



# ANNUAL REPORT 2021-22



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The theme for this annual report is about colors and hues which is the mainstay of Berger Paints and that the colours are inspired by the floral hues which is a natural inspiration. It also looks at the serenity and simplicity of nature which inspires all the colors of the world. Connecting that natural link to the various attributes of Berger and its yearly progress.



# 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 foundation.  
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

- |                    |  |
|--------------------|--|
| <b>Respect:</b>    | Show an attitude of courtesy, admiration or esteem   |
| <b>Integrity:</b>  | 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 |
| <b>Commitment:</b> | Be sincere and steadfast to protect Berger's interest and achieve goals  |
| <b>Excellence:</b> | Never be satisfied with simply meeting expectations; always try to exceed them significantly   |



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# THE COMPANY

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

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

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

Berger has invested more in technology and Research & Development (R&D) than any other manufacturer in this market. It sources raw materials from some of the best known names in the world: ExxonMobil, DuPont, BASF, BYK, Cristal and Shell to name a few. The superior quality of Berger's products has been possible because of its advanced plants and strict quality controls equal to the best international standards. Investment in technology and plant capacity is even more evident from the establishment of Powder Coating and Emulsion plants at the Dhaka factory. The state-of-the-art Dhaka factory is an addition to Berger's capacity, making it the paint giant in Bangladesh.

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

The product range includes all types of Decorative Paints, specialized outdoor paints to protect against adverse weather conditions, Color Bank, Superior Marine Paints, Textured Coatings, Heat Resistant Paints, Roofing Compounds, Epoxies and Powder Coatings. In each of these product categories, Berger has been the pioneer. Berger also provides customer support; connecting consumers to technology through specialized 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 (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, 7502538, 7501049, 7501069  
E-mail: dhksouth@bergerbd.com

### Dhaka Sales Office (North Region)

Doyel Centre (4<sup>th</sup> Floor) 15 Sonargaon Janapath Road, Sector-13  
Uttara, Dhaka-1230, Phone: 01321133549

### Chattogram Sales Office

43/3, Chatteswari Road, GPO Box No. 353, Chattogram-4000  
Phone: +88-031-615893-4, 622782, 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, 62999, 62567  
E-mail: bogradepot@bergerbd.com

### Brahmanbaria Sales Office

Harez Kazi Bari, Ghatura-1, Brahmanbaria Sadar  
Brahmanbaria-3400, Phone: +88-0851-61332, 0851-62686

### Cumilla Sales Office

214, Ashrafpur, EPZ Road, Cumilla-3500  
Phone: +88-081-63403, 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: 01844147450

### Khulna Sales Office

17, old Jessore Ropad, Boyra, (opposite of Port School) Khulna-9000,  
Phone: 041-722262

### Mymensingh Sales Office

291/2/2, Mashkanda BSCIC, Mymensingh  
Phone: 091-51754, 0193887561  
E-mail: mymensinghdepot@bergerbd.com

### Rajshahi Sales Office

Holding 1448, Ward 03, Colony- Jomshadipur, Motihar, Katakhal, Rajshahi  
Phone: 0721-773512, E-mail: rajshahidepot@bergerbd.com

### Rangpur Sales Office

House-120, Road-1, New Adarshapara Ershad More, Rangpur  
Phone: 01711297836

### Sylhet Sales Office

70, Antarango, Shahi Eidgah (Supply Road), Kazitulla, Sylhet-3100  
Phone: 0821-711399, 283123, E-mail: sylhetdepot@bergerbd.com

### Berger Experience Zone (Dhanmondi)

"BTI Lake Palisade", Plot-23, Road-27(Old), 3rd Floor, Dhanmondi-1209  
Phone: 01971453666; E-mail: bez@bergerbd.com

### Berger Experience Zone (Gulshan)

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

### Berger Experience Zone (Uttara)

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

### Berger Experience Zone (Narayanganj)

Zobeda Monzil (Beside Rupayan Tower), 3/1 new Chashara, Jamtola,  
Narayanganj-1400, Phone: 01938887546

### Berger Experience Zone (Cox's Bazar)

Corenthian House, Holding No. 089, Kolatoli Road, Cox's Bazar,  
Contact : 01844147415

### Berger Experience Zone (Rajshahi)

Holding#138, Reshom Potti, Boalia, Rajshahi  
Phone: 01844147459

### Berger Experience Zone (Bogra)

Holding No# 176/2(1st floor), Kali Mondir Road, Jaleshwaritola  
Ward No#7, Bogura-5200  
Phone: 01938887505

### Berger Experience Zone (Sylhet)

"Al-Famsa Shopping Center", Holding# 1663-01, Ward-17  
Noyasarak Sylhet Sadar, Sylhet  
Phone: 01938887735

## 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: bbbld@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. Gurbachan Singh Dhingra  
Mr. Anil Bhalla  
Mr. Jean-Claude Loutreuil  
Ms. Rishma Kaur  
Mr. Sunil Sharma  
Mr. Kanwardip Singh Dhingra  
Mr. Abhijit Roy  
Mr. Sazzad Rahim Chowdhury  
Mr. Masud Khan  
Ms. Parveen Mahmud  
Mr. Reazul Haque Chowdhury  
Mr. Mohsin Uddin Ahmed

### Executive management team

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

Non-Executive Chairman  
Managing Director  
Non-Executive Director  
Non-Executive Director  
Non-Executive Director  
Non-Executive Director  
Non-Executive Director  
Non-Executive Director  
Non-Executive Director  
Director & Chief Financial Officer  
Non-Executive Independent Director  
Non-Executive Independent Director  
Non-Executive Independent Director  
Non-Executive Independent Director

Managing Director  
Chief Financial Officer & Director  
Sr General Manager Sales & Marketing  
CEO JNBL  
General Manager HR & Admin  
General Manager R&D  
General Manager Supply Chain  
General Manager Sales  
General Manager IT  
General Manager Works – Dhaka Factory  
General Manager Works – Chittagong Factory  
General Manager FPM & CFO Berger JVs  
General Manager Treasury & Financial Accounting  
General Manager HR Services  
HR BP Sales & Manufacturing  
Head Financial Planning & Monitoring  
Head Admin & Employee Relations – Chittagong Factory  
Sr Solution Architect  
Head Engineering – Chittagong Factory  
National Sales Manager, Non-decorative  
Head ERP Administration  
Divisional Sales Manager  
Divisional Sales Manager  
Head QA & Process Development – Dhaka Factory  
Head Financial Accounting  
Divisional Sales Manager  
Head Production - CF  
Head Production - DF  
Head Emulsion, Adhesive & Textile -Dhaka Factory  
Head VAT  
Company Secretary  
Head Treasury Management  
Head Projects Prolinks Experience Zone  
Divisional Sales Manager  
Head Organization Development  
Head Demand Supply Planning & CSD  
Head IT Infrastructure, Governance & Security  
Head Special Coating & Chemicals  
Head Legal Affairs  
Head Channel Engagement  
Head Supply Planning & Purchase  
Head BPRC  
Head Compensation & HR Operations



# BIOGRAPHY OF THE DIRECTORS



**Mr. Gerald K. Adams**

Chairman since 2004

Mr. Jerry Adams is a professional company director. His directorships include: Chairman, Berger Paints Bangladesh Ltd.; Chairman, Bolix SA [a building materials company in Poland]; Chairman, Jenson & Nicholson (Bangladesh) Limited; 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 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 served as the President of Foreign Investors' Chamber of Commerce & Industries (FICCI) for three terms. She is a Member of the Advisory Board of UNICEF Bangladesh and former President of Bangladesh Paints Manufacturers Association and Director of Bangladesh Business & Disability Network (BBDN). She is Independent Director of Linde Bangladesh Limited and Bata Shoe Company (Bangladesh) Limited.



**Mr. Kuldip Singh Dhingra**

Director since 2018

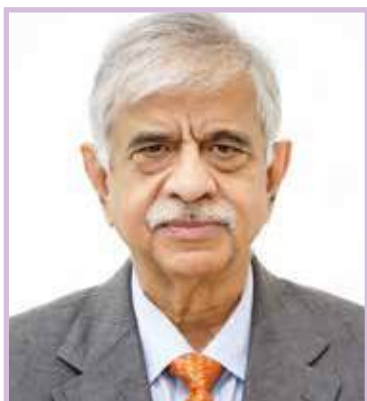
Mr. Kuldip Singh Dhingra is a Science Graduate from Delhi University and a distinguished alumnus awardee of his alma mater. He is the fourth generation of his family which has been in Paints business since 1898 and has personally over fifty years of experience in paints and related industries. He is 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. Gurbachan Singh Dhingra**  
Director since 2021

Mr. Gurbachan Singh Dhingra was born in 1950. He graduated from the Punjab University, India. He is the Vice-Chairman of the Board of Directors of Berger Paints India Ltd. He is the fourth generation of his family which has been continuously in the paint business since 1898. He is an industrialist and has more than five decades of experience in the paint and allied industry, especially in manufacturing and technical aspects. He has practical experience in building and commissioning of many Paint and Resin Plants. Mr. Dhingra is the recipient of the EY Entrepreneur of the Year Award 2019.



**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 five 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 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 Anguery, France. He was Managing Director in Janssen Pharmaceutica (Flubonol), 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 also is a member of the BPRC, Audit committee and chairperson of the prevention of women harassment at the workplace committee of Berger Paints India Limited. She sits on the board of the various JV's and subsidiaries located in various countries related to Berger Paints India Limited. 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 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 a member of National Committee, Confederation of Indian Industry (CII) and was the Chairman of Confederation of Indian Industry (Eastern Region). He is a Management Committee member of the Bengal Chamber of Commerce and Industry and Ex-President of Indian Paint Association.



**Mr. Sunil Sharma**  
Director since June 2020

Mr. Sunil Sharma was born in 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 46years in the Paint Industry, starting with Goodlass Nerolac Paints and the last 30 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**  
Director & Chief Financial Officer since August 2020

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. He is the Director and Chief Financial Officer of Berger Paints Bangladesh Limited since 2020. 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 also Director of Jenson & Nicholson (Bangladesh) Limited, Berger Becker Bangladesh Limited and Berger Fosroc Limited. He is also member of Tariff, Taxation and Regulatory Affairs Committee of The Foreign Investors' Chamber of Commerce & Industry.



**Mr. Masud Khan**  
Independent Director since 2017

Mr. Masud Khan is the Chairman of 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 Singer Bangladesh Ltd., Community Bank Ltd. and Viyellatex Ltd. He is the Chairman of the Audit Committee and Nomination & Remuneration Committee of Berger Paints Bangladesh Limited.



**Ms. Parveen Mahmud**  
Independent Director since 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 Shahitoyo 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 Marico Bangladesh Limited and 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. Reazul Haque Chowdhury**  
Independent Director since March 2022

Mr. Reazul Haque Chowdhury is the Managing Director & Chief Executive Officer of Runner Automobiles Limited. He is a business leader with wide experience in General Management, Sales, Brand Marketing, Trade Marketing and Shopper Marketing in leading multinational companies in Bangladesh, Sri Lanka, Thailand, Philippines and Indo-China. He has a proven track record of business turnaround across geographies in South Asia and South East Asia. He started his career in British American Tobacco and worked for 10 years in different roles in Sales and Marketing functions. He had a very successful stint of 6 years in Unilever Bangladesh Limited as Customer Management Director from 2002 to 2008. He has worked in Reckitt Benckiser as Managing Director from 2008 to 2016 in Sri Lanka, Bangladesh and Thailand Cluster. Mr. Chowdhury also served as General Manager, South Asia (Bangladesh, India and Pakistan) in Avery Dennison RBIS. He completed his Bachelor and Masters in Marketing from University of Dhaka and Advance Management Program from INSEAD, France. He is also Non-executive Director of Evercare Hospitals Group and Independent Director of Unilever Consumer Care Limited and Singer Bangladesh Limited. He is a member of Audit Committee of Berger Paints Bangladesh Ltd.



**Mr. Mohsin Uddin Ahmed**  
Independent Director since March 2022

Mr. Mohsin Uddin Ahmed is the Chief Executive Officer of New Zealand Dairy Bangladesh Limited. He was Managing Director & CEO of Linde Bangladesh Limited from 2016 to 2020. Earlier, he served Emami Group as President (SAARC Cluster). He started his career with British American Tobacco Bangladesh and served as Sales Director of Nestle Maghreb Region (Morocco, Algeria & Tunisia) and Unilever as Customer Development Director. He was Executive Committee member of Foreign Investors' Chamber of Commerce & Industries (FICCI) and Vice President of Bangladesh-German Chamber of Commerce & Industries (BGCCI). He holds a Master's degree in Applied Physics & Electronics from the University of Dhaka. He is an Independent Director of Unilever Consumer Care Limited. He is a member of Audit Committee of Berger Paints Bangladesh Ltd.



**Mr. Khandker Abu Jafar Sadique**  
Company Secretary since 2015

Mr. Khandker Abu Jafar Sadique is a Fellow 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 fifteen 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. He is a member of Corporate Laws Review Sub-Committee of the Institute of Chartered Secretaries of Bangladesh.



**Mr. Sheikh Aminur Islam**  
Head - Business Process, Risk and Compliance since 2021

Mr. Sheikh Aminur Islam is the Head of Internal Audit and Compliance (HIAC) designated as Head - Business Process, Risk & Compliance (BPRC) at Berger Paints Bangladesh Limited. He is an Associate Chartered Accountant (ACA) and also has certification on Income Tax Practitioner. In addition, he is a Lead Auditor of the Quality Management System (ISO 9001:2015). He holds MBA and BBA from the University of Dhaka. He has more than 12 years of extensive professional experience in manufacturing company, Agro-based company and audit firm. He joined Berger in November 2013 and was gradually elevated to the present position. Before joining Berger, he served Getco Agri Technologies Limited and Hoda Vasi & Chowdhury Chartered Accountants in different capacities. His areas of expertise include risk-based internal audit, statutory audit, special audit, investigation, develop SOPs and operational guidelines, develop audit programs, financial accounting, financial control, receivables management, payables management, inventory management and ISO and OHSAS management.



# NOTICE



## Berger Paints Bangladesh Limited

Berger House, House # 8, Road # 2, Sector # 3, Uttara Model Town, Dhaka-1230  
Phone: 02-48953665 (Hunting), Fax: 880-2-48951350  
E-mail: [info@bergerbd.com](mailto:info@bergerbd.com), Website: [www.bergerbd.com](http://www.bergerbd.com)

### Notice The 49<sup>th</sup> Annual General Meeting

Notice is hereby given to all Members of Berger Paints Bangladesh Limited that the **49<sup>th</sup> Annual General Meeting** of the Members of the Company will be held on **Wednesday, August 24, 2022 at 10.00 a.m.** using digital platform to transact the following businesses:

#### AGENDA

1. To receive, consider and adopt the Directors' and Auditors' Report and the Audited Financial Statements of the Company for the year ended 31 March 2022.
2. To declare Dividend for the year ended 31 March 2022.
3. To elect /re-elect Directors as per Company's Articles of Association.
4. To approve the appointment of Independent Directors.
5. To appoint Statutory Auditors and to fix their remuneration.
6. To appoint Corporate Governance Compliance Auditors and to fix their remuneration.

By order of the Board of Directors

Khandker Abu Jafar Sadique, FCS  
Company Secretary

2 August 2022

#### NOTES:

- Members whose names appeared in the Members'/Depository Register on Record Date i.e. 26 June 2022 will be eligible to join/participate and vote in the Annual General Meeting through Digital Platform and to receive the dividend.
- A Member entitled to join/participate and vote in the Annual General Meeting may appoint a proxy in his stead. A scanned copy of the duly stamped proxy form must be sent to the email "[jafar@bergerbd.com](mailto:jafar@bergerbd.com)" not later than 48 hours before the meeting.
- Pursuant to the BSEC Notification No. BSEC/CMRRCD/2006-158/208/Admin/81 dated June 20, 2018, soft copy (PDF format) of the Annual Report 2021-2022 will be sent to the Members' respective email addresses as available with us. The Annual Report 2021-2022 will also be available on the Company's website at [www.bergerbd.com](http://www.bergerbd.com).
- The link for joining the Digital Platform (audio-visual meeting) is <https://berger.bdvirtualagm.com> which will also be sent to the respective Members' email addresses and SMS to their mobile number as available with us in due course of time. The Members need to put their 16-digit Beneficial Owner (BO) ID number as proof of their identity for log-in to the system.
- This link <https://berger.bdvirtualagm.com> will be opened 24 hours before the commencement of the AGM for questions/ comments and vote electronically by the members.



# DIRECTORS' REPORT

The Directors are pleased to present their 49th report of the Company along with the Audited Financial Statements and Auditors' Report for the year ended March 31, 2022. The Directors' report highlights the key business activities that drove the performance of the Company during the year, and presents the necessary disclosures in relation to good corporate governance.

## Industry outlook and possible future developments in the industry

The economy of Bangladesh has performed well in its path to recovery from impact of pandemic. Through rapid and systematic vaccination program launched throughout the country, Bangladesh is gradually recovering from the setback posed by COVID pandemic in the last two years. Bangladesh has an impressive track record for growth and development, aspiring to be a middle-income country. Bangladesh Bureau of Statistics has projected 7.2% GDP growth for 2021-22. With the inauguration of landmark mega projects like Padma Bridge in June 2022, the economic activities will enhance in 2022-23. The global economic situation has become unstable and difficult due to the Russia-Ukraine war, which is also affecting Bangladesh. As long as these external vulnerabilities persist, these will pose tough challenges to Bangladesh in achieving the desired GDP growth.

As we indicated last year, various industries including Paint Industry faced severe challenges in 2021-22 due to supply chain disruption, import price hike in international market and uncertainty of availability of containers. Despite these challenges, the Paint Industry has achieved double digit growth compared to a lower base of 2020-21 which was impacted by nation-wide lockdowns due to COVID pandemic. Painting jobs of many projects and households, which were postponed during the pandemic, were implemented in 2021-22. Paint Industry has become more competitive as the new entrants are very aggressive in expanding distribution reach and grabbing market share. The top paint companies are focused on diversified product offerings and introduction of premium products with enhanced features, technology driven solutions for various industries and high protective coatings.

## Revenue and profitability

The Company achieved 31.80% revenue growth and around 19% volume growth in the year ended March 31, 2022. The company gained market share in 2021-2022. We applaud the whole-hearted efforts of the employees of the company for such an achievement. We are also thankful to all stakeholders for supporting this remarkable achievement of the company.

At the backdrop of 31.80% revenue growth, the company achieved 10.07% growth in income before tax. Income before tax was 17.40% of net sales in 2021-22 compared to 20.83% of last year. During the period, cost of sales increased from 60.21% to 65.59% of net sales. In order to curb the inflationary pressure, the company took three price increases during the year under review. In addition, the Company made all-out efforts to optimize cost as well, to remain competitive in the market. However, some activities related to selling and distribution, administrative and other expenses which were deferred due to Covid 19 outbreak in 2020-2021 were incurred in 2021-2022 to run normal business. All these actions have resulted in growth of profit before tax by 10.07% over last 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 2021-22 to fulfil the diversified customer needs and explore new frontiers.

Berger Luxury Silk has been relaunched as a hygienic coating with anti-bacterial property. Eminent model and actress Jaya Ahsan is the brand ambassador of Berger Luxury Silk and she endorsed the brand in different campaigns and engagement sessions.

Berger has successfully launched the first ever artists' acrylic paint made in Bangladesh, Berger Artista. Berger Artista has been launched as an affordable substitute to imported artists' paint to inspire creativity and to support the young talented artists of our country.

Recently Berger has launched WeatherCoat Glow, a specially formulated flexible shiny finish for exterior walls. Due to its unique shiny appearances, it gives exterior walls a vibrant look with extra water repellency and resistance properties against fungi, algae, and dampness. This coating maintains a high degree of elasticity over time, which allows the paint film to be free from hairline cracks due to concrete shrinkage.

Berger has relaunched Berger Flexible Roofing Compound, an excellent coating for roofs which seals and stops penetration of moisture from exterior surface and keeps the roof protected. Specially formulated acrylic based dry film & Recron modified polyester hollow fibers can stretch to an extent to provide a crack free surface to stop water penetration into the roof and helps keep roof cool during summer.

Mr. Expert Salt Safe has been launched in an attractive new pack. It is a special type of sealer, which is required especially for coastal areas. It is the perfect anti-dote to salt efflorescence i.e. salinity.

Berger has also launched Mr. Expert Damp Guard, which is a high-performance protective & functional water based coating termed as one-stop solution for interior, exterior & roof surfaces prone to algae, fungal growth, hairline crack and persistent dampness.

Berger has launched several vehicle refinish products under AutoPrime brand, which includes primer, putty, clear coat, NC Thinner and topcoat and hardener products. The products are positioned as cost effective solutions to both B2B and dealer market.

New products have been introduced in the textile chemicals portfolio – TexBond White Paste and TexBond PD NG. New protective topcoats and undercoats have been introduced under CMP marine coatings portfolio.

Berger has launched Wood Coating Application Service on pilot basis in Dhaka and Chittagong. Under the wood coating service, customers can avail one stop solution for all wood coating services, proper product specification, highly skilled & trained applicator team, complete supervision by Berger through Experience Zone. Berger offers different products for the service, Innova Wood Coatings, Innova Solid Color, Wood Keeper and BreatheEasy Enamel. The service is expected to expand gradually across the country.

Recently, Berger Value Club has been launched for esteemed customers who use Berger's painting services for their homes. Using this app, customers



can easily inquire about their painting requirements, thus driving lead generation automatically. Customers can earn points for completing painting service through Berger and use these points to avail discounts or benefits with different product/service providing partners.

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, 2022 and recommend the following:

In Thousands Taka	For the year ended 31 March	
	2022	2021
Net Sales	21,971,036	16,669,802
Cost of Sales	(14,410,290)	(10,037,440)
Gross Profit	7,560,746	6,632,362
Income Before Tax	3,822,014	3,472,362
Current Tax Expenses	(1,046,599)	(964,614)
Deferred Tax (Expenses)/Income	677	41,040
Net Profit After Tax	2,776,092	2,548,788
Add: Other comprehensive income/(expense), net of tax	(4,046)	1,969
Add: Retained Earning brought forward from previous year	7,687,817	6,876,231
Amount Available for Distribution	10,459,863	9,426,987
Interim Dividend	(1,391,334)	-
Final Dividend	(463,779)	(1,739,171)
Transfer to un-appropriated profit	8,604,750	7,687,817
Basic Earnings Per Share – EPS (Taka)	59.86	54.96
Net Operating Cash Flow Per Share - NOCFPS (Taka)	58.46	71.64
Net Asset Value Per Share – NAVPS (Taka)	205.54	213.26
Gross Profit Margin (%)	34.41	39.79
Net Profit After Tax Margin (%)	12.64	15.29

Net Asset Value per Share declined compared to previous year due to distribution of cash dividend and Net Operating Cash Flow per Share declined due to payment to suppliers for building up inventories. The inventory build-up was strategic to ensure uninterrupted product supplies and to cater budget sales for the year 2022-23.

There is no significant variance between quarterly and annual financial performance of the company.

Dividend

The Company has invested a substantial amount for expansion of capacity as well as diversification of products and businesses. In the 188th meeting of the Board of Directors held on January 27, 2022, 300% interim cash dividend i.e. Tk. 30 for every Ordinary Share of Tk. 10 was distributed for the year 2021-22. However, the Directors are pleased to recommend 100% final cash dividend i.e. Tk.10 for every Ordinary Share of Tk. 10 held on Record Date for the year 2021-2022. The total dividend for the year 2021-22 is 400% i.e. Tk. 40 for every Ordinary Share of Tk. 10.

The Dividend Distribution Policy of the company is approved by the Board of Directors and available in the company's website for the information of the shareholders and other interested parties. As per requirement of Bangladesh Securities and Exchange Commission, the Dividend Distribution Policy is enclosed with the Annual Report.

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. The26th Berger Young Painters' Art Competition (BYPAC) was organized to encourage young artistic talents. Awards were given to students of Faculty of Fine Arts, University of Dhaka. Eight students who have achieved highest CGPA in the B.F.A. Honors program were the recipients of the awards, among them one student was awarded "Berger Student of the Year" based on creative work of Art. Berger Paints has recently signed an MoU with Institute of Architects Bangladesh (IAB) to renew the program of Berger Award for Excellence in Architecture (BAEA) to inspire young architects.

Berger has been providing insurance coverage to Club Supreme dealers that has helped them and their families substantially. During this pandemic, Berger has lost several business partners, and life insurance coverages became a huge support for the dealers' families. Berger Paints has provided scholarships to the meritorious children of dealers and painters under the initiative of Club Supreme & Somporko Club.

Berger has provided more than 110,000 masks to our stakeholders (employee, dealers, end customers, painters etc.) till now. The company donated 15 Oxygen cylinders to Songjog – a welfare organization in August 2021. Songjog is providing emergency oxygen support for covid-19 infected people, which the contribution from Berger, the organization has strengthened its support for the patients.

The company has distributed blankets and winter clothes among the poor people at different corners of the country.

Contribution to national exchequer

During the period, the Company has contributed Tk. 6,368,184 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

Berger Paints Bangladesh Limited has been awarded as the "The Most Loved Brand" in the Paint Category by Bangladesh Brand Forum for the 11th time consecutively.

Berger Paints has been awarded as "The most compliant VAT Payer" for the fiscal year 2020-2021 by National Board of Revenue, Large Taxpayer Unit.

The Institute of Cost and Management Accountants of Bangladesh (ICMAB), the national body of the professional Cost and Management Accountants of Bangladesh, once again conferred Berger Paints with "ICMAB Best Corporate Award" for 2020 under Multinational Manufacturing category. The award was given on the basis of the company's performance, contribution to national exchequer, HR management, corporate governance, shareholders' return, investment growth and CSR activities.

Economic Times recognized Berger Paints as one of the ET Best Brands of 2021 Bangladesh Edition. The recognition was based on a research, looking at different elements like brand recall value, the likeliness of consumers or end-users choosing a particular brand, brand uniqueness, innovation, and trustworthiness.

### Election of directors

- a. In the meeting of the Board of Directors of the Company held on October 28, 2021 Mr. Gurbachan Singh Dhingra, nominee of J&N Investments (Asia) Limited, was appointed as an additional director in pursuance of the power conferred upon the Board by Article 111 of the Articles of Association of the Company. The Nomination & Remuneration Committee has reviewed and recommended this appointment. As required by section 91(1)(b) of the Companies Act 1994 Mr. Gurbachan Singh Dhingra is proposed as a candidate for election as a Director. As required by section 93 of the Companies Act 1994 Mr. Dhingra has given consent to act as a Director of the Company. Mr. Gurbachan Singh Dhingra, being the nominee of J&N Investments (Asia) Limited, which is holding 95% shares in the Company, may be elected as Director.
- b. On January 27, 2022 the Board of Directors reappointed Ms. Parveen Mahmud as Independent Director for the second term of three years. The Nomination & Remuneration Committee has reviewed and recommended this appointment. The reappointment of Ms. Parveen Mahmud is placed before the members of the company for approval.
- c. On April 3, 2022 the Board of Directors appointed Mr. Reazul Haque Chowdhury and Mr. Mohsin Ahmed as Independent Directors of the Company for three years. The Nomination & Remuneration Committee has reviewed and recommended these appointments. The appointment of Mr. Reazul Haque Chowdhury and Mr. Mohsin Ahmed as Independent Directors is placed before the members of the company for approval.
- d. The directors retiring by rotation under Article 121 and 122 are Mr. Kuldip Singh Dhingra, Mr. Abhijit Roy and Mr. Sunil Sharma who, being eligible, offered themselves for re-election.

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

### Appointment of auditors

- a. As per the Companies Act 1994, the auditors of the Company, Hoda Vasi Chowdhury & Co, Chartered Accountants, shall retire at this Annual General Meeting. This was their first year of audit and as per BSEC Order No. SEC/CMRRCD/2009-193/104/Admin dated 27 July 2011, they are eligible for reappointment for two more terms. Hoda Vasi Chowdhury & Co, Chartered Accountants, has offered willingness to be re-appointed as auditors of the company. As per recommendation of the Audit Committee, the Board of Directors recommends their re-appointment at the fee of Taka 1,140 thousand plus applicable VAT for the year 2022-23 and continuation till the next Annual General Meeting.
- b. Messrs. MABS & J Partners has conducted the audit of corporate governance compliance report and issued certificate for the year ended 31 March 2022. Being eligible, they have expressed their interest for reappointment to conduct the audit for the year ended 31 March 2023. 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 at a fee of Taka 75 thousand plus applicable VAT for 2022-23.

### 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

The company credits human resources for its long term success. During the recent COVID-19 pandemic, a number of steps were taken to ensure the wellbeing of the employees. Distribution of Personal Protective Equipment and hand sanitizers, establishment of wash stations, redesign workplace to reduce personal contact, appointment of Health Consultant (male and female) with 24x7 availability, virtual session on mental health/stress management, keeping resources (Oxygen concentrator, Oximeter) for emergency support, thermal screen at entrance and disinfection at workplace and vehicles are some of these steps taken by the company.

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. During the pandemic and lockdown, the company continued to train the human resources using digital platform. During the most challenging and uncertain period in the early stage of pandemic, the company did not retrench any human resource; rather it continued to disburse all benefits due to the employees and other stakeholders in a timely manner.

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, suppliers, service providers and finally the shareholders for their immense support and contribution towards the success of the Company.

On behalf of the Board,



**Gerald K. Adams**

Chairman

May 30, 2022

## Management Discussion and Analysis

### Global and national economy

According to United Nations World Economic Situation and Prospects, the world economy expanded by 5.5% in 2021. The global output is projected to grow by only 4% in 2022 and 3.5% in 2023. Bangladesh has been able to maintain 6.5% - 7% growth for a decade. According to Bangladesh Bureau of Statistics, 6.94% GDP growth was achieved in 2020-21, and 7.2% is the projected GDP growth for 2021-22. On the eve of declaration of National Budget, the government has set 7.5% growth target for 2022-23 fiscal, which is quite challenging. The World Bank has projected 6.4% growth for 2021-22 and 6.7% growth for 2022-23.

The global economy is facing unprecedented challenge in due to crisis in Ukraine. This has put pressure on global supply chain of food, energy and key raw materials. Most of the currencies have lost values against US dollar. Bangladesh being an import-dependent country, Bangladeshi Taka has also experienced devaluation and inflation has made a big impact on consumer purchasing power. Observing a decline in remittance, the government has rapidly responded to address the crisis by encouraging more foreign remittance from the wage earners and discouraging import of luxury goods. We expect that with these steps the country will be able to address the difficult situation.

### 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.

Since 2019, Berger Paints has been 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, 33 Berger Experience Zones are operating throughout the country.

Berger Paints Bangladesh Ltd. 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. Berger is the first Bangladeshi company to manufacture such world-class marine paint products in the country. Berger has gradually diversified to sustain its growth in almost all the product segments.

Jenson & Nicholson (Bangladesh) Limited is gradually expanding its product portfolio outside paints industry. The company is now supplying food-grade and non-food-grade metal containers for leading manufacturers in Bangladesh.

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. Berger Becker Bangladesh Limited is manufacturing coil coatings in their own building. Berger Fosroc Limited has started to produce construction chemicals in their own factory in March 2022. Both the joint ventures have been able to achieve business growth in the recent years, and are expected to experience good growth in future.



The company's performance in 2021-22

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

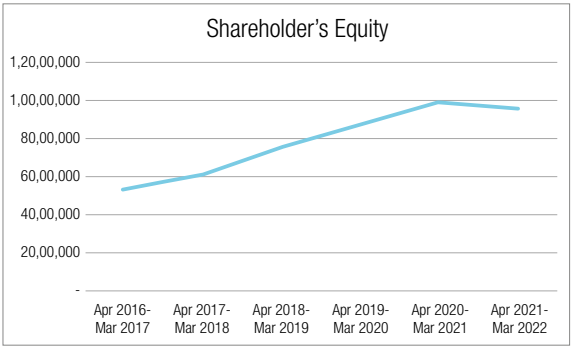
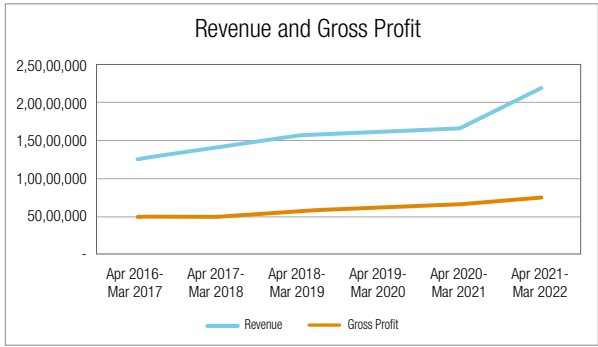
There was no change in accounting policies and estimation during the period. The financial statements have been prepared on a historical cost basis. As per listing regulations of Dhaka and Chittagong Stock Exchange, the accounting standards adopted by the Institute of Chartered Accountants of Bangladesh are mandatory for all listed companies.

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

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:

Taka in '000						
Particulars	Apr 2016 - Mar 2017	Apr 2017- Mar 2018	Apr 2018- Mar 2019	Apr 2019- Mar 2020	Apr 2020- Mar 2021	Apr 2021- Mar 2022
Revenue	12,469,613	14,176,256	15,629,479	16,219,044	16,669,802	21,971,036
Gross Profit	4,953,192	5,046,900	5,722,137	6,240,646	6,632,362	7,560,746
Income Before Tax	2,454,008	2,253,564	2,649,490	3,092,467	3,472,362	3,822,041
Net profit for the year	1,776,673	1,669,930	1,957,827	2,292,448	2,548,788	2,776,092
Shareholders Equity	5,366,735	6,080,657	7,575,155	8,708,157	9,890,766	9,532,307
Total Assets	8,437,826	8,980,428	10,761,587	12,929,511	15,300,038	15,718,593
Total Current Assets	5,087,352	5,462,783	6,583,908	7,721,912	9,468,201	9,235,683
Total Current Liabilities	2,573,140	2,662,782	2,944,023	3,483,507	4,730,285	5,506,513
Current Ratio (Time)	1.98	2.05	2.24	2.22	2.00	1.68



During the year ended 31 March 2022, net revenue growth was 31.80%. Cost of sales was higher due to higher raw materials price. Expenses were in line with normalization of business operations. Growth in income before tax was 10.07%. Shareholder's Equity and Net Asset Value per Share declined compared to previous year due to distribution of cash dividend during the year.

d) 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 an industrial plot at Mirsarai & Feni Economic Zones to Berger Paints Bangladesh Ltd. The company has taken possession of the plot. This land will help the company optimize manufacturing process and support the growing demand for paints in Bangladesh market.

  
Rupali Chowdhury  
Managing Director  
May 30, 2022

The Directors also report 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;
- Proper books of accounts as required by law have been maintained.
- 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.
- 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.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- 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;
- There are no significant doubts upon the company's ability to continue as a going concern.
- The company does not have significant deviations from the last year's operating results.
- Segment-wise performance during the year is discussed in note 2.31 of the Audited Financial Statements.
- Details of related party transactions have been presented in note 42 of the Audited Financial Statements.
- The company did not have any extraordinary gain or loss during the period in consideration.
- 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.
- There was no significant variance between Quarterly Financial Performance and Annual Financial Statements during the year. Other significant
- No bonus share or stock dividend has been or shall be declared as interim dividend;
- The remuneration to the directors including independent directors have been disclosed in notes 27 and 39 of the Audited Financial Statements.
- Key operating and financial data of preceding 5 (five) years have been summarized in Annexure 3.
- The number of Board meetings held during the year and attendance by each director has been disclosed in Annexure 4.
- 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.
- Required information about director being appointed/re-appointed has been presented in 'Biography of Directors' section of the Annual Report.
- 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

## 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 2022. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 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 has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission;
- The Company has 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 code;
- 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.

Place: Dhaka  
Dated: 31 May 2022



**Nasir U Ahmed**, FCA, FCS, ACMA (UK)  
Senior Partner  
**MABS & J Partners**  
Chartered Accountants



**Corporate Office:**  
SMC Tower (7th Floor)  
33, Banani C/A, Road 17  
Dhaka-1213, Bangladesh  
Phone : +880-2-222275057-58  
+880-2-222275365-66  
E-mail : info@mabsj.com  
Web : www.mabsj.com

**Motijheel Branch Office**  
21, Purana Paltan Line (4th & 7th Floor)  
Dhaka-1000, Bangladesh  
Phone : +880-2-58315469/58315471  
Fax : +880-2-48320936  
E-mail : info@mabsj.com  
Web : www.mabsj.com



## 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	
<b>1.0</b>	<b>Board of Directors</b>			
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).	✓		The Board is comprised of 15 (fifteen) Directors
<b>1.2</b>	<b>Independent Directors:</b>			
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);	✓		There are 4 (four) Independent Directors (IDs) out of total 15 (fifteen) Directors
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;	✓		A declaration was received from IDs in this regard
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;	✓		Do
1(2)(b)(iii)	who has not been an executive of the company in immediately preceding 2 (two) financial years;	✓		Do
1(2)(b)(iv)	who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	✓		Do
1(2)(b)(v)	who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;	✓		Do
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;	✓		Do
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;	✓		Do
1(2)(b)(viii)	who is not independent director in more than 5 (five) listed companies;	✓		Do
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	✓		Do
1(2)(b)(x)	who has not been convicted for a criminal offence involving moral turpitude;	✓		Do

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(2)(c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM);	✓		In Practice
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days; and	✓		No such vacancy occurred in the reporting period
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.	✓		Mr. Anis A Khan completed maximum six years term and was not reappointed further.
<b>1.3</b>	<b>Qualification of Independent Director.</b>			
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;	✓		The qualifications and background of IDs rationalize their abilities
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			Not Applicable
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;	✓		
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.			No such approval required
<b>1.4</b>	<b>Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer.</b>			
1(4)(a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/ or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	✓		
1(4)(b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	✓		
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	✓		The Board clearly defined roles and responsibilities of the Chairperson and the MD.
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.			No such incidence arose in the reporting period
<b>1.5</b>	<b>The Directors' Report to Shareholders</b>			
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;	✓		Included in Directors' Report
1(5)(ii)	The segment-wise or product-wise performance;	✓		Do
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	✓		Do
1(5)(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	✓		Do
1(5)(v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss);	✓		Do
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;	✓		Do
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;	✓		Significant variance, if any, were explained
1(5)(x)	A statement of remuneration paid to the directors including independent directors;	✓		Included in Directors' Report and Audited Financial Statements
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;	✓		Do
1(5)(xii)	A statement that proper books of account of the issuer company have been maintained;	✓		Do
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;	✓		Do

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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;	✓		Do
1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	✓		Do
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;	✓		Do
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;	✓		Do
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;	✓		Do
1(5)(xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;	✓		Included as Annexure 3 of Directors' Report
1(5)(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;			Not Applicable. (Board of Directors has recommended 300% interim cash dividend and 100% final cash dividend)
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;	✓		Included in Directors' Report
1(5)(xxii)	The total number of Board meetings held during the year and attendance by each director;	✓		Included as Annexure 4 of Directors' Report
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);	✓		Included as Annexure 5 of Directors' Report
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);	✓		Do
1.5(xxiii)(c)	Executives; and	✓		Do
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details);	✓		Do
1(5)(xxiv)(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;	✓		Presented on Board of Directors' Biography section in Annual Report
1(5)(xxiv)(b)	Nature of his or her expertise in specific functional areas; and	✓		Do
1(5)(xxiv)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the Board;	✓		Do



Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(5)(xxv)(a)	A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on: Accounting policies and estimation for preparation of financial statements;	✓		Included in the Annual Report; signed by Managing Director
1(5)(xxv)(b)	Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	✓		Do
1(5)(xxv)(c)	Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	✓		Do
1(5)(xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	✓		Do
1(5)(xxv)(e)	Briefly explain the financial and economic scenario of the country and the globe;	✓		Do
1(5)(xxv)(f)	Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and	✓		Do
1(5)(xxv)(g)	Future plan or projection or forecast for company's operation, performance and financial position, with justification thereof; i.e., actual position shall be explained to the shareholders in the next AGM;	✓		Do
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	✓		Included in the Annual Report
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9	✓		Included in the Annual Report
1(6)	<b>Meetings of the Board of Directors:</b> 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.	✓		In Practice
<b>1.7</b>	<b>Code of Conduct for the Chairperson, other Board members and Chief Executive Officer</b>			
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.	✓		
<b>2.0</b>	<b>Governance of Board of Directors of Subsidiary Company</b>			
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;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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.	✓		In practice
<b>3.0</b>	<b>Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS).</b>			
3(1)(a)	<b>Appointment:</b> 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);	✓		In Practice
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;	✓		The Board clearly defined roles and responsibilities 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 in the reporting Period.
3(2)	<b>Requirement to attend Board of Directors' Meetings:</b> 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.	✓		In Practice
<b>3.3</b>	<b>Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)</b>			
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	✓		Disclosed in the Annual Report
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;	✓		Do
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;	✓		Do
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	✓		Do

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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	✓		In Place
4(ii)	Nomination and Remuneration Committee.	✓		In Place
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;	✓		In Place
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;	✓		In Practice. The Audit Committee (AC) discharged its responsibilities as per CG Code
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)	<b>Constitution of the Audit Committee:</b> The Audit Committee shall be composed of at least 3 (three) members;	✓		AC comprises of 7 (seven) non-executive Directors, out of which 4 (four) are ID.
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;	✓		Do
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;	✓		The qualifications and background of AC members rationalize their competences
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 in the reporting period
5(2)(e)	The company secretary shall act as the secretary of the Committee;	✓		In Practice
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	✓		In Practice
5(3)(a)	<b>Chairperson of the Audit Committee:</b> The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	✓		Chairperson of the AC is an Independent Director

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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 in the reporting period
5(3)(c)	<b>Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM):</b> 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.	✓		The Chairperson of the AC attended at the 48th AGM held on 06 October 2021
5(4)(a)	<b>Meeting of the Audit Committee:</b> 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;	✓		There were 4 (four) meetings held during the reporting period
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.	✓		In Practice
5(5)(a)	<b>Role of Audit Committee</b> The Audit Committee shall: Oversee the financial reporting process;	✓		In Practice. The AC performed in line with CG Code
5(5)(b)	Monitor choice of accounting policies and principles;	✓		Do
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;	✓		Do
5(5)(d)	Oversee hiring and performance of external auditors;	✓		Do
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;	✓		Do
5(5)(f)	Review along with the management, the annual financial statements before submission to the Board for approval;	✓		Do
5(5)(g)	Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;	✓		Do
5(5)(h)	Review the adequacy of internal audit function;	✓		Do
5(5)(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report;	✓		Do
5(5)(j)	Review statement of all related party transactions submitted by the management;	✓		Do
5(5)(k)	Review Management Letters or Letter of Internal Control weakness issued by statutory auditors;	✓		Do
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	✓		Do



Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
5(5)(m)	<b>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:</b> 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
<b>5.6</b>	<b>Reporting of the Audit Committee</b>			
5(6)(a)(i)	Reporting to the Board of Directors: The Audit Committee shall report on its activities to the Board;	✓		In Practice
5(6)(a)(ii)(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 in the reporting period
5(6)(a)(ii)(b)	Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;			Do
5(6)(a)(ii)(c)	Suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and			Do
5(6)(a)(ii)(d)	Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;			Do
5(6)(b)	<b>Reporting to the Authorities:</b> 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.			Do
5(7)	<b>Reporting to the Shareholders and General Investors:</b> 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.	✓		Activities carried out by AC in 2021-22 are stated in AC Report and disclosed in this Annual Report
6(1)(a)	<b>Nomination and Remuneration Committee (NRC).</b> Responsibility to the Board of Directors: The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board;	✓		In place
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;	✓		In practice. The NRC discharged its responsibilities as per CG Code

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).	✓		In line with CG Code, the responsibilities of the NRC are clearly defined in NRC Charter
6(2)(a)	<b>Constitution of the NRC:</b> The Committee shall comprise of at least three members including an independent director;	✓		NRC comprises of 4 (four) non-executive Directors, out of which 1 (one) is ID.
6(2)(b)	All members of the Committee shall be non-executive directors;	✓		Do
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;	✓		In Practice
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;	✓		In Practice
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 in the reporting period
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 in the reporting period
6(2)(g)	The company secretary shall act as the secretary of the Committee;	✓		In practice
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	✓		Do
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.	✓		Do
6(3)(a)	<b>Chairperson of the NRC:</b> The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	✓		Chairperson of the NRC is 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;			No such incidence arose in the reporting period
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.	✓		The Chairperson of the NRC attended at the 48th AGM held on 06 October 2021
6(4)(a)	<b>Meeting of the NRC:</b> The NRC shall conduct at least one meeting in a financial year;	✓		There were 2 (two) meetings held during the reporting period
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;			No such incidence arose in the reporting period

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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);	✓		In practice
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.	✓		Do
6(5)(a)	<b>Role of the NRC:</b> NRC shall be independent and responsible or accountable to the Board and to the Shareholders	✓		In practice. The NRC performed in line with CG Code
6(5)(b)(i)(a)	<b>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:</b> The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;	✓		Do
6(5)(b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and	✓		Do
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;	✓		Do
6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	✓		Do
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;	✓		Do
6(5)(b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board;	✓		Do
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	✓		Do
6(5)(b)(vi)	Developing, recommending and reviewing annually the company's human resources and training policies;	✓		Do
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.	✓		Disclosed in the NRC report annexed to the Annual Report
<b>7.0</b>	<b>External or Statutory Auditors</b>			
7(1)(i)	<b>The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:-</b> Appraisal or valuation services or fairness opinions;	✓		During the reporting period, the Company did not engage its statutory auditors to perform as such
7(1)(ii)	Financial information systems design and implementation;	✓		Do

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
7(1)(iii)	Book-keeping or other services related to the accounting records or financial statements;	✓		Do
7(1)(iv)	Broker-dealer services;	✓		Do
7(1)(v)	Actuarial services;	✓		Do
7(1)(vi)	Internal audit services or special audit services;	✓		Do
7(1)(vii)	Any service that the Audit Committee determines;	✓		Do
7(1)(viii)	Audit or certification services on compliance of corporate governance; and	✓		Do
7(1)(ix)	Any other service that creates conflict of interest.	✓		Do
7(2)	<b>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:</b> Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members.	✓		As declared by the statutory auditors
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.	✓		Representative of statutory auditors attended at the 48th AGM held on 06 October 2021
<b>8.0</b>	<b>Maintaining a website by the Company.</b>			
8(1)	The company shall have an official website linked with the website of the stock exchange.	✓		In practice
8(2)	The company shall keep the website functional from the date of listing.	✓		In practice
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).	✓		In practice
<b>9.0</b>	<b>Reporting and Compliance of Corporate Governance.</b>			
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.	✓		The Company obtained the certificate from MABS & J Partners, Chartered Accountants and such certificate is presented in this 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.	✓		In practice
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 2022 along with last five years

In Thousands Taka  
Taka in '000

Particulars	Apr 2016 - Mar 2017	Apr 2017- Mar 2018	Apr 2018- Mar 2019	Apr 2019- Mar 2020	Apr 2020- Mar 2021	Apr 2021- Mar 2022
Revenue	12,469,613	14,176,256	15,629,479	16,219,044	16,669,802	21,971,036
Gross Profit	4,953,192	5,046,900	5,722,137	6,240,646	6,632,362	7,560,746
Income Before Tax	2,454,008	2,253,564	2,649,490	3,092,467	3,472,362	3,822,041
Net profit for the year	1,776,673	1,669,930	1,957,827	2,292,448	2,548,788	2,776,092
Shareholders Equity	5,366,735	6,080,657	7,575,155	8,708,157	9,890,766	9,532,307
Total Assets	8,437,826	8,980,428	10,761,587	12,929,511	15,300,038	15,718,593
Total Current Assets	5,087,352	5,462,783	6,583,908	7,721,912	9,468,201	9,235,683
Total Current Liabilities	2,573,140	2,662,782	2,944,023	3,483,507	4,730,285	5,506,513
Current Ratio (Time)	1.98	2.05	2.24	2.22	2.00	1.68

Attendance at Board Meetings

The number of Board Meetings and the attendance of Directors from 1 April 2021 to 31 March 2022:

Name of Director	Meetings held	Attended
Mr. Gerald K. Adams, Non-Executive Chairman	4	4
Ms. Rupali Chowdhury, Managing Director	4	3
Mr. Kuldip Singh Dhingra, Non-Executive Director	4	1
Mr. Gurbachan Singh Dhingra, Non-Executive Director *	4	1
Mr. Anil Bhalla, Non-Executive Director	4	4
Mr. Jean-Claude Loutreuil, Non-Executive Director	4	4
Ms. Rishma Kaur, Non-Executive Director	4	4
Mr. Anis A. Khan, Non-Executive Independent Director **	4	4
Mr. Kanwardip Singh Dhingra, Non-Executive Director	4	4
Mr. Masud Khan, Non-Executive Independent Director	4	4
Mr. Abhijit Roy, Non-Executive Director	4	4
Ms. Parveen Mahmud, Non-Executive Independent Director	4	4
Mr. Sunil Sharma, Non-Executive Director	4	4
Mr. Sazzad Rahim Chowdhury, Director & CFO	4	4

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

\* Mr. Gurbachan Singh Dhingra was appointed on 28 October 2021

\*\* Mr. Anis A. Khan ceased to be Independent Director w.e.f. 17 April 2022 due to completion of six year term.

Non-Executive Independent Directors Mr. Reazul Haque Chowdhury and Mr. Mohsin Uddin Ahmed joined the Board of Directors on 3 April 2022.

Pattern of Shareholding

As at 31 March 2022

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. Gurbachan Singh Dhingra	Nil
Nominee Director	Mr. Anil Bhalla	Nil
Nominee Director	Mr. Jean-Claude Loutreuil	Nil
Nominee Director	Ms. Rishma Kaur	Nil
Nominee Director	Mr. Kanwardip Singh Dhingra	Nil
Nominee Director	Mr. Abhijit Roy	Nil
Independent Director	Mr. Anis A. Khan*	Nil
Independent Director	Mr. Masud Khan	Nil
Independent Director	Ms. Parveen Mahmud	Nil
Nominee Director	Mr. Sunil Sharma	Nil
Nominee Director & Chief Financial Officer	Mr. Sazzad Rahim Chowdhury	Nil
Head of Internal Audit & Compliance	Mr. Sheikh Aminur Islam	Nil
Company Secretary	Mr. Khandker Abu Jafar Sadique	Nil

Executives:

GM- Research & Development	Dr. A. S. M. Obaidullah Mahmud	Nil
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 2022.

Classification of Shareholders

Shareholding range	Type of share holders	31 March 2022		
		Number of shares	% of share holding	Number of shareholders
Less than 501 shares	G. Public& Inst	233,693	0.50	3,665
501 to 5,000 shares	G. Public& Inst	310,508	0.67	262
5,001 to 10,000 shares	G. Public& Inst	144,237	0.31	14
10,001 to 20,000 shares	G. Public& Inst	165,232	0.36	9
20,001 to 30,000 shares	Institution	173,874	0.37	10
30,001 to 40,000 shares	Institution	78,525	0.17	3
40,001 to 50,000 shares	Institution	132,999	0.29	6
50,001 to 100,000 shares	Institution	334,903	0.72	5
100,001 to 1,000,000 shares	Institution	745,169	1.61	1
Over 1,000,000 shares	Group	44,058,740	95.00	1
Total		46,377,880	100.00	3,976

### Audit Committee

Mr. Masud Khan, Non-Executive Independent Director	Chairman
Ms. Parveen Mahmud, Non-Executive Independent Director	Member
Mr. Anil Bhalla, Non-Executive Director	Member
Ms. Rishma Kaur, Non-Executive Director	Member
Mr. Kanwardip Singh Dhingra, Non-Executive Director	Member
Mr. Khandker Abu Jafar Sadique, Company Secretary	Secretary

### Nomination and Remuneration Committee

Mr. Masud 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
Mr. Khandker Abu Jafar Sadique, Company Secretary	Secretary

### Management Committee

Ms. Rupali Chowdhury	Chairman
Mr. Sazzad Rahim Chowdhury	Member
Mr. Md. Mohsin Habib Chowdhury	Member
Mr. Mohammad Nazimuddin Helali	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. Sheikh Aminur Islam	Member

## Declaration by CEO and CFO

Date: 30 May 2022

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 2022**

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 2022 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 31 March 2022 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  
Director & Chief Financial Officer



## Audit Committee Report

### for the year ended March 31, 2022

The Audit Committee of Berger Paints Bangladesh Limited is pleased to confirm that the following activities have been carried out from April 1, 2021 to March 31, 2022:

- 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.
- Evaluate and recommend appointment of outsourced audit firms to support internal audit works.

During the period the audit committee held four meetings. Attendance of the members at those meetings during April 2021 – March 2022 period are as follows:

Member of Committee		35 <sup>th</sup> Meeting July 19, 2021	36 <sup>th</sup> Meeting Aug 9, 2021	37 <sup>th</sup> Meeting Oct 28, 2021	38 <sup>th</sup> Meeting Jan 27, 2022
Mr. Anis A. Khan, Chairman *	Independent Director	✓	✓	✓	✓
Mr. Masud Khan, Member	Independent Director	✓	✓	✓	✓
Ms. Parveen Mahmud, Member	Independent Director	✓	✓	✓	✓
Mr. Anil Bhalla, Member	Nominated Director	✓	✓	✓	✓
Ms. Rishma Kaur, Member	Nominated Director	✓	✓	✓	✓
Mr. Kanwardip Singh Dhingra, Member	Nominated Director	✓	✓	✓	✓
Mr. Reazul Haque Chowdhury **	Independent Director	-	-	-	-
Mr. Mohsin Ahmed **	Independent Director	-	-	-	-

\* Mr. Anis A Khan completed his six years (two consecutive terms of three years) of appointment as Independent Director on April 17, 2022. Mr. Masud Khan was appointed Chairman of Audit Committee after completion of the tenure of Mr. Anis A Khan.

\*\* Mr. Reazul Haque Chowdhury and Mr. Mohsin Ahmed were appointed on April 03, 2022. During the year no meeting was held after their appointment.

The Company Secretary serves as the Secretary to the Audit Committee. Managing Director Ms. Rupali Chowdhury and Director & CFO Mr. Sazzad Rahim Chowdhury attended the meetings on invitation.

In pursuance with the 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, 2022. 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 the external auditor for review of the annual financial statements and also reviewed the Audit Management Letter submitted by them.

There was no change in accounting policies and estimation during the period. 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. If required, the previous period's figures were re-arranged according to the same accounting principles. Compared to the previous period, there were no significant change in the accounting and valuation policies affecting the financial position and performance of the Company. The significant deviations in the company's quarterly and annual performance during the year, if any, were reviewed by the audit committee.

The Committee has also overseen the hiring and performance of external auditors. The auditors, Hoda Vasi Chowdhury & Co., Chartered Accountants have completed their first term of service and are 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. The audit committee has reviewed the expression of interest for reappointment received from the auditor and recommends to reappoint Hoda Vasi Chowdhury & Co., Chartered Accountants at the ensuing annual general meeting at a fee of Taka 11,40,000 plus applicable VAT.

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



Masud Khan  
Chairman of Audit Committee  
May 30, 2022

## Nomination and Remuneration Committee Report

### for the year ended March 31, 2022

The Nomination and Remuneration Committee (NRC) of Berger Paints Bangladesh Limited is pleased to present the report for the year ended March 31, 2022.

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. Masud 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.

Mr. Anis A. Khan, Non-Executive Independent Director, served as the Chairman of the Committee till the completion of his six year term as Independent Director on April 17, 2022.

During the April 1, 2021 – March 31, 2022 period the NRC held two meetings, on June 30, 2021 and October 28, 2021. All the members of the NRC were present at the meetings. The committee is pleased to highlight the following notable activities carried out in addition to the routine business during the period:

- Recommend appointment of Mr. Gurbachan Singh Dhingra as Director
- Recommend reappointment of Ms. Parveen Mahmud as Independent Director
- Recommend appointment of Mr. Reazul Haque Chowdhury as Independent Director
- Recommend appointment of Mr. Mohsin Ahmed as Independent Director
- Review and recommend Company Car Policy applicable to different grades of officials

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

Berger Paints Bangladesh Limited views nomination of suitable persons by paying a competitive remuneration package, as well as proper evaluation through unbiased standard procedures as the factors for the company's long term success. The company follows a transparent selection process for recruitment of potential candidates on the basis of their profiles. The company lays 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 their employment. Annual objectives setting in concurrence with the superiors 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,



Masud Khan  
Chairman, May 30, 2022

# Berger Paints Bangladesh Limited

## Dividend Distribution Policy

### Background and applicability

Bangladesh Securities and Exchange Commission (BSEC) requires the listed companies to disclose Dividend Distribution Policy.

This document, adopted by the Board of Directors of Berger Paints Bangladesh Limited, lays down the Dividend Distribution Policy ("the Policy") of the Company. The Policy is subject to review as and when considered appropriate by the Board.

### Dividend Distribution Philosophy

The Company believes in long term value creation for its shareholders while maintaining the desired liquidity and leverage ratios and protecting the interest of all the stakeholders including customers, debtors, suppliers, employees and the Government. Accordingly, the focus will continue to be on sustainable returns in terms of dividend, in consonance with the dynamics of business environment.

### Dividend

Dividend represents the profit of the Company, which is distributed to shareholders in proportion to the amount paid-up on shares they hold. Dividend includes Interim Dividend.

### Circumstances under which shareholders can expect Dividend

The Board will assess the Company's financial requirements, including its growth opportunities and other pertinent factors for the purpose of considering dividend. The dividend for any financial year shall ordinarily be paid out of the Company profits for that year in terms of the regulatory provisions.

If circumstances require, the Board may also declare dividend out of accumulated profits of any previous financial year(s) in accordance with regulatory provisions, as applicable.

### Interim and Final Dividend

The Board may declare one or more Interim Dividends and recommend Final Dividend for the approval of the shareholders at the Annual General Meeting.

### Financial parameters and other internal and external factors to be considered for declaration of dividend

- Distributable surplus available as per the Companies Act, Listing Regulations and other applicable regulations and directives.
- The Company's liquidity position and future cash flow needs
- Track record of Dividends distributed by the Company
- Pay-out ratios of comparable companies
- Prevailing taxation policy and legal requirements with respect to Dividend distribution
- Capital expenditure requirements
- Stipulations/ Covenants of loan agreements, if any
- Macro-economic and business conditions in general
- Any other relevant factor that the Board may deem fit to consider

### Utilization of retained earnings

Subject to applicable Regulations, the Company's retained earnings may be applied for:

- Organic growth needs including working capital, capital expenditure, repayment of debt, etc.
- Inorganic growth needs such as acquisition of businesses, establishment of joint ventures, etc.
- Buyback of shares subject to applicable limits
- Payment of Dividend in future years
- Issue of Bonus shares
- Any other permissible purpose

### Circumstances under which the shareholders may not expect dividend

In line with the Dividend Distribution Philosophy, there may be certain circumstances under which the shareholders may not expect dividend, including:

- The Company has sufficient avenues to generate significantly higher returns on surplus than what a common shareholder can generate himself
- In case of utilization of retained earnings as mentioned in this Policy
- The Company has incurred losses or there is inadequacy of profits.

### Modification of the Policy

The Board may modify this policy from time to time at its discretion or in line with any amendment made in the Act or applicable Regulations.

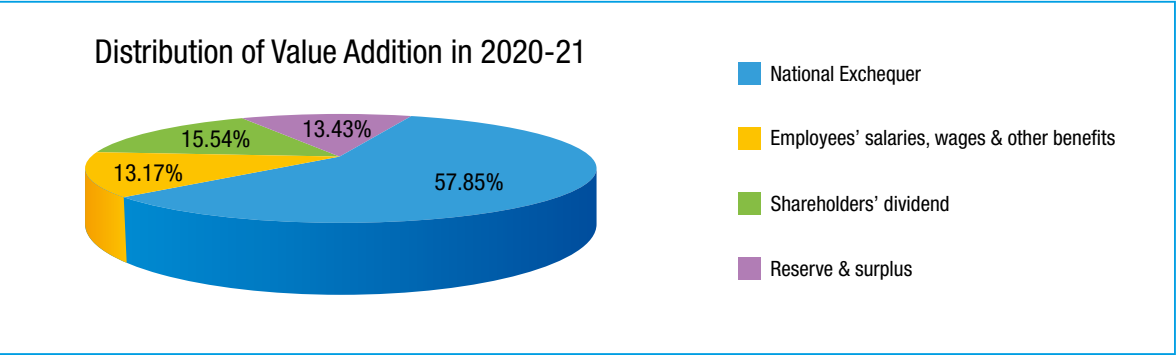
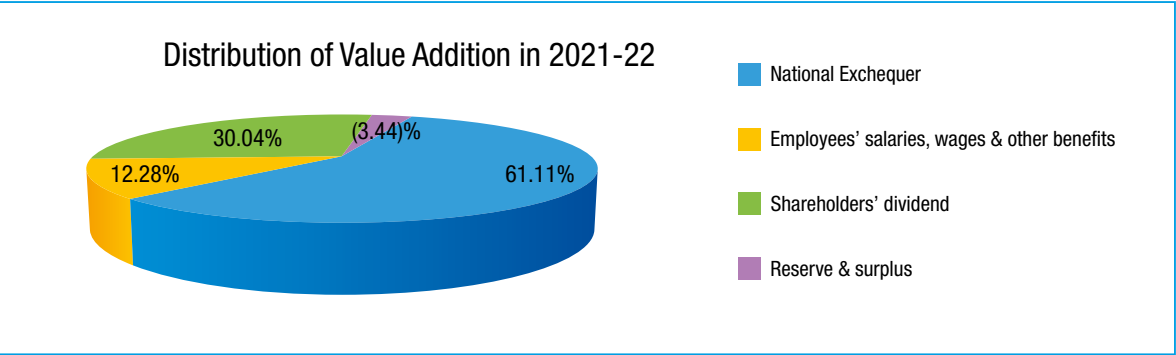
### Disclaimer

This document does not solicit investments in the Company's securities, nor is it an assurance of guaranteed returns (in any form), for investments in the Company's shares.

# Value Added Statement

For the year ended 31 March 2022

	2020-2021		2020-2021	
	Amount	%	Amount	%
Turnover (Net of rebate and other discount)	26,468,216		20,270,685	
Less: Purchase of materials & Services	16,048,051		11,467,927	
<b>Value added</b>	<b>10,420,165</b>	<b>100.00</b>	<b>8,802,758</b>	<b>100.00</b>
<b>Applications:</b>				
National Exchequer	6,368,184	61.11	5,092,781	57.85
Employees' salaries, wages & other benefits	1,279,934	12.28	1,159,220	13.17
Shareholders' dividend	3,130,506	30.04	1,368,147	15.54
Reserve & surplus	(358,459)	(3.44)	1,182,610	13.43
	<b>10,420,165</b>	<b>100.00</b>	<b>8,802,758</b>	<b>100.00</b>





# AUDITORS' REPORT AND AUDITED FINANCIAL STATEMENTS



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

### Report on the audit of 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 2022, 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 2022, its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), International Accounting Standards (IASs), Companies Act (#18) 1994, Bangladesh Securities & Exchange Rules 2020, and Other rules and regulations applicable for this Company in Bangladesh.

#### Basis for opinion

We conducted our audit in accordance with International Standard on Auditing (ISAs). Our responsibilities under those standards are further described in **"Auditors' 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 for 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 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.

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.

#### Key Audit Matters

Key matters are those matters that, in our professional judgments, were of most significant in the audit of the Company's financial statements of the current period. These matters and any comments we make on the result of our procedure thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion of these matters. This is not a complete list of all risks identified by our audit.

Key Audit Matters	Our response to the Key Audit Matters
<b>Revenue Recognition (See Note no 2.21 and Note no 24 to the financial statements)</b>	
<p>At year-end the Company reported total revenue of Tk. 21,971,036 thousand.</p> <p>Revenue is measured net of VAT &amp; SD and discounts, commissions and rebates allowed to the dealer/distributors of the Company which is material and considered to be complex and judgmental.</p> <p>As described in the accounting policy 2.21 to the financial statements, the Company recognizes revenue upon rendering services to the dealers/ distributors as per IFRS 15- Revenue from Contract with Customers.</p>	<p>We have tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"><li>• Calculation of VAT, SD, discounts, incentives and rebates;</li><li>• Segregation of duties in invoice creation and modification; and</li><li>• Timing of revenue recognition.</li></ul> <p>Our substantive procedures in relation to the revenue recognition comprises the following:</p> <ul style="list-style-type: none"><li>• We tested the service rendered and recognized shortly before and after the reporting date, including the discount given recorded after that date, to examine whether revenue transactions were recorded in the correct recording periods;</li><li>• We conducted substantive testing of revenue recorded over the year using sampling techniques, by examining the relevant supporting documents including invoices and challans. In addition, we confirmed certain customers' receivable balances at the reporting date, selected on a sample basis by considering the amounts outstanding with those customers.</li><li>• Within a number of the Company's markets, comparing current year rebate accruals to the prior year and, where relevant, completing further inquiries and testing;</li><li>• Agreeing a sample of claims and rebate accruals to supporting documentation;</li><li>• Critically assessing adjustments posted to revenue to identify unusual or irregular items; and</li><li>• Finally assessed the appropriateness and presentation of disclosures of Revenue against relevant accounting standards.</li></ul>
<b>Valuation of Inventory (See Note no 2.15 and Note no 8 to the financial statements)</b>	
<p>The Company had inventory of Tk.4,288,803 thousand at 31 March 2022, held in factories and depots situated at different locations.</p> <p>Inventories are valued at the lower of cost or net realizable value. As a result, the management apply judgment in determining the appropriate values for slow-moving, damaged and obsolete items.</p>	<p>We verified the appropriateness of management's assumptions applied in calculating the value of the inventory provisions by:</p> <ul style="list-style-type: none"><li>• evaluating the design and implementation of key inventory controls operating across the Company, including those at a sample of distribution centers and warehouses;</li><li>• attending inventory counts and reconciling the count results to the inventory listings to test the completeness of data;</li><li>• comparing the net realizable value, obtained through a detailed review of sales subsequent to the year-end, to the cost price of a sample of inventories and comparison to the associated provision to assess whether inventory provisions are complete;</li><li>• reviewing the historical accuracy of inventory provisioning, and the level of inventory write-offs during the year; and</li><li>• reviewing the completeness of inventory provisions through assessing actual and forecast sales of inventory lines to assess whether provisions for slow-moving/obsolete stock are valid and complete.</li></ul>

Property, Plant and Equipment (See Note no 2.11 and Note no 3 to the financial statements)	
<p>The Company has a large number of Property, Plant and Equipment items amounting Tk. 4,738,465 thousand. In view of availability of latest machinery due to improve technology, the obsolescence &amp; impairment may be noticed in existing machineries.</p> <p>Management has concluded that there is no impairment in respect of all assets. This conclusion required significant management judgment. Hence we considered this to be key audit matter.</p>	<p>Our audit procedure in this area included, among others:</p> <ul style="list-style-type: none"><li>• Assessing the consistency of methodologies use for depreciating the assets;</li><li>• Checking on a sample basis, the accuracy and relevance of the accounting of PPE by management; and</li><li>• For selected samples, performing physical observation to assess management's determination on whether the equipment is obsolete, and testing the assumptions used in estimating recoverable amount, such as estimated useful life and replacement cost.</li><li>• Examine management's periodic review of Property, Plant and Equipment for determination of impairment and obsolescence.</li></ul>
Measurement of Deferred Tax (See Note no 2.20 and Note no 16 to the financial statements)	
<p>The Company recognizes deferred taxes relating to property, plant and equipment, right of use assets, lease obligation and employee benefits (Gratuity), which are very complex in nature.</p> <p>As such accounting for deferred taxes involves management judgment in developing estimates of exposures and contingencies in order to assess the adequacy of tax provision. Hence, we considered this to be a key audit matter.</p>	<p>Our audit procedure in this area included, among others:</p> <ul style="list-style-type: none"><li>• Assessed the design, implementation and operating effectiveness of key controls in respect of the company and the process of recognition of deferred taxes;</li><li>• Relied upon the Company's tax specialists to evaluate the tax bases and company tax strategy;</li><li>• Assessed the accuracy and completeness of deferred tax, and</li><li>• Evaluating the adequacy of the financial statements disclosures, including disclosures of assumptions, judgments and sensitivities.</li></ul>

Other information

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

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.

Responsibilities of management and those charged with governance for the preparation of the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with applicable IFRSs and IASs, the Companies Act (#18) 1994, the Bangladesh Securities & Exchange Rules 2020 and other applicable laws and regulations. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

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.

Auditors' responsibilities for the audit of the financial statements

We conducted our audit in accordance with 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 auditors' 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 a part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism 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 risks 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 purposes 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 relating 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 auditors' 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 auditors' 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 auditors' report unless law or regulation precludes public disclosure about the matters 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 (#18) 1994 and the Bangladesh Securities and Exchange Rules 2020 and relevant notifications issued by Bangladesh Securities and Exchange Commission, we also report the following:

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;

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;

The statement of financial position and statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows dealt with by the report are in agreement with the books of account and returns; and

The expenditure incurred was for the purposes of the Company's business.

Dhaka, 31 May 2022

For and on behalf of  
Hoda Vasi Chowdhury & Co  
Chartered Accountants



*Showkat Hossain*  
Showkat Hossain, FCA  
Senior Partner  
Enrolment No: 0137  
DVC:2205310137AS837895

Berger Paints Bangladesh Limited  
Statement of Financial Position

In Thousands Taka	Note (s)	As at 31 March	
		2022	2021
Property, plant and equipment	3	4,738,465	4,310,486
Capital work-in-progress	4	763,905	639,820
Right-of-use assets	5	536,124	572,586
Intangible assets	6	42,040	51,003
		<b>6,080,534</b>	<b>5,573,895</b>
Term deposit - Govt. Securities	11	204,433	100,000
Investment - at cost	7	157,943	157,943
Intercompany loan (BFL)		40,000	-
<b>Total non-current assets</b>		<b>6,482,910</b>	<b>5,831,837</b>
Inventories	8	4,288,803	3,125,809
Trade and other receivables	9	1,851,694	1,712,435
Advances, deposits and prepayments	10	264,237	338,164
Cash and cash equivalents	12	2,425,971	4,099,907
Inter - company receivables	13	404,978	191,885
<b>Total current assets</b>		<b>9,235,683</b>	<b>9,468,201</b>
<b>Total assets</b>		<b>15,718,593</b>	<b>15,300,038</b>
Share capital	14	463,779	463,779
Retained earnings	15	9,068,528	9,426,987
<b>Equity attributable to the Company's equity holders</b>		<b>9,532,307</b>	<b>9,890,766</b>
Deferred tax liabilities	16	185,638	187,490
Lease obligations - non current portion	5	494,135	491,497
<b>Total non-current liabilities</b>		<b>679,773</b>	<b>678,987</b>
Lease obligations - current portion	5	72,889	76,420
Trade and other payables	17	4,770,543	4,008,948
Provision for royalty	18	321,850	296,768
Provision for current tax	19	329,950	338,522
Provision for employees' retirement gratuity	20	5,220	(2,540)
Unclaimed dividend	21	6,061	12,020
Liability for unclaimed IPO application money	22	-	147
<b>Total current liabilities</b>		<b>5,506,513</b>	<b>4,730,285</b>
<b>Total liabilities</b>		<b>6,186,286</b>	<b>5,409,272</b>
<b>Total equity and liabilities</b>		<b>15,718,593</b>	<b>15,300,038</b>
<b>Contingent liabilities</b>	<b>23</b>	<b>1,501,419</b>	<b>1,292,471</b>
<b>Net asset value per share (Taka)</b>	<b>40</b>	<b>205.54</b>	<b>213.26</b>

These financial statements should be read in conjunction with the annexed notes 1 to 43 and Annexure-A which were approved by the Board of Directors on 30 May 2022 and were signed on its behalf by:

*Salim*  
Company Secretary

Dhaka, 31 May 2022

*S*  
Director & CFO

Signed in terms of our separate report of even date annexed



*K. C.*  
Managing Director

For and on behalf of  
Hoda Vasi Chowdhury & Co, Chartered Accountants  
*Showkat Hossain*  
Showkat Hossain, FCA, Senior Partner  
Enrolment No: 0137; DVC:2205310137AS837895

**Berger Paints Bangladesh Limited**  
**Statement of Profit or Loss and Other Comprehensive Income**

In Thousands Taka	Note (s)	For the year ended 31 March	
		2022	2021
Revenue-net	24	21,971,036	16,669,802
Cost of sales	25	(14,410,290)	(10,037,440)
<b>Gross profit</b>		<b>7,560,746</b>	<b>6,632,362</b>
Selling, distribution and warehousing expenses	26	(3,142,844)	(2,641,166)
Administrative and general expenses	27	(583,497)	(525,711)
Other operating expenses	28	(125,020)	(106,763)
Other operating income	29	210,028	176,347
		<b>(3,641,333)</b>	<b>(3,097,293)</b>
<b>Operating income</b>		<b>3,919,413</b>	<b>3,535,069</b>
Finance costs	30	(78,169)	(36,439)
Investment income	31	160,526	139,955
<b>Net finance income</b>		<b>82,357</b>	<b>103,516</b>
Other non-operating income	32	21,403	16,533
<b>Income before WPPF and tax</b>		<b>4,023,173</b>	<b>3,655,118</b>
Workers' profit participation and welfare fund		(201,159)	(182,756)
<b>Income before tax</b>		<b>3,822,014</b>	<b>3,472,362</b>
Current tax expenses	19	(1,046,599)	(964,614)
Deferred tax income	16.1	677	41,040
<b>Income tax expenses</b>	<b>19.3</b>	<b>(1,045,922)</b>	<b>(923,574)</b>
<b>Net profit for the year</b>		<b>2,776,092</b>	<b>2,548,788</b>
<b>Other Comprehensive Income</b>			
Actuarial gain/(loss) on defined benefit plan		(5,220)	2,540
Deferred tax impact on defined benefit plan		1,175	(572)
<b>Total Other Comprehensive Income</b>		<b>(4,045)</b>	<b>1,969</b>
<b>Total comprehensive income</b>		<b>2,772,047</b>	<b>2,550,757</b>
<b>Basic earnings per share (Taka)</b>	<b>40</b>	<b>59.86</b>	<b>54.96</b>
<b>Diluted earnings per share (Taka)</b>	<b>40</b>	<b>59.86</b>	<b>54.96</b>

These financial statements should be read in conjunction with the annexed notes 1 to 43 and Annexure-A which were approved by the Board of Directors on 30 May 2022 and were signed on its behalf by:

 Company Secretary  
 Director & CFO  
 Managing Director  
 Signed in terms of our separate report of even date annexed  
 For and on behalf of  
**Hoda Vasi Chowdhury & Co, Chartered Accountants**  
  
**Showkat Hossain, FCA, Senior Partner**  
 Enrolment No: 0137; DVC:2205310137AS837895

**Berger Paints Bangladesh Limited**  
**Statement of Changes in Equity**

In Thousands Taka			
Particulars	Share capital	Retained earnings	Total equity
<b>Balance as at 01 April 2021</b>	<b>463,779</b>	<b>9,426,987</b>	<b>9,890,766</b>
Distribution of cash dividend	-	(3,130,506)	(3,130,506)
<b>Total comprehensive income</b>			
Net profit for the year	-	2,776,092	2,776,092
Other comprehensive income, net of tax		(4,045)	(4,045)
<b>Balance as at 31 March 2022</b>	<b>463,779</b>	<b>9,068,528</b>	<b>9,532,307</b>

Particulars	Share capital	Retained earnings	Total equity
<b>Balance as at 01 April 2020</b>	<b>463,779</b>	<b>8,244,378</b>	<b>8,708,157</b>
Distribution of cash dividend	-	(1,368,147)	(1,368,147)
<b>Total comprehensive income</b>			
Net profit for the year	-	2,548,788	2,548,788
Other comprehensive income, net of tax		1,969	1,969
<b>Balance as at 31 March 2021</b>	<b>463,779</b>	<b>9,426,987</b>	<b>9,890,766</b>

Note(s) 14.2 15  
 These financial statements should be read in conjunction with the annexed notes 1 to 43 and Annexure-A which were approved by the Board of Directors on 30 May 2022 and were signed on its behalf by:

 Company Secretary  
 Director & CFO  
 Managing Director



## Berger Paints Bangladesh Limited Statement of Cash Flows

In Thousands Taka	Note (s)	For the year ended 31 March	
		2022	2021
<b>Cash flows from operating activities (A)</b>			
Cash received from customers		21,826,122	16,560,236
Cash received from other operating income		210,028	176,347
Investment (Finance) income		143,837	133,745
Cash paid to suppliers and employees		(18,342,141)	(12,560,720)
Interest paid on lease obligations		(71,391)	(35,212)
Income tax paid	19	(1,055,171)	(952,032)
<b>Net cash flows from operating activities</b>	<b>41</b>	<b>2,711,284</b>	<b>3,322,364</b>
<b>Cash flows from investing activities (B)</b>			
Acquisition of property, plant and equipment, intangible assets and right-of-use assets	3, 4, 5 & 6	(1,059,634)	(1,032,634)
Other non-operating income	32	1,397	3,484
Investment in BFL	7.1	-	(64,600)
Intercompany loan (BFL)		(40,000)	-
Investment (Finance) expenses		(8,693)	(701)
Dividend received	31	22,344	22,344
Term investment	11	(104,433)	(100,000)
Proceeds from disposal of assets	3.3	23,885	13,807
<b>Net cash used in investing activities</b>		<b>(1,165,134)</b>	<b>(1,158,300)</b>
<b>Cash flows from financing activities (C)</b>			
Dividend and IPO application money paid	21 & 22	(3,136,612)	(1,365,953)
Payment of lease liabilities		(85,389)	(70,778)
<b>Net cash used in financing activities</b>		<b>(3,222,001)</b>	<b>(1,436,731)</b>
Increase / (decrease) in cash and cash equivalents (D) = (A+B+C)		(1,675,851)	727,333
Exchange gain/(loss) (E)		1,915	(526)
Opening cash and cash equivalents (F)		4,099,907	3,373,100
<b>Closing net cash and cash equivalents (D+E+F)</b>		<b>2,425,971</b>	<b>4,099,907</b>

These financial statements should be read in conjunction with the annexed notes 1 to 43 and Annexure-A which were approved by the Board of Directors on 30 May 2022 and were signed on its behalf by:

  
Company Secretary

  
Director & CFO

  
Managing Director

## Berger Paints Bangladesh Limited Notes to the Financial Statements As at and for the year ended 31 March 2022

### 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 through Extraordinary General Meeting held on 21 June 2005. The company is listed with Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) of Bangladesh from 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 and trading of painting tools. The company also provides decorative and painting related services.

##### 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, Chattogram - 4209. The Company manufactures metal containers for paints, baby food, lubricating oil, decorative container and other industries.

##### 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 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, United Kingdom for marketing, trading and manufacturing of construction chemicals. 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 and started commercial production at own factory located Deaboi, Araihaazar, Narayanganj from 22 March 2022.

### 2 Basis of preparation and 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.

#### 2.1 Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), the Companies Act 1994, the Securities and Exchange Rules 2020, relevant guidelines issued by the Bangladesh Securities and Exchange Commission, Financial Reporting Act, 2015 and other applicable laws in Bangladesh.

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.

Authorization for issue

These financial statements have been authorized for issue by the Board of Directors of the Company on 30 May 2022.

2.2 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 2020 and other applicable laws in Bangladesh. 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 2020.

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 period's figures were re-arranged according to the same accounting principles. Compared to the previous period, there were no significant change 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 and Joint Ventures
IAS 33	Earnings Per Share
IAS 36	Impairment of Assets
IAS 37	Provisions, Contingent Liabilities and Contingent Assets
IAS 38	Intangible Assets
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 Contracts with Customers
IFRS 16	Leases

2.6 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 (BDT/Tk.), 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:	
Chattogram factory	2
Corporate office - Dhaka	1
Buildings – on freehold and leasehold lands	2
Buildings – other construction	10
Plant and machinery	10
Factory and laboratory equipment	20
Other machinery & equipment	12.5
Office equipment	15
Furniture, fixtures and fittings	12.5
Computer	20
Motor vehicles	25 & 20
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 Leases**

As a lessee, the Company applies IFRS 16 from 1 April 2019, to all contracts entered into before 1 April 2019 and presented continuously in this financial statements. To apply IFRS 16, the Company used the modified retrospective approach.

**i. 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. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases.

**Short-term leases and leases of low-value assets :**

The Company does not apply the recognition and measurement requirements of IFRS 16 to short-term leases (leases of less than 12 months maximum duration). It also does not apply the recognition and measurement requirements of IFRS 16 to leases for which the underlying asset is of low value (i.e. less than USD 5,000 or equivalent BDT 400 thousand when new). Lease payments on short-term leases and leases of low-value assets are recognized as expenses on a straight-line basis over the lease term.

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 was 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. 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.

**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.

At transition, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Company's incremental borrowing rate. 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.

**Application of Leases**

The Company has applied IFRS 16 using the modified retrospective approach.

**2.14 Intangible assets**

Intangible assets includes 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 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 and 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.

Category of stocks : Basis of valuation  
Raw and packing materials : At weighted average cost  
Semi finished goods : At standard cost  
Finished goods in Chittagong & Dhaka Factory : At standard cost  
At warehouses and depots : At standard cost  
Stores and consumable items : At weighted average cost  
Promotional items : At weighted average cost

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

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

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

ii. Inventory write off

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

iii. Goods in transit (GIT)

Goods in transit (GIT) has been recognized at cost of materials boarded by suppliers at the port of shipment against LCs.

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

Trade receivables have been recognized based on the invoice value.

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 Company's 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, contingent liabilities and contingent 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 contingent 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 through Board of Directors resolution # 2(a) of 21 June 2005. The Fund was approved by the National Board of Revenue through order # 6(12)/KAMAPRO/2006/601 of 19 October 2006. Details of the transactions for Gratuity is presented in Note 20.

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 the 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.

Notification of Financial Reporting Council (FRC) on distribution of forfeited amount among members of provident fund dated 7 July 2020 has been complied with.

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 Labor Act 2006 (Amended in 2013) and payable to these Funds and Bangladesh Sramik Kallyan Foundation.



2.20 Taxation

Income tax expense comprises current and deferred taxes. Income tax expense is recognized in profit or loss 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 substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods. The tax rate used for the reporting periods is 22.50%.

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 22.5%.

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

Policy applicable from 1 April 2020

Revenue is recognized when invoice for products 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, and there is no continuing management involvement with the control of the goods, and the amount of revenue can be measured reliably. As per IFRS 15 Revenue from Contract with Customers, Value Added Tax (VAT), Supplementary Duty (SD), Turnover Commission and other variable considerations e.g. trade discounts, early settlement discount and volume rebates and discounts are excluded from revenue.

Policy applicable before 1 April 2020

Rearranged to conform to current year’s revenue recognition policy adoption.  
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 is allocated to all services based on their stand-alone prices. The stand-alone prices are 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

Bad debts provision has been recognized as per IFRS 9, based on the assessment of risk base receivable.

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.

In Thousands Taka	As at 31 March	
	2022	2021
3 Property, plant and equipment - notes 2.6, 2.11, 3.1 and 3.3		
At cost		
Opening balance	7,775,335	6,886,689
Addition during the year	963,797	938,940
Adjustment/disposal during the year - note 3.3	(105,789)	(50,294)
Closing balance	8,633,343	7,775,335
Accumulated depreciation		
Opening balance	3,464,849	3,021,438
Charged for the year - note 3.1	531,938	492,948
Adjustment/disposal during the year - note 3.3	(101,909)	(49,537)
Closing balance	3,894,878	3,464,849
Written down value as at 31 March	4,738,465	4,310,486
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 2.6, 2.11 (iii) and 3		
Manufacturing overhead - note 25.3	299,401	280,394
Selling, distribution and warehousing expenses - note 26	182,268	168,782
Administrative and general expenses - note 27	50,269	43,772
	531,938	492,948
3.2 Fully depreciated items - cost thereof	1,959,183	1,789,224

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

Particulars	Cost (note 3)	Acc. Dep (note 3)	WDV	Sale proceeds	Mode of Sale
Buildings - Leasing	2,361	1,648	713	8	Quotation
Plant and machinery	16,000	14,681	1,318	600	Quotation
Office equipment	2,855	2,567	288	92	Quotation
Computer	10,884	10,376	508	828	Quotation
Furniture & fixtures	1,257	974	283	108	Quotation
Motor vehicles	71,904	71,135	769	22,151	Quotation/Policy
Loose tools	528	528	-	97	Quotation
Total for the year ended 31 Mar 2022	105,789	101,909	3,879	23,884	
Total for the year ended 31 Mar 2021	50,294	49,536	758	13,807	



In Thousands Taka		As at 31 March	
		2022	2021
<b>4</b>	<b>Capital work in progress - notes 2.12 and 4.1</b>		
	Opening balance	639,820	563,035
	Addition during the year	623,146	421,968
	Transferred to property, plant and equipment	(499,061)	(345,182)
	<b>Closing balance</b>	<b>763,905</b>	<b>639,820</b>
<b>4.1</b>	<b>Details of capital work in progress - note 4</b>		
	Land	8	12,774
	Building	434,630	351,580
	Plant & Machinery	117,706	142,069
	Factory & Lab Equipment	163,008	109,479
	Software	35,406	22,098
	Others	13,147	1,822
	<b>Total</b>	<b>763,905</b>	<b>639,820</b>
<b>5</b>	<b>Leases</b>		
	<b>Right-of-use assets</b>		
	<b>At cost</b>		
	Opening balance	807,924	743,954
	Addition during the year	87,575	63,970
	Lease terminated during the year	(20,012)	-
	<b>Closing balance</b>	<b>875,487</b>	<b>807,924</b>
	<b>Accumulated amortization</b>		
	Opening balance	235,338	114,733
	*Charged for the year - note 5.1	119,944	120,605
	Adjusted/terminated during the year	(15,919)	-
	<b>Closing balance</b>	<b>339,363</b>	<b>235,338</b>
	<b>Written down value as at 31 March</b>	<b>536,124</b>	<b>572,586</b>
	<b>Lease liabilities</b>		
	Lease liabilities - non-current portion	494,135	491,497
	Lease liabilities - current portion	72,889	76,420
	<b>Balance as at 31 March</b>	<b>567,024</b>	<b>567,917</b>

\*Actual payment of rent on lease assets during 2021-2022 is Tk. 138,590 thousand.

In Thousands Taka		As at 31 March			
		2022	2021		
5.1	<b>Segregation of amortization</b>				
	Manufacturing overhead - note 25.3	15,562	11,868		
	Selling, distribution and warehousing expenses - note 26	97,124	102,553		
	Administrative and general expenses - note 27	7,258	6,184		
	<b>Total</b>	<b>119,944</b>	<b>120,605</b>		
6	<b>Intangible assets - notes 2.6, 2.14 and 6.1</b>				
	<b>Particulars</b>	<b>Software</b>	<b>Trade marks</b>	<b>Total</b>	<b>Total</b>
	<b>At cost</b>				
	Opening balance	253,883	2,284	256,167	234,335
	Addition during the year	9,168	-	9,168	21,832
	Disposal during the year	-	-	-	-
	<b>Closing balance</b>	<b>263,051</b>	<b>2,284</b>	<b>265,335</b>	<b>256,167</b>
	<b>Accumulated amortization</b>				
	Opening balance	203,865	1,299	205,165	177,586
	Charged during the year - note 6.1	17,925	205	18,130	27,578
	<b>Closing balance</b>	<b>221,790</b>	<b>1,504</b>	<b>223,295</b>	<b>205,165</b>
	<b>Carrying amount</b>	<b>41,261</b>	<b>780</b>	<b>42,040</b>	<b>51,003</b>
6.1	<b>Segregation of amortization amount to selling and administrative units - notes 2.6, 2.14 (iii) and 6</b>				
	Selling, distribution and warehousing expenses - note 26		205		215
	Administrative and general expenses - note 27		17,925		27,363
			<b>18,130</b>		<b>27,578</b>
7	<b>Investments - at cost</b>				
7.1	<b>Make-up:</b>				
	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		68,643		68,643
	<b>Total</b>		<b>157,943</b>		<b>157,943</b>
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.				
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 with Becker Industrial Coatings Holding AB, Sweden.				
7.4	The Company owns 50% paid-up ordinary share capital i.e. Tk 68,643 thousand (686,425 shares of Tk 100 each) of Berger Fosroc Limited (BFL), which is a joint venture with Fosroc International Limited, United Kingdom.				

In Thousands Taka		As at 31 March	
		2022	2021
<b>8</b>	<b>Inventories - notes 2.15 and 25</b>		
	Raw materials	2,070,734	1,434,440
	Semi - finished products	235,648	154,226
	Packing materials	57,926	53,512
	note - 25.1	<b>2,364,308</b>	<b>1,642,179</b>
	<b>Finished goods - notes 25 and 25.4</b>		
	Own manufactured items	1,099,269	647,902
	Imported items	46,239	60,519
		<b>1,145,508</b>	<b>708,421</b>
	Store, consumables and promotional items		
	Stores and consumables	49,614	48,946
	Promotional items	19,504	25,180
		<b>69,118</b>	<b>74,126</b>
	<b>Inventories in transit - GIT - note 2.15 (iii)</b>	<b>709,869</b>	<b>701,084</b>
		<b>4,288,803</b>	<b>3,125,809</b>
<b>9</b>	<b>Trade and other receivables - notes 2.6, 2.16 a (ii) and 34 (iii)</b>		
<b>9.1</b>	<b>Trade receivables</b>		
	Unsecured - note 9.2	1,947,944	1,793,237
	General provision for bad and doubtful debts - notes 2.24 and 16	(103,877)	(94,084)
	<b>Considered to be good</b>	<b>1,844,067</b>	<b>1,699,153</b>
	Other receivables- notes 9.3	7,627	13,282
		<b>1,851,694</b>	<b>1,712,435</b>
<b>9.2</b>	<b>Maturity wise presentation of trade receivable-unsecured:</b>		
	Outstanding over 360 days	149,121	117,406
	Outstanding 181 days to 360 days	66,100	62,872
	Outstanding upto 180 days	1,732,723	1,612,959
	note 9.1	<b>1,947,944</b>	<b>1,793,237</b>
<b>9.3</b>	<b>Other receivables include interest accrued on investments - note 9.1</b>	<b>7,627</b>	<b>13,282</b>

In Thousands Taka		As at 31 March	
		2022	2021
<b>10</b>	<b>Advances, deposits and prepayments - note 2.17</b>		
	Advances - note 10.1	171,188	256,870
	Security deposits	47,421	43,461
	Prepayments for insurance and others	45,628	37,834
		<b>264,237</b>	<b>338,164</b>
<b>10.1</b>	<b>Advances</b>		
	Advance to employees - note 10.1.1	90,581	80,977
	Advance to suppliers and others - note 10.1.2	<b>80,607</b>	<b>175,892</b>
		<b>171,188</b>	<b>256,870</b>
<b>10.1.1</b>	<b>Advance to employees - note 10.1</b>		
	House building loan	88,267	72,778
	Other advance	2,314	8,199
		<b>90,581</b>	<b>80,977</b>
<b>10.1.2</b>	<b>Advance to suppliers and others - note 10.1</b>		
	Goods and services	29,395	93,956
	Outsource and others	51,212	81,936
		<b>80,607</b>	<b>175,892</b>
<b>11</b>	<b>Term deposit - Govt Securities</b>		
	Investment in Treasury Bond - more than 1 year	204,433	100,000
		<b>204,433</b>	<b>100,000</b>
<p><b>Note:</b> As per IFRS 9 BPBL initially measures Treasury Bonds at their fair values (i.e., cost price) plus transaction costs that are directly attributable to the acquisition. Further, the company subsequently measures the Treasury Bonds at Amortized Cost if the following two conditions are met:</p> <ul style="list-style-type: none"> <li>it is held within a business model whose objective is to hold assets to collect contractual cash flows; and</li> <li>its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Amortized Cost is calculated using the Effective Interest method.</li> </ul>			
<b>12</b>	<b>Cash and cash equivalents - note 2.16 a (iii)</b>		
	Term deposit accounts (FDR)	600,000	2,501,238
	Current and collection accounts	536,630	551,984
	Short term deposit accounts ( STD) - notes 31 and 34 (ii) (a)		
	Operational account	1,218,518	1,012,238
	IPO and Dividend account	15,479	14,570
		<b>1,233,997</b>	<b>1,026,808</b>
	Foreign currency current accounts - notes 2.26 and 34 (ii)(a)	51,524	16,960
	Cash in hand	3,820	2,918
	<b>Cash and cash equivalents</b>	<b>2,425,971</b>	<b>4,099,907</b>

In Thousands Taka		As at 31 March	
		2022	2021
<b>13</b>	<b>Inter- company receivables - note 42</b>		
	Due from / (to) J&N (B) L	357,908	157,074
	Due from / (to) BBBL	1,152	7,143
	Due from / (to) BFL	45,918	27,668
		<b>404,978</b>	<b>191,885</b>

#### 14 Share capital

<b>14.1</b>	<b>Authorized share capital</b>		
	100,000,000 ordinary shares of Taka 10 each	<b>1,000,000</b>	<b>1,000,000</b>
<b>14.2</b>	<b>Issued, subscribed and paid-up share capital</b>		
	46,377,880 ordinary shares of Taka 10 each	<b>463,779</b>	<b>463,779</b>

The Company became public listed through initial public offer (IPO) as per consent letter of Bangladesh 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	58,605	0.13	586	1,082
<b>Foreign shareholders</b>	<b>44,117,345</b>	<b>95.13</b>	<b>441,173</b>	<b>441,669</b>
Institutions (financial & others)	1,731,432	3.73	17,314	14,693
General public	529,103	1.14	5,291	7,417
<b>Bangladeshi shareholders</b>	<b>2,260,535</b>	<b>4.87</b>	<b>22,605</b>	<b>22,110</b>
<b>Total</b>	<b>46,377,880</b>	<b>100.00</b>	<b>463,779</b>	<b>463,779</b>

#### 14.4 Classification of shareholders by range

Shareholding range	Type of shareholders	31 March 2022		31 March 2021	
		Number of shares	% of share holding	Number of shareholders	Number of shareholders
Less than 501 shares	G. Public& Inst	233,693	0.50	3,187	3,665
501 to 5,000 shares	G. Public& Inst	310,508	0.67	197	262
5,001 to 10,000 shares	G. Public& Inst	144,237	0.31	18	14
10,001 to 20,000 shares	G. Public& Inst	165,232	0.36	12	9
20,001 to 30,000 shares	Institution	173,874	0.37	7	10
30,001 to 40,000 shares	Institution	78,525	0.17	2	3
40,001 to 50,000 shares	Institution	132,999	0.29	3	6
50,001 to 100,000 shares	G. Public& Inst	334,903	0.72	5	5
100,001 to 1,000,000 shares	Institution	745,169	1.61	2	1
Over 1,000,000 shares	Group	44,058,740	95.00	1	1
<b>Total</b>		<b>46,377,880</b>	<b>100.00</b>	<b>3,434</b>	<b>3,976</b>

#### 14.5 Market price per share

Traded stock exchanges	Last trade date		In Taka	
	2022	2021	2022	2021
Dhaka Stock Exchange	31-Mar-22	31-Mar-21	1,753.60	1,754.70
Chittagong Stock Exchange	30-Mar-22	23-Mar-21	1,750.00	1,719.20

In Thousands Taka		As at 31 March	
		2022	2021
<b>15</b>	<b>Retained earnings</b>		
	Opening balance	9,426,987	8,244,378
	Net profit for the year	2,776,092	2,548,788
		<b>12,203,079</b>	<b>10,793,166</b>
	Distribution of dividend - note 21		
	Final dividend	(1,739,170)	(1,368,147)
	Interim dividend	(1,391,336)	-
		<b>(3,130,506)</b>	<b>(1,368,147)</b>
	Actuarial gain/(loss) on gratuity valuation, net of tax	(4,045)	1,969
	<b>Closing balance</b>	<b>9,068,528</b>	<b>9,426,987</b>

#### 16 Deferred tax liabilities - notes 2.20 (ii) and 16.1

	Carrying amount	Tax base	Taxable/ (deductible) temporary difference	Taxable/ (deductible) temporary difference
Property, plant and equipment	3,121,583	2,156,526	965,057	920,163
Right-of-use (ROU) Asset	536,124	-	536,124	572,586
Lease obligation	(567,024)	-	(567,024)	(567,917)
Provision for bad debts	(103,878)	-	(103,878)	(94,084)
Provision for employee benefit plan	(5,220)	-	(5,220)	2,540
<b>Net temporary difference</b>	<b>2,981,585</b>	<b>2,156,526</b>	<b>825,059</b>	<b>833,288</b>
Effective tax rate			22.5%	22.5%
<b>Deferred tax liabilities as at 31 March</b>	<b>-</b>	<b>-</b>	<b>185,638</b>	<b>187,490</b>

#### 16.1 Deferred tax income

Opening balance	187,490	227,958
Closing balance	185,638	187,490
<b>Deferred tax income</b>	<b>(1,852)</b>	<b>(40,468)</b>
Deferred tax on actuarial gain directly attributable to equity	(1,175)	572
Deferred tax income recognized directly in profit or loss and other comprehensive income	(677)	(41,040)



In Thousands Taka		As at 31 March	
		2022	2021
<b>17</b>	<b>Trade and other payables - notes 2.6, 2.16 (b) (i) and 34 (i)</b>		
<b>17.1</b>	<b>The make-up</b>		
	For revenue expenses - note 17.2	2,156,113	2,092,410
	For trading supplies - note 34 (ii) (a)	2,045,509	1,528,919
	For other finance - note 17.3	309,294	302,583
	For capital expenditure	58,468	22,069
		4,569,384	3,945,981
	Workers' profits participation and welfare funds - note 2.19 (iii)	201,159	62,967
		<b>4,770,543</b>	<b>4,008,948</b>
<b>17.2</b>	<b>For revenue expenses - note 17.1</b>		
	Accrued charges	1,952,193	1,908,176
	Payable for turnover rebate	202,073	179,751
	Training and consultancy fee	1,847	4,483
		<b>2,156,113</b>	<b>2,092,410</b>
<b>17.3</b>	<b>Creditors for other finance - note 17.1</b>		
	Clearing account	46,534	47,247
	Security deposits	50,159	45,781
	Tax deduction at source	46,095	33,662
	Staff income tax	7,514	6,958
	VAT, Supplementary duty and others	158,992	168,935
		<b>309,294</b>	<b>302,583</b>
<b>18</b>	<b>Provision for royalty</b>		
	Opening balance	296,768	285,397
	Addition for the year - notes 28, 34(ii)(a), 36.1 and 42	121,784	104,248
	Adjusted during the year	-	(297)
		418,552	389,348
	Payment during the year	(96,702)	(92,580)
	<b>Closing balance</b>	<b>321,850</b>	<b>296,768</b>
The service provider-wise break down of current charge is as follows:			
<b>Name of the trade marks provider</b>	<b>Name of the product</b>		
J&N Investments (Asia) Limited	Robbialac, Colorizer, Apexior 1 & 3 and Protection	117,798	98,879
Chugoku Marine Paints Ltd	Seven marine paint products	2,680	2,905
Berger Paints India Limited	Anti Microbial Paints	1,306	2,464
		<b>121,784</b>	<b>104,248</b>

As per the agreement between J & N Investments (Asia) Limited and Berger Paints Bangladesh Limited, an amount is required to be paid as Royalty @ 1.00% on net sales of the products under the technical categories Robbialac, Colorizer, Apexior 1 & 3 and Protection for using the trademarks owned by J & N Investments (Asia) Limited. The agreement was renewed from 1 January 2022 till 31 March 2027. Net sales price of the products sold under the above Brand Names and Trade Marks amounts to BDT 11,779,816 thousand for 2021-22.

As per the agreement between Chugoku Marine Paints Limited 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 till 31 December 2022.

As per the agreement dated 1 November 2020 valid till 31 October 2025 signed between Berger Paints India Limited and Berger Paints Bangladesh Limited, annual royalty @ 2% on the net sales of the licensed products is payable to Berger Paints India Limited.

In Thousands Taka		As at 31 March									
		2022	2021								
<b>19</b>	<b>Provision for current tax - notes 2.6 and 2.20 (i)</b>										
	Opening balance	338,522	325,941								
	Provision made for the year	1,046,599	964,614								
		1,385,121	1,290,555								
	Tax deducted at source and paid in advance - note 19.1	(1,055,171)	(952,033)								
	<b>Closing balance</b>	<b>329,950</b>	<b>338,522</b>								
<b>19.1</b>	<b>Breakup of tax deducted at source and paid in advance - note 19</b>										
	Tax deducted at source	593,231	428,905								
	Tax paid in advance	461,940	523,128								
		1,055,171	952,033								
<b>19.2</b>	<b>Assessment of Tax</b>										
	The assessment of the company's tax returns till the financial year 2020-2021 (corresponding assessment year 2021-22) has been completed. There is no pending tax liability of the company.										
<b>19.3</b>	<b>Reconciliation of effective tax rate</b>	<table> <tr> <th colspan="2">2021-2022</th><th colspan="2">2020-2021</th></tr> <tr> <th>Percentage</th><th>BDT '000</th><th>Percentage</th><th>BDT '000</th></tr> </table>		2021-2022		2020-2021		Percentage	BDT '000	Percentage	BDT '000
2021-2022		2020-2021									
Percentage	BDT '000	Percentage	BDT '000								
	Profit before tax	3,822,014	3,472,362								
	Tax on PBT excluding dividend income	22.50% 854,925	22.50% 776,254								
	Tax on dividend income	20.00% 4,469	20.00% 4,469								
		22.49% 859,394	22.48% 780,723								
	Tax effect of:										
	Provision for non-deductible expenses	5.02% 191,899	5.37% 186,470								
	Export rebate	-0.12% (4,694)	-0.07% (2,579)								
		27.38% <b>1,046,599</b>	27.78% <b>964,614</b>								
	Deferred tax (income)/expense (note 16.1)	-0.02% (677)	-1.18% (41,040)								
	<b>Income tax expenses</b>	<b>27.37%</b>	<b>26.60%</b>								
		<b>1,045,922</b>	<b>923,574</b>								

In Thousands Taka		As at 31 March	
		2022	2021
<b>20</b>	<b>Provision for employees' retirement gratuity - notes 2.6, 2.19 (i) and 16</b>		
	Opening balance	(2,540)	2,566
	Provision/charge for the year	35,321	31,765
	Actuarial (gain)/loss on actuarial valuation	5,220	(2,540)
		38,001	31,791
	Transferred to gratuity fund	(32,781)	(34,331)
	<b>Closing balance (note 20.1 and 20.5)</b>	<b>5,220</b>	<b>(2,540)</b>
<b>20.1</b>	<b>Surplus/(deficit) of defined benefit obligation and fair value of plan assets</b>		
	Defined benefit obligation (note 20.2)	(401,860)	(365,970)
	Fair value of plan assets (note 20.3)	409,050	368,510
	<b>Net surplus/(deficit)</b>	<b>7,190</b>	<b>2,540</b>
<b>20.2</b>	<b>Movement in Defined Benefits Obligation (DBO)</b>		
	Opening balance	365,970	329,600
	Current service costs	26,660	32,710
	Interest on the DBO	21,710	19,420
	Actuarial (gain)/loss-experienced	13,520	(3,760)
	Actuarial (gain)/loss-financial assumptions	(17,580)	-
	Benefits paid	(8,420)	(12,000)
	<b>Defined Benefits Obligation as at 31 March</b>	<b>401,860</b>	<b>365,970</b>
<b>20.3</b>	<b>Movement in Fair Value of Assets</b>		
	Opening balance	368,510	329,600
	Interest income on plan assets	22,920	20,365
	Employer contributions	35,320	31,765
	Return on plan assets greater/(lesser) than discount rate	(9,280)	(1,220)
	Benefits paid	(8,420)	(12,000)
	<b>Fair value of assets as at 31 March</b>	<b>409,050</b>	<b>368,510</b>
<b>20.4</b>	<b>Fair Value of Planned Assets</b>		
	Investment in Treasury Bonds	377,300	247,800
	Interest accrued thereon	4,680	4,671
	Liability to separated member	(2,453)	(2,453)
	Cash at bank	29,523	118,492
		<b>409,050</b>	<b>368,510</b>

In Thousands Taka		As at 31 March	
		2022	2021
<b>20.5</b>	<b>Components of Defined Benefits Cost</b>		
	<b>(i) Defined Benefit Cost</b>		
	Service cost	26,660	32,710
	Net interest on net defined benefit liability / (asset)	(1,210)	(950)
	Actuarial (gains)/ losses recognized in OCI	5,220	(2,540)
		<b>30,670</b>	<b>29,220</b>
	<b>(ii) Actuarial (gain)/loss shown in OCI</b>		
	Actuarial (gain)/loss due to liability experience	13,520	(3,760)
	Actuarial (gain)/loss due to liability assumption changes	(17,580)	-
	Return on plan assets greater/(less) than discount rate	9,280	1,220
		<b>5,220</b>	<b>(2,540)</b>
<b>20.6</b>	<b>Reconciliation of net balance sheet position</b>		
	Net defined benefit asset/ (liability) at end of prior period	2,540	-
	Service cost	(26,660)	(32,710)
	Net interest on net defined benefit liability/ (asset)	1,210	950
	Amount recognized in OCI	(5,220)	2,540
	Employer contributions	35,320	31,760
	<b>Net defined benefit asset/ (liability) at end of current period</b>	<b>7,190</b>	<b>2,540</b>
<b>20.7</b>	<b>Significant characteristics of plan</b>		
	(i) Plan sponsor : Berger Paints Bangladesh Limited		
	(ii) Nature of benefits : Final salary defined benefit plan		
	(iii) Risks associated with the plan : Plan sponsor bears all the risks associated with the plan		
	(iv) Vesting criteria : 5 years of continuous service		
	(v) Applicable salary : Last drawn monthly basic salary		
	(vi) Maximum limit of benefit paid : No upper limit on benefit		
	(vii) Basis of gratuity : Accrued benefit		
	(viii) Normal retirement age : 60 years		
	(ix) Benefit calculation: Two months basic (latest) pay for each completed year or major part of a year of their respective services.		
<b>21</b>	<b>Unclaimed dividend/payable</b>		
	Opening balance	12,020	9,825
	Distribution of dividend - note 15	3,130,506	1,368,147
		3,142,526	1,377,972
	Payment during the year	(3,136,465)	(1,365,955)
	<b>Closing balance (note 21.1)</b>	<b>6,061</b>	<b>12,020</b>

In Thousands Taka		As at 31 March	
		2022	2021
<b>21.1 Year-wise summary of unclaimed dividend</b>			
Unclaimed dividend of prior years (before 2017-18)	-	8,633	
Final dividend for the year 2017-18	269	270	
Final dividend for the year 2018-19	903	904	
Final dividend for the year 2019-20	2,194	2,212	
Final dividend for the year 2020-21	1,472	-	
Interim dividend for the year 2021-22	1,223	-	
<b>Total</b>	<b>6,061</b>	<b>12,020</b>	

As per directive of BSEC, the company deposited unclaimed dividend amounting BDT 8,569 thousand (unclaimed dividend since IPO till 2016-17) to Capital Market Stabilization Fund on 31 August 2021. The company does not have any unclaimed/undistributed bonus share.

## 22 Liability for unclaimed IPO application money

Opening balance	147	147
Deposited to Capital Market Stabilization Fund	(147)	-
<b>Closing balance</b>	<b>-</b>	<b>147</b>

As per directive of BSEC, the company deposited unclaimed dividend amounting BDT 147 thousand (unclaimed IPO application money) to Capital Market Stabilization Fund on 31 August 2021.

## 23 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:

<b>i. Letter of Credit</b>		
Commercial Bank of Ceylon PLC	286,276	280,090
Standard Chartered Bank	51,811	35,246
Citi Bank NA	-	39,397
Eastern Bank Limited	223,973	118,434
Woori Bank	655,272	460,549
BRAC Bank Limited	23,112	59,713
For raw material	<b>1,240,444</b>	<b>993,427</b>
For capital expenditure	<b>114,727</b>	<b>86,841</b>
	<b>1,355,171</b>	<b>1,080,268</b>
<b>ii. Bank guarantee</b>		
Standard Chartered Bank for BBBL	-	73,500
The Hongkong and Shanghai Banking Corporation Limited for BFL	137,000	137,000
Others	9,248	1,703
Bank guarantee	<b>146,248</b>	<b>212,203</b>
	<b>1,501,419</b>	<b>1,292,471</b>

## 24 Revenue - notes 2.21 (i), 2.29 and 25.4

In Thousands Taka		For the year ended 31 March			
		2022		2021	
		Quantity	Taka	Quantity	Taka
<b>Own manufactured items - paints and others</b>					
Liquid	KL	102,591	25,013,702	88,120	19,534,109
Non-liquid	MT	42,437	3,823,143	35,021	2,923,268
			28,836,845		22,457,377
<b>Imported items - paints and others</b>					
Liquid	KL	91	163,916	90	95,063
Non-liquid	MT	194	68,069	154	58,618
Others	Pcs	503	33,943	457	35,014
			265,928		188,695
			<b>29,102,773</b>		<b>22,646,072</b>
Discounts & Rebates			(2,634,558)		(2,375,387)
Value added tax - VAT			(3,769,676)		(2,944,620)
Supplementary duty - SD			(727,503)		(656,263)
			(7,131,737)		(5,976,270)
			<b>21,971,036</b>		<b>16,669,802</b>
Thereof, exports sales amounted to - note 36.2			<b>197,008</b>		<b>89,304</b>



In Thousands Taka		For the year ended 31 March	
		2022	2021
<b>25</b>	<b>Cost of sales</b>		
	Opening stock of finished goods - notes 8 and 25.4		
	Own manufactured items	647,902	633,374
	Imported items	60,519	81,304
		708,421	714,678
	Purchases - imported - note 25.4	149,620	120,546
		<b>858,041</b>	<b>835,224</b>
	Cost of production		
	Material consumed - notes 25.1, 25.5 and 25.6	13,551,949	8,895,187
	Manufacturing overheads - note 25.3	1,145,808	1,015,450
		14,697,757	9,910,637
	<b>Cost of finished goods available for sale</b>	<b>15,555,798</b>	<b>10,745,861</b>
	Closing stock of finished goods - notes 8 and 25.4		
	Own manufactured items	(1,099,269)	(647,902)
	Imported items	(46,239)	(60,519)
		(1,145,508)	(708,421)
	<b>Cost of sales</b>	<b>14,410,290</b>	<b>10,037,440</b>
<b>25.1</b>	<b>Materials consumed</b>		
	Opening stock - note 8		
	Raw materials	1,434,440	920,496
	Semi - finished products	154,226	94,756
	Packing materials	53,512	42,860
		1,642,178	1,058,112
	Purchase for the year - note 25.2		
	Raw materials	12,111,043	7,878,348
	Packing materials	2,163,036	1,600,905
		14,274,079	9,479,253
		15,916,257	10,537,365
	Closing stock - note 8		
	Raw materials	(2,070,734)	(1,434,440)
	Semi - finished products	(235,648)	(154,226)
	Packing materials	(57,926)	(53,512)
		(2,364,308)	(1,642,178)
	Notes - 25, 25.5 and 25.6	<b>13,551,949</b>	<b>8,895,187</b>

In Thousands Taka		For the year ended 31 March	
		2022	2021
<b>25.2</b>	<b>Materials purchase - cost and direct charges - note 25.1</b>		
	Raw materials		
	Imported	10,878,228	7,289,306
	Indigenous	1,232,815	589,042
		12,111,043	7,878,348
	Packing materials - indigenous	2,163,036	1,600,905
		<b>14,274,079</b>	<b>9,479,253</b>
<b>25.3</b>	<b>Manufacturing overheads - note 25</b>		
	Salary and wages*	414,892	379,661
	Welfare expenses	17,782	13,811
	Third party and casuals	45,268	45,529
	Depreciation and amortization - note 3.1 and 5.1	314,964	292,262
	Fuel, water and power	82,260	74,810
	Repairs and maintenance - note 2.23	60,816	42,506
	Raw materials shifting charges	29,131	19,721
	Stores and spares consumed	13,990	13,453
	Insurance	7,332	7,075
	Training and recruitment expenses	3,298	1,712
	Security and cleaning service	7,034	6,713
	Third party production charges	82,308	68,095
	Outsourcing employee cost	25,338	13,485
	Entertainment	1,918	1,229
	Other overhead	14,712	13,886
	Travelling and conveyance	1,426	1,202
	Production incentive	6,446	6,345
	Research, development and experimental costs	6,053	8,598
	Process development	45	1,127
	Rent, rates and other taxes	9,582	3,468
	L/C and bank charges	1,213	762
		<b>1,145,808</b>	<b>1,015,450</b>

\* The amount has been arrived after crediting Tk 1,200 thousand (2020-21: Tk 1,200 thousand) from JNBL, Tk 1,630 thousand (2020-21: Tk 1,512 thousand) from BBBL and Tk 2,394 thousand (2020-21: Tk 1,860 thousand) from BFL being realization of management charges - notes 7.2, 7.3 and 7.4.

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

Figures in Thousands	Unit	Opening Stock		Closing Stock		Sales during the year		Purchase	
		Qty	Taka	Qty	Taka	Qty	Taka	Qty	Taka
<b>Own manufactured items - Paints &amp; others</b>									
Liquid	Ltr	4,379	529,711	6,512	908,037	102,591	25,013,702	104,729.0	-
Non-Liquid	KG	1,660	118,191	2,003	191,232	42,437	3,823,143	42,782.0	-
			647,902		1,099,269		28,836,845		
<b>Imported items - Paints &amp; others</b>									
Liquid	Ltr	28	22,261	26	23,876	91	163,915	85	81,073
Non-Liquid	KG	61	14,875	27	11,790	194	68,069	156	53,270
Others	Pcs	241	23,383	99	10,573	503	33,943	361	13,838
			60,519		46,239		265,927		149,620
<b>For the year ended 31 March 2022</b>	<b>Taka</b>		<b>708,421</b>		<b>1,145,508</b>		<b>29,102,772</b>		<b>149,620</b>
<b>For the year ended 31 March 2021</b>	<b>Taka</b>		<b>714,677</b>		<b>708,421</b>		<b>22,646,071</b>		<b>120,546</b>
	Notes		25 & 8		25 & 8		24		25

**25.5 Analysis of materials consumed**

Figures in Thousands	For the year ended 31 March 2022		For the year ended 31 March 2021	
	Qty - KG	Taka	Qty - KG	Taka
Raw materials				
Resin		1,685		393,797
Pigments		13,557		3,173,086
Extenders and white cements		648		67,143
Solvents and oils		72,825		1,695,719
Additives and chemicals		94,651		6,063,582
		183,367		11,393,327
Packing materials				2,158,622
notes - 25, 25.1 and 25.6				13,551,949
				8,895,187

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

Figures in Thousands	For the year ended 31 March 2022		For the year ended 31 March 2021	
	Taka	%	Taka	%
Imports	10,219,920	90	6,719,499	92
Indigenous	1,173,407	10	585,435	8
<b>note 25.5</b>	<b>11,393,327</b>	<b>100</b>	<b>7,304,934</b>	<b>100</b>
Check - consumption				
Raw materials	11,393,327	84	7,304,934	82
Packing materials	2,158,622	16	1,590,253	18
<b>notes 25, 25.1 and 25.5</b>	<b>13,551,949</b>	<b>100</b>	<b>8,895,187</b>	<b>100</b>

In Thousands Taka	For the year ended 31 March	
	2022	2021
<b>26 Selling, distribution and warehousing expenses</b>		
Advertising expenses - note 2.25	541,760	405,845
Promotional expenses	716,693	614,401
Salary and wages*	534,772	473,681
Third party and casuals	124,413	111,401
Welfare expenses	17,482	13,353
Training and recruitment expenses	4,530	2,486
Security and cleaning service	29,820	27,536
Outsourcing employee cost	59,965	52,863
Production incentive	1,994	1,935
Other overhead	19,643	25,107
	2,051,072	1,728,608
<b>Distribution and warehousing expenses</b>		
Transportation and handling charges**	300,818	252,550
Repairs and maintenance - note 2.23	25,196	19,128
Rent, rates and fees	9,626	8,185
Electricity, water and gas	14,173	11,999
Insurance	4,492	4,321
	354,305	296,183
<b>Selling expenses</b>		
Paint delivery expenses	247,048	209,699
Salesmen travelling	108,444	59,738
Postage and telecommunication	9,855	9,896
Rent, rates and fees	14,318	9,320
Product demonstration	17,444	8,248
Entertainment	10,431	6,368
Sales incentive	11,566	5,750
General survey and studies	3,845	3,500
Bad debts - note 2.24	21,181	25,745
Color Bank operational expenses - notes 2.21 (iii) and 29	3,128	3,598
Illusion expense - note 29	3,080	2,142
Others	7,104	754
	457,444	344,758
Depreciation and amortization - notes 3.1, 5.1 and 6.1	279,598	271,550
Cost of free issue	425	67
	280,023	271,617
	<b>3,142,844</b>	<b>2,641,166</b>
*This amount has been arrived after crediting Tk 272 thousand (2020-21: Tk 252 thousand) from BBBL and Tk 399 thousand (2020-21: Tk 310 thousand) from BFL being earning of management fees.		
**This amount has been arrived at after netting recoveries from carrying contractor as loss in transit.	2,696	692

In Thousands Taka		For the year ended 31 March	
		2022	2021
<b>27</b>	<b>Administrative and general expenses</b>		
	Salary and wages*	330,270	305,878
	Welfare expenses	8,568	6,413
	Third party and casuals	2,908	2,493
	Training and recruitment expenses	11,641	3,803
	Employee engagement	17,261	8,676
	Security and cleaning service	5,170	6,115
	Outsourcing employee cost	5,473	4,875
	Production incentive	380	392
	Postage and telecommunication	9,874	7,949
	Depreciation and amortization - notes 3.1, 5.1 and 6.1	75,453	77,320
	Travelling, haulage and passage	3,607	1,291
	Repairs and maintenance - note 2.23	35,226	32,659
	Share department expenses	3,261	2,557
	Bank charges	13,306	9,977
	Vehicle expenses	11,595	8,799
	Electricity, fuel and water	6,182	6,317
	Printing and stationery	5,104	5,622
	Rent, rates and fees	3,312	2,732
	Subscription and donation	474	722
	CSR activity	8,642	8,016
	Entertainment	7,024	6,608
	Corporate affairs department's expenses	1,349	490
	Insurance	460	461
	Legal and professional charges	11,195	10,220
	Auditors' remuneration	1,202	1,827
	Newspaper and periodicals	155	141
	Directors fees	630	735
	Other overhead	3,775	2,623
		<b>583,497</b>	<b>525,711</b>
	*The amount has been arrived after crediting Tk 1,800 thousand (2020-21: Tk 1,800 thousand) from JN(B)L, Tk 3,530 thousand (2020-21: Tk 3,275 thousand) from BBBL and Tk 5,186 thousand (2020-21: Tk 4,030 thousand) from BFL being realization of management charges.		
<b>28</b>	<b>Other operating expenses</b>		
	Royalty - notes 18 and 36.1	121,784	103,951
	Training, consultancy and technical know how fees - note 36.1	3,236	2,812
		<b>125,020</b>	<b>106,763</b>

In Thousands Taka		For the year ended 31 March			
		2022	2021		
29	Other operating income				
	Service charges from house building loans	912	785		
	Scrap sales and sundry recoveries	40,804	30,202		
	Color Bank operational income - notes 2.21 (ii) and 26	120,676	98,298		
	Insurance claim and other realizations	-	8,832		
	Income from illusion - note 26	20,602	18,638		
	Rental income from JNBL, BBBL & BFL - notes 7.2, 7.3, 7.4 and 13	8,862	9,369		
	Marketing service fee from BFL - note 7.4	18,172	10,223		
		210,028	176,347		
30	Finance costs				
	Interest expense	80,084	35,913		
	Exchange (gain)/loss	(1,915)	526		
		78,169	36,439		
31	Investment income				
	Dividend income	22,344	22,344		
	Term deposits, operational and other	104,726	109,958		
	Loan to subsidiary - J & N (Bangladesh) Limited - note 7.2	33,456	7,653		
		160,526	139,955		
32	Other non-operating income				
	Income on sale of property, plant and equipment - note 3.3	20,006	13,049		
	Gain on terminated lease	712	-		
	Others	685	3,484		
		21,403	16,533		
33	Capacity & production				
33.1	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 2022	For the year ended 31 March 2021	For the year ended 31 March 2022	For the year ended 31 March 2021
Liquid	LT	136,799	117,011	104,722	87,779
Non-liquid	KG	54,304	45,826	42,780	34,978
33.2	Licensed capacity is no more applicable and the regulatory authority does not exercise any direct control over the procurement, production or sale.				



**34 Financial risk management**

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

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

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

**i. Liquidity risk**

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

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

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

In Thousands Taka

Financial liabilities	As at 31 March 2022			
	Carrying amount	Contractual cash flows	Within 12 months or less	Above 12 months *
Trade and other payables - notes 17, 21 and 22	4,776,604	4,776,604	4,771,766	4,838

Financial liabilities	As at 31 March 2021			
	Carrying amount	Contractual cash flows	Within 12 months or less	Above 12 months *
Trade and other payables - notes 17, 21 and 22	4,021,115	4,021,115	4,011,161	9,954

\*only unclaimed dividend and IPO application money

**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 the foreign currency purchases of the Company are denominated in USD and EURO.

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

In Thousands Taka	As at 31 March	
	2022	2021
<b>Foreign currency denominated assets</b>		
Receivable from customers - inland export	46,792	22,618
Cash and cash equivalents - note 12	51,524	16,960
<b>Foreign currency denominated liabilities</b>		
Trade payables - note 17.1	2,045,509	1,528,919
Royalty - note 18	170	170
The foreign exchange gain was Taka 1,915 thousand for the period ended 31 March 2022 and loss Taka 526 thousand was for the period ended 31 March 2021 - note 30.		
The company has applied the following significant foreign exchange rates:		
US Dollar	86.25	84.95
EURO	98.45	100.99
GBP	115.09	118.16
<b>b. Interest risk</b>		
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:		
<b>Financial instruments</b>		
Financial assets		
Term deposit	204,433	100,000
Cash and cash equivalents - note 12	2,425,971	4,099,907
<b>Financial liabilities</b>	-	-

**iii. Credit risk:**

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

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

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

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

		As at 31 March	
In Thousands Taka		2022	2021
Local receivable - note 9		1,901,152	1,770,619
Inland export receivable		46,792	22,618
<b>Trade receivable</b>	<b>Note - 9.1</b>	<b>1,947,944</b>	<b>1,793,237</b>
Accrued interest		7,627	13,282
Inter-company receivable		404,978	191,885
<b>Other receivables</b>	<b>Note - 13</b>	<b>412,605</b>	<b>205,167</b>
		For the year ended 31 March	
In Thousands Taka		2022	2021
<b>35 Value of imports - at CIF basis</b>			
Raw materials		10,829,749	6,956,014
Capital goods		267,996	211,064
Stores and spares		8,200	10,214
		<b>11,105,945</b>	<b>7,177,292</b>
<b>36 Transactions in equivalent foreign currency</b>			
<b>36.1 Expenses</b>			
Royalty - notes 18, 28 and 34 (ii) (a)		121,784	104,248
Training and consultancy fee - note 28		3,236	2,812
		<b>125,020</b>	<b>107,060</b>
<b>36.2 Earnings</b>			
Inland export sales - note 24		<b>197,008</b>	<b>89,304</b>
<b>37 Dividend remitted in terms of foreign currency to</b>			
J & N Investments (Asia) Limited - Net of TDS		<b>2,676,568</b>	<b>1,169,760</b>
2021-22: Final and Interim Dividend; 2020-21 : Final Dividend			
<b>In number</b>			
<b>38 Expenditure incurred on employees</b>			
Salaries, wages and benefits - notes 25.3, 26 & 27*			
a. Employment throughout the year in receipt of remuneration aggregating Tk 36,000 or more per annum		558	566
b. Employment for a part of the year and in receipt of remuneration aggregating Tk 3,000 or more per month		94	26
		<b>652</b>	<b>592</b>
*Includes all types of benefits paid and provided both in cash and kind other than the re-imbursement of expenses incurred for the Company's business.			
<b>39 Remuneration of Directors, Executives, Managers &amp; Officers - notes 25.3, 26, 27 and 38</b>			
<b>39.1 Managerial remuneration for managers and officers only</b>			
Salary, allowances and benefits		1,052,341	943,562
Contributions to employees' benefit scheme - note 2.19		46,800	42,526
Reimbursable expenses		67,901	63,681
Post employment benefit		-	-
Other long-term benefit		-	-
Termination benefit		-	-
Share-based payment		-	-
	<b>Taka</b>	<b>1,167,042</b>	<b>1,049,769</b>
	<b>Number</b>	<b>493</b>	<b>441</b>

**39.2 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.

**39.3 Board meeting fee**

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

		For the year ended 31 March	
In Thousands Taka		2022	2021
<b>40 Earnings per share (EPS) - Basic - note 2.30</b>	<b>Note (s)</b>		
The computation of EPS is given below:			
Net profit attributable to the ordinary shareholders - Taka in '000		2,776,092	2,548,788
Net cash inflow from operating activities (NOCF) - Taka in '000		2,711,284	3,322,364
Net asset value (NAV) - Taka in '000		9,532,307	9,890,766
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) for the year		Taka 59.86	54.96
Diluted earnings per share (DEPS) for the year		Taka 59.86	54.96
Net operating cash flow per share (NOCFPS)		Taka 58.46	71.64
Net asset value per share (NAVPS)		Taka 205.54	213.26

**40.1 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 Cash flows from operating activities under indirect method**

<b>Net profit for the year</b>		<b>2,776,092</b>	<b>2,548,788</b>
Tax expenses		1,045,922	923,574
<b>Profit before tax</b>		<b>3,822,014</b>	<b>3,472,362</b>
<b>Non cash items:</b>			
Depreciation		651,882	613,554
Amortization of intangible assets	6.1	18,130	27,578
Actuarial gain/(loss) on defined benefit plans		(5,220)	2,540
		<b>664,792</b>	<b>643,672</b>
<b>Operating and non operating items</b>			
Investment (Finance) expenses	30	80,084	35,913
Dividend income		(22,344)	(22,344)
Other non-operating income		(1,397)	(3,484)
Income on sale of property, plant and equipment	3.3	(20,006)	(13,049)
<b>Non operating expenses (income)</b>		<b>36,337</b>	<b>(2,964)</b>
<b>Changes in working capital</b>			
Inventories	8	(1,162,995)	(838,228)
Trade and other receivables	9	(139,259)	(93,433)
Advances, deposits and prepayments	10	73,927	(86,084)
Inter - company receivables	13	(213,093)	(1,735)
Trade and other payables	17	725,196	1,209,227
Provision for royalty	18	25,082	11,371
Provision for employees' retirement gratuity	20	7,760	(5,106)
		<b>(683,382)</b>	<b>196,012</b>
Income tax paid	19	(1,055,171)	(952,033)
Exchange (gain)/loss		(1,915)	526
Interest paid on lease obligations		(71,391)	(35,212)
<b>Net cash flows from operating activities</b>		<b>2,711,284</b>	<b>3,322,364</b>

42 Related party transactions - notes 2.27, 7, 13 and 20

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 2022

In Thousands Taka

Name of the related party	Nature of relationship	Nature of transaction	Transactions	Receivable/ (payable)
Jenson & Nicholson (Bangladesh) Ltd.	Subsidiary	Material and Service	743,892	357,908
Berger Becker Bangladesh Limited	Associate	Service	5,431	1,152
Berger Fosroc Limited	Associate	Material, Service and Loan	423,270	85,918
BPBL Employees' Provident Fund	Post-employment plan	Contribution to Provident Fund	50,258	-
BPBL Employees' Gratuity Fund	Post-employment plan	Contribution to Gratuity Fund	35,321	(5,220)
<b>Total inter-company receivables</b>			<b>1,258,172</b>	<b>439,758</b>
J&N Investments (Asia) Limited	Group	Royalty	117,798	(317,336)
Berger Paints India Limited	Fellow Subsidiary	Royalty & Tech. assistance fees	1,306	(1,476)
<b>Total inter-company payables</b>			<b>119,104</b>	<b>(318,812)</b>

As at and for the year ended 31 March 2021

Name of the related party	Nature of relationship	Nature of transaction	Transactions	Receivable/ (payable)
Jenson & Nicholson (Bangladesh) Ltd.	Subsidiary	Material and Service	588,025	157,074
Berger Becker Bangladesh Limited	Associate	Service	27,414	7,143
Berger Fosroc Limited	Associate	Material and Service	214,457	27,668
BPBL Employees' Provident Fund	Post-employment plan	Contribution to Provident Fund	46,831	-
BPBL Employees' Gratuity Fund	Post-employment plan	Contribution to Gratuity Fund	31,791	2,540
<b>Total inter-company receivables</b>			<b>908,518</b>	<b>194,425</b>
J&N Investments (Asia) Limited	Group	Royalty	98,881	(293,946)
Berger Paints India Limited	Fellow Subsidiary	Technical assistance fees	2,464	(5,100)
<b>Total inter-company payables</b>			<b>101,345</b>	<b>(299,046)</b>

43 Events after the reporting period - note 2.28

Subsequent to the date of statement of financial position, the Board of Directors recommended 100% final cash dividend at the Board meeting held on 30 May 2022. Considering 300% interim dividend declared by the Board of Directors in January 2022, total dividend for the year is 400%. The final dividend is subject to the approval by the shareholders in the Annual General Meeting scheduled on 24 August 2022.

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

Annexure - A

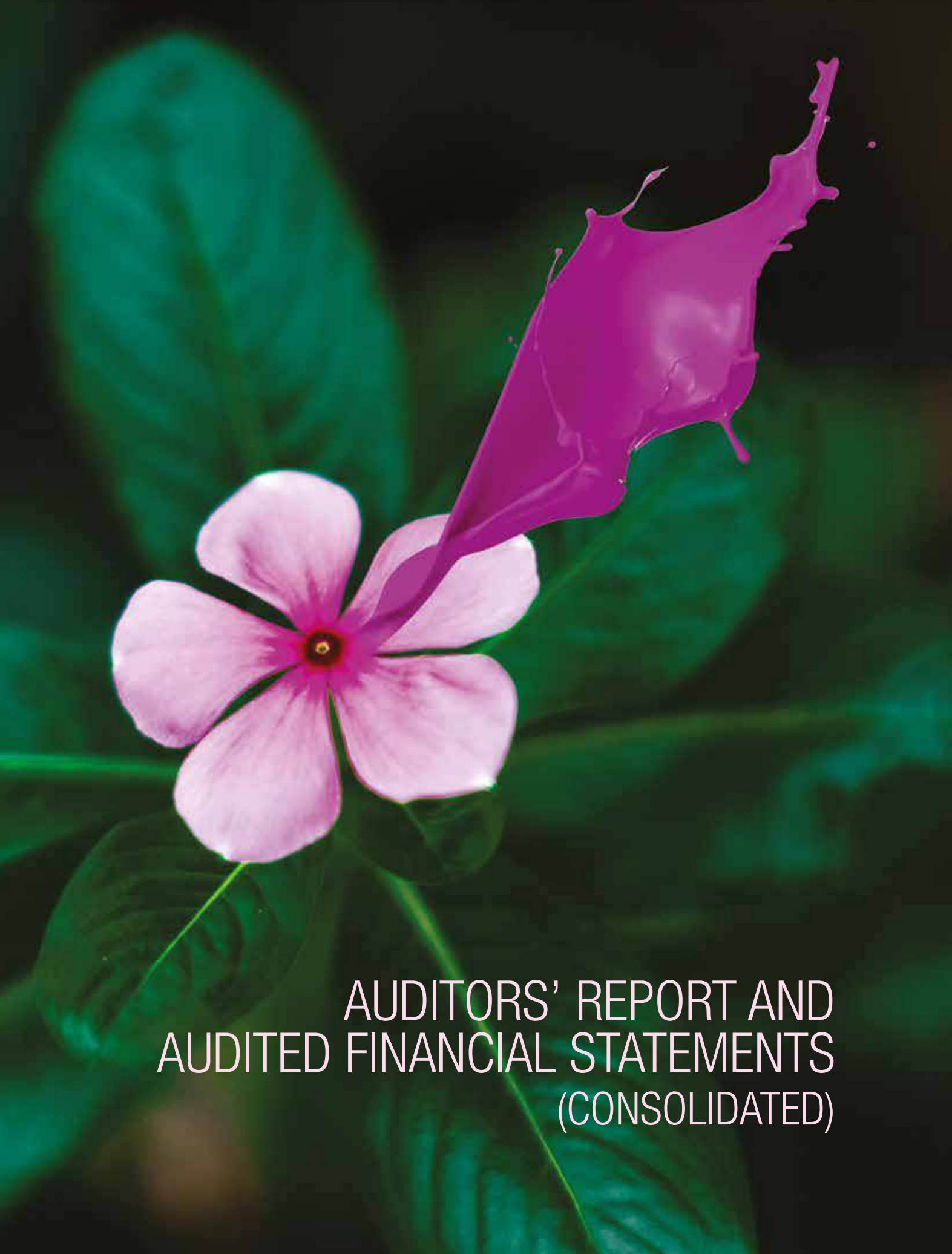
Schedule of Property, plant and equipment and depreciation thereon

In Thousands Taka

Category of assets	Cost				Accumulated depreciation				Written down value as at 31 March 2022
	Opening balance	Addition during the year	Adjustment/ disposal during the year	Closing balance	Opening balance	Charged for the year	Adjustment/ disposal during the year	Closing balance	
Land	1,490,923	44,255	-	1,535,178	9,658	9,795	-	19,453	1,515,725
Building	1,495,791	347,314	(2,361)	1,840,744	355,145	43,382	(1,648)	396,879	1,443,865
Plant and machinery	2,035,994	46,898	(16,000)	2,066,892	1,135,940	157,758	(14,681)	1,279,017	787,875
Office equipment	261,737	25,725	(2,855)	284,607	174,874	27,492	(2,567)	199,799	84,808
Factory and laboratory equipment	1,700,857	256,581	-	1,957,438	1,237,531	175,891	-	1,413,422	544,016
Computer	215,204	29,459	(10,884)	233,779	159,708	24,481	(10,376)	173,813	59,966
Furniture and fixtures	154,645	20,632	(1,257)	174,020	98,637	13,748	(974)	111,411	62,609
Motor vehicles	402,820	186,984	(71,904)	517,900	277,252	76,532	(71,135)	282,649	235,251
Loose tools	17,364	5,949	(528)	22,785	16,105	2,859	(528)	18,436	4,349
<b>Total</b>	<b>7,775,335</b>	<b>963,797</b>	<b>(105,789)</b>	<b>8,633,343</b>	<b>3,464,849</b>	<b>531,938</b>	<b>(101,909)</b>	<b>3,894,878</b>	<b>4,738,465</b>

Category of assets	Cost				Accumulated depreciation				Written down value as at 31 March 2021
	Opening balance	Addition during the year	Adjustment/ disposal during the year	Closing balance	Opening balance	Charged for the year	Adjustment/ disposal during the year	Closing balance	
Land	987,526	503,397	-	1,490,923	7,667	1,991	-	9,658	1,481,265
Building	1,453,329	42,462	-	1,495,791	313,119	42,026	-	355,145	1,140,646
Plant and machinery	1,942,565	94,827	(1,398)	2,035,994	982,936	154,404	(1,398)	1,135,940	900,054
Office equipment	238,734	23,371	(368)	261,737	149,068	26,172	(366)	174,874	86,863
Factory and laboratory equipment	1,513,164	188,488	(795)	1,700,857	1,077,651	160,673	(795)	1,237,531	463,326
Computer	190,440	25,401	(637)	215,204	133,416	26,843	(550)	159,708	55,496
Furniture and fixtures	148,619	6,377	(351)	154,645	85,163	13,824	(351)	98,637	56,008
Motor vehicles	396,457	52,960	(46,597)	402,820	256,665	66,515	(45,929)	277,252	125,568
Loose tools	15,855	1,657	(148)	17,364	15,753	500	(148)	16,105	1,259
<b>Total</b>	<b>6,886,689</b>	<b>938,940</b>	<b>(50,294)</b>	<b>7,775,335</b>	<b>3,021,438</b>	<b>492,948</b>	<b>(49,537)</b>	<b>3,464,849</b>	<b>4,310,486</b>





# AUDITORS' REPORT AND AUDITED FINANCIAL STATEMENTS (CONSOLIDATED)

## Independent Auditors' 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 2022, 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 a true and fair view of the state of Group's affairs in all material respects of the consolidated financial position of the Group as at 31 March 2022, its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Companies Act (#18) 1994, Bangladesh Securities & Exchange Rules 2020, and Other rules and regulations applicable for this Group in Bangladesh.

#### Basis for opinion

We conducted our audit in accordance with International Standard on Auditing (ISAs). Our responsibilities under those standards are further described in "Auditors' responsibilities for the audit of the consolidated financial statements" section of our report.

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

#### Independence

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.

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 Group.

#### Key Audit Matters

Key matters are those matters that, in our professional judgments, were of most significant in the audit of the Group's financial statements of the current period. These matters and any comments we make on the result of our procedure thereon, were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion of these matters. This is not a complete list of all risks identified by our audit.

Key Audit Matters	Our response to the Key Audit Matters
<b>Revenue Recognition (See Note no 3.12 and Note no 24 to the financial statements)</b>	
<p>At year-end the Group reported total revenue of Tk. 22,194,761 thousand.</p> <p>Revenue is measured net of VAT &amp; SD and discounts, commissions and rebates allowed to the dealer/distributors of the Group which is material and considered to be complex and judgmental.</p> <p>As described in the accounting policy 3.12 to the financial statements, the Group recognizes revenue upon rendering services to the dealers/distributors as per IFRS 15- Revenue from Contract with Customers.</p>	<p>We have tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"><li>• Calculation of VAT, SD, discounts, incentives and rebates;</li><li>• Segregation of duties in invoice creation and modification; and</li><li>• Timing of revenue recognition.</li></ul> <p>Our substantive procedures in relation to the revenue recognition comprises the following:</p> <ul style="list-style-type: none"><li>• We tested the service rendered and recognized shortly before and after the reporting date, including the discount given recorded after that date, to examine whether revenue transactions were recorded in the correct recording periods;</li><li>• We conducted substantive testing of revenue recorded over the year using sampling techniques, by examining the relevant supporting documents including invoices and challans. In addition, we confirmed certain customers' receivable balances at the reporting date, selected on a sample basis by considering the amounts outstanding with those customers.</li><li>• Within a number of the Group's markets, comparing current year rebate accruals to the prior year and, where relevant, completing further inquiries and testing;</li><li>• Agreeing a sample of claims and rebate accruals to supporting documentation;</li><li>• Critically assessing adjustments posted to revenue to identify unusual or irregular items; and</li><li>• Finally assessed the appropriateness and presentation of disclosures of Revenue against relevant accounting standards.</li></ul>

Valuation of Inventory (See Note no 3.6 and Note no 10 to the financial statements)	
<p>The Group had inventory of Tk.4,670,343 thousand at 31 March 2022, held in factories and depots situated at different locations.</p> <p>Inventories are valued at the lower of cost or net realizable value. As a result, the management apply judgment in determining the appropriate values for slow-moving, damaged and obsolete items.</p>	<p>We verified the appropriateness of management's assumptions applied in calculating the value of the inventory provisions by:</p> <ul style="list-style-type: none"><li>• evaluating the design and implementation of key inventory controls operating across the Group, including those at a sample of distribution centers and warehouses;</li><li>• attending inventory counts and reconciling the count results to the inventory listings to test the completeness of data;</li></ul> <p>comparing the net realizable value, obtained through a detailed review of sales subsequent to the year-end, to the cost price of a sample of inventories and comparison to the associated provision to assess whether inventory provisions are complete;</p> <ul style="list-style-type: none"><li>• reviewing the historical accuracy of inventory provisioning, and the level of inventory write-offs during the year; and</li><li>• reviewing the completeness of inventory provisions through assessing actual and forecast sales of inventory lines to assess whether provisions for slow-moving/obsolete stock are valid and complete.</li></ul>
Property, Plant and Equipment (See Note no 3.2 and Note no 4 to the financial statements)	
<p>The Group has a large number of Property, Plant and Equipment items amounting Tk. 5,361,063 thousand. In view of availability of latest machinery due to improve technology, the obsolescence &amp; impairment may be noticed in existing machineries.</p> <p>Management has concluded that there is no impairment in respect of all assets. This conclusion required significant management judgment. Hence we considered this to be key audit matter.</p>	<p>Our audit procedure in this area included, among others:</p> <ul style="list-style-type: none"><li>• Assessing the consistency of methodologies use for depreciating the assets;</li><li>• Checking on a sample basis, the accuracy and relevance of the accounting of PPE by management; and</li><li>• For selected samples, performing physical observation to assess management's determination on whether the equipment is obsolete, and testing the assumptions used in estimating recoverable amount, such as estimated useful life and replacement cost.</li></ul> <p>Examine management's periodic review of Property, Plant and Equipment for determination of impairment and obsolescence.</p>
Measurement of Deferred Tax (See Note no 3.11 and Note no 16 to the financial statements)	
<p>The Group recognizes deferred taxes relating to property, plant and equipment, right of use assets, lease obligation and employee benefits (Gratuity), which are very complex in nature.</p> <p>As such accounting for deferred taxes involves management judgment in developing estimates of exposures and contingencies in order to assess the adequacy of tax provision. Hence, we considered this to be a key audit matter.</p>	<p>Our audit procedure in this area included, among others:</p> <ul style="list-style-type: none"><li>• Assessed the design, implementation and operating effectiveness of key controls in respect of the Group and the process of recognition of deferred taxes;</li><li>• Relied upon the Group's tax specialists to evaluate the tax bases and Group tax strategy;</li><li>• Assessed the accuracy and completeness of deferred tax, and</li><li>• Evaluating the adequacy of the financial statements disclosures, including disclosures of assumptions, judgments and sensitivities.</li></ul>

Other information

Management is responsible for the other information. The other information comprises the information in Director's report included in the annual report but does not include in the consolidated financial statements and our auditors' report.

Our opinion on the consolidated financial statements 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 preparation of the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with applicable IFRSs and IASs, the Companies Act (#18) 1994, the Bangladesh Securities & Exchange Rules 2020 and other applicable laws and regulations. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

In preparing the consolidated financial statements, 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.

Auditors' responsibilities for the audit of the consolidated financial statements

We conducted our audit in accordance with International Standards on Auditing (ISA). Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 consolidated financial statements.

As a part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism 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 risks 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 purposes of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting polices 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 relating 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 auditors' 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 auditors' 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.

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 auditors' report unless law or regulation precludes public disclosure about the matters 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.

Other Matter

The financial statements of Subsidiary Company: Jenson & Nicholson (Bangladesh) Ltd. - J&N(B)L for the year ended 31 March 2022 were audited by Snehasish Mahmud & Co. The financial statements of Berger Fosroc Limited (BFL) for the year ended 31 December 2021 was audited by A. Qasem & Co and the financial statements of Berger Becker Bangladesh Limited (BBBL) for the year ended 31 December 2021 was audited by Nurul Faruq Hasan & Co. However, in order to align with the year-end of the BPBL, we accepted management certified accounts for the period ended 31 March 2022 of both BFL and BBBL for consolidation purposes.

## Report on other legal and regulatory requirements

In accordance with the Companies Act (#18) 1994 and the Bangladesh Securities and Exchange Rules 2020 and relevant notifications issued by Bangladesh Securities and Exchange Commission, we also report the following:

1. 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;
2. 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;
3. The consolidated statement of financial position and consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows dealt with by the report are in agreement with the books of account and returns; and
4. The expenditure incurred was for the purposes of the Group's business.

Dhaka, 31 May 2022



For and on behalf of

**Hoda Vasi Chowdhury & Co**  
Chartered Accountants

*Showkat Hossain*  
**Showkat Hossain, FCA**  
Senior Partner  
Enrolment No: 0137

## Berger Paints Bangladesh Limited Consolidated Statement of Financial Position

In Thousands Taka	Notes	As at 31 March	
		2022	2021
Property plant and equipment	4	5,361,063	4,955,188
Capital work-in-progress	5	1,012,612	755,258
Right-of-use assets	6	536,124	572,586
Intangible assets	7	47,223	54,503
		<b>6,957,022</b>	<b>6,337,535</b>
Term deposit - Govt. Securities	8	204,433	100,000
Investment in associate	9	344,554	320,989
Loan receivables		40,000	-
<b>Total non-current assets</b>		<b>7,546,009</b>	<b>6,758,524</b>
Inventories	10	4,670,343	3,346,735
Trade and other receivables	11	1,984,116	1,818,884
Advances deposits and prepayments	12	304,913	351,411
Cash and cash equivalents	13	2,441,687	4,125,304
<b>Total current assets</b>		<b>9,401,059</b>	<b>9,642,334</b>
<b>Total assets</b>		<b>16,947,068</b>	<b>16,400,858</b>
Share capital	14	463,779	463,779
Retained earnings	15	10,081,976	10,309,568
<b>Equity attributable to the Company's equity holders</b>		<b>10,545,755</b>	<b>10,773,347</b>
Deferred tax liabilities	16	267,621	271,771
Lease liabilities	6	494,135	491,497
Provision for employees' retirement gratuity	20	20,201	17,388
<b>Total non-current liabilities</b>		<b>781,957</b>	<b>780,656</b>
Lease liabilities	6	72,889	76,420
Trade and other payables	17	4,878,306	4,115,051
Provision for royalty	18	321,850	296,768
Provision for current tax	19	335,030	348,989
Provision for employees' retirement gratuity	20	5,220	(2,540)
Dividend payable	21	6,061	12,020
Liability for unclaimed IPO application money	22	-	147
<b>Total current liabilities</b>		<b>5,619,356</b>	<b>4,846,855</b>
<b>Total liabilities</b>		<b>6,401,313</b>	<b>5,627,511</b>
<b>Total equity and liabilities</b>		<b>16,947,068</b>	<b>16,400,858</b>
<b>Contingent liabilities</b>		<b>1,692,642</b>	<b>1,401,257</b>
<b>Net asset value per share (NAVPS) - Taka</b>		<b>227.39</b>	<b>232.29</b>

These financial statements should be read in conjunction with the annexed notes 1 to 36 and Annexure-A which were approved by the Board of Directors on 30 May 2022 and were signed on its behalf by:

*Salim*  
Company Secretary

*S*  
Director & CFO  
Signed in terms of our separate report of even date annexed

*K. C.*  
Managing Director

Dhaka 31 May 2022



For and on behalf of  
**Hoda Vasi Chowdhury & Co** Chartered Accountants  
*Showkat Hossain*  
**Showkat Hossain FCA** Senior Partner  
Enrolment No: 0137



## Berger Paints Bangladesh Limited

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

In Thousands Taka	Notes	For the year ended 31 March	
		2022	2021
Revenue	24	22,194,761	16,877,369
Cost of sales	25	(14,444,291)	(10,068,770)
<b>Gross profit</b>		<b>7,750,470</b>	<b>6,808,599</b>
Selling, distribution and warehousing expenses	26	(3,178,342)	(2,673,198)
Administrative and general expenses	27	(624,650)	(561,160)
Other operating expenses	28	(125,020)	(106,763)
Other operating income	29	271,018	213,308
<b>Total operating expenses</b>		<b>(3,656,994)</b>	<b>(3,127,813)</b>
<b>Income from operation</b>		<b>4,093,476</b>	<b>3,680,786</b>
Finance cost	30	(78,179)	(36,515)
Investment income	31	126,247	109,958
		<b>48,068</b>	<b>73,443</b>
Other non-operating income	32	21,403	16,533
Share of profit of associate	9	45,909	38,756
		<b>67,312</b>	<b>55,289</b>
<b>Profit before WPPF and Tax</b>		<b>4,208,856</b>	<b>3,809,518</b>
Workers' profit participation and welfare fund (WPPF)		(209,130)	(189,776)
<b>Net profit before tax</b>		<b>3,999,726</b>	<b>3,619,742</b>
Current tax expense	19	(1,095,742)	(1,005,783)
Deferred tax (expense)/income	16	2,975	55,225
<b>Income tax expenses</b>		<b>(1,092,767)</b>	<b>(950,558)</b>
<b>Net profit for the year</b>		<b>2,906,959</b>	<b>2,669,184</b>
<b>Other Comprehensive Income</b>			
Actuarial gain/(loss) on defined benefit plan		(5,220)	2,540
Deferred tax impact on defined benefit plan		1,175	(572)
<b>Total other comprehensive income</b>		<b>(4,045)</b>	<b>1,968</b>
<b>Total comprehensive income</b>		<b>2,902,914</b>	<b>2,671,152</b>
Basic Earnings per share (EPS) - Taka	34	<b>62.68</b>	<b>57.55</b>

These financial statements should be read in conjunction with the annexed notes 1 to 36 and Annexure-A which were approved by the Board of Directors on 30 May 2022 and were signed on its behalf by:

  
Company Secretary

haka, 31 May 2022

  
Director & CFO

Signed in terms of our separate report of even date annexed

  
Managing Director

For and on behalf of

Hoda Vasi Chowdhury & Co, Chartered Accountants



  
Showkat Hossain, FCA, Senior Partner  
Enrolment No: 0137

## Berger Paints Bangladesh Limited

### Consolidated Statement of Changes in Equity

For the year ended 31 March 2022

In Thousands Taka

Particulars	Share capital	Retained earning	Total
Balance as at 01 April 2021	463,779	10,309,568	10,773,347
Distribution of cash dividend	-	(3,130,506)	(3,130,506)
<b>Total comprehensive income:</b>			
Net profit for the year	-	2,906,959	2,906,959
Other comprehensive income, net of tax	-	(4,045)	(4,045)
<b>Balance as at 31 March 2022</b>	<b>463,779</b>	<b>10,081,976</b>	<b>10,545,755</b>

Particulars	Share capital	Retained earning	Total
Balance as at 01 April 2020	463,779	9,006,563	9,470,342
Distribution of cash dividend	-	(1,368,147)	(1,368,147)
<b>Total comprehensive income:</b>			
Net profit for the year	-	2,669,184	2,669,184
Other comprehensive income, net of tax	-	1,968	1,968
<b>Balance as at 31 March 2021</b>	<b>463,779</b>	<b>10,309,568</b>	<b>10,773,347</b>

Notes 14 15

These financial statements should be read in conjunction with the annexed notes 1 to 36 and Annexure-A which were approved by the Board of Directors on 30 May 2022 and were signed on its behalf by:

  
Company Secretary

  
Director & CFO

  
Managing Director

**Berger Paints Bangladesh Limited**  
**Consolidated Statement of Cash Flows**

In Thousands Taka	Notes	For the year ended 31 March	
		2022	2021
<b>Cash flows from operating activities</b>			
Cash received from customers		22,036,134	16,740,847
Cash received from other operating income		272,933	212,782
Investment (finance) income		119,642	135,883
Cash paid to suppliers and employees		(18,305,975)	(12,727,492)
Interest paid on lease obligations		(71,391)	(35,212)
Income tax paid	19	(1,109,701)	(983,187)
<b>A. Net cash flows from operating activities</b>		<b>2,941,642</b>	<b>3,343,621</b>
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment, intangible assets and right-of-use assets		(1,290,711)	(1,046,355)
Other non-operating income		1,397	3,484
Investment in BFL		-	(64,600)
Dividend income		22,344	22,344
Loan receivable		(40,000)	-
Investment (finance) expenses and actuarial gain		(13,923)	(777)
Term deposit - Govt. securities	8	(104,433)	(100,000)
Proceeds from sale of property, plant and equipment		20,006	13,049
<b>B. Net cash used in investing activities</b>		<b>(1,405,320)</b>	<b>(1,172,855)</b>
<b>Cash flows from financing activities</b>			
Dividend paid	21	(3,136,465)	(1,365,952)
Payment of lease liabilities		(85,389)	(71,528)
<b>C. Net cash used in financing activities</b>		<b>(3,221,854)</b>	<b>(1,437,480)</b>
<b>Net increase/(decrease) in cash and cash equivalent D=(A+B+C)</b>		<b>(1,685,532)</b>	<b>733,286</b>
Exchange (gain)/loss (E)		1,915	(526)
Opening cash and cash equivalents (F)		4,125,304	3,392,544
<b>Closing cash and cash equivalents (D+E+F)</b>		<b>2,441,687</b>	<b>4,125,304</b>

These financial statements should be read in conjunction with the annexed notes 1 to 36 and Annexure-A which were approved by the Board of Directors on 30 May 2022 and were signed on its behalf by:

  
Company Secretary

  
Director & CFO

  
Managing Director

**Berger Paints Bangladesh Limited**  
**Notes to the Consolidated Financial Statements**  
As at and for the year ended 31 March 2022

**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 through Extraordinary General Meeting held on 21 June 2005. The company is listed with Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) of Bangladesh from 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 2022 comprise the company, its subsidiary and the Group's interest in associates as a jointly controlled entity.

**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 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, Chattogram. 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, Chattogram - 4209. The Company manufactures metal containers for paints, baby food, lubricating oil, decorative container and other industries.

**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.

**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, United Kingdom for marketing, trading and manufacturing of construction chemicals. 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 and started commercial production at own factory located Deaboi, Araihaazar, Narayanganj from 22 March 2022.

**2 Basis of preparation and 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 consolidated financial statements.

**2.1 Statement of compliance**

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), the Companies Act 1994, the Securities and Exchange Rules 2020, relevant guidelines issued by the Bangladesh Securities and Exchange Commission, Financial Reporting Act, 2015 and other applicable laws in Bangladesh.

The title and format of these consolidated 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.

Authorization for issue

These consolidated financial statements have been authorized for issue by the Board of Directors of the Company on 30 May 2022.

2.2 Basis of preparation and presentation of the consolidated financial statements

The consolidated 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 2020 and other applicable laws and regulations. The consolidated 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 consolidated 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 2020.

2.3 Basis of measurement

These consolidated 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 Group's management for significant transactions and events that have a material effect within the framework for preparation and presentation of financial statements. Consolidated 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 consolidated 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 and Joint Ventures
IAS 33	Earnings Per Share
IAS 37	Provisions, Contingent Liabilities and Contingent Assets
IAS 38	Intangible Assets
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 Contracts with Customers
IFRS 16	Leases

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, 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).

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 consolidated 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 consolidated 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 consolidated statement of profit or loss and other comprehensive income. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

iv. Investment in Associate

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

v. Intra-Group transactions

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

vi. Non-controlling interest

Non-controlling interest is the net assets of consolidated subsidiary consists of the amount of equity attributable to the non-controlling shareholders at the time on which investments were made by the Group in its subsidiary company and further movements in their share in equity, subsequent to the dates of investment. However, the Group 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 Application of lease

As a lessee, the Group applied IFRS 16 from 1 April 2019, to all contracts entered into before 1 April 2019 and presented continuously in this consolidated financial statements. To apply IFRS 16, the Group uses the modified retrospective approach.

i) 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 by using the modified retrospective approach 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. 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.

ii) 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.

At transition, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group’s incremental borrowing rate. 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.

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 any 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.

3.6 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.

3.7 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 Group 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.

**3.8 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.

**3.9 Provisions and contingent liabilities and assets**

**i. Provisions**

The preparation of consolidated 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 consolidated 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 consolidated 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.

**3.10 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.

Notification of Financial Reporting Council (FRC) on provident fund dated 7 July 2020 has been properly complied with.

**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.

**3.11 Taxation**

Income tax expense comprises current and deferred taxes. Income tax expense is recognized in profit or loss 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. The tax rates used for the reporting period is 22.5%.

**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.

**3.12 Revenue recognition**

**Policy applicable from 1 April 2020**

Revenue is recognized when invoice for products 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, and there is no continuing management involvement with the control of the goods, and the amount of revenue can be measured reliably. As per IFRS 15 Revenue from Contract with Customers, Value Added Tax (VAT), Supplementary Duty (SD), Turnover Commission and other variable considerations e.g. trade discounts, early settlement discount and volume rebates and discounts are excluded from revenue.

**Policy applicable before 1 April 2020**

Rearranged to conform to current year’s revenue recognition policy adoption.

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 is allocated to all services based on their stand-alone prices. The stand-alone prices are 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.

**3.13 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.

**3.14 Repairs, upkeep and maintenance charges**

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

**3.15 Bad and doubtful debts**

Bad debts provision has been recognized as per IFRS 9, based on the assessment of risk base receivable.

**3.16 Advertising and promotional expenses**

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

**3.17 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.

**3.18 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.

**3.19 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.

**3.20 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. Dividend income from associates has been presented as per IAS 28 for the year 2021-2022 and necessary rearrangement is made for comparative year.

**3.21 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 in issue. This means that they have been issued at the start of the year presented as the comparative figures.

		As at 31 March	
In Thousands Taka		2022	2021
<b>4</b>	<b>Property, plant and equipment</b>		
	<b>At cost</b>		
	Opening balance	8,847,205	7,885,399
	Addition during the year	1,025,225	1,012,100
	Disposal during the year	(105,789)	(50,294)
	<b>Closing balance</b>	<b>9,766,641</b>	<b>8,847,205</b>
	<b>Accumulated depreciation</b>		
	Opening balance	3,892,017	3,368,794
	Charged for the year	615,470	572,760
	Adjustment on disposal during the year	(101,909)	(49,537)
	<b>Closing balance</b>	<b>4,405,578</b>	<b>3,892,017</b>
	<b>Written down value</b>	<b>5,361,063</b>	<b>4,955,188</b>
	<b>Note:</b> Schedule of consolidated property, plant and equipment is presented in Annexure-A.		
<b>4.1</b>	<b>Segregation of depreciation to manufacturing, selling and administrative unit</b>		
	Manufacturing overhead	374,282	352,798
	Selling, distribution and warehousing expenses	182,269	168,782
	Administrative and general expenses	58,919	51,180
		<b>615,470</b>	<b>572,760</b>
<b>5</b>	<b>Capital work-in-progress</b>		
	Opening balance	755,258	612,927
	Addition during the year	760,838	530,041
	Transferred to property, plant and equipment	(503,484)	(387,710)
	<b>Closing balance</b>	<b>1,012,612</b>	<b>755,258</b>
<b>5.1</b>	<b>Details of capital work-in-progress</b>		
	Land	8	12,774
	Building	675,030	427,487
	Plant and machinery	124,441	180,461
	Factory and lab equipment	163,591	109,477
	Software	35,406	23,237
	Other	14,135	1,822
		<b>1,012,611</b>	<b>755,258</b>

In Thousands Taka				As at 31 March			
				2022	2021		
6	Lease						
	Right-of-use assets						
	At cost						
	Opening balance						
	Addition during the year						
	Terminated during the year						
	Closing balance						
	Accumulated amortization						
	Opening balance						
	Charged for the year						
	Adjusted/terminated during the year						
	Closing balance						
	Written down value as at 31 March						
	Lease liabilities						
	Lease liabilities - non-current portion						
	Lease liabilities - current portion						
	Balance as at 31 March						
	Segregation of amortization						
	Manufacturing overhead						
	Selling, distribution and warehousing expenses						
	Administrative and general expenses						
	Total						
7	Intangible assets		Software	Corporate membership	Trade marks	Total	Total
	At cost						
	Opening balance						
	Addition during the year						
	Closing balance						
	Accumulated amortization						
	Opening balance						
	Charged for the year						
	Closing balance						
	Carrying amount						

In Thousands Taka		As at 31 March	
		2022	2021
<b>7.1</b>	<b>Segregation of amortization</b>		
	Selling, distribution and warehousing expenses	205	215
	Administrative and general expenses	18,040	27,440
		<b>18,245</b>	<b>27,655</b>
<b>8</b>	<b>Term deposit - Govt. Securities</b>		
	Investment in government securities	204,433	100,000
		<b>204,433</b>	<b>100,000</b>
<b>9</b>	<b>Investment in associate</b>		
	Opening balance	320,989	239,977
	Additional investment during the year	-	64,600
	Share of profit of associate	45,909	38,756
	Dividend distributed by associates	(22,344)	(22,344)
	<b>Closing balance</b>	<b>344,554</b>	<b>320,989</b>
<b>10</b>	<b>Inventories</b>		
	Raw materials	2,283,325	1,541,072
	Semi finished goods	350,800	216,676
	Packing materials	57,926	53,512
		<b>2,692,051</b>	<b>1,811,260</b>
	Own manufactured products	1,106,270	654,917
	Imported products	46,239	60,519
	<b>Finished goods</b>	<b>1,152,509</b>	<b>715,436</b>
	Store and consumables	63,610	58,132
	Promotional items	19,504	25,180
		<b>83,114</b>	<b>83,312</b>
	Inventories in transit - GIT	742,669	736,727
		<b>4,670,343</b>	<b>3,346,735</b>
<b>11</b>	<b>Trade and other receivables</b>		
	Trade receivables-unsecured	2,033,295	1,864,875
	Provision for bad and doubtful debt on unsecured trade receivables	(103,877)	(94,084)
	<b>Considered to be good</b>	<b>1,929,418</b>	<b>1,770,791</b>
	Other receivables	7,627	13,282
	Receivables with associate	47,071	34,811
		<b>1,984,116</b>	<b>1,818,884</b>
	<b>Maturity wise presentation of trade receivables-unsecured:</b>		
	Outstanding over 360 days	149,121	117,406
	Outstanding 181 days to 360 days	66,100	62,872
	Outstanding up to 180 days	1,818,074	1,684,597
		<b>2,033,295</b>	<b>1,864,875</b>

As at 31 March		
In Thousands Taka	2022	2021
<b>12 Advances, deposits and prepayments</b>		
Advance - note 12.1	207,280	265,073
Security deposits	51,284	45,699
Prepayments for Insurance and other	46,349	40,639
	<b>304,913</b>	<b>351,411</b>
<b>12.1 Advance</b>		
Advance to employees - note 12.1.1	93,419	82,715
Advance to suppliers and others - note 12.1.2	113,861	182,358
	<b>207,280</b>	<b>265,073</b>
<b>12.1.1 Advance to employees</b>		
House building loans	89,404	73,745
Others	4,015	8,970
	<b>93,419</b>	<b>82,715</b>
<b>12.1.2 Advance for goods and services</b>		
Goods and services	29,656	94,614
VAT and Supplementary Duty	32,993	5,808
Advances for service and others	51,212	81,936
	<b>113,861</b>	<b>182,358</b>
<b>13 Cash and cash equivalents</b>		
Current accounts:		
Term deposit accounts (FDR)	600,000	2,501,238
Current and collection accounts	551,970	577,057
Foreign currency operational account	51,524	16,960
	<b>1,203,494</b>	<b>3,095,255</b>
Short term deposit accounts ( STD)		
Operational account	1,218,518	1,012,237
IPO account	15,479	14,570
	<b>1,233,997</b>	<b>1,026,807</b>
Cash in hand	4,196	3,242
<b>Cash and cash equivalents</b>	<b>2,441,687</b>	<b>4,125,304</b>

In Thousands Taka			As at 31 March		
			2022	2021	
<b>14 Share capital</b>					
<b>14.1 Authorized share capital</b>					
100,000,000 ordinary shares of Taka 10 each			1,000,000	1,000,000	
<b>14.2 Issued, subscribed and paid-up share capital</b>					
46,377,880 ordinary shares of Taka 10 each			463,779	463,779	
The Company became public listed through initial public offer (IPO) as per consent letter of Bangladesh Securities and Exchange Commission ref SEC/CI/IPO-71/2005/168 dated 10 October 2005.					
<b>14.3 Composition of shareholding</b>					
Shareholders	Number of share	% of share holding	2022	2021	
J & N Investments (Asia) Limited - Group	44,058,740	95.00	440,587	440,587	
Institutions & General public	58,605	0.13	586	1,081	
<b>Foreign shareholders</b>	<b>44,117,345</b>	<b>95.126</b>	<b>441,173</b>	<b>441,669</b>	
Institutions (financial & others)	1,731,432	3.73	17,314	14,693	
General public	529,103	1.14	5,291	7,417	
<b>Bangladeshi shareholders</b>	<b>2,260,535</b>	<b>4.87</b>	<b>22,605</b>	<b>22,110</b>	
<b>Total</b>	<b>46,377,880</b>	<b>100.00</b>	<b>463,779</b>	<b>463,779</b>	
<b>14.4 Classification of shareholders by range</b>					
Shareholding range	Type of shareholders	31 March 2022		31 March 2021	
		Number of shares	% of share holding	Number of shareholders	Number of share holders
Less than 501 shares	G. Public& Inst	233,693	0.50	3,187	3,665
501 to 5,000 shares	G. Public& Inst	310,508	0.67	197	262
5,001 to 10,000 shares	G. Public& Inst	144,237	0.31	18	14
10,001 to 20,000 shares	G. Public& Inst	165,232	0.36	12	9
20,001 to 30,000 shares	Institution	173,874	0.37	7	10
30,001 to 40,000 shares	Institution	78,525	0.17	2	3
40,001 to 50,000 shares	Institution	132,999	0.29	3	6
50,001 to 100,000 shares	Institution	334,903	0.72	5	5
100,001 to 1,000,000 shares	Institution	745,169	1.61	2	1
Over 1,000,000 shares	Group	44,058,740	95.00	1	1
<b>Total</b>		<b>46,377,880</b>	<b>100.00</b>	<b>3,434</b>	<b>3,976</b>
<b>14.5 Market price per share</b>					
Traded stock exchanges	Last trade date		In Taka		
	2022	2021	2022	2021	
Dhaka Stock Exchange	31-Mar-22	31-Mar-21	1,753.60	1,754.70	
Chittagong Stock Exchange	30-Mar-22	23-Mar-21	1,750.00	1,719.20	



In Thousands Taka		As at 31 March			
		2022	2021		
15	Retained earnings				
	Opening balance	10,309,568	9,006,563		
	Net profit for the year	2,906,959	2,669,184		
	Distribution of cash dividend	(3,130,506)	(1,368,147)		
	Actuarial gain/(loss) on defined benefit plans	(4,045)	1,968		
	Closing balance	10,081,976	10,309,568		
16	Deferred tax liabilities				
		Carrying amount	Tax base	Taxable/ (deductible) temporary difference	Taxable/ (deductible) temporary difference
	Property, plant and equipment	3,676,374	2,417,838	1,258,536	1,218,487
	Right-Of-Use (ROU) Asset	536,124	-	536,124	572,586
	Lease obligation	(567,024)	-	(567,024)	(567,917)
	Provision for bad debts	(103,878)	-	(103,878)	(94,084)
	Provision for employee benefit plan	(25,421)	-	(25,421)	(14,848)
	Net temporary difference			1,098,337	1,114,224
	Deferred tax liabilities as at 31 March			267,621	271,771
16.1	Deferred tax expenses				
	Opening balance			271,771	326,424
	Closing balance			267,621	271,771
				(4,150)	(54,653)
	Deferred tax expense on actuarial gain directly attributable to equity			(1,175)	572
	Deferred tax expenses/(income) recognized directly in profit or loss and OCI			(2,975)	(55,225)
17	Trade and other payables				
	For revenue expenses - note 17.1			2,172,207	2,106,440
	For trading supplies			2,113,637	1,604,736
	For other finance - note 17.2			324,864	315,876
	For capital expenditure			58,468	22,069
				4,669,176	4,049,121
	Workers' profit participation and welfare fund (WPPF)			209,130	65,930
				4,878,306	4,115,051

In Thousands Taka		As at 31 March	
		2022	2021
<b>17.1</b>	<b>Payable for revenue expenses</b>		
	Accrued charges	1,968,287	1,922,206
	Provision for trade rebate	202,073	179,751
	Training and consultancy fee	1,847	4,483
		<b>2,172,207</b>	<b>2,106,440</b>
<b>17.2</b>	<b>Payable for other finance</b>		
	Clearing account	46,534	47,247
	Security deposits	54,704	46,621
	Tax and VAT deduction at source	47,248	38,734
	Staff provident fund and income tax	17,386	7,033
	Others	158,992	176,241
		<b>324,864</b>	<b>315,876</b>
<b>18</b>	<b>Provision for royalty</b>		
	Opening balance	296,768	285,397
	Charged during the year	121,784	104,248
	Adjustment during the year	-	(297)
		418,552	389,348
	Payment during the year	(96,702)	(92,580)
	<b>Closing balance</b>	<b>321,850</b>	<b>296,768</b>

As per the agreement between J&N Investments (Asia) Limited and Berger Paints Bangladesh Limited, an amount is required to be paid as Royalty @ 1.00% on net sales of the products under the technical categories Robbialac, Colorizer, Apexior 1 & 3 and Protection for using the trademarks owned by J & N Investments (Asia) Limited. The agreement was renewed from 1 January 2022 till 31 March 2027. Net sales price of the products sold under the above Brand Names and Trade Marks amounts to BDT 11,779,816 thousand for 2021-22.

As per the agreement between Chugoku Marine Paints Limited 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 till 31 December 2022.

As per the agreement dated 1 November 2020 valid till 31 October 2025 signed between Berger Paints India Limited and Berger Paints Bangladesh Limited, annual royalty @ 2% on the net sales of the licensed products is payable to Berger Paints India Limited.

		As at 31 March	
In Thousands Taka		2022	2021
<b>19</b>	<b>Provision for current tax</b>		
	Opening balance	348,989	326,393
	Provision made for the year	1,095,742	1,005,783
		1,444,731	1,332,176
	Payment and adjustment made during the year	(1,109,701)	(983,187)
	<b>Closing balance</b>	<b>335,030</b>	<b>348,989</b>
	<b>Breakup of tax deducted at source and paid in advance</b>		
	Tax deducted at source	647,761	460,059
	Tax paid in advance	461,940	523,128
		<b>1,109,701</b>	<b>983,187</b>
<b>20</b>	<b>Provision for employees' retirement gratuity</b>		
	Opening balance	14,848	17,132
	Provision made for the year	38,393	34,789
	Actuarial gain on actuarial valuation	5,220	(2,540)
		58,461	49,381
	Paid/transferred to gratuity fund during the year	(33,040)	(34,533)
	<b>Closing balance</b>	<b>25,421</b>	<b>14,848</b>
	Provision for employees' retirement gratuity- Non current	20,201	17,388
	Provision for employees' retirement gratuity- current	5,220	(2,540)
		<b>25,421</b>	<b>14,848</b>
<b>21</b>	<b>Dividend payable</b>		
	Opening balance	12,020	9,825
	Distribution during the year - note 15	3,130,506	1,368,147
		3,142,526	1,377,972
	Payment during the year	(3,136,465)	(1,365,955)
	<b>Closing balance</b>	<b>6,061</b>	<b>12,020</b>
<b>22</b>	<b>Liability for unclaimed IPO application money</b>		
	Opening balance	147	147
	Refunded during the year	(147)	-
	<b>Closing balance</b>	<b>-</b>	<b>147</b>

		As at 31 March	
In Thousands Taka		2022	2021
<b>23</b>	<b>Contingent liabilities</b>		
	Contingent liabilities of the Group that relate to issue of letter of credit and bank guarantee to third parties as presented below:		
	<b>i. Letter of Credit</b>		
	Commercial Bank of Ceylon PLC	286,276	280,090
	Standard Chartered Bank	242,928	122,670
	Citi Bank NA	-	39,397
	Eastern Bank Limited	223,973	118,434
	Woori Bank	655,272	460,549
	BRAC Bank Limited	23,112	59,713
	Raw Material	1,431,561	1,080,851
	Capital expenditure	114,727	108,097
	<b>ii. Letter of Credit (total)</b>	<b>1,546,288</b>	<b>1,188,948</b>
	<b>iii. Bank guarantee</b>		
	Standard Chartered Bank	106	73,606
	The Hongkong and Shanghai Banking Corporation Limited	137,000	137,000
	Others	9,248	1,703
	<b>Bank guarantee</b>	<b>146,354</b>	<b>212,309</b>
		<b>1,692,642</b>	<b>1,401,257</b>

In Thousands Taka		For the year ended 31 March	
		2022	2021
<b>24</b>	<b>Revenue</b>		
	Net revenue of group-BPBL	21,971,036	16,669,802
	Net revenue of subsidiary-J&N (Bangladesh) Limited	949,860	795,592
		22,920,896	17,465,394
	Inter-company sales	(726,135)	(588,025)
		<b>22,194,761</b>	<b>16,877,369</b>
<b>25</b>	<b>Cost of sales</b>		
	Opening stock of finished goods	715,436	718,553
	Purchases of finished goods for the year	149,620	120,546
		<b>865,056</b>	<b>839,099</b>
	Raw material consumed - note 25.1	13,390,357	8,749,835
	Manufacturing overhead - note 25.2	1,341,387	1,195,272
	<b>Cost of goods manufactured</b>	<b>14,731,744</b>	<b>9,945,107</b>
		15,596,800	10,784,206
	Closing stock of finished goods	(1,152,509)	(715,436)
	<b>Cost of sales</b>	<b>14,444,291</b>	<b>10,068,770</b>
<b>25.1</b>	<b>Raw materials consumed</b>		
	Opening stock:		
	Raw materials	1,541,072	995,094
	Semi finished goods	216,676	148,689
	Packing materials	53,512	42,860
		1,811,260	1,186,643
	Purchase for the year		
	Raw materials	12,834,247	8,361,572
	Packing materials	2,163,036	1,600,905
	Intercompany sales	(726,135)	(588,025)
		14,271,148	9,374,452
	Closing stock:		
	Raw materials	(2,283,325)	(1,541,072)
	Semi finished goods	(350,800)	(216,676)
	Packing materials	(57,926)	(53,512)
		(2,692,051)	(1,811,260)
		<b>13,390,357</b>	<b>8,749,835</b>

In Thousands Taka		For the year ended 31 March	
		2022	2021
<b>25.2</b>	<b>Manufacturing overhead</b>		
	Salary and wages	457,912	420,000
	Welfare expenses	22,293	17,522
	Third party and casuals	70,708	67,596
	Depreciation	389,846	364,666
	Fuel, water and power	98,580	89,327
	Repairs and maintenance	84,489	61,855
	Raw material shifting charge	29,131	19,721
	Stores and spares consumed	13,990	13,453
	Insurance	10,288	9,468
	Training and recruitment expenses	3,298	1,712
	Security and cleaning service	7,034	6,713
	Third party production charge	82,308	68,095
	Outsourcing employee cost	25,338	13,485
	Entertainment	1,918	1,229
	Printing charge and other overhead	14,885	14,085
	Travelling and conveyance	5,617	5,327
	Production incentive	6,446	6,345
	Research, development and experimental costs	6,053	8,598
	Process development	45	1,127
	Rent, rates and other taxes	9,995	4,186
	L/C and bank charges	1,213	762
		<b>1,341,387</b>	<b>1,195,272</b>
<b>26</b>	<b>Selling, distribution and warehousing expenses</b>		
	Advertising expenses	541,760	405,845
	Promotional expenses	716,693	614,401
	Salary and wages	534,772	473,681
	Third party and casuals	124,413	111,401
	Welfare expenses	17,482	13,353
	Training and recruitment expenses	4,530	2,486
	Security and cleaning service	29,820	27,536
	Outsourcing employee cost	59,965	52,863
	Production incentive	1,994	1,935
	Other overhead	19,643	25,107
		<b>2,051,072</b>	<b>1,728,608</b>
	<b>Distribution and warehousing expenses</b>		
	Transportation and handling charges	336,316	284,582
	Repair & maintenance	25,196	19,128
	Rent, rates and fees	9,626	8,185
	Electricity, water and gas	14,173	11,999
	Insurance	4,492	4,321
		<b>389,803</b>	<b>328,215</b>



In Thousands Taka	For the year ended 31 March	
	2022	2021
<b>Selling expenses</b>		
Paint delivery expenses	247,048	209,699
Salesmen travelling	108,444	59,738
Postage and telecommunication	9,855	9,896
Rent, rates and fees	14,318	9,320
Product demonstration	17,444	8,248
Entertainment	10,431	6,368
Sales incentive	11,566	5,750
General survey and studies	3,845	3,500
Bad debts	21,181	25,745
Color Bank operational expenses	3,128	3,598
Illusion expense	3,080	2,142
Others	7,104	754
	<b>457,444</b>	<b>344,758</b>
Depreciation and amortization	279,598	271,550
Cost of free issue	425	67
	<b>280,023</b>	<b>271,617</b>
	<b>3,178,342</b>	<b>2,673,198</b>
<b>27 Administrative and general expenses</b>		
Salary and wages	344,385	318,627
Welfare expenses	12,499	9,147
Third party and casuals	5,884	5,652
Training and recruitment expenses	11,641	3,803
Employee engagement	17,261	8,676
Security and cleaning service	5,170	6,115
Outsourcing employee cost	5,473	4,875
Production incentive	380	392
Postage and telecommunication	10,665	8,461
Depreciation and amortization	84,217	84,807
Travelling, haulage and passage	4,837	2,095
Repair and maintenance - others	36,946	34,204
Share department expenses	3,261	2,557
Bank charges	13,357	10,024
Vehicle expenses	12,491	9,740
Electricity, fuel and water	6,182	6,317
Printing and stationery	5,454	5,860
Rates and fees	3,312	2,732
Subscription and donation	599	772

In Thousands Taka	For the year ended 31 March	
	2022	2021
CSR activity	8,642	8,016
Entertainment	7,836	6,968
Corporate affairs department's expenses	1,349	490
Insurance	460	461
Legal and professional charges	11,902	10,773
Auditors' remuneration	1,330	1,955
Newspaper and periodicals	155	141
Directors fees	630	735
Other overhead	8,332	6,765
	<b>624,650</b>	<b>561,160</b>
<b>28 Other operating expenses</b>		
Royalty fees	121,784	103,951
Training and consultancy fees	3,236	2,812
	<b>125,020</b>	<b>106,763</b>
<b>29 Other operating income</b>		
Service charges from house building loans	912	785
Scrap sales and sundry recoveries	40,804	30,202
Color Bank operational income	120,676	98,298
Insurance claim and other realizations	-	8,832
Income from illusion	20,602	18,638
Rental income	6,044	6,551
Marketing service fee	18,172	10,223
Indenting commission and scrap sales	63,808	39,779
	<b>271,018</b>	<b>213,308</b>
<b>30 Finance cost</b>		
Finance cost	92,029	43,644
Exchange loss / (gain)	(1,915)	526
	<b>90,114</b>	<b>44,170</b>
Inter-company transaction	(11,935)	(7,655)
	<b>78,179</b>	<b>36,515</b>
<b>31 Investment income</b>		
Dividend income from associates	22,344	22,344
Term deposits, operational and other	104,726	109,958
Loan to subsidiary	33,456	7,655
	<b>160,526</b>	<b>139,957</b>
Inter-company transaction	(34,279)	(29,999)
	<b>126,247</b>	<b>109,958</b>

		For the year ended 31 March	
In Thousands Taka		2022	2021
<b>32</b>	<b>Other non-operating income</b>		
	Income on sale of property, plant and equipment	20,006	13,049
	Gain on terminated lease	712	-
	Others	685	3,484
		<b>21,403</b>	<b>16,533</b>

### 33 Financial risk management

The Group 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 Group, 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 Group has exposures to the following risks from its use of financial instruments.

#### i. Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group'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 Group's reputation.

The Group 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 Group 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 Group:

In Thousands Taka		As at 31 March 2022		
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	4,884,367	4,884,367	4,884,367	-

		As at 31 March 2021		
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	4,127,218	4,127,218	4,127,218	-

#### 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 Group experiences currency risks on export sales and purchase of raw material, spare parts, accessories and capital items. Most of Group's foreign currency purchases are denominated in USD and EURO.

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

In Thousands Taka		As at 31 March	
		2022	2021
<b>Foreign currency denominated assets</b>			
Receivable from customers-Export		46,792	22,618
Cash at bank		2,441,687	4,125,304
<b>Foreign currency denominated liabilities</b>			
Trade payables		2,113,637	1,604,736
Royalty and technical fees		321,850	296,768

The foreign exchange gain Taka 1,915 thousand for the year ended 31 March 2022 and exchange loss Taka 526 thousand was for the year ended 31 March 2021.

The Group has applied the following significant foreign exchange rates:

In Thousands Taka	As at 31 March	
	2022	2021
US Dollar	86.25	84.95
EURO	98.45	100.99
GBP	115.09	118.16

#### 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	
	2022	2021
<b>Financial assets</b>		
Term deposit - Govt. Securities	204,433	100,000
Cash at bank	2,441,687	4,125,304
<b>Financial liabilities</b>		
Operational overdraft	-	-

#### iii. Credit risk:

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

The Group 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:

Financial instruments	As at 31 March	
	2022	2021
<b>Trade receivable</b>		
Local receivable	1,986,503	1,842,257
Export receivable	46,792	22,618
	<b>2,033,295</b>	<b>1,864,875</b>
<b>Other receivables:</b>		
Accrued interest	7,627	13,282
Inter-company receivable	47,071	34,811
	<b>54,698</b>	<b>48,093</b>

#### 34 Basic Earnings per share (EPS)

In Thousands Taka	For the year ended 31 March	
	2022	2021
Net profit attributable to ordinary shareholders	2,906,959	2,669,184
Net cash inflow from operating activities (NOCF)	2,941,642	3,343,621
Net asset value (NAV) - In Thousands Taka	10,545,755	10,773,347
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
<b>Basic Earnings per share (EPS) - Taka</b>	<b>62.68</b>	<b>57.55</b>
<b>Diluted earning per share (DEPS) - Taka</b>	<b>62.68</b>	<b>57.55</b>
<b>Net operating cash flow per share (NOCFPS) - Taka</b>	<b>63.43</b>	<b>72.10</b>
<b>Net asset value per share (NAVPS) - Taka</b>	<b>227.39</b>	<b>232.29</b>

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

	For the year ended 31 March	
	2022	2021
<b>Net profit before tax</b>	<b>3,999,726</b>	<b>3,619,742</b>
Depreciation	735,413	572,760
Amortization	18,245	27,655
Actuarial gain on defined benefit plans	-	-
<b>Non cash items</b>	<b>753,658</b>	<b>600,415</b>
Income on sale of property, plant and equipment	(20,006)	(13,049)
Other non-operating income	(1,397)	(3,484)
Investment (Finance) expenses	80,094	35,989
Share of associates	(45,909)	(38,756)
<b>Non operating income</b>	<b>12,782</b>	<b>(19,300)</b>
Inventories	(1,323,608)	(884,749)
Trade and other receivables	(165,232)	(110,597)
Advances, deposits and prepayments	46,498	(88,750)
Trade and other payables	763,255	1,236,172
Provision for royalty	25,082	11,371
Provision for employees' retirement gratuity	10,573	(2,284)
<b>Changes in working capital</b>	<b>(643,432)</b>	<b>161,163</b>
Income tax paid	(1,109,701)	(983,187)
Interest paid on lease obligations	(71,391)	(35,212)
<b>Net cash flows from operating activities</b>	<b>2,941,642</b>	<b>3,343,621</b>



35 Name of the auditors of companies

Name of the company	Relationship	Auditors for the statutory financial statements
Jenson & Nicholson (Bangladesh) Limited	Subsidiary	Snehasish Mahmud & Co
Berger Becker Bangladesh Limited	Associate	Nurul Faruq Hasan & Co, Deloitte
Berger Fosroc Limited	Associate	A. Qasem & Co, ECOVIS

36 Events after the reporting period - note 3.19

Subsequent to the date of statement of financial position, the Board of Directors recommended 100% final cash dividend at the Board meeting held on 30 May 2022. Considering 300% interim dividend declared by the Board of Directors in January 2022, total dividend for the year is 400%. The final dividend is subject to the approval by the shareholders in the Annual General Meeting scheduled on 24 August 2022.

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

Schedule of consolidated property, plant and equipment and depreciation thereon  
As at and for the year ended 31 March 2022

Annexure-A

Category of assets	Cost			Accumulated depreciation			Written down value as at 31 March 2022
	Opening Balance	Addition during the year	Disposal during the year	Opening Balance	Addition during the year	Disposal during the year	
Land	1,560,614	44,255	-	9,658	9,796	-	19,454
Building	1,652,766	347,943	(2,361)	397,590	49,130	(1,648)	445,072
Plant and machinery	2,683,377	81,736	(16,000)	1,405,132	214,409	(14,681)	1,604,860
Office equipment	291,758	25,725	(2,855)	196,956	27,492	(2,567)	221,881
Factory and laboratory equipment	1,844,987	282,469	-	1,314,197	195,192	-	1,509,389
Computer	219,989	29,459	(10,884)	163,338	24,482	(10,376)	177,444
Furniture and fixtures	158,819	20,705	(1,257)	101,628	14,030	(974)	114,684
Motor vehicles	408,657	186,984	(71,904)	280,394	77,623	(71,135)	286,882
Loose tools	17,716	5,949	(528)	16,457	2,859	(528)	18,788
Electrical installation	8,522	-	-	6,667	457	-	7,124
<b>Total</b>	<b>8,847,205</b>	<b>1,025,225</b>	<b>(105,789)</b>	<b>3,892,017</b>	<b>615,470</b>	<b>(101,909)</b>	<b>4,405,578</b>
							<b>5,361,063</b>

As at and for the year ended 31 March 2021

Category of assets	Cost			Accumulated depreciation			Written down value as at 31 March 2021
	Opening Balance	Addition during the year	Disposal during the year	Opening Balance	Addition during the year	Disposal during the year	
Land	1,057,217	503,397	-	7,667	1,991	-	9,658
Building	1,603,196	49,570	-	350,244	47,346	-	397,590
Plant and machinery	2,547,036	137,739	(1,398)	1,197,586	208,944	(1,398)	1,405,132
Office equipment	245,787	46,339	(368)	153,052	44,270	(366)	196,956
Factory and laboratory equipment	1,657,295	188,487	(795)	1,154,319	160,673	(795)	1,314,197
Computer	195,225	25,401	(637)	137,045	26,843	(550)	163,338
Furniture and fixtures	152,725	6,445	(351)	87,850	14,129	(351)	101,628
Motor vehicles	402,295	52,959	(46,597)	258,718	67,605	(45,929)	280,394
Loose tools	16,207	1,657	(148)	16,105	500	(148)	16,457
Electrical installation	8,416	106	-	6,208	459	-	6,667
<b>Total</b>	<b>7,885,399</b>	<b>1,012,100</b>	<b>(50,294)</b>	<b>3,368,794</b>	<b>572,760</b>	<b>(49,537)</b>	<b>3,892,017</b>
							<b>4,955,188</b>

# পরিচালনা পর্ষদের প্রতিবেদন

কোম্পানির পরিচালকবৃন্দ আনন্দের সাথে আপনাদের সামনে তাদের ৪৯তম প্রতিবেদন এবং তার সাথে ৩১ মার্চ ২০২২ তারিখে সমাপ্ত বছরের নিরীক্ষিত আর্থিক প্রতিবেদনসমূহ ও নিরীক্ষকের প্রতিবেদন পেশ করছেন। পরিচালকবৃন্দের এই প্রতিবেদন মূলত বছরজুড়ে কোম্পানির বার্ষিক ফলাফলে প্রধান ভূমিকা রাখা উল্লেখযোগ্য কর্মকা নিয়ে আলোচনা করে এবং আদর্শ কর্পোরেট সূশাসনের জন্য প্রয়োজনীয় তথ্য উপস্থাপন করে।

## রং শিল্পের সার্বিক অবস্থা ও সম্ভাব্য ভবিষ্যত পরিস্থিতি

মহামারীর প্রভাব থেকে উত্তরণে বাংলাদেশের অর্থনীতি বেশ চমৎকারভাবেই এগিয়েছে। সারাদেশে দ্রুত ও সুশৃঙ্খল টিকাদান কর্মসূচির মাধ্যমে বাংলাদেশ ধীরে ধীরে করোনা মহামারীর গত দুই বছরের ধাক্কা কাটিয়ে উঠছে। মধ্য আয়ের দেশ হওয়ার লক্ষ্যে বাংলাদেশ দৃঢ় পদে উন্নয়ন ও প্রবৃদ্ধির পথে এগিয়ে চলেছে। বাংলাদেশ পরিসংখ্যান ব্যুরো কর্তৃক ২০২১-২০২২ সালের জন্য ৭.২% প্রাক্কলন করা হয়েছে। ২০২২ সালের জুন মাসে পদ্মা সেতুর মতো যুগান্তকারী মেগা প্রকল্প উদ্বোধনের সাথে ২০২২-২০২৩ অর্থবছরে অর্থনৈতিক কর্মকাণ্ড বাড়বে। রাশিয়া ইউক্রেন যুদ্ধের কারণে বৈশ্বিক অর্থনৈতিক পরিস্থিতি অস্থিতিশীল ও কঠিন হয়ে পড়েছে, যা বাংলাদেশকেও প্রভাবিত করছে। এই বাহ্যিক দুর্যোগগুলো যতদিন অব্যাহত থাকবে, ততদিন কাক্ষিত প্রবৃদ্ধি অর্জনে বাংলাদেশের জন্য এগুলো ক্রমাগত চ্যালেঞ্জ তৈরি করতে থাকবে।

সাপ্লাই চেইন ব্যাহত, আন্তর্জাতিক বাজারে আমদানি মূল্যবৃদ্ধি এবং কন্টেইনার প্রাপ্যতার অনিশ্চয়তা ইত্যাদি কারণে পেইন্ট শিল্পসহ বিভিন্ন শিল্প ২০২১-২০২২ সালে বেশ কিছু চ্যালেঞ্জের মুখোমুখি হয়েছিল, যেমনটি আমরা গত বছরই ইঙ্গিত দিয়েছিলাম। এ সব চ্যালেঞ্জ সত্ত্বেও, পেইন্ট শিল্প ২০২১-২০২২ সালে করোনা মহামারীতে প্রভাবিত নিম্ন ভিত্তির ২০২০-২০২১ সালের তুলনায় দুই অঙ্কের প্রবৃদ্ধি অর্জন করে। গত বছর করোনা মহামারীতে স্থগিত হওয়া বিভিন্ন প্রকল্প এবং বাসা-বাড়ির পেইন্টিং কাজগুলো ২০২১-২০২২ এ বাস্তবায়িত হয়। পেইন্ট শিল্প দিন দিন বেশ প্রতিযোগিতাপূর্ণ হয়ে উঠেছে। কেননা, মার্কেটে নতুন প্রবেশকারীরা মার্কেট ডিস্ট্রিবিউশন রিচ সম্প্রসারণ এবং মার্কেট শেয়ার বৃদ্ধির ব্যাপারে বেশ সক্রিয়। বাজারের শীর্ষস্থানীয় কোম্পানিগুলি বৈচিত্র্যপূর্ণ পণ্যসম্ভার, উন্নতমানের বৈশিষ্ট্য সম্পন্ন পণ্য, বিভিন্ন শিল্পের জন্য উন্নত প্রযুক্তির সমাধান এবং হাই-প্রোটেকটিভ কোটিং ইত্যাদি নিয়ে কাজ করছে।

## বিক্রয় প্রবৃদ্ধি

৩১ মার্চ ২০২২ তারিখে সমাপ্ত বছরে কোম্পানি ৩১.৮০% বিক্রয় প্রবৃদ্ধি অর্জন করেছে। এই সময়ে ভলিউম বৃদ্ধির হার ছিল প্রায় ১৯%। ২০২১-২০২২ আমাদের মার্কেট শেয়ারও বৃদ্ধি পেয়েছে। নিরলস পরিশ্রমের মাধ্যমে দেশের সংকটময় পরিস্থিতিতে এই প্রবৃদ্ধি অর্জনের জন্য আমাদের কর্মীদেরকে সাধুবাদ জানাই। অন্য সব অংশীদারদেরও আমাদের কোম্পানির এই গুরুত্বপূর্ণ অর্জনে সহযোগিতার জন্য ধন্যবাদ জানাই।

৩১.৮০% বিক্রয় প্রবৃদ্ধির বিপরীতে কোম্পানির করপূর্ব মুনাফা ১০.০৭% বৃদ্ধি পেয়েছে। ২০২১-২০২২ এ করপূর্ব আয় ছিল নিট বিক্রয়ের ১৭.৪০%, যা গত বছর ছিল ২০.৮৩%। এই সময় কস্ট অব সেলস্ নিট বিক্রয়ের ৬০.২১% থেকে বৃদ্ধি পেয়ে ৬৫.৫৯% হয়। মূলক্ষীতির চাপ কমানোর জন্য আলোচ্য বছরে কোম্পানি তিনবার মূল্যবৃদ্ধি করেছে। পাশাপাশি, প্রতিযোগিতামূলক বাজারে টিকে থাকার জন্য কোম্পানি ব্যয় সংকোচনের জন্য সর্বাঙ্গীণ প্রচেষ্টা চালিয়েছে। ২০২০-২১ সালে করোনার প্রাদুর্ভাবের কারণে বিক্রয়, বিতরণ, প্রশাসনিক সম্পর্কিত যে সকল কর্মকাণ্ড করা সম্ভব হয়নি তা এবছর স্বাভাবিক ব্যবসায়িক নিয়মে সম্পন্ন করা হয়েছে। এসকল কারণে গত বছরের তুলনায় করপূর্ব মুনাফা ১০.০৭% বৃদ্ধি পেয়েছে। বাজারে নেতৃস্থানীয় অবস্থান ধরে রাখতে উদ্বাবনী বিপণন কৌশলসহ উপ-শহর ও গ্রামপ্রধান এলাকায় আমাদের কর্মকাণ্ডের প্রসার অব্যাহত থাকবে।

## নতুন পণ্য

গ্রাহকদের বিভিন্ন চাহিদার কথা মাথায় রেখে এবং নিজদের পণ্যসম্ভার আরও সমৃদ্ধ করে তুলতে ২০২১-২০২২ সালে বার্জার পেইন্টস্ বাংলাদেশ লিমিটেড নিয়ে এসেছে বেশ কিছু নতুন পণ্য।

একটি স্বাস্থ্যকর পেইন্ট হিসেবে অ্যান্টি ব্যাকটেরিয়াল বৈশিষ্ট্যসহ বার্জার লাক্সারি সিল্ক পুনরায় বাজারে চালু করা হয়েছে। ব্র্যান্ড অ্যাগাসেডর হিসেবে প্রখ্যাত অভিনেত্রী জয়া আহসান বার্জার লাক্সারি সিল্কের বিভিন্ন প্রচারে অংশ নিয়েছেন।

বার্জার প্রথমবারের মতো বাংলাদেশে শিল্পীদের জন্য নিয়ে এসেছে বার্জার আর্টিস্টা নামে বিশেষায়িত অ্যাক্রিলিক পেইন্ট। সৃজনশীলতাকে অনুপ্রাণিত করতে এবং আমাদের দেশের তরুণ প্রতিভাবান শিল্পীদের সহযোগিতার জন্য আমদানিকৃত পেইন্ট এর বিকল্প হিসেবে বার্জার আর্টিস্টা চালু করা হয়।

সম্প্রতি বার্জার বাজারে এনেছে ওয়েদারকোট গ্লো, যা বাইরের দেওয়ালে জন্য বিশেষভাবে তৈরি নমনীয় এবং চকচকে একটি ফিনিশ। এর অনন্য ফিনিশ এর কারণে এটি বাইরের দেওয়ালকে দেয় প্রাণবন্ত এক লুক।। পাশাপাশি, পানি নিরোধক বৈশিষ্ট্যের কারণে এটি দেওয়ালকে রাখে শ্যাওলা, ছত্রাক এবং সঁাতসঁাতাতে ভাব থেকে সুরক্ষিত। সময়ের সাথে সাথে এটি উচ্চ স্থিতিস্থাপকতা বজায় রাখে এবং কংক্রিটের সংকোচনের কারণে পেইন্টে ফাটল ধরা থেকে দেওয়ালকে সুরক্ষিত রাখে।

বাড়ির ছাদের জন্য চমৎকার কোটিং হিসেবে বার্জার ফ্লেক্সিবল রুফিং কমপাউন্ড নতুন করে আবার বাজারে আনা হয়েছে। এটি বাইরে থেকে অর্দ্রতা প্রবেশ এর পথ রোধ করে ছাদকে সুরক্ষিত রাখে। এর বিশেষভাবে তৈরি অ্যাক্রিলিকভিত্তিক ড্রাই ফিল্ম এবং রেক্রন পরিবর্তিত পলিয়েস্টার হলো ফাইবারগুলো প্রসারিত হয়ে ছাদে ফাটল ধরা রোধ করে এবং গ্রীষ্মকালে ছাদকে ঠাণ্ডা রাখতে সাহায্য করে।

বার্জার মি. এক্সপার্ট সল্ট সেইফ এসেছে নতুন ও আকর্ষণীয় প্যাকে। এটি সমুদ্র উপকূলীয় এলাকায় দেয়ালে ব্যবহারের জন্য এক বিশেষ ধরনের সিলার। এটি দেয়ালের লবণাক্ততা দূর করার জন্য একটি উত্তম সমাধান।

বার্জার নিয়ে এসেছে উচ্চ ক্ষমতাসম্পন্ন ওয়াটার বেইজড পেইন্ট মি. এক্সপার্ট ড্যাম্প গার্ড যা বাইরের দেওয়াল, ভেতরের দেওয়াল এবং ছাদকে শ্যাওলা, ছত্রাক, সঁাতসঁাতাতে ভাব এবং ক্রয়াক থেকে সুরক্ষিত রাখতে ওয়ান স্টপ সলিউশন নামে অভিহিত।

অটোথ্রাইম ব্র্যান্ডের অধীনে বার্জার বেশকিছু যানবাহন রিফিনিশ পণ্য নিয়ে এসেছে। যার মধ্যে রয়েছে থ্রাইমার, পাণ্ডি, ক্লিয়ার কোট, এনসি থিনার, টপকোট এবং হার্ডেনার। বিটুবি এবং ডিলার মার্কেট উভয়ক্ষেত্রেই এগুলো শাস্ত্রীয় পণ্য হিসেবে বিবেচিত।

বার্জার টেক্সটাইল কেমিক্যাল পণ্যসম্ভারে টেক্সবড হোয়াইট পেস্ট এবং টেক্সবড পিডি এনজি পণ্য দুটি নতুন যুক্ত হয়েছে। এছাড়া, সিএমপি মেরিন কোটিংস পোর্টফোলিওর অধীনে সুরক্ষাকারী নতুন দুটি পণ্য টপকোট এবং আভারকোট যুক্ত হয়েছে।

ঢাকা ও চট্টগ্রামে বার্জার পাইলট ভিত্তিতে উড কোটিং অ্যাপ্লিকেশন সার্ভিস চালু করেছে। এর অধীনে গ্রাহকেরা বার্জার এক্সপেরিয়েন্স জোন এর তত্ত্বাবধানে উড কোটিং সম্পর্কিত সব ধরনের সেবা যেমন - পণ্যের সঠিক স্পেসিফিকেশন জানা, দক্ষ এবং প্রশিক্ষিত পেইন্টার টিম প্রাপ্তি, কোটিং সেবা গ্রহণ করতে পারে। এই সেবা প্রদানের জন্য বার্জার বিভিন্ন পণ্য অফার করে থাকে, যেমন - ইনোভা উড কোটিং, ইনোভা সলিড কালার, উড কিপার, এবং ব্রিড ইজি এনামেল। এ সেবা ধীরে ধীরে সারাদেশে প্রসারিত হবে বলে আশা করা যায়।

সম্প্রতি, সম্মানিত গ্রাহকদের জন্য বার্জার ভ্যালু ক্লাব অ্যাপ চালু করা হয়। এ অ্যাপের মাধ্যমে গ্রাহকেরা পেইন্ট সম্পর্কিত যাবতীয় জিজ্ঞাসা করতে পারবেন। এছাড়া এর মাধ্যমে পেইন্টিং সেবা গ্রহণ করে পয়েন্ট অর্জন করবেন এবং পরবর্তীতে এ পয়েন্টগুলো ব্যবহার করে বিভিন্ন সুবিধা উপভোগ করতে পারবেন।

## বুকিসমূহ

কোম্পানির সাথে সংশ্লিষ্ট বুকিসমূহ নিম্নরূপ:

## সামগ্রিক অর্থনীতি

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

## বাহ্যিক বিষয়াবলি

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

## আয়কর ও মূল্য সংযোজন করে পরিবর্তন

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



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

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

**মুদ্রার বিনিময় হারে পরিবর্তন**

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

**ঝুঁকি বিষয়ে ব্যবস্থাপনা কর্তৃপক্ষের মূল্যায়ন**

যদিও বেশিরভাগ ঝুঁকি কোম্পানি বিশেষের আয়ত্তের বাইরে, এরপরও এমন 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 এসব ঝুঁকির মোকাবিলা 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, ২০২২ তারিখে সমাপ্ত বছরের আর্থিক প্রতিবেদন পেশ করছেন এবং নিম্নলিখিত পদ্ধতিতে মুনাফা বণ্টনের সুপারিশ করছেন:

টাকা '০০০	৩১ মার্চ ২০২২ তারিখে সমাপ্ত বছরের জন্য	৩১ মার্চ ২০২১ তারিখে সমাপ্ত বছরের জন্য
নিট বিক্রয়	২১,৯৭১,০৩৬	১৬,৬৬৯,৮০২
বিক্রিত পণ্যের ব্যয়	(১৪,৪১০,২৯০)	(১০,০৩৭,৪৪০)
মোট লাভ	৭,৫৬০,৭৪৬	৬,৬৩২,৩৬২
কর-পূর্ব মুনাফা	৩,৮২২,০১৪	৩,৪৭২,৩৬২
কর সঞ্চিতি	(১,০৪৬,৫৯৯)	(৯৬৪,৬১৪)
বিলম্বিত কর সঞ্চিতি	৬৭৭	৪১,০৪০
কর-পরবর্তী মুনাফা	২,৭৭৬,০৯২	২,৫৪৮,৭৮৮
যোগ: অন্যান্য কর্মপ্রিহেনসিভ ইনকাম /(এক্সপেন্স), নিট অফ ট্যাক্স	(৪,০৪৬)	১,৯৬৯
যোগ: পূর্ববর্তী বছরের অবদ্বিতি মুনাফা	৭,৬৮৭,৮১৭	৬,৮৭৬,২৩১
বিতরণযোগ্য মুনাফা	১০,৪৫৯,৮৬৩	৯,৪২৬,৯৮৭
অন্তর্বর্তীকালীন লভ্যাংশ	(১,৩৯১,৩৩৪)	-
চূড়ান্ত লভ্যাংশ	(৪৬৩,৭৭৯)	(১,৭৩৯,১৭১)
অবদ্বিতি মুনাফায় স্থানান্তর	৮,৬০৪,৭৫০	৭,৬৮৭,৮১৭

মৌলিক শেয়ার প্রতি আয় (টাকা)	৫৯.৮৬	৫৪.৯৬
শেয়ার প্রতি নিট পরিচালন অর্থ প্রবাহ (টাকা)	৫৮.৪৬	৭১.৬৪
শেয়ার প্রতি নিট সম্পদের মূল্য (টাকা)	২০৫.৫৪	২১৩.২৬
মোট লাভের হার (%)	৩৪.৪১	৩৯.৭৯
নিট লাভের হার (%)	১২.৬৪	১৫.২৯

চলতি বছর নগদ লভ্যাংশ বিতরণের কারণে শেয়ার প্রতি নিট সম্পদের মূল্য গত বছরের তুলনায় হ্রাস পেয়েছে এবং সরবরাহকারীদেরকে পণ্যের মূল্য পরিশোধ এবং মজুদ বৃদ্ধির কারণে শেয়ার প্রতি নিট পরিচালন অর্থ প্রবাহ গত বছরের তুলনায় হ্রাস পেয়েছে। ২০২২-২০২৩ সালের বিক্রয় লক্ষ্য অর্জনের জন্য প্রয়োজনীয় কাচামালের সরবরাহ নিশ্চিত করার স্ট্রাটেজি নিয়ে মজুদ বৃদ্ধি করা হয়েছে।

কোম্পানির অন্তর্বর্তীকালীন ফলাফল এবং বার্ষিক ফলাফলের মধ্যে উল্লেখযোগ্য বিচ্যুতি লক্ষ্য করা যায় না।

**লভ্যাংশ**

উৎপাদন ক্ষমতা বৃদ্ধি এবং পণ্য ও ব্যবসায় বহুমুখীকরণের উদ্দেশ্যে কোম্পানি প্রচুর বিনিয়োগ করেছে। ২৭ জানুয়ারি ২০২২ তারিখে অনুষ্ঠিত পরিচালনা পর্ষদের ১৮৮তম সভায় ৩০০% অন্তর্বর্তীকালীন নগদ লভ্যাংশ অর্থাৎ ১০ টাকা মূল্যের প্রতিটি সাধারণ শেয়ারে ৩০ টাকা নগদ লভ্যাংশ বিতরণ করা হয়। এসত্ত্বেও পরিচালনা পর্ষদ ২০২১-২০২২ সালের জন্য ১০০% চূড়ান্ত নগদ লভ্যাংশ অর্থাৎ ১০ টাকা মূল্যের প্রতিটি সাধারণ শেয়ারে ১০ টাকা নগদ লভ্যাংশ ঘোষণার সুপারিশ করেছেন। অর্থাৎ, ২০২১-২০২২ সালের জন্য মোট লভ্যাংশ দাড়ায় ৪০০% বা ১০ টাকা মূল্যের প্রতিটি সাধারণ শেয়ারে ৪০ টাকা নগদ লভ্যাংশ। কোম্পানির ডিভিডেন্ড ডিস্ট্রিবিউশন পলিসি পরিচালনা পর্ষদ কর্তৃক অনুমোদিত এবং শেয়ারহোল্ডার ও সর্গশ্রিষ্ট সকলের অবগতির জন্য কোম্পানির ওয়েব সাইটে প্রদর্শিত রয়েছে। বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন-এর নিয়ম অনুসারে কোম্পানির ডিভিডেন্ড ডিস্ট্রিবিউশন পলিসি বার্ষিক প্রতিবেদনের সাথে সংযুক্ত রয়েছে।

**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। ২০২১-২০২২ সালে ২৬তম বার্জার ইয়াং পেইন্টার্স আর্ট কম্পিটিশন উদ্‌যাপিত হয়। ঢাকা বিশ্ববিদ্যালয়ের চারুকলা বিভাগের মেধাবী শিক্ষার্থীদের মাঝে পুরস্কার বিতরণ করা হয়। বিএফএ অনার্স প্রোগ্রামে সর্বোচ্চ সিজিপিএ অর্জনকারী আট জন শিক্ষার্থীকে এই পুরস্কার দেয়া হয়, যার মধ্যে একজন ‘বার্জার স্টুডেন্ট অব দি ইয়ার’ পুরস্কার লাভ করে।

বার্জার, ক্লাব সুপ্রিম এর আওতায় ডিলারদের বীমা সুবিধা প্রদান করে। মহামারী চলাকালীন বার্জার বেশ কিছু ব্যবসায়িক অংশীদার হারিয়েছে এবং তাদের পরিবারকে জীবন বীমা কাভারেজ প্রদান করেছে, যা ডিলারদের পরিবারের জন্য বিশাল এক মানসিক এবং আর্থিক সহযোগিতা হিসেবে কাজ করেছে। এছাড়া ক্লাব সুপ্রিম এবং সম্পর্ক ক্লাব এর উদ্যোগে বার্জার, ডিলার এবং পেইন্টারদের মেধাবী সন্তানদের বৃত্তি প্রদান করেছে।

এখন পর্যন্ত বার্জার স্টেকহোল্ডারদের (ডিলার, কর্মচারী, গ্রাহক, পেইন্টার) ১,১০,০০০ এর বেশি মানুষ সরবরাহ করেছে। এছাড়া সংযোগ নামক একটি দাতব্য সংস্থাকে ১৫টি অক্সিজেন সিলিন্ডার প্রদান করেছে। সংযোগ করোনায় আক্রান্ত রোগীদের জরুরি অক্সিজেন সাপোর্ট দিয়ে থাকে। বার্জার, দেশের বিভিন্ন প্রান্তের দরিদ্র মানুষের মাঝে কঞ্চল ও শীতবস্ত্র বিতরণ করেছে।

**জাতীয় কোষাগারে অবদান**

আবগারি শুষ্ক, আয়কর, মূল্য সংযোজন কর এবং সম্পূরক শুষ্ক বাবদ এ বছর কোম্পানি প্রায় ৬৩৬ কোটি ৮১ লক্ষ ৮৪ হাজার টাকা প্রদান করেছে।

**সাবসিডিয়ারি কোম্পানি**

জেনসন অ্যান্ড নিকোলসন (বাংলাদেশ) লিমিটেড বার্জার পেইন্টস্ বাংলাদেশ লিমিটেডের একটি সাবসিডিয়ারি কোম্পানি। 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, কোম্পানিটির সাবসিডিয়ারি কোম্পানি জেনসন অ্যান্ড নিকোলসন (বাংলাদেশ) লিমিটেডের আর্থিক বিররণী এই প্রতিবেদনের সাথে সংযুক্ত করা হলো।

**পুরস্কার ও সম্মাননা**

ব্র্যান্ড ফোরামের আয়োজনে পেইন্ট ক্যাটাগরিতে “সর্বাধিক প্রিয় ব্র্যান্ড” হিসেবে টানা ১১ বার পুরস্কৃত হয়েছে বার্জার। বার্জার পেইন্ট জাতীয় রাজস্ব বোর্ড, বৃহৎ করদাতা ইউনিট কর্তৃক ২০২০-২০২১ অর্থবছরে “সর্বাধিক কমপ্রায়েন্ট ভ্যাট প্রদানকারী” হিসেবে পুরস্কৃত হয়েছে।

বার্জার পেইন্টস্ বাংলাদেশ লিমিটেড উৎপাদন খাতের বহুজাতিক কোম্পানি শ্রেণিতে ‘আইসিএমএবি বেস্ট কর্পোরেট অ্যাওয়ার্ড ২০২০’ লাভ করেছে। এই পুরস্কার কোম্পানির বিক্রয় ও আর্থিক ফলাফল, জাতীয় রাজস্বে অবদান, মানব সম্পদ ব্যবস্থাপনা, কর্পোরেট সুশাসন, শেয়ার হোল্ডার রিটার্ন, বিনিয়োগ প্রবৃদ্ধি এবং সিএসআর কর্মকাণ্ডের স্বীকৃতি। ইকোনোমিক টাইমস তাদের বাংলাদেশ এডিশনে ২০২১ সালের অন্যতম সেরা ব্র্যান্ড হিসেবে বার্জারকে পুরস্কৃত করেছে। গবেষণা, ব্র্যান্ড রিকল ভান্ডা, ব্র্যান্ড ইউনিকনেস, ইনোভেশন ও বিশ্বাসযোগ্যাতার ভিত্তিতে এই পুরস্কার দেয়া হয়।

**পরিচালক নির্বাচন**

ক) সংঘবিধির ১১১ অনুচ্ছেদে প্রদত্ত ক্ষমতাবলে পরিচালনা পর্ষদ ২৮ অক্টোবর ২০২১ তারিখের সভায় জেএন্ডএন ইনভেস্টমেন্টস্ (এশিয়া) লিমিটেডের মনোনয়ন অনুসারে জনাব গুরবচন সিং খিঙড়াকে পরিচালক নিয়োগ করে। কোম্পানি আইন ১৯৯৪ এর ধারা ৯১(১)(খ) অনুসারে জনাব গুরবচন সিং খিঙড়াকে নির্বাচনের জন্য পেশ করা হলো। কোম্পানি আইন ১৯৯৪ এর ধারা ৯৩ অনুসারে জনাব গুরবচন সিং খিঙড়া পরিচালক পদে দায়িত্ব পালনে সম্মতি জ্ঞাপন করেছেন। কোম্পানির ৯৫% শেয়ারধারী জেএন্ডএন ইনভেস্টমেন্টস্ (এশিয়া) লিমিটেডের মনোনীত জনাব সাজ্জাদ রহিম চৌধুরীকে পরিচালক হিসেবে নির্বাচিত করা যেতে পারে।

খ) স্বতন্ত্র পরিচালক মিসেস পারভিন মাহমুদকে পরিচালনা পর্ষদ কর্তৃক ২৭ জানুয়ারি ২০২২ তারিখে দ্বিতীয় মেয়াদে পুনরায় নিয়োগ করা হয়। কোম্পনির নমিনেশন অ্যান্ড রেম্যুনারেশন কমিটি এই নিয়োগের জন্য সুপারিশ করেছেন। মিসেস পারভিন মাহমুদ-এর পুনরায় নিয়োগের বিষয়টি সাধারণ সভায় সদস্যদের অনুমোদনের জন্য পেশ করা হয়েছে।

গ) স্বতন্ত্র পরিচালক হিসেবে জনাব রিয়াজুল হক চৌধুরী এবং জনাব মোহসিন আহমেদকে পরিচালনা পর্ষদ কর্তৃক ৩ এপ্রিল ২০২২ তারিখে তিন বছরের জন্য নিয়োগ করা হয়। কোম্পনির নমিনেশন অ্যান্ড রেম্যুনারেশন কমিটি এই নিয়োগের জন্য সুপারিশ করেছেন। জনাব রিয়াজুল হক চৌধুরী এবং জনাব মোহসিন আহমেদকে-এর নিয়োগের বিষয়টি সাধারণ সভায় সদস্যদের অনুমোদনের জন্য পেশ করা হয়েছে।

ঘ) সংঘবিধির ১২১ ও ১২২ অনুচ্ছেদ অনুসারে জনাব কুলদীপ সিং খিঙড়া, জনাব অভিজিত রয় এবং জনাব সুনীল শর্মা অবসর গ্রহণ করেছেন এবং যোগ্য বিধায় পুননির্বাচিত হওয়ার ইচ্ছা পোষণ করেছেন।

পরিচালনা পর্ষদ এসকল নির্বাচন/পুননির্বাচনের সুপারিশ করেন।

**নিরীক্ষক নিয়োগ**

ক) কোম্পানি আইন ১৯৯৪ অনুসারে নিরীক্ষক মেসার্স হোদা ভাসী চৌধুরী এন্ড কোং চার্টার্ড অ্যাকাউন্ট্যান্ট বার্ষিক সাধারণ সভার শেষে অবসর গ্রহণ করবেন। এটি ছিল নিরীক্ষক হিসেবে তাদের প্রথম বছর এবং বাংলাদেশ সিকিউরিটি এক্সচেঞ্জ কমিশনের আদেশ নং এইইসি/সিএমআরসিডি/২০০৯-১৯৩/১০৪/অ্যাডমিন তারিখে ২৭ জুলাই ২০১১ তারা আরো দুই বছরের জন্য নিয়োগের যোগ্য। পরিচালনা পর্ষদ অডিট কমিটির সুপারিশ অনুসারে মেসার্স হোদা ভাসী চৌধুরী এন্ড কোং চার্টার্ড অ্যাকাউন্ট্যান্টস্কে বার্ষিক ১,১৪০ হাজার টাকা ও প্রযোজ্য ভ্যাট-এর বিনিময়ে ২০২২-২০২৩ সালের জন্য পুনরায় নিয়োগের জন্য সুপারিশ করেছেন, যা পরবর্তী বাষিক সাধারণ সভা পর্যন্ত বলবৎ থাকবে।

খ) মেসার্স ম্যাবস অ্যান্ড জে পার্টনার্স ৩১ মার্চ ২০২২ তারিখে সমাপ্ত বছরের জন্য কর্পোরেট গভর্নেন্স কমপ্রায়ে্স রিপোর্ট নিরীক্ষা করেছেন এবং সনদপত্র প্রদান করেছেন। পুনর্গনিয়োগের যোগ্য বিধায় ৩১ মার্চ ২০২৩ তারিখে সমাপ্ত 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 কমপ্রায়ে্স সার্টিফিকেট নিরীক্ষাকারী প্রতিষ্ঠানের নিয়োগ সাধারণ সভায় অনুমোদিত হবে। পরিচালনা পর্ষদ তাদেরকে বার্ষিক ৭৫ হাজার টাকা ও প্রযোজ্য ভ্যাট-এর বিনিময়ে ২০২২-২০২৩ সালের জন্য পুনরায় 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।

**মানবসম্পদ**

কোম্পানির সাফল্যের জন্য আমরা আমাদের মানবসম্পদের অবদান অত্যন্ত গুরুত্বপূর্ণ বলে মনে করি। কোভিড-১৯ মহামারিতে মানবসম্পদের সুস্বাস্থ্য নিশ্চিতের লক্ষ্যে বেশ কিছু পদক্ষেপ নেয়া হয়েছে। এর মধ্যে রয়েছে পিপিই ও হ্যান্ড স্যানিটাইজার বিতরণ, ওয়াশ স্টেশন স্থাপন, ব্যক্তিগত স্পর্শ কমানোর জন্য কর্মস্থল রিডিজাইন করা, সার্বক্ষণিক চিকিৎসক নিয়োগ, মানসিক অবসাদ হ্রাসে ভার্চুয়াল সেশন, অক্সিজেন কনসেন্ট্রেটর ও অক্সিমিটার স্থাপন, ধার্মাল স্ক্যানার স্থাপন, কোভিড রোগীকে স্বাস্থ্যকর খাবার উপহার প্রদান এবং সেন্ট্রাল হেলথ মনিটরিং সিস্টেম স্থাপন ইত্যাদি।

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। করোনা মহামারিতে ডিজিটাল মাধ্যমে ট্রেনিং কার্যক্রম সচল রাখা হয়েছে। করোনার সবচেয়ে অনিশ্চিত ও চ্যালেঞ্জিং দিনগুলিতে কোনো কর্মীকে ছাঁটাই করা হয়নি বরং সকল কর্মী ও সরবরাহকারীর প্রাপ্য অর্থ যথাসময়ে পরিশোধ করা হয়েছে। পর্ষদ এই কোম্পানির উন্নয়নে 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,

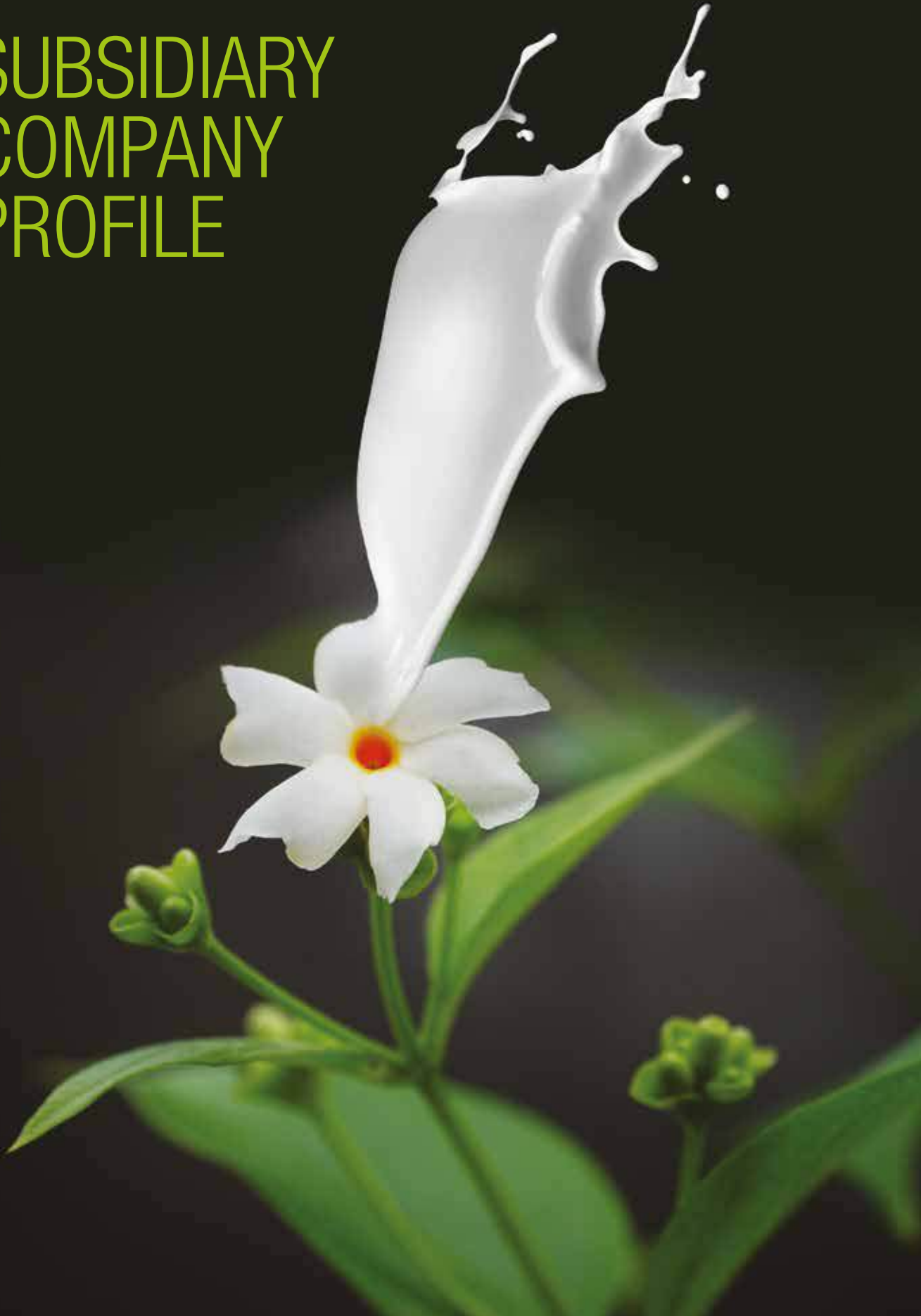
**জেরাড কে. গ্র্যাডামস**

সভাপতি

৩০ মে ২০২২



# SUBSIDIARY COMPANY PROFILE



## Jenson & Nicholson (Bangladesh) Limited

### Directors' Report

The Directors of Jenson & Nicholson (Bangladesh) Limited are pleased to present their 32nd report for the year ended March 31, 2022 along with the Audited Financial Statements and the Auditors' Report thereon.

During the period the company's revenue increased by 19.39%. Due to increase of raw materials price in global market and unfavorable exchange rate, cost of sales increased by 23.59%. As a result, gross profit increased by 4.73%. Gross profit was 19.52% of revenue in 2021-22 compared to 22.25% of revenue in 2020-21. However, due to stringent control over expenses, profit before tax increased by 13.54% compared to 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 has not recommended any dividend for the year ended March 31, 2022.

Jenson & Nicholson (Bangladesh) Limited is offering best quality food grade packaging containers in addition to its existing packaging products for paint industry. The company's portfolio of third party business is gradually expanding. The company is manufacturing import substitute packaging for infant formula milk for Nestle' Bangladesh.

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

Food Safety System Certification FSSC22000	ISO 22000:2018, ISO/TS22002-4:2013
Quality Management Systems	ISO 9001:2015
Occupational Health and Safety Management Systems	ISO 45001:2018
Environmental Management Systems	ISO 14001:2015
SEDEX (Supplier Ethical Data Exchange)	

The Directors retiring by rotation under Article 32 are Mr. Gerald K Adams and Mr. Anil Bhalla who, being eligible, offered themselves for re-election. The Board of Directors recommends these re-elections.

The Board of Directors recommends the reappointment of Messrs Snehasish Mahmud & Co., Chartered Accountants as auditor at the ensuing Annual General Meeting.

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  
May 30, 2022

## Independent Auditor's 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, hereinafter referred to as "the Company" which comprise the statement of financial position as at 31 March 2022, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, including a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the company as at 31 March 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994 and other applicable laws and regulations.

#### Basis for Opinion

We conducted our audit in accordance with International Standard 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 is sufficient and appropriate to provide a basis for our opinion.

#### Independence and Other Ethical Responsibilities

We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and ICAB Bye-laws.

#### Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for other information. The other information comprises of the information including Director's Report included in annual report, but does not include the financial statements of the Company and our Auditor's Report thereon.

In connection with our audit of the financial statements, our responsibility is to read the Director's Report and in doing so, consider whether the Director's Report 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, we conclude that there is a material misstatement of the Director's Report, 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 and Internal Controls

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRSs) and the Companies Act 1994 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, 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 and 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 always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As a part of audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit.

- Identify and assess the risk 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 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.
- 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 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.

### Report on other Legal and Regulatory Requirements

In accordance with Companies Act 1994, we also report the following:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof.
- b) in our opinion, proper books of accounts as required by law have been kept by the company so far as it appeared from our examination of those books; and
- c) the Company's financial position and statement of comprehensive income dealt with by the report are in agreement with the books of accounts.

DVC: 2206071550AS127718

Dated, 31 May 2022  
Dhaka



Sukanta Bhattacharjee, FCA  
Enrolment No. 1550  
Partner  
Snehasish Mahmud & Co.  
Chartered Accountants

## Jenson & Nicholson (Bangladesh) Limited

### Statement of Financial Position

As at 31 March 2022

In Thousands Taka	As at 31 March	
	2022	2021
<b>Assets</b>		
<b>Non- Current Assets</b>		
Property, plant and equipment	622,598	644,702
Intangible assets	5,183	3,500
Capital work-in-progress	248,707	115,438
<b>Total non- current assets</b>	<b>876,488</b>	<b>763,640</b>
<b>Current Assets</b>		
Inventories	387,187	229,267
Trade & Other receivables	85,351	71,638
Advances, deposits and prepayments	40,676	13,247
Cash and cash equivalent	15,716	25,397
<b>Total current assets</b>	<b>528,930</b>	<b>339,549</b>
<b>Total Assets</b>	<b>1,405,418</b>	<b>1,103,189</b>
<b>Equity and Liabilities</b>		
Share capital	50,100	50,100
Retained earnings	782,385	677,776
	<b>832,485</b>	<b>727,876</b>
<b>Non-current Liabilities</b>		
Deferred tax liabilities	81,983	84,281
Employees' retirement gratuity	20,201	17,388
<b>Total non-current liabilities</b>	<b>102,184</b>	<b>101,669</b>
<b>Current Liabilities</b>		
Inter-company payable -BPBL	357,908	157,074
Trade and other payables	107,761	106,103
Liabilities for Income tax	5,080	10,467
<b>Total current liabilities</b>	<b>470,749</b>	<b>273,644</b>
<b>Total Liabilities</b>	<b>572,933</b>	<b>375,313</b>
<b>Total equity and liabilities</b>	<b>1,405,418</b>	<b>1,103,189</b>
<b>Contingent Liabilities</b>	<b>191,223</b>	<b>87,530</b>

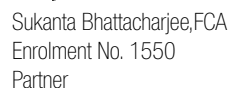
  
Managing Director

  
Director & CFO

  
Company Secretary

DVC: 2206071550AS127718

Dated, 31 May 2022  
Dhaka

  
Sukanta Bhattacharjee, FCA  
Enrolment No. 1550  
Partner  
Snehasish Mahmud & Co.  
Chartered Accountants

## Jenson & Nicholson (Bangladesh) Limited

### Statement of profit or loss and other comprehensive income

For the year ended 31 March 2022

In Thousands Taka	For the year ended 31 March	
	2022	2021
Revenue	949,860	795,592
Cost of sales	(764,447)	(618,550)
<b>Gross profit</b>	<b>185,413</b>	<b>177,042</b>
<b>Operating Expenses</b>		
Warehouse and distribution expenses	(35,498)	(32,032)
Administration expenses	(39,353)	(33,650)
Other operating income	63,808	39,779
	(11,043)	(25,903)
<b>Profit from operation</b>	<b>174,370</b>	<b>151,139</b>
Service charges	(3,000)	(3,000)
Financial charges	(11,945)	(7,730)
	(14,945)	(10,730)
<b>Profit before WPPF and tax</b>	<b>159,425</b>	<b>140,409</b>
Workers' profit participation and welfare fund	(7,971)	(7,020)
<b>Income before tax</b>	<b>151,454</b>	<b>133,389</b>
Current tax expense	(49,143)	(41,169)
Deferred tax income	2,298	14,185
	<b>(46,845)</b>	<b>(26,984)</b>
<b>Profit for the year</b>	<b>104,609</b>	<b>106,405</b>
Other comprehensive income	-	-
<b>Total comprehensive income</b>	<b>104,609</b>	<b>106,405</b>

  
Managing Director

  
Director & CFO

Signed in terms of our separate report of even date annexed

  
Company Secretary

DVC: 2206071550AS127718

Dated, 31 May 2022  
Dhaka

  
Sukanta Bhattacharjee, FCA  
Enrolment No. 1550  
Partner  
Snehasish Mahmud & Co.  
Chartered Accountants



## Jenson & Nicholson (Bangladesh) Limited Statement of Cash Flows

For the year ended 31 March 2022

In Thousands Taka	For the year ended 31 March	
	2022	2021
<b>Cash flows from Operating Activities (A)</b>		
Cash received from customers	936,147	768,637
Cash received from other operating income	63,808	39,779
Cash paid to suppliers and employees	(746,667)	(624,668)
Payment of interest	(11,945)	(7,730)
Income tax paid	(54,530)	(31,154)
<b>Net cash from operating activities</b>	<b>186,813</b>	<b>144,864</b>
<b>Cash flows from Investing Activities (B)</b>		
Capital expenditures	(196,494)	(138,911)
Proceeds from sale of assets	-	-
<b>Net cash used in investing activities</b>	<b>(196,494)</b>	<b>(138,911)</b>
<b>Cash flows from Financing Activities (C)</b>		
(Decrease)/Increase in cash and bank balance (D)= (A+B+C)	(9,681)	5,953
Cash & cash equivalents at the beginning of the year ( E )	25,397	19,444
<b>Cash &amp; cash equivalents at the end of the year (D+ E+F)</b>	<b>15,716</b>	<b>25,397</b>
<b>These comprise the following</b>		
Cash at bank	15,340	25,073
Cash in hand	376	324
	<b>15,716</b>	<b>25,397</b>

*[Signature]*  
Managing Director

*[Signature]*  
Director & CFO

*[Signature]*  
Company Secretary

শুধু গ্ল্যামারাস  
দেয়ান নয়  
আমার স্মৃতির আঙিনা



BERGER  
LUXURY  
*Silk*





# EVENTS



## 48<sup>TH</sup> ANNUAL GENERAL MEETING OF BERGER PAINTS BANGLADESH LIMITED HELD



The 48<sup>th</sup> Annual General Meeting (AGM) of Berger Paints Bangladesh Limited, was held on October 6, 2021 through digital platform. Gerald K. Adams, Chairman, Berger Paints Bangladesh Limited presided over the meeting. Rupali Chowdhury, Managing Director, along with other directors Anil Bhalla, Anis A. Khan, Masud Khan, Rishma Kaur, Kanwardip Singh Dhingra, Sunil Sharma, Parveen Mahmud, Abhijit Roy and Sazzad Rahim Chowdhury also attended the meeting. Gerald K. Adams presented the Directors' Report, Auditors' Report and Audited Financial Statements for the year ended March 31, 2021 before the shareholders. Rupali Chowdhury replied to the shareholders' queries.

## VAT PAYER FOR THE YEAR 2020-2021 BY LARGER TAX PAYER UNIT (LTPU)



Berger Paints Bangladesh Limited has been awarded as "The Most Compliant VAT Payer" for the fiscal year 2020-2021. National Board of Revenue, Larger Tax Payer Unit Commissioner, Waheeda Rahman Chowdhury, handed over the crest & certificate to Sazzad Rahim Chowdhury, Director & CFO, BPBL and Md. Abdus Sabur Khan, Head of VAT, BPBL at Dhaka Regency Hotel in the Capital on Sunday, December 12, 2021.



BERGER RECEIVES ICMAB AWARD



Institute of Cost and Management Accountants of Bangladesh (ICMAB), the national body of the Professional Cost and Management Accountants of Bangladesh once again conferred Berger Paints Bangladesh Limited with "ICMAB Best Corporate Award" for 2020 under Multinational Manufacturing Category. This award is given on the basis of financial strength, quality of annual report, corporate governance, HR Management and CSR of a company. Berger Paints received the ICMAB Awards earlier in 2019, 2018, 2017, 2015, 2013, 2012, and 2010. Honorable Commerce Minister, Tipu Munshi, addressed the flagship ceremony of ICMAB as the Chief Guest and distributed the awards.

ET BEST BRANDS-2021 BANGLADESH EDITION

Economic Times recognized Berger Paints as one of the ET Best Brands of 2021 Bangladesh Edition. The recognition was based on a research, looking at different elements like brand recall value, the likeliness of consumers or end-users choosing a particular brand, brand uniqueness, innovation, and trustworthiness.



BERGER WINS BEST BRAND AWARD FOR THE 11TH TIME



grand award giving ceremony took place at Le Méridien Dhaka to honor the most loved brands of Bangladesh in 35 categories. All members of Berger Family share the honor of this wonderful achievement.

Bangladesh Brand Forum, in partnership with Nielsen Bangladesh, has been honoring the most loved brands across industries for the last 12 years. The objective of Best Brand Award is to celebrate the success of brands achieved through their efforts and innovative initiatives. Best Brand Award is based on a global model done through a direct consumer survey of 7600 consumers across the country which included self-administrated reviews. Berger Paints Bangladesh Limited has been awarded as "THE MOST LOVED BRAND" in the Paint Category for the 11th time, consecutively. A

BERGER AWARD FOR STUDENTS OF FACULTY OF FINE ARTS - DU



Berger Paints Bangladesh Limited (BPBL) rewarded eight meritorious students from the Faculty of Fine Arts (FFA), University of Dhaka, including the special award of "Berger Student of the Year". The award program titled "Berger Award for Students of Fine Art, University of Dhaka," aims to honor the students with the highest CGPAs in the Honors' Program under eight departments of the FFA, DU.

A five-year Memorandum of Understanding (MoU) was signed between BPBL and the

FFA, DU on December 31, 2017, regarding this talent acknowledgment initiative. Md. Helal Hosen from the Department of Drawing & Painting won this year's "Student of the Year" award. Seven other students – Emran Hasan (Department of Graphic Design), Tafannum Kagoji (Department of Printmaking), Sandipta Mollick Shabnam (Department of Oriental Art), Md. Abu Ibney Rafi (Department of Ceramics), Shimul Kumar Paul (Department of Sculpture), Sharmin Khatun (Department of Crafts) and Md. Naushad Islam (Department of History Art) – were also rewarded, as they obtained the highest CGPA in the Honors program. All

26TH BERGER YOUNG PAINTERS' ART COMPETITION



1<sup>st</sup>



2<sup>nd</sup>



3<sup>rd</sup>



4<sup>th</sup>



5<sup>th</sup>



6<sup>th</sup>

The Honorable Jury Committee selected the top 6 winners of the 411 paintings submitted for the 26th Berger Young Painters' Art Competition. Suborno Chakraborty Tonmoy won first prize in this year's BYPAC 2021 competition with his painting titled, 'Close Up'; MD Moazzem Hossain won 2nd position while MD Mezanur Rahman secured the 3rd place.

Mohammed Fakhru Islam Mazumder, Asif Al Nur Ratul and MD Ariful Islam were amongst the top 6 winners.



IMPLEMENTATION OF SAP S/4HANA TRANSFORMATION PROJECT



Berger Paints has gone LIVE with SAP S/4HANA system. It was a Brownfield Implementation where conversion has taken place from ECC ERP system to S/4HANA. To stand apart, Berger leveraged the power of Intelligent ERP by stepping into the transformation journey to be an Intelligent Enterprise.

BERGER ARCHKU AWARD PROGRAM HELD ONLINE

BPBL introduced an annual award program in 2011 for the students of Architecture Discipline of Khulna University (KUAD) with a view of enhancing its academic environment. On November 16, 2021 Berger awarded the 15 bright students of 2015-2016, 2017-2018, 2018-2019 session through a Digital Award Giving Ceremony. Every year, the students with the highest CGPA in each class are awarded with the one-time scholarship. Berger Resource Corner established at ARCHKU in 2011 with annual contribution from Berger to equip the faculty with relevant resources of Architecture to facilitate the academic activities of the students.



BERGER OPENS FOUR NEW BERGER EXPERIENCE ZONE OUTLETS



Berger Paints recently opened four new Berger Experience Zone (BEZ) outlets in different parts of the country. A new Berger Experience Zone flagship outlet was inaugurated in Majidee, Noakhali on October 12, 2021. Another new BEZ was opened on October 14, 2021, in Pabna. A new BEZ was inaugurated in Dinajpur on October 16, 2021. Berger opened a franchised BEZ outlet under the dealer "Mukut Hardware" in Khulna on November 22, 2021.

The main objective of Berger Experience Zone is to familiarize customers with Berger's world-standard Paint Solutions. These outlets will also cater to all paint-related requirements of the customers; offering hundreds of color shades, vibrant palettes, pertinent accessories, and solutions. Even enthusiasts can get expert suggestions on painting palettes and options from the Berger personnel. Anyone interested can get answers to their queries by calling at 08000-123456

BERGER – ULTIMATE ILLUSIONIST CAMPAIGN AWARDED BY BRAND FORUM



Berger conducted a campaign "Berger – Ultimate illusionist" in January, 2021. The campaign was launched in order to create awareness about illusions developing user generated contents of illusions and creating engagement with the right TG. Our execution partner for the campaign was Singularity Limited.

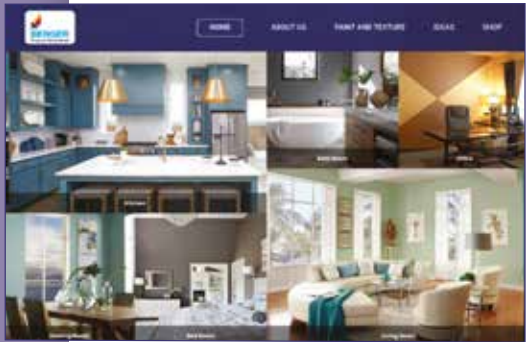
Recently, the campaign received Digital Marketing Award (Bronze) in the category "Best Use of User Community Platform". The award ceremony was arranged and coordinated by Bangladesh Brand Forum in association with The Business Standard. Post reach of Berger Experience Zone Facebook page increased by 47% and post engagement increased by 37% during this month-long campaign.

LSE CAMPAIGN ACHIEVES DIGITAL MARKETING AWARD

Berger Luxury Silk Emulsion is one of Bangladesh's most prestigious paint brands. Its glitz and shine are well personified by the glamorous Jaya Ahsan. The two dazzling figures formed a bond that deserved to be publicized beyond the TV-driven ATL campaigns. With static and video banner ads, our goal was to raise awareness about the newly formed spectacular relationship among netizens. We created a KV that is adaptable to various media and placements. We used both local and Google ad networks to display the KV. This generated 4.6 million impressions and over 4,000 clicks. We served half a million impressions using the Pokkt platform's reward-based video advertisements, with a nearly 95% completion rate and 3.54% CTR.



WEBSITE OF BERGER REVAMPED



'www.bergerbd.com' has been completely revamped ensuring global standards. Our newly redesigned website is now easier to navigate, faster and more intuitive. Customers can now learn about Berger's services and browse information in a more user friendly manner. New additions to Berger website include:

- Integration of Google Analytics & Google Tag Manager for collecting 1st Party Data of customers
- Integration of SEO – Higher rank in Google search results
- Redirecting digital media audience through social media campaigns to further attract customers
- Highest ever traffic generated in the website (approx. 140K+ Monthly Active Visitors)
- Incorporation of Facebook Messenger Plugin directly in homepage, where customers can place queries



MOU SIGNING CEREMONY OF 10<sup>TH</sup> BERGER AWARD FOR EXCELLENCE IN ARCHITECTURE



Berger Paints Bangladesh Limited signed a MoU with Institute of Architects Bangladesh (IAB) at the BERGER Seminar Hall, IAB Centre, Sher-e-Bangla Nagar on December 6, 2021. The MoU was signed to renew the program of "Berger Award for Excellence in Architecture (BAEA)". Under this MoU, the two organizations will work together to acknowledge the merits of Architects of the country for their best creations. Rupali Chowdhury, Managing Director, Berger Paints Bangladesh Limited and Ar. Mubasshar Hussain, President IAB, have signed the MoU on behalf of their respective organizations. Mr. Mohsin Habib Chowdhury, Senior General Manager-Sales & Marketing BPBL, Ar. Khan Md Mustapha Khalid, VP-National IAB, Ar. Ishtiaque Zahir, VP-International IAB, Ar. Kazi Golam Nasir, Chair-Award Committee, Ar. Sajid Bin Doza, AGS-IAB, Mr. Shabbir Ahmed, Head-PPEZ, Mr. Tariqul Islam, Head-Prolinks along with other respective members of IAB and officials from Berger Paints were present at the ceremony.

SHAKIB KHAN AND NUSRAT FARIA BECOME BRAND AMBASSADORS OF RADIANCE



Berger Paints Bangladesh Limited (BPBL) recently teamed up with superstar celebrities, Shakib Khan and Nusrat Faria, as their new brand ambassadors. Two different agreement signing ceremonies were held in this regard, recently. According to the agreements, the reputed actor and actress will now take part in various campaigns, engagement sessions, and other promotional activities to promote Radiance Exterior Emulsion and Radiance Interior Emulsion for Berger Paints for the next two years.

Berger remained at the top of the paint and household maintenance solutions market in the country. It collaborated with numerous iconic figures over the decades, and its latest partnerships with Shakib Khan and Nusrat Faria are also anticipated to add another promising dimension to Berger's long-lasting consumer goodwill and trust.

JAMAL BHUYAN BECOMES BRAND AMBASSADOR OF ROBBIALAC



Captain of the Bangladesh Football Team joined hands with Berger as the Brand Ambassador of Robbialac Brand. A MoU was signed with the popular player in November, 2021.

BERGER LAUNCHES NEW PRODUCTS AND SERVICES

Berger Artista

Berger has successfully launched the first ever artists' acrylic paint made in Bangladesh, **Berger Artista**. Imported acrylic paints are quite expensive and supply is lower than demand. There are many talented young artists in our country who cannot create more than 2/3 paintings in a year because of high price of imported paints. Berger Artista has been launched to inspire creativity and to support the young talented artists of our country. It is suitable for application on paper, canvas, wall and wooden surface (after primer application). Initially, the brand has been launched with a variant of 7 elementary shades in 120ml tubes. With Berger Artista, artists will create more and more paintings with superior and long-lasting quality.



Autoprime 1K Primer and NC Thinner

Berger launched **Autoprime 1K Primer** in September, 2021. Autoprime 1K primer is a quick drying single pack primer based on top quality special resin. It has good light fastness, lead free pigments with extenders. It is suitable for painting on various metal surfaces such as vehicles, machineries etc. Berger also launched **Autoprime NC Thinner** in December, 2021.

Wood Coating Application Service

Berger launched Wood Coating Service in August, 2021. It's the one stop solution for anyone looking to upgrade their old or new wooden furniture with a modern look and finish. Our highly skilled and trained applicator team will provide the best woodcoating solution with complete supervision to customers through Berger Experience Zone. Innova Lacquer, Innova Solid Color, Woodkeeper, and Breathe Easy Enamel products are offered with three service packages under this service.



BERGER PARTICIPATES IN REHAB FAIR



Berger Paints participated in Rehab Fair in Dhaka and Chattogram in December, 2021. Around 300 companies participated in this fair. In Chattogram, Berger participated as a cosponsor. Products of BPBL were highlighted in the fair to prospective customers.

DONATION OF OXYGEN CYLINDERS



Berger Paints donated 15 oxygen cylinders to Songjog – a Welfare Organization in August, 2021. Songjog is providing emergency oxygen support for Covid-19 infected people. With the contribution from Berger, the organization has strengthened its support for the patients.



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 49<sup>th</sup> Annual General Meeting of the Company to be held on  
Wednesday, August 24, 2022 at 10.00 a.m. using digital platform and at any adjournment thereof.

As witness my hand this day of ..... 2022.

Affix  
Appropriate  
Revenue  
Stamp

(Signature of the Proxy)

(Signature of the Shareholder)

Dated.....

Dated.....

BO ID No:

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





বাজার  
রবিয়াল্যাক

No. 1  
PAINT  
SELLING  
BRAND

রাঙাও জীবন  
ইচ্ছেমতন



পাঁচ দশক ধরে দেশজুড়ে  
সবার আস্থার শিখরে বাজার রবিয়াল্যাক।  
তারুণ্যে ভরা অনন্য এই রঙে রাঙিয়ে যাব দেশ একসাথে।



*Paint Your Imagination*



**BERGER**  
Trusted Worldwide

**BERGER PAINTS BANGLADESH LIMITED**

Corporate Office: Berger House, House # 8, Road # 2, Sector # 3, Uttara Model Town, Dhaka-1230  
Phone: 02-48953665-70 (Hunting), E-mail: [info@bergerbd.com](mailto:info@bergerbd.com)