketing and purchasing marine and related industrial paints in Bangladesh. Berger will be the first Bangladeshi company to manufacture such world-class marine paint products in the country. Berger Paints has entered into 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 2019-20

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.

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.

* Source: Global Economic Prospects, World Bank, June 2020

A number of new standards and amendments to standards are effective for annual periods beginning on or after 1 April 2019 and earlier application is permitted.

The company has adopted IFRS 16 Lease from 1 April 2019 for the first time. The most significant impact identified is that, the Company will recognize new assets and liabilities for its operating leases of warehouses and factories. In addition, the nature of expenses related to those leases will now change as IFRS 16 replaces the straight-line operating lease expense with a depreciation charge for right-of-use assets and interest expense on lease liabilities.

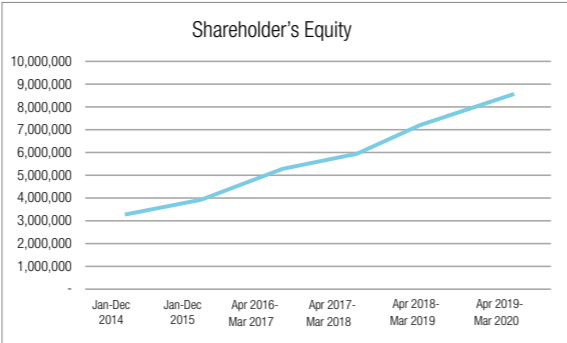
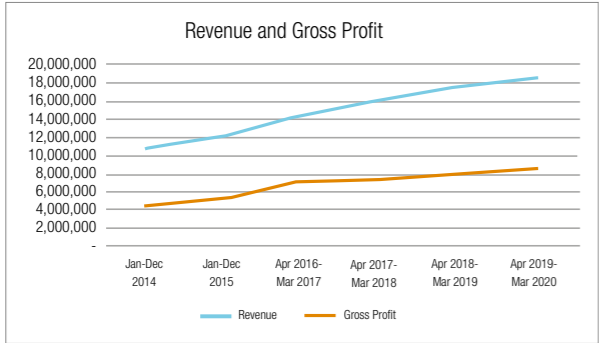
The Company has not early adopted any standards, interpretations or amendments that have been issued, but are not yet effective.

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 2014	Jan-Dec 2015	Apr 2016-Mar 2017	Apr 2017-Mar 2018	Apr 2018-Mar 2019	Apr 2019-Mar 2020
Revenue	10,881,046	12,267,996	14,622,448	16,483,497	17,733,311	18,820,154
Gross Profit	4,295,302	5,255,332	7,106,027	7,354,141	7,825,969	8,841,756
Income Before Tax	1,488,774	1,933,454	2,454,008	2,253,564	2,649,490	3,092,467
Net profit for the year	1,097,609	1,425,955	1,776,673	1,669,930	1,957,827	2,292,448
Shareholders Equity	3,354,605	4,038,513	5,366,735	6,080,657	7,575,155	8,708,157
Total Assets	5,353,863	6,339,060	8,437,826	8,980,428	10,761,587	12,929,511
Total Current Assets	3,438,785	3,949,727	5,087,352	5,462,783	6,583,908	7,721,912
Total Current Liabilities	1,748,984	2,131,089	2,573,140	2,662,782	2,944,023	3,483,507
Current Ratio (Time)	1.97	1.85	1.98	2.05	2.24	2.22

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 2020, net profit growth was 17.09% whereas sales growth was 6.13%. This was the result of continuous efforts to optimize cost while gaining market share. Because of decrease of raw materials price, cost of sales reduced to 53.02% of net sales in 2019-20 compared to 55.87% of previous year. Due to higher investment for brand development, total expense of 2019-20 period increased to 30.74% of net sales compared to 28.63% 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. Thus the management has ensured sufficient internal control to mitigate addressing financial reporting risks.

Future plan

As notified to the shareholders earlier, 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
June 18, 2020

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) Information about segment-wise performance during the year is presented in note 2.31 of the Audited Financial Statements.
- j) Details of related party transactions have been presented in note 42 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 28 and 40 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 (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1.0	Board of Directors			
1(1)	Size of the Board of Directors: 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- 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 (NBFI); and	✓		
1(2)(b)(x)	who has not been convicted for a criminal offence involving moral turpitude;	✓		
1(2)(c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM);	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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: 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]: 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: 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;	✓		
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;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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): 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;	✓		
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;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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: 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)(xiv)(a)	In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders: A brief resume of the director;	✓		
1(5)(xiv)(b)	Nature of his or her expertise in specific functional areas; and	✓		
1(5)(xiv)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the Board;	✓		
1(5)(xv)(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: Accounting policies and estimation for preparation of financial statements;	✓		
1(5)(xv)(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)(xv)(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)(xv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	✓		
1(5)(xv)(e)	Briefly explain the financial and economic scenario of the country and the globe;	✓		
1(5)(xv)(f)	Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and	✓		
1(5)(xv)(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	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(6)	Meetings of the Board of Directors: 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: The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	✓		
3(1)(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	✓		
3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;	✓		
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	✓		
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	-		No such incidence arose

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
3(2)	Requirement to attend Board of Directors' Meetings: The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board: 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: Audit Committee; and	✓		
4(ii)	Nomination and Remuneration Committee.	✓		
5.0	Audit Committee			
5(1)(a)	Responsibility to the Board of Directors: 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: The Audit Committee shall be composed of at least 3 (three) members;	✓		
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;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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: 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): 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: The Audit Committee shall conduct at least its four meetings in a financial year: 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 The Audit Committee shall: 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;	✓		
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	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
5(5)(m)	Oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission: 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: 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.			Not Applicable
5.6	Reporting of the Audit Committee			
5(6)(a)(i)	Reporting to the Board of Directors: The Audit Committee shall report on its activities to the Board;	✓		
5(6)(a)(iii)(a)	The Audit Committee shall immediately report to the Board on the following findings, if any: Report on conflicts of interests;			No such incidence arose
5(6)(a)(iii)(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)(iii)(c)	Suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and			No such incidence arose
5(6)(a)(iii)(d)	Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;			No such incidence arose
5(6)(b)	Reporting to the Authorities: 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: 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). Responsibility to the Board of Directors: 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;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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: 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;	✓		
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.	✓		
6(3)(a)	Chairperson of the NRC: 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: 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: The NRC shall conduct at least one meeting in a financial year;	✓		
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;			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: NRC shall be independent and responsible or accountable to the Board and to the Shareholders	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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: 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	✓		
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:- 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: 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.	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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 2020 along with last five years

In Thousands Taka						
Particulars	Jan-Dec 2014	Jan-Dec 2015	Apr 2016- Mar 2017	Apr 2017- Mar 2018	Apr 2018- Mar 2019	Apr 2019- Mar 2020
Revenue	10,881,046	12,267,996	14,622,448	16,483,497	17,733,311	18,820,154
Gross Profit	4,295,302	5,255,332	7,106,027	7,354,141	7,825,969	8,841,756
Income Before Tax	1,488,774	1,933,454	2,454,008	2,253,564	2,649,490	3,092,467
Net profit for the year	1,097,609	1,425,955	1,776,673	1,669,930	1,957,827	2,292,448
Shareholders Equity	3,354,605	4,038,513	5,366,735	6,080,657	7,575,155	8,708,157
Total Assets	5,353,863	6,339,060	8,437,826	8,980,428	10,761,587	12,929,511
Total Current Assets	3,438,785	3,949,727	5,087,352	5,462,783	6,583,908	7,721,912
Total Current Liabilities	1,748,984	2,131,089	2,573,140	2,662,782	2,944,023	3,483,507
Current Ratio (Time)	1.97	1.85	1.98	2.05	2.24	2.22

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 2019 to 31 March 2020:

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	-
Mr. K. R. Das , Non-Executive Director *	4	4
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	3
Mr. Kanwardip Singh Dhingra , Non-Executive Director	4	3
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	4
Mr. Abdul Khalek , Non-Executive Director	4	4
Mr. Sunil Sharma , Non-Executive Director **	4	-

Leave of absence was granted to directors who could not attend the meeting due to preoccupation.

* Mr. K R Das ceased to be a Director with effect from 31 March 2020 due to withdrawal of nomination.

** Mr. Sunil Sharma joined the Board of Directors on 18 June 2020.

Pattern of Shareholding

As at 31 March 2020

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
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
Nominee Director	Mr. Abdul Khalek	Nil
Independent Director	Mr. Anis A. Khan*	Nil
Independent Director	Mr. Masud Khan	Nil
Independent Director	Ms. Parveen Mahmud	Nil
Chief Financial Officer	Mr. Sazzad Rahim Chowdhury	Nil
Head of Internal Audit & Compliance	Mr. Md Golam Mostofa	Nil
Company Secretary	Mr. Khandker Abu Jafar Sadique	Nil
Executives:		
GM- Research & Development	Dr. A. S. M. Obaidullah Mahmud	335
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 2020.

Classification of shareholders by holding

As at 31 March 2020

Shareholding range	Type of shareholders	Number of shares	% of share holding	Number of shareholders
Less than 501 shares	G. Public& Inst	351,785	0.76	4,396
501 to 5,000 shares	G. Public& Inst	355,995	0.77	265
5,001 to 10,000 shares	G. Public& Inst	78,806	0.17	10
10,001 to 20,000 shares	G. Public& Inst	187,912	0.41	13
20,001 to 30,000 shares	Institution	98,783	0.21	4
30,001 to 40,000 shares	Institution	39,219	0.08	1
40,001 to 50,000 shares	Institution	42,740	0.09	1
50,001 to 100,000 shares	Institution	327,631	0.71	5
100,001 to 1,000,000 shares	Institution	836,269	1.80	2
Over 1,000,000 shares	Group	44,058,740	95.00	1
Total		46,377,880	100.00	4,698

Audit Committee

Mr. Anis A. Khan	Chairman
Mr. Masud Khan	Member
Ms. Parveen Mahmud	Member
Ms. Rupali Chowdhury	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. 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. 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. Md. Golam Mostofa	Member
Mr. Mushfequr Rahman	Member Secretary

Certificate from CEO and CFO

Regarding the Financial Statements
For the year ended 31 March 2020

Date: 18 June 2020

The Board of Directors
Berger Paints Bangladesh Limited
Berger House, House 8, Road 2
Sector 3, Uttara, Dhaka

Subject: Declaration on Financial Statements for the year ended on 31 March 2020

Dear Sirs,
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 20C 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 2020 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, 2020 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.

Sincerely yours,


Rupali Chowdhury
Managing Director


Sazzad Rahim Chowdhury
Chief Financial Officer

Audit Committee Report

For the year ended 31 March 2020

The Audit Committee of Berger Paints Bangladesh Limited is pleased to confirm that the following activities have been carried out from April 1, 2019 to March 31, 2020:

- 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 2019 – March 2020 period are as follows:

Member of Committee		28 May 2019	17 July 2019	31 October 2019	30 January 2020
Mr. Anis A. Khan, Chairman	Independent Director	✓	✓	-	✓
Ms. Rupali Chowdhury, Member	Managing Director	✓	✓	✓	✓
Mr. Masud Khan, Member	Independent Director	✓	✓	✓	✓
Ms. Parveen Mahmud, Member	Independent Director	✓	✓	✓	✓
Mr. K. R. Das, Member	Nominated Director	✓	✓	✓	✓
Mr. Anil Bhalla, Member	Nominated Director	✓	✓	✓	✓
Ms. Rishma Kaur, Member	Nominated Director	✓	✓	✓	✓
Mr. Kanwardip Singh Dhingra, Member	Nominated Director	✓	✓	✓	✓
Mr. Abdul Khalek, Member	Nominated Director	✓	✓	✓	✓

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 March 31, 2020. The Audit Committee has also reviewed the Management Discussion & Analysis included in the Annual Report and the related party transactions as detailed in note 42 to the financial statements. The committee has had discussions with auditor for review of the annual financial statements and also reviewed Audit Management Letter submitted by them.

The company has adopted IFRS 16 Lease from 1 April 2019 for the first time. The most significant impact identified is that, the Company will recognize new assets and liabilities for its operating leases of warehouses and factories. In addition, the nature of expenses related to those leases will now change as IFRS 16 replaces the straight-line operating lease expense with a depreciation charge for right-of-use assets and interest expense on lease liabilities.

The Committee has also overseen the hiring and performance of external auditors. The auditors, A. Qasem & Co., Chartered Accountants have completed their second 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
June 18, 2020

Nomination and Remuneration Committee Report

For the year ended 31 March 2020

The Nomination and Remuneration Committee (NRC) of Berger Paints Bangladesh Limited is pleased to present the report for the year ended March 31, 2020.

The Board of Directors of Berger Paints Bangladesh Limited has established the NRC on October 30, 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:

Mr. Anis A Khan, Non-executive Independent Director	Chairman
Mr. Anil Bhalla, Non-executive Director	Member
Ms. Rishma Kaur, Non-executive Director	Member
Mr. Kanwardip Singh Dhingra, Non-executive Director	Member

The Company Secretary is the secretary of the Committee.

During the April 1, 2019 – March 31, 2020 period the NRC held its two meetings: 28 May 2019 and 30 January 2020. All members of the NRC were present at the meetings. The committee reviewed the appointment of Mr. Sazzad Rahim Chowdhury, FCA as Chief Financial Officer and Mr. Masud Khan, FCA as Independent Director during the period.

Nomination and remuneration policy and evaluation criteria of the company:

Berger Paints Bangladesh views nomination of 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 their 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
June 18, 2020

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

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

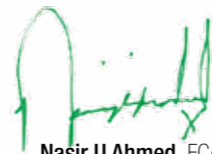
We have examined the compliance status to the Corporate Governance code by **Berger Paints Bangladesh Limited** for the year ended on 31 March 2020. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 of the Bangladesh Securities and Exchange Commission.

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.

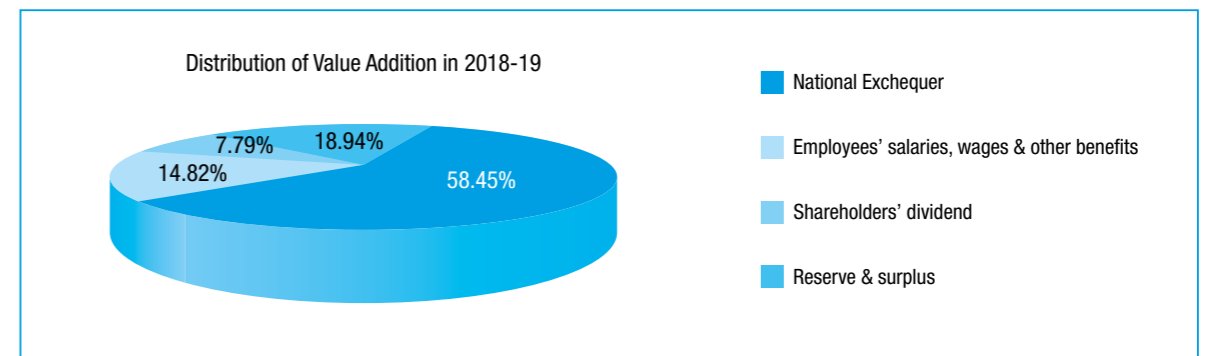
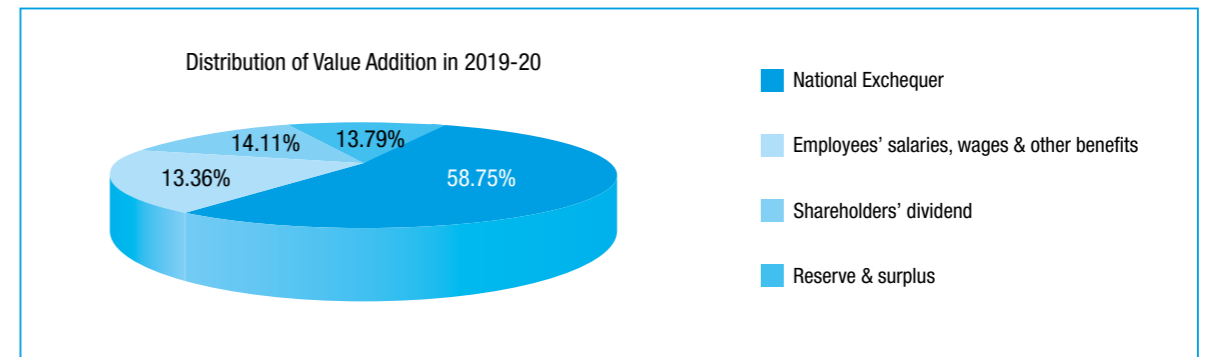


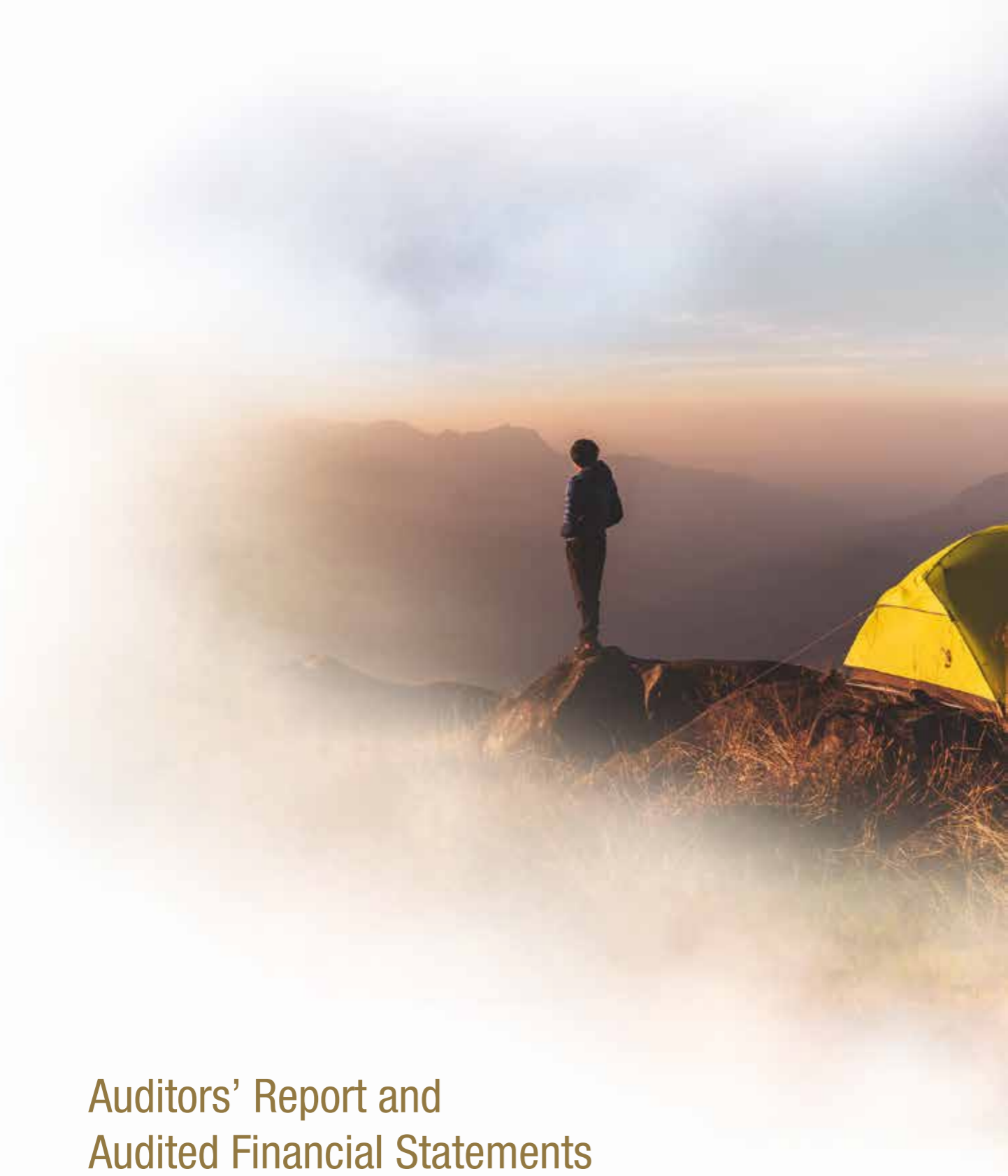
Nasir U Ahmed, FCA, FCS
Senior Partner
MABS & J Partners
Chartered Accountants

Place: Dhakla
Dated: 18 June 2020

Value Added Statement

	Taka in '000			
	For the year ended 31 March 2020		For the year ended 31 March 2019	
	Amount	%	Amount	%
Turnover	22,452,620		21,050,450	
Less: Purchase of materials & Services	14,233,680		13,725,166	
Value added	8,218,940	100.00	7,325,284	100.00
Applications:				
National Exchequer	4,828,804	58.75	4,281,299	58.45
Employees' salaries, wages & other benefits	1,097,688	13.36	1,085,708	14.82
Shareholders' dividend	1,159,447	14.11	570,601	7.79
Reserve & surplus	1,133,001	13.79	1,387,676	18.94
	8,218,940	100.00	7,325,284	100.00





Auditors’ Report and Audited Financial Statements

Independent Auditor’s 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 2020, 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 2020, 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 (KAM)

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements for the year ended 31 March 2020. 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.

Sn	Key Audit Matter	How our audit addressed the key audit matter
1	Revenue recognition (Refer to Note 2.21 (accounting policy) and note 25 to these Financial Statements)	
	<p>The Company recognizes revenue when control of the goods is transferred to the customer at an amount that reflects the net consideration, which the Company expects to receive for those goods from customers. In determining the sales price, the Company considers the effect of rebates and discounts (variable consideration). During the year ended March 31, 2020 the Company has recognised revenues of BDT 18,820,154 thousand.</p> <p>The terms of sales agreements, including the timing of transfer of control, based on the terms of relevant contract and nature of discount and rebates arrangements, create complexities that requires judgement in determining sales revenues.</p> <p>Considering the above factors and the risk associated with revenue recognition, we have determined the same to be a key audit matter.</p>	<p>1) We read the Company’s revenue recognition policy and assessed its compliance in terms of IFRS 15 ‘Revenue from contracts with customers’;</p> <p>2) Performed sample tests of individual sales transactions and traced to sales invoices, sales orders and other related documents. In respect of the samples selected, we tested recognition of revenue based on underlying sales invoices, sales orders and other related documents;</p> <p>3) We selected a sample of invoices on which rebates and discounts were given and obtained the rebates and discount schemes approved by the management. We noted the accounting of rebates and discounts by the Company for the selected sample.</p> <p>4) Selected samples of sales transactions made pre and post year end, agreed the date of transfer of control for the selected sample by testing underlying documents including customers confirmation; and,</p> <p>5) Assessed the relevant disclosures made within the financial statements.</p>

Sn	Key Audit Matter	How our audit addressed the key audit matter
2	Implementation of IFRS 16 -Leases (Refer to Note 2.13 (accounting policy) and note 5 to these Financial Statements)	
	<p>The Company recognized rights-of-use assets (ROUA) and lease liabilities arising from the lease rental agreements for its sales centres, accommodation floors and warehouses. The recognition is made for the first time in current year's financial statements. However, that would not require a restatement of the comparative period information because Company elected modified retrospective approach. The lease liability is measured at the present value of the lease payments that are not paid at that date. For calculation of the lease liability, the management applies its judgment in determination of lease term, where certainty of exercising the option to extend or the option not to terminate the lease is considered.</p> <p>The incremental borrowing rate is used as discounting rate in calculation of lease liability.</p> <p>We considered the implementation of "IFRS- 16 Leases" as a key audit matter, since the balances recorded are material, management had to apply several judgements and estimates such as lease term, discount rates, measurement basis among others and undertake a significant data extraction exercise to summarise the lease data for input into their lease calculation model.</p>	<p>We obtained an understanding of the management's process for implementing IFRS 16 including financial controls designed by the management to mitigate the risks assessed by us independently. We tested those relevant controls and adopted a control rely strategy. Furthermore, to mitigate the inherent risk in this audit area, our audit approach included testing of the controls and substantive audit procedures, including:</p> <p>1) We studied the contracts for lease rental arrangements, especially the terms and conditions related to payments, lease incentives, any indirect costs, dismantling and restoration, option to extend the lease or not to terminate the lease.</p> <p>2) Through discussion we evaluated management's judgement and estimates used in adopting the new standard</p> <p>3) We checked the lease amortization schedule and depreciation schedule for each of the leases.</p> <p>4) We checked the appropriateness of management's assumptions, especially in determining the certainty of exercising option to extend or terminate lease and the discounting rate applied to calculate lease liability.</p> <p>5) We assessed whether the disclosures within the financial statements are adequate as prescribed by the relevant IFRSs.</p>

Other information included in the Company's March 31, 2020 Annual Report

Other information consists of the information included in the Company's March 31, 2020 Annual Report other than the financial statements and our auditor's report thereon. We obtained Director's Report, Management Discussion and Analysis, six years financial information, and Corporate Governance report prior to the date of our auditor's report, and we expect to obtain the remaining reports of the Annual Report after the date of our auditor's report. Management is responsible for the other information.

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

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

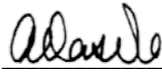
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with 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, 18 June 2020

Berger Paints Bangladesh Limited Statement of financial position

In Thousands Taka	Note (s)	As at 31 March		As at 1 April
		2020	2019-Restated	2018-Restated
Property, plant and equipment	3	3,865,252	3,778,453	3,227,546
Capital work-in-progress	4	563,035	227,760	110,892
Right-of-use assets	5	629,221	-	-
Intangible assets	6	56,749	78,123	89,907
		5,114,256	4,084,336	3,428,345
Investment - at cost	7	93,343	93,343	89,300
Total non-current assets		5,207,599	4,177,679	3,517,645
Inventories	8	2,287,580	2,025,209	2,250,601
Trade and other receivables	9	1,619,002	1,663,524	1,580,048
Advances, deposits and prepayments	10	252,080	474,977	442,610
Short term investment - FDR	11	251,237	401,237	-
Cash and cash equivalents	12	3,121,863	1,892,143	1,115,230
Inter - company receivables	13	190,150	126,818	74,294
Total current assets		7,721,912	6,583,908	5,462,783
Total assets		12,929,511	10,761,587	8,980,428
Share capital	14.2	463,779	463,779	231,889
Share premium	15	-	-	115,068
General Reserve		-	-	10,000
Retained earnings	16	8,244,378	7,111,376	5,723,700
Equity attributable to the Company's equity holders		8,708,157	7,575,155	6,080,657
Deferred tax liabilities	17	227,958	242,409	236,989
Lease obligations - non current portion '1	5	509,889	-	-
Total non-current liabilities		737,847	242,409	236,989
Lease obligations - current portion	5	61,816	-	-
Trade and other payables	18	2,797,815	2,006,274	2,428,559
Provision for royalty	19	285,397	309,863	215,455
Provision for current tax	20	325,941	192,210	(18,544)
Provision for employees' retirement gratuity	21	2,566	30,099	28,523
Unclaimed dividend / payable	22	9,825	405,430	8,642
Liability for unclaimed IPO application money	23	147	147	147
Total current liabilities		3,483,507	2,944,023	2,662,782
Total liabilities		4,221,354	3,186,432	2,899,771
Total equity and liabilities		12,929,511	10,761,587	8,980,428
Contingent liabilities	24	767,550	676,366	574,273
Net asset value per share (Taka)	41	187.77	163.34	131.11

The accompanying notes 1 to 43 and Annexure-A form an integral part of these financial statements.


Managing Director


Director


Chief Financial Officer


Company Secretary

As per our report of same date


A. Qasem & Co.
Chartered Accountants

Dhaka, 18 June 2020

Berger Paints Bangladesh Limited Statement of profit or loss and other comprehensive income

In Thousands Taka	Note (s)	For the year ended 31 March	
		2020	2019-Restated
Revenue-net	25	18,820,154	17,733,311
Cost of sales	26	(9,978,398)	(9,907,342)
Gross profit		8,841,756	7,825,969
Selling, distribution and warehousing expenses	27	(5,332,976)	(4,648,193)
Administrative and general expenses	28	(524,106)	(509,596)
Other operating expenses	29	(106,738)	(101,822)
Other operating income	30	178,329	183,231
		(5,785,491)	(5,076,380)
Operating income		3,056,265	2,749,589
Finance costs	31	(3,048)	(7,227)
Investment income	32	194,309	37,716
Net finance income		191,261	30,489
Other non-operating income	33	7,317	7,979
Income before WPPF and tax		3,254,843	2,788,057
Workers' profit participation and welfare fund		(162,376)	(138,567)
Income before tax		3,092,467	2,649,490
Current tax expenses	20	(814,470)	(686,393)
Deferred tax expenses	17.1	14,451	(5,270)
Income tax expenses		(800,019)	(691,663)
Net profit for the year		2,292,448	1,957,827
Total comprehensive income		2,292,448	1,957,827
Other comprehensive income			
Actuarial gain on defined benefit plans		-	600
Deferred tax impact on defined benefit plans		-	(150)
Total other comprehensive income		-	450
Total comprehensive income		2,292,448	1,958,277
Basic earnings per share (Taka)	41	49.43	42.21
Diluted earnings per share (Taka)	41	49.43	42.21

The accompanying notes 1 to 43 and Annexure-A form an integral part of these financial statements.


Managing Director


Director


Chief Financial Officer


Company Secretary

As per our report of same date


A. Qasem & Co.
Chartered Accountants

Dhaka, 18 June 2020

Berger Paints Bangladesh Limited Statement of changes in equity

In Thousands Taka

Particulars	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
Prior year adjustments for VAT and others				29,522	29,522
As at 01 April 2018 (adjusted)	231,889	10,000	115,068	5,723,700	6,080,657
Net profit for the year	-	-	-	1,957,827	1,957,827
Distribution of cash dividend	-	-	-	(463,779)	(463,779)
Bonus shares issued	231,890	(10,000)	(115,068)	(106,822)	-
Actuarial gain on gratuity valuation				450	450
Balance as at 31 March 2019	463,779	-	-	7,111,376	7,575,155

Particulars	Share capital	General reserve	Share premium	Retained earnings	Total equity
Balance as at 01 April 2019	463,779	-	-	7,111,376	7,575,155
Net profit for the year	-	-	-	2,292,448	2,292,448
Distribution of cash dividend	-	-	-	(1,159,447)	(1,159,447)
Balance as at 31 March 2020	463,779	-	-	8,244,378	8,708,157
	Note(s)	14.2	15	16	

The accompanying notes 1 to 43 and Annexure-A form an integral part of these financial statements.


Managing Director


Director


Chief Financial Officer


Company Secretary

As per our report of same date


A. Qasem & Co.
Chartered Accountants

Dhaka, 18 June 2020

Berger Paints Bangladesh Limited Statement of cash flows

In Thousands Taka	Note (s)	For the year ended 31 March	
		2020	2019
Cash flows from operating activities (A)			
Cash received from customers		18,881,377	17,661,486
Cash received from other operating income		178,917	183,702
Investment (finance) income	32	177,608	26,065
Cash paid to suppliers and employees		(14,921,687)	(15,001,816)
Interest paid on on lease obligations		(33,594)	-
Income tax paid	20	(680,739)	(475,639)
Net cash flows from operating activities	41	3,601,882	2,393,798
Cash flows from investing activities (B)			
Payment for acquisition of property, plant and equipment and right-of-use assets	3, 4 & 6	(911,853)	(1,150,590)
Investment in BFL	7.1	-	(4,043)
Investment (finance) expenses	31	(3,636)	(7,698)
Short term investment - FDR	11	150,000	(401,237)
Proceeds from disposal of assets	3.3	10,665	13,674
Net cash used in investing activities		(754,824)	(1,549,894)
Cash flows from financing activities (C)			
Dividend paid	22	(1,555,052)	(66,991)
Payment of lease liabilities		(62,286)	-
Net cash used in financing activities		(1,617,338)	(66,991)
Increase / (decrease) in cash and cash equivalents (D) = (A+B+C)			
		1,229,720	776,913
Opening cash and cash equivalents (E)			
		1,892,143	1,115,230
Closing net cash and cash equivalents (D+E)			
		3,121,863	1,892,143

The accompanying notes 1 to 43 and Annexure-A form an integral part of these financial statements.


Managing Director


Director


Chief Financial Officer


Company Secretary

As per our report of same date


A. Qasem & Co.
Chartered Accountants

Dhaka, 18 June 2020

Berger Paints Bangladesh Limited
Notes to the financial statements

As at and for the year ended 31 March 2020

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 wef. 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 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. 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.

Authorization for issue

These financial statements have been authorized for issue by the Board of Directors of the Company on 18 June 2020.

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 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 COVID-19 impact to preparation of financial statements

The global outbreak of Corona Virus (COVID-19) has reached Bangladesh in mid-March 2020. The government has declared general holiday since 26 March 2020. The movement of persons and goods has been disrupted throughout the world. This has impacted almost all types of business either positively or negatively. As the outbreak continues to evolve, it is challenging at this juncture, to predict the full extent and duration of its impact on business and economy. Consequently, these circumstances may present entities with challenges when preparing financial statements as per IFRS. In this report, the company has assessed the impact of COVID-19 upon different aspects of the business. The guideline issued by the ICAB "POTENTIAL COVID-19 IMPACT ON FINANCIAL REPORTING AND AUDITING", IAS 10 and other relevant standards are considered while preparing this report.

We have analyzed COVID-19 impact, in business and revenue perspective, collection and risk receivable perspective. We have also analyzed the funding status, and cash availability to continue the operation. The impact and related compliance issue are presented below:

i. Going concern assessment

IAS 1 Presentation of Financial Statements requires management, when preparing financial statements, to make an assessment of an entity's ability to continue as a going concern.

The budgeted sales for the year ended 31 March 2021 is higher than actual sales of current year. Even after considering the current crisis situation the revised forecasted sales for the year ended 31 March 2021 is higher than the current year sales. That indicates company will be able to maintain strong market share in next year, even better than the current year.

ii. Events after the reporting period

Reporting period of the company is April – March. Since the lockdown issue has been started from 26th March 2020, so the financial statements for the year ended 31 March 2020 has not been directly impacted due to COVID- 19 issue. Most of the activities (financial and non-financial) have already been completed and no subsequent impact has been done yet, e.g. revenue is recognized properly, inventory is received and recorded on time, other transactions are made by complying the matching concept and cut-off test.

However, we are assessed the collection status of next 12 months period and analyzed the risk receivables. The summary of bad debts provision and bad debts write-off is presented below:

Table with 5 columns: Amounts in MBDT, Average, 2019, 2018, 2017. Rows include Account Receivables and Rate of provision for bad debts.

The average bad debts provision rate is 2.64% in last 3 comparative years. Based on the past trend and considering the COVID impact we are making provision 4.39% and for this the additional provision has been made for BDT 29.07 million compared to average provision. This will cover to mitigate any unexpected future loss.

iii. Fair value measurement

As per IFRS 13, the fair value measurement matrix is presented below:

a. The asset or liability: A fair value measurement is for a particular asset or liability. Therefore, when measuring fair value an entity shall take into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Such characteristics include, for example, the following: (i) the condition and location of the asset; and (ii) restrictions, if any, on the sale or use of the asset.	b. The transaction: A fair value measurement assumes that the asset or liability is exchanged in an orderly transaction between market participants to sell the asset or transfer the liability at the measurement date under current market conditions. A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either: (i) in the principal market for the asset or liability; or (ii) in the absence of a principal market, in the most advantageous market for the asset or liability.
c. The price: Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.	d. Market participants: An entity shall measure the fair value of an asset or a liability using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

Considering the above criteria and nature of our companies business; the assets, liability and none of transections will be impacted for COVID-19.

iv. Impairment assessment

An impairment loss is the amount by which the carrying amount of an assets or cash-generating unit exceeds its recoverable amount.

An asset is impaired when an entity is not able to recover its carrying value, either by using it or selling it.

The company has completed the impairment test and considering the nature and effectiveness of company's assets, nothing will be impacted due to COVID-19.

2.3 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 realizable value.

2.4 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 periods 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.

2.5 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 36	Impairment of assets
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
IFRS 16	Lease

2.5.1 Initial application of new standards

The entity has initially applied IFRS 16 (notes 2.13 and 5) from 01 April 2019. Moreover, IFRS 9 (note 2.16) and IFRS 15 (see 2.21) has been applied from 1 April 2018.

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 standard.

2.6 Use of estimates and judgments

Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are 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:

When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

2.7 Reporting period

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

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.

2.10 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.

2.11 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 land	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.

2.12 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.

2.13 Initial application of new standards

The Company has initially applied IFRS 16 from 1 April 2019. Due to the transition methods chosen by the Company in applying the standard, comparative information throughout these financial statements has not been restated to reflect the requirements of this new standard.

IFRS 16: Leases

IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases.

IFRS 16 replaces existing leases guidance, including IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases – Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

The standard is effective for annual periods beginning on or after 1 April 2019. Although early adoption is permitted, the Company has not early adopted IFRS 16 in preparing these financial statements.

The most significant impact identified is that, the Company will recognize new assets and liabilities for its operating leases of warehouses and factories. In addition, the nature of expenses related to those leases will now change as IFRS 16 replaces the straight-line operating lease expense with a depreciation charge for right-of-use assets and interest expense on lease liabilities.

Previously, the Company recognized operating lease expense on a straight-line basis over the term of the lease, and recognized liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognized.

As a lessee, the Company applies IFRS 16 initially on 1 April 2019, to all contracts entered into before 1 April 2019 and which were identified as leases in accordance with IAS 17 and IFRIC 4, using the modified retrospective approach. Therefore, the cumulative effect of adopting IFRS 16 will be recognized as an adjustment to the opening balance of retained earnings at 1 April 2019, with no restatement of comparative information. The Company also applies IFRS 16 to all contracts entered into on or after 1 April 2019, considering exemption criteria of the new standard as applicable. The new standard has material effect on the Company's financial statements which are described in Note 5.

For additional information about the Company's accounting policies relating to leases, see Note 5.

i. Changes in accounting policies

Except for the changes below, the Company has consistently applied the accounting policies to all periods presented in these financial statements.

The Company applied IFRS 16 with a date of initial application of 1 April 2019. As a result, the Company has changed its accounting policy for lease contracts as detailed below.

The Company applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognized at 1 April 2019. The details of the changes in accounting policies are disclosed below.

ii. Definition of a lease

Previously, the Company determined at contract inception whether an arrangement is or contains a lease under IFRIC 4. Under IFRS 16, the Company assesses whether a contract is or contains a lease based on the definition of a lease.

On transition to IFRS 16, the Company elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed for whether there is a lease.

As a lessee

As a lessee, the Company previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Company. Under IFRS 16, the Company recognizes right-of-use assets and lease liabilities for all applicable leases – i.e. these leases are on-balance sheet.

The Company decided to apply recognition exemptions to short-term leases as applicable. For leases of other assets, which were classified as operating under IAS 17, the Company recognized right-of-use assets and lease liabilities.

a. Leases classified as operating leases under IAS 17

At transition, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Company's incremental borrowing rate as at 1 April 2019. Right-of-use assets are measured at their carrying amount as if IFRS 16 had been applied since the commencement date, discounted using the opportunity cost rate at the date of initial application – the Company applied this approach to its largest property leases.

The Company used the following practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17. The Company applied a single discount rate to a portfolio of leases with similar characteristics.

b. Leases previously classified as finance leases

The Company has no finance lease.

Impacts on financial statements

On transition to IFRS 16, the company recognized BDT 727,832 thousand right-of-use assets and same amount as lease liabilities.

IFRS 16.C12(a) when measuring lease liabilities, the Company discounted lease payments using its incremental borrowing rate at 1 April 2019. The weighted-average rate applied is 6%.

In Thousands Taka

Operating lease commitment at 31 March 2019	766,286
Discounted using the incremental borrowing rate at 1 April 2019	727,832
Finance lease liabilities recognized as at 31March 2019	-
Adjustments for recognition exemption and others	-
Lease liabilities recognized at 1 April 2019	727,832

Application of Leases

The Company has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17 and IFRIC 4. The details of accounting policies under IAS 17 and IFRIC 4 are disclosed separately if they are different from those under IFRS 16 and the impact of changes is disclosed in Note 5.

Significant accounting policy

Policy applicable from 1 January 2019

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:
 - the Company has the right to operate the asset; or
 - the Company designed the asset in a way that predetermines how and for what purpose it will be used.

This policy is applied to contracts entered into, or changed, on or after 1 April 2019.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

Policy applicable before 1 April 2019

For contracts entered into before 1 January 2019, the Company determined whether the arrangement was or contained a lease based on the assessment of whether:

- fulfilment of the arrangement was dependent on the use of a specific asset or assets; and
- the arrangement had conveyed a right to use the asset. An arrangement conveyed the right to use the asset if one of the following was met:
 - the purchaser had the ability or right to operate the asset while obtaining or controlling more than an insignificant amount of the output;
 - the purchaser had the ability or right to control physical access to the asset while obtaining or controlling more than an insignificant amount of the output; or
 - facts and circumstances indicated that it was remote that other parties would take more than an insignificant amount of the output, and the price per unit was neither fixed per unit of output nor equal to the current market price per unit of output.

As a lessee

The Company recognizes a right-of-use asset and a lease liability (for its warehouses and factory facilities) at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company’s opportunity cost rate. Generally, the Company uses its opportunity cost rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise fixed payments, including in-substance fixed payments.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company’s estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets and lease liabilities in the statement of financial position.

Short-term leases and leases of low-value assets

Currently the Company has no such short-term lease or lease of low value asset. The Company will not recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company will recognize the lease payments associated with these leases as an expense on a straight-line basis over the lease term as applicable.

Under IAS 17

The Company has no finance lease.

In the comparative period, assets held under operating leases were not recognized in the Company’s statement of financial position. The Company recognized operating lease expense on a straight-line basis over the term of the lease and recognized liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognized.

As a lessor

There is no such lease for which the Company is a lessor.

As a lessee

The Company leases warehouses and office building as operating leases.

2.14 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 :

- 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 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 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 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.

2.15 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.

2.16 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.

2.17 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.

2.18 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 Provisions, Contingent Liabilities and Contingent Assets are those disclosed in the notes to the financial statements.

2.19 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 Tk 31,398 thousand provision were made for all permanent employees on the payroll of the Company. Remaining amount as at 31 March 2020, Tk 2,566 thousand was subsequently paid to the gratuity fund on 26 April 2020.

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.

2.20 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.

2.21 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 recognized will not occur
- c) the amount of revenue can be measured reliably; and
- 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.

v. 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.

vi. 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 recognized in the statement of profit or loss.

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

2.22 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.

2.23 Repairs, upkeep and maintenance charges

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

2.24 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.

2.25 Advertising and promotional expenses

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

2.26 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.

2.27 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.

2.28 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.

2.29 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 period's presentation.

2.30 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.

2.31 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 return. A segment is a distinguishable component of the entity that engaged in providing products or services within a particular economic environment. Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating decision maker. The entity regards its Board of Directors as its Chief Operating decision maker, as the Board is responsible for allocating resources, assesses performance, and makes strategic decision.

The entity is primarily engaged in manufacturing and sale of paints, varnishes and coatings. This forms the focus of the Company's internal reporting system. While the Company has clearly differentiated brands, segmentation within a wide portfolio of brands is not part of the regular internally reported financial information to the Chief Operating decision maker. Therefore, it is not possible to segment the Company's results by brand without a high degree of estimation.

2.32 Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

The following amended standards and interpretations are not expected to have a significant impact on the Company's financial statements:

- Amendments to References to Conceptual Framework in IFRS Standards.
- Definition of a Business (Amendments to IFRS 3).
- Definition of Material (Amendments to IAS 1 and IAS 8).
- IFRS 17 Insurance Contracts.

2.33 Correction of errors

The company has identified errors with regards to rebate on input taxes not taken into books of accounts, error in recognizing assets and gain on belated valuation of defined benefit plan (gratuity) balance as on 31March 2019. These errors have been corrected by restating each of the affected financial statements line items.

The following tables summarize the impacts on company's financial statements.

Statement of financial position:

In Thousands Taka	1-Apr-18	Impact of correction of error	
	As previously reported	Adjustments	Restated
Property, plant and equipment	3,230,921	(3,375)	3,227,546
Advances, deposits and prepayments	400,414	42,196	442,610
Others	5,310,272	-	5,310,272
Total assets	8,941,607	38,821	8,980,428
Retained earnings	5,694,178	29,522	5,723,700
Others	356,957	-	356,957
Equity attributable to the Company's equity holders	6,051,135	29,522	6,080,657
Provision for current tax	(27,843)	9,299	(18,544)
Others	2,918,315	-	2,918,315
Total liabilities	2,890,472	9,299	2,899,771

In Thousands Taka	31-Mar-19	Impact of correction of error	
	As previously reported	Adjustments	Restated
Property, plant and equipment	3,781,328	(2,875)	3,778,453
Advances, deposits and prepayments	429,540	45,437	474,977
Others	6,508,157	-	6,508,157
Total assets	10,719,025	42,562	10,761,587
Retained earnings	7,074,723	36,653	7,111,376
Others	463,779	-	463,779
Equity attributable to the Company's equity holders	7,538,502	36,653	7,575,155
Deferred tax liabilities	242,259	150	242,409
Trade and other payables	2,011,274	(5,000)	2,006,274
Provision for current tax	180,851	11,359	192,210
Provision for employees' retirement gratuity	30,699	(600)	30,099
Others	715,440	-	715,440
Total liabilities	3,180,523	5,909	3,186,432

Statement of profit or loss and other comprehensive income:

For the year ended 31 March 2019

In Thousands Taka	Impact of correction of error		
	As previously reported	Adjustments	Restated
Cost of sales	(9,915,583)	8,241	(9,907,342)
Selling, distribution and warehousing expenses	(4,648,693)	500	(4,648,193)
Administrative and general expenses	(509,596)	-	(509,596)
Income tax expenses	(689,603)	(2,060)	(691,663)
Others	17,714,621	-	17,714,621
Profit	1,951,146	6,681	1,957,827
Actuarial gain on defined benefit plans	-	600	600
Deferred tax impact on defined benefit plans	-	(150)	(150)
	-	450	450
Total comprehensive income	1,951,146	7,131	1,958,277

In Thousands Taka	As at 31 March	
	2020	2019
3 Property, plant and equipment - notes 2.5, 2.11, 3.1 and 3.3		
At cost		
Opening balance	6,335,581	5,351,229
Addition during the year	606,359	1,015,132
Disposal during the year - note 3.3	(55,251)	(30,780)
Closing balance	6,886,689	6,335,581
Accumulated depreciation		
Opening balance	2,557,128	2,123,683
Charged for the year - note 3.1	516,213	458,531
Adjustment on disposal during the year - note 3.3	(51,903)	(25,086)
Closing balance	3,021,438	2,557,128
Written down value as at 31 March	3,865,252	3,778,453

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, 2.11 (iii) and 3

Manufacturing overhead - note 26.3	295,579	245,745
Selling, distribution and warehousing expenses - note 27	170,096	166,457
Administrative and general expenses - note 28	50,538	46,329
	516,213	458,531

3.2 Fully depreciated items - cost thereof

1,512,943 1,081,650

3.3 Following items were disposed off during the year - note 33

Particulars	Cost (note 3)	Acc. Dep (note 3)	WDV	Sale proceeds	Mode of sale
Building	356	693	(337)	-	Quotation
Plant and machinery	9	9	-	-	Quotation
Office equipment	2,507	2,465	42	107	Quotation
Factory and laboratory equipment	3,815	3,663	151	63	Quotation
Computer	6,264	6,129	135	39	Quotation
Furniture & fixtures	1,483	1,462	21	315	Quotation
Motor vehicles	40,201	36,866	3,335	10,116	Quotation
Loose tools	616	616	-	25	Quotation
Total as at 31 March 2020	55,251	51,903	3,348	10,665	
Total as at 31 March 2019	30,780	25,086	5,694	13,674	

In Thousands Taka	As at 31 March	
	2020	2019
4 Capital work in progress - notes 2.12 and 4.1		
Opening balance	227,760	110,892
Addition during the year	917,971	220,608
Transferred to property, plant and equipment	(582,696)	(103,740)
Closing balance	563,035	227,760
4.1 Details of capital work in progress - note 4		
Land	175,102	76,359
Building	167,902	77,906
Plant and machinery	60,068	45,217
Factory equipment	140,697	27,761
Furniture and fixture	5,380	384
Software	13,886	133
Total	563,035	227,760
5 Lease		
Right-of-use assets		
Opening balance	743,954	-
Amortization charge for the year	114,733	-
Balance as at 31 March 2020	629,221	-
Lease liabilities		
Lease liabilities - non-current portion	509,889	-
Lease liabilities - current portion	61,816	-
Balance as at 31 March 2020	571,705	-
5.1 Segregation of amortization		
Manufacturing overhead - note 26.3	6,271	-
Selling, distribution and warehousing expenses - note 27	102,957	-
Administrative and general expenses - note 28	5,505	-
Total	114,733	-

The Company enters into lease contracts for its warehouses. These lease contracts run for varies generally from 5 years to 10 years. Most of the lease contracts include an option to renew the lease term for additional period after the end of the contract term.

The Company enters into lease contracts for its warehouses and Office Building These lease contracts run for varies generally from 5 years to 10 years. Most of the lease contracts include an option to renew the lease term for additional period after the end of the contract term.

In Thousands Taka			As at 31 March	
			2020	2019
6 Intangible assets - notes 2.5, 2.14 and 6.1				
Particulars	Software	Trade marks	Total	Total
At cost				
Opening balance	223,660	2,091	225,751	207,160
Addition during the year	8,390	194	8,584	18,591
Closing balance	232,050	2,285	234,335	225,751
Accumulated amortization				
Opening balance	146,760	868	147,628	117,253
Charged during the year - note 6.1	29,743	215	29,958	30,375
Closing balance	176,503	1,083	177,586	147,628
Carrying amount	55,547	1,202	56,749	78,123
6.1 Segregation of amortization amount to selling and administrative units - notes 2.5, 2.14 (iii) and 6				
Selling, distribution and warehousing expenses - note 27			215	162
Administrative and general expenses - note 28			29,743	30,213
			29,958	30,375
7 Investments - at cost				
7.1 Make-up:				
Jenson & Nicholson (Bangladesh) Limited - note 7.2			50,100	50,100
Berger Becker Bangladesh Limited - note 7.3			39,200	39,200
Berger Fosroc Limited - note 7.4			4,043	4,043
Total			93,343	93,343
7.2 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 571,371 thousand at the end of 31 March 2020. 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), 7.1, 12, 25.3, 27, 29, 31 and 41.				
7.3 The Company owns 49% paid-up ordinary share capital of Tk 39,200 thousand (3,920,000 shares of Tk 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 Tk 388,844 thousand at the end of 31 March 2020. During the year BPBL earned Tk 2,988 thousand from BBBL as management charges. Other pertinent transactions with and interest in BBBL are reported in notes 2.14 (i), 2.19 (iii), 7.1, 12, 25.3, 26, 27, 29 and 41.				
7.4 The Company owns 50% paid-up ordinary share capital of Tk 4,043 thousand (40,425 shares of Tk 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 Tk 11,162 thousand at the end of 31 March 2020. During the year BPBL earned Tk 6,780 thousand from BFL as management charges and Tk 11,187 thousand as marketing service fees. Other pertinent transactions with and interest in BFL are reported in notes 2.14 (i), 2.19 (iii), 7.1, 12, 25.3, 26, 27, 30 and 41.				

In Thousands Taka		As at 31 March	
		2020	2019
8	Inventories - notes 2.15, 26 and 26.1		
Raw materials		920,496	737,143
Semi - finished products		94,756	141,726
Packing materials		42,860	41,194
	note-26.1	1,058,112	920,063
Finished goods - notes 26 and 26.4			
Own manufactured items		633,374	624,438
Imported items		81,304	102,770
		714,678	727,208
Store, consumables and promotional items			
Stores and consumables		46,850	46,302
Promotional items		24,430	38,190
		71,280	84,492
Inventories in transit - GIT - note 2.15 (iii)		443,510	293,446
		2,287,580	2,025,209
9	Trade and other receivables - notes 2.5, 2.16 a (ii) and 35 (iii)		
9.1	Trade receivables		
Unsecured - note 9.2		1,662,483	1,706,709
General provision for bad and doubtful debts - notes 2.22, 9.2 and 17		(72,897)	(55,900)
Considered to be good		1,589,586	1,650,809
Other receivables- notes 9.3 and 35 (iii)		29,416	12,715
		1,619,002	1,663,524
9.2	Maturity wise presentation of trade receivable-unsecured:		
Outstanding over 360 days - note 9.1		72,897	55,900
Outstanding over 180 days to below 360 days		60,320	46,154
Outstanding below 180 days		1,529,266	1,604,655
	note 9.1	1,662,483	1,706,709
9.3	Other receivables include interest accrued on investments - note 9.1	29,416	12,715

In Thousands Taka	As at 31 March	
	2020	2019
10 Advances, deposits and prepayments - note 2.17		
Advance - note 10.1	170,218	423,413
Deposits - note 10.2	38,996	36,535
Prepayments - note 10.3	42,866	15,029
	252,080	474,977
10.1 Advance - note 10.1		
Advance to employees - note 10.1.1	76,522	78,578
Advance to suppliers and others - note 10.1.2	93,696	344,835
	170,218	423,413
10.1.1 Advance to employees - note 10.1		
House building loan - note 10.5	70,863	72,397
Other advance	5,659	6,181
	76,522	78,578
10.1.2 Advance to suppliers and others - note 10.1		
Goods and services	12,932	28,456
Value added tax - VAT	-	151,781
Supplementary duty - SD	2,157	5,351
Rental	78,607	159,247
	93,696	344,835
10.2 Deposit - note 10		
Security deposits	38,996	36,535
10.3 Prepayments - note 10		
Insurance and other	42,866	15,029
10.4 These include dues realizable/adjustable after one year from the date of statement of financial position	67,169	186,815
10.5 Advance recoverable in cash - note 10.1.1	70,863	72,397
11 Short term investment - FDR - note 2.16 a (iii)		
FDR for more than three months with scheduled banks and FI		
More than three months	201,237	251,237
Six months	50,000	150,000
	251,237	401,237

In Thousands Taka	As at 31 March	
	2020	2019
12 Cash and cash equivalents - note 2.16 a (iii)		
Current accounts:		
Term deposit accounts (FDR)		
Three months- notes 32 and 35 (a)	2,100,000	800,000
	2,100,000	800,000
Current and collection accounts	547,353	838,392
Short term deposit accounts (STD) - notes 32 and 35 (a)		
Operational account	441,933	225,880
Dividend account	12,374	11,068
IPO account	-	331
	454,307	237,279
Foreign currency current accounts - notes 2.26, 32 and 35 (i)		
Operational account	14,343	11,664
IPO account	-	61
	14,343	11,725
Cash in hand	5,860	4,747
Cash and cash equivalents	3,121,863	1,892,143
13 Inter- company receivables - notes 7, 30, 32, 35 (iii) and 42		
Due from / (to) J&N (B) L - note 7.2	145,548	106,338
Due from / (to) BBBL - note 7.3	8,885	8,558
Due from / (to) BFL - note 7.4	35,717	11,922
	190,150	126,818
14 Share capital		
14.1 Authorized share capital		
100,000,000 ordinary shares of Taka 10 each	1,000,000	1,000,000
14.2 Issued, subscribed and paid-up share capital		
46,377,880 ordinary shares of Taka 10 each	463,779	463,779
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.		

In Thousands Taka			As at 31 March	
			2020	2019
14.3 Composition of shareholding - note 41				
Shareholders	Number of share	% of share holding	Value	Value
J & N Investments (Asia) Limited - Group	44,058,740	95.00	440,587	440,587
Institutions & General public	475,942	1.03	4,759	6,122
Foreign shareholders	44,534,682	96.03	445,347	446,709
Institutions (financial & others)	1,195,286	2.58	11,953	9,904
General public	647,912	1.40	6,479	7,166
Bangladeshi shareholders	1,843,198	3.97	18,432	17,070
Total	46,377,880	100.00	463,779	463,779

14.4 Classification of shareholders by range - note 41

Shareholding range	Type of shareholders	25 March 2020			31 March 2019
		Number of shares	% of share holding	Number of shareholders	Number of share holders
Less than 501 shares	G. Public& Inst	351,785	0.76	4,396	4,885
501 to 5,000 shares	G. Public& Inst	355,995	0.77	265	297
5,001 to 10,000 shares	G. Public& Inst	78,806	0.17	10	7
10,001 to 20,000 shares	G. Public& Inst	187,912	0.41	13	9
20,001 to 30,000 shares	Institution	98,783	0.21	4	4
30,001 to 40,000 shares	Institution	39,219	0.08	1	1
40,001 to 50,000 shares	Institution	42,740	0.09	1	1
50,001 to 100,000 shares	Institution	327,631	0.71	5	2
100,001 to 1,000,000 shares	Institution	836,269	1.80	2	3
Over 1,000,000 shares	Group	44,058,740	95.00	1	1
Total		46,377,880	100.00	4,698	5,210

14.5 Market price per share

Traded stock exchanges	Last trade date		In Taka	
	2020	2019	2020	2019
Dhaka Stock Exchange	25-Mar-20	31-Mar-19	1,308.60	1,797.70
Chittagong Stock Exchange	23-Mar-20	31-Mar-19	1,305.00	1,805.20

15 Share premium

Opening balance	-	115,068
Bonus share issue	-	(115,068)
Closing balance	-	-

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.

In Thousands Taka	As at 31 March	
	2020	2019
16 Retained earnings		
Opening balance	7,111,376	5,694,178
Prior year adjustments for VAT and others	-	29,522
Net profit for the year	2,292,448	1,957,827
	9,403,825	7,681,527
Distribution of cash dividend - note 22	(1,159,447)	(463,779)
Bonus shares issued	-	(106,822)
Actuarial gain on Gratuity valuation	-	450
Closing balance	8,244,378	7,111,376

17 Deferred tax liabilities - notes 2.20 (ii) and 17.1

	Carrying amount	Tax base	Taxable/(deductible) temporary difference	Taxable/(deductible) temporary difference
Property, plant and equipment	2,798,023	1,810,727	987,295	1,055,635
Provision for employee benefit plan - note 21	(2,566)	-	(2,566)	(30,099)
Provision for bad debts - note 9.1	(72,897)	-	(72,897)	(55,900)
Net temporary difference	2,722,560	1,810,727	911,832	969,636
Effective tax rate			25%	25%
Deferred tax liabilities as at 31 March			227,958	242,409

17.1 Deferred tax expenses/income

Opening balance	242,409	236,989
Closing balance - note 17	227,958	242,409
	(14,451)	5,420
Deferred tax attributable to actuarial gain recognized directly in equity	-	150
Deferred tax expenses/(income) recognized directly in profit	(14,451)	5,270

18 Trade and other payables - notes 2.5, 2.16 (b) (i) and 35 (i)

18.1 The make-up

For revenue expenses - note 18.2	1,310,681	1,160,255
For trading supplies - note 35 (ii a)	1,184,218	578,791
For other finance - note 18.3	203,327	106,352
For capital expenditure	20,163	22,309
	2,718,389	1,867,707
Workers' profits participation and welfare funds - note 2.19 (iii)	79,426	138,567
	2,797,815	2,006,274

In Thousands Taka	As at 31 March	
	2020	2019
18.2 Creditors for revenue expenses - note 18.1		
Accrued charges	1,250,207	1,095,499
Provision for turnover rebate	56,397	58,409
Training and consultancy fee	4,077	6,347
	1,310,681	1,160,255

18.3 Creditors for other finance - note 18.1		
Clearing account	54,068	30,000
Security deposits	18,876	24,735
Tax deduction at source	24,524	35,754
Staff income tax	5,628	11,362
VAT, Supplementary duty and others	100,231	4,501
	203,327	106,352

19 Provision for royalty		
Opening balance	309,863	215,455
Charged for the year - notes 29, 35 1(a), 37.1 and 42	104,058	94,408
	413,921	309,863
Payment during the year	(128,524)	-
Closing balance	285,397	309,863

The service provider-wise break down of current charge is as follows:

Name of the trade marks provider	Name of the product		
J&N Investments (Asia) Limited	Robbialac, Colorizer, Apexior 1 & 3 and Protecton	100,660	94,408
Chugoku Marine Paints Ltd	Seven marine paint products	3,398	-
		104,058	94,408

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 Protecton for using the trademarks owned by J & N Investments (Asia) Limited. The agreement was renewed for five years from 1 January 2017 to 31 December 2021.

As per the agreement between Chugoku Marine Paints Ltd and Berger Paints Bangladesh Limited, an amount is required to be paid as Royalty @ 3.00% on net sales of the products under the agreement for use of trademarks and technical know-how owned by Chugoku Marine Paints Ltd. The agreement is effective for three years from 1 January 2020.

20 Provision for current tax - notes 2.5 and 2.20 (i)		
Opening balance	192,210	(18,544)
Provision made for the year	814,470	686,393
	1,006,680	667,849
Tax deducted at source and paid in advance - note 20.1	(680,739)	(475,639)
Closing balance	325,941	192,210

In Thousands Taka	As at 31 March	
	2020	2019
20.1 Breakup of tax deducted at source and paid in advance - note 20		
Tax deducted at source	(371,167)	(339,384)
Tax paid in advance	(309,572)	(136,255)
	(680,739)	(475,639)

20.2 Assessment of Tax
The assessment of the company's tax returns till the financial year 2018-2019 (corresponding assessment year 2019-20) have been completed. There is no pending tax liability of the company.

21 Provision for employees' retirement gratuity - notes 2.5, 2.19 (i) and 17		
Opening balance	30,099	28,523
Provision made for the year	31,398	30,699
Actuarial gain on actuarial valuation	-	(600)
	61,497	58,622
Transferred to gratuity fund	(58,931)	(28,523)
Closing balance	2,566	30,099

22 Unclaimed dividend / payable		
Opening balance	405,430	8,642
Distribution during the year - note 16	1,159,447	463,779
	1,564,877	472,421
Payment during the year	(1,555,052)	(66,991)
Closing balance	9,825	405,430

23 Liability for unclaimed IPO application money		
Opening balance	147	147
Refunded during the year	-	-
Closing balance	147	147

In Thousands Taka		As at 31 March	
		2020	2019
24	Contingent liabilities - note 2.18 (ii)		
	Contingent liabilities of the Company that relate to issue of letter of credit and bank guarantee to third parties as presented below:		
	i Letter of Credit		
	Commercial Bank of Ceylon PLC	116,992	91,440
	Standard Chartered Bank	62,319	86,094
	Citi Bank NA	39,560	28,511
	Eastern Bank Limited	90,477	44,970
	Woori Bank	174,052	-
	BRAC Bank Limited	435	191,512
	Raw Material	483,835	442,527
	Capital expenditure	71,512	21,636
	Letter of Credit (total)	555,347	464,163
	ii Bank guarantee		
	Standard Chartered Bank for BBBL	73,500	73,500
	The Hongkong and Shanghai Banking Corporation Limited for BFL	137,000	137,000
	Others	1,703	1,703
	Bank guarantee	212,203	212,203
		767,550	676,366

25 Revenue - notes 2.21 (i) and 26.4

The make-up of sales is as follows

Unit		For the year ended 31 March			
		2020		2019	
		Quantity	Taka	Quantity	Taka
Own manufactured items - Paints & others					
Liquid	KL	83,457	19,595,036	77,902	18,256,928
Non-liquid	MT	31,768	2,836,725	30,680	2,736,784
		22,431,761		20,993,712	
Imported items - Paints & others					
Liquid	KL	103	108,703	106	109,338
Non-liquid	MT	214	70,590	276	84,448
Others	Pcs	-	42,139	-	48,597
		221,433		242,383	
	note 26.4	22,653,193		21,236,095	
Turn Over Commission (TOC)					
			(200,573)		(185,645)
Value added tax - VAT					
			(3,023,116)		(2,857,000)
Supplementary duty - SD					
			(609,350)		(460,139)
		(3,833,039)		(3,502,784)	
		18,820,154		* 17,733,311	
Thereof, exports sales amounted to - note 37.2					
		49,307		49,657	

* 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	
		2020	2019
26	Cost of sales		
	Opening stock of finished goods - notes 8 and 26.4		
	Own manufactured items	624,438	527,952
	Imported items	102,770	87,206
		727,208	615,158
	Purchases - imported - note 26.4	145,804	198,109
		873,012	813,267
	Cost of production		
	Material consumed - notes 26.1, 26.5 and 26.6	8,849,345	8,923,313
	Manufacturing overheads - note 26.3	970,719	897,970
		9,820,064	9,821,283
	Cost of finished goods available for sale	10,693,076	10,634,550
	Closing stock of finished goods - notes 8 and 26.4		
	Own manufactured items	(633,374)	(624,438)
	Imported items	(81,304)	(102,770)
		(714,678)	(727,208)
	Cost of sales	9,978,398	9,907,342
	26.1 Materials consumed		
	Opening 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
	Purchase for the year - note 26.2		
	Raw materials	7,395,629	7,256,564
	Packing materials	1,591,765	1,588,287
		8,987,394	8,844,851
		9,907,457	9,843,376
	Closing stock - note 8		
	Raw materials	(920,496)	(737,143)
	Semi - finished products	(94,756)	(141,726)
	Packing materials	(42,860)	(41,194)
		(1,058,112)	(920,063)
	Notes - 26, 26.5 and 26.6	8,849,345	8,923,313

In Thousands Taka	For the year ended 31 March	
	2020	2019
26.2 Materials purchase - cost and direct charges - note 26.1		
Raw materials		
Imported	6,674,134	6,595,273
Indigenous	721,495	661,291
	7,395,629	7,256,564
Packing materials - indigenous	1,591,765	1,588,287
	8,987,394	8,844,851
26.3 Manufacturing overheads - note 26		
Salary and wages	353,537*	338,530
Welfare expenses	15,440	22,494
Third party and casuals	35,076	34,200
Depreciation and amortization - note 3.1 and 5.1	301,850	245,745
Fuel, water and power	76,224	77,391
Repairs and maintenance - note 2.23	40,034	34,453
Raw materials shifting charges	14,380	19,161
Stores and spares consumed	13,949	14,253
Insurance	5,242	4,672
Training and recruitment expenses	6,488	3,650
Security and cleaning service	8,212	8,475
Third party production charges	59,177	56,402
Outsourcing employee cost	12,051	9,680
Other overhead	12,112	3,645
Travelling and conveyance	4,138	6,778
Production incentive	3,914	2,839
Research, development and experimental costs	2,015	2,167
Process development	2,581	4,160
Rent, rates and other taxes	3,413	8,848
L/C and bank charges	886	427
	970,719	897,970

* The amount has been arrived after crediting Tk 1,200 thousand (2018-19: Tk 1,200 thousand) from JNBL, Tk 897 thousand (2018-19: Tk 746 thousand) from BBBL and Tk 2,034 thousand (2018-19: Tk 508 thousand) from BFL being realization of management charges - notes 7.2, 7.3 and 7.4.

26.4 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	4,328	526,170	4,730	525,920	83,457	19,595,036	-	-
Non-Liquid	KG	1,514	98,268	1,685	107,453	31,768	2,836,725	-	-
			624,438		633,374		22,431,761		
Imported items - Paints & others									
Liquid	Ltr	65	54,433	42	33,144	103	108,703	-	-
Non-Liquid	KG	89	23,253	81	22,382	214	70,590	-	-
Brush & Rollers	Pcs	-	25,084	265	25,778	-	42,139	-	145,804
			102,770		81,304		221,433		145,804
For the year ended 31 March 2020		Taka	727,208		714,678		22,653,193		145,804
For the year ended 31 March 2019		Taka	615,158		727,208		21,236,095		198,109
		Notes	26 & 8		26 & 8		25		26

26.5 Analysis of materials consumed

In Thousands Taka	For the year ended 31 March 2020		For the year ended 31 March 2019	
	Qty - KG	Taka	Qty - KG	Taka
Raw materials				
Resin	1,263	242,482	1,212	248,031
Pigments	9,881	2,165,111	9,178	2,095,533
Solvents and oils	57,325	1,198,867	53,743	1,201,076
Additives, chemicals and others	74,560	3,652,785	71,430	3,791,105
	143,030	7,259,246	135,563	7,335,745
Packing materials		1,590,099		1,587,568
notes - 26, 26.1 and 26.6		8,849,345		8,923,313

26.6 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 2020		For the year ended 31 March 2019	
	Taka	%	Taka	%
Imports	6,535,693	90	6,664,050	91
Indigenous	723,553	10	671,695	9
note 26.5	7,259,246	100	7,335,745	100
Check - consumption				
Raw materials	7,259,246	82	7,335,745	82
Packing materials	1,590,099	18	1,587,568	18
notes 26, 26.1 and 26.5	8,849,345	100	8,923,313	100

In Thousands Taka	For the year ended 31 March	
	2020	2019
27 Selling, distribution and warehousing expenses		
Advertising expenses - note 2.25	2,655,029	2,133,729
Salary and wages	447,183 *	451,700
Third party and casuals	95,912	87,566
Welfare expenses	14,699	30,130
Training and recruitment expenses	7,705	3,846
Security and cleaning service	20,705	19,340
Outsourcing employee cost	48,322	54,926
Production incentive	1,328	1,708
Other overhead	20,982	4,914
	3,311,865	2,787,859
Distribution and warehousing expenses		
Transportation and handling charges	247,058 **	215,271
Repairs and maintenance - note 2.23	23,142	22,280
Rent, rates and fees	11,346	53,630
Electricity, water and gas	12,396	11,498
Insurance	3,279	2,285
	297,221	304,964
Selling expenses		
Sales promotional expenses - note 2.25	1,146,778	1,059,467
Paint delivery expenses	194,197	169,385
Salesmen travelling	64,158	57,116
Rent, rates and fees	11,811	64,707
Bad debts - note 2.24	25,230	28,261
Color Bank operational expenses - notes 2.21 (iii) and 30	3,555	4,024
Illusion expense - note 30	2,037	5,613
	1,447,766	1,388,573
Depreciation and amortization - notes 3.1, 5.1 and 6.1	273,268	166,619
Cost of free issue	2,856	178
	276,124	166,797
	5,332,976	4,648,193
* This amount has been arrived after crediting Tk 149 thousand (2018-19: Tk 125 thousand) from BBBL and Tk 339 thousand (2018-19: Tk 85 thousand) from BFL being earning of management fees - notes 7.3 & 7.4.		
** This amount has been arrived at after netting recoveries from carrying contractor as loss in transit.		
	967	966

In Thousands Taka	For the year ended 31 March	
	2020	2019
28 Administrative and general expenses		
Salary and wages	296,968*	295,478
Welfare expenses	7,672	7,769
Third party and casuals	1,189	1,525
Training and recruitment expenses	9,253	7,203
Employee engagement	4,911	4,905
Security and cleaning service	5,477	4,173
Outsourcing employee cost	3,345	2,608
Production incentive	315	444
Postage and telecommunication	8,579	7,098
Depreciation and amortization - notes 3.1, 5.1 and 6.1	85,786	76,542
Travelling, haulage and passage	5,943	6,003
Repairs and maintenance - note 2.23	23,676	30,210
Share department expenses	3,191	10,867
Bank charges	7,569	7,775
Vehicle expenses	11,956	10,027
Electricity, fuel and water	5,635	5,777
Printing and stationery	6,176	7,120
Rates and fees	3,352	995
Subscription and donation	640	1,969
CSR activity	8,917	6,108
Entertainment	6,811	5,244
Corporate affairs department's expenses	608	199
Insurance	358	415
Legal and professional charges	10,930	6,397
Auditors' remuneration	1,349	1,096
Newspaper and periodicals	392	519
Directors fees	473	420
Process development	47	-
Other overhead	2,588	710
	524,106	509,596
* The amount has been arrived after crediting Tk 1,800 thousand (2018-19: Tk 1,800 thousand) from JN(B)L, Tk 1,942 thousand (2018-19: Tk 1,617 thousand) from BBBL and Tk 4,407 thousand (2018-19: Tk 1,102 thousand) from BFL being realization of management charges - notes 7.2, 7.3 and 7.4.		
29 Other operating expenses		
Royalty - notes 19 and 37.1	104,058	94,408
Training, consultancy and technical know how fees - note 37.1	2,680	7,414
	106,738	101,822

In Thousands Taka		For the year ended 31 March	
		2020	2019
30	Other operating income		
	Service charges from house building loans	713	656
	Scrap sales and sundry recoveries	26,606	36,499
	Color Bank operational income - notes 2.21 (ii) and 27	93,669	98,524
	Insurance claim and other realizations	14,207	11,157
	Income from illusion - note 27	25,110	25,466
	Rental income from JNBL, BBBL & BFL - notes 7.2, 7.3, 7.4 and 13	6,834	8,274
	Marketing service fee from BFL - note 7.4	11,187	2,655
	Others	3	-
		178,329	183,231
31	Finance costs		
	Interest paid for operational overdraft - OD - note 2.20	3,636	7,698
	Exchange (gain)/loss - notes 2.26 and 35	(588)	(471)
		3,048	7,227
32	Investment income		
	Interest earned on - note 2.21(v)		
	Term deposits, operational and other- notes 11, 12 and 35	189,867	34,138
	Loan to subsidiary - J & N (Bangladesh) Limited - note 7.2	4,442	3,578
		194,309	37,716
33	Other non-operating income		
	Income on sale of property, plant and equipment - note 3.3	7,317	7,979

34 Capacity & production

34.1 Own manufacture

Figures in Thousands

Line of Business	Unit	Installed capacity - Single shift		Actual Production -Multiple shifts as applicable	
		For the year ended 31 March 2020	For the year ended 31 March 2019	For the year ended 31 March 2020	For the year ended 31 March 2019
Liquid	LT	111289	101,138	83,859	78,457
Non-liquid	KG	41035	39,729	31,939	31,098

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

35 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 2020			
	Carrying amount	Contractual cash flows	Within 12 months or less	Above 12 months
Trade and other payables including dividend payable and IPO application money - notes 18, 22 and 23	2,807,787	2,807,787	2,807,787	-

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 - notes 18, 22 and 23	2,411,851	2,411,851	2,411,851	-

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	
	2020	2019
The Company's exposures to foreign currency risk was as follows based on notional amounts (in thousand Taka)		
Foreign currency denominated assets		
Receivable from customers - Inland export	10,244	21,823
Cash and cash equivalents - note 12	14,343	11,725
Foreign currency denominated liabilities		
Trade payables - note 18.1	1,184,218	578,791
Royalty - note 19	285,397	309,863

The foreign exchange gain was Taka 588 thousand for the period ended 31 March 2020 and Taka 471 thousand was for the Period ended 31 March 2019 - note 31.

The company has applied the following significant foreign exchange rates:

US Dollar	84.95	84.30
EURO	95.74	96.30
GBP	106.96	111.65

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 assets		
Short term investment - FDR - note 11	251,237	401,237
Cash and cash equivalents - note 12	3,121,863	1,892,143
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 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.

In Thousands Taka	As at 31 March	
	2020	2019
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:		
Local receivable - note 9	1,652,239	1,684,886
Inland export receivable	10,244	21,823
Trade receivable	Note - 9.1	1,662,483
Accrued interest	Note- 9.1	29,416
Intercompany receivable	Note- 13	190,150
Other receivables:		219,566

In Thousands Taka	For the year ended 31 March	
	2020	2019
36 Value of imports - at CIF basis		
Raw materials	6,534,930	6,461,673
Capital goods	256,653	237,118
Stores and spares	6,703	6,876
	6,798,286	6,705,667
37 Transactions in equivalent foreign currency		
37.1 Expenses		
Royalty - notes 19, 29 and 35 (ii a)	104,058	94,408
Training and consultancy fee - note 29	2,680	7,414
Foreign travel for Company's business	4,336	6,457
	111,074	108,279
37.2 Earnings		
Inland export sales - note 25	49,307	49,657
38 Dividend remitted in terms of foreign currency to J & N Investments (Asia) Limited - Net of TDS	1,387,850	-

In number	As at 31 March	
	2020	2019
39 Expenditure incurred on employees		
* Salaries, wages and benefits - notes 26.3, 27 & 28 **		
a. Employment throughout the year in receipt of remuneration aggregating Tk 36,000 or more per annum	550	543
b. Employment for a part of the year and in receipt of remuneration aggregating Tk 3,000 or more per month	34	42
c. Rest	-	-
	584	585

** 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.

In Thousands Taka	For the year ended 31 March	
	2020	2019
40 Remuneration of Directors, Executives, Managers & Officers - notes 26.3, 27, 28 and 39		
40.1 Managerial remuneration for managers and officers only		
Salary, allowances and benefits	889,878	865,754
Contributions to employees' benefit scheme - note 2.19	41,178	40,773
Reimbursable expenses	65,211	67,584
Taka	996,267	974,111
Number	433	430

40.2 Managing director, executive director, managers and officers, based upon respective employment terms having specified limits, are provided following benefits:

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.

40.3 Board meeting fee

Only the local independent directors are entitled to Tk 2,500 as board meeting fee for attending each board meeting.

41 Earnings per share (EPS) - Basic - note 2.30

The computation of EPS is given below:

Net profit attributable to the ordinary shareholders - Taka in '000	2,292,448	1,957,827
Net cash inflow from operating activities (NOCF) - Taka in '000	3,601,882	2,393,798
Net asset value (NAV) - Taka in '000	8,708,157	7,575,155
Number of ordinary shares outstanding during the year	46,377,880	46,377,880
Weighted average number of ordinary shares outstanding - note 41.1	46,377,880	46,377,880
Basic Earnings per share (EPS) for the year	Taka 49.43	42.21
Impact of correction of errors: basic earnings per share	Taka -	0.14
Reported basic earnings per share	Taka 49.43	42.07
Diluted earnings per share (DEPS) for the year	Taka 49.43	42.21
Net operating cash flow per share (NOCFPS)	Taka 77.66	51.62
Net asset value per share (NAVPS)	Taka 187.77	163.34
Impact of correction of errors: Net asset value per share	Taka -	0.79
Reported Net asset value per share (NAVPS)	Taka 187.77	162.55

41.1 Weighted average number of ordinary shares outstanding

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.

In Thousands Taka	Note (s)	For the year ended 31 March	
		2020	2019
Outstanding shares		46,377,880	23,188,940
Effect of issue of bonus shares for the year 2019		-	23,188,940
		46,377,880	46,377,880

41.2 Diluted earning per share

No diluted earnings per share is required to be calculated for the period as there was no scope for dilution during these years.

41.3 Cash flows from operating activities under indirect method

Net profit for the year		2,292,448	1,957,827
Tax expenses		800,019	691,663
Profit before tax		3,092,467	2,649,490
Non cash items:			
Depreciation	3.1	516,213	458,531
Amortization of intangible assets	6.1	29,958	30,375
Actuarial gain on defined benefit plans		-	600
		546,171	489,506
Operating and non operating items			
Investment (Finance) expenses	31	3,636	7,698
Income on sale of property, plant and equipment	3.3	(7,317)	(7,979)
Non operating expenses (income)		(3,681)	(281)
Changes in working capital			
Inventories	8	(262,371)	225,392
Trade and other receivables	9	44,522	(83,476)
Advances, deposits and prepayments	10	222,897	(32,367)
Inter - company receivables	13	(63,332)	(52,524)
Trade and other payables	18	791,541	(422,287)
Provision for royalty	19	(24,466)	94,408
Provision for employees' retirement gratuity	21	(27,533)	1,576
		681,258	(269,278)
Income tax paid	20	(680,739)	(475,639)
Cash paid for lease		(33,593)	-
Net cash flows from operating activities		3,601,883	2,393,798

In Thousands Taka

42 Related party transactions - notes 2.27, 7, 13 and 19

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 have been set out below in accordance with the provision of IAS 24 Related Party Disclosures.

As at and for the year ended 31 March 2020

Name of the related party	Nature of relationship	Nature of transaction	Transactions	Receivable/ (payable)
Jenson & Nicholson (Bangladesh) Ltd	Subsidiary	Material and Service	586,088	145,548
Berger Becker Bangladesh Limited	Associate	Service	5,008	8,885
Berger Fosroc Limited	Associate	Material and Service	154,307	76,793
BPBL Employees' Provident Fund	Post-employment plan	Contribution to Provident Fund	43,697	-
BPBL Employees' Gratuity Fund	Post-employment plan	Contribution to Gratuity Fund	31,398	(2,566)
Total intercompany receivables			820,498	228,660
J&N Investments (Asia) Limited	Group	Royalty	100,660	(285,397)
Berger Paints India Limited	Fellow Subsidiary	Technical assistance fees	-	(2,636)
Total intercompany payables			100,660	(288,033)

As at and for the year ended 31 March 2019

Name of the related party	Nature of relationship	Nature of transaction	Transactions	Receivable/ (payable)
Jenson & Nicholson (Bangladesh) Ltd	Subsidiary	Material and Service	544,148	106,338
Berger Becker Bangladesh Limited	Associate	Service	967	8,558
Berger Fosroc Limited	Associate	Material and Service	36,062	11,922
BPBL Employees' Provident Fund	Post-employment plan	Contribution to Provident Fund	42,859	-
BPBL Employees' Gratuity Fund	Post-employment plan	Contribution to Gratuity Fund	30,699	(30,099)
Total intercompany receivables			654,735	96,719
J&N Investments (Asia) Limited	Group	Trade marks	94,408	(309,863)
J&N Investments (Asia) Limited	Group	Dividend		(396,530)
Berger Paints India Limited	Fellow Subsidiary	Technical assistance fees	1,977	(5,710)
Total intercompany payables			96,385	(712,103)

43 Events after the reporting period - note 2.28

Subsequent to the date of statement of financial position the Board of Directors recommended 295%% cash dividend at the Board meeting held on 18 June 2020. The dividend is subject to the approval by the shareholders in the Annual General Meeting scheduled on 28 July 2020.

The recommended dividend is not recognized at the statement of financial position in accordance with IAS 10, Events after the reporting period.

Schedule of Property, plant and equipment and depreciation thereon

Annexure - A

Category of assets	Cost				Accumulated depreciation			Written down value as at 31 March 2020
	Opening balance	Addition during the year	Disposal during the year	Closing balance	Opening balance	Addition during the year	Disposal during the year	
Land	867,961	119,565	-	987,526	7,234	433	-	979,858
Building	1,404,594	49,092	(356)	1,453,329	273,703	40,109	(693)	1,140,210
Plant and machinery	1,838,185	104,390	(9)	1,942,565	797,377	185,504	55	982,936
Office equipment	222,733	18,523	(2,522)	238,734	122,972	28,545	(2,449)	149,068
Factory and laboratory equipment	1,332,829	184,150	(3,815)	1,513,164	934,193	147,216	(3,759)	1,077,651
Computer	180,867	15,837	(6,264)	190,440	113,560	25,985	(6,129)	133,416
Furniture and fixtures	140,297	9,807	(1,483)	148,620	73,222	13,403	(1,462)	85,163
Motor vehicles	333,845	102,813	(40,201)	396,457	220,965	72,566	(36,866)	256,665
Loose tools	14,271	2,185	(601)	15,854	13,902	2,452	(601)	15,753
Total as at 31 March 2020	6,335,581	606,359	(55,251)	6,886,689	2,557,128	516,213	(51,903)	3,021,438
Total as at 31 March 2019	5,351,229	1,015,132	(30,780)	6,335,581	2,123,683	458,531	(25,086)	2,557,128
								3,778,453



Auditors’ Report and Audited Financial Statements (Consolidated)

Independent Auditor’s Report To the Shareholders of Berger Paints Bangladesh Limited

Report on the audit of the consolidated 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 2020, 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 2020, 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 (KAM)

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 2020. 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.

Sl. No.	Key Audit Matter	How our audit addressed the key audit matter
1	Revenue recognition (Refer to Note 3.11 (accounting policy) and note 24 to these Financial Statements)	
	<p>The Group recognizes revenue when control of the goods is transferred to the customer at an amount that reflects the net consideration, which the Group expects to receive for those goods from customers. In determining the sales price, the Group considers the effect of rebates and discounts (variable consideration). During the year ended March 31, 2020 the Group has recognised revenues of BDT 18,929,762 thousand.</p> <p>The terms of sales agreements, including the timing of transfer of control, based on the terms of relevant contract and nature of discount and rebates arrangements, create complexities that requires judgement in determining sales revenues.</p> <p>Considering the above factors and the risk associated with revenue recognition, we have determined the same to be a key audit matter.</p>	<p>Our audit procedures included the following:</p> <p>1) We read the Group’s revenue recognition policy and assessed its compliance in terms of IFRS 15 ‘Revenue from contracts with customers’;</p> <p>2) Performed sample tests of individual sales transactions and traced to sales invoices, sales orders and other related documents. In respect of the samples selected, we tested recognition of revenue based on underlying sales invoices, sales orders and other related documents;</p> <p>3) We selected a sample of invoices on which rebates and discounts were given and obtained the rebates and discount schemes approved by the management. We noted the accounting of rebates and discounts by the Group for the selected sample.</p> <p>4) Selected samples of sales transactions made pre and post year end, agreed the date of transfer of control for the selected sample by testing underlying documents including customers confirmation; and,</p> <p>5) Assessed the relevant disclosures made within the financial statements.</p>

Sl. No.	Key Audit Matter	How our audit addressed the key audit matter
2	Implementation of IFRS 16 -Leases (Refer to Note 3.4 (accounting policy) and note 6 to these Financial Statements)	
	<p>The Group recognized rights-of-use assets (ROUA) and lease liabilities arising from the lease rental agreements for its sales centres, accommodation floors and warehouses. The recognition is made for the first time in current year's financial statements. However, that would not require a restatement of the comparative period information because Group elected modified retrospective approach. The lease liability is measured at the present value of the lease payments that are not paid at that date. For calculation of the lease liability, the management applies its judgment in determination of lease term, where certainty of exercising the option to extend or the option not to terminate the lease is considered.</p> <p>The incremental borrowing rate is used as discounting rate in calculation of lease liability.</p> <p>We considered the implementation of "IFRS- 16 Leases" as a key audit matter, since the balances recorded are material, management had to apply several judgements and estimates such as lease term, discount rates, measurement basis among others and undertake a significant data extraction exercise to summarise the lease data for input into their lease calculation model.</p>	<p>We obtained an understanding of the management's process for implementing IFRS 16 including financial controls designed by the management to mitigate the risks assessed by us independently. We tested those relevant controls and adopted a control rely strategy. Furthermore, to mitigate the inherent risk in this audit area, our audit approach included testing of the controls and substantive audit procedures, including:</p> <p>1) We studied the contracts for lease rental arrangements, especially the terms and conditions related to payments, lease incentives, any indirect costs, dismantling and restoration, option to extend the lease or not to terminate the lease.</p> <p>2) Through discussion we evaluated management's judgement and estimates used in adopting the new standard</p> <p>3) We checked the lease amortization schedule and depreciation schedule for each of the leases.</p> <p>4) We checked the appropriateness of management's assumptions, especially in determining the certainty of exercising option to extend or terminate lease and the discounting rate applied to calculate lease liability.</p> <p>5) We assessed whether the disclosures within the financial statements are adequate as prescribed by the relevant IFRSs.</p>

Other information included in the Group's March 31, 2020 Annual Report

Other information consists of the information included in the Group's March 31, 2020 Annual Report other than the financial statements and our auditor's report thereon. We obtained Director's Report, Management Discussion and Analysis, Six years financial information, and Corporate Governance report prior to the date of our auditor's report, and we expect to obtain the remaining reports of the Annual Report after the date of our auditor's report. Management is responsible for the other information.

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

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

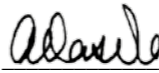
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with 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, 18 June 2020

Berger Paints Bangladesh Limited

Consolidated statement of financial position

In Thousands Taka	Notes	As at 31 March		As at 1 April
		2020	2019-Restated	2018-Restated
Property, plant and equipment	4	4,516,605	4,213,023	3,674,832
Capital work-in-progress	5	612,927	368,886	112,706
Right-of-use assets	6	629,221	-	-
Intangible assets	7	60,126	82,084	94,602
		5,818,879	4,663,993	3,882,140
Investment in associate	8	239,977	201,993	160,393
Total non-current assets		6,058,856	4,865,986	4,042,533
Inventories	9	2,461,986	2,163,423	2,393,316
Trade and other receivables	10	1,708,287	1,704,502	1,605,681
Advances, deposits and prepayments	11	262,661	482,490	448,056
Short term investment - FDR	12	251,237	401,237	-
Cash and cash equivalents	13	3,141,307	1,904,547	1,139,217
Total current assets		7,825,478	6,656,199	5,586,270
Total assets		13,884,334	11,522,185	9,628,803
Share capital	14	463,779	463,779	231,889
Share premium		-	-	115,068
General reserve		-	-	10,000
Retained earnings	15	9,006,563	7,743,933	6,260,816
Equity attributable to the Company's equity holders		9,470,342	8,207,712	6,617,773
Deferred tax liabilities	16	326,424	316,538	309,354
Lease liabilities- long term portion	6	509,889	-	-
Total non-current liabilities		836,313	316,538	309,354
Lease liabilities- short term portion	6	61,816	-	-
Trade and other payables	17	2,876,969	2,058,049	2,481,951
Provision for royalty	18	285,397	309,863	215,455
Provision for current tax	19	326,393	180,893	(45,650)
Provision for employees' retirement gratuity	20	17,132	43,553	41,131
Dividend payable	21	9,825	405,430	8,642
Liability for unclaimed IPO application money	22	147	147	147
Total current liabilities		3,577,679	2,997,935	2,701,676
Total liabilities		4,413,992	3,314,473	3,011,030
Total equity and liabilities		13,884,334	11,522,185	9,628,803

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


Managing Director


Director


Chief Financial Officer


Company Secretary

As per our report of same date


A. Qasem & Co.
Chartered Accountants

Dhaka, 18 June 2020

Berger Paints Bangladesh Limited

Consolidated statement of profit or loss and other comprehensive income

In Thousands Taka	Notes	For the year ended 31 March	
		2020	2019
Revenue	24	18,929,762	17,800,412
Cost of sales	25	(9,909,090)	(9,848,917)
Gross profit		9,020,672	7,951,495
Selling, distribution and warehousing expenses	26	(5,358,347)	(4,671,196)
Administrative and general expenses	27	(556,363)	(539,057)
Other operating expenses	28	(106,738)	(101,822)
Other operating income	29	209,209	208,823
Total operating expenses		(5,812,239)	(5,103,252)
Income from operation		3,208,433	2,848,243
Finance cost	30	(3,058)	(7,343)
Investment income	31	189,867	34,138
		186,809	26,795
Other non-operating income	32	9,741	8,418
Share of profit of associate	8	37,984	37,557
		47,725	45,975
Profit before WPPF and Tax		3,442,967	2,921,013
Workers' profit participation and welfare fund (WPPF)		(169,716)	(143,319)
Net profit before tax		3,273,251	2,777,694
Current tax expense	19	(841,288)	(717,392)
Deferred tax expense	16	(9,886)	(7,034)
Income tax expenses		(851,174)	(724,426)
Net profit for the year		2,422,077	2,053,268
Other comprehensive expenses		-	-
Actuarial gain on defined benefit plans		-	600
Deferred tax impact on defined benefit plans		-	(150)
Total comprehensive income		2,422,077	2,053,718
Basic Earnings per share (EPS) - Taka	34	52.22	44.27

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


Managing Director


Director


Chief Financial Officer


Company Secretary

As per our report of same date


A. Qasem & Co.
Chartered Accountants

Dhaka, 18 June 2020

Berger Paints Bangladesh Limited Consolidated statement of changes in equity

In Thousands Taka

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
Previous year adjustment				29,522	29,522
Adjusted opening balance	231,889	10,000	115,068	6,260,816	6,617,773
Net profit for the year	-	-	-	2,053,268	2,053,268
Distribution of cash dividend	-	-	-	(463,779)	(463,779)
Bonus shares issued	231,890	(10,000)	(115,068)	(106,822)	-
Actuarial gain on gratuity valuation	-	-	-	450	450
Balance as at 31 March 2019	463,779	-	-	7,743,933	8,207,712

Particulars	Share capital	General reserve	Share premium	Retained earning	Total
Balance as at 01 April 2019	463,779	-	-	7,743,933	8,207,712
Net profit for the year	-	-	-	2,422,077	2,422,077
Distribution of cash dividend	-	-	-	(1,159,447)	(1,159,447)
Balance as at 31 March 2020	463,779	-	-	9,006,563	9,470,342

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


Managing Director


Director


Chief Financial Officer


Company Secretary

As per our report of same date


A. Qasem & Co.
Chartered Accountants

Dhaka, 18 June 2020

Berger Paints Bangladesh Limited Consolidated statement of cash flows

In Thousands Taka

	For the year ended 31 March	
	2020	2019
Cash flows from operating activities		
Cash received from customers	18,962,471	17,725,123
Cash received from other operating income	209,797	201,503
Investment (Finance) income	153,373	10,606
Cash paid to suppliers and employees	(14,797,790)	(14,883,433)
Interest paid on lease obligations	(33,594)	-
Income tax paid	(695,788)	(490,849)
A. Net cash flows from operating activities	3,798,469	2,562,950
Cash flows from investing activities		
Payment for acquisition of property, plant and equipment and Right-of-use assets	(1,103,814)	(1,331,648)
Investment in BFL	-	(4,043)
Investment (Finance) expenses	(3,646)	(7,814)
Short term investment	150,000	(401,237)
Proceeds from sale of property, plant and equipment	13,089	14,113
B. Net cash used in investing activities	(944,371)	(1,730,629)
Cash flows from financing activities		
Dividend paid	(1,555,052)	(66,991)
Payment of lease liabilities	(62,286)	-
C. Net cash used in financing activities	(1,617,338)	(66,991)
Net increase/(decrease) in cash and cash equivalent (A+B+C)	1,236,760	765,330
Opening cash and cash equivalents	1,904,547	1,139,217
Closing cash and cash equivalents	3,141,307	1,904,547

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


Managing Director


Director


Chief Financial Officer


Company Secretary

As per our report of same date


A. Qasem & Co.
Chartered Accountants

Dhaka, 18 June 2020

Berger Paints Bangladesh Limited
Notes to the Consolidated Financial Statements

As at and for the year ended 31 March 2020

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 2020 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 Group going forward.

Authorisation for issue

These financial statements have been authorised for issue by the Board of Directors of the Group on 18 June 2020.

2.2 COVID-19 impact to preparation of financial statements

The global outbreak of Corona Virus (COVID-19) has reached Bangladesh in mid-March 2020. The government has declared general holiday since 26 March 2020. The movement of persons and goods has been disrupted throughout the world. This has impacted almost all types of business either positively or negatively. As the outbreak continues to evolve, it is challenging at this juncture, to predict the full extent and duration of its business and economic impact. Consequently, these circumstances may present entities with challenges when preparing financial statements as per IFRS. In this report, the Group has assessed the impact of COVID-19 upon different aspects of the business. The guideline issued by the ICAB "POTENTIAL COVID-19 IMPACT ON FINANCIAL REPORTING AND AUDITING", IAS 10 and other relevant standards are considered while preparing this report.

We have analyzed COVID-19 impact, in business and revenue perspective, collection and risk receivable perspective. We have also analyzed the funding status, and cash availability to continue the operation. The impact and related compliance issue are presented below:

i. Going concern assessment

IAS 1 Presentation of Financial Statements requires management, when preparing financial statements, to make an assessment of an entity's ability to continue as a going concern.

The budgeted sales for the year ended 31 March 2021 is higher than actual sales of current year. Even after considering the current crisis situation the revised forecasted sales is higher than the current year sales. That indicates Group will maintain strong market share in next year, even better from the current year.

ii. Events after the reporting period

Reporting period of the Group is April – March. Since the lockdown issue has been started from 26th March 2020, so the financial statements for the year ended 31 March 2020 has not been directly impacted due to COVID- 19 issue. Most of the activities (financial and non-financial) have already been completed and no subsequent impact has been done yet, e.g. revenue is recognized properly, inventory is received and recorded on time, other transactions are made by complying the matching concept and cut-off test.

However, we are assessed the collection status of next 12 months period and analyzed the risk receivables. The summary of bad debts provision and bad debts write-off is presented below:

In Thousands Taka	As at 31 March			
	Average	2019	2018	2017
Account Receivables	1,476,955	1,706,709	1,610,408	1,113,748
Rate of provision for bad debts	2.64%	3.28%	1.95%	2.68%

The average bad debts provision rate is 2.64% in last 3 comparative years. Based on the past trend and considering the COVID impact we are making provision at the rate of 4.39% and for this the additional provision has been made amounting Taka 29,060 thousand compared to average provision. This will cover to mitigate any future unexpected future loss.

iii. Fair value measurement

As per IFRS 13, the fair value measurement matrix is presented below:

a. The asset or liability: A fair value measurement is for a particular asset or liability. Therefore, when measuring fair value an entity shall take into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Such characteristics include, for example, the following: (i) the condition and location of the asset; and (ii) restrictions, if any, on the sale or use of the asset.	b. The transaction: A fair value measurement assumes that the asset or liability is exchanged in an orderly transaction between market participants to sell the asset or transfer the liability at the measurement date under current market conditions. A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either: (i) in the principal market for the asset or liability; or (ii) in the absence of a principal market, in the most advantageous market for the asset or liability.
c. The price: Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.	d. Market participants: An entity shall measure the fair value of an asset or a liability using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

Considering the above criteria and nature of our Group's business; the assets, liability and none of transactions will be impacted for COVID-19.

iv. Impairment assessment

An impairment loss is the amount by which the carrying amount of an assets or cash-generating unit exceeds its recoverable amount.

An asset is impaired when an entity is not able to recover its carrying value, either by using it or selling it.

The Group has completed the impairment test and considering the nature and effectiveness of Group's assets, nothing will be impacted due to COVID-19.

2.3 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.

2.4 Principal accounting policies

The specific accounting policies have been selected and applied by the Group'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 Group.

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

2.5 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
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
IFRS 15	Revenue from Contract with Customers
IFRS 16	Lease

2.5.1 Initial application of new standards

The entity has initially applied IFRS 16 (see note 3.4 and note 6) from 01 April 2019. Moreover, IFRS 9 (see 3.6) and IFRS 15 (see 3.11) have been applied from 1 April 2018.

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 standard.

2.6 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 an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are 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:

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in level 1 that are observable for the assets or liabilities.

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Further information about the assumptions made in measuring fair values is included in Financial instruments (Note 33)

Note : 4.1	Depreciation
Note : 6.1	Depreciation on ROU assets
Note : 10	Trade and other receivables
Note : 17	Trade and other payables
Note : 19	Provision for current tax
Note : 20	Provision for employees retirement gratuity

2.7 Reporting period

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

2.8 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 presentation. The revised figures of the Group and Subsidiaries financial statements have been considered for preparation of consolidated financial statements.

2.9 Going concern

The Group 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 Group's' ability to continue as a going concern. For this reason the financial statements have been prepared on going concern basis.

2.10 Functional and presentational currency and level of precision

These financial statements are presented in Taka, which is also the Group'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 Group 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 extent possible, in the same manner as the Group'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 Groups 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 Groups 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 Group 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.

Name of company	% of holding	Relationship with the Group
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 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 Group 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:

Category of property, plant and equipment	Rate (%)
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 Initial application of new standards

The Group has initially applied IFRS 16 from 1 April 2019. Due to the transition methods chosen by the Group in applying the standard, comparative information throughout these financial statements has not been restated to reflect the requirements of this new standard.

IFRS 16: Leases

IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases.

IFRS 16 replaces existing leases guidance, including IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases – Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

The standard is effective for annual periods beginning on or after 1 April 2019. Although early adoption is permitted, the Group has not early adopted IFRS 16 in preparing these financial statements.

The most significant impact identified is that, the Group will recognize new assets and liabilities for its operating leases of warehouses and factories. In addition, the nature of expenses related to those leases will now change as IFRS 16 replaces the straight-line operating lease expense with a depreciation charge for right-of-use assets and interest expense on lease liabilities.

Previously, the Group recognized operating lease expense on a straight-line basis over the term of the lease, and recognized liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognized.

As a lessee, the Group applied IFRS 16 initially on 1 April 2019, to all contracts entered into before 1 April 2019 and which were identified as leases in accordance with IAS 17 and IFRIC 4, using the modified retrospective approach. Therefore, the cumulative effect of adopting IFRS 16 will be recognized as an adjustment to the opening balance of retained earnings at 1 April 2019, with no restatement of comparative information. The Group also applies IFRS 16 to all contracts entered into on or after 1 April 2019, considering exemption criteria of the new standard as applicable.

The new standard has material effect on the Group’s financial statements which are described in Note 6.

Changes in accounting policies

Except for the changes below, the Group has consistently applied the accounting policies to all periods presented in these consolidated financial statements.

The Group applied IFRS 16 with a date of initial application of 1 April 2019. As a result, the Group has changed its accounting policy for lease contracts as detailed below.

The Group applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognized in retained earnings at 1 April 2019. The details of the changes in accounting policies are disclosed below.

Definition of a lease

Previously, the Group determined at contract inception whether an arrangement is or contains a lease under IFRIC 4. Under IFRS 16, the Group assesses whether a contract is or contains a lease based on the definition of a lease.

On transition to IFRS 16, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed for whether there is a lease.

As a lessee

As a lessee, the Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Group. Under IFRS 16, the Group recognizes right-of-use assets and lease liabilities for all applicable leases – i.e. these leases are on-balance sheet.

The Group decided to apply recognition exemptions to short-term leases as applicable (see Note 6). For leases of other assets, which were classified as operating under IAS 17, the Group recognized right-of-use assets and lease liabilities.

Leases classified as operating leases under IAS 17

At transition, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group’s incremental borrowing rate as at 1 April 2019. Right-of-use assets are measured at their carrying amount as if IFRS 16 had been applied since the commencement date, discounted using the opportunity cost rate at the date of initial application – the Group applied this approach to its largest property leases.

The Group used the following practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17.

– The Group applied a single discount rate to a portfolio of leases with similar characteristics.

Leases previously classified as finance leases

The Group has no finance lease.

Impacts on financial statements

On transition to IFRS 16, the Group recognized BDT 727,832 thousand right-of-use assets and same amount as lease liabilities.

IFRS 16.C12(a) when measuring lease liabilities, the Group discounted lease payments using its opportunity cost rate at 1 April 2019. The weighted-average rate applied is 6%.

	In Thousands Taka
Operating lease commitment at 31 March 2019	766,286
Discounted using the opportunity cost rate at 1 April 2019	727,832
Finance lease liabilities recognized as at 31 March 2019	-
Adjustments for recognition exemption and others	-
Lease liabilities recognized at 1 April 2019	727,832

Application of Leases

The Group has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17 and IFRIC 4. The details of accounting policies under IAS 17 and IFRIC 4 are disclosed separately if they are different from those under IFRS 16 and the impact of changes is disclosed in note 6.

Significant accounting policy

Policy applicable from 1 January 2019

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

— the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;

— the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

— the Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:

- the Group has the right to operate the asset; or
- the Group designed the asset in a way that predetermines how and for what purpose it will be used.

This policy is applied to contracts entered into, or changed, on or after 1 April 2019.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

Policy applicable before 1 April 2019

For contracts entered into before 1 January 2019, the Group determined whether the arrangement was or contained a lease based on the assessment of whether:

— fulfilment of the arrangement was dependent on the use of a specific asset or assets; and

- the arrangement had conveyed a right to use the asset. An arrangement conveyed the right to use the asset if one of the following was met:
 - the purchaser had the ability or right to operate the asset while obtaining or controlling more than an insignificant amount of the output;
 - the purchaser had the ability or right to control physical access to the asset while obtaining or controlling more than an insignificant amount of the output; or
 - facts and circumstances indicated that it was remote that other parties would take more than an insignificant amount of the output, and the price per unit was neither fixed per unit of output nor equal to the current market price per unit of output.

As a lessee

The Group recognizes a right-of-use asset and a lease liability (for its warehouses and factory facilities) at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise fixed payments, including in-substance fixed payments.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets and lease liabilities in the statement of financial position.

Short-term leases and leases of low-value assets

Currently the Group has no such short-term lease or lease of low value asset. The Group will not recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group will recognize the lease payments associated with these leases as an expense on a straight-line basis over the lease term as applicable.

Under IAS 17

The Group has no finance lease.

In the comparative period, assets held under operating leases were not recognized in the Group's statement of financial position. The Group recognized operating lease expense on a straight-line basis over the term of the lease and recognized liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognized.

As a lessor

There is no such lease for which the Group is a lessor.

As a lessee

The Group leases warehouses and office building as operating leases.

3.5 Intangible assets

Intangible assets includes IT Software and Trademarks.

i. Recognition and measurement

Intangible assets that are acquired by the Group 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 Group 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 Group 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.

3.5.1 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

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 Group 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 Group 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 Group.

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 Group 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 fulfil 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 Group. 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 Group 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 consolidated financial statements.

ii. Defined contribution plan (Staff provident fund)

The Group, 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 Group 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 Group'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 recognized 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 recognized 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 Group 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 Group'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 Group 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 is issue. This means that they have been issued at the start of the year presented as the comparative figures.

3.21 Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

The following amended standards and interpretations are not expected to have a significant impact on the Group's consolidated financial statements:

- Amendments to References to Conceptual Framework in IFRS Standards.
- Definition of a Business (Amendments to IFRS 3).
- Definition of Material (Amendments to IAS 1 and IAS 8).
- IFRS 17 Insurance Contracts.

3.22 Correction of errors

The company has identified errors with regards to rebate on input taxes not taken into books of accounts, error in recognising assets and gain on belated valuation of defined benefit plan (gratuity) balance as on 31 March 2019. These errors have been corrected by restating each of the affected financial statements line items

The following tables summarize the impacts on company's financial statements.

Statement of financial position

As at 01 April 2018

In Thousands Taka	Impact of correction of error		
	Reported	Adjustments	Restated
Property, plant and equipment	3,678,207	(3,375)	3,674,832
Advances, deposits and prepayments	405,860	42,196	448,056
Others	5,505,915	-	5,505,915
Total assets	9,589,982	38,821	9,628,803
Retained earnings	6,231,294	29,522	6,260,816
Others	356,957	-	356,957
Equity attributable to the Company's equity holders	6,588,251	29,522	6,617,773
Provision for current tax	(54,949)	9,299	(45,650)
Others	3,056,680	-	3,056,680
Total liabilities	3,001,731	9,299	3,011,030
Total equity and liabilities	9,589,982	38,821	9,628,803

Statement of financial position

As at 31 March 2019

In Thousands Taka	Impact of correction of error		
	Reported	Adjustments	Restated
Property, plant and equipment	4,215,898	(2,875)	4,213,023
Advances, deposits and prepayments	437,054	45,437	482,491
Others	6,826,672	-	6,826,672
Total assets	11,479,624	42,562	11,522,186
Retained earnings	7,707,281	36,652	7,743,933
Others	463,779	-	463,779
Equity attributable to the Company's equity holders	8,171,060	36,652	8,207,712
Deferred tax liabilities	316,388	150	316,538
Trade and other payables	2,063,049	(5,000)	2,058,049
Provision for current tax	169,534	11,359	180,893
Provision for employees' retirement gratuity	44,153	(600)	43,553
Others	715,440	-	715,440
Total liabilities	3,308,564	5,909	3,314,473
Total equity and liabilities	11,479,624	42,561	11,522,185

Statement of profit or loss and other comprehensive income

For the year ended 31 March 2019

In Thousands Taka	Impact of correction of error		
	Reported	Adjustments	Restated
Revenue	17,800,412	-	17,800,412
Cost of sales	(9,857,158)	8,240	(9,848,918)
Selling, distribution and warehousing expenses	(4,671,696)	500	(4,671,196)
Administrative and general expenses	(539,057)	-	(539,057)
Income tax expenses	(715,332)	(2,060)	(717,392)
Others	29,419	-	29,419
Profit	2,046,588	6,680	2,053,268
Actuarial gain on defined benefit plans	-	600	600
Deferred tax impact on defined benefit plans	-	(150)	(150)
	-	450	450
Total comprehensive income	2,046,588	7,130	2,053,718

In Thousands Taka	As at 31 March	
	2020	2019
4 Property, plant and equipment		
At cost		
Opening balance	7,059,965	6,035,325
Addition during the year	889,843	1,056,866
Disposal during the year	(64,409)	(32,226)
Closing balance	7,885,399	7,059,965
Accumulated depreciation		
Opening balance	2,846,940	2,360,493
Charged for the year	582,627	512,981
Adjustment on disposal during the year	(60,773)	(26,532)
Closing balance	3,368,794	2,846,942
Written down value	4,516,605	4,213,023
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	355,510	255,490
Selling, distribution and warehousing expenses	170,096	205,175
Administrative and general expenses	57,021	52,316
	582,627	512,981
5 Capital work-in-progress		
Opening balance	368,886	112,706
Addition during the year	1,001,543	384,379
Transferred to property, plant and equipment	(757,502)	(128,199)
Closing balance	612,927	368,886
5.1 Details of capital work-in-progress		
Land	175,102	76,359
Building	181,324	83,791
Plant and machinery	88,192	177,019
Office equipment	140,840	27,761
Factory equipment	13,583	3,823
Computer	13,886	133
	612,927	368,886

In Thousands Taka		As at 31 March	
		2020	2019
6	Lease		
	Right-of-use assets		
	Opening balance	743,954	-
	Amortization charge for the year	114,733	-
	Closing balance	629,221	-
	Lease liabilities		
	Lease liabilities - non-current portion	509,889	-
	Lease liabilities - short term portion	61,816	-
		571,705	-
6.1	Segregation of amortization		
	Manufacturing overhead	6,549	-
	Selling, distribution and warehousing expenses	102,679	-
	Administrative and general expenses	5,505	-
	Total	114,733	-

The Company enters into lease contracts for its warehouses. These lease contracts run for varies generally from 5 years to 10 years. Most of the lease contracts include an option to renew the lease term for additional period after the end of the contract term.

The Company enters into lease contracts for its warehouses and Office Building These lease contracts run for varies generally from 5 years to 10 years. Most of the lease contracts include an option to renew the lease term for additional period after the end of the contract term.

7	Intangible assets	Software	Corporate membership	Trade marks	Total	Total
	At cost					
	Opening balance	228,120	3,300	2,091	233,511	214,909
	Addition during the year	8,390	-	194	8,584	18,602
	Closing balance	236,510	3,300	2,285	242,095	233,511
	Accumulated amortization					
	Opening balance	150,559	-	868	151,427	120,307
	Charged for the year	30,327	-	215	30,542	31,120
	Closing balance	180,886	-	1,083	181,969	151,427
	Carrying amount	55,624	3,300	1,202	60,126	82,084

In Thousands Taka		As at 31 March	
		2020	2019
7.1	Segregation of amortization		
	Selling, distribution and warehousing expenses	215	162
	Administrative and general expenses	30,327	30,958
		30,542	31,120
8	Investment in associate		
	Opening balance	201,993	160,393
	Additional investment during the year	-	4,043
	Share of profit of associate	37,984	37,557
	Closing balance	239,977	201,993
9	Inventories		
	Raw materials	995,094	786,403
	Semi finished goods	148,689	195,870
	Packing materials	42,860	41,194
		1,186,643	1,023,467
	Own manufactured products	637,246	629,506
	Imported products	81,307	102,770
	Finished goods	718,553	732,276
	Store and consumables	55,323	52,528
	Promotional items	24,430	38,190
		79,753	90,718
	Inventories in transit - GIT	477,037	316,962
		2,461,986	2,163,423
10	Trade and other receivables		
	Trade receivables-unsecured	1,707,166	1,722,878
	Provision for bad and doubtful debt on unsecured trade receivables	(72,897)	(55,900)
	Considered to be good	1,634,269	1,666,978
	Other receivables	29,416	17,044
	Receivables with associate	44,602	20,480
		1,708,287	1,704,502
	Maturity wise presentation of trade receivables-unsecured:		
	Outstanding over 360 days	117,580	55,900
	Outstanding over 180 days to below 360 days	60,320	46,358
	Outstanding below 180 days	1,529,266	1,620,620
		1,707,166	1,722,878

In Thousands Taka		As at 31 March	
		2020	2019
11 Advances, deposits and prepayments			
Advance - note 11.1		175,072	426,810
Deposits - note 11.2		42,630	39,694
Prepayments - note 11.3		44,959	15,986
		262,661	482,490
11.1 Advance - note 11.1			
Advance to employees - note 11.1.1		77,944	80,283
Advance to suppliers and others - note 11.1.2		97,128	346,527
		175,072	426,810
11.1.1 House building loans			
Others		6,399	7,090
Advances to employees		77,944	80,283
11.1.2 Advance for goods and services			
Value Added Tax-VAT		13,571	28,645
Supplementary Duty		2,798	153,284
Advance for rent		2,157	5,351
Advances for service and others		78,602	159,247
Security deposits		97,128	346,527
		42,630	39,694
Prepayments			
Insurance and other		44,959	15,986
12 Short term investment - FDR			
FDR for more than three months with scheduled banks and FI			
Four months		201,237	251,237
Six months		50,000	150,000
		251,237	401,237
13 Cash and cash equivalents			
Current accounts:			
Term deposit accounts (FDR)			
Three months		2,100,000	800,000
		2,100,000	800,000
Current and collection accounts		566,547	838,392
Short term deposit accounts (STD) - notes 33			
Operational account		441,933	238,074
Dividend account		12,374	11,068
IPO account		-	331
		454,307	249,473
Foreign currency current accounts - notes 33			
Operational account		14,343	11,664
IPO account		-	61
		14,343	11,725
Cash in hand		6,110	4,957
Cash and cash equivalents		3,141,307	1,904,547

In Thousands Taka		As at 31 March	
		2020	2019
14 Share capital			
14.1 Authorized share capital			
100,000,000 ordinary shares of Taka 10 each		1,000,000	1,000,000
14.2 Issued, subscribed and paid-up share capital			
46,377,880 ordinary shares of Taka 10 each		463,779	463,779

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.

14.3 Composition of shareholding					
Shareholders	Number of share	% of share holding	Value	Value	
J & N Investments (Asia) Limited - Group	44,058,740	95.00	440,587	440,587	
Institutions & General public	475,942	1.03	4,759	6,122	
Foreign shareholders	44,534,682	96.03	445,347	446,709	
Institutions (financial & others)	1,195,286	2.58	11,953	9,904	
General public	647,912	1.40	6,479	7,166	
Bangladeshi shareholders	1,843,198	3.97	18,432	17,070	
Total	46,377,880	100.00	463,779	463,779	

14.4 Classification of shareholders by range					
Shareholding range	Type of shareholders	25 March 2020			31 March 2019
		Number of shares	% of share holding	Number of shareholders	Number of share holders
Less than 501 shares	G. Public& Inst	351,785	0.76	4,396	4,885
501 to 5,000 shares	G. Public& Inst	355,995	0.77	265	297
5,001 to 10,000 shares	G. Public& Inst	78,806	0.17	10	7
10,001 to 20,000 shares	G. Public& Inst	187,912	0.41	13	9
20,001 to 30,000 shares	Institution	98,783	0.21	4	4
30,001 to 40,000 shares	Institution	39,219	0.08	1	1
40,001 to 50,000 shares	Institution	42,740	0.09	1	1
50,001 to 100,000 shares	Institution	327,631	0.71	5	2
100,001to1,000,000 shares	Institution	836,269	1.80	2	3
Over 1,000,000 shares	Group	44,058,740	95.00	1	1
Total		46,377,880	100.00	4,698	5,210

In Thousands Taka		As at 31 March	
		2020	2019
15	Retained earnings		
	Opening balance	7,743,933	6,231,294
	Previous year adjustment	-	29,522
		7,743,933	6,260,816
	Net profit for the year	2,422,077	2,053,268
	Distribution of cash dividend	(1,159,447)	(463,779)
	Bonus shares issued	-	(106,822)
	Actuarial gain on Gratuity valuation	-	450
	Closing balance	9,006,563	7,743,933
16	Deferred tax liabilities		

In Thousands Taka		As at 31 March	
		2020	2019
17.1 Payable for revenue expenses			
Accrued charges		1,262,150	1,107,231
Provision for trade rebate		56,397	58,409
Training and consultancy fee		4,077	6,347
		1,322,624	1,171,987
17.2 Payable for other finance			
Clearing account		54,068	30,000
Security deposits		19,756	25,405
Tax and VAT deduction at source		27,221	37,227
Staff income tax		5,692	11,516
Others		105,240	7,222
		211,977	111,370
18 Provision for royalty			
Opening balance		309,863	215,455
Charged for the year		104,058	94,408
		413,921	309,863
Payment during the year		(128,524)	-
Closing balance		285,397	309,863
19 Provision for current tax			
Opening balance		180,893	(45,650)
Provision made for the year		841,288	717,392
		1,022,181	671,742
Payment and adjustment made during the year		(695,788)	(490,849)
Closing balance		326,393	180,893
20 Provision for employees' retirement gratuity			
Opening balance		43,553	41,131
Provision made for the year		32,510	31,545
Actuarial gain on actuarial valuation		-	(600)
		76,063	72,076
Transferred to gratuity fund during the year		(58,931)	(28,523)
Closing balance		17,132	43,553
21 Dividend payable			
Opening balance		405,430	8,642
Distribution during the year - note 15		1,159,447	463,779
		1,564,877	472,421
Payment during the year		(1,555,052)	(66,991)
Closing balance		9,825	405,430
22 Liability for unclaimed IPO application money			
Opening balance		147	147
Refunded during the year		-	-
Closing balance		147	147

In Thousands Taka	As at 31 March	
	2020	2019
23 Contingent liabilities		
Contingent liabilities of the Company that relate to issue of letter of credit and bank guarantee to third parties as presented below:		
i. Letter of Credit		
Commercial Bank of Ceylon PLC	116,992	91,440
Standard Chartered Bank	62,319	132,896
Citi Bank NA	39,560	28,511
Eastern Bank Limited	90,477	44,970
Woori Bank	174,052	-
BRAC Bank Limited	435	191,512
Raw Material	483,835	489,329
Capital expenditure	108,097	21,636
ii. Letter of Credit (total)	591,932	510,965
iii. Bank guarantee		
Standard Chartered Bank for BBBL	73,606	73,606
The Hongkong and Shanghai Banking Corporation Limited for BFL	137,000	137,000
Others	1,703	1,703
Bank guarantee	212,309	212,309
	804,241	723,274

In Thousands Taka	For the year ended 31 March	
	2020	2019
24 Revenue		
Net revenue of group-BPBL	18,820,154	17,733,311
Net revenue of subsidiary-J & N (Bangladesh) Limited	695,696	611,249
	19,515,850	18,344,560
Intercompany sales	(586,088)	(544,148)
	18,929,762	17,800,412
25 Cost of sales		
Opening stock of finished goods	732,276	620,171
Purchases of finished goods for the year	145,804	198,109
	878,080	818,280
Raw material consumed - notes 25.1	8,631,265	8,733,231
Manufacturing overhead - note 25.2	1,118,298	1,029,682
Cost of goods manufactured	9,749,563	9,762,913
	10,627,643	10,581,193
Closing stock of finished goods	(718,553)	(732,276)
Cost of sales	9,909,090	9,848,917
25.1 Raw materials consumed		
Opening stock:		
Raw materials	786,403	929,130
Semi finished goods	195,870	184,641
Packing materials	41,194	40,475
	1,023,467	1,154,246
Purchase for the year		
Raw materials	7,788,764	7,558,313
Packing materials	1,591,765	1,588,287
Intercompany sales	(586,088)	(544,148)
	8,794,441	8,602,452
Closing stock:		
Raw materials	(995,094)	(786,403)
Semi finished goods	(148,689)	(195,870)
Packing materials	(42,860)	(41,194)
	(1,186,643)	(1,023,467)
	8,631,265	8,733,231

In Thousands Taka	For the year ended 31 March	
	2020	2019
25.2 Manufacturing overhead		
Salary and wages	388,268	371,727
Welfare expenses	20,333	27,396
Third party and casuals	48,604	46,534
Depreciation	361,780	295,025
Fuel, water and power	86,135	86,636
Repairs and maintenance	55,967	49,029
Raw material shifting charge	14,380	19,161
Stores and spares consumed	13,949	14,253
Insurance	6,601	5,901
Training and recruitment expenses	6,488	3,650
Security and cleaning service	8,212	8,475
Third party production charge	59,177	56,402
Outsourcing employee cost	12,051	9,680
Printing charge and other overhead	12,188	5,514
Travelling and conveyance	7,921	8,436
Production incentive	3,914	2,839
Research, development and experimental costs	2,015	2,167
Process development	2,581	4,160
Rent, rates and other taxes	6,848	12,270
L/C and bank charges	886	427
	1,118,298	1,029,682
26 Selling, distribution and warehousing expenses		
Advertising expenses	2,655,029	2,133,729
Salary and wages	447,183	451,700
Third party and casuals	95,912	87,566
Welfare expenses	14,699	30,130
Training and recruitment expenses	7,705	3,846
Security and cleaning service	20,705	19,340
Outsourcing employee cost	48,322	54,926
Production incentive	1,328	1,708
Other overhead	20,982	4,914
	3,311,865	2,787,859
Distribution and warehousing expenses		
Transportation and handling charges	272,429	238,274
Repairs and maintenance	23,142	22,280
Rent, rates and fees	11,346	53,630
Electricity, water and gas	12,396	11,498
Insurance	3,279	2,285
	322,592	327,967

In Thousands Taka	For the year ended 31 March	
	2020	2019
Selling expenses		
Sales promotional expenses	1,146,778	1,059,467
Paint delivery expenses	194,197	169,385
Salesmen travelling	64,158	57,116
Rent, rates and fees	11,811	64,707
Bad debts	25,230	28,261
Color Bank operational expenses	3,555	4,024
Illusion expense	2,037	5,613
	1,447,766	1,388,573
Depreciation and amortization	273,268	166,619
Cost of free issue	2,856	178
	276,124	166,797.00
	5,358,347	4,671,196.00
27 Administrative and general expenses		
Salary and wages	306,157	303,923
Welfare expenses	9,092	9,142
Third party and casuals	2,702	2,830
Training and recruitment expenses	9,253	7,203
Employee engagement	4,911	4,905
Security and cleaning service	5,477	4,173
Outsourcing employee cost	3,345	2,608
Production incentive	315	444
Postage and telecommunication	9,215	7,760
Depreciation and amortization	92,853	82,457
Travelling, haltage and passage	7,476	7,666
Repair and maintenance - others	25,886	32,220
Share department expenses	3,191	10,867
Bank charges	7,737	7,950
Vehicle expenses	12,946	10,857
Electricity, fuel and water	5,635	5,777
Printing and stationery	6,379	7,319
Rates and fees	3,352	995
Subscription and donation	702	2,035
CSR activity	8,917	6,108
Entertainment	7,535	5,897
Corporate affairs department's expenses	608	199
Insurance	358	415
Legal and professional charges	11,615	7,047
Auditors' remuneration	1,509	1,256
Newspaper and periodicals	392	519
Directors fees	473	420
Process development	47	-
Other overhead	8,285	6,065
	556,363	539,057

		For the year ended 31 March	
In Thousands Taka		2020	2019
28	Other operating expenses		
	Royalty fees	104,058	94,408
	Training and consultancy fees	2,680	7,414
		106,738	101,822
29	Other operating income		
	Service charges from house building loans	713	656
	Scrap sales and sundry recoveries	26,606	36,499
	Color Bank operational income	93,669	98,524
	Insurance claim and other realizations	14,207	11,157
	Income from illusion	25,110	25,466
	Rental income	6,834	8,274
	Marketing service fee	42,057	28,222
	Others	13	25
		209,209	208,823
30	Finance cost		
	Finance cost on operational overdraft	8,088	11,392
	Exchange loss / (gain)	(588)	(471)
		7,500	10,921
	Intercompany transaction	(4,442)	(3,578)
		3,058	7,343
31	Investment income		
	Interest on term deposit	194,309	37,716
	Intercompany transaction	(4,442)	(3,578)
		189,867	34,138
32	Other non-operating income		
	Income on sale of property, plant and equipment	9,741	8,418

33 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		As at 31 March 2020			
Financial liabilities	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	2,886,941	2,886,941	2,886,941	-	

		As at 31 March 2019			
Financial liabilities	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	2,463,626	2,463,626	2,463,626	-	

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 thousands Taka)

In Thousands Taka	As at 31 March	
	2020	2019
Foreign currency denominated assets		
Receivable from customers-Export	10,244	21,823
Cash at bank	14,343	11,725
Foreign currency denominated liabilities		
Trade payables	1,239,621	609,064
Royalty and technical fees	285,397	309,863

The foreign exchange gain was Taka 588 thousand for the period ended 31 March 2020 and Taka 471 thousand was for the Period ended 31 March 2019

The company has applied the following significant foreign exchange rates:

	As at 31 March	
	2020	2019
US Dollar	84.95	84.30
EURO	95.74	96.32
GBP	106.96	111.65

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	As at 31 March	
	2020	2019
Financial assets		
Investment in FDR	251,237	401,237
Cash at bank	3,141,307	1,904,547
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	
	2020	2019
Trade receivable		
Local receivable	1,696,922	1,701,055
Export receivable	10,244	21,823
	1,707,166	1,722,878
Other receivables:		
Accrued interest	29,416	17,044
Intercompany receivable	44,602	20,480
	74,018	37,524

In Thousands Taka	For the year ended 31 March	
	2020	2019
34 Basic Earnings per share (EPS)		
Net profit attributable to ordinary shareholders	2,422,077	2,053,268
Net cash inflow from operating activities (NOCF)	3,798,469	2,562,950
Net asset value (NAV) - In Thousands Taka	9,470,342	8,207,712
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	52.22	44.27
Impact of correction of errors: basic earnings per share - Taka	-	0.14
Reported basic earnings per share - Taka	52.22	44.13
Diluted earning per share (DEPS) - Taka	52.22	44.27
Net operating cash flow per share (NOCFPS) - Taka	81.90	55.26
Net asset value per share (NAVPS) - Taka	204.20	176.97

34.1 Cash flows from operating activities under indirect method

Net profit before tax	3,273,251	2,777,694
Depreciation	582,627	512,981
Amortization	30,542	31,120
Actuarial gain on defined benefit plans	-	600
Non cash items:	613,169	544,701
Income on sale of property, plant and equipment	(9,741)	(8,418)
Investment (Finance) expenses	3,646	7,814
Share of associates	(37,984)	(37,557)
Non operating income	(44,079)	(38,161)
Inventories	(298,563)	229,893
Trade and other receivables	(3,785)	(98,821)
Advances, deposits and prepayments	219,829	(34,435)
Trade and other payables	818,916	(423,902)
Provision for royalty	(24,466)	94,408
Provision for employees' retirement gratuity	(26,421)	2,422
Changes in working capital	685,510	(230,435)
Income tax paid	(695,788)	(490,849)
Interest paid on lease obligations	(33,594)	-
Net cash flows from operating activities	3,798,469	2,562,950

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	Nurul Faruq Hasan & Co, Deloitte
Berger Fosroc Limited	Associate	A. Qasem and Company, EY BD

36 Events after the reporting period - note 3.18

The Board of Directors of Berger Paints Bangladesh Limited at its 181st meeting held on 18 June 2020 recommended a final cash dividend of 295% 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 28 July 2020.

Annexure-A

Schedule of consolidated property, plant and equipment and depreciation thereon

Category of assets	Cost			Accumulated depreciation			Written down value as at 31 March 2020
	Opening Balance	Addition during the year	Disposal during the year	Opening Balance	Addition during the year	Disposal during the year	
Land	874,761	182,456	-	1,057,217	7,234	433	7,667
Building	1,548,977	54,575	(356)	1,603,196	305,848	45,089	350,244
Plant and machinery	2,267,861	286,293	(7,118)	2,547,036	975,105	229,247	1,197,586
Office equipment	227,715	20,594	(2,522)	245,787	126,244	29,257	153,052
Factory and laboratory equipment	1,449,857	211,253	(3,815)	1,657,295	996,366	161,712	1,154,319
Computer	185,256	16,233	(6,264)	195,225	116,708	26,466	137,045
Furniture and fixtures	144,401	9,807	(1,483)	152,725	75,583	13,729	87,850
Motor vehicles	338,098	106,447	(42,250)	402,295	224,063	73,569	258,718
Loose tools	14,623	2,185	(601)	16,207	14,254	2,452	16,105
Electrical installation	8,416	-	-	8,416	5,535	673	6,208
Total as at 31 March 2020	7,059,965	889,843	(64,409)	7,885,399	2,846,940	582,627	3,368,794
Total as at 31 March 2019	6,035,325	1,056,866	(32,226)	7,059,965	2,360,493	512,981	2,846,942



পরিচালনা পর্ষদের প্রতিবেদন

কোম্পানির পরিচালকবৃন্দ আনন্দের সাথে আপনাদের সামনে তাদের ৪৭তম প্রতিবেদন এবং তার সাথে ৩১ মার্চ ২০২০ তারিখে সমাপ্ত বছরের নিরীক্ষিত আর্থিক প্রতিবেদনসমূহ ও নিরীক্ষকের প্রতিবেদন পেশ করছেন।

রঙ শিল্পের সার্বিক অবস্থা ও সম্ভাব্য ভবিষ্যৎ পরিস্থিতি

কোভিড-১৯ এর কারণে বিশ্ব অর্থনীতি সবচেয়ে অভূতপূর্ব মন্দার মধ্য দিয়ে যাচ্ছে। বৈশ্বিক অর্থনৈতিক প্রবৃদ্ধি চলতি অর্ধবছরের পাশাপাশি আগামী অর্ধবছরেও নগণ্য বা এমনকি নেতিবাচক হতে পারে। বৈশ্বিক অর্থনৈতিক প্রবৃদ্ধির সাথে যুক্ত রফতানি খাত (তৈরি পোশাক এবং মানব সম্পদ) এর উপর নির্ভরশীলতার কারণে বাংলাদেশের অর্থনীতিও ব্যাপকভাবে প্রভাবিত হবে। তবে, বাংলাদেশ এবং বৈশ্বিক অর্থনীতির উপর কোভিড-১৯ এর সামগ্রিক প্রভাব এখনও পরিমাপ করা যায়নি।

বর্তমানে বেশ কয়েকটি আন্তর্জাতিক রঙ কোম্পানি বাংলাদেশে কাজ করছে। পরিবর্তনশীল চাহিদার সাথে মিল রেখে বাংলাদেশি রঙ কোম্পানিগুলো নিজেদের পণ্যের সম্ভার আরও সমৃদ্ধ করতে ডেকরেটিভ থেকে বিভিন্ন বিশেষায়িত কোটিং এবং শিল্পে ব্যবহার্য রঙ উৎপাদন শুরু করছে। করোনা ভাইরাস বিস্তার রোধে গৃহীত লকডাউন এর কারণে বাংলাদেশে রঙ এর চাহিদা খুবই সীমিত। ২০২০-২১ এ বাংলাদেশের রঙ শিল্পের প্রবৃদ্ধি নেতিবাচক হতে পারে, যা রঙ কোম্পানিগুলোর আভ্যন্তরীণ প্রতিদ্বন্দ্বিতা আরও বাড়িয়ে দিবে।

বিক্রয় প্রবৃদ্ধি

৩১ মার্চ ২০২০ তারিখে সমাপ্ত বছরে কোম্পানি ৬.১৩% বিক্রয় প্রবৃদ্ধি অর্জন করেছে। এ সময়ে ভলিউম বৃদ্ধির হার ছিলো ৫.৫৯%। এ সময়ে আমাদের মার্কেট শেয়ারও বৃদ্ধি পেয়েছে। ৬.১৩% বিক্রয় প্রবৃদ্ধির বিপরীতে কোম্পানির করপূর্ব মুনাফা ১৬.৭২% বৃদ্ধি পায়। বাজারে টিকে থাকার সাথে সাথে ব্যয় নিয়ন্ত্রনের জন্য সবদিক প্রচেষ্টার মাধ্যমে এই অর্জন সম্ভব হয়েছে। ব্র্যান্ড উন্নয়নে ব্যয় বৃদ্ধির কারণে ২০১৯-২০ বছরে মোট ব্যয় নীট বিক্রয়ের ৩০.৭৪% ছিল, যা গত বছর ২৮.৬৩% ছিল। মফস্বল ও গ্রামীণ এলাকায় পণ্য সরবরাহ নেটওয়ার্ক বিস্তৃত করা এবং নতুন বিপণন কৌশলের মাধ্যমে বাজারে আমাদের নেতৃত্ব ধরে রাখা হবে।

নতুন পণ্য

গ্রাহকদের বিভিন্ন চাহিদার কথা মাথায় রেখে এবং নিজেদের পণ্য সম্ভার আরও সমৃদ্ধ করে তুলতে ২০১৯-২০ সালে বার্জার পেইন্টস বাংলাদেশ লিমিটেড নিয়ে এসেছে বেশ কিছু নতুন পণ্য।

বার্জার পেইন্টস নিয়ে এসেছে ওয়েদারকোট টাচ পুটি, যা বাহ্যিক প্রয়োগের জন্য বিশেষভাবে ডিজাইন করা একটি এক্রাইলিক ভিত্তিক রেডিমেট পুটি। এটির বিশেষ জল প্রতিরোধের বৈশিষ্ট্য এটিকে বহিরাগত পৃষ্ঠের টাচ আপ কাজের জন্য সহজেই উপযুক্ত করে তোলে। বার্জার পেইন্টসের আর একটি নতুন পণ্য হলো ওয়েদারকোট বায়ো ওয়াশ। এটি একটি অনন্য সমাধান যা অর্দ্রতা থেকে অলঙ্কৃত দেয়ালকে শক্তিশালী সুরক্ষা প্রদান করে।

বার্জার এক্সপ্রেস সিলার বার্জার সিলার প্রোডাক্ট রেঞ্জের একটি নতুন পণ্য। এই পণ্যটিতে দুর্দান্ত স্ফার প্রতিরোধের বৈশিষ্ট্য রয়েছে এবং এটি প্রয়োগ করা যেতে পারে সদ্য ঢালাইকৃত কংক্রিট পৃষ্ঠে ৩ থেকে ৭ দিনের মধ্যে, যা দ্রুত প্রকল্প সমাপ্তির নিশ্চয়তা দেয়। বার্জার পেইন্টস টেক্সটাইল কেমিক্যাল বিভাগে ওভেন সেগমেন্টের জন্য এনেছে টেক্সবন্ড ওয়েটিং এজেন্ট। জেনসোলিন ফ্লুরোসেন্ট পেইন্ট বার্জারের নতুন পণ্য যা একটি অত্যন্ত প্রতিফলিত আন্তরণ দেয় যার ফলে রাত্তার চিহ্ন, ব্যানার, ফেস্টুন এবং সাইনবোর্ডগুলির পৃষ্ঠের দৃশ্যমানতা বৃদ্ধি পায়।

জানুয়ারী ২০১৯ থেকে, বার্জার পেইন্টস বার্জার এক্সপেরিয়েন্স জোন স্থাপনের উদ্যোগ নিয়েছে। এই উদ্যোগের উদ্দেশ্য ওয়ান স্টপ সেন্টার তৈরি করা যেখানে গ্রাহকরা রঙ বিষয়ে সমস্ত সমাধান পেতে পারেন এবং বার্জার এর পণ্য সম্ভার এর বিস্তৃত অভিজ্ঞতা অর্জন করতে পারেন। বর্তমানে, সারা দেশে ২৪টি বার্জার এক্সপেরিয়েন্স জোন রয়েছে। এর মধ্যে ১৬টি আউটলেট সরাসরি বার্জার পেইন্টসের দ্বারা পরিচালিত হয় এবং এগুলোকে “ফ্ল্যাগশিপ পয়েন্ট” বলা হয়। পূর্ববর্তী বার্জার হোম ডেকোর পরিসেবাগুলি এর অন্তর্ভুক্ত এবং বার্জার এক্সপেরিয়েন্স জোন হিসেবে রূপান্তরিত করা হয়েছে। বাকি ৮টি এক্সপেরিয়েন্স জোন ডিলারদের দ্বারা পরিচালিত হয়।

বার্জার পেইন্টস বাংলাদেশ লিমিটেড এবং জাপানের চোগোকু মেরিন পেইন্টস লিমিটেড (সিএমপি) পারস্পরিক সহযোগিতার একটি চুক্তি স্বাক্ষর করেছে। এই চুক্তিতে বাংলাদেশে মেরিন পেইন্ট পণ্য উৎপাদন, বিপণন ও ক্রয়ের জন্য যৌথ প্রচেষ্টার কথা বলা হয়েছে যা বার্জারকে করে তুলবে বাংলাদেশের প্রথম বিশ্বমানের মেরিন পেইন্ট পণ্য উৎপাদনকারী প্রতিষ্ঠান।

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 বিষয়বলি

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 আয়ন্তের 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 বিধিমালার একনিষ্ঠ অনুসারী হিসেবে বার্জার পেইন্টস্ আন্তর্জাতিক মানের এক্স্‌য়েন্ট ট্রিটমেন্ট প্লান্ট এবং ইনসিনারেটর স্থাপন করে এক্ষেত্রে পথপ্রদর্শকের ভূমিকা পালন করেছে।

আর্থিক ফলাফল

পরিচালকগণ আনন্দের সাথে ৩১ মার্চ, ২০২০ তারিখে সমাণ্ড বছরের আর্থিক প্রতিবেদন পেশ করছেন এবং নিম্নলিখিত পদ্ধতিতে মুনাফা বন্টনের সুপারিশ করছেন:

টাকা ’০০০	৩১ মার্চ ২০২০ তারিখে সমাণ্ড বছরের জন্য	৩১ মার্চ ২০১৯ তারিখে সমাণ্ড বছরের জন্য
নিট বিক্রয়	১৮,৮২০,১৫৪	১৭,৭৩৩,৩১১
বিক্রিত পণ্যের ব্যয়	(৯,৯৭৮,৩৯৮)	(৯,৯০৭,৩৪২)
মোট লাভ	৮,৮৪১,৭৫৬	৭,৮২৫,৯৬৯
কর-পূর্ব মুনাফা	৩,০৯২,৪৬৭	২,৬৪৯,৪৯০
কর সঞ্চিতি	(৮১৪,৪৭০)	(৬৮৬,৩৯৩)
বিলম্বিত কর সঞ্চিতি	১৪,৪৫১	(৫,২৭০)
কর-পরবর্তী মুনাফা	২,২৯২,৪৪৮	১,৯৫৭,৮২৭
যোগ: পূর্ববর্তী বছরের অবন্তিত মুনাফা	৫,৯৫১,৯২৯	৫,১৫৩,৫৪৯
বিতরণযোগ্য মুনাফা	৮,২৪৪,৩৭৮	৭,১১১,৩৭৬
প্রস্তাবিত লভ্যাংশ	(১,৩৬৮,১৪৭)	(১,১৫৯,৪৪৭)
বোনাস শেয়ার ইস্যু	৬,৮৭৬,২৩১	৫,৯৫১,৯২৯
অবন্তিত মুনাফায় স্থানান্তর		
মৌলিক শেয়ার প্রতি আয় (টাকা)	৪৯.৪৩	৪২.২১
শেয়ার প্রতি নিট পরিচালন অর্থ প্রবাহ (টাকা)	৭৭.৬৬	৫১.৬২
শেয়ার প্রতি নিট সম্পদের মূল্য (টাকা)	১৮৭.৭৭	১৬৩.৩৪
মোট লাভের হার (%)	৪৬.৯৮%	৪৪.১৩%
নীট লাভের হার (%)	১২.১৮%	১১.০৪%

লভ্যাংশ

উৎপাদন ক্ষমতা বৃদ্ধি এবং পণ্য ও ব্যবসায় বহুমুখীকরণের উদ্দেশ্যে কোম্পানি প্রচুর বিনিয়োগ করেছে। এ সত্ত্বেও পরিচালনা পর্ষদ ২০১৯-২০২০ সালের জন্য ২৯৫% (দুইশত পঁচানব্বই) নগদ লভ্যাংশ অর্থাৎ ১০ টাকা মূল্যের প্রতিটি সাধারণ শেয়ারে ২৯.৫০ 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 অটিস্টিক 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 সামজিক কর্মকাণ্ডসমূহের মধ্যে রয়েছে ২৪তম বার্জার ইয়াং পেইন্টারস্ আর্ট কম্পিটিশন (বিওয়াইপিএসি) যা তরুণ, মেধাবী চিত্র শিল্পীদের জন্য একটি বার্ষিক প্রতিযোগিতা।

৯ম বার্জার অ্যাওয়ার্ড ফর এক্সিলেন্স ইন আর্কিটেকচার স্বপতি ইন্সটিটিউট এর সহযোগীতায় আয়োজিত হয়। খুলনা বিশ্ববিদ্যালয়ের স্থাপত্যের অনুষদের সহযোগীতায় উক্ত অনুষদে মেধাবী ছাত্রদের জন্য ARCHKU-BERGER প্রতিযোগীতার আয়োজন করা হয়। ক্লাব সুপ্রীম ডিলার এবং সম্পর্ক ক্লাব এর পেইন্টারদের এসএসসি ও এইচএসসি পরীক্ষায় জিপিএ-৫ প্রাপ্ত সন্তানদের পুরস্কার প্রদান করা হয়।

বার্জার পেইন্টস গ্রুপ গত অর্থবছরে বাংলাদেশ শ্রমিক কল্যাণ ফাউন্ডেশনে ১ কোটি ৪৮ লক্ষ টাকা প্রদান করেছে। বার্জার, জেনসন এন্ড নিকোলসন (বাংলাদেশ) লিমিটেড এবং বার্জার বেকার বাংলাদেশ লিমিটেড, বাংলাদেশ শ্রম আইন ২০০৬ অনুসারে শ্রমিকদের কল্যাণে তাদের লাভের অংশ হিসেবে এই পরিমাণ অর্থ প্রদান করেছে।

এছাড়াও দেশের বিভিন্ন প্রান্তের দরিদ্র ও শীতাত্তদের জন্য কোম্পানি কয়ল ও শীতবস্ত্র বিতরণ করেছে। বিভিন্ন প্রতিষ্ঠানের শিক্ষার্থীদেরকে বাস্তব জ্ঞান লাভে সহযোগিতার উদ্দেশ্যে বার্জার পেইন্টস্ ইন্টার্নশিপ-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

আবগারি শুষ্ক, আয়কর, মূল্য সংযোজন কর, এবং সম্প্রক শুষ্ক বাবদ এ বছর কোম্পানি প্রায় ৪৮২ কোটি ৮৮ লক্ষ ৪ হাজার টাকা প্রদান করেছে।

পুরস্কার ও সম্মাননা

এ বছর বার্জার পেইন্টস্ বাংলাদেশ লিমিটেড উৎপাদন খাতে সেরা মূসক প্রদানকারী কোম্পানি হিসেবে বাংলাদেশ সরকারের নিকট হতে ২০১৭-১৮ সালের জন্য সম্মাননা লাভ করে। এই সম্মাননা আর্থিক আইন কানুন পরিপালনে কোম্পানির সাফল্যের স্বীকৃতি।

বার্জার পেইন্টস্ বাংলাদেশ লিমিটেড উৎপাদন খাতের বহুজাতিক কোম্পানি শ্রেণিতে ‘আইসিএমএবি বেস্ট কর্পোরেট অ্যাওয়ার্ড ২০১৮’ লাভ করেছে। এই পুরস্কার কোম্পানির বিক্রয় ও আর্থিক ফলাফল, জাতিয় রাজস্বে অবদান, মানব সম্পদ ব্যবস্থাপনা, কর্পোরেট সুশাসন, শেয়ার হোল্ডার রিটার্ন, বিনিয়োগ প্রবৃদ্ধি এবং সিএসআর কার্মকাণ্ডের স্বীকৃতি। নবম বারের মতো বার্জার পেইন্টস্ বাংলাদেশ লিমিটেড রঙ শিল্পে সেরা ব্র্যান্ড হিসেবে ‘বেস্ট ব্র্যান্ড অ্যাওয়ার্ড’ লাভ করেছে। বার্জার পেইন্টস বাংলাদেশ লিমিটেড সরবরাহ সাপ্লাই চেইন ম্যানেজমেন্ট সোসাইটি (বিএসসিএমএস) থেকে সাপ্লাই চেইন প্ল্যানিং এবং গ্রাহক সেবা, গুদামজাত ও বিতরণ বিভাগে সাপ্লাই চেইন এক্সিলেন্স অ্যাওয়ার্ড ২০১৯ পেয়েছে।

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 বিররণী এই প্রতিবেদনের সাথে সংযুক্ত করা হলো।

পরিচালক নির্বাচন

ক) ব্যবস্থাপনা পরিচালক রুপালী চৌধুরির ৫ বছর মেয়াদের নিয়োগ ৩১ ডিসেম্বর ২০১৯ তারিখে পূর্ণ হয়েছে। চতুর্থবারের মতো পুণরায় নিয়োগের যোগ্য হওয়ায় কোম্পানি আইনের ১১০ (৩) ধারা অনুসারে নমিনেশন ও রেমুনারেশন কমিটির সুপারিশ অনুসারে পরিচালনা পর্ষদ তাকে নিয়োগ দান করেছে এবং সদস্যদের অনুমোদনের জন্য পেশ করেছে।

খ) সংঘবিধির ১১১ অনুচ্ছেদে প্রদত্ত ক্ষমতাবলে পরিচালনা পর্ষদ ১৮ জুন ২০২০ তারিখের সভায় জেএন্ডএন ইনভেস্টমেন্টস্ (এশিয়া) লিমিটেডের মনোনয়ন অনুসারে জ নাব সুনীল শর্মাকে পরিচালক নিয়োগ করে। কোম্পানি আইন ১৯৯৪ এর ধারা ৯১(১)(খ) অনুসারে জনাব সুনীল শর্মাকে নির্বাচনের জন্য পেশ করা হলো। কোম্পানি আইন ১৯৯৪ এর ধারা ৯৩ অনুসারে জনাব সুনীল শর্মাকে পরিচালক পদে দায়িত্ব পালনে সম্পত্তি জ্ঞাপন করেছেন। কোম্পানির ৯৫% শেয়ারধারী জেএন্ডএন ইনভেস্টমেন্টস্ (এশিয়া) লিমিটেডের মনোনিত জনাব সুনীল শর্মাকে পরিচালক হিসেবে নির্বাচিত করা যেতে পারে।

গ) স্বতন্ত্র পরিচালক জনাব মাসুদ খান ২৪ জানুয়ারি ২০২০ 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 আনুসারে জনাব অনীল ভান্ডা, জনাব জাঁ রুদ্র লুএই এবং জনাব অভিজিত রয় অবসর গ্রহণ করেছেন এবং যোগ্য বিধায় পুননির্বাচিত হওয়ার ইচ্ছা পোষণ করেছেন।

পরিচালনা পর্ষদ এসকল নির্বাচন/পুননির্বাচনের 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 এইইসি/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 মার্চ ২০২০ তারিখে সমাণ্ড বছরের জন্য কর্পোরেট গভর্নেন্স কমপ্লায়েন্স রিপোর্ট নিরীক্ষা করেছেন এবং সনদ পত্র প্রদান করেছেন। পুনঃ নিয়োগের যোগ্য বিধায় ৩১ মার্চ ২০২১ তারিখে সমাণ্ড বছরের নিরীক্ষা করার জন্য ইচ্ছা প্রকাশ করেছেন। বাংলাদেশ সিকিউরিটি এক্সচেঞ্জ কমিশনের নোটিফিকেশন নং বিএসইসি/সিএমআরআরসিডি/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 স্মরণ 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

১৮ জুন ২০২০

Subsidiary Company Profile

Jenson & Nicholson (Bangladesh) Limited

Directors' Report

The Directors of Jenson & Nicholson (Bangladesh) Limited are pleased to present their 30th report for the year ended March 31, 2020 along with the Audited Financial Statements and the Auditors' Report thereon.

During the period the company's sales increased by 14%. Due to soft raw materials price, in global market, cost of sales reduced from 79% of net sales to 74%. At the same time, net expenses reduced by 0.5%. As a result, income before tax of the company increased by 56.41% to Tk. 141,893 thousand against Tk. 90,717 thousand of the previous year. The company is investing for enhancing its production capacity to cater gradually expanding customer base and diversification of product range. In view of the above, the Board of Directors are not recommending any dividend for the year ended March 31, 2020.

Jenson & Nicholson (Bangladesh) Limited is offering best quality food grade packaging containers in addition to its existing packaging products for paint industry. The company also awarded Best Supplier 2019 (Packaging Category) from Nestle Bangladesh.

The company received/renewed the following certifications during the year:

- 1) Food Safety System Certification- ISO 22000:2005, ISO/TS 22002-04
- 2) Quality Management System- ISO 9001:2015
- 3) Occupational Health & Safety - OHSAS 18001:2007
- 4) Environment Management System, ISO-14001:2015

The Directors retiring by rotation under Article 32 are Mr. Anil Bhalla and Mr. Mohammad Nazimuddin Helali who, being eligible, offered themselves for re-election. The Board of Directors recommends their re-election.

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

The Board acknowledges the continued assistance from the management of Berger Paints Bangladesh Limited to make Jenson & Nicholson (Bangladesh) Limited successful. The Board of Directors would like to put on record their appreciation to all stakeholders; employees, customers, banks, insurance companies, government authorities, auditors and utility providers for their strong support and contribution towards the success of the Company.

On behalf of the Board,


Rupali Chowdhury
Managing Director
June 17, 2020

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 2020, 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 2020, 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.

National Office : BTMC Bhaban (7th & 8th Floor), 7-9 Karwan Bazar Commercial Area, Dhaka- 1215, Bangladesh
Motijheel Office : Ispahani Building (3rd Floor), 14-15 Motijheel Commercial Area, Dhaka-1000, Bangladesh
Chittagong Office : Delwar Bhaban (4th Floor), 104 Agrabad Commercial Area, Chittagong-4100, Bangladesh

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 including considering the future impact of the COVID-19 pandemic 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.

Juner 17, 2020

Hoda Vasi Chowdhury & Co
Chartered Accountants
Signed by: Showkat Hossain, FCA
Senior Partner

Jenson & Nicholson (Bangladesh) Limited Statement of financial position

In Thousands Taka	As at 31 March	
	2020	2019
Assets		
Non- Current Assets		
Property, plant and equipment	651,352	434,570
Capital work-in-progress	49,891	141,126
Intangible assets	3,378	3,962
Total non- current assets	704,621	579,658
Current Assets		
Inventories	180,323	145,038
Trade & Other Receivables	44,683	20,498
Advances, deposits and prepayments	10,586	7,514
Advance tax	-	11,317
Cash and cash equivalent	19,444	12,404
Total current assets	255,036	196,771
Total Assets	959,657	776,429
Equity and Liabilities		
Share capital	50,100	50,100
Retained earnings	571,371	480,633
	621,471	530,733
Non-current Liabilities		
Deferred tax liabilities	98,466	74,129
Total non-current liabilities	98,466	74,129
Current Liabilities		
Intercompany payable -BPBL	145,548	106,338
Trade and other payables	79,154	51,775
Provision for current tax	452	-
Employees' retirement gratuity	14,566	13,454
Total current liabilities	239,720	171,567
Total Liabilities	338,186	245,696
Total equity and liabilities	959,657	776,429
Contingent Liabilities	36,691	46,908


Managing Director


Director


Chief Financial Officer


Company Secretary

As per our report of same date


Hoda Vasi Chowdhury & Co.
Chartered Accountants

Dhaka, 17 June 2020

Jenson & Nicholson (Bangladesh) Limited Statement of profit or loss and other comprehensive income

In Thousands Taka	For the year ended 31 March	
	2020	2019
Revenue	695,696	611,249
Cost of sales	(516,487)	(484,453)
Gross profit	179,209	126,796
Expenses		
Warehouse and distribution	(25,371)	(23,003)
Administrative	(30,457)	(27,661)
Other operating income-net	30,880	25,592
	(24,948)	(25,072)
Profit from operation	154,261	101,724
Service charges	(3,000)	(3,000)
Financial charges	(4,452)	(3,694)
	(7,452)	(6,694)
Other non-operating income	2,424	439
Profit before WPPF and tax	149,233	95,469
Workers' profit participation and welfare fund	(7,340)	(4,752)
Income before tax	141,893	90,717
Provision for current tax	(26,818)	(30,999)
Provision for deferred tax	(24,337)	(1,764)
	(51,155)	(32,763)
Net Income for the year	90,738	57,954


Managing Director


Director


Chief Financial Officer


Company Secretary

As per our report of same date


Hoda Vasi Chowdhury & Co.
Chartered Accountants

Dhaka, 17 June 2020

Jenson & Nicholson (Bangladesh) Limited

Statement of cash flows

In Thousands Taka

For the year ended 31 March

	2020	2019
Cash flows from Operating Activities (A)		
Cash received from customers	671,511	607,785
Cash received from other operating income	30,880	25,592
Cash paid to suppliers and employees	(486,313)	(445,438)
Payment of interest	(4,452)	(3,694)
Income tax paid	(15,049)	(15,210)
Net cash from operating activities	196,577	169,035
Cash flows from Investing Activities (B)		
Capital expenditures	(191,961)	(181,057)
Proceeds from sale of assets	2,424	439
Net cash used in investing activities	(189,537)	(180,618)
Cash flows from Financing Activities (C)	-	-
(Decrease)/Increase in cash and bank balance (D)= (A+B+C)	7,040	(11,583)
Cash & cash equivalents at the beginning of the year (E)	12,404	23,987
Effect of Foreign Exchange Rates on cash & cash equivalents (F)	-	-
Cash & cash equivalents at the end of the year (D+ E+F)	19,444	12,404
These comprise the following		
Cash at Bank	19,194	12,194
Cash in hand	250	210
	19,444	12,404


Managing Director


Director


Chief Financial Officer


Company Secretary

As per our report of same date


Hoda Vasi Chowdhury & Co.
Chartered Accountants

Dhaka, 17 June 2020



Events

46TH ANNUAL GENERAL MEETING OF BERGER PAINTS BANGLADESH LIMITED



The 46th Annual General Meeting (AGM) of Berger Paints Bangladesh Limited was held on July 17, 2019 at Golf Garden, 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, Abhijit Roy, Parveen Mahmud and Abdul Khalek also attended the meeting. Gerald K. Adams presented the Directors' Report, Auditors' Report and Audited Financial Statements for the year ended March 31, 2019 before the shareholders. Rupali Chowdhury replied to the shareholders' queries.

250% Cash Dividend was declared for 2018-2019 in the meeting.

BERGER ACHIEVES SUPPLY CHAIN EXCELLENCE AWARD



Recently, The Dhaka South Sales and Distribution team of Berger received accolades for its Customer Focused Lean Six Sigma project. In recognition of their achievement, Berger received the Supply Chain Excellence Award 2019 from the Bangladesh Supply Chain Management Society (BSCMS) in the category of Customer Service, Warehousing and Distribution.

BPBL has adopted the concept of New Product Development & Introduction as defined in the Oliver Wight Checklist for Operational Excellence through our Innovation & Renovation process. The BSCMS recognized Berger in the category of Supply Chain Planning for this project and conferred the Supply Chain Excellence Award to Berger.

BERGER IS AWARDED AS TOP VAT COMPLIANT COMPANY

BPBL has been awarded as one of the top VAT compliant company in the country. Rupali Chowdhury, Managing Director, BPBL has received Top VAT Payer Award for the year 2019 from Honorable Finance Minister Mr. H M Mostafa Kamal, FCA, MP. Members of National Board of Revenue were also present at the award ceremony. Honorable Finance Minister handed over the recognition plaque to the MD of Berger Paints Bangladesh Limited in a ceremony on National VAT Day 2019 for the year 2017-18. This is particularly significant because there are other companies who pay much higher VAT than BPBL but cannot make it to the honor board in comparison to the compliance record of Berger Bangladesh.



BERGER RECEIVES ICMAB BEST CORPORATE AWARD 2018

Berger Paints Bangladesh Limited recently received 'ICMAB Best Corporate Award 2018' 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. Mohammad Ahsun Ullah, GM-T&FA of Berger Paints Bangladesh Limited received 'ICMAB Best Corporate Award' from the Chief Guest M. A. Mannan, Honorable Minister, Ministry of Planning, the Government of the People's Republic of Bangladesh at the award ceremony of 'ICMAB Best Corporate Award 2018'.



BERGER GROUP CONTRIBUTES TO BANGLADESH LABOR WELFARE FOUNDATION

Berger Paints Group has contributed 1 crore 48 lac Taka to Bangladesh Labor Welfare Foundation in the last fiscal year. Sazzad Rahim Chowdhury, Chief Financial Officer of Berger Paints Bangladesh Limited, handed over the cheque to AMM Anisul Awwal, Director General of Bangladesh Labour Welfare Foundation, at Bangladesh Secretariat in Dhaka recently. Berger Paints Bangladesh Limited, Jenson & Nicholson (Bangladesh) Ltd. and Berger Becker Bangladesh Ltd. provided the amount as a share of their profits for workers' welfare.



BERGER PAINTS CONTRIBUTES FOR SPECIAL CHILDREN AND ARRANGES AWARD CEREMONY OF ART COMPETITION AND EXHIBITION



Berger Paints Bangladesh Limited continues to extend its support for the welfare of autistic and specially challenged children every year since 2009. Like every year, financial grants were handed over to multiple welfare organizations at a ceremony held at Gallery Chittrak, Dhanmondi in February 2019. Also, a ceremony was held to award the winners of an art competition for the special children. An exhibition of the participating artworks was also inaugurated on the occasion.



BERGER EXPERIENCE ZONES – ONE STOP SERVICE FOR ALL PAINTING SOLUTIONS



From January 2019, Berger Paints has taken the initiative of establishing Berger Experience Zones. The objective of this initiative is to create one-stop centers where customers can get all painting solutions and experience the wide range of offerings of Berger. Currently, 24 Berger Experience Zones are operating throughout the country. Among these 24 outlets, 16 outlets are owned and operated by Berger Paints directly, these are called "Flagship Points". These include the previous Berger Home Décor services, which have been rebranded as Berger Experience Zone. The rest 8 outlets are franchised to dealers. Consumers can avail Express Painting Service and Berger illusions from all the Experience Zones. Customers can select their choice of shade from more than hundreds of color panels of different brands.

BERGER PAINTS PARTNERS WITH JAPAN'S CHUGOKU FOR MARINE COATINGS

Berger Paints Bangladesh Ltd. (BPBL), the absolute market leader in Bangladesh Paints Industry, and Chugoku Marine Paints, Ltd (CMP) of Japan have entered into an agreement for cooperation and collaboration in the field of marine and related industrial paints in Bangladesh. The agreement envisages joint efforts in producing, marketing and purchasing marine and related industrial paints in Bangladesh. Chugoku Marine Paints, since its establishment in 1917, has uniquely developed marine coatings as a core product and is one of the global leaders in the area. Through this alliance, BPBL aims to establish a strong presence as a leading marine paint manufacturer having international standard paints and application services in Bangladesh. Rupali Chowdhury, Managing Director, Berger Paints Bangladesh Ltd., and Yuichiro Nagakawa, Managing Director, Chugoku Marine Paints (S) PTE Ltd. on behalf of Chugoku Marine Paints, Ltd. signed the agreement on behalf of their respective entities. The agreement signing ceremony was held at the corporate office of Berger Paints Bangladesh Ltd.



BERGER ARRANGES INNOVA DEALERS' NIGHT



Berger Paints has organized INNOVA Dealers' Night 2019 at Dhaka Regency Hotel on October 24, 2019. This program was organized to increase the reach of wood coating products and to launch tinted solid color (PU based 2K system) of wood coatings. Introduction of tinting system concept for wood coating products is the first of its kind in the country. Innova, PU based tinting system provides smooth and durable finishing. It offers a rich range of 50 shades in a cost effective manner.

BERGER CELEBRATES ALPONAY BOISHAKH

Pohela Boishakh is the biggest cultural festival of the country and Berger Paints takes pride to organize the biggest Alpona for the last 6 years at Manik Mia Avenue. In addition to Manik Mia Avenue, Dhaka, Berger Alponay Boishakh 1426 was celebrated in Bogura, Chittagong, Sylhet and Khulna. Sponsorships were also extended at BUET and other universities to celebrate the Bangla New Year.



BERGER WRONG BODLE RONGIN KORI CAMPAIGN

Berger Wrong mhPu rKXj TKr is a campaign which aims to create awareness and to warn the society against wrongdoings through giant wall arts. So far, we have implemented the wall art campaign on 15 buildings; 7 at Dhaka, 5 at Chittagong and 3 at Khulna. Under this campaign, different activities have been planned to imprint a positive belief and motivate for the betterment of society. For example, renovation works have been done at an old home named Apon Nibash located at Moinartek, Uttarkhan. The old home was very shabby and lacked the basic condition for living. Along with repainting the entire building, we also provided them necessary furniture.



BERGER COLOR ON WHEELS

Berger Paints has launched a mobile experience zone – a van activation program titled Color On Wheels. Rupali Chowdhury, Managing Director, Berger Paints, inaugurated the Color on Wheels on August 1, 2019. This van is traveling across the country to provide services and solutions regarding painting. The main objective is to increase awareness among consumers, painters and other stakeholders. This activation will give consumers the opportunity to get a touch & feel experience of painted panels. This is the first time in the paint industry of Bangladesh that this kind of experience was brought to consumers' door step.



REALITY SHOW: BERGER HAPPY HOME

Berger Paints has taken the initiative of sponsoring first-ever home renovation TV reality show in Bangladesh, titled "Berger Happy Home". A press conference was held to kick off the program on October 9, 2019 at Gulshan Club, Dhaka. "Berger Happy Home" is scheduled to be aired from February 14, 2020 on Channel i. The program will be co-hosted by actress and architect Aupee Karim and architect Asif M. Ahsanul Haq. In this show, BERGER aims to highlight common home improvement issues, such as space utilization, furniture arrangement, wall colors appropriate for décor accessories and sufficient ventilation & lighting system through which a household can be transformed into a home filled with love and warmth. Market Access Providers Limited is the organizer of the reality TV show "Berger Happy Home" while Venna Architects and Mree Studio is the design and implementation partner.



24TH BERGER YOUNG PAINTERS' ART COMPETITION

The award giving ceremony of the 24th Berger Young Painters' Art Competition was held on November 14, 2019 at the La Vita Hall of Lakeshore Hotel, Gulshan.

Among 577 artworks from overall Bangladesh the six winners of the 24th Berger Young Painters' Art Competition (BYPAC) 2019 are Nur Munjerin Rimjhim (1st), Rumana Rahman (2nd), Chitram Sen Anik (3rd), Md Ashrafal Alam (4th), Md. Rafiqul Islam (5th) and Ashim Chowdhury (6th).

In the program, Ms. Rupali Chowdhury handed over the crests to the winners and the certificates & prize money were handed over by the members of the Jury Committee.

The ceremony was further brightened by honoring the prominent artist, Professor Abdus Shakoor Shah with Lifetime Achievement Award of BYPAC 2019. An exhibition of the selected 40 paintings of BYPAC 2019, including the 6 winning artworks was held at Zainul Gallery during November 21-26, 2019.



9TH BERGER AWARD FOR EXCELLENCE IN ARCHITECTURE

The award giving ceremony of the 9th Berger Award for Excellence in Architecture (BAEA) was held on November 23, 2019 at Bangabandhu International Conference Center (BICC), Agargaon, Dhaka. Through joint collaboration of Berger Paints Bangladesh Limited and Institute of Architects Bangladesh (IAB), this Award for Excellence in Architecture has created a prestigious national competitive platform where brilliant architectural projects are rewarded.

Mohsin Habib Chowdhury, Sr. GM- Sales & Marketing, Berger Paints, welcomed the guests at the 9th BAEA program and Architect Asif M Ahsanul Haq, Award coordinator of 9th BAEA briefed about the jury session.

Rupali Chowdhury, Managing Director of Berger Paints Bangladesh Limited, thanked the prominent architects for their gracious presence in this program and congratulated the winner of the competition. Architect Jalal Ahmed, President, IAB, highlighted the success stories of this initiative to encourage the talented architects. Architect Khan Md. Mustapha Khalid Palash, Jury Chairman, BAEA also spoke at the program. Architect Jalal Ahmed, President, IAB handed over the crest and Rupali Chowdhury, Managing Director, Berger Paints Bangladesh Limited presented the certificate to the winner. Commendation was given in the Multi Family Residence category to the architect Mohammad Sharif Uddin Ahammed for the project – The Carnation, Dhaka.



ARCHKU - BERGER AWARD PROGRAM 2019 HELD IN KHULNA UNIVERSITY

Berger Paints Bangladesh Limited, in collaboration with the department of Architecture, Khulna University organized ARCHKU-Berger Award Program 2019 on January 20, 2019. The program was held at Mukto Moncho, Khulna University. The awardees were selected from the academic years 2013-2014, 2014-2015, 2015-2016 and 2016-2017. The joint initiative of Berger Paints and Khulna University has created a prestigious competitive platform where the unique and brilliant performance of the Architecture students were highlighted and rewarded.

Professor Sadhan Ranjan Ghosh, Treasurer, Khulna University was the Chief Guest and Ms. Rupali Chowdhury, Managing Director, Berger Paints was the special guest of the program. The winners received crests certificates and prize money as the recognition of their outstanding performance. An extension of existing MOU for next 5 years (till 2023) was signed in presence of high officials of KU and BPBL.



BERGER AWARDS GPA-5 ACHIEVER CHILDREN OF CLUB DEALERS AND PAINTERS

A program was organized to award the meritorious children of dealers of 'Berger Club Supreme' and painters of 'Berger Shomporko Club', who have achieved G.P.A. 5 in S.S.C. and H.S.C. examinations in 2019. The event was organized at Head Office of Berger Paints Bangladesh Limited at Uttara, Dhaka on October 6, 2019.

On behalf of Berger Paints, Rupali Chowdhury, Managing Director, Mohsin Habib Chowdhury , Senior General Manager-Sales and Marketing, AKM Sadeque Nawaj, General Manager-Marketing, and Azizul Hoque, General Manager-Sales Trade, handed over the cheques, certificates and crests to the successful students in presence of their proud parents.



BERGER PARTICIPATES IN ARCHASIA

Berger Paints participated in one of the biggest events organized by IAB. Around 1700 local and foreign architects participated in this event. Berger Paints was the proud Platinum Plus Sponsor of ARCHASIA 2019. It was a great platform to showcase new initiatives of Berger to the architects. The exhibition took place during November 3-5, 2019 and the entire seminar and lectures were digitally telecasted at 10 universities.



BERGER ACHIEVES BEST BRAND AWARD

It is our immense pleasure to inform you all that Berger Paints Bangladesh Limited has been awarded the "Best Paint Brand" in Paint category for the 9th time consecutively. The award program, organized by Bangladesh Brand Forum (BBF) in collaboration with Nielsen Bangladesh Ltd, has recognized the best brands across 33 categories. The award is based on the findings through a nation-wide survey based on MDS framework, which stands for - Meaningful, Different and Salient. The verdict represents entire nation in terms of age, gender, education, occupation, socio-economic class and income.



BERGER LAUNCHES NEW PRODUCTS



WeatherCoat Antidirt Supreme

WeatherCoat Antidirt Supreme is a new addition under ANTIDIRT product range of Berger Paints. It is an elastomeric exterior wall coating, which is a thick, flexible coating to help protect and maintain the appearance of exterior masonry walls. It has been designed to bridge existing and future cracks in masonry by stretching and withstand the changes in climatic conditions and weather. It has special polymeric fiber and its special nano additive technology offers a better, shinier look with excellent weatherproofing against UV rays, water penetration & presence of acidic gases in the atmosphere. Use of Antidirt Supreme is an excellent way to help prevent wind driven rain, dampness, fungi and algae conditions from damaging a building's appearance, structural integrity and longevity. The product is offered with 10 years durability warranty and 5 years waterproofing warranty.

WeatherCoat Touch Putty

WeatherCoat Touch Putty is a specially designed acrylic based readymade putty for exterior application. Its special water resistance property makes it readily applicable for the touch up job on exterior surface. Superior binding strength ensures its unique application on both old emulsion based and cement plaster wall.



WeatherCoat Bio-Wash

WeatherCoat Bio Wash is a unique solution having wide spectrum of biocidal efficacy that provides strong protection of painted wall prone to continuous damp & moisture. Optimal and effective combination of biocides makes it excellent tonic against algae, fungal, molds & lichen growth.

Berger Xpress Sealer

Berger Xpress Sealer is a new introduction to sealer product range of Berger. It is specially designed with methacrylic ester polymers, having excellent alkali resistance properties to stop migration of ions to the top coat. Its unique alkali-cation absorption technology makes Xpress Sealer the professional choice due to faster application feasibility even in highly alkaline conditions. It enables faster project completion and can be applied on freshly prepared concrete & masonry surface within 3 to 7 days.



Berger Paints Bangladesh Limited
Registered Office: House # 8, Road # 2, Sector # 3, Uttara Model Town, Dhaka-1230
Phone: 02-48953665 (Hunting), Fax: 880-2-48951350
E-mail: info@bergerbd.com, Website: www.bergerbd.com

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 47th Annual General Meeting of the Company to be held on Tuesday, July 28, 2020 at 10.00 a.m. using digital platform (in pursuance with BSEC Order SEC/SRMRC/04-231/25 dated 08 July 2020) and at any adjournment thereof.
As witness my hand this day of 2020.

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

Paint Your Imagination



BERGER
Trusted Worldwide

BERGER PAINTS BANGLADESH LTD.

Berger House, House # 8, Road # 2, Sector # 3, Uttara Model Town, Dhaka-1230

Phone : 02-8953665, Fax : 02-8951350,

Email : info@bergerbd.com, coatingsolution@bergerbd.com,

Website : www.bergerbd.com