



Directors' Report

The Directors are pleased to present their 48th report of the Company along with the Audited Financial Statements and Auditors' Report for the year ended March 31, 2021.

Industry outlook and possible future developments in the industry

The economy of Bangladesh has been going through a challenging time since the beginning of 2020 as the country was under lock-down for several months. Both manufacturing and selling activities were very risky. The situation gradually improved at the later part of the year, with ease of lockdown, clarity about treatment, and systematic vaccination program launched by the government.

Bangladesh has an impressive track record for growth and development, aspiring to be a middle-income country. As a result of industrialization, the product offerings of Bangladesh paint market is diversifying from Decorative Paints towards specialized coatings and industrial paints to cater to the changes in demand structure. The paint market is currently facing very soft demand due to the lockdown measures undertaken to contain the spread of Corona virus. Recently an inflation of raw materials of paints has been observed. The situation has been aggravated by supply chain disruptions caused by shipping crisis. Paints companies may face unprecedented challenges due to these macro-economic pressures.

Revenue and profitability

The Company achieved 2.8% revenue growth and around 6% volume growth in the year ended March 31, 2021. The company gained market share in 2020-2021. Almost two months of the first quarter of the year was under lockdown due to COVID-19 pandemic. We applaud the whole-hearted efforts of the employees of the company for such an achievement during the unprecedented crisis in the country. We are also thankful all stakeholders for supporting this remarkable achievement of the company.

At the backdrop of 2.8% revenue growth, the company achieved 12.3% growth in income before tax. During the period, cost of sales reduced from 61.5% to 60.2% of net sales. The company made all-out efforts to optimize cost while remaining competitive in the market. Despite higher sales in 2020-21, total expenses both in absolute value and as a percentage of net sales reduced from previous year, resulting higher profitability in 2020-21.

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 2020-21 to fulfill the diversified customer needs and explore new frontiers.

To enhance the personal hygiene sector of the nation during coronavirus (COVID-19) pandemic, Berger Paints Bangladesh has expanded its business and launched Berger Mr. Expert Advanced Hand Sanitizer. Berger Mr. Expert Advanced Hand Sanitizer is a waterless sanitizer that instantly kills 99.99% of numerous harmful germs, without requiring soap or water.

Berger has relaunched Berger Breathe Easy with a new feature and a new look. Introducing Breathe Easy ViraCare, its Silver Ion technology assures the killing of 99% infection-causing viruses and bacteria on the painted surface, providing a germ-free and hygienic environment. Certified by Green Label Singapore, this environmentally preferred paint is Odor Free and has a Low VOC content.

Berger Paints has launched a new service called 'Berger Expert Sanitization Service' to meet the growing need for disinfection. Berger Expert Sanitization Service is committed to ensure the safety of stakeholders and the society. With the recent pandemic, sanitization is required to ensure hygiene and protection by providing a clean, germ-free environment and preventing the spread of COVID-19. Eco-friendly sanitizing agents and advanced machineries are used to ensure all spaces and surfaces are disinfected and 99% germs are eradicated.

Berger Paints Bangladesh Limited has launched Magico Antimicrobial PU Paint recently. The paint is manufactured with unique technology, which helps it fight viruses, bacteria, and other contaminated particles. This is the first time any organization in Bangladesh has brought a Polyurethane (PU) coating with antimicrobial properties. Even though the paint is specially formulated for industrial coating segment, this transparent coating can be applied on different substrates including metals, aluminum, plastics, wood, copper, glass, and concrete.

Berger Easy Clean has been relaunched with improved formulation and attractive new packaging. In this new formulation, Easy Clean is reinforced with Recron Micro Fibers to ensure stronger paint film and enhanced washability, faster roller/brush applicability, resistance against air borne dirt and oil penetration, excellent substrate penetration and topcoat adhesion, physical barrier to salt migration, excellent alkali and efflorescence resistance, easy traceability on exposure of UV light.

Berger Paints and Chugoku Marine Paints, Japan have teamed up to offer high performance marine coatings and related industrial paints, bringing the best quality international products in Bangladesh. The product ranges offered under collaboration include universal high build epoxy primers, epoxy tie coats, synthetic resin-based single component tie coats, hydrolysis type and self-polishing type antifouling, epoxy topcoat, alkyd topcoat, polyurethane topcoat, high build alkyd primer, high heat resistant paint, and other improved materials. Sea-going vessels, export vessels, class vessels, and other riverine vessels require these superior standard of coatings for long-lasting protection. Berger is the licensed manufacturer of these products of Chugoku Marine Paints, Japan.

Berger Paints has recently introduced Texbond White Paste and Texbond Wettex (premium and economy) in its Textile Chemical portfolio. White paste is used for enhancing the brightness of fabric and Wettex products are used for textile fabric pre-treatment process.

Berger Paints Bangladesh Limited has recently obtained RoHS certification for its complete offerings of powder coating products. The RoHS certification, which is provided by the authorities in UK, confirms that all powder coating products from BPBL are free from hazardous heavy materials.

As a pioneering drive, Berger Paints and PPG Coatings (M) Sdn.Bhd.SEA have established the "Berger PPG Auto Refinish Training Center" at Tejgaon Sales Office of Berger Paints in Dhaka which consists of most advanced auto-refinishing booth and world class training facility for automobile painters in Bangladesh. This initiative will help the local car body shops, garages and all concerned persons to improve their technical knowledge.

Berger has recently introduced Jensolin Water Based Sports Coating, which is very effective for sports grounds. It is a very fast drying, high opacity, heavy duty flexible coating with resistance to shock & abrasion. This paint is skid resistant and it has excellent weather durability. It has excellent adhesion on concrete and asphalt as well as on wet surfaces.

Berger Paints has relaunched Berger AutoCoat Primer Surfacer UnderCoat. This is an undercoat made of alkyd resin with improved formulation. It is an air drying paint which can be used as surfacer and in putty preparation. It makes the surface smooth and provides long lasting finish. The product can be used on all metal, steel and ferrous structures where alkyd enamels will be used. It is an excellent product for vehicles and automobile industries. The product is fast drying, gives very smooth finish, ensures brighter outlook and crack-free.

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, pandemic 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, 2021 and recommend the following:

| In Thousands Taka | For the year ended 31 March | |
|--|-----------------------------|-------------|
| | 2021 | 2020 |
| Net Sales | 16,669,802 | 16,219,044 |
| Cost of Sales | (10,037,440) | (9,978,398) |
| Gross Profit | 6,632,362 | 6,240,646 |
| Income Before Tax | 3,472,362 | 3,092,467 |
| Current Tax Expenses | (964,614) | (814,470) |
| Deferred Tax Expenses | 41,040 | 14,451 |
| Net Profit After Tax | 2,548,788 | 2,292,448 |
| Add: Other comprehensive income, net of tax | 1,969 | - |
| Add: Retained Earning brought forward from previous year | 6,876,231 | 5,951,929 |
| Amount Available for Distribution | 9,426,987 | 8,244,378 |
| Dividend Proposed | (1,739,171) | (1,368,147) |
| Transfer to un-appropriated profit | 7,687,817 | 6,876,231 |
| Basic Earnings Per Share (Taka) | 54.96 | 49.43 |
| Net Operating Cash Flow Per Share (Taka) | 71.64 | 77.65 |
| Net Asset Value Per Share (Taka) | 213.26 | 187.77 |
| Gross Profit Margin (%) | 39.79 | 38.48 |
| Net Profit After Tax Margin (%) | 15.29 | 14.13 |

Dividend

The Company has invested a substantial amount for expansion of capacity as well as diversification of products and businesses. However, the Directors are pleased to recommend 375% cash dividend i.e. Tk. 37.50 for every Ordinary Share of Tk. 10 held on Record Date for the year 2020-2021.

The company has the policy to recommend/declare dividend out of the profits for the year for which the dividend is to be paid and undistributed profits of the previous financial years. While deciding the amount of profit to be distributed among the shareholders and amount of profit to be retained in business, the Board of Directors considers various external and internal factors such as future investment plan, the company's expected performance in the future and economic condition of the country. Apart from the above factors, the Board also considers dividend payment history of the company

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.

The global spread of coronavirus pandemic has immensely affected millions of daily-wage earners of the country, including painters. To aid the painters and dealers during this crisis, Berger Paints Bangladesh has come forward with a number of initiatives.

Berger Paints Bangladesh has recently provided Personal Protective Equipment, around 125,000 pieces of masks, 25,000 pieces of hand sanitizers and 30,000 pieces of gloves to different stakeholders including 6,000 painters across the country. The company has also provided emergency fund assistance of Tk. 2 crore to 17,500 painters. Additionally, Berger Paints Bangladesh has collaborated with Digital Health Services – Tonic, to bring digital health services for the valued members (painters) of the 'Shomporko Club'. Under the package, club members are entitled to Tk 100,000 cashback in case of death or partial disability, hospitalization benefit of Tk 100,000, 24-hours doctor consultation, and up to 50% discount from over 1,000 partner outlets. Berger Paints Bangladesh has also increased the frequency of payment against the entitlement of 'in-can token' benefit of around 40,000 painters through their verified mobile banking during COVID-19.

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

In 2020, the silver jubilee of Berger Young Painters' Art Competition (BYPAC) was celebrated 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.

A program was organized to award the meritorious children of dealers of 'Berger Club Supreme' and painters of 'Berger Shomporko Club', who have achieved G.P.A. 5 in S.S.C. and H.S.C. examinations in 2020.

The company has distributed blankets and winter clothes among the poor people at different corners of the country. Berger Paints had made a one off donation to UNICEF for emergency response to the fire in Rohingya camps.

Berger is working on skill development of the painters of Bangladesh through Painter Training Institute registered under the National Skills Development Authority under the Prime Minister's Office of the Government of Bangladesh. The company also facilitates interns of different academic backgrounds to let them gain firsthand knowledge and experience of the corporate world, and thus groom the potential leaders of the society.

Contribution to national exchequer

During the period, the Company has contributed Tk. 5,092,781 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

Once again, Berger Paints Bangladesh Limited has been awarded for 'Top VAT Payer' for year 2018-2019 under manufacturing category.

Berger Paints Bangladesh Limited also received 'ICMAB Best Corporate Award 2019' in the category of multinational manufacturing industries for its sales & financial performance, contribution to national exchequer, HR management, corporate governance, shareholders' return, investment growth and CSR activities.

Berger Paints has been awarded the 'Best Paint Brand' in Paint category for 10th time consecutively by Bangladesh Brand Forum (BBF) in partnership with Nielsen Bangladesh. Best Brand Award is based on a global model (Winning Brands™) done through a direct consumer survey of 7600 consumers across the country.

Berger Paints has received Bangladesh Supply Chain Excellence Award (BSCEA) for the 3rd consecutive year for robust implementation of Integrated Sourcing process (Cloud based) and Berger Aastha towards Agile Customer Service.

Election of directors

- a) In the meeting of the Board of Directors of the Company held on August 12, 2020 Mr. Sazzad Rahim Chowdhury, Director and nominee of J&N Investments (Asia) Limited, was appointed as an additional director in pursuance of the power conferred upon the Board by Article 111 of the Articles of Association of the Company. As required by section 91(1)(b) of the Companies Act 1994 Mr. Chowdhury is proposed as a candidate for election as a Director. As required by section 93 of the Companies Act 1994 Mr. Chowdhury has given consent to act as a Director of the Company. Mr. Sazzad Rahim Chowdhury, being the nominee of J&N Investments (Asia) Limited, which is holding 95% shares in the Company, may be elected as a Director.
- b) The directors retiring by rotation under Article 121 and 122 are Mr. Gerald K Adams, Ms. Rishma Kaur and Mr. Kanwardip Singh Dhingra who, being eligible, offered themselves for re-election.

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

Appointment of auditors

As per the Companies Act 1994, the auditors of the Company, A Qasem & Co, Chartered Accountants, shall retire at this Annual General Meeting. As per BSEC Order No. SEC/CMRRCD/2009-193/104/Admin dated 27 July 2011, an audit firm cannot be engaged as external auditors of the same Company for more than three consecutive years. A Qasem & Co, Chartered Accountants has been the statutory auditors of the Company since 2018-2019. In compliance with the BSEC order, we are required to appoint new external auditors for the Company. Hoda Vasi Chowdhury & Co, Chartered Accountants, has offered willingness to be appointed as statutory auditors of the company. As per recommendation of the Audit Committee, the Board of Directors recommends their appointment at the existing fee for the year 2021 and continuation till the next Annual General Meeting.

Messrs. MABS & J Partners has conducted the audit of corporate governance compliance report and issued certificate for the year ended 31 March 2021. Being eligible, they have expressed their interest for reappointment to conduct the audit for the year ended 31 March 2022. As per condition 9(2) of the notification no. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 issued by Bangladesh Securities and Exchange Commission, the shareholders are to appoint the professional issuing certificate on compliance of corporate governance code. The Board of Directors recommends their reappointment.

Corporate governance

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

Human resource

The company credits human resources for its long term success. During the 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, disinfection at workplace and vehicles, Token of Care healthy food gifts after COVID recovery, Central Health monitoring for any symptomatic or confirmed COVID Cases etc. 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

July 19, 2021

Management Discussion and Analysis

Global and national economy

The world economy is passing through the most unprecedented slowdown due to COVID-19 pandemic since the beginning of 2020. Many countries have experienced economic contraction. According to World Bank, the world economy contracted by 4.3% in 2020 and is expected to grow by 4% in 2021 if 2nd wave of Covid-19 does not create serious disruption. Overall global economic output is likely to remain more than 5% below its pre-pandemic trend, with slower expansion till 2025. A number of vaccines for COVID-19 were available within a year of the pandemic and a significant portion of the population has been vaccinated in the developed countries within a short time. Life is gradually coming to normal in those countries. With expansion of vaccination in developing countries including Bangladesh, COVID is likely to subside in near future. As a result, local and global demand will gradually reach to the level of pre-COVID period.

Bangladesh has been able to maintain 6.5%-7% growth rate for a decade. According to the Budget Speech for FY 2021-22, 5.2% GDP growth was achieved in 2020-21, as opposed to 8.2% target for the year. Prolonged lockdown throughout the country due to COVID-19 pandemic is the main reason for decline of GDP growth rate. The government has set 7.2% target for the 2021-22 fiscal, which is challenging as COVID-19 pandemic returns in 2021 and economic activities are limited during extended lockdown to reduce infection. The country's resilience shown through record growth in remittance receipts, foreign exchange reserve and sustained export growth of readymade garments and new export items are likely to fuel future economic growth.

Operations of Berger Paints Bangladesh Ltd.

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

Product range of Berger includes decorative coatings, high build industrial coatings, marine coatings, powder coatings & pretreatment chemicals, adhesives, wood coatings, vehicle refinishes, textile emulsions, construction chemicals, coil coatings, printing ink and paint application tools & accessories. Berger Paints is the first company in Bangladesh to offer a wide range of designer painting schemes for wall through Berger illusions. Recently launched products include WeatherCoat Touch Putty, WeatherCoat Bio Wash, Berger Xpress Sealer and Texbond Wetting Agent.

From January 2019, Berger Paints has taken the initiative of establishing Berger Experience Zones. The objective of this initiative is to create one-stop centers where customers can get all painting solutions and experience the wide range of offerings of Berger. Currently, 31 Berger Experience Zones are operating throughout the country.

Berger Paints Bangladesh Ltd. and Chogoku Marine Paints, Ltd (CMP) of Japan have entered into an agreement for cooperation and collaboration in the field of marine and related industrial paints in Bangladesh. The agreement envisages joint efforts in producing, marketing and purchasing marine and related industrial paints in Bangladesh. Berger 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 is also expected to start producing construction chemicals in their own factory in the near future. Both the joint ventures have been able to achieve business growth throughout the pandemic.

The company's performance in 2020-21

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.

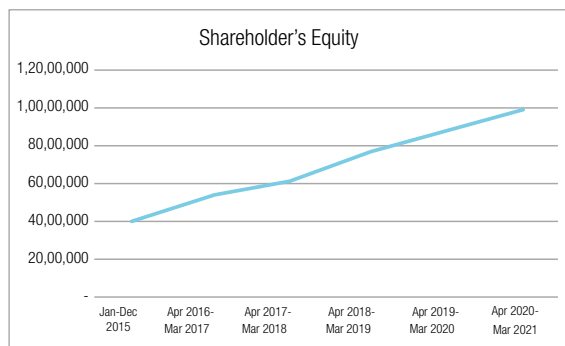
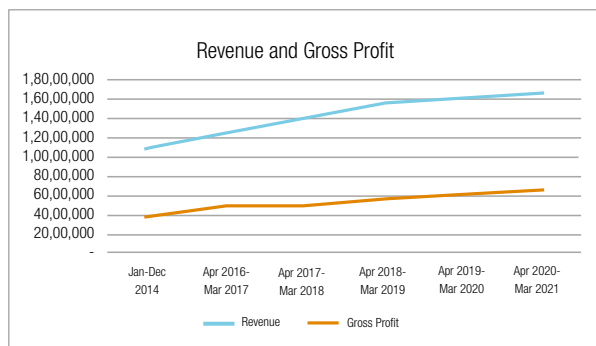
The specific accounting policies have been selected and applied by the Company's management for significant transactions and events that have a material effect within the framework for preparation and presentation of financial statements. Financial statements have been prepared and presented in compliance 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:

| Particulars | In Thousands Taka | | | | | |
|---------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | Jan-Dec 2015 | Apr 2016-Mar 2017 | Apr 2017-Mar 2018 | Apr 2018-Mar 2019 | Apr 2019-Mar 2020 | Apr 2020-Mar 2021 |
| Revenue | 1,09,03,051 | 1,24,69,613 | 1,41,76,256 | 1,56,29,479 | 1,62,19,044 | 1,66,69,802 |
| Gross Profit | 38,90,387 | 49,53,192 | 50,46,900 | 57,22,137 | 62,40,646 | 66,32,362 |
| Income Before Tax | 19,33,454 | 24,54,008 | 22,53,564 | 26,49,490 | 30,92,467 | 34,72,362 |
| Net profit for the year | 14,25,955 | 17,76,673 | 16,69,930 | 19,57,827 | 22,92,448 | 25,48,788 |
| Shareholders Equity | 40,38,513 | 53,66,735 | 60,80,657 | 75,75,155 | 87,08,157 | 98,90,766 |
| Total Assets | 63,39,060 | 84,37,826 | 89,80,428 | 1,07,61,587 | 1,29,29,511 | 1,53,00,038 |
| Total Current Assets | 39,49,727 | 50,87,352 | 54,62,783 | 65,83,908 | 77,21,912 | 94,68,201 |
| Total Current Liabilities | 21,31,089 | 25,73,140 | 26,62,782 | 29,44,023 | 34,83,507 | 47,30,285 |
| Current Ratio (Time) | 1.85 | 1.98 | 2.05 | 2.24 | 2.22 | 2.00 |

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



During the year ended 31 March 2021, net profit growth was 11.2% whereas net revenue was 2.8%. This was the result of continuous efforts to optimize cost while gaining market share. Due to stringent efforts to control cost in the uncertain times, total expense of 2020-21 period reduced to 18.6% of net sales compared to 19.6% of previous year. At the year-end, cash and cash equivalents increased by 21.5% i.e. BDT 726,807 thousand compared to previous year.

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

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
 July 19, 2021

The Directors also report that:

- a) The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;
- b) Proper books of accounts as required by law have been maintained.
- c) Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.
- d) International Accounting Standards (IAS)/Bangladesh Accounting Standards (BAS)/International Financial Reporting Standards (IFRS)/Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed.
- e) The system of internal control is sound in design and has been effectively implemented and monitored.
- f) The minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;
- g) There are no significant doubts upon the company's ability to continue as a going concern.
- h) The company does not have significant deviations from the last year's operating results.
- i) Segment-wise performance during the year is discussed in note 2.31 of the Audited Financial Statements.
- j) Details of related party transactions have been presented in note 42 of the Audited Financial Statements.
- k) The company did not have any extraordinary gain or loss during the period in consideration.
- l) The company did not make any public issue during the year. The proceeds of IPO in 2005 were utilized in the manner specified in the prospectus. The financial results of the company did not deteriorate after the company went for IPO.
- m) There was no significant variance between Quarterly Financial Performance and Annual Financial Statements during the year. Other significant
- n) No bonus share or stock dividend has been or shall be declared as interim dividend;
- o) The remuneration to the directors including independent directors have been disclosed in notes 27 and 39 of the Audited Financial Statements.
- p) Key operating and financial data of preceding 5 (five) years have been summarized in Annexure 3.
- q) The number of Board meetings held during the year and attendance by each director has been disclosed in Annexure 4.
- r) The pattern of shareholding as required by the BSEC notification BSEC/CMRRCD/2006-158/207/Admin/80 of 3 June 2018 has been disclosed in Annexure 5.
- s) Required information about director being appointed/re-appointed has been presented in 'Biography of Directors' section of the Annual Report.
- t) The 'Management Discussion and Analysis' required by condition 1(5)(xxv) of BSEC notification BSEC/CMRRCD/2006-158/207/Admin/80 of 3 June 2018 is integral part of this report