BERGER
Trusted Worldwide

BERGER

ANNUAL REPORT 2018



AMAR STOCK

BERGER
Trusted Worldwide

Colours are like notes in a composition that gives life to a song. Similarly, the colours around us make up the world we live in. Whether we realize it or not, colours play a very important role in our lives. They have the ability to affect our emotions and moods in a way that few other things can. Berger Paints Bangladesh Limited believes in exploring these colours and beyond.

AMAR STOCK

VISION

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

MISSION

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

OUR SPIRIT

Our customers are our partners.

Our people are our strength.

Our shareholders are our foundations.

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

OUR CORPORATE OBJECTIVE

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

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

OUR STRATEGY

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

AMARSTOCK

OUR VALUES

Respect : Show an attitude of courtesy, admiration or esteem

Integrity : Act consistently with Berger's mission, being honest and transparent in what we do and say and accept responsibility for our collective and individual actions

Commitment : Be sincere and steadfast to protect Berger's interest and achieve goals

Excellence : Never be satisfied with simply meeting expectations; always try to exceed them significantly



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THE COMPANY

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

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

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

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

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

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

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

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

LOCATIONS

AMARSTOCK

REGISTERED & CORPORATE OFFICE

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

FACTORIES & PLANTS

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

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

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

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

SALES OFFICES

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

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

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

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

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

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

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

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

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

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

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

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

Brahmanbaria Sales Office
Harez Kazi Bari, Ghatura-1, Brahmanbaria Sadar
Brahmanbaria-3400, Phone : 0851-61332

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

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

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

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

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

SUBSIDIARY COMPANY

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

ASSOCIATE COMPANY

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

FREE CALL রঙ সংক্রান্ত যেকোন সমাধানে
08000-123456

BOARD OF DIRECTORS & EXECUTIVE MANAGEMENT TEAM

BOARD OF DIRECTORS

Mr. Gerald K. Adams	Non-Executive Chairman
Ms. Rupali Chowdhury	Managing Director
Mr. K. R. Das	Non-Executive Director
Mr. Anil Bhalla	Non-Executive Director
Mr. Jean-Claude Loutreuil	Non-Executive Director
Ms. Rishma Kaur	Non-Executive Director
Mr. Anis A. Khan	Non-Executive Independent Director
Mr. Kanwardip Singh Dhingra	Non-Executive Director
Mr. Masud Khan	Non-Executive Independent Director
Mr. Abhijit Roy	Non-Executive Director
Mr. Abdul Khalek	Executive Director

EXECUTIVE MANAGEMENT TEAM

Ms. Rupali Chowdhury	Managing Director
Mr. Abdul Khalek	Director and CFO
Mr. Md Mohsin Habib Chowdhury	Sr General Manager Sales & Marketing
Mr. Mohammad Nazim Uddin Helali	General Manager Projects
Mr. Mohammad Ahsun Ullah	General Manager T&FA
Mr. H M Rakib Ullah Bashar	General Manager FPM
Dr. A S M Obaidullah Mahmud	General Manager R&D
Mr. Mohammad Abu Nader Al Mokaddes	General Manager IT
Mr. Mushfequr Rahman	General Manager HR & Admin
Mr. Abul Kasem Md Sadeque Nawaj	General Manager Marketing
Mr. Anupam Paul	General Manager Works - DF
Mr. Muhammad Kawsar Hasan	General Manager Works - CF
Mr. Raquibul Alam	General Manager Supply Chain
Mr. Mohammad Azizul Hoque	General Manager Sales - Trade
Mr. Mohammad Imranul Kabir	General Sales Manager IND, Mar & Sp Chem
Mr. Md Golam Mostofa	Head BPRC
Mr. Syed Salahuddin Abu Naser	General Manager Special Projects
Mr. Syed Mizanur Rahman	HR BP Sales & Manufacturing
Mr. Mohammad Khasru Meah	Head Cost Accounting
Mr. A M M Sajjad	Head Admin & Employee Relations - CF
Mr. Md Jasim Uddin Chowdhury	Head QA & Process Control - CF
Mr. Md Razibur Rahman	Head ERP Administration
Mr. Nazrul Islam	Regional Manager
Mr. Md Ata I Muneer	Regional Manager
Mr. A N M Hamidur Rahman Chowdhury	Head Technical Services & BD - IM & SC
Mr. Syed Rashedul Alam	Head Vendor Dev and R&D Compliance - DF
Mr. Mohammad Shahadat Islam	Head Financial Accounting
Mr. Md Masudul Hasan	Head Production - CF
Mr. Golam Mohammad Moinuddin	Head Production - DF
Mr. Muhtashim Ahmed	Head Adhesive & Ink
Mr. Md Abdus Sabur Khan	Head VAT
Ms. Rahat Afroze	Head Organization Development
Mr. Md Mokhlechur Rahman	Head Special Coating & Chemicals
Mr. Iftekhar Ahmed Ronnie	Head Legal Affairs
Mr. Jamil Ahmed	Head Compensation & HR Operations
Mr. Md. Hasanuszzaman	Head Projects Prolinks Décor
Mr. Kakan Chandra Dey	Head Demand Supply Planning & CSD

COMPANY SECRETARIAT

Mr. Khandker Abu Jafar Sadique	Company Secretary

AUDITORS

Hoda Vasi Chowdhury & Co.
Chartered Accountants

PRINCIPAL BANKERS

Standard Chartered Bank
Citibank N. A.
Commercial Bank of Ceylon

BIOGRAPHY

OF THE DIRECTORS



Mr. Gerald K. Adams
Chairman since 2004

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



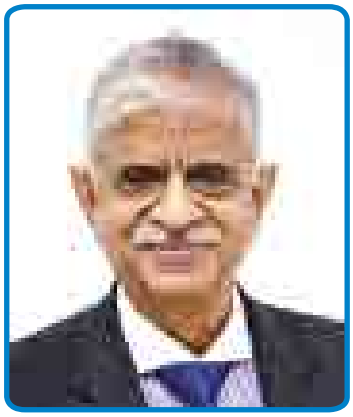
Ms. Rupali Chowdhury
Managing Director since 2008

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



Mr. K. R. Das
Director since 1992

Mr. K.R. Das was born in India in 1931. On completion of his graduation in science with honors, he started his career with Gillanders Arbuthnot & Co. Limited in 1951. He was Head of Pigments Division when he left Gillanders in 1965. He joined Jenson & Nicholson Limited in 1965 and left the company in 1975 as General Sales Manager after a long 10 years of service. He joined Berger Paints India Limited in 1975 and after 20 years of service retired in 1994 as Executive Director. Mr. Das has been working as Management Consultant since 1994. He is a director of Berger Paints India Limited, and Chairman of RDG Systems (Pvt.) Ltd, India. Mr. Das is the Regional Supervisory Director of Berger Paints Bangladesh Limited, and Chairman of Jenson & Nicholson (Bangladesh) Limited. He is also a member of the Audit Committee of Berger Paints Bangladesh Limited.



Mr. Anil Bhalla

Director Since 1994

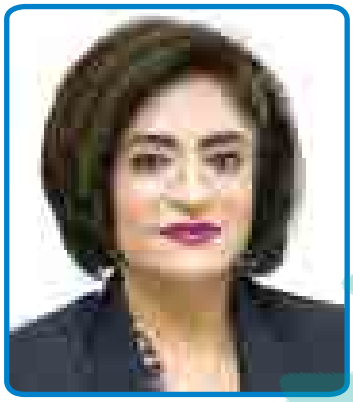
Mr. Anil Bhalla was born in India in 1946. He graduated in Economics (Hons) from the University of Delhi and is a Fellow Chartered Accountant. He is the managing partner of JC Bhalla & Co., a reputed Chartered Accountants firm of India. He has over four decades of experience in professional services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



Mr. Jean-Claude Loutreuil

Director since 1998

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



Ms. Rishma Kaur

Director since 2013

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



Mr. Kanwardip Singh Dhingra

Director Since September 2016

Mr. Kanwardip Singh Dhingra holds a Bachelor's Degree in Chemical Engineering from University of Akron, Akron, Ohio, USA, with Specialization in Polymer Engineering and Minor in Chemistry. He is a Director & National Business Development Manager of Berger Paints India Limited. Mr. Dhingra gathered working experience in the field of Paints and Specialty Coatings in The Rohm & Haas Company, Texas, USA and in the field of Sales and Marketing at The Sherwin Williams Company, Ohio, USA. Mr. Dhingra is also a member of the Entrepreneur's Organization. He is a member of the Audit Committee of Berger Paints Bangladesh Limited and Director of Jenson & Nicholson (Bangladesh) Limited.



Mr. Anis A. Khan

Independent Director since 2016

Mr. Anis A. Khan, a Fellow of the Institute of Bankers, Bangladesh is Managing Director & CEO of Mutual Trust Bank Limited since April 2009. Prior to joining MTB, he headed IDLC Finance Limited, the country's largest non-banking financial institution for six years. A career banker, he earlier served for 21 years, in a multitude of roles, with the then Grindlays Bank p.l.c. and with its successor banks - ANZ Grindlays Bank and Standard Chartered Bank (SCB), both in Bangladesh and abroad. He also has sound knowledge of merchant banking, stock brokerage services, leasing, factoring, legal and compliance, mergers and acquisitions, business process re-engineering and transformation and up-gradation of information technology platforms, acquired in Bangladesh, India, UAE, UK, Australia and South Africa. He has attended an Executive Program in Corporate Governance and Strategic Management at the Haas Business School of the University of California, Berkeley and at INSEAD, Fontainebleau, France. He presented papers on "Financing the Transformation of the Bangladesh Garment Industry" at the School of South Asian Studies, University of Harvard, Cambridge, Massachusetts, USA and 'Achieving SDGs: Financial Inclusion, Bangladesh Perspective' at the Bangladesh Development Conference held at the same university. He attended a customized training programme at The London School of Economics and Political Science organized by LSE Custom Programmes. He currently also serves as Director of BD Ventures Limited, Vice President of the Bangladesh Association of Publicly Listed Companies, Life Member of the SAARC Chamber of Commerce and Industry and Trustee Treasurer of the CSR Centre. He is the Chairman of Audit Committee of Berger Paints Bangladesh Ltd.



Mr. Masud Khan

Independent Director since 2017

Mr. Masud Khan is the Chief Executive Officer of Crown Cement Group since November 2017. His earlier employments include LafargeHolcim Bangladesh Limited (as Chief Financial Officer for 18 years) and British American Tobacco. He is a seasoned professional with four decades of work experience in various fields of business. He did his Bachelor of Commerce with Honours from St Xaviers' College under University of Kolkata and 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. He is also independent director of Glaxo Smith Kline Bangladesh and Marico Bangladesh. He is a faculty of the Institute of Chartered Accountants of Bangladesh. He is a member of the Audit Committee of Berger Paints Bangladesh Limited.



Mr. Abhijit Roy

Director since 2017

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



Mr. Abdul Khalek

Director since 2004

Mr. Khalek is a Fellow Chartered Accountant, and has his Masters of Commerce in Accounting from the University of Dhaka. He completed 3 - Tier General Management Course from IIM Ahmedabad, Advanced Financial Management Course from AIM, Manila and Corporate Governance course from Euromoney Learning Solutions, UK. He joined 'Proshika Manobik Unnayan Kendra' in 1985 and left the organization in 1993 as Chief Internal Auditor. He joined Berger Paints Bangladesh Limited in 1993 as Management Accountant and gradually elevated to Director & Chief Financial Officer. He is also a Director of Jenson & Nicholson (Bangladesh) Limited, Berger Becker Bangladesh Limited and Berger Fosroc Limited. He is serving the FICCI as the convener of Trade, Tariff, Taxation & Company Affairs Sub-committee. He is a faculty of the ICAB. He is a member of the Institute of Internal Auditors of Bangladesh and Intellectual Property Association of Bangladesh. He is also a member of the Audit Committee of Berger Paints Bangladesh Limited.



AMARSTOCK

The 45th Annual General Meeting

Notice is hereby given to all Members of Berger Paints Bangladesh Limited that the 45th Annual General Meeting of the Members of the Company will be held on Tuesday, 17 July 2018, at 10.00 am at International Convention City (Pushpoguscho, Hall No.-2), Bashundhara, Joarshahara, Dhaka to transact the following businesses:

Agenda

1. **Reports and Financial Statements**

   To receive, consider and adopt the Financial Statements and the Reports of the Directors and Auditors of the Company for the year ended 31 March 2018.

2. **Dividends**

   To declare dividend for the year ended 31 March 2018 as recommended by the Board of Directors.

3. **Election of Directors**

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

4. **Appointment of Auditors**

   To appoint Auditors of the Company for the term until the conclusion of the next Annual General Meeting and to fix their remuneration.

By order of the Board of Directors

Khandker Abu Jafar Sadique, ACS
Company Secretary

Dhaka, 1 July 2018

NOTES:

a) The Record Date was 11 June 2018. Shareholders whose names appear in the Register of Members on the Record Date will be eligible to attend the meeting and qualify for Dividend.

b) A member eligible to attend and vote at the Annual General Meeting may appoint a proxy to attend and vote on his/her behalf. Proxy form must be affixed with requisite revenue stamp and must be submitted to the Registered Office of the Company not less than 48 hours before the time fixed for the Annual General Meeting.

c) Admittance to the meeting venue will be on production of the attendance slip attached with the Annual Report.

d) The Notice of the Annual General Meeting, Annual Report 2018 and Proxy Form are available at the Company's website www.bergerbd.com

e) As per circular of Bangladesh Securities and Exchange Commission, there will be no arrangement for gift or entertainment at the Annual General Meeting.

AMAR STOCK

DIRECTORS' REPORT



The Directors are pleased to present their 45th report of the Company along with the Audited Financial Statements and Auditors' Report for the year ended March 31, 2018.

1. Increase of Authorized Capital and holding 8th Extraordinary General Meeting

The Board of Directors in the 173rd Meeting held on May 21, 2018 decided to increase the Authorized Capital of the Company to Tk. 100,00,00,000 (Taka One Hundred Crore) from existing Tk. 40,00,00,000 (Taka Forty Crore) and amend Clause V of the Memorandum of Association and Clause 5 of the Articles of Association subject to the approval of the shareholders at the 8th Extraordinary General Meeting scheduled on July 17, 2018 at 9.30 a.m. called for this purpose.

2. Industry outlook and possible future developments in the industry

The paint industry had experienced volume growth of about 10% in 2017. This growth is somewhat less than in prior years due to: adverse weather conditions; weakness in financial sector; the recent rise of interest rates on bank loans from 7-8% to 12-13% which has reduced the scope of purchasing apartments by the middle class; and the sharp increase in prices of construction materials like cement, steel and brick which is also having an adverse impact on the real estate industry, pushing up the prices of apartments.

However, rising domestic consumption and strong public investment has kept the GDP growth at 7% level, as projected by the Asian Development Bank. Further, the projects undertaken by the government in the construction and infrastructure development like the metro rail, highways and flyovers, government housing projects, bridges, power plants, etc. will hopefully drive the growth of the building materials industries, including paint and construction chemicals in the upcoming year.

3. Sales and Profit Growth

The Company achieved 12.73% sales growth in the year ended March 31, 2018. Considering the market conditions, the growth in sales is satisfactory. We continued to grow our market share in 2017.

Compared to the corresponding period, the company achieved (8.17)% growth in profitability. The sales growth could not be translated to higher profit due to higher cost of materials. These raw material price increases were accompanied by the Taka devaluing from BDT 81.5/1USD in 2017 to BDT 84/1USD in 2018. We did not seek a price increase to offset the rising material costs and in fact we increased our promotional and marketing spending. This was done to combat the intense competition and to support our strategy of continuing to gain market share. While we are not satisfied with our profit performance in 2017 and plan to improve in 2018, we also plan to continue to gain market share. We expect the market to remain highly competitive.

4. New Products

Berger Paints has launched a number of new initiatives in 2017-18 to fulfill the diversified customer needs and explore new frontiers. In the consumer sector, Berger Luxury Silk Metallic Finish was introduced. This is an addition to the premium Luxury Silk brand– offering 50 different metallic shades in vibrant gold, silver and bronze colors. Another addition to the WeatherCoat umbrella is WeatherCoat Coool exterior emulsion. It can reduce temperature on hot sunny days through intelligent solar heat management. It also has water resistant properties and resistance properties against fungi, algae, and dampness, which makes it an excellent durable coating. Berger has introduced latest paint application technology - Express Painting. The mess created by dust and paint spillage and the long duration taken for completion of a painting job by the current manual process is being addressed by Berger Express Painting services, which offers complete painting solutions to its clients in the most efficient way. In the industrial sector, for the first time in Bangladesh, Berger Paints has introduced Berger Fireguard, a fire intumescent coating, specially designed for passive fire protection against cellulosic fires in internal and external beams and columns made of structural steel. It protects structures for a certain period of time in case of fire and prevents premature collapse of steel buildings.

5. New Joint Venture Berger Fosroc Limited

Berger Paints Bangladesh Limited has entered into a joint venture agreement with Fosroc International Limited, United Kingdom, for setting up of a joint venture company with the name "Berger Fosroc Limited" in Bangladesh for the purpose of carrying on the business of manufacturing and selling construction chemicals. Berger Paints Bangladesh Limited has 50% share in the Joint Venture. The joint venture agreement was signed on January 31, 2018 and Berger Fosroc Limited was incorporated on 19 April 2018. The company is expected to start commercial operation from July 1, 2018.

6. 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 played pioneer role installing Effluent Treatment Plant and Incinerator of global standard at its plants in conformity with environment related regulation.

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7. Financial Performance

The Directors take pleasure in reporting the Financial Results of the Company for the year ended March 31, 2018 and recommend the following:

	For the year ended 31 March	
In Thousands Taka	**2018**	**2017**
Net sales	16,483,497	14,622,448
Cost of sales	(9,129,356)	(7,516,421)
Gross profit	7,354,141	7,106,027
Net profit before tax	2,253,562	2,454,008
Current tax expenses	(526,146)	(624,085)
Deferred tax expenses	(57,488)	(20,731)
Net profit for the year	1,669,928	1,809,192
Add: retained earning brought forward from previous year	4,024,248	4,265,013
Other comprehensive income/(expenses)	-	(32,519)*
Dividend paid	-	(1,031,908)
Amount available for distribution	5,694,178	5,009,778
Dividend proposed	(463,779)	(985,530)
Issue of bonus share proposed	(106,821)	-
Transfer to un-appropriated profit	5,123,578	4,024,248
Basic earnings per share (taka)	72.01	78.02
Net operating cash flow per share (taka)	59.17	83.17
Net asset value per share (taka)	260.95	231.44
Gross profit margin (%)	44.62	48.60
Net profit after tax margin (%)	10.13	12.37

* Past service liability for gratuity net of deferred tax

8. 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 100% (one hundred percent) stock dividend i.e. 1 Bonus Share for every 1 Ordinary Share and 200% (two hundred percent) cash dividend i.e. Tk. 20 (twenty) for every Ordinary Share of Tk. 10 held on Record Date for the year 2017-2018. The bonus share (BDT 231,889 thousand) will be issued by utilizing entire amount of General Reserve (BDT 10,000 thousand),Share Premium (BDT 115,068 thousand) and the rest from Retained Earning (BDT 106,821 thousand).

9. 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. Our activities in this area include: providing financial and other material aids to several organizations working for the development of autistic and differently challenged children in Bangladesh (since 2009); the 22nd round of Berger Young Painters' Art Competition (BYPAC) in 2017 to encourage young talents; 8th Berger Award for Excellence in Architecture; and competitive award-based scholarships were continued in 2017-2018 for the students of architecture departments of BUET and Khulna University. Additionally, the company has distributed blankets and winter clothes among the poor people at different corners of the country. The company also facilitates interns of different academic backgrounds to let them gain firsthand knowledge and experience of the corporate world, and thus groom the potential leaders of the society. These initiatives of Berger Paints have made a significant beneficial impact in the society and received widespread coverage by the media.

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10. Contribution to National Exchequer

During the period, the Company has contributed Tk. 4,298,550 thousand to the National Exchequer as Customs Duty, Income Tax, Value Added Tax and Supplementary Duty.

11. 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.

12. Election of Directors

a) In the meeting of the Board of Directors of the Company held on October 09, 2017 Mr. Abhijit Roy, 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. Abhijit Roy, nominee of J&N Investments (Asia) Limited, is proposed as a candidate for election as a Director. As required by section 93 of the Companies Act 1994 Mr. Abhijit Roy has given consent to act as a Director of the Company. Mr. Abhijit Roy, 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, Mr. Anil Bhalla, Mr. Jean-Claude Loutreuil and Mr. Abdul Khalek who, being eligible, offered themselves for re-election.

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

13. Appointment of Auditors

The auditors, Hoda Vasi Chowdhury & Co., Chartered Accountants, will retire at the conclusion of the ensuing Annual General Meeting and are not eligible for reappointment as per condition (b) of Bangladesh Securities and Exchange Commission's order no. SEC/CMRRCD/2009-193/104/Admin/ dated July 27, 2011. The Board of Directors recommends appointment of Messrs. A. Qasem & Co., Chartered Accountants, as new auditors.

14. Corporate Governance

The Status Report along with relevant disclosures and declarations required to be presented by the Company in pursuance of the notification no. SEC/CMRRCD/2006-158/134/Admin/44 of August 7, 2012 issued by Bangladesh Securities and Exchange Commission is attached as Annexure 1, 2, 3, 4 and 5 of this report.

15. Human Resource

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

16. Management Appreciation

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

On behalf of the Board,



Gerald K. Adams
Chairman
May 21, 2018

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The Directors also report that:

a) The Financial Statements prepared by the management of the 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) There are no significant doubts upon the company's ability to continue as a going concern.

g) The company does not have significant deviations from the last year's operating results.

h) Segment-wise performance during the year is presented in note 2.29 of the Audited Financial Statements.

i) Details of related party transactions have been presented in note 41 of the Audited Financial Statements.

j) The company did not have any extraordinary gain or loss during the period in consideration.

k) 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.

l) There was no significant variance between Quarterly Financial Performance and Annual Financial Statements during the year.

m) The remuneration to the directors including independent directors have been disclosed in notes 26 of the Audited Financial Statements.

n) Key operating and financial data of preceding 5 (five) years have been summarized in Annexure 3.

o) The number of Board meetings held during the year and attendance by each director has been disclosed in Annexure 4.

p) The pattern of shareholding as required by the BSEC notification SEC/CMRRCD/2006-158/134/Admin/44 dated August 7, 2012 has been disclosed in Annexure 5.

q) Required information about director being appointed/re-appointed has been presented in 'Biography of Directors' section of the Annual Report.

Annexure 2

Status of compliance with the conditions of Corporate Governance Guidelines as set by Bangladesh Securities & Exchange Commission (BSEC) by the notification # SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012 and subsequently amended through their notification # SEC/CMRRCD/2006-158/147/Admin/48 dated 21 July 2013 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

(Report under Condition No. 7.00)

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1	Board of Directors:	√		
1.1	Board's Size: Board members should not be less than 5 (five) and more than 20 (twenty)	√		
1.2	Independent Directors:	√		
1.2 (i)	At least 1/5th			(02) Two Independent Directors out of Total (11) Eleven Directors.
1.2 (ii) a)	Does not hold any or holds less than 1% shares	√		
1.2 (ii) b)	Is not connected with the company's any sponsor, director or shareholder who holds 1% or more shares.	√		
1.2 (ii) c)	Does not have any other relationship, whether pecuniary or otherwise with the company or its subsidiary/associated companies.	√		
1.2 (ii) d)	Not a member, director or officer of any stock exchange	√		
1.2 (ii) e)	Not a member, director or officer of any member of stock exchange or an intermediary of the capital market.	√		
1.2 (ii) f)	Who is not and was not a partner or an executive during the preceding 3 years of any statutory audit firm.	√		
1.2 (ii) g)	Is not an independent director in more than 3 listed companies	√		
1.2 (ii) h)	Has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a Non-Bank Financial Institution.	√		
1.2 (ii) i)	Has not been convicted for criminal offence involving moral turpitude.	√		
1.2 (iii)	Nominated by the board of directors and approved by the shareholders in the AGM	√		
1.2 (iv)	The post does not remain vacant for more than 90 days.	√		
1.2 (v)	The board shall lay down a code of conduct of all board members and annual compliance of the code to be recorded.	√		
1.2 (vi)	The tenure of office of an independent director shall be for a period of 3 years, which may be extended for 1 term only.	√		
1.3	Qualification of Independent Director (ID):	√		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1.3 (i)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business.	√		
1.3 (ii)	The person should be a Business Leader/Corporate Leader/ Bureaucrat/ University Teacher with Economics or Business Studies or Law background/ Professionals like Chartered Accountants, Cost & Management Accountants, Chartered Secretaries. The independent director must have at least 12 years of corporate management/professional experiences.	√		
1.3 (iii)	In special cases the above qualifications may be relaxed subject to prior approval of the Commission.	√		
1.4	Chairman of the Board and Chief Executive Officer: The positions of the Chairman of the Board and the Chief Executive Officer of the companies shall be filled by different individuals. The Chairman of the company shall be elected from among the directors of the company. The Board of Directors shall clearly define respective roles and responsibilities of the Chairman and the Chief Executive Officer.	√		
1.5	The Directors' Report to Shareholders:	√		
1.5 (i)	Industry outlook and possible future developments in the industry	√		
1.5 (ii)	Segment-wise or product-wise performance.	√		
1.5 (iii)	Risks and concerns.	√		
1.5 (iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin.	√		
1.5 (v)	Discussion on continuity of any Extra-Ordinary gain or loss.	√		
1.5 (vi)	Basis for related party transactions	√		
1.5 (vii)	Utilization of proceeds from public issues, rights issues and/or through any others instruments.	√		
1.5 (viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc.	√		
1.5 (ix)	If significant variance occurs between Quarterly Financial performance and Annual Financial Statements the management shall explain about the variance on their Annual Report.	√		
1.5 (x)	Remuneration to directors including independent directors.	√		
1.5 (xi)	The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.	√		
1.5 (xii)	Proper books of account of the issuer company have been maintained.	√		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1.5 (xiii)	Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.	√		
1.5 (xiv)	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.	√		
1.5 (xv)	The system of internal control is sound in design and has been effectively implemented and monitored.	√		
1.5 (xvi)	There are no significant doubts 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 thereof should be disclosed.	√		
1.5 (xvii)	Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained.	√		
1.5 (xviii)	Key operating and financial data of at least preceding 5 (five) years shall be summarized.	√		
1.5 (xix)	If the issuer company has not declared dividend (cash or stock) for the year, the reasons thereof shall be given.	√		
1.5 (xx)	The number of Board meetings held during the year and attendance by each director shall be disclosed.	√		
1.5 (xxi)	The pattern of shareholding shall be reported to disclose the aggregate number of shares (along with name wise details where stated below) held by:	√		
1.5 (xxi) a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details)	√		
1.5 (xxi) b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details);	√		
1.5 (xxi) c)	Executives	√		
1.5 (xxi) d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details)	√		
1.5 (xxii)	In case of the appointment/re-appointment of a director the company shall disclose the following information to the shareholders:-	√		
1.5 (xxii) a)	A brief resume of the director	√		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1.5 (xxii) b)	Nature of his/her expertise in specific functional areas	√		
1.5 (xxii) c)	Names of companies in which the person also holds the directorship and the membership of committees of the board	√		
2	Chief Financial Officer (CFO), Head Of Internal Audit And Company Secretary (CS):	√		
2.1	Appointment: The company shall appoint a Chief Financial Officer (CFO), a Head of Internal Audit (Internal Control and Compliance) and a Company Secretary (CS). The Board of Directors should clearly define respective roles, responsibilities and duties of the CFO, the Head of Internal Audit and the CS.	√		
2.2	Requirement to attend the Board Meetings: The CFO and the Company Secretary shall attend the meetings of the Board of Directors, provided that the CFO and/or the Company Secretary shall not attend such part of a meeting of the Board of Directors which involves consideration of an agenda item relating to their personal matters.	√		
3	Audit Committee:	√		
3 (i)	The company shall have an Audit Committee as a sub-committee of the Board of Directors	√		
3 (ii)	The Audit Committee shall assist the Board of Directors 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.	√		
3 (iii)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing	√		
3.1	Constitution of the Audit Committee:	√		
3.1 (i)	The Audit Committee shall be composed of at least 3 (three) members	√		
3.1 (ii)	The Board of Directors shall appoint members of the Audit Committee who shall be directors of the company and shall include at least 1 (one) independent director.	√		
3.1 (iii)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management experience	√		
3.1 (iv)	When the term of service of the Committee members expires or there is any circumstance causing any Committee member to be unable to hold office until 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 of Directors shall appoint the new Committee member(s) to fill up the vacancy (ies) immediately or not later than 1 (one) month from the date of vacancy (ies) in the Committee to ensure continuity of the performance of work of the Audit Committee.	√		
3.1 (v)	The company secretary shall act as the secretary of the Committee	√		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
3.1 (vi)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	√		
3.2 (i)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairman of the Audit Committee, who shall be an independent director.	√		
3.2 (ii)	Chairman of the audit committee shall remain present in the Annual General Meeting (AGM)	√		
3.3	Role of Audit Committee:	√		
3.3 (i)	Oversee the financial reporting process.	√		
3.3 (ii)	Monitor choice of accounting policies and principles	√		
3.3 (iii)	Monitor Internal Control Risk management process	√		
3.3 (iv)	Oversee hiring and performance of external auditors	√		
3.3 (v)	Review along with the management, the annual financial statements before submission to the board for approval	√		
3.3 (vi)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval	√		
3.3 (vii)	Review the adequacy of internal audit function	√		
3.3 (viii)	Review statement of significant related party transactions submitted by the management	√		
3.3 (ix)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors	√		
3.3 (x)	When money is raised through Initial Public Offering (IPO)/Repeat Public Offering (RPO)/ Rights Issue the company shall disclose to the Audit Committee about the uses/applications of funds 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. Further, on an annual basis, the company shall prepare a statement of funds utilized for the purposes other than those stated in the offer document/prospectus	√		
3.4	Reporting of the Audit Committee:	√		
3.4.1	Reporting to the Board of Directors:	√		
3.4.1 (i)	The Audit Committee shall report on its activities to the Board of Directors	√		
3.4.1 (ii)	The Audit Committee shall immediately report to the Board of Directors on the following findings, if any:	√		
3.4.1 (ii) a)	Report on conflicts of interests;	√		
3.4.1 (ii) b)	Suspected or presumed fraud or irregularity or material defect in the internal control system;	√		
3.4.1 (ii) c)	Suspected infringement of laws, including securities related laws, rules and regulations	√		
3.4.1 (ii) d)	Any other matter which shall be disclosed to the Board of Directors immediately.	√		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
3.4.2	Reporting to the Authorities: If the Audit Committee has reported to the Board of Directors about anything which has material impact on the financial condition and results of operation and has discussed with the Board of Directors 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 of Directors for three times or completion of a period of 6 (six) months from the date of first reporting to the Board of Directors, whichever is earlier.	√		
3.5	Reporting to the Shareholders and General Investors: Report on activities carried out by the Audit Committee, including any report made to the Board of Directors under condition 3.4.1 (ii) above during the year, shall be signed by the Chairman of the Audit Committee and disclosed in the annual report of the issuer company.	√		
4	External/Statutory Auditors:	√		
4 (i)	The issuer company should not engage its external/statutory auditors to perform the following services of the company; namely:- Appraisal or valuation services or fairness opinions.	√		
4 (ii)	Financial information systems design and implementation	√		
4 (iii)	Book-keeping or other services related to the accounting records or financial statements	√		
4 (iv)	Broker-dealer services	√		
4 (v)	Actuarial services	√		
4 (vi)	Internal audit services	√		
4 (vii)	Any other service that the Audit Committee determines	√		
4 (viii)	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	√		
4 (ix)	Audit/certification services on compliance of corporate governance as required under clause (i) of condition No. 7	√		
5	Subsidiary Company:	√		
5 (i)	Provisions relating to the composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company	√		
5 (ii)	At least 1 (one) independent director on the Board of Directors of the holding company shall be a director on the Board of Directors of the subsidiary company	√		
5 (iii)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company.	√		
5 (iv)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also	√		

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Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
5 (v)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company	√		
6	Duties Of Chief Executive Officer (CEO) And Chief Financial Officer (CFO):	√		
6 (i)	The 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:	√		
6 (i) a)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.	√		
6 (i) b)	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.	√		
6 (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 violation of the company's code of conduct.	√		
7	Reporting And Compliance of Corporate Governance:	√		
7 (i)	The company shall obtain a certificate from a Professional Accountant/Secretary (Chartered Accountant/Cost & Management Accountant/Chartered Secretary) regarding compliance of conditions of Corporate Governance Guidelines of the Commission and shall send the same to the shareholders along with the Annual Report on a yearly basis	√		
7 (ii)	The directors of the company shall state, in accordance with the Annexure attached, in the directors' report whether the company has complied with these conditions	√		

Annexure-3

BERGER PAINTS BANGLADESH LIMITED

Performance for the year ended 31 March 2018 along with last five years

Taka in '000

Particulars	Apr 2017-Mar 2018	Apr 2016-Mar 2017	Jan-Dec 2015	Jan-Dec 2014	Jan-Dec 2013	Jan-Dec 2012
Revenue	16,483,497	14,622,448	12,267,996	10,881,046	8,796,778	7,611,213
Gross Profit	7,354,141	7,106,027	5,255,332	4,295,302	3,314,934	2,524,361
Income Before Tax	2,253,564	2,454,008	1,933,454	1,488,774	1,228,511	1,022,343
Net profit for the year	1,669,930	1,776,673	1,425,955	1,097,609	860,939	752,790
Shareholders Equity	6,051,135	5,366,735	4,038,513	3,354,605	2,767,153	2,323,615
Total Assets	8,994,215	8,437,826	6,339,060	5,353,863	4,282,362	3,568,101
Total Current Assets	5,473,195	5,405,802	3,951,586	3,541,219	2,826,670	2,291,222
Total Current Liabilities	2,706,091	2,891,590	2,132,948	1,851,418	1,382,275	1,146,112
Current Ratio (Time)	2.02	1.87	1.85	1.91	2.04	2.00

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Annexure 4

Attendance at Board Meetings

The number of Board Meetings and the attendance of Directors from 1 April 2017 to 31 March 2018 were as follows:

Name of Director	Meetings held	Attended
Mr. Gerald K. Adams, Non-Executive Chairman	5	4
Ms. Rupali Chowdhury, Managing Director	5	5
Mr. K. R. Das, Non-Executive Director	5	3
Mr. Anil Bhalla, Non-Executive Director	5	4
Mr. Jean-Claude Loutreuil, Non-Executive Director	5	3
Ms. Rishma Kaur, Non-Executive Director	5	4
Mr. Anis A. Khan, Non-Executive Independent Director	5	4
Mr. Kanwardip Singh Dhingra, Non-Executive Director	5	4
Mr. Masud Khan, Non-Executive Independent Director	5	5
Mr. Abdul Khalek, Executive Director	5	5
Mr. Abhijit Roy, Non-Executive Director*	5	2

* Mr. Abhijit Roy joined the Board on 9 October 2017.

Annexure 5

Pattern of Shareholding on 31 March 2018

Categories	Name	Shares
Shareholders holding 10% or more shares (Parent)	J & N Investments (Asia) Ltd., UK	22,029,370
Chairman	Mr. Gerald K. Adams	Nil
Managing Director	Ms. Rupali Chowdhury	Nil
Director & Cheif Financial Officer	Mr. Abdul Khalek	Nil
Nominee Director	Mr. K. R. Das	Nil
Nominee Director	Mr. Anil Bhalla	Nil
Nominee Director	Mr. Jean-Claude Loutreuil	Nil
Nominee Director	Ms. Rishma Kaur	Nil
Nominee Director	Mr. Kanwardip Singh Dhingra	Nill
Nominee Director	Mr. Abhijit Roy	Nill
Independent Director	Mr. Anis A. Khan*	Nil
Independent Director	Mr. Masud Khan	Nil
Company Secretary	Mr. Khandker Abu Jafar Sadique	Nill
Head of Internal Audit	Mr. Md Golam Mostofa	Nil
Executives:		
GM- Research & Development	Dr. A. S. M. Obaidullah Mahmud	100
Senior GM- Sales & Marketing	Mr. Md. Mohsin Habib Chowdhury	Nil
GM- Projects and COO- J&NBL	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 50 shares. The spouses and minor children of other persons did not hold any share of the Company on 31 March 2018.

AMAR STOCK

Classification of shareholders by holding on 31 March 2018

Shareholding range	Type of shareholders	Number of shares	% of share holding	Number of shareholders
Less than 500 shares	G. Public& Inst	71,402	0.33	1,258
501 to 5,000 shares	G. Public& Inst	55,356	0.27	35
5,001 to 10,000 shares	Institution	33,866	0.24	5
10,001 to 20,000 shares	Institution	135,548	0.69	9
20,001 to 30,000 shares	Institution	22,821	0.35	1
30,001 to 40,000 shares	Institution	110,321	0.49	3
40,001 to 50,000 shares	Institution	177,801	0.19	4
50,001 to 100,000 shares	Institution	157,996	0.36	2
100,001 to 1,000,000 shares	Institution	394,459	2.07	2
Over 1,000,000 shares	Group	22,029,370	95.00	1
Total		**23,188,940**	**100.00**	**1,320**

Audit Committee

1. Mr. Anis A. Khan (Chairman)
2. Mr. Masud Khan (Member)
3. Ms. Rupali Chowdhury (Member)
4. Mr. K. R. Das (Member)
5. Mr. Anil Bhalla (Member)
6. Ms. Rishma Kaur (Member)
7. Mr. Kanwardip Singh Dhingra (Member)
8. Mr. Abdul Khalek (Member)
9. Mr. Khandker Abu Jafar Sadique (Secretary)

The number of Audit Committee Meetings and the attendance of Directors from 1 April 2017 to 31 March 2018 were as follows:

Name of Director	Meeting Dates & Attendance			
	24.05.2017	16.07.2017	30.10.2017	29.01.2018
Mr. Anis A. Khan	√	√	√	√
Mr. Masud Khan	√	√	√	√
Ms. Rupali Chowdhury	√	√	√	√
Mr. K. R. Das	√	-	√	√
Mr. Anil Bhalla	√	√	√	√
Ms. Rishma Kaur	√	√	√	√
Mr. Kanwardip Singh Dhingra	√	√	√	√
Mr. Abdul Khalek	√	√	√	√

Management Committee

1. Ms. Rupali Chowdhury (Chairman)
2. Mr. Abdul Khalek (Member)
3. Mr. Md. Mohsin Habib Chowdhury (Member)
4. Mr. Mohammad Nazimuddin Helali (Member)
5. Mr. Mohammad Ahsun Ullah (Member)
6. Mr. H. M. Rakib Ullah Bashar (Member)
7. Dr. A. S. M. Obaidullah Mahmud (Member)
8. Mr. Mohammad Abu Nader Al Mokaddes (Member)
9. Mr. Raquibul Alam (Member)
10. Mr. Anupam Paul (Member)
11. Mr. Abul Kasem Md. Sadeque Nawaj (Member)
12. Mr. Muhammad Kawsar Hasan (Member)
13. Mr. Mohammad Azizul Hoque (Member)
14. Mr. Mohammad Imranul Kabir (Member)
15. Mr. Md. Golam Mostofa (Member)
16. Mr. Mushfequr Rahman (Member Secretary)

Risk Committee

1. Ms. Rupali Chowdhury (Chairman)
2. Mr. Abdul Khalek (Member)
3. Mr. Md Golam Mostofa (Member)
4. Mr. Mohammad Nazimuddin Helali (Member Secretary)

Remuneration Committee

1. Mr. K. R. Das (Chairman)
2. Ms. Rupali Chowdhury (Member)
3. Mr. Mushfequr Rahman (Member Secretary)

Certificate from CEO and CFO regarding the Financial Statements for the year ended 31 March 2018

We, the Chief Executive Officer (Managing Director) and Chief Financial Officer of Berger Paints Bangladesh Limited certify to the Board that:-

(i) We have reviewed the financial statements for the year ended 31 March 2018 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; and

b) 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.

(ii) There are, to the best of our knowledge and belief, no transactions entered into by the company during the reporting period which are fraudulent, illegal or violation of the company's code of conduct.

Rupali Chowdhury
Managing Director

Abdul Khalek
Chief Financial Officer

Dhaka, 21 May 2018

AMARSTOCK

Audit Committee Report
for the period from 1 April 2017 to 31 March 2018

The Audit Committee of Berger Paints Bangladesh Limited is pleased to confirm that the following activities have been carried out from 1 April 2017 to 31 March 2018:

- 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.

In pursuance with Corporate Governance Guidelines 2012, the Audit Committee also reviewed the internal audit reports, the interim and annual financial statements and the financial performance of Berger paints Bangladesh Limited as well as its subsidiary company Jenson & Nicholson (Bangladesh) Limited for the year ended 31 March 2018. The Committee has also overseen the hiring and performance of external auditors. The auditors, Messrs Hoda Vasi Chowdhury & Co., Chartered Accountants have completed their third term of service and therefore are not 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 27 July 2011.

Based on the expression of interest received from Chartered Account Firms, the Audit Committee recommends to appoint Messrs A. Qasem & Co., Chartered Accountants in the ensuing annual general meeting.

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

On behalf of the Audit Committee

Anis A. Khan
Chairman of Audit Committee
Dhaka, 21 May 2018

AMARSTOCK

CERTIFICATE OF COMPLIANCE TO THE SHAREHOLDERS OF Berger Paints Bangladesh Limited and its Subsidiary (As required under the BSEC Guidelines)

We have examined compliance to the BSEC guidelines on Corporate Governance Guidelines by Berger Paints Bangladesh Limited and its Subsidiary for the year ended 31 March 2018. These guidelines relate to the notification # SEC/CMRRCD/2006-158/134/Admin/44 dated 7 August 2012 and subsequently amended through the notification # SEC/CMRRCD/2006-158/147/Admin/48 dated 21 July 2013 of Bangladesh Securities and Exchange Commission (BSEC) on Corporate Governance under section 2CC of the Securities and Exchange Ordinance, 1969.

Such compliance to the codes of Corporate Governance is the responsibility of the company's management. Our examination was limited to the procedures and implementation thereof as adopted by the company and its subsidiary in ensuring the compliance to the conditions of Corporate Governance Guidelines. This is a scrutiny and verification only and not an expression of opinion on the financial statements of the company and its subsidiary.

In our opinion and to the best of our information and according to the explanations provided to us, we certify that, subject to the remarks and observations as reported in the attached Compliance Statements, the company and its subsidiary have complied with the conditions of Corporate Governance Guidelines as stipulated in the above-mentioned guidelines issued by the BSEC.

We also state that such compliance is neither an assurance as to the future viability of the company and its subsidiary, nor a certification on the efficiency or effectiveness with which the management has conducted the affairs of the company and its subsidiary. This is also no endorsement about quality of contents in the Annual Report of the company.

Dhaka, 22 May 2018

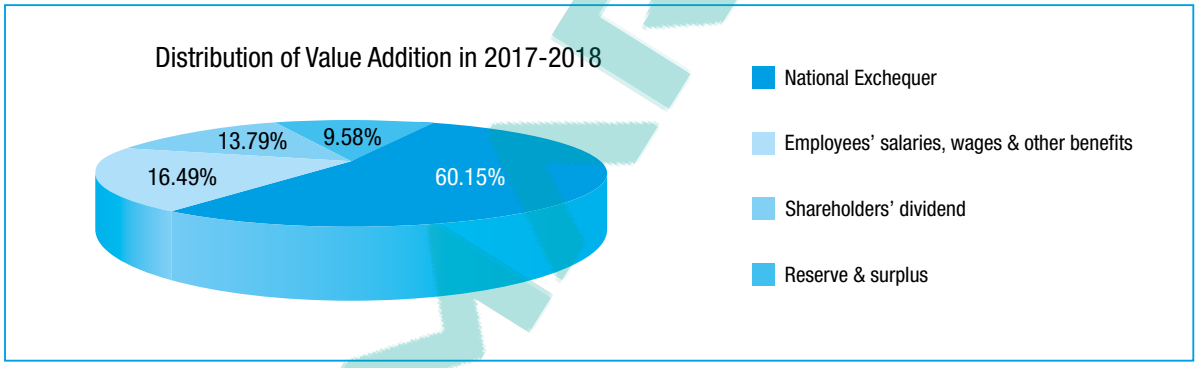
MABS & J Partners
Chartered Accountants

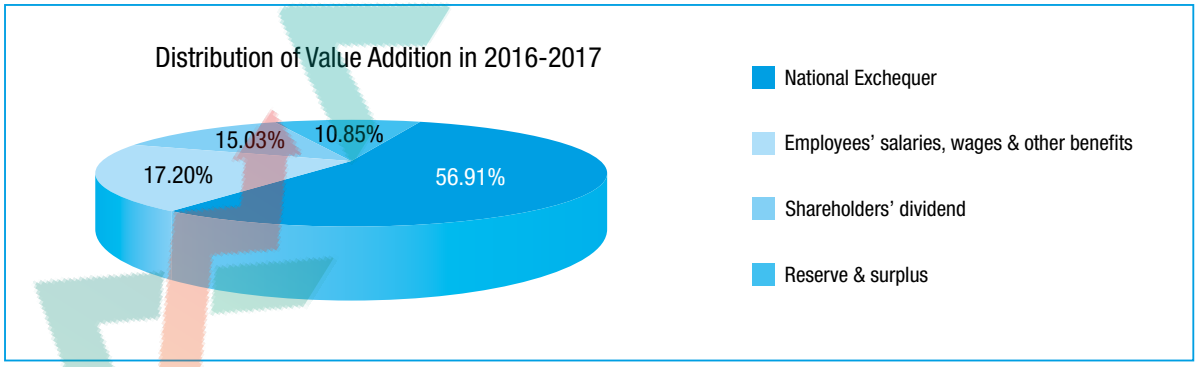
Value Added Statement

For the year ended 31 March 2018

Taka in '000

	2017-2018		2016-2017	
	Amount	**%**	**Amount**	**%**
Turnover	19,629,605		17,475,106	
Less: Purchase of materials & Services	12,482,679		10,611,181	
Value added	**7,146,926**	**100.00**	**6,863,925**	**100.00**
Applications:				
National Exchequer	4,298,550	60.15	3,906,558	56.91
Employees' salaries, wages & other benefits	1,178,448	16.49	1,180,695	17.20
Shareholders' dividend	985,530	13.79	1,031,908	15.03
Reserve & surplus	684,400	9.58	744,765	10.85
	7,146,928	**100.00**	**6,863,926**	**100.00**





AUDITORS' REPORT

AND AUDITED FINANCIAL STATEMENTS

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

We have audited the accompanying financial statements of Berger Paints Bangladesh Limited, which comprise the statement of financial position as at 31 March 2018, 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 a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), Bangladesh Accounting Standards (BAS) & Bangladesh Securities and Exchange Commission (BSEC) Rules 1987 & Companies Act (#18) 1994 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, give a true & fair view of the financial position of Berger Paints Bangladesh Limited as at 31 March 2018, its financial performance and cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRS), Bangladesh Accounting Standard (BAS), Bangladesh Securities and Exchange Commission Rules 1987 and comply with the Companies Act (#18)1994 and other applicable laws and regulations.

In accordance with the Companies Act (#18) 1994 and Bangladesh Securities and Exchange Rules 1987, 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 account as required by law have been kept by the Company so far as it appeared from our examination of those books.

c. The Statement of Financial Position, statement of profit or loss and other comprehensive income, Statement of Cash Flows & Statement of Changes in equity dealt with by the report are in agreement with the books of account; and

d. The expenditure incurred and payments made were for the purposes of the Company's business.

Hoda Vasi Chowdhury & Co.
Chartered Accountants

Dhaka, 21 May 2018

Berger Paints Bangladesh Limited
Statement of Financial Position

In Thousands Taka	Notes	As at 31 March 2018	2017
Assets			
Property, plant and equipment	3	3,230,921	2,515,556
Capital work-in-progress	4	110,892	338,372
Intangible assets	5	89,907	88,796
		3,431,720	**2,942,724**
Investment - at cost	6	89,300	89,300
Total non-current assets		**3,521,020**	**3,032,024**
Inventories	7	2,250,601	1,916,288
Trade and other receivables	8	1,580,048	1,091,553
Advances, deposits and prepayments	9	400,414	324,664
Term deposit	10	150,000	1,450,000
Cash and cash equivalents	10	1,017,838	497,774
Inter - company receivables	11	74,294	125,523
Total current assets		**5,473,195**	**5,405,802**
Total assets		**8,994,215**	**8,437,826**
Equity and liabilities			
Share capital	12.2	231,889	231,889
Share premium	13	115,068	115,068
General reserve		10,000	10,000
Retained earnings	14	5,694,178	5,009,778
Equity attributable to the Company's equity holders		**6,051,135**	**5,366,735**
Deferred tax liabilities	15	236,989	179,501
Total non-current liabilities		**236,989**	**179,501**
Bank overdraft (OD) & Short term loan (STL)	16	52,608	318,450
Trade and other payables	17	2,428,559	2,080,812
Provision for royalty	18	215,455	219,032
Provision for current tax	19	(27,843)	200,913
Provision for employees' retirement gratuity	20	28,523	63,930
Unclaimed dividend		8,642	8,306
Liability for unclaimed IPO application money	21	147	147
Total current liabilities		**2,706,091**	**2,891,590**
Total liabilities		**2,943,080**	**3,071,091**
Total equity and liabilities		**8,994,215**	**8,437,826**
Contingent liabilities	22	574,273	593,159
Net asset value per share	Taka	**260.95**	**231.44**

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

Managing Director | Director & CFO | Company Secretary

Independent Auditors' Report
As per our report of same date

Hoda Vasi Chowdhury & Co.
Chartered Accountants

Dhaka, 21 May 2018

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

In Thousands Taka	Notes	For the year ended 31 March 2018	2017
Revenue-net	23	16,483,497	14,622,448
Cost of sales	24	(9,129,356)	(7,516,421)
Gross profit		**7,354,141**	**7,106,027**
Selling, distribution and warehousing expenses	25	(4,628,229)	(4,161,559)
Administrative and general expenses	26	(488,562)	(497,064)
Other operating expenses	27	(88,804)	(108,092)
Other operating income	28	177,955	142,982
		(5,027,640)	**(4,623,733)**
Operating income		**2,326,501**	**2,482,294**
Finance costs	29	(7,090)	(4,887)
Investment income	30	45,214	92,468
Net finance income		**38,124**	**87,581**
Other non-operating income	31	7,170	12,626
Income before WPPF and tax		**2,371,795**	**2,582,501**
Workers' profit participation and welfare fund	2.17 (iii) & 17.1	(118,231)	(128,493)
Income before tax		**2,253,564**	**2,454,008**
Current tax expenses	2.18 & 19	(526,146)	(624,085)
Deferred tax expenses	2.18 & 15.1	(57,488)	(20,731)
		(583,634)	**(644,816)**
Net profit for the year		**1,669,930**	**1,809,192**
Other comprehensive expenses	32	-	(32,519)
Total comprehensive income		**1,669,930**	**1,776,673**
Basic earnings per share (Taka)	40	**72.01**	**78.02**

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

Managing Director | Director & CFO | Company Secretary

Independent Auditors' Report
As per our report of same date

Hoda Vasi Chowdhury & Co.
Chartered Accountants

Dhaka, 21 May 2018

Berger Paints Bangladesh Limited
Statement of Changes in Equity
For the year ended 31 March 2018

In Thousands Taka

Particulars	Share capital	General reserve	Share premium	Retained earning	Total equity
Balance as at 01 April 2016	231,889	10,000	115,068	4,265,013	4,621,970
Net profit for the year	-	-	-	1,809,192	1,809,192
Other comprehensive expenses				(32,519)	(32,519)
Dividend paid during the year	-	-	-	(1,031,908)	(1,031,908)
Balance as at 31 March 2017	**231,889**	**10,000**	**115,068**	**5,009,778**	**5,366,735**

Particulars	Share capital	General reserve	Share premium	Retained earning	Total equity
Balance as at 01 April 2017	231,889	10,000	115,068	5,009,778	5,366,735
Net profit for the year	-	-	-	1,669,930	1,669,930
Other comprehensive expenses				-	-
Dividend paid during the year	-	-	-	(985,530)	(985,530)
Balance as at 31 March 2018	**231,889**	**10,000**	**115,068**	**5,694,178**	**6,051,135**
Note(s)	12.2		13	14	

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

Managing Director | Director & CFO | Company Secretary

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Berger Paints Bangladesh Limited
Statement of Cash Flows

In Thousands Taka	Notes	For the year ended 31 March 2018	2017
Cash flows from operating activities (A)			
Cash received from customers		15,981,023	14,545,344
Cash received from other operating income		230,058	222,005
Cash paid to suppliers and employees		(14,084,128)	(12,111,074)
Income tax paid	19	(754,902)	(727,640)
Net cash flows from operating activities	40	**1,372,051**	**1,928,635**
Cash flows from investing activities (B)			
Capital expenditures	3, 4 & 5	(910,164)	(937,323)
Investment in J&N (B) L		-	-
Proceeds from disposal of assets	3.3	9,213	15,274
Net cash used in investing activities		**(900,951)**	**(922,049)**
Cash flows from financing activities (C)			
Dividend paid		(985,194)	(1,031,446)
Net cash used in financing activities		**(985,194)**	**(1,031,446)**
Decrease in cash and bank balance (D) = (A+B+C)		**(514,094)**	**(24,860)**
Opening cash and cash equivalents (E)		1,629,324	1,654,184
Closing net cash and cash equivalents (D+E)		**1,115,230**	**1,629,324**
Reconciliation of cash in hand & at bank and operational OD:			
Term deposit	10.1	150,000	1,450,000
Cash and cash equivalents	10.2	1,017,838	497,774
Operational overdraft (OD) & Short term deposit (STL)	16	(52,608)	(318,450)
Closing net cash and cash equivalents		**1,115,230**	**1,629,324**

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

Managing Director | Director & CFO | Company Secretary

Berger Paints Bangladesh Limited
Notes to the Financial Statements
As at and for the year ended 31 March 2018

1 Company profile and overview of its operational activities

1.1 Legal from of the Company

Berger Paints Bangladesh Limited (the Company) was incorporated under the Companies Act (# 18) of 1994 on 6 June 1973 as a 'Private' company, limited by shares. Subsequently, the Company was converted to 'Public' company limited by shares vide extra ordinary general meeting held on 21 June 2005 and after observance of required formalities as per law. The company is listed with Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) of Bangladesh w.e.f. 27 December 2005 and 21 December 2005 respectively.

1.2 Address of the registered and corporate office

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

1.3 Description of the companies and Nature of business

Berger Paints Bangladesh Limited

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

Jenson & Nicholson (Bangladesh) Limited

Berger Paints Bangladesh Limited owns 100% shares of Jenson & Nicholson (Bangladesh) Limited – J&N (B) L. The Company was incorporated under the Companies Act (# 18) of 1994 as a 'Private' limited company on 25 January 1990 having it's registered office at 43/3 Chattaeswari Road, Chittagong. The Corporate office of the company is located at Berger House, House # 8, Road # 2, Sector # 3, Uttara Model Town, Dhaka 1230. The principal activities of the Company until 12 August 1995 were trading and indenting. It started commercial production and marketing of tin-containers and printing of tin sheets from 12 August 1995 and 01 September 1997 respectively in its factory at 70, East Nasirabad Industrial Area, Chittagong - 4209.

Berger Becker Bangladesh Limited

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

2 Summary of significant accounting policies

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

2.1 Basis of preparation and presentation of the financial statements

The financial statements have been prepared and the disclosures of information are made in accordance with the Bangladesh Financial Reporting Standards (BFRS), the Companies Act (#18) 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 Bangladesh Accounting Standards (BAS) 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 BAS 7, Statement of Cash Flows and has been presented under direct method as required by the Bangladesh Securities and Exchange Rules 1987.

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2.2 Basis of measurement

The financial statements have been prepared under historical cost convention and, therefore, do not take into consideration the effect of inflation.

2.3 Principal accounting policies

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

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

2.4 Application of standards

The following BASs and BFRSs are applicable for the preparation of financial statements for the period under review.

BAS 1	Presentation of financial statements
BAS 2	Inventories
BAS 7	Statement of cash flows
BAS 8	Accounting policies, changes in accounting estimates and errors
BAS 10	Events after the reporting period
BAS 12	Income taxes
BAS 16	Property, plant and equipment
BAS 18	Revenue
IFRS 15	Revenue from Contract with Customers
BAS 19	Employee benefits
BAS 21	The effects of changes in foreign exchange rates
BAS 23	Borrowing costs
BAS 24	Related party disclosures
BAS 28	Investments in associates
BAS 33	Earnings per share
BAS 37	Provisions, contingent liabilities and contingent assets
BAS 38	Intangible assets
BAS 39	Financial Instruments: Recognition and Measurement
IFRS 9	Financial Instruments
BFRS 3	Business combinations
BFRS 7	Financial instruments, disclosures
BFRS 8	Operating segments
BFRS 10	Consolidated financial statements

2.5 Use of estimates and judgments

The preparation of financial statements in conformity with BFRSs 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.

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

Note : 3.1	Depreciation
Note : 5.1	Amortization
Note : 8	Trade and other receivables
Note : 17	Trade and other payables
Note : 19	Provision for current tax
Note : 20	Provision for employees retirement gratuity

2.6 Reporting period

In order to conform to Section 2(35) of Income Tax Ordinance 1984 as amended by Finance Act 2016, the Board of Directors of the Company has passed a resolution on 5 September, 2016 changing income year to April – March from January - December and the Deputy Commissioner of Taxes, Circle 2 (Companies), Tax Zone 1, Chittagong has accorded approval to that change on 21 September 2016. Accordingly, the Company will place the audited financial statements covering 12 (twelve) months from 01 April 2017 to 31 March 2018 before the members in the Annual General Meeting 2018.

2.7 Going concern

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

2.8 Functional and presentational currency and level of precision

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

2.9 Previous Period's figures and phrases

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

2.10 Property, plant and equipment

i. Recognition and measurement

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

ii. Subsequent costs

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

iii. Depreciation of property, plant & equipment

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

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

The depreciation rate(s) are as follows:

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

iv. Gain or loss on disposal

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

2.11 Capital work-in-progress

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

2.12 Intangible assets

Intangible assets for the year includes IT Software and Trademarks.

i. Recognition and measurement

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

a. it is probable that future economic benefits that are attributable to the asset will flow to the entity; and

b. the cost of the asset can be measured reliably.

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

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

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

ii. Subsequent costs

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

iii. Amortization

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

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

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

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

iv. Derecognition

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

2.13 Inventories

i. Recognition and measurement

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

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

Category of inventories	Basis of valuation
Raw and packing materials	At weighted average cost
Semi finished goods	At standard cost
Finished goods	At standard cost
Stores and consumable items	At weighted average cost
Promotional items	At weighted average cost

ii. Inventory write off

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

iii. Goods in transit (GIT)

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

2.14 Financial instruments

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

a. Financial assets

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

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

i. Investment in associate

Investment in associate is recognized initially at cost.

ii. Trade and other receivables

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

iii. Cash and cash equivalents

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

b. Financial liabilities

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

i. Trade and other payables

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

ii. Interest-bearing borrowings

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

2.15 Advances, deposits and prepayments

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

2.16 Provisions and contingent liabilities and assets

i. Provisions

The preparation of financial statements in conformity with BAS 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 BAS 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 BAS 37 Provisions, Contingent Liabilities and Contingent Assets and, if required, in accordance with BAS 19 Employee Benefits. Other provisions comprise all recognizable risks from uncertain liabilities and anticipated losses from pending transactions.

ii. Contingent liabilities and assets

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

2.17 Employee benefits

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

The Company established Gratuity Fund vide Board of Directors resolution # 2(a) of 21st June 2005. The Fund was approved by the National Board of Revenue vide order # 6(12)/KAMAPRO/2006/601 of 19th October 2006. During the year from 01 April 2017 to 31 March 2018 provision were made Taka 28,638 thousand for all permanent employees on the payroll of the Company. The amount subsequently paid to the gratuity fund on 22 April 2018.

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

ii. Defined contribution plan (Staff provident fund)

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

iii. Workers' profit participation and welfare fund

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

2.18 Taxation

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

i. Current tax:

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

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

ii. Deferred tax:

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

a. Deferred tax assets

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

b. Deferred tax liabilities

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

2.19 Revenue recognition

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

i. Revenue from sales

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;

b) the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;

c) the amount of revenue can be measured reliably;

d) it is probable that the economic benefits associated with the transaction will flow to the entity; and

e) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

The five step model is described below:

1. Identify the contract(s) with a customer

-right to goods or services and payment terms can be identified.

-it has commercial substance

-it is approved and the parties are committed to their obligations.

-it is probable that the entity will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer.

2. Identify the performance obligation

Promise delivery goods or service that is:

-a good or service (or a bundle of goods or 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 goods or services that are substantially the same and that have the same pattern of transfers to the customer-promise to transfer the good or service is separately identifiable from other promise in the contract.

3. Determine the Transaction price

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

4. Allocate the Transaction price to the separate POS

-to allocate the Transaction price to each performance obligation (or distinct good or service) in an amount that depicts the amount of consideration the entity expects to be entitled in exchange for transferring the promised goods or services to the customers.

5. Recognize revenue when the entity satisfies a PO

A performance obligation is satisfied over time if either:

Customer simultaneously receives and consumes the benefits as the entity performs.

The customer controls the asset as the entity creates or enhances it.

The entity's performance does not create an asset with an alternate use and there is a right to payment for performance to date.

ii. Income derived from color bank operation

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

iii. Income derived from management services

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

a) the amount of revenue can be measured reliably;

b) it is probable that the economic benefits associated with the transaction will flow to the entity;

c) the stage of completion of the transaction at the end of the reporting period can be measured reliably; and

d) the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

iv. Income derived from dividend

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

v. Income derived from interest

Interest income is recognized on a time proportion basis that takes into account the effective yield on the assets.

2.20 Borrowing costs

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

2.21 Repairs, upkeep and maintenance charges

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

2.22 Bad and doubtful debts

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

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2.23 Advertising and promotional expenses

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

2.24 Foreign currency transaction

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

2.25 Related party transactions

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

2.26 Event after the reporting period

i. Material event and date of issue:

There is no material event that had occurred after the reporting period to the date of issue of these financial statements, which could affect the figures stated in the financial statements.

ii. Date of authorization:

The financial statements were authorized by the Board of Directors on 21 May 2018 for publication.

2.27 Comparatives and reclassification

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

2.28 Earnings per share (EPS)

The Company presents Earnings Per Share (EPS) in accordance with BAS 33 Earnings Per Share, which has been shown on the face of 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 to the ordinary share holders by the number of ordinary shares outstanding at the end of the period.

ii. Diluted earnings per share (DEPS)

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

2.29 Information about segments

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. Segment result for the period ended 31 March 2018 and segment assets and liabilities on that date are as follows:

In Thousands Taka

Particulars	Own manufactured items	Imported items	Total
Gross sales	19,462,236	302,286	19,764,522
TOC, VAT & SD (proportionate)	(3,230,844)	(50,181)	(3,281,025)
Net sales	16,231,392	252,105	16,483,497
Gross profit	7,241,664	112,477	7,354,141
Operating expenses & income	4,950,745	76,895	5,027,640
Profit before tax	2,219,097	34,467	2,253,564
Segment total assets	8,856,654	137,561	8,994,215
Segment liabilities	2,898,067	45,013	2,943,080

In Thousands Taka	As at 31 March 2018	2017

3 Property, plant and equipment-notes 2.5, 2.10, 3.1 and 3.3

At cost

Opening balance	4,291,536	3,310,867
Addition for the year	1,110,302	1,024,917
Disposal for the year - note 3.3	(45,609)	(44,249)
Closing balance	**5,356,229**	**4,291,535**

Accumulated depreciation

Opening balance	1,775,979	1,488,318
Charged or addition for the year - note 3.1	392,894	329,262
Adjustment on disposal - note 3.3	(43,565)	(41,601)
Closing balance	**2,125,308**	**1,775,979**
Written down value as at 31 March	**3,230,921**	**2,515,556**

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

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

Manufacturing overhead - note 24.3	197,605	166,858
Selling, distribution and warehousing expenses - note 25	151,446	126,949
Administrative and general expenses - note 26	43,843	35,455
Total	**392,894**	**329,262**

3.2 Fully depreciated items - cost thereof

	853,696	**753,264**

3.3 Following items were disposed off for the year - note 31

Particulars	Cost (Note 3)	Acc. Dep (Note 3)	WDV	Sale proceeds	Mode of sale
Building	10,657	9,508	1,149	1	Quotation
Plant and machinery	4,898	4,832	66	192	Quotation
Office equipment	3,551	3,521	30	176	Quotation
Factory and laboratory equipment	5,731	5,726	5	128	Quotation
Computer	4,522	4,304	218	158	Quotation
Furniture & fixtures	2,664	2,401	263	68	Quotation
Motor vehicles	13,396	13,084	312	8,145	Quotation
Loose tools	190	189	1	346	Quotation
2018	**45,609**	**43,565**	**2,044**	**9,214**	
2017	**44,249**	**41,601**	**2,648**	**15,274**	

4 Capital work in progress - notes 2.11 and 4.1

Opening balance	338,372	390,590
Addition for the year	106,839	325,131
Transferred to property, plant and equipment	(334,319)	(377,349)
Closing balance	**110,892**	**338,372**

In Thousands Taka	As at 31 March 2018	2017

4.1 Details of capital work in progress- note 4

Building	44,126	172,228
Plant and machinery	50,308	124,514
Factory equipment	14,829	41,630
Computer	1,629	-
Total	**110,892**	**338,372**

5 Intangible assets - notes 2.5, 2.12 (iii), and 5.1

Particulars	Software	Trade marks	Total	Total
At cost				
Opening balance	178,681	1,137	179,818	131,603
Addition for the year	26,968	374	27,342	48,215
Closing balance	**205,649**	**1,511**	**207,160**	**179,818**
Accumulated amortization				
Opening balance	90,412	610	91,022	70,990
Charged for the year - note 5.1	26,135	96	26,231	20,032
Closing balance	**116,547**	**706**	**117,253**	**91,022**
Carrying amount as at 31 March	**89,102**	**805**	**89,907**	**88,796**

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

Selling, distribution and warehousing expenses - note 25	97	79
Administrative and general expenses - note 26	26,134	19,953
	26,231	20,032

6 Investments - at cost

6.1 Make-up:

Jenson & Nicholson (Bangladesh) Limited - note 6.2	50,100	50,100
Berger Becker Bangladesh Limited - note 6.3	39,200	39,200
	89,300	**89,300**

6.2 The Company owns 100% paid-up ordinary share capital of Tk 50,100 thousand (501,000 shares of Taka 100 each) of J&N (B) L, which is a wholly owned and managed subsidiary of the Company. J&N (B) L has a carry forwarded retained earnings of Taka 442,679 thousand at the end of 31 March 2018. BPBL earned Taka 2,250 thousand from J&N (B) L as management charges during the year. Other pertinent transactions with and interest in J&N (B) L are reported in notes 2.19 (iii), 6.1, 11, 24.3, 26, 30.1 and 41.

6.3 The Company owns 49% paid-up ordinary share capital of Taka 39,200 thousand (3,920,000 shares of Taka 10 each) of Berger Becker Bangladesh Limited (BBBL), which is a joint venture of Becker Industrial Coatings Holding AB, Sweden and Berger Paints Bangladesh Limited (BPBL). BBBL has a carry forward retained earnings of Taka 245, 572 thousand at the end of 31 March 2018. During the year BPBL earned Tk 4,127 thousand from BBBL as management charges. Other pertinent transactions with and interest in BBBL are reported in notes 2.14 (i), 2.19 (iii), 6.1, 11, 24.3, 25, 26, 28 and 41.

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In Thousands Taka		As at 31 March 2018	2017
7	**Inventories - notes 2.13, 24 and 24.1**		
	Raw materials	825,372	793,535
	Packing materials	40,475	47,422
	Semi - finished products	132,678	107,280
	note 24.1	998,525	948,237
	Finished goods - notes 24 and 24.4		
	Own manufactured items	527,952	510,667
	Imported items	87,206	81,627
		615,158	592,294
	Inventories in transit - GIT - note 2.13 (iii)	570,768	333,866
	Store, consumables and promotional items		
	Stores and consumables	42,947	35,397
	Promotional items	23,203	6,494
		66,150	41,891
		2,250,601	**1,916,288**
8	**Trade and other receivables - notes 2.5, 2.14 a (ii) and 34 (b)**		
8.1	Trade receivables		
	Unsecured - note 8.2	1,610,408	1,106,405
	General provision for bad and doubtful debts - notes 2.22, 8.2 and 15	(31,424)	(29,895)
	Considered to be good	1,578,984	1,076,510
	Other receivables- notes 8.3 and 34 (b)	1,064	15,043
		1,580,048	**1,091,553**
8.2	**Maturity wise presentation of trade receivable-unsecured:**		
	Outstanding over 360 days - note 8.1	31,424	29,895
	Outstanding over 180 days to below 360 days	28,116	26,190
	Outstanding below 180 days	1,550,868	1,050,320
	note 8.1	**1,610,408**	**1,106,405**
8.3	Other receivables include interest accrued on investments - note 8.1	1,064	15,043
9	**Advances, deposits and prepayments - note 2.15**		
9.1	The make-up		
	Advances		
	Employees		
	House building loans - note 9.3	56,644	43,148
	Other	3,353	4,041
		59,997	**47,189**
	Goods and services	50,501	38,844
	Value added tax - VAT	70,015	47,983
	Supplementary duty - SD	18,770	5,578
	Rental	171,145	159,125
		310,431	**251,530**
		370,428	**298,719**
	Deposits		
	Security deposits	17,260	14,832
	Prepaid expenses		
	Insurance and other	12,726	11,113
		400,414	**324,664**

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In Thousands Taka		As at 31 March 2018	2017
9.2	These include dues realizable/adjustable after one year from the date of statement of financial position	159,453	171,874
9.3	Advance recoverable in cash - note 9.1	56,644	43,148
10	**Cash and cash equivalents - note 2.14 a (iii)**		
10.1	Term deposit:		
	Term deposit accounts (FDR) - notes 30.1 and 34 (b)		
	Three months	150,000	1,100,000
	Six months	-	350,000
		150,000	**1,450,000**
10.2	Current and collection accounts	853,202	378,531
	Short term deposit accounts (STD) - notes 30.1 and 34 (b)		
	Operational account	140,538	98,600
	Dividend account	10,608	10,063
	IPO account	325	318
		151,471	**108,981**
	Foreign currency current accounts - notes 2.24, 29 and 34 (a)		
	Operational account	3,247	5,104
	IPO account	60	60
		3,307	**5,164**
	Cash in hand	9,858	5,098
	Cash and cash equivalents	**1,017,838**	**497,774**
		1,167,838	**1,947,774**
11	**Inter- company receivables - notes 6 and 41 and 34 (b)**		
	Due from / (to) J&N (B) L - note 6.2	65,694	124,643
	Due from / (to) BBBL - note 6.3	8,600	880
		74,294	**125,523**
12	**Share capital**		
12.1	Authorized share capital		
	40,000,000 ordinary shares of Taka 10 each	**400,000**	**400,000**
12.2	Issued, subscribed and paid-up share capital		
	23,188,940 ordinary shares of Taka 10 each	**231,889**	**231,889**

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

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In Thousands Taka	As at 31 March 2018	2017

12.3 Composition of shareholding - note 40

Shareholders	Number of share	% of share holding	In Thousands Taka	In Thousands Taka
Foreign shareholders				
J & N Investments (Asia) Limited - Group	22,029,370	95.00	220,294	220,294
Institutions & General public	487,130	2.10	4,871	3,573
Bangladeshi shareholders		-		
Institutions (financial & others)	588,786	2.54	5,888	6,928
General public	83,654	0.36	837	1,095
Total	**23,188,940**	**100**	**231,889**	**231,889**

12.4 Classification of shareholders by range- note 40

Shareholding range	Type of shareholders	31 March 2018			31 March 2017
		Number of shares	% of share holding	Number of shareholders	Number of shareholders
Less than 500 shares	G. Public& Inst	71,402	0.33	1,258	1,231
501 to 5,000 shares	G. Public& Inst	55,356	0.27	35	42
5,001 to 10,000 shares	Institution	33,866	0.24	5	8
10,001 to 20,000 shares	Institution	135,548	0.69	9	10
20,001 to 30,000 shares	Institution	22,821	0.35	1	3
30,001 to 40,000 shares	Institution	110,321	0.49	3	3
40,001 to 50,000 shares	Institution	177,801	0.19	4	1
50,001 to 100,000 shares	Institution	157,996	0.36	2	1
100,001 to 1,000,000 shares	Institution	394,459	2.07	2	4
Over 1,000,000 shares	Group	22,029,370	95.00	1	1
Total		**23,188,940**	**100.00**	**1,320**	**1,304**

12.5 Market price per share

Traded stock exchanges	Last trade date		In Taka	
	2018	2017	2018	2017
Dhaka Stock Exchange	29 March 2018	30 March 2017	2,146.00	2,130.00
Chittagong Stock Exchange	29 March 2018	30 March 2017	2,128.50	2,035.50

13 Share premium

Closing balance	**115,068**	**115,068**

The Company received an amount of Taka 127,545 thousand as premium (1,159,500 ordinary shares of Tk 110 each) at the time of initial public offer (IPO). In accordance with provisions of Companies Act, Tk 12,477 thousand was adjusted as share issue expenses

In Thousands Taka		As at 31 March 2018	2017
14 Retained earnings			
Opening balance		5,009,778	4,265,013
Net profit for the year		1,669,930	1,809,192
		6,679,708	**6,074,205**
Dividend distributed for the year		(985,530)	(1,031,908)
Other comprehensive income / (expenses) - note 32		-	(32,519)
Closing balance		**5,694,178**	**5,009,778**

15 Deferred tax liabilities - note 2.18.ii

	Carrying amount	Tax base	Taxable/ (deductible) temporary difference	Taxable/ (deductible) temporary difference
Property, plant and equipment	2,865,129	**1,857,226**	**1,007,903**	**811,829**
Provision for employee benefit plan - note 20	(28,523)	-	**(28,523)**	**(63,930)**
Provision for bad debts - 8.1	(31,424)	-	**(31,424)**	**(29,895)**
Net temporary difference	**2,805,182**	**1,857,226**	**947,956**	**718,004**
Effective tax rate			25%	25%
Deferred tax liabilities as at 31 March			**236,989**	**179,501**

15.1 Deferred tax expenses			
Opening balance		179,501	169,610
Closing balance	note 15	236,989	179,501
Deferred tax expenses		**57,488**	**9,891**
Deferred tax for on actuarial valuation of Gratuity - note 32		**-**	**10,840**
Deferred tax expenses		**57,488**	**20,731**

16 Bank overdraft (OD) & STL - notes 29 and 34

Operational overdraft - Current accounts	52,608	98,450
Short term loan - STL	-	220,000
	52,608	**318,450**

In Thousands Taka	As at 31 March 2018	2017

17 Trade and other payables - notes 2.5, 2.14 (b) (i) and 34

17.1 The make-up

For revenue expenses - note 17.2	1,068,153	967,847
For trading supplies - note 34 (a)	1,127,066	889,047
For other finance - note 17.3	95,277	118,778
For capital expenditure	19,832	20,690
	2,310,328	**1,996,362**
Workers' profits participation and welfare funds - note 2.17 (iii)	118,231	84,450
	2,428,559	**2,080,812**

17.2 Creditors for revenue expenses - note 17.1

Accrued charges	1,011,012	918,146
Provision for trade rebate	50,022	41,312
Training and consultancy fee	7,119	8,389
	1,068,153	**967,847**

17.3 Creditors for other finance - note 17.1

Clearing account	48,480	48,481
Security deposits	23,992	19,332
Tax deduction at source	11,982	32,751
Staff income tax	5,971	11,954
Others	4,852	6,260
	95,277	**118,778**

18 Provision for royalty

Opening balance	219,032	193,841
Remitted for the year	(87,657)	(78,370)
	131,375	115,471
Charged for the year - notes 27, 34 (a) and 36.1	84,080	103,561
Closing balance	**215,455**	**219,032**

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

Name of the trade marks provider	Name of the product		
J&N Investments (Asia) Limited	Robbialac, Colorizer Apexior 1 & 3 and Protection	84,080	103,561
		84,080	**103,561**

As per the agreement between J & N Investments (Asia) Limited and Berger Paints Bangladesh Limited, an amount is required to be paid as Royalty @ 1.25% on net sales of the products under the technical categories Robbialac, Colorizer, Apexior 1 & 3 and Protection for using the trademarks owned by former. The agreement was renewed for five years from 1 January 2017 to 31 December 2021 by reducing the rate of royalty from 1.25% to 1.00%.

In Thousands Taka	As at 31 March 2018	2017
19 Provision for current tax - notes 2.5 and 2.18 (i)		
Opening balance	200,913	304,468
Provision made for the year	526,146	624,085
	727,059	**928,553**
Tax deducted at source and paid in advance	(754,902)	(727,640)
Closing balance	**(27,843)**	**200,913**
20 Provision for employees' retirement gratuity - notes 2.5, 2.17 (i) and 15		
Opening balance	63,930	5,373
Provision made for the year	28,638	73,635
	92,568	79,008
Transferred to gratuity fund	(64,045)	(15,078)
Closing balance	**28,523**	**63,930**
21 Liability for unclaimed IPO application money - note 34		
Opening balance	147	147
Refunded for the year	-	-
Closing balance	**147**	**147**
22 Contingent liabilities - note 2.16 (ii)		

Contingent liabilities of the Company that relate to issue of letter of credit and bank guarantee to third parties as presented below:

i Letter of Credit		
Raw Material		
Commercial Bank of Ceylon PLC	75,850	100,180
Standard Chartered Bank	90,806	131,658
Citi Bank NA	58,579	170,594
Eastern Bank Limited	21,334	53,653
BRAC Bank Limited	194,645	26,215
	441,214	**482,300**
ii Capital expenditure	**57,856**	**36,073**
	499,070	**518,373**
iii Bank guarantee		
Standard Chartered Bank	73,500	73,500
Others	1,703	1,286
	75,203	**74,786**
	574,273	**593,159**

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23 Revenue - notes 2.19 (i) and 24.4

The make-up of sales is as follows

In Thousands Taka	Unit	For the year ended 31 March 2018 Quantity	2018 Taka	2017 Quantity	2017 Taka
Own manufactured items - Paints & others					
Liquid	KL	75,853	16,853,263	68,903	14,946,044
Non-liquid	MT	29,498	2,608,973	26,657	2,391,782
			19,462,236		**17,337,826**
Imported items - Paints & others					
Liquid	KL	222	160,634	113.2	109,550
Non-liquid	MT	289	86,458	253.6	75,468
Others	Pcs	-	55,194	-	59,316
			302,286		**244,334**
		note 24.4	**19,764,522**		**17,582,160**
Turn Over Tax (TOC)			(134,917)		(107,053)
Value added tax - VAT			(2,675,638)		(2,363,742)
Supplementary duty - SD			(470,470)		(488,917)
			(3,281,025)		**(2,959,712)**
			16,483,497	*	**14,622,448**
Thereof, exports sales amounted to - note 36.2			27,684		40,780

* As per BAS 18 Revenue and BFRS 15 Revenue from Contract with Customers, amounts collected on behalf of third parties such as Value added tax (VAT) and Supplementary duty (SD) are excluded from revenue.

24 Cost of sales

In Thousands Taka	For the year ended 31 March 2018	2017
Opening stock of finished goods - notes 7 and 24.4		
Own manufactured items	510,667	389,558
Imported items	81,627	49,024
	592,294	438,582
Purchases - imported - note 24.4	229,222	205,149
	821,516	**643,731**
Cost of production		
Material consumed - notes 24.1 and 24.5	8,110,747	6,678,573
Manufacturing overheads - note 24.3	812,251	786,411
	8,922,998	7,464,984
Cost of finished goods available for sale	**9,744,514**	**8,108,715**
Closing stock of finished goods - notes 7 and 24.4		
Own manufactured items	(527,952)	(510,667)
Imported items	(87,206)	(81,627)
	(615,158)	(592,294)
Cost of sales	**9,129,356**	**7,516,421**

In Thousands Taka	For the year ended 31 March 2018		2017
24.1 Materials consumed			
Opening stock - note 7			
Raw materials	793,535		520,065
Semi - finished products	107,280		78,417
Packing materials	47,422		40,217
	948,237		638,699
Purchases - note 24.2			
Raw materials	6,738,948		5,690,263
Packing materials	1,422,087		1,297,848
	8,161,035		6,988,111
	9,109,272		7,626,810
Closing stock - note 7			
Raw materials	(825,372)		(793,535)
Semi - finished products	(132,678)		(107,280)
Packing materials	(40,475)		(47,422)
	(998,525)		(948,237)
Notes - 24, 24.5 and 24.6	**8,110,747**		**6,678,573**
24.2 Materials purchase - cost and direct charges - note 24.1			
Raw materials			
Imported	6,062,951		4,783,189
Indigenous	675,997		907,074
	6,738,948		**5,690,263**
Packing materials - indigenous	1,422,087		1,297,848
	8,161,035		**6,988,111**
24.3 Manufacturing overheads - note 24			
Salary and wages	362,988	*	366,029
Welfare expenses	21,785		22,100
Depreciation - note 3.1	197,605		166,858
Fuel, water and power	74,556		66,277
Repairs and maintenance - note 2.21	31,057		37,752
Raw materials shifting charges	9,643		9,925
Stores and spares consumed - note 24.6	13,007		16,408
Insurance	3,587		3,561
Training and recruitment expenses	1,520		8,437
Security and cleaning service	10,497		13,547
Third party production charge	54,911		47,264
Outsourcing employee cost	7,055		5,997
Other overhead	4,383		4,329
Travelling and conveyance	4,466		5,553
Research, development and experimental costs	4,691		4,262
Rent, rates and other taxes	10,033		7,755
L/C and bank charges	467		357
	812,251		**786,411**

* The amount has been arrived after crediting Tk 900 thousand (2016-17: Tk 800 thousand) from JNBL and Tk 1,238 thousand (2016-17: Tk 1,125 thousand) from BBBL being realization of management charges - notes 6.2 & 6.3.

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24.4 Particulars in respect of stocks, sales and purchases of finished goods

In Thousands Taka	Unit	Opening Stock		Closing Stock		For the year ended 31 March 2018		Purchase	
		Qty	Taka	Qty	Taka	Qty	Taka	Qty	Taka
Own manufactured items - Paints & others									
Liquid	Ltr	4,099.0	435,358	3,773.6	446,376	75,852.9	16,853,263	-	-
Non-Liquid	KG	1,373.4	75,303	1,096.0	81,576	29,497.8	2,608,973	-	-
			510,661		**527,952**		**19,462,236**		
Imported items - Paints & others									
Liquid	Ltr	43.8	32,999	48.5	40,295	221.6	160,634	-	-
Non-Liquid	KG	81.6	18,264	65.1	19,575	288.8	86,458	-	-
Brush & Rollers	Pcs	-	30,370	-	27,336	-	55,194	-	-
			81,633		87,206		302,286		229,222
For the year ended 31 March'18		**Taka**	**592,294**		**615,158**		**19,764,522**		**229,222**
For the year ended 31 March'17		**Taka**	**436,952**		**592,294**		**17,582,160**		**205,149**
		Notes	24 & 7		24 & 7		23		24

24.5 Analysis of materials consumed

	For the year ended 31 March 2018		For the year ended 31 March 2017	
	Qty - KG	Taka	Qty - KG	Taka
Raw materials				
Resin	1,177	239,995	1,084	201,240
Pigments	8,766	1,927,648	7,800	1,458,675
Solvents and oils	51,561	1,135,836	47,359	1,054,734
Additives, chemicals and others	67,309	3,378,234	62,637	2,673,281
	128,813	6,681,713	118,880	5,387,930
Packing materials		1,429,034		1,290,643
	Notes - 24, 24.1 and 24.6	**8,110,747**		**6,678,573**

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

	In Thousands Taka			
	For the year ended 31 March 2018		For the year ended 31 March 2017	
	Taka	%	Taka	%
Imports	6,017,937	90.1	4,522,566	83.9
Indigenous	663,776	9.9	865,364	16.1
Note 24.5	**6,681,713**	**100.0**	**5,387,930**	**100.0**
Check - consumption				
Raw materials	6,681,713	82.4	5,387,930	80.7
Packing materials	1,429,034	17.6	1,290,643	19.3
Notes 24, 24.1 and 24.5	**8,110,747**	**100.0**	**6,678,573**	**100.0**
Stores and spares - note 24.3	13,007		16,408	
	8,123,754		**6,694,981**	

In Thousands Taka		For the year ended 31 March 2018		For the year ended 31 March 2017
25	**Selling, distribution and warehousing expenses**			
	Advertising expenses - note 2.23	2,303,099		2,028,974
	Salary and wages	537,264	*	525,172
	Welfare expenses	30,793		29,502
	Training and recruitment expenses	4,101		10,516
	Security and cleaning service	21,738		20,927
	Outsourcing employee cost	61,943		45,810
	Warehousing and distribution expenses			
	Transportation and handling charges	181,008	**	160,375
	Repair & maintenance - others - note 2.21	17,370		20,807
	Rent, rates and fees	42,325		25,746
	Electricity, water and gas	10,172		10,293
	Insurance	1,566		1,471
		252,441		218,692
	Selling expenses			
	Sales promotional expenses - note 2.23	976,771		885,362
	Paint delivery expenses	160,324		142,879
	Salesmen travelling	57,294		58,232
	Rent, rates and fees	55,744		50,585
	Bad debts - note 2.22	6,913		9,668
	Color Bank operational expenses - note 28	6,285		3,075
	Illusion expense - note 28	200		(209)
	Amortization of trade marks - note 5.1	97		79
		1,263,628		**1,149,671**
	Depreciation - note 3.1	151,446		126,949
	Cost of free issue	1,776		5,346
		4,628,229		**4,161,559**

* This amount arrived after crediting Tk 206 thousand (2016-17: Tk 188 thousand) from BBBL being earning of management fees from BBBL - note 6.3.

** This amount arrived at after netting recoveries from carrying contractor as loss in transit. 1,486 3,408

26	**Administrative and general expenses**			
	Salary and wages	278,196	*	289,494
	Welfare expenses	7,616		12,669
	Training and recruitment expenses	10,558		14,009
	Security and cleaning service	4,850		5,355
	Outsourcing employee cost	1,778		1,028
	Postage and telecommunication	8,442		9,282
	Depreciation and amortization - notes 3.1 and 5.1	69,977		55,408
	Travelling, haultage and passage	7,923		7,049
	Repair and maintenance - others - note 2.21	37,048		43,386
	AGM expense	3,489		3,694
	Bank charges	10,810		11,307
	Vehicle expenses	10,275		10,273
	Electricity, fuel and water	6,070		6,375
	Printing and stationery	5,808		4,621
	Rates and fees	632		1,273
	Subscription and donation	640		1,290
	CSR activity	4,772		5,334
	Entertainment	9,733		7,298
	Corporate affairs department's expenses	133		258
	Insurance	329		303
	Legal and professional charges	7,591		5,133
	Auditors' remuneration			
	Audit fee	952		1,046
	Others	99		164
		1,051		1,210
	Newspaper and periodicals	421		804
	Directors fees	420		210
		488,562		**497,064**

* The amount has been arrived after crediting Tk 1,350 thousand (2016-17: Tk 1,200 thousand) from JN(B)L and Tk 2,683 thousand (2016-17: Tk 2,439 thousand) from BBBL being realization of management charges - notes 6.2 & 6.3.

In Thousands Taka	For the year ended 31 March 2018	2017
27 Other operating expenses		
Royalty - notes 18 and 36.1	84,080	103,561
Training, consultancy and technical know how fees - note 36.1	4,724	4,531
	88,804	**108,092**
28 Other operating income		
Service charges from house building loans	535	457
Scrap sales and sundry recoveries	32,787	21,610
Color Bank operational income - notes 2.19 (ii) and 25	108,453	90,518
Insurance claim and other realizations	14,808	6,215
Income from illusion - note 25	15,807	19,464
Rental income from BBBL - note 6.3	5,533	4,664
Others	32	54
	177,955	**142,982**
29 Finance costs		
Interest paid for operational overdraft - OD - notes 2.20, 16 and 34 (b)	8,183	4,792
Exchange (gain)/loss - notes 2.24, 10 and 34	(1,093)	95
	7,090	**4,887**
30 Investment income		
Interest earned on - note 2.19 (v)		
Interest on term deposits, operational and other- notes 10 and 34	39,683	87,152
Interest from loan to subsidiary - J & N (Bangladesh) Limited - note 6.2	5,531	5,316
	45,214	**92,468**
31 Other non-operating income		
Income on sale of property, plant and equipment - note 3.3	**7,170**	**12,626**
32 Other comprehensive income/(expenses) - note 14		
Actuarial gain/ (loss) on defined benefit plans	-	(43,358)
Deferred tax gain/ (loss) for Actuarial valuation on defined benefit plans - note 15.1	-	10,840
	-	**(32,519)**

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 2018	For the year ended 31 March 2017	For the year ended 31 March 2018	For the year ended 31 March 2017
Liquid	LT	91,237	73,764	75,528	69,532
Non-liquid	KG	32,802	27,818	29,220	26,929

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

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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 2018			
	Carrying amount	Contractual cash flows	Within 12 months or less	Above 12 months
Trade and other payables including unclaimed dividend and IPO application money	2,437,348	2,437,348	2,437,348	-
Operational overdraft - note 16	52,608	52,608	52,608	-

Financial liabilities	As at 31 March 2017			
	Carrying amount	Contractual cash flows	Within 12 months or less	Above 12 months
Trade and other payables including unclaimed dividend and IPO application money	2,089,265	2,089,265	2,089,265	-
Operational overdraft - note 16	318,450	318,450	318,450	-

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. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

a. Currency risk

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

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

In Thousands Taka

Foreign currency denominated assets	As at 31 March 2018	As at 31 March 2017
Receivable from customers - Export	5,162	19,702
Cash at bank - note 10	3,307	5,164

Foreign currency denominated liabilities	As at 31 March 2018	As at 31 March 2017
Trade payables - note 17.1	1,127,066	889,047
Royalty - note 18	215,455	219,032

The foreign exchange gain Taka 1,093 thousand for the period ended 31 March 2018 and loss was Taka 95 thousand was for the Period ended 31 March 2017

The company has applied the following significant foreign exchange rates:

	As at 31 March 2018	As at 31 March 2017
US Dollar	83.50	80.65
EURO	104.17	88.04
GBP	119.06	101.48

Note: The last transaction date was 29 March 2018, so we have considered the rate 29 March 2018 as exchange rate of reporting date.

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 2018	As at 31 March 2017
Financial assets		
Investment in FDR - note 10	150,000	1,450,000
Cash at bank - note 10	1,007,980	492,676
Financial liabilities		
Operational overdraft - note 16	52,608	98,450
Short term loan (STL) - note 16	-	220,000

iii. Credit risk:

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

The company has a written credit policy 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.

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In Thousands Taka		For the year ended 31 March 2018	2017
The maximum exposure to credit risk at the reporting date was as follows:			
Trade receivable			
Local receivable		1,605,246	1,086,703
Export receivable		5,162	19,702
	Note - 8.1	**1,610,408**	**1,106,405**
Other receivables:			
Accrued interest	Note- 8.1	1,064	15,043
Inter-company receivable	Note- 11	74,294	125,523
		75,358	**140,566**

35 Value of imports - at CIF basis

Raw materials	5,313,468	4,248,171
Capital goods	290,521	265,348
Stores and spares	7,594	8,439
	5,611,583	**4,521,958**

36 Transactions in equivalent foreign currency

36.1 Expenses

Royalty - notes 18, 27 and 34 (a)	84,080	103,561
Training and consultancy fee- note 27	4,724	4,531
Foreign travel for Company's business	13,553	14,313
	102,357	**122,405**

36.2 Earnings

Export sales - note 23	**27,684**	**40,780**

37 Dividend remitted in terms of foreign currency to

J & N Investments (Asia) Limited - Net of TDS	**842,627**	**882,279**

	In Number	
	As at 31 March 2018	As at 31 March 2017

38 Expenditure incurred on employees - note 39

* Salaries, wages and benefits - notes 24.3, 25 & 26 **		
a. Employment throughout the year in receipt of remuneration aggregating Tk 36,000 or more per annum	486	504
b. Employment for a part of the year and in receipt of remuneration aggregating Tk 3,000 or more per month	96	83
c. Rest	-	-
	582	**587**

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

In Thousands Taka		For the year ended 31 March 2018	2017

39 Remuneration of Directors, Executives, Managers & Officers - notes 24.3, 25, 26 and 38

39.1 Managerial remuneration for managers and officers only

Salary, allowances and benefits		846,973	859,062
Contributions to employees' benefit scheme - notes 2.17 (i) and 2.17 (ii)		38,789	39,605
Reimbursable expenses		61,412	63,606
	Taka	**947,174**	**962,273**
	Number	424	421

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 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.

40 Basic Earnings per share (EPS) - Basic - note 2.28 (i)

The computation of EPS is given below

Earning (PAT) attributable to the ordinary shareholders - Taka in '000		1,669,930	1,809,192
Net cash inflow from operating activities **(NOCF)** - Taka in '000		1,372,051	1,928,635
Number of ordinary shares outstanding during the year - notes 12.3 & 12.4		23,188,940	23,188,940
EPS - Basic	Taka	**72.01**	**78.02**
Net operating cash flow per share (NOCFPS)	Taka	**59.17**	**83.17**

41 Related party transactions - notes 2.25, 6, 11 and 18

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

In Thousands Taka — Related party transactions

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

Name of the related party	Nature of relationship	Nature of transaction	Transactions for the year		Balance as at 31 March 2017	
			Purchase of goods/ services	Sale of goods/ Services	Receivable	Payable
Jenson & Nicholson (Bangladesh) Ltd	Subsidiaries	Packing container purchase	504,236	-	124,643	
Berger Becker Bangladesh Limited	Associates	Joint Venture	-	8,415	880	
Total inter-company receivables			**504,236**	**8,415**	**125,523**	-
J&N Investments (Asia) Limited	Group	Trade marks	103,561			219,032
Total inter-company payables			**103,561**	-	-	**219,032**

42 Events after the reporting period - note 2.26

Subsequent to the date of statement of financial position the Board of Directors recommended 200% cash dividend and 100% stock dividend at the Board meeting held on 21 May 2018. The dividend is subject to the approval by the shareholders in the Annual General Meeting scheduled on 17 July 2018.

The Board also decided to increase the authorised share capital to taka 1,000,000 Thousand from taka 400,000 thousand in the Extraordinary General Meeting scheduled on 17 July 2018.
The recommended dividend is not recognized at the statement of financial position in accordance with BAS 10 Events after the reporting period.

Berger Paints Bangladesh Limited has entered into a joint venture agreement with Fosroc International Limited, United Kingdom, for setting up of a joint venture company with the name "Berger Fosroc Limited" in Bangladesh for the purpose of carrying on the business to manufacture and sell construction materials. Berger Paints Bangladesh Limited has 50% share in the Joint Venture. The joint venture agreement was signed on January 31, 2018 and Berger Fosroc Limited was incorporated on 19 April 2018.

43 General

43.1 The amounts shown in these financial statements are presented in Bangladesh currency (Taka), which have been rounded off to the nearest thousand Taka except where indicated otherwise.

Managing Director | Director & CFO | Company Secretary

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 2018
	Balance as at 01 April 2017	Addition for the year	Disposal for the year	Balance as at 31 March 2018	Balance as at 01 April 2017	Charged during the period	Adjustment on disposal	Balance as at 31 March 2018	
Land	295,269	45,510	-	340,779	6,369	433	-	6,802	333,977
Building	967,785	374,146	(10,657)	1,331,274	217,907	30,607	(9,508)	239,006	1,092,268
Plant and machinery	1,305,760	384,932	(4,898)	1,685,794	552,035	109,311	(4,832)	656,514	1,029,280
Office equipment	167,727	33,645	(3,551)	197,821	87,060	20,407	(3,521)	103,946	93,875
Factory and laboratory equipment	1,009,035	178,854	(5,731)	1,182,158	660,867	130,926	(5,726)	786,067	396,091
Computer	137,611	37,066	(4,522)	170,155	74,752	20,404	(4,304)	90,852	79,303
Furniture and fixtures	98,124	16,426	(2,664)	111,886	53,248	9,991	(2,401)	60,838	51,048
Motor vehicles	300,721	37,409	(13,396)	324,734	114,727	68,124	(13,084)	169,767	154,967
Loose tools	9,504	2,314	(190)	11,628	9,014	2,691	(189)	11,516	112
Total 2018	**4,291,536**	**1,110,302**	**(45,609)**	**5,356,229**	**1,775,979**	**392,894**	**(43,565)**	**2,125,308**	**3,230,921**
Total 2017	**3,310,867**	**1,024,917**	**(44,249)**	**4,291,535**	**1,488,318**	**329,262**	**(41,601)**	**1,775,979**	**2,515,556**

Managing Director

Director & CFO

Company Secretary

AUDITORS' REPORT

AND AUDITED FINANCIAL STATEMENTS (CONSOLIDATED)

Hoda Vasi Chowdhury & Co
Chartered Accountants

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

We have audited the accompanying consolidated financial statements of Berger Paints Bangladesh Limited, which comprise the consolidated statement of financial position as at 31 March 2018, the consolidated statement of profit or loss and other comprehensive income , consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), Bangladesh Accounting standards (BAS), Bangladesh Securities and Exchange Commission Rules 1987, Companies Act (#18) 1994 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, give a true & fair view of the consolidated financial position of Berger Paints Bangladesh Limited as at 31 March 2018, its consolidated financial performance and cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRS), Bangladesh Accounting Standard (BAS), Bangladesh Security and Exchange Commission Rules 1987 and comply with the Companies Act (#18)1994 and other applicable laws and regulations.

In accordance with the Companies Act (# 18) 1994 and Bangladesh Securities and Exchange Commission Rules 1987, 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 account as required by law have been kept by the Company so far as it appeared from our examination of those books.

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

d. The expenditure incurred and payments made were for the purposes of the Company's business.

Hoda Vasi Chy & Co

Hoda Vasi Chowdhury & Co.
Chartered Accountants

Dhaka, 21 May 2018

Berger Paints Bangladesh Limited
Consolidated Statement of Financial Position

In Thousands Taka	Notes	As at 31 March 2018	2017
Assets			
Property, plant and equipment	4	3,678,207	2,918,710
Capital work-in-progress	5	112,706	348,204
Intangible assets	6	94,602	94,236
		3,885,515	**3,361,150**
Investment in associate	7	160,393	124,633
Total non-current assets		**4,045,908**	**3,485,783**
Inventories	8	2,393,316	2,075,005
Trade and other receivables	9	1,605,681	1,102,580
Advances, deposits and prepayments	10	405,860	330,714
Term deposit	11	150,000	1,450,000
Cash and cash equivalents	12	1,041,825	508,438
Total current assets		**5,596,682**	**5,466,737**
Total assets		**9,642,590**	**8,952,520**
Equity and liabilities			
Share capital	13	231,889	231,889
Share premium	14	115,068	115,068
General reserve		10,000	10,000
Retained earnings	15	6,231,294	5,428,930
Equity attributable to the Company's equity holders		**6,588,251**	**5,785,887**
Deferred tax liabilities	16	309,354	250,211
Total non-current liabilities		**309,354**	**250,211**
Operational overdraft	17	52,608	318,450
Trade and other payables	18	2,481,951	2,134,319
Provision for royalty	19	215,455	219,032
Provision for current tax	20	(54,949)	161,871
Provision for employees' retirement gratuity	21	41,131	74,297
Unclaimed dividend		8,642	8,306
Liability for unclaimed IPO application money	22	147	147
Total current liabilities		**2,744,985**	**2,916,422**
Total liabilities		**3,054,339**	**3,166,633**
Total equity and liabilities		**9,642,590**	**8,952,520**
Contingent liabilities	23	668,770	653,087
Net asset value per share	Taka	284.11	249.51

The annexed notes 1 to 35 & annexure-A form an integral part of these financial statements.

Managing Director | Director & CFO | Company Secretary

Independent Auditors' Report
As per our report of same date

Hoda Vasi Chowdhury & Co.
Chartered Accountants

Dhaka, 21 May 2018

Berger Paints Bangladesh Limited
Consolidated Statement of Profit or Loss and other Comprehensive Income

In Thousands Taka	Notes	For the year ended 31 March 2018	2017
Revenue	24	16,532,653	14,649,058
Cost of sales	25	(9,027,414)	(7,387,759)
Gross profit		**7,505,239**	**7,261,299**
Selling, distribution and warehousing expenses	26	(4,650,202)	(4,176,371)
Administrative and general expenses	27	(518,685)	(526,786)
Other operating expenses	28	(88,804)	(108,092)
Other operating income	29	202,911	161,947
Total operating expenses		**(5,054,780)**	**(4,649,302)**
Income from operation		**2,450,459**	**2,611,997**
Finance cost	30	(7,105)	(4,935)
Investment income	31	39,683	87,152
		32,578	**82,217**
Other non-operating income	32	7,169	12,626
Share of profit of associate-BBBL		35,760	38,227
		42,929	**50,853**
Profit before WPPF and Tax		**2,525,966**	**2,745,067**
Workers' profit participation and welfare fund (WPPF)		(123,917)	(134,852)
Net profit before tax		**2,402,049**	**2,610,215**
Income tax expenses:			
Current tax expense	20	(555,012)	(659,539)
Deferred tax expense	16	(59,143)	(35,648)
		(614,155)	**(695,187)**
Net profit for the year		**1,787,894**	**1,915,028**
Other comprehensive expenses		-	(32,519)
Total comprehensive income		**1,787,894**	**1,882,509**
Basic Earnings Per Share (EPS) Taka	34	**77.10**	**82.58**

The annexed notes 1 to 35 & annexure A form an integral part of these financial statements.

Managing Director | Director & CFO | Company Secretary

Independent Auditors' Report
As per our report of same date

Hoda Vasi Chowdhury & Co.
Chartered Accountants

Dhaka, 21 May 2018

Berger Paints Bangladesh Limited
Consolidated Statement of Changes in Equity
For the year ended 31 March 2018

In Thousands Taka

Particulars	Share capital	General reserve	Share premium	Retained earning	Total
Balance as at 01 April 2016	231,889	10,000	115,068	4,578,329	4,935,286
Net profit for the year	-	-	-	1,915,028	1,915,028
Other comprehensive expenses	-	-	-	(32,519)	(32,519)
Dividend paid during the year	-	-	-	(1,031,908)	(1,031,908)
Balance as at 31 March 2017	**231,889**	**10,000**	**115,068**	**5,428,930**	**5,785,887**

Particulars	Share capital	General reserve	Share premium	Retained earning	Total
Balance as at 01 April 2017	231,889	10,000	115,068	5,428,930	5,785,887
Net profit for the year	-	-	-	1,787,894	1,787,894
Other comprehensive expenses	-	-	-	-	-
Dividend paid during the year	-	-	-	(985,530)	(985,530)
Balance as at 31 March 2018	**231,889**	**10,000**	**115,068**	**6,231,294**	**6,588,251**

The annexed notes 1 to 35 & annexure A form an integral part of these financial statements.

Managing Director | Director & CFO | Company Secretary

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Berger Paints Bangladesh Limited
Consolidated Statement of Cash Flows

In Thousands Taka	Notes	For the year ended 31 March 2018	2017
Cash flows from operating activities			
Cash received from customers		16,024,815	14,576,238
Cash received from other operating income		248,422	247,101
Cash paid to suppliers and employees		(14,024,748)	(12,016,272)
Payment of interest		(8,198)	(4,840)
Income tax paid		(771,832)	(768,766)
A. Net cash flows/used from operating activities		**1,468,459**	**2,033,461**
Cash flows from investing activities			
Capital expenditures		(993,249)	(1,033,496)
Proceeds from sale of property, plant and equipment		9,213	15,274
B. Net cash used in investing activities		**(984,036)**	**(1,018,222)**
Cash flows from financing activities			
Dividend paid		(985,194)	(1,031,446)
C. Net cash used in financing activities		**(985,194)**	**(1,031,446)**
Net decrease in cash and cash equivalent (A+B+C)		**(500,771)**	**(16,207)**
Opening cash and cash equivalents		1,639,988	1,656,195
Closing cash and cash equivalents		**1,139,217**	**1,639,988**
Reconciliation of closing cash and cash equivalents			
Term deposit-short term portion	11	150,000	1,450,000
Cash and cash equivalents	12	1,041,825	508,438
Operational overdraft	17	(52,608)	(318,450)
		1,139,217	**1,639,988**

The annexed notes 1 to 35 & annexure A form an integral part of these financial statements.

Managing Director | Director & CFO | Company Secretary

Berger Paints Bangladesh Limited
Notes to the Consolidated Financial Statements
As at and for the year ended 31 March 2018

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 (# 18) of 1994 on 6 June 1973 as a 'Private' company, limited by shares. Subsequently, the Company was converted to 'Public' company limited by shares vide extra ordinary general meeting held on 21 June 2005 and after observance of required formalities as per law. The company is listed with Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) of Bangladesh w.e.f. 27 December 2005 and 21 December 2005 respectively.

Berger Paints Bangladesh Limited owns 100% shares of Jenson & Nicholson (Bangladesh) Limited and 49% shares of Berger Becker Bangladesh Limited. The consolidated financial statements of the company as at and for the period ended 31 March 2018 comprise the company, its subsidiary and the group's interest in associate as a jointly controlled entity.

1.2 Address of the registered and corporate office

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

1.3 Description of the companies and nature of business

Berger Paints Bangladesh Limited

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

Jenson & Nicholson (Bangladesh) Limited

Berger Paints Bangladesh Limited owns 100% shares of Jenson & Nicholson (Bangladesh) Limited – J&N (B) L. The Company was incorporated under the Companies Act (# 18) of 1994 as a 'Private' limited Company on 25 January 1990 having it's 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 1 September 1997 respectively in its factory at 70, East Nasirabad Industrial Area, Chittagong - 4209.

Berger Becker Bangladesh Limited

Berger Paints Bangladesh Limited also owns 49% shares of Berger Becker Bangladesh Limited – (BBBL). BBBL was incorporated in Bangladesh 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 is located at Berger House, House # 8, Road # 2, Sector # 3, Uttara Model Town, Dhaka 1230. The Company commenced commercial production with effect from 11 September 2012 in its factory located at Building No - 03, Plot No - 102, Mouza -Taksur, Nabinagar, Savar, Dhaka -1340.

2 Basis of preparation and presentation of the consolidated financial statements

2.1 Statement of compliance

The consolidated financial statements have been prepared and the disclosures of information are made in accordance with the Bangladesh Financial Reporting Standards (BFRS), the Companies Act (# 18)1994 and the Bangladesh Securities and Exchange Rules 1987 as much as practicable. The consolidated statement of financial position and statement of profit or loss and other comprehensive income have been prepared according to Bangladesh Accounting Standards (BAS) 1 Presentation of Financial Statements and Bangladesh Financial Reporting Standard (BFRS) 10 Consolidated 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 BAS 7 Statement of Cash Flows and has been presented under direct method as required by the Bangladesh Securities and Exchange Rules 1987.

2.2 Basis of measurement

The financial statements have been prepared under historical cost convention and, therefore, do not take into consideration the effect of inflation.

2.3 Principal accounting policies

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

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

2.4 Application of standards

The following BASs and BFRSs are applicable for the preparation of financial statements for the period under review.

BAS 1	Presentation of Financial Statements
BAS 2	Inventories
BAS 7	Statement of Cash Flows
BAS 8	Accounting Policies, Changes in Accounting Estimates and Errors
BAS 10	Events After The Reporting Period
BAS 12	Income Taxes
BAS 16	Property, Plant and Equipment
BAS 18	Revenue
IFRS 15	Revenue from Contract with Customers
BAS 19	Employee Benefits
BAS 21	The Effects of Changes in Foreign Exchange Rates
BAS 23	Borrowing Costs
BAS 24	Related Party Disclosures
BAS 28	Investments in Associates
BAS 33	Earnings Per Share
BAS 37	Provisions, Contingent Liabilities and Contingent Assets
BAS 38	Intangible Assets
BAS 39	Financial Instruments: Recognition and Measurement
IFRS 9	Financial Instruments
BFRS 7	Financial Instruments, disclosures
BFRS 3	Business Combinations
BFRS 8	Operating Segments
BFRS 10	Consolidated Financial Statements

2.5 Use of estimates and judgments

The preparation of consolidated financial statements in conformity with BFRSs 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 ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

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

Note : 4	Depreciation
Note : 6	Amortization
Note : 9	Trade and other receivables
Note : 18	Trade and other payables
Note : 19	Provision for royalty
Note : 20	Provision for current tax
Note : 21	Provision for employees retirement gratuity

2.6 Reporting period

In order to conform to Section 2(35) of Income Tax Ordinance 1984 as amended by Finance Act 2016, the Board of Directors of the Company has passed a resolution on 5 September, 2016 changing income year to April – March from January - December and the Deputy Commissioner of Taxes, Circle 2 (Companies), Tax Zone 1, Chittagong has accorded approval to that change on 21 September 2016. Accordingly, the Company will place the audited financial statements covering 12 (twelve) months from 1 April 2017 to 31 March 2018 before the members in the Annual General Meeting 2018.

2.7 Reporting and comparative figures and phases

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

2.8 Going concern

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

2.9 Functional and presentational currency and level of precision

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

3 Significant accounting policies

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

3.1 Consolidation of financial statements

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

i. Basis of consolidation

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

ii. Investment in Subsidiary

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

iii. Loss of control

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

iv. Investment in Associate

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

v. Intra-group transactions

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

vi. Non-controlling interest

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

vii. Companies considered in consolidated financial statements.

Name of company	% of holding	Relationship with the Group
Jenson and Nicholson (Bangladesh) Limited	100	Subsidiary
Berger Becker Bangladesh Limited	49	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 BAS 16 Property, Plant and Equipment. The cost of an item of property, plant and equipment comprises its purchase price, import duties and non-refundable taxes, after deducting trade discount and rebates and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the intended manner.

ii. Subsequent costs

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

iii. Depreciation of property, plant & equipment

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

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

The depreciation rate(s) are as follows:

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 Intangible assets

Intangible assets for the period includes IT Software, Corporate Membership and Trademarks.

i. Recognition and measurement

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

a. it is probable that future economic benefits that are attributable to the asset will flow to the entity; and

b. the cost of the asset can be measured reliably.

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

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

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

a. the technical feasibility of completing the intangible asset so that it will be available for use or sale;

b. its intention to complete the intangible asset and use or sell it;

c. its ability to use or sell the intangible asset;

d. how the intangible asset will generate probable future economic benefits. Among other things, the entity can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset;

e. the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset;

f. its ability to measure reliably the expenditure attributable to the intangible asset during its development

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

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

ii. Subsequent costs

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

iii. Amortization

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

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

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

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

iv. Derecognition

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

3.5 Inventories

i. Recognition and measurement

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

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

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

ii. Inventory write off

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

iii. Goods in transit (GIT)

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

3.6 Financial instruments

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

a. Financial assets

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

The entity derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in such transferred financial assets that is created or retained by the Group is recognized as a separate asset or liability. Non-derivative financial assets comprise 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. 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 of cash in hand, cash at bank including short term deposits which are held and available for use by the Company without any restriction. There is an insignificant risk of change in value of the same. Bank overdraft that is repayable on demand and form an integral part of the companies cash management are included as a component of cash and cash equivalents for the purpose only of the statement of the cash flows.

b. Financial liabilities

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

i. Trade and other payables

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

ii. Interest-bearing borrowings

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

3.7 Advances, deposits and prepayments

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

3.8 Provisions and contingent liabilities and assets

i. Provisions

The preparation of financial statements in conformity with BAS 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 BAS 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 BAS 37 Provisions, Contingent Liabilities and Contingent Assets and, if required, in accordance with BAS 19 Employee Benefits. Other provisions comprise all recognizable risks from uncertain liabilities and anticipated losses from pending transactions.

ii. Contingent liabilities and assets

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

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3.9 Employee benefits

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

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

ii. Defined contribution plan (Staff provident fund)

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

iii. Workers' profit participation and welfare fund

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

3.10 Taxation

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

i. Current tax:

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

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

ii. Deferred tax:

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

a. Deferred tax assets

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

b. Deferred tax liabilities

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

3.11 Revenue recognition

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

Specific policies regarding the recognition of revenue are as follows:

i. Revenue from sales

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;

b) the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;

c) the amount of revenue can be measured reliably;

d) it is probable that the economic benefits associated with the transaction will flow to the entity; and

e) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

The five step model is described below:

1. Identify the contract(s) with a customer

-right to goods or services and payment terms can be identified.

-it has commercial substance

-it is approved and the parties and committed to their obligations.

-it is probable that the entity will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer.

2. Identify the performance obligation

Promise delivery goods or service that is:

-a good or service (or a bundle of goods or 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 goods or services that are substantially the same and that have the same pattern of transfers to the customer-promise to transfer the good or service is separately identifiable from other promise in the contract.

3. Determine the Transaction price

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

4. Allocate the Transaction price to the separate Pos

-to allocate the Transaction price to each performance obligation (or distinct good or service) in an amount that depicts the amount of consideration the entity expects to be entitled in exchange for transferring the promised goods or services to the customers.

5. Recognize revenue when the entity satisfies a PO

A performance obligation is satisfied over time if either:

Customer simultaneously receives and consumes the benefits as the entity performs.

The customer controls the asset as the entity creates or enhances it.

The entity's performance does not create an asset with an alternate use and there is a right to payment for performance to date.

ii. Income derived from color bank operation

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

iii. Income derived from management services

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

a) the amount of revenue can be measured reliably;

b) it is probable that the economic benefits associated with the transaction will flow to the entity;

c) the stage of completion of the transaction at the end of the reporting period can be measured reliably; and

d) the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

iv. Income derived from dividend

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

v. Income derived from interest

Interest income is recognized on a time proportion basis that takes into account the effective yield on the assets.

3.12 Borrowing costs

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

3.13 Repairs, upkeep and maintenance charges

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

3.14 Bad and doubtful debts

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

3.15 Advertising and promotional expenses

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

3.16 Foreign currency transaction

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

3.17 Related party transactions

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

3.18 Event after the reporting period

There is no material event that had occurred after the reporting period to the date of issue of these financial statements, which could affect the figures stated in the financial statements.

ii. Date of authorization:

The consolidated financial statements were authorized by the Board of Directors on 21 May 2018 for publication.

3.19 Comparatives and reclassification

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

3.20 Earnings per share (EPS)

The Company presents Earnings Per Share (EPS) in accordance with BAS 33 Earnings 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 earnings 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.

In Thousands Taka	As at 31 March 2018	2017
4 Property, plant and equipment		
At cost		
Opening balance	4,884,528	3,800,707
Addition for the year	1,201,406	1,128,070
Disposal for the year	(45,609)	(44,249)
Closing balance	**6,040,325**	**4,884,528**
Accumulated depreciation		
Opening balance	1,965,818	1,640,982
Addition for the year	439,865	366,437
Disposal for the year	(43,565)	(41,601)
Closing balance	**2,362,118**	**1,965,818**
Written down value	**3,678,207**	**2,918,710**

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

4.1 Segregation of depreciation to manufacturing, selling and administrative unit		
Manufacturing overhead	239,484	199,836
Selling, distribution and warehousing expenses	151,446	126,949
Administrative and general expenses	48,935	39,652
Total	**439,865**	**366,437**
5 Capital work-in-progress		
Opening balance	348,204	397,912
Addition for the year	108,654	334,777
Transferred to property, plant and equipment	(344,152)	(384,485)
Closing balance	**112,706**	**348,204**
5.1 Details of capital work-in-progress		
Building	45,941	172,228
Plant and machinery	50,307	134,346
Factory equipment	14,829	41,630
Computer	1,629	-
	112,706	**348,204**

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In Thousands Taka	As at 31 March 2018	2017

6	Intangible assets	Software	Corporate membership	Trade marks	Total	Total
	At cost					
	Opening balance	183,130	3,300	1,137	187,567	139,281
	Addition for the year	26,968	-	374	27,342	48,215
	Closing balance	**210,098**	**3,300**	**1,511**	**214,909**	**187,496**
	Accumulated amortization					
	Opening balance	92,721	-	610	93,331	72,480
	Charged for the year	26,880	-	96	26,976	20,780
	Closing balance	**119,601**	**-**	**706**	**120,307**	**93,260**
	Carrying amount as at 31 March	**90,497**	**3,300**	**805**	**94,602**	**94,236**

6.1	Segregation of amortization amount to selling and administrative units		
	Selling, distribution and warehousing expenses	97	79
	Administrative and general expenses	26,879	20,701
		26,976	**20,780**

7	Investment in associate		
	Opening balance	124,633	86,406
	Share of profit of associate	35,760	38,227
	Closing balance	**160,393**	**124,633**

8	Inventories		
	Raw materials	879,769	853,366
	Packing materials	40,475	47,422
	Semi finished goods	184,641	154,098
		1,104,885	**1,054,886**
	Finished goods		
	Own manufactured products	532,965	515,130
	Imported products	87,206	81,627
		620,171	**596,757**
	Goods in-transit	596,561	373,366
	Store, consumables and promotional items	71,699	49,996
		668,260	**423,362**
		2,393,316	**2,075,005**

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In Thousands Taka	As at 31 March 2018	2017
9 Trade and other receivables		
Trade receivables-unsecured	1,623,113	1,113,748
Provision for bad and doubtful debt on unsecured trade receivables	(31,424)	(29,895)
Considered to be good	1,591,689	1,083,853
Other receivables	5,392	17,847
Receivables with associate	8,600	880
	1,605,681	**1,102,580**
Maturity wise presentation of trade receivables-unsecured:		
Outstanding over 360 days	31,424	29,895
Outstanding over 180 days to below 360 days	28,116	26,190
Outstanding below 180 days	1,563,573	1,057,663
	1,623,113	**1,113,748**
10 Advances, deposits and prepayments		
Advances to employees		
House building loans	57,537	43,148
Others	3,353	4,806
	60,890	47,954
Advance for goods and services	51,225	41,443
Value Added Tax-VAT	70,149	48,623
Supplementary Duty	18,770	5,578
Advance for rent	171,145	159,125
	311,289	254,769
Deposits-Security deposits	20,020	15,806
Pre paid expenses and other	13,661	12,185
	33,681	27,991
	405,860	**330,714**
11 Term deposit		
Three months	150,000	1,100,000
Six months	-	350,000
	150,000	**1,450,000**
12 Cash and cash equivalents		
Cash at banks:		
Current and collection accounts	877,027	389,088
Short term deposit accounts	151,471	108,981
Foreign currency current accounts	3,307	5,164
	1,031,805	503,233
Cash in hand	10,020	5,205
	1,041,825	**508,438**
13 Share capital		
Authorized share capital		
40,000,000 ordinary shares of Taka 10 each	400,000	400,000
Issued, subscribed and paid-up share capital		
23,188,940 ordinary shares of Taka 10 each	**231,889**	**231,889**

13.1 Composition of shareholding

Shareholders	Number of share	% of share holding	In Thousands Taka	In Thousands Taka
Foreign shareholders				
J & N Investments (Asia) Limited - Group	22,029,370	95.00	220,294	220,294
Institutions & General public	487,130	2.10	4,871	3,573
Bangladeshi shareholders				
Institutions (financial & others)	588,786	2.54	5,888	6,928
General public	83,654	0.36	837	1,095
Total	**23,188,940**	**100.00**	**231,889**	**231,889**

13.2 Classification of shareholders by range

Shareholding range	Type of shareholders	31 March 2018 Number of shares	31 March 2018 % of share holding	31 March 2018 Number of shareholders	31 March 2017 Number of share holders
Less than 500 shares	G. Public& Inst	71,402	0.33	1,258	1,231
501 to 5,000 shares	G. Public& Inst	55,356	0.27	35	42
5,001 to 10,000 shares	Institution	33,866	0.24	5	8
10,001 to 20,000 shares	Institution	135,548	0.69	9	10
20,001 to 30,000 shares	Institution	22,821	0.35	1	3
30,001 to 40,000 shares	Institution	110,321	0.49	3	3
40,001 to 50,000 shares	Institution	177,801	0.19	4	1
50,001 to 100,000 shares	Institution	157,996	0.36	2	1
100,001to1,000,000 shares	Institution	394,459	2.07	2	4
Over 1,000,000 shares	Group	22,029,370	95.00	1	1
Total		**23,188,940**	**100.00**	**1,320**	**1,304**

In Thousands Taka	As at 31 March 2018	As at 31 March 2017

14 Share premium

Closing balance	**115,068**	**115,068**

The Company received an amount of Taka 127,545 thousand as premium (1,159,500 ordinary shares of Taka 110 each) at the time of initial public offer (IPO). In accordance with provisions of Companies Act, Tk 12,477 thousand was adjusted as share issue expenses.

15 Retained earnings

Opening balance	5,428,930	4,578,329
Net profit for the year	1,787,894	1,915,028
	7,216,824	**6,493,357**
Other comprehensive expenses	-	(32,519)
Dividend distributed during the year	(985,530)	(1,031,908)
Closing balance	**6,231,294**	**5,428,930**

In Thousands Taka	As at 31 March 2018	2017

16 Deferred tax liabilities

	Carrying amount	Tax base	Taxable/ (deductible)	Taxable/ (deductible)
Property, plant and equipment excluding land	3,305,615	2,078,347	**1,227,268**	1,024,225
Provision for employee benefit plans	(41,131)		**(41,131)**	(74,297)
Provision for bad debts	(31,424)		**(31,424)**	(29,895)
Net temporary difference			**1,154,713**	920,033
Deferred tax liabilities as at 31 March			**309,354**	250,211

16.1 Deferred tax expenses

Opening balance	250,211	225,403
Closing balance	309,354	250,211
	59,143	24,808
Deferred tax on actuarial valuation of gratuity	-	10,840
Deferred tax expenses	**59,143**	**35,648**

17 Operational overdraft

Operational overdraft - current accounts	52,608	98,450
Short term loan	-	220,000
	52,608	**318,450**

18 Trade and other payables

For revenue expenses - note 18.1	1,077,725	975,585
For trading supplies	1,162,513	925,947
For other finance - note 18.2	97,964	124,337
For capital expenditure	19,832	20,690
	2,358,034	**2,046,559**
Workers' profit participation and welfare fund (WPPF)	123,917	87,760
	2,481,951	**2,134,319**

18.1 Payable for revenue expenses

Accrued charges	1,020,584	925,884
Provision for trade rebate	50,022	41,312
Training and consultancy fee	7,119	8,389
	1,077,725	**975,585**

18.2 Payable for other finance

Clearing account	48,481	48,481
Security deposits	24,622	19,762
Tax and VAT deduction at source	13,544	34,890
Staff income tax	6,030	12,097
Others	5,287	9,107
	97,964	**124,337**

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In Thousands Taka	As at 31 March 2018	2017
19 Provision for royalty		
Opening balance	219,032	193,841
Remitted for the year	(87,657)	(78,370)
	131,375	115,471
Charged for the year	84,080	103,561
Closing balance	**215,455**	**219,032**
20 Provision for current tax		
Opening balance	161,871	271,098
Provision made for the year	555,012	659,539
	716,883	930,637
Payment and adjustment made during the period	(771,832)	(768,766)
Closing balance	**(54,949)**	**161,871**
21 Provision for employees' retirement gratuity		
Opening balance	74,297	13,382
Provision made for the year	30,879	76,341
	105,176	89,723
Transferred to gratuity fund for the year	(64,045)	(15,426)
Closing balance	**41,131**	**74,297**
22 Liability for unclaimed IPO application money		
Opening balance	147	147
Refunded for the year	-	-
Closing balance	**147**	**147**
23 Contingent liabilities		
Contingent liabilities of the Company that relate to issue of letter of credit and bank guarantee to third parties as presented below:		
i Letter of Credit		
Raw Material		
Commercial Bank of Ceylon PLC	75,850	100,180
Standard Chartered Bank	109,967	190,489
Citi Bank NA	58,579	170,594
Eastern Bank Limited	21,334	53,653
BRAC Bank Limited	194,645	26,215
	460,375	**541,131**
Capital expenditure	**133,086**	**37,086**
ii Bank guarantee		
Standard Chartered Bank	73,606	73,584
Others	1,703	1,286
	75,309	**74,870**
	668,770	**653,087**

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In Thousands Taka	For the year ended 31 March 2018	2017
24 Revenue		
Net revenue of group-BPBL	16,483,497	14,622,448
Net revenue of subsidiary-J & N (Bangladesh) Limited	570,657	530,846
	17,054,154	15,153,294
Inter-company sales	(521,501)	(504,236)
	16,532,653	**14,649,058**
25 Cost of sales		
Opening stock of finished goods	596,757	443,475
Purchases of finished goods for the year	229,222	205,149
	825,979	**648,624**
Cost of goods manufacture		
Raw material consumed - notes 25.1	7,841,875	6,383,056
Manufacturing overhead - note 25.2	979,731	952,836
	8,821,606	**7,335,892**
	9,647,585	7,984,516
Closing stock of finished goods	(620,171)	(596,757)
Cost of sales	**9,027,414**	**7,387,759**
25.1 Raw materials consumed		
Opening stock:		
Raw materials	853,366	574,684
Packing materials	47,422	40,217
Semi finished goods	154,098	83,897
	1,054,886	698,798
Purchases for the year		
Raw materials	6,991,288	5,945,532
Packing materials	1,422,087	1,297,848
Intercompany sales	(521,501)	(504,236)
	7,891,874	6,739,144
Closing stock:		
Raw materials	(879,769)	(853,366)
Packing materials	(40,475)	(47,422)
Semi finished goods	(184,641)	(154,098)
	(1,104,885)	(1,054,886)
	7,841,875	**6,383,056**
25.2 Manufacturing overhead		
Salary and wages	405,628	404,778
Welfare expenses	21,785	22,100
Depreciation	239,484	199,836
Fuel, water and power	80,943	71,720
Repairs and maintenance	42,920	50,194
Raw material shifting charge	9,643	9,925
Stores and spares consumed	13,007	16,408
Insurance	4,677	4,547
Training and recruitment expenses	1,520	8,437
Security and cleaning service	10,497	13,547
Third party production charge	54,910	47,264
Outsourcing employee cost	7,055	5,997
Printing charge and other overhead	66,373	79,106
Travelling and conveyance	4,752	6,188
Research, development and experimental costs	4,691	4,262
Rent, rates and other taxes	11,379	8,170
L/C and bank charges	467	357
	979,731	**952,836**

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In Thousands Taka	For the year ended 31 March 2018	2017
26 Selling, distribution and warehousing expenses		
Advertising	2,303,099	2,028,974
Salary and wages	537,264	525,172
Welfare	30,793	29,502
Training and recruitment	4,101	10,516
Security and cleaning	21,738	20,927
Outsourcing	61,943	45,810
Warehousing and distribution	274,416	233,504
Selling expenses	1,263,529	1,149,592
Depreciation and amortization	151,543	127,028
Cost of free issue	1,776	5,346
	4,650,202	**4,176,371**
27 Administrative and general expenses		
Personnel cost -Salary and wages	293,449	304,401
Welfare	7,616	12,669
Training and recruitment	10,558	14,009
Security and cleaning service	4,850	5,355
Outsourcing employee cost	1,778	1,028
Postage and communication	8,442	9,282
Depreciation and amortization	75,814	60,353
Travelling, haulage and passage	9,225	8,074
Repair and maintenance	38,855	46,158
AGM expense	3,489	3,694
Bank charges	11,122	11,501
Vehicle expenses	10,275	10,273
Electricity, fuel and water	6,070	6,375
Printing and stationery	6,080	4,880
Rent, rates and fees	632	1,273
Subscription and donation	695	1,340
CSR activity	4,772	5,334
Entertainment	11,098	8,228
Corporate affairs department's expenses	133	258
Insurance	329	303
Legal and professional charges	8,516	6,219
General charges	1,895	2,047
Auditors' remuneration		
Audit fee	1,112	1,196
Others	160	225
	1,272	**1,421**
Newspaper and periodicals	421	804
Directors fee	630	210
ISO Expenses	669	1,297
	518,685	**526,786**

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In Thousands Taka	For the year ended 31 March 2018	2017
28 Other operating expenses		
Royalty fees	84,080	103,561
Training and consultancy	4,724	4,531
	88,804	**108,092**
29 Other operating income		
Service charges from house building loan	535	457
Scrap sales and sundry recoveries	53,703	36,175
Income from color bank operation	108,453	90,518
Insurance claim and other realizations	14,808	6,215
Income from illusion	15,807	19,464
Rental income from BBBL	5,533	4,664
Others	4,072	4,454
	202,911	**161,947**
30 Finance cost		
Finance cost on operational overdraft	13,729	10,156
Exchange loss / (gain)	(1,093)	95
	12,636	**10,251**
Inter-company transaction	(5,531)	(5,316)
	7,105	**4,935**
31 Investment income		
Interest on term deposit	45,214	92,468
Inter-company transaction	(5,531)	(5,316)
	39,683	**87,152**
32 Other non-operating income		
Income on sale of property, plant and equipment	7,169	12,626
	7,169	**12,626**

33 Financial risk management

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

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

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

i. Liquidity risk

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

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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 2018			
	Carrying amount	Contractual cash flows	Within 12 months or less	Above 12 months
Trade and other payables including unclaimed dividend	2,490,740	2,490,740	2,490,740	-
Operational overdraft	52,608	52,608	318,450	-

Financial liabilities	As at 31 March 2017			
	Carrying amount	Contractual cash flows	Within 12 months or less	Above 12 months
Trade and other payables including unclaimed dividend	2,142,772	2,142,772	2,142,772	-
Operational overdraft	318,450	318,450	318,450	-

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. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

a. Currency risk

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

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

In Thousands Taka

Foreign currency denominated assets	As at 31 March 2018	As at 31 March 2017
Receivable from customers-Export	5,162	19,702
Cash at bank	3,307	5,164

Foreign currency denominated liabilities	As at 31 March 2018	As at 31 March 2017
Trade payables	1,162,513	925,947
Royalty and technical fees	215,455	219,032

The company has applied the following significant foreign exchange rates:

In Thousands Taka	As at 31 March 2018	As at 31 March 2017
US Dollar	83.50	80.65
EURO	104.17	88.04
GBP	119.06	101.48

Note: The last transaction date was 29 March 2018, so we have considered the rate 29 March 2018 as exchange rate of reporting date.

b. Interest risk

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

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

In Thousands Taka

Financial instruments	As at 31 March 2018	As at 31 March 2017
Financial assets		
Investment in FDR	150,000	1,450,000
Cash at bank	1,031,805	503,233
Financial liabilities		
Operational overdraft	52,608	98,450
Short term loan	-	220,000

iii. Credit risk:

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

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

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

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

In Thousands Taka

Financial instruments	As at 31 March 2018	As at 31 March 2017
Trade receivable		
Local receivable	1,617,951	1,094,046
Export receivable	5,162	19,702
	1,623,113	**1,113,748**
Other receivables:		
Accrued interest	5,392	17,847
Inter-company receivable	8,600	880
	13,992	**18,727**

34 Basic Earnings per share (EPS)

In Thousands Taka	For the year ended 31 March 2018	For the year ended 31 March 2017
Net profit attributable to ordinary shareholders	1,787,894	1,915,028
Number of ordinary share	23,188,940	23,188,940
Earnings per share (EPS) Taka	**77.10**	**82.58**

35 Name of the auditors of other companies

Name of the company	Relationship	Auditors for the statutory financial statement
Jenson & Nicholson (Bangladesh) Limited	Subsidiary	Hoda Vasi Chowdhury & Co.
Berger Becker Bangladesh Limited	Associate	Rahman Rahman Huq

Annexure-A

Schedule of consolidated property, plant and equipment and depreciation thereon

In Thousands Taka

Category of assets	Cost				Accumulated depreciation				Written down value as at 31 March 2018
	Balance as at 01 April 2017	Addition for the year	Disposal for the year	Balance as at 31 March 2018	Balance as at 01 April 2017	Charged for the year	Adjustment on disposal	Balance as at 31 March 2018	
Land	302,069	45,510	-	347,579	6,369	433	-	6,802	340,777
Building	1,096,358	386,045	(10,657)	1,471,746	239,884	35,355	(9,508)	265,731	1,206,015
Plant and machinery	1,669,322	439,576	(4,898)	2,104,000	667,162	138,924	(4,832)	801,254	1,302,746
Office equipment	171,530	34,473	(3,551)	202,452	89,218	20,989	(3,521)	106,686	95,766
Factory and laboratory equipment	1,084,385	198,338	(5,731)	1,276,992	701,515	140,815	(5,726)	836,604	440,388
Computer	141,130	37,360	(4,522)	173,968	77,009	20,861	(4,304)	93,566	80,402
Furniture and fixtures	100,578	17,736	(2,664)	115,650	55,094	10,200	(2,401)	62,893	52,757
Motor vehicles	303,157	39,227	(13,396)	328,988	116,309	68,867	(13,084)	172,092	156,896
Loose tools	9,666	2,339	(190)	11,815	9,176	2,716	(189)	11,703	112
Electrical installation	6,333	802	-	7,135	4,082	705	-	4,787	2,348
Total 2018	**4,884,528**	**1,201,406**	**(45,609)**	**6,040,325**	**1,965,818**	**439,865**	**(43,565)**	**2,362,118**	**3,678,207**
Total 2017	**3,800,707**	**1,128,070**	**(44,249)**	**4,884,528**	**1,640,982**	**366,437**	**(41,601)**	**1,965,818**	**2,918,710**

Managing Director

Director & CFO

Company Secretary

DIRECTORS' REPORT



SMARTSTOCK

পরিচালনা পর্ষদের প্রতিবেদন

কোম্পানির পরিচালকবৃন্দ আনন্দের সাথে আপনাদের সামনে তাদের ৪৫তম প্রতিবেদন এবং তার সাথে ৩১ মার্চ ২০১৮ তারিখে সমাপ্ত বছরের নিরীক্ষিত আর্থিক প্রতিবেদনসমূহ ও নিরীক্ষকের প্রতিবেদন পেশ করছেন।

১. অনুমোদিত মূলধন বৃদ্ধি এবং ৮ম বিশেষ সাধারন সভা

পরিচালনা পর্ষদ ২১ মে, ২০১৮ তারিখে অনুষ্ঠিত ১৭৩তম সভায় কোম্পানির অনুমোদিত মূলধন ৪০ কোটি টাকা হতে ১০০ কোটি টাকায় বৃদ্ধির সিদ্ধান্ত গ্রহন করে যা এই উদ্দেশ্যে ১৭ জুলাই ২০১৮ তারিখে সকাল ৯.৩০ ঘটিকায় আহুত ৮ম বিশেষ সাধারন সভায় সংঘস্মারকের অনুচ্ছেদ ৫ এবং সংঘবিধির অনুচ্ছেদ ৫ সংশোধন সাপেক্ষে কার্যকর হবে।

২. রঙ শিল্পের সার্বিক অবস্থা ও সম্ভাব্য ভবিষ্যৎ পরিস্থিতি

২০১৭ সালে রঙ শিল্পে প্রায় ১০% প্রবৃদ্ধি হয়েছে। প্রতিকূল আবহাওয়া; আর্থিক খাতের দূর্বলতা; ব্যাংক ঋণের সুদের হার ৭-৮% হতে বৃদ্ধি পেয়ে ১২-১৩% হওয়ার কারনে মধ্যবিত্তদের অ্যাপার্টমেন্ট ক্রয় ক্ষমতা হ্রাস; সিমেন্ট, রড ও ইটের মূল্য অত্যাধিক বৃদ্ধির কারনে আবাসনখাতে স্থবিরতা ও মূল্য বৃদ্ধি ইত্যাদি কারনে পূর্ববর্তী বছরের তুলনায় এবছর রঙ শিল্পে প্রবৃদ্ধির হার কিছুটা কম। এশিয়ান ডেভেলপমেন্ট ব্যাংকের হিসাবে জিডিপি প্রবৃদ্ধির হার ৭% যা ক্রমবর্ধমান আভ্যন্তরীন চাহিদা এবং সরকারী বিনিয়োগের মাধ্যমে অর্জিত হয়েছে। মেট্রোরেল, মহাসড়ক, ফ্লাইওভার, সরকারি আবাসন প্রকল্প,সেতু, বিদ্যুৎকেন্দ্র ইত্যাদির ন্যায় অবকাঠামো উন্নয়নকারি সরকারি প্রকল্পসমূহের কারনে অবকাঠামো নির্মানখাত, রঙ ও কন্সট্রাকশনকেমিক্যাল শিল্পের প্রবৃদ্ধি বজায় থাকবে বলে আশা করা যায়।

৩. বিক্রয় প্রবৃদ্ধি

৩১ মার্চ ২০১৮ তারিখে সমাপ্ত বছরে কোম্পানি ১২.৭৩% বিক্রয় প্রবৃদ্ধি অর্জন করে। সার্বিক বিবেচনায় বিক্রয় প্রবৃদ্ধি সন্তোষজনক। এ সময়ে আমাদের মার্কেট শেয়ারও বৃদ্ধি পেয়েছে।

পূর্বের বছরের তুলনায় কোম্পানির মুনাফা ৮.১৭% হ্রাস পেয়েছে। কাঁচামালের মূল্য বৃদ্ধির কারনে বিক্রয় প্রবৃদ্ধির মাধ্যমে মুনাফায় প্রবৃদ্ধি অর্জন করা সম্ভব হয়নি। কাঁচামালের মূল্য বৃদ্ধির সাথে সাথে এসময়ে মার্কিন ডলারের বিপরীতে টাকা অবমূল্যায়িত হয় যা ২০১৭ সালে ছিল প্রতি ডলারে ৮১.৫০ টাকা আর ২০১৮ সালে দাঁড়ায় ৮৪ টাকা। কিন্তু কাঁচামালের মূল্য বৃদ্ধির কারনে আমরা পণ্যের মূল্য বৃদ্ধি না করে মার্কেটিং খাতে ব্যয় বৃদ্ধি করেছি। মার্কেটশেয়ার বৃদ্ধি অব্যাহত রাখা এবং প্রতিযোগিতা মোকাবিলা করার উদ্দেশ্যেই এই পদক্ষেপ নেয়া হয়েছে। আমরা বিগত বছরে আমাদের অর্জিত মুনাফায় সন্তুষ্ট নই এবং আগামি বছরে মুনাফা বৃদ্ধির পাশাপাশি মার্কেট শেয়ার বৃদ্ধি বজায় রাখতে চাই। সামনের বছরেও বাজার অত্যন্ত প্রতিযোগিতামূলক হবে বলে আমরা মনে করি।

৪. নতুন পণ্য

গ্রাহকদের বিভিন্ন চাহিদার কথা মাথায় রেখে এবং নিজেদের পণ্য সম্ভার আরও সমৃদ্ধ করে তুলতে ২০১৭-১৮ সালে বার্জার পেইন্টস্ বাংলাদেশ লিমিটেড বাজারে নিয়ে এসেছে বেশ কিছু নতুন পণ্য ও সেবা। কনজিউমার সেক্টরে এসেছে নতুন বার্জার লাক্সারি সিল্ক মেটালিক ফিনিশ। এটি বার্জারের অন্যতম প্রিমিয়াম লাক্সারি সিল্ক ব্র্যান্ডে একটি নতুন সংযোজন- যা দিচ্ছে উজ্জ্বল গোল্ড, সিলভার এবং ব্রোঞ্জ কালারের ৫০টি ভিন্ন শেড। এছাড়াও নতুন পণ্য হিসেবে এসেছে ওয়েদারকোট কুল এক্সটেরিয়র ইমালশন, যা গরমের দিনে বিশেষ সোলার হিট ম্যানেজমেন্টের মাধ্যমে দেয়ালের তাপমাত্রা কম রাখে। এছাড়াও এর চমৎকার পানিরোধক গুণাগুণের পাশাপাশি ফাঙ্গাস, অ্যালগি ও স্যাঁতসেঁতেভাব প্রতিরোধী ক্ষমতার কারণে এটি একটি নির্ভরযোগ্য এবং দীর্ঘস্থায়ী এক্সটেরিয়র পেইন্ট। এই সকল নতুন পণ্যের পাশাপাশি বার্জার নিয়ে এসেছে অত্যাধুনিক পেইন্টিং পদ্ধতি- এক্সপ্রেস পেইন্টিং। সাধারণ পদ্ধতিতে বাড়ি রঙ করার সময় সৃষ্ট ধুলা-বালির ছড়াছড়ি এবং এখানে সেখানে পেইন্ট গড়িয়ে পড়ার যন্ত্রণা থেকে মুক্তি দিতে দক্ষতার সাথে সব রকম পেইন্টিং সেবা দিচ্ছে বার্জার এক্সপ্রেস পেইন্টিং সার্ভিস। ইন্ডাস্ট্রিয়াল সেক্টরে বার্জার পেইন্টস্ নিয়ে এসেছে বাংলাদেশে প্রথমবারের মতো নিয়ে এসেছে অগ্নিনিরোধক কোটিং, বার্জার ফায়ারগার্ড। এই কোটিংটি পরোক্ষভাবে সেলুলোজিক আগুনের বিরুদ্ধে কাজ করে ভবনের ভিতর ও বাইরের স্ট্রাকচারাল স্টিল নির্মিত বীম, কলামকে সুরক্ষিত রাখে। অগ্নিকাণ্ডের ক্ষেত্রে বার্জার ফায়ারগার্ড একটি নির্দিষ্ট সময় পর্যন্ত স্থাপনার মূল কাঠামো আগুন থেকে রক্ষা করে এবং ধসে পড়ার সম্ভাবনা কমিয়ে আনে।

৫. নতুন জয়েন্টভেঞ্চার বার্জার ফস্‌রক লিমিটেড

বার্জার পেইন্টস্ বাংলাদেশ লিমিটেড যুক্তরাজ্য ভিত্তিক ফস্‌রক ইন্টারন্যাশনালের সাথে জয়েন্টভেঞ্চার চুক্তিবদ্ধ হয়েছে যার মাধ্যমে প্রতিষ্ঠিত কোম্পানি বার্জার ফস্‌রক লিমিটেড বাংলাদেশে নির্মানশিল্পে ব্যবহৃত কেমিক্যালস্ উৎপাদন ও বিপনন করবে। বার্জার পেইন্টস্ বাংলাদেশ লিমিটেড এই জয়েন্টভেঞ্চার কোম্পানিতে ৫০% শেয়ার ধারন করে। জয়েন্টভেঞ্চার চুক্তিটি ৩১ জানুয়ারি ২০১৮ তারিখে স্বাক্ষরিত হয় এবং বার্জার ফস্‌রক লিমিটেড ১৯ এপ্রিল ২০১৮ তারিখে নিগমিত হয়। এ কোম্পানি ১ জুলাই ২০১৮ তারিখ হতে কার্যক্রম শুরু করবে বলে আমরা আশাবাদি।

৬. ঝুঁকিসমূহ

কোম্পানির সাথে সংশ্লিষ্ট ঝুঁকিসমূহ নিম্নরূপ:

সামগ্রিক অর্থনীতি

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

বাহ্যিক বিষয়াবলি

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

আয়কর ও মূল্য সংযোজন করে পরিবর্তন

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

পরিবেশ, স্বাস্থ্য ও নিরাপত্তা সংক্রান্ত আইনে পরিবর্তন

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

মুদ্রার বিনিময় হারে পরিবর্তন

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

ঝুঁকি বিষয়ে ব্যবস্থাপনা কর্তৃপক্ষের মূল্যায়ন

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

৭. আর্থিক ফলাফল

পরিচালকগণ আনন্দের সাথে ৩১ মার্চ, ২০১ তারিখে সমাপ্ত ১৫ মাসের আর্থিক প্রতিবেদন পেশ করছেন এবং নিম্নলিখিত পদ্ধতিতে মুনাফা বণ্টনের সুপারিশ করছেন:

টাকা '০০০

বিবরণ	৩১ মার্চ ২০১৮ তারিখে সমাপ্ত বছরের জন্য	৩১ মার্চ ২০১৭ তারিখে সমাপ্ত বছরের জন্য
নিট বিক্রয়	১৬,৪৮৩,৪৯৭	১৪,৬২২,৪৪৮
বিক্রিত পণ্যের ব্যয়	(৯,১২৯,৩৫৬)	(৭,৫১৬,৪২১)
মোট লাভ	৭,৩৫৪,১৪১	৭,১০৬,০২৭
কর-পূর্ব মুনাফা	২,২৫৩,৫৬২	২,৪৫৪,০০৮
কর সঞ্চিতি	(৫২৬,১৪৬)	(৬২৪,০৮৫)
বিলম্বিত কর সঞ্চিতি	(৫৭,৪৮৮)	(২০,৭৩১)
কর-পরবর্তী মুনাফা	১,৬৬৯,৯২৮	১,৮০৯,১৯২
যোগ: পূর্ববর্তী বছরের অবন্টিত মুনাফা	৪,০২৪,২৪৮	৪,২৬৫,০১৩
অন্যান্য সম্মিলিত আয়/(ব্যয়)	-	(৩২,৫১৯)*
বিতরণকৃত লভ্যাংশ	-	(১,০৩১,৯০৮)
বিতরণযোগ্য মুনাফা	৫,৬৯৪,১৭৮	৫,০০৯,৭৭৮
প্রস্তাবিত লভ্যাংশ	(৪৬৩,৭৭৯)	(৯৮৫,৫৩০)
প্রস্তাবিত বোনাস শেয়ার	(১০৬,৮২১)	-
অবন্টিত মুনাফায় স্থানান্তর	৫,১২৩,৫৭৮	৪,০২৪,২৪৮
মৌলিক শেয়ার প্রতি আয় (টাকা)	৭২.০১	৭৮.০২
শেয়ার প্রতি নীট পরিচালন অর্থ প্রবাহ (টাকা)	৫৯.১৭	৮৩.১৭
শেয়ার প্রতি নীট সম্পদের মূল্য (টাকা)	২৬০.৯৫	২৩১.৪৪
মোট লাভের হার (%)	৪৪.৬২	৪৮.৬০
নীট কর-পরবর্তী মুনাফার হার (%)	১০.১৩	১২.৩৭

* গ্র্যাচুইটি তহবিলে পূর্বের চাকুরী জনিত ঘাটতির দায় সমন্বয়

৮. লভ্যাংশ:

উৎপাদন ক্ষমতা বৃদ্ধি এবং পণ্য ও ব্যবসায় বহুমুখীকরণের উদ্দেশ্যে কোম্পানি প্রচুর অর্থ বিনিয়োগ করেছে। এ সত্ত্বেও পরিচালনা পর্ষদ ২০১৭-২০১৮ সালের জন্য ১০০% (একশত শতাংশ) বোনাস শেয়ার অর্থাৎ রেকর্ড ডেটে ধারনকৃত প্রতিটি শেয়ারের জন্য একটি শেয়ার এবং ২০০% নগদ লভ্যাংশ অর্থাৎ ১০ টাকা মূল্যের প্রতিটি সাধারণ শেয়ারে ২০ টাকা নগদ লভ্যাংশ ঘোষণার সুপারিশ করেছেন। সাধারন তহবিল (টাকা ১০,০০০ হাজার), শেয়ার প্রিমিয়াম (টাকা ১১৫,০৬৮ হাজার) এবং অবন্টিত মুনাফা (টাকা ১০৬,৮২১ হাজার) ব্যবহার করে এই বোনাস শেয়ার (টাকা ২৩১,৮৮৯ হাজার) ইস্যু করা হবে।

৯. সামাজিক দায়বদ্ধতা

দায়িত্বশীল কর্পোরেট প্রতিষ্ঠান হিসেবে বার্জার বিভিন্ন সামাজিক কর্মকাণ্ডে অবদান রেখে চলেছে। আমাদের এই কর্মকাণ্ডসমূহের মধ্যে রয়েছে: অটিস্টিক শিশুদের কল্যাণে আর্থিক সহযোগিতা এবং অন্যান্য সেবা প্রদান (২০০৯ সাল থেকে); তরুণ শিল্পীদের উৎসাহ যোগাতে ২০১৭ সালে অনুষ্ঠিত ২২ তম বার্জার ইয়াং পেইন্টারস্ আর্ট কম্পিটিশন (বিওয়াইপিএসি); ৮ম বার্জার অ্যাওয়ার্ড ফর এক্সিলেন্স ইন আর্কিটেকচার এবং ২০১৭-২০১৮ সালেও বুয়েট এবং খুলনা বিশ্ববিদ্যালয়ের স্থাপত্য বিভাগের শিক্ষার্থীদের জন্য বিভিন্ন প্রতিযোগীতামূলক স্কলারশিপ প্রদান অব্যাহত ছিলো। এছাড়াও বিভিন্ন প্রতিষ্ঠানের শিক্ষার্থীদেরকে বাস্তব জ্ঞান লাভে সহযোগিতার উদ্দেশ্যে বার্জার পেইন্টস্ ইন্টার্নশিপ-এর সুযোগ দিয়ে থাকে। এর ফলে, তারা ব্যবসায়িক পরিমণ্ডল সম্পর্কে বাস্তব জ্ঞান লাভের পাশাপাশি ভবিষ্যৎ নেতৃত্ব গ্রহণের জন্য উপযুক্ত হয়ে ওঠে। এই সকল পদক্ষেপের মাধ্যমে বার্জার পেইন্টস্ সমাজে ইতিবাচক প্রভাব বিস্তারের পাশাপাশি গণমাধ্যমেও বেশ সাড়া জাগিয়েছে।

১০. জাতীয় কোষাগারে অবদান

আবগারী শুল্ক, আয়কর, মূল্য সংযোজন কর এবং সম্পূরক শুল্ক বাবদ এ বছর কোম্পানি জাতীয় কোষাগারে প্রায় ৪২৯ কোটি ৮৫ লক্ষ ৫০ হাজার টাকা প্রদান করেছে।

১১. সাবসিডিয়ারি কোম্পানি:

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

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

১২. পরিচালক নির্বাচন:

ক) সংঘবিধির ১১১ অনুচ্ছেদে প্রদত্ত ক্ষমতাবলে পরিচালনা পর্ষদ ৯ অক্টোবর ২০১৭ তারিখের সভায় জেএন্ডএন ইনভেস্টমেন্টস্ (এশিয়া) লিমিটেডের মনোনয়ন অনুসারে জনাব অভিজিৎ রয়কে পরিচালক নিয়োগ করে। কোম্পানি আইন ১৯৯৪ এর ধারা ৯১(১)(খ) অনুসারে জনাব অভিজিৎ রয়কে নির্বাচনের জন্য পেশ করা হলো। কোম্পানি আইন ১৯৯৪ এর ধারা ৯৩ অনুসারে জনাব অভিজিৎ রয় পরিচালক পদে দায়িত্ব পালনে সম্মতি জ্ঞাপন করেছেন। কোম্পানির ৯৫% শেয়ারধারী জেএন্ডএন ইনভেস্টমেন্টস্ (এশিয়া) লিমিটেডের মনোনিত জনাব অভিজিৎ রয়কে পরিচালক হিসাবে নির্বাচিত করা যেতে পারে।

খ) সংঘবিধির ১২১ ও ১২২ অনুচ্ছেদ অনুসারে জনাব জেরাল্ড কে এ্যাডামস্, জনাব অনীল ভাল্লা, জনাব জাঁ-ক্লদ লুত্রই এবং জনাব আব্দুল খালেক অবসর গ্রহণ করেছেন এবং যোগ্য বিধায় পুনর্নির্বাচিত হওয়ার ইচ্ছা পোষণ করেছেন।

পরিচালনা পর্ষদ এসকল নির্বাচন/পুনর্নির্বাচনের সুপারিশ করেন।

১৩. নিরীক্ষক নিয়োগ

মেসার্স হোদা ভাসী চৌধুরী এন্ড কোং চার্টার্ড অ্যাকাউন্ট্যান্টস্ নিরীক্ষক পদ হতে আসন্ন বার্ষিক সাধারণ সভার শেষে অবসর গ্রহণ করবেন এবং কোম্পানি আইন ১৯৯৪ এর ধারা ১১০ ও বাংলাদেশ সিকিউরিটি এক্সচেঞ্জ কমিশনের আদেশ নং এসইসি/সিএমআরআরসিডি/২০০৯-১৯৩/১০৪/অ্যাডমিন তারিখ ২৭ জুলাই ২০১১ অনুসারে এবং পুনঃ নিয়োগের যোগ্য নন বিধায় পরিচালনা পর্ষদ মেসার্স এ.কাশেম এন্ড কোং চার্টার্ড অ্যাকাউন্ট্যান্টস্কে নিয়োগের জন্য সুপারিশ করেছেন।

১৪. কর্পোরেট সুশাসন

বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশনের নোটিফিকেশন নং- এসইসি/সিএমআরসিডি/২০০৬-১৫৮/১৩৪/অ্যাডমিন/৪ তারিখ ৭ আগস্ট ২০১২ অনুসারে প্রয়োজনীয় ঘোষণা ও প্রতিবেদনসমূহ সংযুক্তি ১, ২, ৩, ৪ ও ৫ আকারে এ প্রতিবেদনের সাথে সংযুক্ত হলো।

১৫. মানব সম্পদ

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

১৬. ব্যবস্থাপনা কর্তৃপক্ষের স্বীকৃতি

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

পরিচালনা পর্ষদের পক্ষ থেকে,

জেরাল্ড কে. এ্যাডামস্
সভাপতি
২১ মে ২০১৮

AUDITORS' REPORT

AND AUDITED FINANCIAL STATEMENTS

AMIROCK

বার্জার পেইন্টস্ বাংলাদেশ লিমিটেড-এর শেয়ারহোল্ডারদের প্রতি নিরীক্ষকের প্রতিবেদন

আর্থিক বিবরণীসমূহের উপর প্রতিবেদন

আমরা বার্জার পেইন্টস্ বাংলাদেশ লিমিটেড-এর আর্থিক বিবরণীসমূহ নিরীক্ষা করেছি যার মধ্যে রয়েছে ৩১ মার্চ ২০১৮ তারিখের আর্থিক অবস্থার বিবরণী, উক্ত তারিখে সমাপ্ত বছরের জন্য লাভ ও ক্ষতি এবং অন্যান্য সম্মিলিত আয়ের বিবরণী, মালিকানা স্বত্বের পরিবর্তন বিবরণী, নগদ অর্থপ্রবাহ বিবরণী এবং গুরুত্বপূর্ণ হিসাবরক্ষণ নীতির সারাংশ এবং অন্যান্য ব্যাখ্যামূলক তথ্য।

আর্থিক বিবরণীতে ব্যবস্থাপনা কর্তৃপক্ষের দায়িত্ব

বাংলাদেশ ফাইন্যান্সিয়াল রিপোর্টিং স্ট্যান্ডার্ডস (বিএফআরএস), বাংলাদেশ অ্যাকাউন্টিং স্ট্যান্ডার্ডস (বিএএস), কোম্পানি আইন (#১৮) ১৯৯৪, সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ বিধিমালা ১৯৮৭ এবং অন্যান্য আইন ও বিধানের সাথে সঙ্গতি রেখে এসব আর্থিক বিবরণী প্রস্তুতকরণ ও সুষ্ঠুভাবে উপস্থাপন ব্যবস্থাপনা কর্তৃপক্ষের দায়িত্ব। এছাড়াও ব্যবস্থাপনা কর্তৃপক্ষ অভ্যন্তরীণ নিয়ন্ত্রণের মাধ্যমে বস্তুগত ত্রুটি-বিচ্যুতি মুক্ত আর্থিক বিবরণী উপস্থাপনা নিশ্চিত করে।

নিরীক্ষকের দায়িত্ব

আমাদের দায়িত্ব হচ্ছে, আমাদের নিরীক্ষার উপর ভিত্তি করে এই আর্থিক প্রতিবেদনের উপর মতামত প্রকাশ করা। আমাদের এই নিরীক্ষা বাংলাদেশ স্ট্যান্ডার্ডস অন অডিটিং (বিএসএ)-এর নীতিমালা অনুসারে পরিচালনা করা হয়েছে। এ নীতিমালা অনুসারে আমাদেরকে সংশ্লিষ্ট নৈতিক শর্তসমূহ মেনে চলতে হয় এবং আর্থিক বিবরণীসমূহ বস্তুগত অসঙ্গতি থেকে মুক্ত কিনা সেই মর্মে যৌক্তিক নিশ্চয়তা অর্জনের লক্ষ্যে নিরীক্ষা পরিকল্পনা ও পরিচালনা করতে হয়।

একটি নিরীক্ষার প্রধান কার্যাবলির মধ্যে রয়েছে আর্থিক প্রতিবেদনের অর্থের অংক সংক্রান্ত উপাত্ত ও ব্যাখ্যাসমূহের যথেষ্ট প্রমাণাদি সংগ্রহ করা। নিরীক্ষায় কোন কার্যপদ্ধতি অনুসরণ করা হবে তা নির্ভর করে আমাদের বিচার-বিবেচনার ওপর এবং সেই সাথে আর্থিক বিবরণীসমূহে প্রতারণা বা ভুলের কারণে সৃষ্ট কোন বস্তুগত অসঙ্গতির ঝুঁকি মূল্যায়নের উপর। এ সকল ঝুঁকি নির্ধারণের ক্ষেত্রে আমরা কোম্পানির আর্থিক প্রতিবেদন প্রস্তুতকরণ ও উপস্থাপনের জন্য প্রাসঙ্গিক অভ্যন্তরীণ নিয়ন্ত্রণ বিবেচনা করি, যা আমাদের পরিস্থিতির উপর নির্ভর করে নিরীক্ষার পন্থা নির্বাচনের ক্ষেত্রেও সহযোগিতা করে। তবে এক্ষেত্রে অভ্যন্তরীণ নিয়ন্ত্রণের যথার্থতা নিয়ে মতামত প্রকাশ করা এর উদ্দেশ্য নয়। নিরীক্ষায়, হিসাবরক্ষণে ব্যবহৃত পন্থাসমূহের যথার্থতা এবং ব্যবস্থাপনা কর্তৃক নির্ধারিত আনুমানিকতার যৌক্তিক অংশসমূহ নিশ্চিত করা হয় এবং আর্থিক প্রতিবেদনের প্রকাশনার মানদণ্ড বিচার করা হয়।

আমরা বিশ্বাস করি, আমরা যেসব নিরীক্ষা প্রমাণাদি পেয়েছি সেগুলা আমাদের নিরীক্ষা মতামতের ভিত্তি গঠনে যথেষ্ট ও যথার্থ।

মতামত

আমাদের মতে, আর্থিক বিবরণীসমূহ বাংলাদেশ ফাইন্যান্সিয়াল রিপোর্টিং স্ট্যান্ডার্ডস (বিএফআরএস), বাংলাদেশ অ্যাকাউন্টিং স্ট্যান্ডার্ডস (বিএএস), কোম্পানি আইন (#১৮) ১৯৯৪, সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ বিধিমালা ১৯৮৭ এবং অন্যান্য আইন ও বিধান অনুযায়ী ৩১ মার্চ ২০১৭ তারিখে কোম্পানির আর্থিক অবস্থা এবং সেই তারিখে সমাপ্ত ১৫ মাসের জন্য লাভ ও ক্ষতি এবং অন্যান্য সম্মিলিত আয় ও নগদ অর্থপ্রবাহের সত্য ও নিরপেক্ষ চিত্র প্রদান করে।

কোম্পানি আইন ১৯৯৪ এবং সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ বিধিমালা ১৯৮৭ অনুযায়ী আমরা আরো উল্লেখ করছি যে–

ক) আমাদের জানামতে এই নিরীক্ষাকার্যের জন্য প্রয়োজনীয় যাবতীয় তথ্যাদি ও ব্যাখ্যাসমূহ আমরা পেয়েছি এবং যথাযথভাবে যাচাই করেছি,

খ) আমাদের অভিমত ও পরীক্ষণ অনুযায়ী, কোম্পানি কর্তৃক হিসাবরক্ষণের জন্য আইন অনুযায়ী যথাযথ বই সংরক্ষণ করা হয়ে থাকে,

গ) কোম্পানির আর্থিক অবস্থার বিবরণী এবং লাভ-ক্ষতি ও অন্যান্য বিশদ আয়ের বিবরণী হিসাবরক্ষণ বইয়ের সাথে সঙ্গতিপূর্ণ, এবং

ঘ) যাবতীয় ব্যয় সংঘটিত হয়েছে কোম্পানির ব্যবসায়িক উদ্দেশ্যে।

ঢাকা, ২১ মে ২০১৮

হোদা ভাসী চৌধুরী এন্ড কোং
চার্টার্ড অ্যাকাউন্ট্যান্টস্

বার্জার পেইন্টস্ বাংলাদেশ লিমিটেড
আর্থিক অবস্থার বিবরণী

টাকা '০০০	টীকা	৩১ মার্চ ২০১৮	২০১৭
সম্পদ			
সম্পত্তি, কারখানা ও যন্ত্রপাতি	৩	৩,২৩০,৯২১	২,৫১৫,৫৫৬
প্রক্রিয়াধীন মূলধন	৪	১১০,৮৯২	৩৩৮,৩৭২
অস্পর্শনীয় সম্পদ	৫	৮৯,৯০৭	৮৮,৭৯৬
		৩,৪৩১,৭২০	**২,৯৪২,৭২৪**
বিনিয়োগ–ক্রয়মূল্যে	৬	৮৯,৩০০	৮৯,৩০০
মোট স্থায়ী সম্পদ		**৩,৫২১,০২০**	**৩,০৩২,০২৪**
মজুদ	৭	২,২৫০,৬০১	১,৯১৬,২৮৮
বিবিধ দেনাদার	৮	১,৫৮০,০৪৮	১,০৯১,৫৫৩
অগ্রিম, জামানত ও আগাম প্রদান	৯	৪০০,৪১৪	৩২৪,৬৬৪
মেয়াদী জমা	১০	১৫০,০০০	১,৪৫০,০০০
নগদ অর্থ ও সদৃশ সম্পদ	১০	১,০১৭,৮৩৮	৪৯৭,৭৭৪
আন্ত: কোম্পানি পাওনা	১১	৭৪,২৯৪	১২৫,৫২৩
মোট চলতি সম্পদ		**৫,৪৭৩,১৯৫**	**৫,৪০৫,৮০২**
মোট সম্পদ		**৮,৯৯৪,২১৫**	**৮,৪৩৭,৮২৬**
মালিকানা স্বত্ব ও দায় সমূহ			
শেয়ার মূলধন	১২.২	২৩১,৮৮৯	২৩১,৮৮৯
শেয়ার প্রিমিয়াম	১৩	১১৫,০৬৮	১১৫,০৬৮
সাধারণ তহবিল		১০,০০০	১০,০০০
অবণ্টিত মুনাফা	১৪	৫,৬৯৪,১৭৮	৫,০০৯,৭৭৮
মোট মালিকানা স্বত্ব		**৬,০৫১,১৩৫**	**৫,৩৬৬,৭৩৫**
বিলম্বিত কর	১৫	২৩৬,৯৮৯	১৭৯,৫০১
মোট দীর্ঘমেয়াদী দায়		**২৩৬,৯৮৯**	**১৭৯,৫০১**
ব্যাংক জমাতিরিক্ত ও স্বল্প মেয়াদী ঋণ	১৬	৫২,৬০৮	৩১৮,৪৫০
বিবিধ পাওনাদার	১৭	২,৪২৮,৫৫৯	২,০৮০,৮১২
রয়্যালটি সঞ্চিতি	১৮	২১৫,৪৫৫	২১৯,০৩২
আয়কর সঞ্চিতি	১৯	(২৭,৮৪৩)	২০০,৯১৩
কর্মচারীদের অবসর গ্রাচ্যুইটি	২০	২৮,৫২৩	৬৩,৯৩০
অদাবিকৃত লভ্যাংশ		৮,৬৪২	৮,৩০৬
অদাবিকৃত শেয়ার আবেদনের অর্থ	২১	১৪৭	১৪৭
মোট চলতি দায়		**২,৭০৬,০৯১**	**২,৮৯১,৫৯০**
মোট দায়		**২,৯৪৩,০৮০**	**৩,০৭১,০৯১**
মোট মালিকানা স্বত্ব ও দায় সমূহ		**৮,৯৯৪,২১৫**	**৮,৪৩৭,৮২৬**
সম্ভাব্য দায়	২২	৫৭৪,২৭৩	৫৯৩,১৫৯
শেয়ার প্রতি নিট সম্পদ মূল্য	টাকা	**২৬০.৯৫**	**২৩১.৪৪**

সংযুক্ত টীকা নং ১ থেকে ৪৩ এবং সংযুক্তি-এ এই আর্থিক প্রতিবেদনসমূহের অবিচ্ছেদ্য অংশ

ব্যবস্থাপনা পরিচালক | পরিচালক ও সিএফও | কোম্পানি সচিব

নিরীক্ষকের প্রতিবেদন
আমাদের একই তারিখের প্রতিবেদন অনুসারে

হোদা ভাসী চৌধুরী এন্ড কোং
চার্টার্ড অ্যাকাউন্ট্যান্টস্

ঢাকা, ২১ মে ২০১৮

বার্জার পেইন্টস্ বাংলাদেশ লিমিটেড
লাভ ও ক্ষতি এবং অন্যান্য সম্মিলিত আয়ের বিবরণী

টাকা '০০০	টীকা	৩১ মার্চ ২০১৮ তারিখে সমাপ্ত বছরের জন্য	৩১ মার্চ ২০১৭ তারিখে সমাপ্ত বছরের জন্য
নিট বিক্রয়	২৩	১৬,৪৮৩,৪৯৭	১৪,৬২২,৪৪৮
বিক্রিত পণ্যের ব্যয়	২৪	(৯,১২৯,৩৫৬)	(৭,৫১৬,৪২১)
মোট লাভ		**৭,৩৫৪,১৪১**	**৭,১০৬,০২৭**
বিক্রয়, বিতরণ ও সংরক্ষণ ব্যয়	২৫	(৪,৬২৮,২২৯)	(৪,১৬১,৫৫৯)
প্রশাসনিক ব্যয় ও সাধারণ খরচ	২৬	(৪৮৮,৫৬২)	(৪৯৭,০৬৪)
অন্যান্য পরিচালন ব্যয়	২৭	(৮৮,৮০৪)	(১০৮,০৯২)
অন্যান্য পরিচালন আয়	২৮	১৭৭,৯৫৫	১৪২,৯৮২
		(৫,০২৭,৬৪০)	**(৪,৬২৩,৭৩৩)**
পরিচালন মুনাফা		**২,৩২৬,৫০১**	**২,৪৮২,২৯৪**
ঋণ জনিত ব্যয়	২৯	(৭,০৯০)	(৪,৮৮৭)
বিনিয়োগ হতে আয়	৩০	৪৫,২১৪	৯২,৪৬৮
নিট আর্থিক আয়		**৩৮,১২৪**	**৮৭,৫৮১**
অন্যান্য পরিচালন বহির্ভূত আয়	৩১	৭,১৭০	১২,৬২৬
ডব্লিউপিপিএফ ও আয়করপূর্ব মুনাফা		**২,৩৭১,৭৯৫**	**২,৫৮২,৫০১**
মুনাফায় শ্রমিকের অংশ (ডব্লিউপিপিএফ)	২.১৭ (iii) ও ১৭.১	(১১৮,২৩১)	(১২৮,৪৯৩)
আয়করপূর্ব মুনাফা		**২,২৫৩,৫৬৪**	**২,৪৫৪,০০৮**
আয়কর	২.১৮ ও ১৯	(৫২৬,১৪৬)	(৬২৪,০৮৫)
বিলম্বিত কর	২.১৮ ও ১৫.১	(৫৭,৪৮৮)	(২০,৭৩১)
		(৫৮৩,৬৩৪)	**(৬৪৪,৮১৬)**
নিট লাভ		**১,৬৬৯,৯৩০**	**১,৮০৯,১৯২**
অন্যান্য সম্মিলিত আয়	৩২	-	**(৩২,৫১৯)**
সর্বমোট সম্মিলিত আয়		**১,৬৬৯,৯৩০**	**১,৭৭৬,৬৭৩**
শেয়ার প্রতি আয় (টাকা)	৪০	**৭২.০১**	**৭৮.০২**

সংযুক্ত টীকা নং ১ থেকে ৪৩ এবং সংযুক্তি-এ এই আর্থিক প্রতিবেদনসমূহের অবিচ্ছেদ্য অংশ

ব্যবস্থাপনা পরিচালক | পরিচালক ও সিএফও | কোম্পানি সচিব

নিরীক্ষকের প্রতিবেদন
আমাদের একই তারিখের প্রতিবেদন অনুসারে

হোদা ভাসী চৌধুরী এন্ড কোং
চার্টার্ড অ্যাকাউন্ট্যান্টস্

ঢাকা, ২১ মে ২০১৮

বার্জার পেইন্টস্ বাংলাদেশ লিমিটেড
মালিকানা স্বত্বের পরিবর্তন বিবরণী

৩১ মার্চ ২০১৮ তারিখে সমাপ্ত বছরের জন্য

টাকা '০০০

বিবরণ	শেয়ার মূলধন	সাধারণ তহবিল	শেয়ার প্রিমিয়াম	অবণ্টিত মুনাফা	মোট
১ এপ্রিল, ২০১৬-এ স্থিতি	২৩১,৮৮৯	১০,০০০	১১৫,০৬৮	৪,২৬৫,০১৩	৪,৬২১,৯৭০
চলতি বছরের নিট লাভ	-	-	-	১,৮০৯,১৯২	১,৮০৯,১৯২
অন্যান্য সম্মিলিত ব্যয়				(৩২,৫১৯)	(৩২,৫১৯)
চলতি বছরে লভ্যাংশ বিতরণ	-	-	-	(১,০৩১,৯০৮)	(১,০৩১,৯০৮)
৩১ মার্চ, ২০১৭-এ স্থিতি	**২৩১,৮৮৯**	**১০,০০০**	**১১৫,০৬৮**	**৫,০০৯,৭৭৮**	**৫,৩৬৬,৭৩৫**

বিবরণ	শেয়ার মূলধন	সাধারণ তহবিল	শেয়ার প্রিমিয়াম	অবণ্টিত মুনাফা	মোট
১ এপ্রিল, ২০১৭-এ স্থিতি	২৩১,৮৮৯	১০,০০০	১১৫,০৬৮	৫,০০৯,৭৭৮	৫,৩৬৬,৭৩৫
চলতি বছরের নিট লাভ	-	-	-	১,৬৬৯,৯৩০	১,৬৬৯,৯৩০
অন্যান্য সম্মিলিত ব্যয়				-	-
চলতি বছরে লভ্যাংশ বিতরণ	-	-	-	(৯৮৫,৫৩০)	(৯৮৫,৫৩০)
৩১ মার্চ, ২০১৮-এ স্থিতি	**২৩১,৮৮৯**	**১০,০০০**	**১১৫,০৬৮**	**৫,৬৯৪,১৭৮**	**৬,০৫১,১৩৫**
টীকা	১২.২		১৩	১৪	

সংযুক্ত টীকা নং ১ থেকে ৪৩ এবং সংযুক্তি-এ এই আর্থিক প্রতিবেদনসমূহের অবিচ্ছেদ্য অংশ

ব্যবস্থাপনা পরিচালক | পরিচালক ও সিএফও | কোম্পানি সচিব

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বার্জার পেইন্টস্ বাংলাদেশ লিমিটেড
অর্থপ্রবাহ বিবরণী

টাকা '০০০	টীকা	৩১ মার্চ ২০১৮ তারিখে সমাপ্ত বছরের জন্য	৩১ মার্চ ২০১৭ তারিখে সমাপ্ত বছরের জন্য
পরিচালন কার্য খাতে অর্থপ্রবাহ (ক)			
ক্রেতাদের থেকে প্রাপ্ত অর্থ		১৫,৯৮১,০২৩	১৪,৫৪৫,৩৪৪
অন্যান্য পরিচালন কার্য থেকে প্রাপ্ত অর্থ		২৩০,০৫৮	২২২,০০৫
সরবরাহকারী ও কর্মচারীদের প্রদত্ত অর্থ		(১৪,০৮৪,১২৮)	(১২,১১১,০৭৪)
আয়কর পরিশোধ	১৯	(৭৫৪,৯০২)	(৭২৭,৬৪০)
পরিচালন কার্য খাতে নিট অর্থপ্রবাহ	৪০	**১,৩৭২,০৫১**	**১,৯২৮,৬৩৫**
বিনিয়োগ কার্যক্রম খাতে অর্থপ্রবাহ (খ)			
স্থায়ী সম্পদ ক্রয়	৩, ৪ ও ৫	(৯১০,১৬৪)	(৯৩৭,৩২৩)
জেএন্ডএনবিএল-এ বিনিয়োগ		-	-
স্থায়ী সম্পদ বিক্রয়	৩.৩	৯,২১৩	১৫,২৭৪
বিনিয়োগ কার্যক্রম খাতে নিট অর্থপ্রবাহ		**(৯০০,৯৫১)**	**(৯২২,০৪৯)**
আর্থিক কার্যক্রম খাতে অর্থপ্রবাহ (গ)			
লভ্যাংশ প্রদান		(৯৮৫,১৯৪)	(১,০৩১,৪৪৬)
আর্থিক কার্যক্রম খাতে নিট অর্থপ্রবাহ		**(৯৮৫,১৯৪)**	**(১,০৩১,৪৪৬)**
নগদ অর্থ ও ব্যাংকে জমার হ্রাস (ঘ) = (ক+খ+গ)		(৫১৪,০৯৪)	(২৪,৮৬০)
প্রারম্ভিক নগদ অর্থ ও সদৃশ সম্পদ (ঙ)		১,৬২৯,৩২৪	১,৬৫৪,১৮৪
বছরান্তে নগদ অর্থ ও সদৃশ সম্পদ (ঘ+ঙ)		**১,১১৫,২৩০**	**১,৬২৯,৩২৪**
নগদ অর্থ, ব্যাংকে জমা ও ব্যাংক জমাতিরিক্ত এর সমন্বয়:			
মেয়াদী জমা	১০.১	১৫০,০০০	১,৪৫০,০০০
নগদ অর্থ ও সদৃশ সম্পদ	১০.২	১,০১৭,৮৩৮	৪৯৭,৭৭৪
ব্যাংক জমাতিরিক্ত ও স্বল্প মেয়াদী ঋণ	১৬	(৫২,৬০৮)	(৩১৮,৪৫০)
বছরান্তে নগদ অর্থ ও সদৃশ সম্পদ		**১,১১৫,২৩০**	**১,৬২৯,৩২৪**

সংযুক্ত টীকা নং ১ থেকে ৪৩ এবং সংযুক্তি-এ এই আর্থিক প্রতিবেদনসমূহের অবিচ্ছেদ্য অংশ

ব্যবস্থাপনা পরিচালক | পরিচালক ও সিএফও | কোম্পানি সচিব

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SUBSIDIARY

COMPANY PROFILE

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Jenson & Nicholson (Bangladesh) Limited

Directors' Report

The Directors of Jenson & Nicholson (Bangladesh) Limited are pleased to present their 28th report for the year ended 31 March 2018 along with the Audited Financial Statements and the Auditors' Report thereon.

The income before tax of the company was Tk. 108,029 thousand against Tk. 120,843 thousand of the previous year. The company is gradually expanding customer base and diversifying product range.

During the period the company has invested for enhancement of production capacity and achieved certificate from SGS United Kingdom Ltd. for food grade safety in production process. The company received Food Safety System Certification 22000 (FSSC 22000) covering the requirements of ISO 22000:2005, ISO/IS 22002-4 and additional FSSC 22000 requirements on 1 August 2017. This certificate will give further mileage to the company in offering the best quality in food-grade product range.

In view of the above, the Board of Directors did not recommend any dividend for the year ended 31 March 2018.

The Directors retiring by rotation under Article 32 are Ms. Rishma Kaur and Mr. Abdul Khalek who, being eligible, offered themselves for re-election. The Board of Directors recommends their re-election.

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

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

On behalf of the Board,

Rupali Chowdhury
Managing Director
20 May 2018

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

Introduction

We have audited the accompanying financial statements of Jenson & Nicholson (Bangladesh) Limited (the Company) which comprise the statement of financial position as at 31 March 2018, 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 a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Accounting Standards (BAS), Bangladesh Financial Reporting Standards (BFRS), the Companies Act (#18) 1994 and other applicable laws and regulations. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we considered internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in their circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, give a true & fair view of the financial position of Jenson & Nicholson (Bangladesh) Limited as at 31 March 2018, its financial performance and cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRS), Bangladesh Accounting Standards (BAS), comply with the Companies Act (#18) 1994 and other applicable laws and regulations.

We also report that:

a) 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;

b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of these books;

c) the statement of financial position, 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.

Hoda Vasi Chy & Co

Hoda Vasi Chowdhury & Co.
Chartered Accountants

Dhaka, 20 May 2018

Jenson & Nicholson (Bangladesh) Limited
Statement of Financial Position

In Thousands Taka	As at 31 March 2018	2017
Assets		
Non- Current Assets		
Property, plant and equipment	447,286	403,154
Capital work-in-progress	1,815	9,832
Intangible assets	4,695	5,440
Total non- current assets	**453,796**	**418,426**
Current Assets		
Inventories	149,469	170,168
Trade & Other Receivables	17,034	10,147
Advances, deposits and prepayments	5,446	6,050
Advance tax	27,106	39,042
Cash and cash equivalent	23,987	10,664
Total current assets	**223,042**	**236,071**
Total Assets	**676,838**	**654,497**
Equity and Liabilities		
Share capital	50,100	50,100
Retained earnings	422,679	345,172
	472,779	**395,272**
Non-current Liabilities		
Deferred tax liabilities	72,365	70,710
Total non-current liabilities	**72,365**	**70,710**
Current Liabilities		
Inter-company payable	65,695	124,643
Trade and other payables	53,391	53,505
Employees' retirement gratuity	12,608	10,367
Total current liabilities	**131,694**	**188,515**
Total Liabilities	**204,059**	**259,225**
Total equity and liabilities	**676,838**	**654,497**
Contingent Liabilities	**94,497**	**59,928**

Managing Director | Director & CFO | Company Secretary

Independent Auditors' Report
As per our report of same date

Hoda Vasi Chowdhury & Co.
Chartered Accountants

Dhaka, 20 May 2018

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Jenson & Nicholson (Bangladesh) Limited
Statement of Profit or Loss and Other Comprehensive Income

In Thousands Taka	For the year ended 31 March 2018	2017
Revenue	570,657	530,846
Cost of sales	(423,356)	(371,912)
Gross profit	**147,301**	**158,934**
Expenses		
Warehouse and distribution	(21,975)	(14,811)
Administrative	(28,771)	(28,521)
Other operating income-net	24,956	18,965
	(25,790)	(24,367)
Profit from operation	**121,511**	**134,567**
Service charges	(2,250)	(2,000)
Financial charges	(5,546)	(5,364)
	(7,796)	(7,364)
Other non-operating income	-	-
Profit before WPPF and tax	**113,715**	**127,203**
Workers' profit participation and welfare fund	(5,686)	(6,360)
Income before tax	**108,029**	**120,843**
Provision for current tax	(28,866)	(35,454)
Provision for deferred tax	(1,655)	(14,917)
	(30,521)	**(50,371)**
Net Income for the year	**77,508**	**70,472**

Managing Director

Director & CFO

Company Secretary

Independent Auditors' Report
As per our report of same date

Hoda Vasi Chowdhury & Co.
Chartered Accountants

Dhaka, 20 May 2018

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Jenson & Nicholson (Bangladesh) Limited
Statement of Cash Flows

In Thousands Taka	For the year ended 31 March 2018	2017
Cash flows from Operating Activities (A)		
Cash received from customers	563,770	531,077
Cash received from other operating income	24,956	18,965
Cash paid to suppliers and employees	(469,842)	(398,726)
Payment of interest	(5,546)	(5,364)
Income tax paid	(16,930)	(41,126)
Net cash from operating activites	**96,408**	**104,826**
Cash flows from Investing Activities (B)		
Capital expenditures	(83,085)	(96,173)
Proceeds from sale of assets	-	-
Net cash used in investing activities	**(83,085)**	**(96,173)**
Cash flows from Financing Activities (C)		
Increase of share capital	-	-
Dividend paid	-	-
Net cash used in financing activities	-	-
(Decrease)/Increase in cash and bank balance (D)=(A+B+C)	13,323	8,653
Cash & cash equivalents at the beginning of the year (E)	10,664	2,011
Cash & cash equivalents at the end of the year (D + E)	**23,987**	**10,664**
These comprise the following		
Cash & Bank balances	23,987	10,664
Bank overdraft	-	-
	23,987	**10,664**

Managing Director | Director & CFO | Company Secretary

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EVENTS

Annual General Meeting 2017

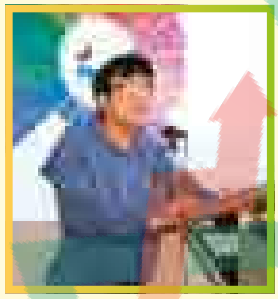


The 44th Annual General Meeting of Berger Paints Bangladesh Limited was held on July 16, 2017 at International Convention City Bashundhara, Dhaka. Gerald K. Adams, Chairman, Berger Paints Bangladesh Limited, presided over the meeting. Rupali Chowdhury, Managing Director, Berger Paints Bangladesh Limited, along with Directors Anil Bhalla, Jean-Claude Loutreuil, Anis A. Khan, Rishma Kaur, Abhijit Roy, Masud Khan and Abdul Khalek and Company Secretary Khandker Abu Jafar Sadique also attended the meeting. Total Dividend of Tk. 60 per ordinary share of Tk. 10 was declared for 2016-17 in the meeting.















New Products Launching



Berger Luxury Silk Metallic Finish

For the first time in Bangladesh, Berger Paints introduces Berger Luxury Silk Metallic Finish in 3 new and remarkably vibrant colors – Gold, Silver and Bronze, in 50 different shades.

These fascinating metallic colors can transform your rooms, offices or interior to glittering masterpieces. These amazing works of art will inspire any beholder to transform their own décor.

Berger Luxury Silk Metallic Finish is the best quality water based metallic finish coating for interior application. It combines the best aesthetic appeal of silk with glitter particles that can give your wall a sparkling outlook. A special broad spectrum of non-toxic and environment-friendly fungicide and biocide imparts strong antifungal properties of Luxury Silk Metallic Finish.

Berger Fireguard- Coating that saves lives!

For the first time in Bangladesh, Berger Paints introduces Berger Fireguard. It is an intumescent coating which is specially designed for passive fire protection against cellulosic fires in internal and external beams and columns made of structural steel. It protects structures for a certain period of time in case of fire and prevents premature collapse of steel buildings.



Berger WeatherCoat Coool

Berger Paints has introduced WeatherCoat Coool exterior emulsion with unique heat resistant feature. WeatherCoat Coool is specially designed for exterior surface with intelligent solar heat management that can reduce temperature in hot sunny days. WeatherCoat Coool contains innovative heat reflective pigment which absorbs minimum infrared rays with maximum reflection. The special reflective black pigment reflects 45% of sun rays whereas regular paint reflects 5% only. Its unique solar reflectivity, water resistant properties and resistance properties against fungi, algae and dampness make it an excellent durable coating. In addition, this paint retains color brightness for a long time as well as protecting against UV degradation and atmospheric pollution.



8th Berger Award for Excellence in Architecture 2017



The award ceremony of the 8th Berger Award for Excellence in Architecture (BAEA) was held on November 23, 2017 at the BICC, Dhaka. Rupali Chowdhury, Managing Director, Berger Paints, Ar. Kazi Golam Nasir, President, IAB and Award Coordinator of 8th BAEA, Ar. Shahnawaz Masud spoke at the program.

In the 8th BAEA, winners in the Single Residence Category are Ar. Nahas Ahmed Khalil, Ar. Razib Hassan Chowdhury and Ar. Mumtaheena Rifat Rubama (project- Guest Bungalow, LHTB). Under Multi Family Residence category, two projects won, one of those was City-wide Community Upgrading project, Jhinaidah by Ar. Suhailey Farzana, Ar. Khondaker Hasibul Kabir, Ar. Mahmuda Alam, Ar. Emarald Upoma Baidya and Ar. Rubaiya Nasrin and another project was Rizia Porompora by Ar. Asif Mohammad Ahsanul Haq and Ar. Arifa Akhter. In Culture/Conservation/Institutions category, Ar. Rafiq Azam received the award for the project- SA Family Graveyard; and Ar. Khandokar Mahfuz Alam was awarded for the project – Conservation of Egaro Shib Mandir. In Commercial/Mercantile category, Ar. Rashed Hasan Chowdhury, Ar. Sayedil Ashrafin and Ar. Emon Mahbub Chowdhury received award for the project- Ajo Idea Space. Ar. Lutfullahil Majid was awarded for the project – Amber Denim Mosque under Young Architect category. In the 8th BAEA program, eminent Architect Bashirul Haq was honored with the lifetime achievement award. An exhibition displaying the participating projects of 8th BAEA was held at IAB Centre, Agargaon, Dhaka during December 1-4, 2017.

22nd Berger Young Painters' Art Competition 2017



The award ceremony for the 22nd Berger Young Painters' Art Competition was held on November 9, 2017, at the La-Vita Hall of Hotel Lakeshore in Gulshan-2.

This magnificent program began with a welcome speech by Mr. Mohsin Habib Chowdhury, Senior General Manager - Sales & Marketing, Berger Paints, followed by the words of Artist Mr. Monirul Islam, Chairman of Jury Committee and a speech by Ms. Rupali Chowdhury, Managing Director, Berger Paints.

The six winners of the 22nd BYPAC 2017 are Urmi Roy (1st), Zeba Faria (2nd), Mong Mong Sho (3rd), Sultana Sharmin (4th), Suraya Akter (5th) and Nowshin Tarannum (6th). Ms. Rupali Chowdhury handed over the crests and prize money to the winners and Mr. Monirul Islam provided the certificates in the program. Prominent artist, Mr. Mahmudul Haque was honored with lifetime Achievement Award.

The exhibition of the selected 40 paintings of BYPAC 2017, including the 6 winning artworks was held at Zainul Gallery (Gallery 1) from November 21-25, 2017.

Berger Award Program for The Students of Architecture, BUET (BASAB)



On October 25, 2017, the award ceremony of Berger Award Program for the Students of Architecture, BUET (BASAB) was held at the auditorium of Bangladesh University of Engineering and Technology (BUET). In the program, the awards for 2013-2014 and 2014-2015 sessions were handed over to the winners. Vice Chancellor of BUET, Prof. Dr. Saiful Islam and Ms. Rupali Chowdhury, Managing Director, Berger Paints delivered their valuable speeches on the occasion. Award Coordinator of BASAB, Dr. Nasreen Hossain and Head of Dept. of Architecture, BUET, Prof. Dr. Khandaker Shabbir Ahmed also spoke at the program.

Ms. Rupali Chowdhury handed over the certificates and Prof. Dr. Saiful Islam handed over the crests to the winners. The awards for 2013-2014 were handed over to 9 projects in the categories of Best Design, Portfolio & Promising Design and Travel Grant. Then the awards of 2015-2016 were handed over among a total of 8 projects.

After the award ceremony, an exhibition was inaugurated in the Plinth of department of Architecture, BUET, in which the participating projects were displayed.

Berger Paints and Fosroc International inked JV Agreement

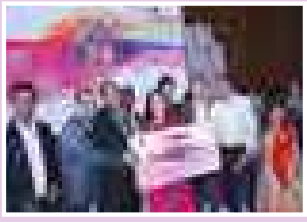


Berger Paints Bangladesh Ltd, market leader in Bangladesh Paints Industry and Fosroc International Ltd, a global leading company in the field of Construction Chemicals, have entered into a legally binding Joint Venture agreement signed on 31st January 2018 to setting up a new legal entity "Berger Fosroc Limited".

Rupali Chowdhury, Managing Director of Berger Paints and Ian Watt, Group CEO and Director, Fosroc International Limited signed the agreement on behalf of their respective organizations. The JV Agreement signing Ceremony was held at Le Meridian, Dhaka on January 31, 2018. Amir Hossain Amu, MP, Honorable Minister, Ministry of Industries, People's Republic of Bangladesh graced the program as Chief Guest. He thanked all concerned for initiating the JV and bringing FDI to Bangladesh and expected that this initiative would encourage others to invest also in Bangladesh. Her Excellency Alison Blake, the British High Commissioner was the Special Guest of the program. Dr. James Muir Hay, Chairman of JMH Group, Gerald K. Adams, Chairman, Berger Paints Fitriani Hasuf Hay, Chairman, Fosroc International and other Board members of Berger Paints & Fosroc International and other high officials were also present in this program.

This new entity is being formed, to service the Construction Chemicals market in Bangladesh, with an aim in providing a superior "constructive solution" for Durable, and Sustainable quality of Infrastructure projects in Bangladesh.

Berger Dealers' Night 2017



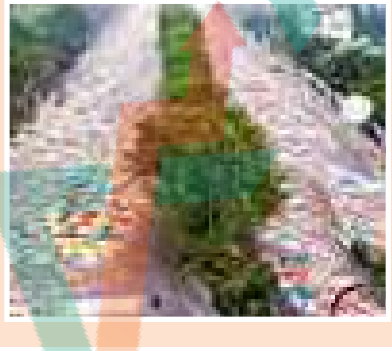


Berger Paints has successfully organized "Berger Dealers' Night 2017" on April 23, 2017 at Bangabandhu International Conference Center (BICC), Sher-E-Bangla Nagar, Dhaka. Valued dealers of Dhaka North, Dhaka South, Dhaka Central and Mymensingh participated in this event with their spouses. Their enthusiastic presence made the event more colorful. The entire BICC was decorated to greet the 1,300 participants.

The "Dealers' Night 2017" was inaugurated by honorable Managing Director, Ms. Rupali Chowdhury. GM Sales – Trade, Mr. Syed Salahuddin Abu Naser, GM– Marketing, Mr. A. K. M. Sadeque Nawaj and Senior GM – Sales & Marketing, Mr. Mohsin Habib Chowdhury shared their valuable words with the audience.

The cultural program included performances by prominent dancers, standup comedian and musical soiree by popular singers. The program was wrapped up with an exciting raffle draw round and dinner.

Celebration of Pohela Boishakh 1424



Berger Paints, in association with Banglalink, has sponsored the country's biggest ever Alpona Utshob, titled, "Alponay Bangladesh". The Alpona festival took place on the night of April 13, 2017, to welcome the Bengali new year – Pohela Boishakh 1424. Enthusiastic people from all walks of life attended the event at Manik Mia Avenue along with 5 divisional cities, which has taken this event into new heights. Berger Paints is proud to arrange painting of more than four lakh square feet of Alpona across the country.

Berger Paints has also arranged Berger Boishakhi Utshob 1424 at BUET and Alpona Utshob in eight educational institutions–BUP, State University, Shaheen College, Premier University Chittagong, RUET, Rajshahi University, Rangpur Medical College & Begum Rokeya University, Rangpur.

Berger signs MOU with Faculty of Fine Art, DU



Berger Paints Bangladesh Limited (BPBL) has undertaken an initiative to introduce an award program titled 'Berger Award for Students of Fine Art, University of Dhaka'. A five-year Memorandum of Understanding has been signed between Berger Paints Bangladesh Limited and Faculty of Fine Art, University of Dhaka on December 31, 2017.

Mr. Mohsin Habib Chowdhury, Senior General Manager - Sales & Marketing, Berger Paints and Professor Nisar Hossain, Dean, Faculty of Fine Art, DU signed the MOU on behalf of their respective organizations. Under this MOU, annual scholarships will be awarded to the students with the highest CGPAs in the Honors program under eight departments of the FFA, DU. In addition, an exhibition will be organized with the artworks of students with the highest CGPAs in the Honors program. The student creating the best artwork of the exhibition will be awarded 'Berger Student of the Year Award'. Mr. A.K.M. Sadeque Nawaj, General Manager - Marketing, BPBL, and Chairpersons of eight departments of Faculty of Fine Art, University of Dhaka, were also present at the MOU signing ceremony.

Contribution of Berger for specially challenged children and award ceremony & exhibition of art competition

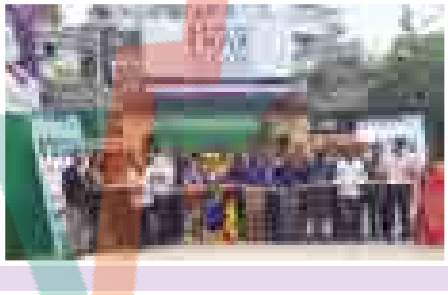
Berger Paints continues to extend its support for the welfare of autistic and specially challenged children since 2009. Recently, a program was organized at Drik Gallery, Dhanmondi, where financial grants were handed over to multiple welfare organizations and an award ceremony was held for the art competition for specially challenged children. A 3-day long exhibition of the participating artworks was also inaugurated on the occasion.



SEID Trust, Scholars Special School, Tauri Foundation, Society for the Welfare of Autistic Children, Autism Welfare Foundation, Concern Services for the Disabled, Community Development Centre and Nowzuan received contribution from Berger Paints.

Since 2011, Berger Paints has been organizing annual art competitions for specially challenged children. In the ceremony, Ms. Rupali Chowdhury handed over the crests and Mr. Mohsin Habib Chowdhury provided the prize money and certificates to the winners of the art competition. The winners are Mohammad Habib Sarker (1st), Mosammat Farzana (2nd), Koyel Krishna Bairagi (3rd) in Group A (6-10 years) and Rehin Al Shahib (1st), Sumaiya Tasnim Karim (2nd), Arman Hossain (3rd) in Group B (11-15 years).

New Home Décor Office opened in Narayanganj



A new Berger Home Decor branch was inaugurated in Narayanganj on August 30, 2017. Ms. Rupali Chowdhury, Managing Director, inaugurated the new branch. Mr. Mohsin Habib Chowdhury, Senior General Manager, Sales & Marketing and other high officials of Berger Paints were present on the occasion.

Berger wins Best Brand Award for the 7th consecutive time



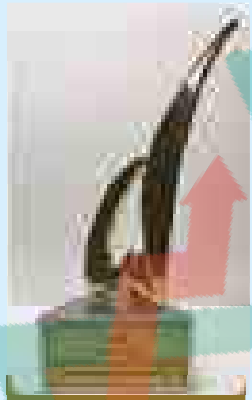
Berger Paints Bangladesh Limited has been awarded the "Best Paint Brand" in Paint Category for the 7th time consecutively. The award program, organized by Bangladesh Brand Forum (BBF) in collaboration with Kantar Millward Brown, has recognized the best brands across 33 categories. The award is based on the findings through a nation-wide survey based on MDS framework, which stands for – Meaningful, Different and Salient. The verdict represents entire nation in terms of age, gender, education, occupation, socio-economic class and income. The award was handed over in a grand ceremony at Le Méridien Dhaka on November 25, 2017.

Berger wins Top VAT Payer award

Berger Paints Bangladesh Limited has been awarded as one of the top VAT compliant companies in 'Manufacturing' category for the fiscal year 2015 - 2016. Ms. Rupali Chowdhury, Managing Director received this recognition on behalf of BPBL from the Finance Minister and Industries Minister at a function organized by the National Board of Revenue. Against an increased level of regulatory scrutiny and compliance expectations from the government, this award once again places BPBL at the forefront of responsible corporate citizen in the country.



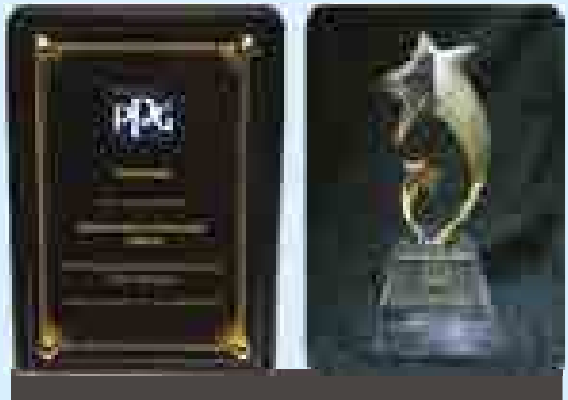
Awards and Recognitions



Gold Award for Best Jingle Robbialac (2016)



Gold Award for Best TVC Robbialac (2016)



PPG - The Best Sales Growth Performing Distributor in the Southeast Asia region

BERGER PAINTS BANGLADESH LIMITED

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

45th AGM

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 45th Annual General Meeting of the Company to be held on Tuesday, July 17, 2018 at 10 am at International Convention City (Pushpoguscho, Hall No.-2), Bashundhara, Joarshahara, Dhaka and at any adjournment thereof.

As witness my hand this day of ..... 2018.

Affix taka 20/- Revenue Stamp

(Signature of the Proxy)

Dated.....

(Signature of the Shareholder)

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

BERGER PAINTS BANGLADESH LIMITED

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

45th AGM

Member's Attendance Slip

I hereby record my attendance at the 45th Annual General Meeting being held on Tuesday, July 17, 2018 at 10 am at International Convention City (Pushpoguscho, Hall No.-2), Bashundhara, Joarshahara, Dhaka.

BO ID No: | | | | | | | | | | | | | | | | |

Name of the Member/Proxy .....

Signature .....

Date ..... 2018.

Note: Please present this slip at the Reception Desk

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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, Web: www.bergerbd.com

রঙ সংক্রান্ত যেকোন সমাধানে

ভিজিট করুন: BERGER HOME DECOR YOUR PAINT EXPERT

FREE CALL রঙ সংক্রান্ত যেকোন সমাধানে 08000-123456

www.bergerbd.com

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