Auditors' Report and Audited Financial Statements

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Berger Paints Bangladesh Limited (the Company) which comprise the statement of financial position as at 31 March 2021, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give true and fair view, in all material respects, of the financial position of the Company as at 31 March 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters (KAM)

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements for the year ended 31 March 2021. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

SL	Key Audit Matter	How our audit addressed the key audit matter
1	Revenue recognition (Refer to Note 2.21 (accounting policy) and note 24 to these Financial Statements)	
	The Company recognizes revenue when control of the goods is transferred to the customer at an amount that reflects the net consideration, which the Company expects to receive for those goods from customers. In determining the sales price, the Company considers the effect of rebates and discounts (variable consideration). During the year ended March 31, 2021 the Company has recognised revenues of BDT 16,669,802 thousand. The terms of sales agreements, including the timing of transfer of control, based on the terms of relevant contract and nature of discount and rebates arrangements, create complexities that requires judgement in determining sales revenues. Considering the above factors and the risk associated with revenue recognition, we have determined the same to be a key audit matter.	Our audit procedures included the following: 1) We read the Company's revenue recognition policy and assessed its compliance in terms of IFRS 15 'Revenue from contracts with customers'; 2) Performed sample tests of individual sales transactions and traced to sales invoices, sales orders and other related documents. In respect of the samples selected, we tested recognition of revenue based on underlying sales invoices, sales orders and other related documents; 3) We selected a sample of invoices on which rebates and discounts were given and obtained the rebates and discount schemes approved by the management. We noted the accounting of rebates and discounts by the Company for the selected sample; 4) Selected samples of sales transactions made pre and post year end, agreed the date of transfer of control for the selected sample by testing underlying documents including customers confirmation; and 5) Assessed the relevant disclosures made within the financial statements.

Main Office: Gulshan Pink City, Level: 7, Plot # 15, Road # 103, Gulshan, Dhaka-1212, Bangladesh; ☎ +880-2-8881824-6, aqasem@aqcbd.com
Chattogram Office: Faruk Mahal (3rd Floor), Plot # 93, Agrabad C/A, Chittagong-4100, Bangladesh; ☎ +880-31-715656, 718066, aqasemctg@aqcbd.com
Tax & Company Affairs Office: Ivory Krishnachura (5th Floor), 3/1-E, Purana Paltan, Dhaka-1000, Bangladesh; ☎ +880-2-9551103, 9584925, aqasemtax@aqcbd.com
AQC SINCE 1953

<table>
<tr><th>SL</th><th>Key Audit Matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>2</td><td colspan="2">Assessment of the appropriateness of the allowance for doubtful debt (Refer to Note 2.24 (accounting policy) and Note 9.1 to these Financial Statements)</td></tr>
<tr><td></td><td>Trade receivables comprises 11% of total assets in the statement of financial position.

The appropriateness of the allowance for doubtful debt is subjective due to the high degree of judgment applied by management in determining the impairment provision. Due to the COVID 19 conditions currently all over the world as well Bangladesh, it continues to put pressure on customers' ability to repay their outstanding account balances.

Management of the Company is continuously reviewing and assessing the need for keeping incremental amount in bad and doubtful debts under ECL method considering its business model.

Based on assessment, management has made necessary provision for bad and doubtful debts under ECL model to impair company's trade receivables.

Due to the significance of trade receivables and the related estimation uncertainty this is considered a key audit matter.</td><td>Our audit procedures included the following:

1) Evaluated the debtor's impairment methodology applied in the current year to the requirements of IFRS 9: Financial Instruments;

2) Analysed the methodology by comparing the prior year provision to the actual current year write downs;

3) Assessed key ratios which include cash collections, days outstanding, and delinquencies;

4) We considered changes in account strategy and assessed the impact on the allowance for doubtful debts; and

5) Assessed any changes in the economy and the impact on the collectability of trade receivables.</td></tr>
</table>

Other information included in the Company's March 31, 2021 Annual Report

Other information consists of the information included in the Company's March 31, 2021 Annual Report other than the financial statements and our auditor's report thereon. We obtained Director's Report, Management Discussion and Analysis, six years financial information, and Corporate Governance report prior to the date of our auditor's report, and we expect to obtain the remaining reports of the Annual Report after the date of our auditor's report. Management is responsible for the other information.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of the auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements of the Company in accordance with IFRSs, the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Company, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In accordance with the Companies Act 1994 and the Securities and Exchange Rules 1987, we also report the following:

i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;

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

iii) the statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account and returns; and

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

A. Qasem & Co.
Chartered Accountants
RJSC Firm Registration No.: PF 1015

Mohammad Motaleb Hossain FCA
Partner
Enrolment Number: 0950
DVC: 2108030950AS945783

Dhaka, 19 July 2021

AQC SINCE 1953

Berger Paints Bangladesh Limited
Statement of Financial Position

In Thousands Taka	Note (s)	As at 31 March 2021	2020
Property, plant and equipment	3	4,310,486	3,865,251
Capital work-in-progress	4	639,820	563,035
Right-of-use assets	5	572,586	629,221
Intangible assets	6	51,003	56,749
		5,573,895	**5,114,256**
Term deposit	11	100,000	-
Investment - at cost	7	157,943	93,343
Total non-current assets		**5,831,837**	**5,207,599**
Inventories	8	3,125,809	2,287,580
Trade and other receivables	9	1,712,435	1,619,002
Advances, deposits and prepayments	10	338,164	252,080
Cash and cash equivalents	12	4,099,907	3,373,100
Inter - company receivables	13	191,885	190,150
Total current assets		**9,468,201**	**7,721,912**
Total assets		**15,300,038**	**12,929,511**
Share capital	14	463,779	463,779
Retained earnings	15	9,426,987	8,244,378
Equity attributable to the Company's equity holders		**9,890,766**	**8,708,157**
Deferred tax liabilities	16	187,490	227,958
Lease obligations - non current portion	5	491,497	509,889
Total non-current liabilities		**678,987**	**737,847**
Lease obligations - current portion	5	76,420	61,816
Trade and other payables	17	4,008,948	2,797,815
Provision for royalty	18	296,768	285,397
Provision for current tax	19	338,522	325,941
Provision for employees' retirement gratuity	20	(2,540)	2,566
Unclaimed dividend	21	12,020	9,825
Liability for unclaimed IPO application money	22	147	147
Total current liabilities		**4,730,285**	**3,483,507**
Total liabilities		**5,409,272**	**4,221,354**
Total equity and liabilities		**15,300,038**	**12,929,511**
Contingent liabilities	23	**1,292,471**	**767,550**
Net asset value per share (Taka)	41	**213.26**	**187.77**

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

As per our report of same date.

A. Qasem & Co.
Chartered Accountants
RJSC Firm Registration No.: PF 1015

Mohammad Motaleb Hossain FCA Partner
Enrolment Number: 0950
DVC: 2108030950AS945783
Dhaka, 19 July 2021

Rupali Chowdhury, Managing Director

Sazzad Rahim Chowdhury, Director & Chief Financial Officer

Khandker Abu Jafar Sadique, Company Secretary

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

In Thousands Taka	Note (s)	For the Year Ended 31 March 2021	2020
Revenue-net	24	16,669,802	16,219,044
Cost of sales	25	(10,037,440)	(9,978,398)
Gross profit		**6,632,362**	**6,240,646**
Selling, distribution and warehousing expenses	26	(2,641,166)	(2,731,866)
Administrative and general expenses	27	(525,711)	(524,106)
Other operating expenses	28	(106,763)	(106,738)
Other operating income	29	176,347	178,329
		(3,097,293)	**(3,184,381)**
Operating income		**3,535,069**	**3,056,265**
Finance costs	30	(36,439)	(3,048)
Investment income	31	139,955	194,309
Net finance income		**103,516**	**191,261**
Other non-operating income	32	16,533	7,317
Income before WPPF and tax		**3,655,118**	**3,254,843**
Workers' profit participation and welfare fund		(182,756)	(162,376)
Income before tax		**3,472,362**	**3,092,467**
Current tax expenses	19	(964,614)	(814,470)
Deferred tax income	16.1	41,040	14,451
Income tax expenses	19.3	**(923,574)**	**(800,019)**
Net profit for the year		**2,548,788**	**2,292,448**
Other Comprehensive Income			
Actuarial gain/(loss) on defined benefit plan		2,540	-
Deferred tax impact on defined benefit plan		(572)	-
Total Other Comprehensive Income		**1,969**	**-**
Total comprehensive income		**2,550,757**	**2,292,448**
Basic earnings per share (Taka)	40	**54.96**	**49.43**
Diluted earnings per share (Taka)	40	**54.96**	**49.43**

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

As per our report of same date.

A. Qasem & Co.
Chartered Accountants
RJSC Firm Registration No.: PF 1015

Mohammad Motaleb Hossain FCA Partner
Enrolment Number: 0950
DVC: 2108030950AS945783
Dhaka, 19 July 2021

Rupali Chowdhury, Managing Director

Sazzad Rahim Chowdhury, Director & Chief Financial Officer

Khandker Abu Jafar Sadique, Company Secretary

Berger Paints Bangladesh Limited
Statement of Changes in Equity

For the year ended 31 March 2021

In Thousands Taka

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

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

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

Berger Paints Bangladesh Limited
Statement of Cash Flows

For the year ended 31 March 2021

In Thousands Taka	Note (s)	For the Year Ended 31 March 2021	2020
Cash flows from operating activities (A)			
Cash received from customers		16,560,236	16,280,267
Cash received from other operating income		176,347	178,329
Investment (Finance) income	31	133,745	177,608
Cash paid to suppliers and employees		(12,560,720)	(12,320,577)
Interest paid on lease obligations		(35,212)	(33,594)
Income tax paid	19	(952,032)	(680,739)
Net cash flows from operating activities	40	**3,322,364**	**3,601,294**
Cash flows from investing activities (B)			
Acquisition of property, plant and equipment, intangible assets and right-of-use assets	3, 4, 5 & 6	(1,032,634)	(911,853)
Other non-operating income	32	3,484	-
Investment in BFL	7.1	(64,600)	-
Investment (Finance) expenses		(701)	(3,636)
Dividend received	31	22,344	-
Term investment	11	(100,000)	-
Proceeds from disposal of assets	3.3	13,807	10,665
Net cash used in investing activities		**(1,158,300)**	**(904,824)**
Cash flows from financing activities (C)			
Dividend paid	21	(1,365,953)	(1,555,052)
Payment of lease liabilities		(70,778)	(62,286)
Net cash used in financing activities		**(1,436,731)**	**(1,617,338)**
Increase / (decrease) in cash and cash equivalents (D) = (A+B+C)		727,333	1,079,132
Exchange (gain)/loss (E)		(526)	588
Opening cash and cash equivalents (F)		3,373,100	2,293,380
Closing net cash and cash equivalents (D+E+F)		**4,099,907**	**3,373,100**

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

Berger Paints Bangladesh Limited
Notes to the Financial Statements
As at and for the year ended 31 March 2021

1 Company profile and overview of its operational activities

1.1 Legal form of the Company
"Berger Paints Bangladesh Limited (the Company) was incorporated under the Companies Act, 1994 on 6 June 1973 as a 'Private' company, limited by shares. Subsequently, the Company was converted to 'Public' company limited by shares through Extraordinary General Meeting held on 21 June 2005. The company is listed with Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) of Bangladesh from 27 December 2005 and 21 December 2005 respectively."

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

1.3 Description of the companies and nature of business

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

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

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

Berger Fosroc Limited
Berger Paints Bangladesh Limited also owns 50% shares of Berger Fosroc Limited – (BFL). Berger Fosroc Limited was incorporated on 19 April 2018 as a Private Limited Company under the Companies Act, 1994. This is a joint venture between Berger Paints Bangladesh Limited and Fosroc International Limited, United Kingdom. The address of the Company's registered office is Berger House, House - 8, Road - 2, Sector - 3, Uttara Model Town, Dhaka 1230. The company commenced its operation through trading with effect from 12 September 2018.

2 Summary of significant accounting policies

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

Statement of compliance
These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), the Companies Act 1994, the Securities and Exchange Rules 1987, relevant guidelines issued by the Bangladesh Securities and Exchange Commission, Financial Reporting Act, 2015 and other applicable laws in Bangladesh.

The title and format of these financial statements follow the requirements of IFRS which are to some extent different from the requirement of the Companies Act 1994. However, such differences are not material and in the view of management, IFRS titles and format give better presentation to the shareholders.

Authorization for issue
These financial statements have been authorized for issue by the Board of Directors of the Company on 19 July 2021.

2.1 Basis of preparation and presentation of the financial statements

The financial statements have been prepared and the disclosures of information are made in accordance with the International Financial Reporting Standards (IFRS), the Companies Act, 1994 and Bangladesh Securities and Exchange Rules 1987 and other applicable laws in Bangladesh. The statement of financial position and statement of profit or loss and other comprehensive income have been prepared according to International Accounting Standards (IAS) 1 Presentation of Financial Statements on accrual basis of accounting following going concern assumption under generally accepted accounting principles and practices in Bangladesh and statement of cash flows is prepared according to IAS 7 Statement of Cash Flows and has been presented under direct method as required by the Bangladesh Securities and Exchange Rules 1987.

2.2 COVID-19 impact to preparation of financial statements

The global outbreak of Corona Virus (COVID-19) has reached Bangladesh in mid-March 2020. There was movement restrictions in part of the accounting period, but did not have significant impact on the company's performance. As the outbreak continues to evolve, it is challenging at this juncture, to predict the full extent and duration of its impact on business and economy. Consequently, these circumstances may present entities with challenges when preparing financial statements as per IFRS. In this report, the company has assessed the impact of COVID-19 upon different aspects of the business. The guideline issued by the ICAB "POTENTIAL COVID-19 IMPACT ON FINANCIAL REPORTING AND AUDITING", IAS 10 and other relevant standards are considered while preparing this report.

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

i. Going concern assessment

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

In 2020-21, the company has gone through the challenges of COVID-19 and achieved sales and profitability growth over the previous year. The company expects to continue this growth trend in future years. Even after considering the current crisis situation the forecasted sales for the year ended 31 March 2022 is higher than the current year sales. It indicates that the company will be able to maintain strong market share in next year, even better than the current year.

ii. Events after the reporting period

The financial statements for the year ended 31 March 2021 has not been directly impacted due to COVID- 19. Most of the activities (financial and non-financial) have already been completed and no subsequent impact has been done yet, e.g. revenue is recognized properly, inventory is received and recorded on time and other transactions are made by complying the matching concept and cut-off test.

iii. Fair value measurement

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

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

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

iv. Impairment assessment

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

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

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

2.3 Basis of measurement

These financial statements have been prepared on historical cost basis except for inventories which are measured at lower of cost and net realizable value.

2.4 Principal accounting policies

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

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

2.5 Application of standards

The following IASs and IFRSs are applicable for the preparation of financial statements for the period under review.

IAS 1	Presentation of financial statements
IAS 2	Inventories
IAS 7	Statement of cash flows
IAS 8	Accounting policies, changes in accounting estimates and errors
IAS 10	Events after the reporting period
IAS 12	Income taxes
IAS 16	Property, plant and equipment
IAS 19	Employee benefits
IAS 21	The effects of changes in foreign exchange rates
IAS 23	Borrowing costs
IAS 24	Related party disclosures

IAS 28	Investments in associates
IAS 33	Earnings per share
IAS 36	Impairment of assets
IAS 37	Provisions, contingent liabilities and contingent assets
IAS 38	Intangible assets
IFRS 3	Business combinations
IFRS 7	Financial Instruments, disclosures
IFRS 8	Operating segments
IFRS 9	Financial Instruments
IFRS 10	Consolidated financial statements
IFRS 15	Revenue from Contract with Customers
IFRS 16	Leases

2.6 Use of estimates and judgments

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

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

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

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

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

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

Note : 3.1	Depreciation
Note : 5.1	Amortization
Note : 9	Trade and other receivables
Note : 17	Trade and other payables
Note : 19	Provision for current tax
Note : 20	Provision for employees retirement gratuity

2.7 Reporting period

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

2.8 Going concern

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

2.9 Functional and presentational currency and level of precision

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

2.10 Previous period's figures and phrases

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

2.11 Property, plant and equipment

i. Recognition and measurement

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

ii. Subsequent costs

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

iii. Depreciation of property, plant & equipment

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

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

The depreciation rate(s) are as follows:

Category of property, plant and equipment	Rate (%)
Long lease hold land:	
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.

2.12 Capital work-in-progress

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

2.13 Lease

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

i. IFRS 16: Leases

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

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

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

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

ii. Definition of a lease

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

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

As a lessee

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

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

Application of Leases

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

2.14 Intangible assets

Intangible assets includes Software and Trademarks

i. Recognition and measurement

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

a. it is probable that future economic benefits that are attributable to the asset will flow to the entity; and
b. the cost of the asset can be measured reliably.

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

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

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

ii. Subsequent costs

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

iii. Amortization

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

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

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

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

iv. Derecognition

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

2.15 Inventories

i. Recognition and measurement

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

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

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

ii. Inventory write off

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

iii. Goods in transit (GIT)

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

2.16 Financial instruments

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

a. Financial assets

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

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

i. Investment in associate

Investment in associate is recognized initially at cost.

ii. Trade and other receivables

Trade and other receivables have been recognized based on the invoice value.

iii. Cash and cash equivalents

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

b. Financial liabilities

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

i. Trade and other payables

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

ii. Interest-bearing borrowings

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

2.17 Advances, deposits and prepayments

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

2.18 Provisions, contingent liabilities and contingent assets

i. Provisions

The preparation of financial statements in conformity with IAS 37 Provisions, Contingent Liabilities and Contingent Assets requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses, assets and liabilities, and the disclosure requirements for contingent assets and liabilities during and at the date of the financial statements.

In accordance with para 14 of IAS 37 provisions are recognized in the following situations:

a. When the Company has a present obligation as a result of past event;
b. When it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
c. Reliable estimates can be made of the amount of the obligation.

We have shown the provisions in the statement of financial position at an appropriate level with regard to an adequate provision for risks and uncertainties. An amount recorded as a provision represents the best estimate of the probable expenditure required to fulfill the current obligation on the date of statement of financial position.

Other provisions are valued in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets and, if required, in accordance with IAS 19 Employee Benefits. Other provisions comprise all recognizable risks from uncertain liabilities and anticipated losses from pending transactions.

ii. Contingent liabilities and contingent assets

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

2.19 Employee benefits

i. Defined benefit plan (Employees' retirement Gratuity Fund)

The Company established Gratuity Fund through Board of Directors resolution # 2(a) of 21 June 2005. The Fund was approved by the National Board of Revenue through order # 6(12)/KAMAPRO/2006/601 of 19 October 2006. During the year Tk 31,765 thousand provision were made for all permanent employees on the payroll of the Company and transferred Tk 34,331 thousand to the Fund during the year. The receivable amounting Tk 2,540 thousand resulting from Actuarial Valuation of the Fund as at 31 March 2021 was subsequently adjusted from the Gratuity Fund.

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

ii. Defined contribution plan (Staff Provident Fund)

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

Notification of Financial Reporting Council (FRC) on distribution of forfeited amount among members of provident fund dated 7 July 2020 has been complied with. During the period Tk 644 thousand has been recovered from BPBL Employees' Providend Fund and recognized in other non-operating income (note-32).

iii. Workers' profit participation and welfare fund

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

2.20 Taxation

Income tax expense comprises current and deferred taxes. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

i. Current tax:

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods. The tax rates used for the reporting periods are as follows:

Year	Tax Rate
31-Mar-21	22.50%
31-Mar-20	25.00%

ii. Deferred tax:

Deferred tax has been recognized in accordance with IAS 12. Deferred tax is provided using the liability method for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amount used for taxation purpose. Deferred tax is determined at the rate of 22.50% (31 March 2020: 25.00%).

a. Deferred tax assets

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

b. Deferred tax liabilities

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

2.21 Revenue recognition

Policy applicable from 1 April 2020

Revenue is recognized when invoice for products are made and the significant risk and reward of ownership are transferred to the customers, recovery of the consideration is probable, associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the control of the goods, and the amount of revenue can be measured reliably. As per IFRS 15 Revenue from Contract with Customers, Value Added Tax (VAT), Supplementary Duty (SD), Turnover Commission and other variable considerations e.g. trade discounts, early settlement discount and volume rebates and discounts are excluded from revenue.

Policy applicable before 1 April 2020

Rearranged to conform to current year's revenue recognition policy adoption.
Specific policies regarding the recognition of revenue are as follows:

i. Revenue from sales of goods

Revenue from the sale of goods shall be recognized when all the following conditions have been satisfied:
a) the entity has transferred to the buyer the significant risks and rewards of ownership of the goods and customer obtains control of the goods;
b) it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur
c) the amount of revenue can be measured reliably; and
d) it is probable that the economic benefits associated with the transaction will flow to the entity.

ii. Rendering of services

Under IFRS 15, the total consideration in the service contracts is allocated to all services based on their stand-alone prices. The stand-alone prices are determined based on the list prices at which the Group sells the services in separate transactions.

- service (or a bundle of services) that is distinct-customer can get the benefit from the good or service either on its own or together with readily available resources.

- a series of distinct services that are substantially the same and that have the same pattern of transfers to the customer-promise to transfer the service is separately identifiable from other promise in the contract.

iii. Income derived from color bank operation

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

iv. Income derived from management services

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

a) the amount of revenue can be measured reliably;

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

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

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

v. Income derived from dividend

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

vi. Income derived from interest

Finance income comprises interest income on fixed deposits, Short Notice Deposit (SND) and amounts due from related parties. Interest income is recognized in statement of profit or loss when it accrues, using the effective interest rate method and considering the time proportion basis.

Finance costs comprises interest expense on operational overdraft, LTR, term loan and short term borrowings. All finance expenses are recognized in the statement of profit or loss.

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

2.22 Borrowing costs

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

2.23 Repairs, upkeep and maintenance charges

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

2.24 Bad and doubtful debts

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

2.25 Advertising and promotional expenses

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

2.26 Foreign currency transaction

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

2.27 Related party transactions

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

2.28 Event after the reporting period

Events after the reporting period that provide additional information about the Company's position at the reporting date are reflected in the financial statements. Material events after the reporting period that are not adjusting events are disclosed by way of note.

2.29 Comparatives and reclassification

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

2.30 Earnings per share (EPS)

The Company presents basic and diluted (when dilution is applicable) earnings per share (EPS) in accordance with IAS 33 Earning Per Share.

i. Basic earnings per share (BEPS)

This has been calculated by dividing the profit or loss attributable to the ordinary share holders with the weighted average number of ordinary shares outstanding at the end of the year, adjusted for the effect of change in number of shares for bonus issue.

ii. Diluted earning per share (DEPS)

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares. However, dilution of EPS is not applicable for these financial statements as there was no dilutive potential ordinary shares during the relevant years.

iii. Weighted average number of ordinary shares

The weighted average number of ordinary shares outstanding during the year is the number of ordinary shares outstanding at the beginning of the year, adjusted by the number of ordinary shares issued during the year multiplied by a time-weighting factor. The time-weighted factor is the number of days that the shares are outstanding as a proportion of the total number of days in the year. The weighted average number of shares is calculated by assuming that the shares have always been is issue. This means that they have been issued at the start of the year presented as the comparative figures.

2.31 Information about segments

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

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

In Thousands Taka		As at 31 March 2021	As at 31 March 2020
3	**Property, plant and equipment - notes 2.5, 2.11, 3.1 and 3.3**		
	At cost		
	Opening balance	6,886,689	6,335,581
	Addition during the year	938,940	606,359
	Disposal during the year - note 3.3	(50,294)	(55,251)
	Closing balance	**7,775,335**	**6,886,689**
	Accumulated depreciation		
	Opening balance	3,021,438	2,557,128
	Charged for the year - note 3.1	492,948	516,213
	Adjustment on disposal during the year - note 3.3	(49,537)	(51,903)
	Closing balance	**3,464,849**	**3,021,438**
	Written down value as at 31 March	**4,310,486**	**3,865,251**

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

		2021	2020
3.1	**Segregation of depreciation amount to manufacturing, selling and administrative units - notes 2.5, 2.11 (iii) and 3**		
	Manufacturing overhead - note 25.3	280,394	295,579
	Selling, distribution and warehousing expenses - note 26	168,782	170,096
	Administrative and general expenses - note 27	43,772	50,538
		492,948	**516,213**
3.2	**Fully depreciated items - cost thereof**	**1,789,224**	**1,512,943**

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

Particulars	Cost (note 3)	Acc. Dep (note 3)	WDV	Sale proceeds	Mode of sale
Plant and machinery	1,398	1,398	-	102	Quotation
Office equipment	368	366	2	10	Quotation
Factory and laboratory equipment	795	795	-	12	Quotation
Computer	637	550	87	63	Quotation
Furniture & fixtures	351	351	-	18	Quotation
Motor vehicles	46,597	45,929	669	12,695	Quotation & Policy
Loose tools	148	148	-	907	Quotation
Total as at 31 March 2021	**50,294**	**49,536**	**758**	**13,807**	
Total as at 31 March 2020	**55,251**	**51,903**	**3,348**	**10,665**	

In Thousands Taka	As at 31 March 2021	As at 31 March 2020
4 Capital work in progress - notes 2.12 and 4.1		
Opening balance	563,035	227,760
Addition during the year	421,968	917,971
Transferred to property, plant and equipment	(345,182)	(582,696)
Closing balance	**639,820**	**563,035**
4.1 Details of capital work in progress - note 4		
Land	12,774	175,102
Building	351,580	167,902
Plant & Machinery	142,068	60,068
Factory & Lab Equipment	109,479	140,697
Software	22,097	13,886
Others	1,822	5,380
Total	**639,820**	**563,035**
5 Lease		
Right-of-use assets		
At cost		
Opening balance	743,954	-
Addition during the year	63,970	743,954
Closing balance	**807,924**	**743,954**
Accumulated amortization		
Opening balance	114,733	-
*Charged for the year - note 5.1	120,605	114,733
Closing balance	**235,338**	**114,733**
Written down value as at 31 March	**572,586**	**629,221**
Lease liabilities		
Lease liabilities - non-current portion	491,497	509,889
Lease liabilities - current portion	76,420	61,816
Balance as at 31 March	**567,917**	**571,705**

*Actual payment of rent on lease assets during 2020-2021 is Tk 148,655 thousand.

In Thousands Taka	As at 31 March 2021	2020
5.1 Segregation of amortization		
Manufacturing overhead - note 25.3	11,868	6,271
Selling, distribution and warehousing expenses - note 26	102,553	102,957
Administrative and general expenses - note 27	6,184	5,505
Total	**120,605**	**114,733**

6 Intangible assets - notes 2.5, 2.14 and 6.1

Particulars	Software	Trade marks	Total	Total
At cost				
Opening balance	232,050	2,285	234,335	225,751
Addition during the year	21,832	-	21,832	8,584
Closing balance	**253,882**	**2,285**	**256,167**	**234,335**
Accumulated amortization				
Opening balance	176,503	1,083	177,586	147,628
Charged during the year - note 6.1	27,363	215	27,578	29,958
Closing balance	**203,866**	**1,299**	**205,165**	**177,586**
Carrying amount	**50,016**	**986**	**51,003**	**56,749**

6.1 Segregation of amortization amount to selling and administrative units - notes 2.5, 2.14 (iii) and 6

Selling, distribution and warehousing expenses - note 26	215	215
Administrative and general expenses - note 27	27,363	29,743
	27,578	**29,958**

7 Investments - at cost

7.1 Make-up:

Jenson & Nicholson (Bangladesh) Limited - note 7.2	50,100	50,100
Berger Becker Bangladesh Limited - note 7.3	39,200	39,200
Berger Fosroc Limited - note 7.4	68,643	4,043
Total	**157,943**	**93,343**

7.2 The Company owns 100% paid-up ordinary share capital of Tk 50,100 thousand (501,000 shares of Taka 100 each) of J&N (B) L, which is a wholly owned and managed subsidiary of the Company.

7.3 The Company owns 49% paid-up ordinary share capital of Tk 39,200 thousand (3,920,000 shares of Tk 10 each) of Berger Becker Bangladesh Limited (BBBL), which is a joint venture with Becker Industrial Coatings Holding AB, Sweden.

7.4 The Company owns 50% paid-up ordinary share capital i.e. Tk 68,643 thousand (686,425 shares of Tk 100 each) of Berger Fosroc Limited (BFL), which is a joint venture with Fosroc International Limited, United Kingdom. During the period, the company subscribed to 646,000 ordinary shares of BFL.

In Thousands Taka		As at 31 March 2021	2020
8 Inventories - notes 2.15 and 25			
Raw materials		1,434,440	920,496
Semi - finished products		154,226	94,756
Packing materials		53,512	42,860
	note - 25.1	**1,642,179**	**1,058,112**
Finished goods - notes 25 and 25.4			
Own manufactured items		647,902	633,374
Imported items		60,519	81,304
		708,421	**714,678**
Store, consumables and promotional items			
Stores and consumables		48,946	46,850
Promotional items		25,180	24,430
		74,126	**71,280**
Inventories in transit - GIT - note 2.15 (iii)		**701,084**	**443,510**
		3,125,809	**2,287,580**
9 Trade and other receivables - notes 2.5, 2.16 a (ii) and 34 (iii)			
9.1 Trade receivables			
Unsecured - note 9.2		1,793,237	1,662,483
General provision for bad and doubtful debts - notes 2.24 and 16		(94,084)	(72,897)
Considered to be good		**1,699,153**	**1,589,586**
Other receivables- notes 9.3		13,282	29,416
		1,712,435	**1,619,002**
9.2 Maturity wise presentation of trade receivable-unsecured:			
Outstanding over 360 days		117,406	72,897
Outstanding 181 days to 360 days		62,872	60,320
Outstanding upto 180 days		1,612,959	1,529,266
	note 9.1	**1,793,237**	**1,662,483**
9.3 Other receivables include interest accrued on investments - note 9.1		**13,282**	**29,416**

	In Thousands Taka	As at 31 March 2021	2020
10	Advances, deposits and prepayments - note 2.17		
	Advances - note 10.1	256,870	170,218
	Security deposits	43,461	38,996
	Prepayments for insurance and others	37,834	42,866
		338,164	**252,080**
10.1	**Advances**		
	Advance to employees - note 10.1.1	80,977	76,522
	Advance to suppliers and others - note 10.1.2	175,892	93,696
		256,870	**170,218**
10.1.1	**Advance to employees - note 10.1**		
	House building loan	72,778	70,863
	Other advance	8,199	5,659
		80,977	**76,522**
10.1.2	**Advance to suppliers and others - note 10.1**		
	Goods and services	93,956	12,932
	Supplementary duty	-	2,157
	Outsource and others	81,936	78,607
		175,892	**93,696**
11	Term deposit - Govt Securities		
	Investment in government securities		
	More than one year	100,000	-
		100,000	**-**
12	Cash and cash equivalents - note 2.16 a (iii)		
	Term deposit accounts (FDR)	2,501,238	2,351,237
	Current and collection accounts	551,984	547,353
	Short term deposit accounts (STD) - notes 31 and 34 (ii) (a)		
	Operational account	1,012,238	441,933
	IPO and Dividend account	14,570	12,374
		1,026,808	454,307
	Foreign currency current accounts - notes 2.26 and 34 (ii)(a)	16,960	14,343
	Cash in hand	2,918	5,860
	Cash and cash equivalents	4,099,907	3,373,100

In Thousands Taka		As at 31 March 2021	2020
13	**Inter- company receivables - note 41**		
	Due from / (to) J&N (B) L	157,074	145,548
	Due from / (to) BBBL	7,143	8,885
	Due from / (to) BFL	27,668	35,717
		191,885	**190,150**
14	**Share capital**		
14.1	**Authorized share capital**		
	100,000,000 ordinary shares of Taka 10 each	1,000,000	1,000,000
14.2	**Issued, subscribed and paid-up share capital**		
	46,377,880 ordinary shares of Taka 10 each	463,779	463,779

The Company became public listed through initial public offer (IPO) as per consent letter of Bangladesh Securities and Exchange Commission ref SEC/CI/IPO-71/2005/168 dated 10 October 2005.

14.3 Composition of shareholding

Shareholders	Number of share	% of share holding	Value	Value
J & N Investments (Asia) Limited - Group	44,058,740	95.00	440,587	440,587
Institutions & General public	108,143	0.23	1,081	4,759
Foreign shareholders	**44,166,883**	**95.23**	**441,669**	**445,347**
Institutions (financial & others)	1,469,310	3.17	14,693	11,953
General public	741,687	1.60	7,417	6,479
Bangladeshi shareholders	**2,210,997**	**4.77**	**22,110**	**18,432**
Total	**46,377,880**	**100.00**	**463,779**	**463,779**

14.4 Classification of shareholders by range

Shareholding range	Type of share holders	31 March 2021			31 March 2020
		Number of shares	% of share holding	Number of shareholders	Number of shareholders
Less than 501 shares	G. Public& Inst	288,752	0.62	3,665	4,396
501 to 5,000 shares	G. Public& Inst	393,843	0.85	262	265
5,001 to 10,000 shares	G. Public& Inst	97,297	0.21	14	10
10,001 to 20,000 shares	G. Public& Inst	134,752	0.29	9	13
20,001 to 30,000 shares	Institution	244,424	0.53	10	4
30,001 to 40,000 shares	Institution	106,259	0.23	3	1
40,001 to 50,000 shares	Institution	271,412	0.59	6	1
50,001 to 100,000 shares	Institution	337,753	0.73	5	5
100,001 to 1,000,000 shares	Institution	444,648	0.96	1	2
Over 1,000,000 shares	Group	44,058,740	95.00	1	1
Total		**46,377,880**	**100.00**	**3,976**	**4,698**

14.5 Market price per share

Traded stock exchanges	Last trade date		In Taka	
	2021	2020	2021	2020
Dhaka Stock Exchange	31-Mar-21	25-Mar-20	1,754.70	1,308.60
Chittagong Stock Exchange	23-Mar-21	23-Mar-20	1,719.20	1,305.00

	As at 31 March	
In Thousands Taka	2021	2020

15 Retained earnings

Opening balance	8,244,378	7,111,376
Net profit for the year	2,548,788	2,292,448
	10,793,166	**9,403,825**
Distribution of dividend - note 21	(1,368,147)	(1,159,447)
Actuarial gain/(loss) on gratuity valuation, net of tax	1,969	-
Closing balance	**9,426,987**	**8,244,378**

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

	Carrying amount	Tax base	Taxable/ (deductible)	Taxable/ (deductible)
Property, plant and equipment	2,737,792	1,817,629	920,163	987,295
Right-of-use (ROU) Asset	572,586	-	572,586	-
Lease obligation	(567,917)	-	(567,917)	-
Provision for bad debts	(94,084)	-	(94,084)	(72,897)
Provision for employee benefit plan	2,540	-	2,540	(2,566)
Net temporary difference	**2,650,917**	**1,817,629**	**833,288**	**911,832**
Effective tax rate			22.5%	25%
Deferred tax liabilities as at 31 March			**187,490**	**227,958**

16.1 Deferred tax income

Opening balance	227,958	242,409
Closing balance	187,490	227,958
Deferred tax income	**(40,468)**	**(14,451)**
Deferred tax on actuarial gain directly attributable to Equity	572	-
Deferred tax income recognized directly in profit or loss and other comprehensive income	(41,040)	(14,451)

In Thousands Taka		As at 31 March 2021	2020
17	**Trade and other payables - notes 2.5, 2.16 (b) (i) and 34 (i)**		
17.1	**The make-up**		
	For revenue expenses - note 17.2	2,088,022	1,310,681
	For trading supplies - note 34 (ii) (a)	1,528,919	1,184,218
	For other finance - note 17.3	306,972	203,327
	For capital expenditure	22,069	20,163
		3,945,981	**2,718,389**
	Workers' profits participation and welfare funds - note 2.19 (iii)	**62,967**	**79,426**
		4,008,948	**2,797,815**
17.2	**For revenue expenses - note 17.1**		
	Accrued charges	1,903,788	1,250,207
	Provision for turnover rebate	179,751	56,397
	Training and consultancy fee	4,483	4,077
		2,088,022	**1,310,681**
17.3	**Creditors for other finance - note 17.1**		
	Clearing account	47,247	54,068
	Security deposits	45,781	18,876
	Tax deduction at source	38,050	24,524
	Staff income tax	6,958	5,628
	VAT, Supplementary duty and others	168,935	100,231
		306,972	**203,327**
18	**Provision for royalty**		
	Opening balance	285,397	309,863
	Addition for the year - notes 28, 34(ii)(a), 36.1 and 42	104,248	104,058
	Adjusted during the year	(297)	-
		389,348	**413,921**
	Payment during the year	**(92,580)**	**(128,524)**
	Closing balance	**296,768**	**285,397**

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

Name of the trade marks provider	Name of the product	2021	2020
J&N Investments (Asia) Limited	Robbialac, Colorizer, Apexior 1 & 3 and Protection	98,879	100,660
Chugoku Marine Paints Ltd	Seven marine paint products	2,905	3,398
Berger Paints India Limited	Products as per License & Royalty Agreement	2,464	-
		104,248	**104,058**

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

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

As per the agreements dated 1 October 2020 and 1 November 2020 signed between Berger Paints India Limited and Berger Paints Bangladesh Limited, an Initial Lump Sum Royalty Fee amounting USD 29,000 is payable to Berger Paints India Limited.

		As at 31 March	
	In Thousands Taka	2021	2020
19	**Provision for current tax - notes 2.5 and 2.20 (i)**		
	Opening balance	325,941	192,210
	Provision made for the year	964,614	814,470
		1,290,555	**1,006,680**
	Tax deducted at source and paid in advance - note 19.1	**(952,033)**	**(680,739)**
	Closing balance	**338,522**	**325,941**
19.1	**Breakup of tax deducted at source and paid in advance - note 19**		
	Tax deducted at source	428,905	371,167
	Tax paid in advance	523,128	309,572
		952,033	**680,739**

19.2 Assessment of Tax

The assessment of the company's tax returns till the financial year 2019-2020 (corresponding assessment year 2020-21) have been completed. There is no pending tax liability of the company.

19.3	Reconciliation of effective tax rate	2020-2021		2019-2020	
		Percentage	BDT '000	Percentage	BDT '000
	Profit before tax		3,472,362		3,092,467
	Tax on PBT excluding dividend income	22.50%	776,254	25.00%	773,117
	Tax on dividend income	20.00%	4,469		-
		22.48%	780,723		773,117
	Tax effect of:				
	Provision for non-deductible expenses	5.37%	186,470	1.22%	42,421
	Export rebate	-0.07%	(2,579)	-0.03%	(1,068)
		27.78%	**964,614**	26.34%	**814,470**
	Deferred tax (income)/expense (note 16.1)	-1.18%	(41,040)	-0.42%	(14,451)
	Income tax expenses	**26.60%**	**923,574**	**25.92%**	**800,019**

In Thousands Taka		As at 31 March 2021	2,020
20	**Provision for employees' retirement gratuity - notes 2.5, 2.19 (i) and 16**		
	Opening balance	2,566	30,099
	Provision made for the year	31,765	31,398
	Actuarial (gain)/loss on actuarial valuation	(2,540)	-
		31,791	**61,497**
	Transferred to gratuity fund	**(34,331)**	**(58,931)**
	Closing balance (note 20.1 and 20.5)	**(2,540)**	**2,566**
20.1	**Surplus/(deficit) of defined benefit obligation and fair value of plan assets**		
	Defined benefit obligation (note 20.2)	(365,970)	-
	Fair value of plan assets (note 20.3)	368,510	-
	Net surplus/(deficit)	**2,540**	**-**
20.2	**Movement in Defined Benefits Obligation (DBO)**		
	Opening balance	329,600	-
	Current service costs	32,710	-
	Interest on the DBO	19,420	-
	Actuarial (gain)/loss-experienced	(3,760)	-
	Benefits paid	(12,000)	-
	Defined Benefits Obligation at 31 March 2021	**365,970**	**-**
20.3	**Movement in Fair Value of Assets**		
	Opening balance	329,600	-
	Interest income on plan assets	20,365	-
	Employer contributions	31,765	-
	Return on plan assets greater/(lesser) than discount rate	(1,220)	-
	Benefits paid	(12,000)	-
	Fair Value of Assets at 31 March 2021	**368,510**	**-**
20.4	**Fair Value of Planned Assets**		
	Investment in Treasury Bonds	247,800	-
	Interest accrued thereon	4,671	-
	Liability to seperated member	(2,453)	-
	Cash at bank	118,492	-
		368,510	**-**

In Thousands Taka	As at 31 March 2021	2020
20.5 Components of Defined Benefits Cost		
(i) Defined Benefit Cost		
Service cost	32,715	-
Net interest on net defined benefit liability / (asset)	(950)	-
Actuarial (gains)/ losses recognized in OCI	(2,540)	-
	29,225	**-**
(ii) Actuarial gain/(loss) shown in OCI		
Actuarial gain/(loss) due to liability experience	3,760	-
Return on plan assets greater/(less) than discount rate	(1,220)	-
	2,540	**-**
Total defined benefit cost recognised in profit or loss and OCI	**31,765**	**-**

Comparative figures for notes 20.1, 20.2, 20.3, 20.4 and 20.5 were not presented since Actuarial Valuation on 31.03.2020 was not conducted.

20.6 Significant characteristics of plan

(i) Plan sponsor : Berger Paints Bangladesh Limited

(ii) Nature of benefits : Final salary defined benefit plan

(iii) Risks associated with the plan : Plan sponsor bears all the risks associated with the plan

(iv) Vesting criteria : 5 years of continuous service

(v) Applicable salary : Last drawn monthly basic salary

(vi) Maximum limit of benefit paid : No upper limit on benefit

(vii) Basis of gratuity : Accrued benefit

(viii) Normal retirement age : 60 years

(ix) Benefit calculation: Two months basic (latest) pay for each completed year or major part of a year of their respective services.

21 Unclaimed dividend / payable

	2021	2020
Opening balance	9,825	405,430
Distribution of dividend - note 15	1,368,147	1,159,447
	1,377,972	1,564,877
Payment during the year	(1,365,953)	(1,555,052)
Closing balance	**12,020**	**9,825**

22 Liability for unclaimed IPO application money

	2021	2020
Opening balance	147	147
Refunded during the year	-	-
Closing balance	**147**	**147**

In Thousands Taka	2021	2020
	As at 31 March	

23 Contingent liabilities - note 2.18 (ii)

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

In Thousands Taka	2021	2020
i Letter of Credit		
Commercial Bank of Ceylon PLC	280,090	116,992
Standard Chartered Bank	35,245	62,319
Citi Bank NA	39,397	39,560
Eastern Bank Limited	118,434	90,477
Woori Bank	460,548	174,052
BRAC Bank Limited	59,713	435
For raw material	**993,427**	**483,835**
For capital expenditure	**86,841**	**71,512**
	1,080,268	**555,347**
ii Bank guarantee		
Standard Chartered Bank for BBBL	73,500	73,500
The Hongkong and Shanghai Banking Corporation Limited for BFL	137,000	137,000
Others	1,703	1,703
Bank guarantee	**212,203**	**212,203**
	1,292,471	**767,550**

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

In Thousands Taka — For the year ended 31 March

	Unit	2021 Quantity	2021 Taka	2020 Quantity	2020 Taka
Own manufactured items - Paints & others					
Liquid	KL	88,120	19,534,109	83,457	19,595,036
Non-liquid	MT	35,021	2,923,268	31,768	2,836,725
			22,457,377		**22,431,761**
Imported items - Paints & others					
Liquid	KL	90	95,063	103	108,703
Non-liquid	MT	154	58,618	214	70,590
Others	Pcs		35,014		42,139
			188,695		**221,433**
			22,646,072		**22,653,193**
Discounts & Rebates			(2,375,387)		(2,801,683)
Value added tax - VAT			(2,944,620)		(3,023,116)
Supplementary duty - SD			(656,263)		(609,350)
			(5,976,270)		**(6,434,149)**
			16,669,802		**16,219,044**
Thereof, exports sales amounted to - note 36.2			89,304		49,307

In Thousands Taka		For the year ended 31 March 2021	2020
25	**Cost of sales**		
	Opening stock of finished goods - notes 8 and 25.4		
	Own manufactured items	633,374	624,438
	Imported items	81,304	102,770
		714,678	**727,208**
	Purchases - imported - note 25.4	**120,546**	**145,804**
		835,224	**873,012**
	Cost of production		
	Material consumed - notes 25.1, 25.5 and 25.6	8,895,187	8,849,345
	Manufacturing overheads - note 25.3	1,015,450	970,719
		9,910,637	**9,820,064**
	Cost of finished goods available for sale	**10,745,861**	**10,693,076**
	Closing stock of finished goods - notes 8 and 25.4		
	Own manufactured items	(647,902)	(633,374)
	Imported items	(60,519)	(81,304)
		(708,421)	**(714,678)**
	Cost of sales	**10,037,440**	**9,978,398**
25.1	**Materials consumed**		
	Opening stock - note 8		
	Raw materials	920,496	737,143
	Semi - finished products	94,756	141,726
	Packing materials	42,860	41,194
		1,058,112	**920,063**
	Purchase for the year - note 25.2		
	Raw materials	7,878,348	7,395,629
	Packing materials	1,600,905	1,591,765
		9,479,253	**8,987,394**
		10,537,365	9,907,457
	Closing stock - note 8		
	Raw materials	(1,434,440)	(920,496)
	Semi - finished products	(154,226)	(94,756)
	Packing materials	(53,512)	(42,860)
		(1,642,178)	(1,058,112)
	Notes - 25, 25.5 and 25.6	**8,895,187**	**8,849,345**

In Thousands Taka		For the year ended 31 March 2021	2020
25.2	**Materials purchase - cost and direct charges - note 25.1**		
	Raw materials		
	Imported	7,289,306	6,674,134
	Indigenous	589,042	721,495
		7,878,348	7,395,629
	Packing materials - indigenous	1,600,905	1,591,765
		9,479,253	8,987,394
25.3	**Manufacturing overheads - note 25**		
	Salary and wages *	379,661	353,537
	Welfare expenses	13,811	15,440
	Third party and casuals	45,529	35,076
	Depreciation and amortization - note 3.1 and 5.1	292,262	301,850
	Fuel, water and power	74,810	76,224
	Repairs and maintenance - note 2.23	42,506	40,034
	Raw materials shifting charges	19,721	14,380
	Stores and spares consumed	13,453	13,949
	Insurance	7,075	5,242
	Training and recruitment expenses	1,712	6,488
	Security and cleaning service	6,713	8,212
	Third party production charges	68,095	59,177
	Outsourcing employee cost	13,485	12,051
	Entertainment	1,229	1,170
	Other overhead	13,886	10,942
	Travelling and conveyance	1,202	4,138
	Production incentive	6,345	3,914
	Research, development and experimental costs	8,598	2,015
	Process development	1,127	2,581
	Rent, rates and other taxes	3,468	3,413
	L/C and bank charges	762	886
		1,015,450	970,719

* The amount has been arrived after crediting Tk 1,200 thousand (2019-20: Tk 1,200 thousand) from JNBL, Tk 1,512 thousand (2019-20: Tk 897 thousand) from BBBL and Tk 1,860 thousand (2019-20: Tk 2,034 thousand) from BFL being realization of management charges - notes 7.2, 7.3 and 7.4.

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

Figures in Thousands	Unit	Opening Stock		Closing Stock		Sales during the year		Purchase/Production	
		Qty	Taka	Qty	Taka	Qty	Taka	Qty	Taka
Own manufactured items - Paints & others									
Liquid	Ltr	4,714	525,293	4,379	529,711	88,120	19,534,108	87,784	-
Non-Liquid	KG	1,703	108,081	1,660	118,191	35,021	2,923,268	34,979	-
			633,374		**647,902**		**22,457,376**		
Imported items - Paints & others									
Liquid	Ltr	42	33,145	28	22,261	90	95,063	76	55,607
Non-Liquid	KG	79	22,382	61	14,875	154	58,618	136	40,039
Others	Pcs	265	25,777	241	23,383	457	35,014	433	24,901
			81,304		**60,519**		**188,695**		**120,546**
For the year ended 31 March 2021	**Taka**		**714,677**		**708,421**		**22,646,071**		**120,546**
For the year ended 31 March 2020	**Taka**		**727,208**		**714,677**		**22,653,193**		**198,109**
	Notes		25 & 8				24		25 & 8

25.5 Analysis of materials consumed

Figures in Thousands	For the year ended 31 March 2021		For the year ended 31 March 2020	
	Qty - KG	Taka	Qty - KG	Taka
Raw materials				
Resin	1,319	229,823	1,263	242,482
Pigments	10,457	2,272,756	9,881	2,165,111
Extenders and white cements	550	57,690	417	47,611
Solvents and oils	61,190	1,067,794	57,325	1,198,867
Additives and chemicals	79,413	3,676,872	74,143	3,605,174
	152,930	**7,304,934**	**143,030**	**7,259,246**
Packing materials		**1,590,253**		**1,590,099**
		8,895,187		**8,849,345**

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

	For the year ended 31 March 2021		For the year ended 31 March 2020	
Figures in Thousands	Taka	%	Taka	%
Imports	6,719,499	92	6,535,693	90
Indigenous	585,435	8	723,553	10
note 25.5	**7,304,934**	**100**	**7,259,246**	**100**
Check - consumption				
Raw materials	7,304,934	82	7,259,246	82
Packing materials	1,590,253	18	1,590,099	18
notes 25, 25.1 and 25.5	**8,895,187**	**100**	**8,849,345**	**100**

In Thousands Taka		For the year ended 31 March 2021	2020
26	**Selling, distribution and warehousing expenses**		
	Advertising expenses - note 2.25	355,913	429,882
	Promotional expenses	664,333	733,306
	Salary and wages *	473,681	447,183
	Third party and casuals	111,401	95,912
	Welfare expenses	13,353	14,699
	Training and recruitment expenses	2,486	7,705
	Security and cleaning service	27,536	20,705
	Outsourcing employee cost	52,863	48,322
	Production incentive	1,935	1,328
	Other overhead	25,107	20,982
		1,728,608	**1,820,024**
	Distribution and warehousing expenses		
	Transportation and handling charges **	252,550	247,058
	Repairs and maintenance - note 2.23	19,128	23,142
	Rent, rates and fees	8,185	11,346
	Electricity, water and gas	11,999	12,396
	Insurance	4,321	3,279
		296,183	**297,221**
	Selling expenses		
	Paint delivery expenses	209,699	194,308
	Salesmen travelling	59,738	65,153
	Postage and telecommunication	9,896	9,659
	Rent, rates and fees	9,320	11,811
	Product demonstration	8,248	8,438
	Entertainment	6,368	7,629
	Sales incentive	5,750	6,852
	General survey and studies	3,500	3,508
	Bad debts - note 2.24	25,745	25,230
	Color Bank operational expenses - notes 2.21 (iii) and 29	3,598	3,555
	Illusion expense - note 29	2,142	2,037
	Others	754	317
		344,758	**338,497**
	Depreciation and amortization - notes 3.1, 5.1 and 6.1	271,550	273,268
	Cost of free issue	67	2,856
		271,617	**276,124**
		2,641,166	**2,731,866**
	* This amount has been arrived after crediting Tk 252 thousand (2019-20: Tk 149 thousand) from BBBL and Tk 310 thousand (2019-20: Tk 339 thousand) from BFL being earning of management fees - notes 7.3 & 7.4.		
	** This amount has been arrived at after netting recoveries from carrying contractor as loss in transit.	692	967

In Thousands Taka	For the year ended 31 March 2021	2020

27 Administrative and general expenses

	2021	2020
Salary and wages *	305,878	296,968
Welfare expenses	6,413	7,672
Third party and casuals	2,493	1,189
Training and recruitment expenses	3,803	9,253
Employee engagement	8,676	4,911
Security and cleaning service	6,115	5,477
Outsourcing employee cost	4,875	3,345
Production incentive	392	315
Postage and telecommunication	7,949	8,579
Depreciation and amortization - notes 3.1, 5.1 and 6.1	77,320	85,786
Travelling, haultage and passage	1,291	5,943
Repairs and maintenance - note 2.23	32,659	23,676
Share department expenses	2,557	3,191
Bank charges	9,977	7,569
Vehicle expenses	8,799	11,956
Electricity, fuel and water	6,317	5,635
Printing and stationery	5,622	6,176
Rates and fees	2,732	3,352
Subscription and donation	722	640
CSR activity	8,016	8,917
Entertainment	6,608	6,811
Corporate affairs department's expenses	490	608
Insurance	461	358
Legal and professional charges	10,220	10,930
Auditors' remuneration	1,827	1,349
Newspaper and periodicals	141	392
Directors fees	735	473
Process development	-	47
Other overhead	2,623	2,588
	525,711	**524,106**

* The amount has been arrived after crediting Tk 1,800 thousand (2019-20: Tk 1,800 thousand) from JN(B)L, Tk 3,275 thousand (2019-20: Tk 1,942 thousand) from BBBL and Tk 4,030 thousand (2019-20: Tk 4,407 thousand) from BFL being realization of management charges - notes 7.2, 7.3 and 7.4.

28 Other operating expenses

	2021	2020
Royalty - notes 18 and 36.1	103,951	104,058
Training, consultancy and technical know how fees - note 36.1	2,812	2,680
	106,763	**106,738**

In Thousands Taka	For the year ended 31 March 2021	2020

29 Other operating income

	2021	2020
Service charges from house building loans	785	713
Scrap sales and sundry recoveries	30,202	26,606
Color Bank operational income - notes 2.21 (ii) and 26	98,298	93,669
Insurance claim and other realizations	8,832	14,210
Income from illusion - note 26	18,638	25,110
Rental income from JNBL, BBBL & BFL - notes 7.2, 7.3, 7.4 and 13	9,369	6,834
Marketing service fee from BFL - note 7.4	10,223	11,187
	176,347	**178,329**

30 Finance costs

	2021	2020
Interest expense	35,913	3,636
Exchange (gain)/loss	526	(588)
	36,439	**3,048**

31 Investment income

	2021	2020
Dividend income	22,344	-
Term deposits, operational and other	109,958	189,867
Loan to subsidiary - J & N (Bangladesh) Limited - note 7.2	7,653	4,442
	139,955	**194,309**

32 Other non-operating income

	2021	2020
Income on sale of property, plant and equipment - note 3.3	13,049	7,317
Others *	3,484	-
	16,533	**7,317**

* Others include BDT 644 thousand related to forfeiture income from provident fund.

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 2021	For the year ended 31 March 2020	For the year ended 31 March 2021	For the year ended 31 March 2020
Liquid	LT	117,011	111,289	87,779	83,859
Non-liquid	KG	45,826	41,035	34,978	31,939

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

34 Financial risk management

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

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

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

i. Liquidity risk

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

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

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

In Thousands Taka

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

Financial liabilities	As at 31 March 2020			
	Carrying amount	Contractual cash flows	Within 12 months or less	Above 12 months *
Trade and other payables including dividend payable and IPO application money - notes 18, 22 and 23	2,807,787	2,807,787	2,798,735	9,052

* Only unclaimed dividend and IPO application money

ii. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

a. Currency risk

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

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

In Thousands Taka	As at 31 March 2021	2020
Foreign currency denominated assets		
Receivable from customers - Inland export	22,618	10,244
Cash and cash equivalents - note 12	16,960	14,343
Foreign currency denominated liabilities		
Trade payables - note 17.1	1,184,218	578,791
Royalty - note 18	285,397	309,863

The foreign exchange loss was Taka 526 thousand for the period ended 31 March 2021 and gain Taka 588 thousand was for the period ended 31 March 2020 - note 30.

The company has applied the following significant foreign exchange rates:

	2021	2020
US Dollar	84.95	84.95
EURO	100.99	95.74
GBP	118.16	106.96

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	2021	2020
Financial assets		
Term deposit	100,000	-
Cash and cash equivalents - note 12	4,099,907	3,373,100
Financial liabilities	-	-

iii. Credit risk:

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

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

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

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

In Thousands Taka		As at 31 March 2021	As at 31 March 2020
Local receivable - note 9		1,770,619	1,652,239
Inland export receivable		22,618	10,244
Trade receivable	Note - 9.1	**1,793,237**	**1,662,483**
Accrued interest	Note- 9.1	13,282	29,416
Inter-company receivable	Note- 13	191,885	190,150
Other receivables:		**205,167**	**219,566**

	In Thousands Taka	For the year ended 31 March 2021	For the year ended 31 March 2020
35	Value of imports - at CIF basis		
	Raw materials	6,956,014	6,534,930
	Capital goods	211,064	256,653
	Stores and spares	10,214	6,703
		7,177,291	**6,798,286**
36	Transactions in equivalent foreign currency		
36.1	Expenses		
	Royalty - notes 18, 28 and 34 (ii) (a)	104,248	104,058
	Training and consultancy fee - note 28	2,812	2,680
	Foreign travel for Company's business	-	4,336
		107,060	**111,074**
36.2	Earnings		
	Inland export sales - note 24	**89,304**	**49,307**
37	Dividend remitted in terms of foreign currency to		
	J & N Investments (Asia) Limited - Net of TDS	**1,169,760**	**1,387,850**
	In number		
38	Expenditure incurred on employees		
	Salaries, wages and benefits - notes 25.3, 26 & 27 *		
	a. Employment throughout the year in receipt of remuneration aggregating Tk 36,000 or more per annum	566	550
	b. Employment for a part of the year and in receipt of remuneration aggregating Tk 3,000 or more per month	26	34
	c. Rest	-	-
		592	584

* 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 2021	2020

39 Remuneration of Directors, Executives, Managers & Officers - notes 25.3, 26, 27 and 38

39.1 Managerial remuneration for managers and officers only

	2021	2020
Salary, allowances and benefits	943,562	889,878
Contributions to employees' benefit scheme - note 2.19	42,526	41,178
Reimbursable expenses	63,681	65,211
Post employment benefit	-	-
Other long-term benefit	-	-
Termination benefit	-	-
Share-based payment	-	-
Taka	**1,049,769**	**996,267**
Number	**441**	**433**

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

a. Rental:
Managing director is provided free-furnished accommodation and others are provided cash allowances.

b. Residential telephone/cellphone mainly for the Company's business.

c. Transportation:
Company's car with chauffeur or cash allowance for chauffeur.

39.3 Board meeting fee

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

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

The computation of EPS is given below:

		2021	2020
Net profit attributable to the ordinary shareholders - Taka in '000		2,548,788	2,292,448
Net cash inflow from operating activities (NOCF) - Taka in '000		3,322,364	3,601,294
Net asset value (NAV) - Taka in '000		9,890,766	8,708,157
Number of ordinary shares outstanding during the year		46,377,880	46,377,880
Weighted average number of ordinary shares outstanding		46,377,880	46,377,880
Basic Earnings per share (EPS) for the year	Taka	54.96	49.43
Diluted earnings per share (DEPS) for the year	Taka	54.96	49.43
Net operating cash flow per share (NOCFPS)	Taka	71.64	77.65
Net asset value per share (NAVPS)	Taka	213.26	187.77

40.1 Diluted earning per share

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

41 Cash flows from operating activities under indirect method

In Thousands Taka	Note (s)	For the year ended 31 March 2021	2020
Net profit for the year		**2,548,788**	**2,292,448**
Tax expenses		923,574	800,019
Profit before tax		**3,472,362**	**3,092,467**
Non cash items:			
Depreciation		613,554	516,213
Amortization of intangible assets	6.1	27,578	29,958
Actuarial gain/(loss) on defined benefit plans		2,540	-
		643,672	**546,171**
Operating and non operating items			
Investment (Finance) expenses	30	35,913	3,636
Dividend income		(22,344)	-
Other non-operating income		(3,484)	-
Income on sale of property, plant and equipment	3.3	(13,049)	(7,317)
Non operating expenses (income)		**(2,964)**	**(3,681)**
Changes in working capital			
Inventories	8	(838,228)	(262,371)
Trade and other receivables	9	(93,433)	44,522
Advances, deposits and prepayments	10	(86,084)	222,897
Inter - company receivables	13	(1,735)	(63,332)
Trade and other payables	17	1,209,227	791,541
Provision for royalty	18	11,371	(24,466)
Provision for employees' retirement gratuity	20	(5,106)	(27,533)
		196,012	**681,258**
Income tax paid	19	(952,033)	(680,739)
Exchange (gain)/loss		526	(588)
Interest paid on lease obligations		(35,212)	(33,594)
Net cash flows from operating activities		**3,322,364**	**3,601,294**

In Thousands Taka

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

During the period under review, the Company carried out a number of transactions with related parties in the normal course of business and on arms' length basis. The names of the related parties, nature of these transactions and their closing balance have been set out below in accordance with the provision of IAS 24 Related Party Disclosures.

As at and for the year ended 31 March 2021

Name of the related party	Nature of relationship	Nature of transaction	Transactions	Receivable/ (payable)
Jenson & Nicholson (Bangladesh) Ltd.	Subsidiary	Material and Service	588,025	157,074
Berger Becker Bangladesh Limited	Associate	Service	27,414	7,143
Berger Fosroc Limited	Associate	Material and Service	214,457	27,668
BPBL Employees' Provident Fund	Post-employment plan	Contribution to Provident Fund	46,831	-
BPBL Employees' Gratuity Fund	Post-employment plan	Contribution to Gratuity Fund	31,791	2,540
Total inter-company receivables			**908,518**	**194,425**
J&N Investments (Asia) Limited	Group	Royalty	98,881	(293,946)
Berger Paints India Limited	Fellow Subsidiary	Royalty & Tech. assistance fees	2,464	(5,100)
Total inter-company payables			**101,344**	**(299,046)**

As at and for the year ended 31 March 2020

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

43 Events after the reporting period - note 2.28

Subsequent to the date of statement of financial position, the Board of Directors recommended 375% cash dividend at the Board meeting held on 19 July 2021. The dividend is subject to the approval by the shareholders in the Annual General Meeting scheduled on 6 October 2021.

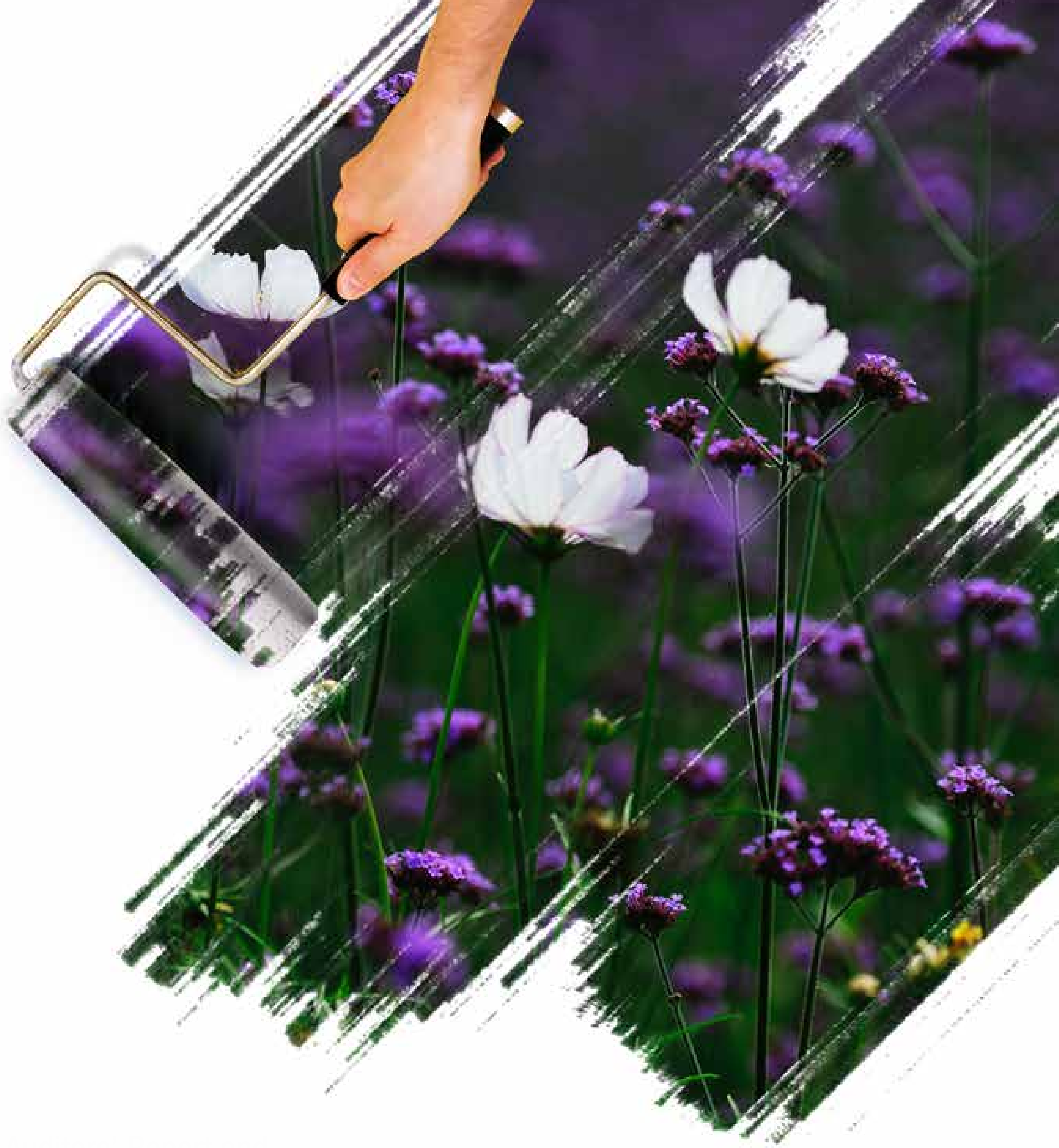
The recommended dividend is not recognized at the statement of financial position in accordance with IAS 10: Events after the reporting period.

Schedule of Property, plant and equipment and depreciation thereon

Annexure - A

In Thousands Taka

Category of assets	Cost				Accumulated depreciation				Written down value as at 31 March 2021
	Opening balance	Addition during the year	Disposal during the year	Closing balance	Opening balance	Addition during the year	Disposal during the year	Closing balance	
Land	987,526	503,397	-	1,490,923	7,667	1,991	-	9,658	1,481,265
Building	1,453,329	42,462	-	1,495,791	313,119	42,026	-	355,145	1,140,646
Plant and machinery	1,942,565	94,827	(1,398)	2,035,994	982,936	154,404	(1,398)	1,135,940	900,054
Office equipment	238,734	23,371	(368)	261,737	149,068	26,172	(366)	174,874	86,863
Factory and laboratory equipment	1,513,164	188,488	(795)	1,700,857	1,077,651	160,673	(795)	1,237,531	463,326
Computer	190,440	25,401	(637)	215,204	133,416	26,843	(550)	159,708	55,496
Furniture and fixtures	148,619	6,377	(351)	154,645	85,163	13,824	(351)	98,637	56,008
Motor vehicles	396,457	52,960	(46,597)	402,820	256,665	66,515	(45,929)	277,252	125,568
Loose tools	15,855	1,657	(148)	17,364	15,753	500	(148)	16,105	1,259
Total as at 31 March 2021	**6,886,689**	**938,940**	**(50,294)**	**7,775,335**	**3,021,438**	**492,948**	**(49,537)**	**3,464,849**	**4,310,486**
Total as at 31 March 2020	**6,335,581**	**606,359**	**(55,251)**	**6,886,689**	**2,557,128**	**516,213**	**(51,903)**	**3,021,438**	**3,865,251**



Auditors' Report and Audited Financial Statements
(Consolidated)

Independent Auditor's Report
To the shareholders of Berger Paints Bangladesh Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Berger Paints Bangladesh Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 March 2021, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2021, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below our description of how our audit addressed the matter is provided in that context.

Sn	Key Audit Matter	How our audit addressed the key audit matter
1	Revenue recognition (Refer to Note 3.12 (accounting policy) and note 24 to these Financial Statements)	
	The Group recognizes revenue when control of the goods is transferred to the customer at an amount that reflects the net consideration, which the Group expects to receive for those goods from customers. In determining the sales price, the Group considers the effect of rebates and discounts (variable consideration). During the year ended March 31, 2021 the Group has recognised revenues of BDT 16,877,369 thousand. The terms of sales agreements, including the timing of transfer of control, based on the terms of relevant contract and nature of discount and rebates arrangements, create complexities that requires judgement in determining sales revenues. Considering the above factors and the risk associated with revenue recognition, we have determined the same to be a key audit matter.	Our audit procedures included the following: 1) We read the Group's revenue recognition policy and assessed its compliance in terms of IFRS 15 'Revenue from contracts with customers'; 2) Performed sample tests of individual sales transactions and traced to sales invoices, sales orders and other related documents. In respect of the samples selected, we tested recognition of revenue based on underlying sales invoices, sales orders and other related documents; 3) We selected a sample of invoices on which rebates and discounts were given and obtained the rebates and discount schemes approved by the management. We noted the accounting of rebates and discounts by the Group for the selected sample; 4) Selected samples of sales transactions made pre and post year end, agreed the date of transfer of control for the selected sample by testing underlying documents including customers confirmation; and 5) Assessed the relevant disclosures made within the financial statements.

Sn	Key Audit Matter	How our audit addressed the key audit matter
2	**Assessment of the appropriateness of the allowance for doubtful debt (Refer to Note 3.15 (accounting policy) and Note 11 to these Financial Statements)**	
	Trade receivables comprises 11% of total assets in the consolidated statement of financial position. The appropriateness of the allowance for doubtful debt is subjective due to the high degree of judgment applied by management in determining the impairment provision. Due to the COVID 19 conditions currently all over the world as well Bangladesh, it continues to put pressure on customers' ability to repay their outstanding account balances. Management of the Group is continuously reviewing and assessing the need for keeping incremental amount in bad and doubtful debts under ECL method considering its business model. Based on assessment, management has made necessary provision for bad and doubtful debts under ECL model to impair Group's trade receivables. Due to the significance of trade receivables and the related estimation uncertainty this is considered a key audit matter.	Our audit procedures included the following: 1) Evaluated the debtor's impairment methodology applied in the current year to the requirements of IFRS 9: Financial Instruments; 2) Analysed the methodology by comparing the prior year provision to the actual current year write downs; 3) Assessed key ratios which include cash collections, days outstanding, and delinquencies; 4) We considered changes in account strategy and assessed the impact on the allowance for doubtful debts; and 5) Assessed any changes in the economy and the impact on the collectability of trade receivables.

Other information included in the Group's March 31, 2021 Annual Report

Other information consists of the information included in the Group's March 31, 2021 Annual Report other than the financial statements and our auditor's report thereon. We obtained Director's Report, Management Discussion and Analysis, six years financial information, and Corporate Governance report prior to the date of our auditor's report, and we expect to obtain the remaining reports of the Annual Report after the date of our auditor's report. Management is responsible for the other information.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements of the Group in accordance with IFRSs, the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements of the Group, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements of the Group as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In accordance with the Companies Act 1994 and the Securities and Exchange Rules 1987, we also report the following:

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 accounts as required by law have been kept by the Group so far as it appeared from our examination of these books;

c) the consolidated statement of financial position and consolidated statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of accounts and returns; and

d) the expenditure incurred was for the purposes of the Group's business.

A. Qasem & Co.
Chartered Accountants
RJSC Firm Registration No.: PF 1015

Mohammad Motaleb Hossain FCA
Partner
Enrolment Number: 0950

Dhaka, 19 July 2021

Berger Paints Bangladesh Limited
Consolidated Statement of Financial Position

In Thousands Taka	Notes	As at 31 March 2021	2020
Property, plant and equipment	4	4,955,188	4,516,605
Capital work-in-progress	5	755,258	612,927
Right-of-use assets	6	572,586	629,221
Intangible assets	7	54,503	60,126
		6,337,535	**5,818,879**
Term deposit	8	100,000	-
Investment in associate	9	343,333	239,977
Total non-current assets		**6,780,868**	**6,058,856**
Inventories	10	3,346,735	2,461,986
Trade and other receivables	11	1,818,884	1,708,287
Advances, deposits and prepayments	12	351,411	262,661
Cash and cash equivalents	13	4,125,304	3,392,544
Total current assets		**9,642,334**	**7,825,478**
Total assets		**16,423,202**	**13,884,334**
Share capital	14	463,779	463,779
Retained earnings	15	10,331,912	9,006,563
Equity attributable to the Company's equity holders		**10,795,691**	**9,470,342**
Deferred tax liabilities	16	271,771	326,424
Lease liabilities- long term portion	6	491,497	509,889
Total non-current liabilities		**763,268**	**836,313**
Lease liabilities- Short term portion	6	76,420	61,816
Trade and other payables	17	4,115,051	2,876,969
Provision for royalty	18	296,768	285,397
Provision for current tax	19	348,989	326,393
Provision for employees' retirement gratuity	20	14,848	17,132
Dividend payable	21	12,020	9,825
Liability for unclaimed IPO application money	22	147	147
Total current liabilities		**4,864,243**	**3,577,679**
Total liabilities		**5,627,511**	**4,413,992**
Total equity and liabilities		**16,423,202**	**13,884,334**

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

As per our report of same date.

A. Qasem & Co.
Chartered Accountants
RJSC Firm Registration No.: PF 1015

Mohammad Motaleb Hossain FCA Partner
Enrolment Number: 0950
Dhaka, 19 July 2021

Rupali Chowdhury, Managing Director

Sazzad Rahim Chowdhury, Director & Chief Financial Officer

Khandker Abu Jafar Sadique, Company Secretary

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

In Thousands Taka	Notes	For the year ended 31 March 2021	2020
Revenue	24	16,877,369	16,328,653
Cost of sales	25	(10,068,770)	(9,906,273)
Gross profit		**6,808,599**	**6,422,380**
Selling, distribution and warehousing expenses	26	(2,673,198)	(2,757,237)
Administrative and general expenses	27	(561,160)	(556,363)
Other operating expenses	28	(106,763)	(106,738)
Other operating income	29	213,308	206,391
Total operating expenses		**(3,127,813)**	**(3,213,947)**
Income from operation		**3,680,786**	**3,208,433**
Finance cost	30	(36,515)	(3,058)
Investment income	31	132,302	189,867
		95,787	**186,809**
Other non-operating income	32	16,533	9,741
Share of profit of associate	9	38,756	37,984
		55,289	**47,725**
Profit before WPPF and Tax		**3,831,862**	**3,442,967**
Workers' profit participation and welfare fund (WPPF)		(189,776)	(169,716)
Net profit before tax		**3,642,086**	**3,273,251**
Current tax expense	19	(1,005,783)	(841,288)
Deferred tax (expense)/income	16	55,225	(9,886)
Income tax expenses		**(950,558)**	**(851,174)**
Net profit for the year		**2,691,528**	**2,422,077**
Other Comprehensive Income			
Actuarial gain/(loss) on defined benefit plan		2,540	-
Deferred tax impact on defined benefit plan		(572)	-
Total comprehensive income		**2,693,496**	**2,422,077**
Basic Earnings per share (EPS) - Taka	34	58.03	52.22

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

As per our report of same date.

A. Qasem & Co.
Chartered Accountants
RJSC Firm Registration No.: PF 1015

Mohammad Motaleb Hossain FCA Partner
Enrolment Number: 0950
Dhaka, 19 July 2021

Rupali Chowdhury, Managing Director

Sazzad Rahim Chowdhury, Director & Chief Financial Officer

Khandker Abu Jafar Sadique, Company Secretary

Berger Paints Bangladesh Limited
Consolidated Statement of Changes in Equity

For the year ended 31 March 2021

In Thousands Taka

Particulars	Share capital	Retained earnings	Total
Balance as at 01 April 2020	463,779	9,006,563	9,470,342
Distribution of cash dividend	-	(1,368,147)	(1,368,147)
Total comprehensive income			
Net profit for the year	-	2,691,528	2,691,528
Other comprehensive income, net of tax	-	1,968	1,968
Balance as at 31 March 2021	463,779	10,331,912	10,795,691

Particulars	Share capital	Retained earnings	Total
Balance as at 01 April 2019	463,779	7,743,933	8,207,712
Distribution of cash dividend	-	(1,159,447)	(1,159,447)
Total comprehensive income			
Net profit for the year	-	2,422,077	2,422,077
Other comprehensive income, net of tax	-	-	-
Balance as at 31 March 2020	463,779	9,006,563	9,470,342
Notes	14	15	

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

Berger Paints Bangladesh Limited
Consolidated Statement of Cash Flows

In Thousands Taka	Notes	For the year ended 31 March 2021	2020
Cash flows from operating activities			
Cash received from customers		16,740,847	16,361,362
Cash received from other operating income		212,782	206,979
Investment (Finance) income		135,883	153,373
Cash paid to suppliers and employees		(12,727,492)	(12,193,863)
Interest paid on lease obligations		(35,212)	(33,594)
Income tax paid	19	(983,187)	(695,788)
A. Net cash flows from operating activities		**3,343,621**	**3,798,469**
Cash flows from investing activities			
Acquisition of property, plant and equipment, intangible assets and right-of-use assets		(1,046,355)	(1,103,813)
Other non-operating income		3,484	-
Investment in BFL		(64,600)	-
Dividend income		22,344	-
Investment (Finance) expenses		(777)	(4,234)
Term investment	8	(100,000)	-
Proceeds from sale of property, plant and equipment		13,049	13,089
B. Net cash used in investing activities		**(1,172,855)**	**(1,094,958)**
Cash flows from financing activities			
Dividend paid	21	(1,365,952)	(1,555,052)
Payment of lease liabilities		(71,528)	(62,286)
C. Net cash used in financing activities		**(1,437,480)**	**(1,617,338)**
Net increase/(decrease) in cash and cash equivalent D=(A+B+C)		**733,286**	**1,086,173**
Exchange (gain)/loss (E)		(526)	588
Opening cash and cash equivalents (F)		3,392,544	2,305,783
Closing cash and cash equivalents (D+E+F)		**4,125,304**	**3,392,544**

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

Berger Paints Bangladesh Limited
Notes to the Consolidated Financial Statements

As at and for the year ended 31 March 2021

1 Company profile and overview of its operational activities

1.1 Company profile

Berger Paints Bangladesh Limited (the Company) was incorporated under the Companies Act, 1994 on 6 June 1973 as a 'Private' company, limited by shares. Subsequently, the Company was converted to 'Public' company limited by shares through Extraordinary General Meeting held on 21 June 2005. The company is listed with Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) of Bangladesh from 27 December 2005 and 21 December 2005 respectively.

Berger Paints Bangladesh Limited owns 100% shares of Jenson & Nicholson (Bangladesh) Limited, 49% shares of Berger Becker Bangladesh Limited and 50% shares of Berger Fosroc Limited. The consolidated financial statements of the company as at and for the period ended 31 March 2021 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 office and corporate office of the Company are located at Berger House, House 8, Road 2, Sector 3, Uttara Model Town, Dhaka 1230.

1.3 Description of the companies and nature of business

Berger Paints Bangladesh Limited

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

Jenson & Nicholson (Bangladesh) Limited

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

Berger Becker Bangladesh Limited

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

Berger Fosroc Limited

Berger Paints Bangladesh Limited also owns 50% shares of Berger Fosroc Limited – (BFL). Berger Fosroc Limited was incorporated on 19 April 2018 as a Private Limited Company under the Companies Act, 1994. This is a joint venture between Berger Paints Bangladesh Limited and Fosroc International Limited, United Kingdom. The address of the Company's registered office is Berger House, House - 8, Road - 2, Sector - 3, Uttara Model Town, Dhaka 1230. The company commenced its operation through trading with effect from 12 September 2018.

2 Summary of significant accounting policies

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

Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), the Companies Act 1994, the Securities and Exchange Rules 1987, relevant guidelines issued by the Bangladesh Securities and Exchange Commission, Financial Reporting Act, 2015 and other applicable laws in Bangladesh.

The title and format of these consolidated financial statements follow the requirements of IFRS which are to some extent different from the requirement of the Companies Act 1994. However, such differences are not material and in the view of management, IFRS titles and format give better presentation to the shareholders.

Authorisation for issue

These consolidated financial statements have been authorized for issue by the Board of Directors of the Company on 19 July 2021.

2.1 Basis of preparation and presentation of the consolidated financial statements

The consolidated financial statements have been prepared and the disclosures of information are made in accordance with the International Financial Reporting Standards (IFRS), the Companies Act, 1994 and Bangladesh Securities and Exchange Rules 1987 and other applicable laws and regulations. The consolidated statement of financial position and statement of profit or loss and other comprehensive income have been prepared according to International Accounting Standards (IAS) 1 Presentation of Financial Statements on accrual basis of accounting following going concern assumption under generally accepted accounting principles and practices in Bangladesh and consolidated statement of cash flows is prepared according to IAS 7 Statement of Cash Flows and has been presented under direct method as required by the Bangladesh Securities and Exchange Rules 1987.

2.2 COVID-19 impact to preparation of consolidated financial statements

The global outbreak of Corona Virus (COVID-19) has reached Bangladesh in mid-March 2020. There was movement restrictions in part of the accounting period, but did not have significant impact on the Group's performance. As the outbreak continues to evolve, it is challenging at this juncture, to predict the full extent and duration of its impact on business and economy. Consequently, these circumstances may present entities with challenges when preparing consolidated financial statements as per IFRS. In this report, the company has assessed the impact of COVID-19 upon different aspects of the business. The guideline issued by the ICAB "POTENTIAL COVID-19 IMPACT ON FINANCIAL REPORTING AND AUDITING", IAS 10 Events after the reporting period and other relevant standards are considered while preparing this report.

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

i. Going concern assessment

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

In 2020-21, the Group has gone through the challenges of COVID-19 and achieved sales and profitability growth over the previous year. The Group expects to continue this growth trend in future years. Even after considering the current crisis situation the revised forecasted sales for the year ended 31 March 2022 is higher than the current year sales. It indicates that the Group will be able to maintain strong market share in next year, even better than the current year.

ii. Events after the reporting period

The consolidated financial statements for the year ended 31 March 2021 has not been directly impacted due to COVID- 19. Most of the activities (financial and non-financial) have already been completed and no subsequent impact has been done yet, e.g. revenue is recognized properly, inventory is received and recorded on time and other transactions are made by complying the matching concept and cut-off test.

iii. Fair value measurement

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

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

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

iv. Impairment assessment

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

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

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

2.3 Basis of measurement

These consolidated financial statements have been prepared on historical cost basis except for inventories which are measured at lower of cost and net realisable value.

2.4 Principal accounting policies

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

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

2.5 Application of standards

The following IASs and IFRSs are applicable for the preparation of consolidated financial statements for the year under review.

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

2.6 Use of estimates and judgments

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

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

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

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

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

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

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

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

2.7 Reporting period

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

2.8 Reporting and comparative figures and phases

Wherever considered necessary, previous Period's figures and phrases have been re-arranged to conform to the current Period presentation. The revised figures of the Group and Subsidiaries financial statements have been considered for preparation of consolidated financial statements.

2.9 Going concern

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

2.10 Functional and presentational currency and level of precision

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

3 Significant accounting policies

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

3.1 Consolidation of financial statements

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

i. Basis of consolidation

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

IFRS-10 "Consolidated Financial Statements" introduces a new control model that focuses on whether the Group has power over an investee, exposure or rights to variable returns from its involvement with the investee and ability to use its power to affect those returns. An investor has power over an investee when the investor has existing rights that gives it the current ability to direct the relevant activities that significantly affect the investee's returns.

Power arises from rights. An investor is exposed, or has rights, to variable returns from its involvement with the investee when the investor's returns from its involvement have the potential to vary as a result of the investee's performance. An investor controls an investee if the investor not only has the power over the investee and exposure or rights to variable returns from its involvement with the investee, but also has the ability to use its power to affect the investor's return from its involvement with the investee.

]

ii. Investment in Subsidiary

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

iii. Loss of control

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

iv. Investment in Associate

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

v. Intra-Group transactions

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

vi. Non-controlling interest

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

vii. Companies considered in consolidated financial statements.

Name of company	% of holding	Relationship with the Group
Jenson and Nicholson (Bangladesh) Limited	100	Subsidiary
Berger Becker Bangladesh Limited	49	Associate
Berger Fosroc Limited	50	Associate

3.2 Property, plant and equipment

i. Recognition and measurement

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

ii. Subsequent costs

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

iii. Depreciation of property, plant & equipment

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

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

The depreciation rate(s) are as follows:

Category of property, plant and equipment	Rate (%)
Land	1-2
Building	2 - 2.5
Buildings – other construction	10-33.33
Plant and machinery	7.5 - 10
Office equipment	15 - 20
Factory and laboratory equipment	20
Computer	20
Electrical installation	12.5
Furniture, fixtures and fittings	12.5
Motor vehicles	20 & 25
Loose tools	50

iv. Gain or loss on disposal

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

3.3 Capital work-in-progress

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

3.4 Application of lease

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

i) IFRS 16: Leases

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

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

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

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

ii) Definition of a lease

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

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

As a lessee

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

At transition, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate. Right-of-use assets are measured at their carrying amount as if IFRS 16 had been applied since the commencement date, discounted using the opportunity cost rate at the date of initial application.

3.5 Intangible assets

Intangible assets includes IT Software and Trademarks.

i. Recognition and measurement

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

a. it is probable that future economic benefits that are attributable to the asset will flow to the entity; and
b. the cost of the asset can be measured reliably.

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

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

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

a. the technical feasibility of completing the intangible asset so that it will be available for use or sale;
b. ts intention to complete the intangible asset and use or sell it;
c. its ability to use or sell the intangible asset;
d. how the intangible asset will generate probable future economic benefits. Among other things, the entity can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset;
e. the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset;
f. its ability to measure reliably the expenditure attributable to the intangible asset during its development.

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

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

ii. Subsequent costs

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

iii. Amortization

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

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

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

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

iv. Derecognition

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

3.6 Inventories

i. Recognition and measurement

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

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

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

ii. Inventory write off

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

iii. Goods in transit (GIT)

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

3.7 Financial instruments

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

a. Financial assets

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

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

i. Investment in associate

Investment in associate is recognized initially at cost. Subsequent to initial recognition, investment in associate is measured at original cost after adjusting share of post acquisition change in net assets, less any impairment losses. However, the losses recognized in respect of the associate are limited to the carrying amount of the investment in associate.

ii. Trade and other receivables

Trade & other receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at original invoice amount less an estimate made for doubtful debts based on a review.

iii. Cash and cash equivalents

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

b. Financial liabilities

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

i. Trade and other payables

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

ii. Interest-bearing borrowings

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

3.8 Advances, deposits and prepayments

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

3.9 Provisions and contingent liabilities and assets

i. Provisions

The preparation of consolidated financial statements in conformity with IAS 37 Provisions, Contingent Liabilities and Contingent Assets requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses, assets and liabilities, and the disclosure requirements for contingent assets and liabilities during and at the date of the financial statements.

In accordance with para 14 of IAS 37 provisions are recognized in the following situations:

a. When the Group has a present obligation as a result of past event;

b. When it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and

c. Reliable estimates can be made of the amount of the obligation.

We have shown the provisions in the consolidated statement of financial position at an appropriate level with regard to an adequate provision for risks and uncertainties. An amount recorded as a provision represents the best estimate of the probable expenditure required to fulfil the current obligation on the date of consolidated statement of financial position.

Other provisions are valued in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets and, if required, in accordance with IAS 19 Employee Benefits. Other provisions comprise all recognizable risks from uncertain liabilities and anticipated losses from pending transactions.

ii. Contingent liabilities and assets

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

3.10 Employee benefits

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

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

ii. Defined contribution plan (Staff provident fund)

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

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

iii. Workers' profit participation and welfare fund

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

3.11 Taxation

Income tax expense comprises current and deferred taxes. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

i. Current tax:

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous year. The tax rates used for the reporting periods are as follows:

Year	Tax Rate	
	BPBL	JNBL
31-Mar-21	22.50%	30%
31-Mar-20	25%	35%

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

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

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

3.12 Revenue recognition

Policy applicable from 1 April 2020
Revenue is recognized when invoice for products are made and the significant risk and reward of ownership are transferred to the customers, recovery of the consideration is probable, associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the control of the goods, and the amount of revenue can be measured reliably. As per IFRS 15 Revenue from Contract with Customers, Value Added Tax (VAT), Supplementary Duty (SD), Turnover Commission and other variable considerations e.g. trade discounts, early settlement discount and volume rebates and discounts are excluded from revenue.

Policy applicable before 1 April 2020
Rearranged to conform to current year's revenue recognition policy adoption.

Specific policies regarding the recognition of revenue are as follows:

i. Revenue from sales of goods
Revenue from the sale of goods shall be recognized when all the following conditions have been satisfied:

a) the entity has transferred to the buyer the significant risks and rewards of ownership of the goods and customer obtains control of the goods;
b) it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur.
c) the amount of revenue can be measured reliably; and
d) it is probable that the economic benefits associated with the transaction will flow to the entity.

ii. Rendering of services
Under IFRS 15, the total consideration in the service contracts will be allocated to all services based on their stand-alone prices. The stand-alone prices will be determined based on the list prices at which the Group sells the services in separate transactions.

-service (or a bundle of services) that is distinct-customer can get the benefit from the good or service either on its own or together with readily available resources.

-a series of distinct services that are substantially the same and that have the same pattern of transfers to the customer-promise to transfer the service is separately identifiable from other promise in the contract.

Determination of transaction price for revenue from sale of goods and rendering of services.

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

iii. Income derived from color bank operation

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

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

v. Income derived from interest
Finance income comprises interest income on fixed deposits, Short Notice Deposit (SND) and amounts due from related parties. Interest income is recognized in statement of profit or loss when it accrues, using the effective interest rate method and considering the time proportion Basis.

Finance costs comprises interest expense on operational overdraft, LTR, term loan and short term borrowings . All finance expenses are recognized in the statement of profit or loss.

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

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

3.14 Repairs, upkeep and maintenance charges
These are charged out as revenue expenditure in the period in which these are incurred.

3.15 Bad and doubtful debts
Bad debts provision has been recognised as per IFRS 9, based on the assessment of risk base receivable.

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

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

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

3.19 Event after the reporting period
Events after the reporting period that provide additional information about the Group's position at the reporting date are reflected in the financial statements. Material events after the reporting period that are not adjusting events are disclosed by way of note.

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

3.21 Earnings per share (EPS)
The Group presents Earnings Per Share (EPS) in accordance with IAS 33 Earning Per Share, which has been shown on the face of consolidated statement of profit or loss and other comprehensive income.

i. Basic Earnings per share (BEPS)
This has been calculated by dividing the profit or loss attributable for the period by number of ordinary shares outstanding at the end of the period.

ii. Diluted earning per share (DEPS)
No diluted EPS is required to be calculated for the period as there is no dilutive potential ordinary shares during the period under review.

iii. Weighted average numbers of ordinary shares
The weighted numbers average number of ordinary shares outstanding during the year is the number of ordinary shares outstanding at the beginning of the year, adjusted by the number of ordinary shares issued during the year multiplied by a time-weighting factor. The time-weighted factor is the number of days that the shares are outstanding as a proportion of the total number of days in the year. The weighted average number of shares is calculated by assuming that the shares have always been is issue. This means that they have been issued at the start of the year presented as the comparative figures.

		As at 31 March	
	In Thousands Taka	2021	2020
4	**Property, plant and equipment**		
	At cost		
	Opening balance	7,885,399	7,059,965
	Addition during the year	1,012,100	889,843
	Disposal during the year	(50,294)	(64,409)
	Closing balance	**8,847,205**	**7,885,399**
	Accumulated depreciation		
	Opening balance	3,368,794	2,846,940
	Charged for the year	572,760	582,627
	Adjustment on disposal during the year	(49,537)	(60,773)
	Closing balance	**3,892,017**	**3,368,794**
	Written down value	**4,955,188**	**4,516,605**
	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	352,798	355,510
	Selling, distribution and warehousing expenses	168,782	170,096
	Administrative and general expenses	51,180	57,021
		572,760	**582,627**
5	**Capital work-in-progress**		
	Opening balance	612,927	368,886
	Addition during the year	530,041	1,001,543
	Transferred to property, plant and equipment	(387,710)	(757,502)
	Closing balance	**755,258**	**612,927**

In Thousands Taka		As at 31 March 2021	As at 31 March 2020
5.1	**Details of capital work-in-progress**		
	Land	12,774	175,102
	Building	427,487	167,902
	Plant and machinery	180,461	109,960
	Factory and lab equipment	109,477	140,697
	Software	23,237	13,886
	Other	1,822	5,380
		755,258	**612,927**
6	**Lease**		
	Right-of-use assets		
	At cost		
	Opening balance	743,954	-
	Addition during the year	63,970	743,954
	Closing balance	**807,924**	**743,954**
	Accumulated amortization		
	Opening balance	114,733	-
	Charged for the year	120,605	114,733
	Closing balance	**235,338**	**114,733**
	Written down value as at 31 March	**572,586**	**629,221**
	Lease liabilities		
	Lease liabilities - non-current portion	491,497	509,889
	Lease liabilities - current portion	76,420	61,816
	Balance as at 31 March	**567,917**	**571,705**
	Segregation of amortization		
	Manufacturing overhead	11,868	6,271
	Selling, distribution and warehousing expenses	102,553	102,957
	Administrative and general expenses	6,184	5,505
	Total	**120,605**	**114,733**

					As at 31 March	
					2021	2020
7	Intangible assets	Software	Corporate membership	Trade marks	Total	Total
	At cost					
	Opening balance	236,510	3,300	2,285	242,095	233,511
	Addition during the year	22,032	-	-	22,032	8,584
	Closing balance	**258,542**	**3,300**	**2,285**	**264,127**	**242,095**
	Accumulated amortization					
	Opening balance	180,886	-	1,083	181,969	151,427
	Charged for the year	27,440	-	215	27,655	30,542
	Closing balance	**208,326**	**-**	**1,298**	**209,624**	**181,969**
	Carrying amount	**50,216**	**3,300**	**987**	**54,503**	**60,126**
7.1	**Segregation of amortization**					
	Selling, distribution and warehousing expenses				215	215
	Administrative and general expenses				27,440	30,327
					27,655	**30,542**
8	**Term deposit**					
	Investment in government securities				100,000	-
					100,000	**-**
9	**Investment in associate**					
	Opening balance				239,977	201,993
	Additional investment during the year				64,600	-
	Share of profit of associate				38,756	37,984
	Closing balance				**343,333**	**239,977**
10	**Inventories**					
	Raw materials				1,541,072	995,094
	Semi finished goods				216,676	148,689
	Packing materials				53,512	42,860
					1,811,260	**1,186,643**
	Own manufactured products				654,917	637,246
	Imported products				60,519	81,307
	Finished goods				**715,436**	**718,553**
	Store and consumables				58,132	55,323
	Promotional items				25,180	24,430
					83,312	**79,753**
	Inventories in transit - GIT				**736,727**	**477,037**
					3,346,735	**2,461,986**

In Thousands Taka	As at 31 March 2021	As at 31 March 2020

11 Trade and other receivables

	2021	2020
Trade receivables-unsecured	1,864,875	1,707,166
Provision for bad and doubtful debt on unsecured trade receivables	(94,084)	(72,897)
Considered to be good	**1,770,791**	**1,634,269**
Other receivables	13,282	29,416
Receivables with associate	34,811	44,602
	1,818,884	**1,708,287**

Maturity wise presentation of trade receivables-unsecured:

	2021	2020
Outstanding over 360 days	117,406	117,580
Outstanding 181 days to 360 days	62,872	60,320
Outstanding up to 180 days	1,684,597	1,529,266
	1,864,875	**1,707,166**

12 Advances, deposits and prepayments

	2021	2020
Advance - note 12.1	265,073	175,072
Security deposits	45,699	42,630
Prepayments for Insurance and other	40,639	44,959
	351,411	**262,661**

12.1 Advance - note 12.1

	2021	2020
Advance to employees - note 12.1.1	82,715	77,944
Advance to suppliers and others - note 12.1.2	182,358	97,128
	265,073	**175,072**

12.1.1 Advance to employees

	2021	2020
House building loans	73,745	71,545
Others	8,970	6,399
Advances to employees	**82,715**	**77,944**

12.1.2 Advance for goods and services

	2021	2020
Goods and services	100,422	16,369
Supplementary Duty	-	2,157
Advance for rent	81,936	78,602
Advances for service and others	**182,358**	**97,128**

	As at 31 March 2021	As at 31 March 2020
13 Cash and cash equivalents		
Current accounts:		
Term deposit accounts (FDR)		
Three months	2,501,238	2,351,237
	2,501,238	2,351,237
Current and collection accounts	577,056	566,547
Short term deposit accounts (STD) - notes 33		
Operational account	1,012,238	441,933
IPO account	14,570	12,374
	1,026,808	454,307
Foreign currency current accounts - notes 33		
Operational account	16,960	14,343
Cash in hand	3,242	6,110
Cash and cash equivalents	**4,125,304**	**3,392,544**

14 Share capital

	2021	2020
14.1 Authorized share capital		
100,000,000 ordinary shares of Taka 10 each	**1,000,000**	**1,000,000**
14.2 Issued, subscribed and paid-up share capital		
46,377,880 ordinary shares of Taka 10 each	**463,779**	**463,779**

The Company became public listed through initial public offer (IPO) as per consent letter of Bangladesh Securities and Exchange Commission ref SEC/CI/IPO-71/2005/168 dated 10 October 2005.

14.3 Composition of shareholding

Shareholders	Number of share	% of share holding	Value in '000	Value in '000
J & N Investments (Asia) Limited - Group	44,058,740	95.00	440,587	440,587
Institutions & General public	108,143	0.23	1,081	4,759
Foreign shareholders	**44,166,883**	**95.23**	**441,669**	**445,347**
Institutions (financial & others)	1,469,310	3.17	14,693	11,953
General public	741,687	1.60	7,417	6,479
Bangladeshi shareholders	**2,210,997**	**4.77**	**22,110**	**18,432**
Total	**46,377,880**	**100.00**	**463,779**	**463,779**

14.4 Classification of shareholders by range

Shareholding range	Type of shareholders	31 March 2021			31 March 2020
		Number of shares	% of share holding	Number of share-holders	Number of share holders
Less than 501 shares	G. Public& Inst	288,752	0.62	3,665.00	4,396.00
501 to 5,000 shares	G. Public& Inst	393,843	0.85	262.00	265.00
5,001 to 10,000 shares	G. Public& Inst	97,297	0.21	14.00	10.00
10,001 to 20,000 shares	G. Public& Inst	134,752	0.29	9.00	13.00
20,001 to 30,000 shares	Institution	244,424	0.53	10.00	4.00
30,001 to 40,000 shares	Institution	106,259	0.23	3.00	1.00
40,001 to 50,000 shares	Institution	271,412	0.59	6.00	1.00
50,001 to 100,000 shares	Institution	337,753	0.73	5.00	5.00
100,001 to 1,000,000 shares	Institution	444,648	0.96	1.00	2.00
Over 1,000,000 shares	Group	44,058,740	95.00	1.00	1.00
Total		**46,377,880**	**100.00**	**3,976.00**	**4,698.00**

In Thousands Taka	As at 31 March 2021	2020
15 Retained earnings		
Opening balance	9,006,563	7,743,933
Net profit for the year	2,691,528	2,422,077
Distribution of cash dividend	(1,368,147)	(1,159,447)
Actuarial gain/(loss) on defined benefit plans	2,540	-
Deferred tax on actuarial gain	(572)	-
Closing balance	**10,331,912**	**9,006,563**

In Thousands Taka	As at 31 March 2021	2020

16 Deferred tax liabilities

	Carrying amount	Tax base	Taxable/ (deductible)	Taxable/ (deductible)
Property, plant and equipment	3,312,803	2,094,316	1,218,487	1,283,191
Right-Of-Use (ROU) Asset	572,586	-	572,586	-
Lease obligation	(567,917)	-	(567,917)	-
Provision for bad debts	(94,084)	-	(94,084)	(72,897)
Provision for employee benefit plan	(14,848)	-	(14,848)	(17,132)
Net temporary difference			**1,114,224**	**1,193,162**
Deferred tax liabilities as at 31 March			**271,771**	**326,424**

16.1 Deferred tax expenses

	2021	2020
Opening balance	326,424	316,538
Closing balance	271,771	326,424
	(54,653)	**9,886**
Deferred tax expense on actuarial gain directly attributable to equity	(572)	-
Deferred tax expenses/(income) recognised directly in profit or loss and OCI	**(55,225)**	**9,886**

17 Trade and other payables

	2021	2020
For revenue expenses - note 17.1	2,102,052	1,322,624
For trading supplies	1,604,736	1,239,621
For other finance - note 17.2	320,264	211,977
For capital expenditure	22,069	20,163
	4,049,121	**2,794,385**
Workers' profit participation and welfare fund (WPPF)	65,930	82,584
	4,115,051	**2,876,969**

17.1 Payable for revenue expenses

	2021	2020
Accrued charges	1,917,818	1,262,150
Provision for trade rebate	179,751	56,397
Training and consultancy fee	4,483	4,077
	2,102,052	**1,322,624**

In Thousands Taka		As at 31 March 2021	2020
17.2	**Payable for other finance**		
	Clearing account	47,247	54,068
	Security deposits	46,621	19,756
	Tax and VAT deduction at source	43,122	27,221
	Staff income tax	7,033	5,692
	Others	176,241	105,240
		320,264	**211,977**

18 Provision for royalty

	2021	2020
Opening balance	285,397	309,863
Charged during the year	104,248	104,058
Adjustment during the year	(297)	-
	389,348	413,921
Payment during the year	(92,580)	(128,524)
Closing balance	**296,768**	**285,397**

19 Provision for current tax

	2021	2020
Opening balance	326,393	180,893
Provision made for the year	1,005,783	841,288
	1,332,176	1,022,181
Payment and adjustment made during the year	(983,187)	(695,788)
Closing balance	**348,989**	**326,393**
Breakup of tax deducted at source and paid in advance - note 20		
Tax deducted at source	460,059	386,216
Tax paid in advance	523,128	309,572
	983,187	**695,788**

20 Provision for employees' retirement gratuity

	2021	2020
Opening balance	17,132	43,553
Provision made for the year	34,789	32,510
Actuarial gain on actuarial valuation	(2,540)	-
	49,381	76,063
Paid/transferred to gratuity fund during the year	(34,533)	(58,931)
Closing balance	**14,848**	**17,132**

In Thousands Taka		As at 31 March 2021	2020
21	**Dividend payable**		
	Opening balance	9,825	405,430
	Distribution during the year - note 15	1,368,147	1,159,447
		1,377,972	1,564,877
	Payment during the year	(1,365,952)	(1,555,052)
	Closing balance	**12,020**	**9,825**
22	**Liability for unclaimed IPO application money**		
	Opening balance	147	147
	Refunded during the year	-	-
	Closing balance sing balance	**147**	**147**
23	**Contingent liabilities**		
	Contingent liabilities of the Group that relate to issue of letter of credit and bank guarantee to third parties as presented below:		
	i. Letter of Credit		
	Commercial Bank of Ceylon PLC	280,090	116,992
	Standard Chartered Bank	122,670	62,319
	Citi Bank NA	39,397	39,560
	Eastern Bank Limited	118,434	90,477
	Woori Bank	460,549	174,052
	BRAC Bank Limited	59,713	435
	Raw Material	1,080,853	483,835
	Capital expenditure	108,097	108,097
	ii. Letter of Credit (total)	**1,188,950**	**591,932**
	iii. Bank guarantee		
	Standard Chartered Bank for BBBL	73,606	73,606
	The Hongkong and Shanghai Banking Corporation Limited for BFL	137,000	137,000
	Others	1,703	1,703
	Bank guarantee	**212,309**	**212,309**
		1,401,259	**804,241**

In Thousands Taka		For the year ended 31 March 2021	2020
24	**Revenue**		
	Net revenue of group-BPBL	16,669,802	16,219,044
	Net revenue of subsidiary-J & N (Bangladesh) Limited	795,592	695,696
		17,465,394	16,914,740
	Inter-company sales	(588,025)	(586,087)
		16,877,369	**16,328,653**
25	**Cost of sales**		
	Opening stock of finished goods	718,553	732,276
	Purchases of finished goods for the year	120,546	145,804
		839,099	**878,080**
	Raw material consumed - notes 25.1	8,749,835	8,631,265
	Manufacturing overhead - note 25.2	1,195,272	1,115,481
	Cost of goods manufactured	**9,945,107**	**9,746,746**
		10,784,206	10,624,826
	Closing stock of finished goods	(715,436)	(718,553)
	Cost of sales	**10,068,770**	**9,906,273**
25.1	**Raw materials consumed**		
	Opening stock:		
	Raw materials	995,094	786,403
	Semi finished goods	148,689	195,870
	Packing materials	42,860	41,194
		1,186,643	1,023,467
	Purchase for the year		
	Raw materials	8,361,572	7,788,764
	Packing materials	1,600,905	1,591,765
	Intercompany sales	(588,025)	(586,088)
		9,374,452	8,794,441
	Closing stock:		
	Raw materials	(1,541,072)	(995,094)
	Semi finished goods	(216,676)	(148,689)
	Packing materials	(53,512)	(42,860)
		(1,811,260)	(1,186,643)
		8,749,835	**8,631,265**

In Thousands Taka		For the year ended 31 March 2021	2020
25.2	**Manufacturing overhead**		
	Salary and wages	420,000	388,268
	Welfare expenses	17,522	20,333
	Third party and casuals	67,596	48,604
	Depreciation	364,666	361,781
	Fuel, water and power	89,327	86,135
	Repairs and maintenance	61,855	55,967
	Raw material shifting charge	19,721	14,380
	Stores and spares consumed	13,453	13,949
	Insurance	9,468	6,601
	Training and recruitment expenses	1,712	6,488
	Security and cleaning service	6,713	8,212
	Third party production charge	68,095	59,177
	Outsourcing employee cost	13,485	12,051
	Entertainment	1,229	1,170
	Printing charge and other overhead	14,085	11,018
	Travelling and conveyance	5,327	7,921
	Production incentive	6,345	3,914
	Research, development and experimental costs	8,598	2,015
	Process development	1,127	2,581
	Rent, rates and other taxes	4,186	4,030
	L/C and bank charges	762	886
		1,195,272	**1,115,481**
26	**Selling, distribution and warehousing expenses**		
	Advertising expenses	355,913	429,882
	Promotioal expenses	664,333	733,306
	Salary and wages	473,681	447,183
	Third party and casuals	111,401	95,912
	Welfare expenses	13,353	14,699
	Training and recruitment expenses	2,486	7,705
	Security and cleaning service	27,536	20,705
	Outsourcing employee cost	52,863	48,322
	Production incentive	1,935	1,328
	Other overhead	25,107	20,982
		1,728,608	1,820,024

In Thousands Taka	For the year ended 31 March 2021	2020
Distribution and warehousing expenses		
Transportation and handling charges	284,582	272,429
Repair & maintenance	19,128	23,142
Rent, rates and fees	8,185	11,346
Electricity, water and gas	11,999	12,396
Insurance	4,321	3,279
	328,215	322,592
Selling expenses		
Paint delivery expenses	209,699	194,308
Salesmen travelling	59,738	65,153
Postage and telecommunication	9,896	9,659
Rent, rates and fees	9,320	11,811
Product demonstration	8,248	8,438
Entertainment	6,368	7,629
Sales incentive	5,750	6,852
General survey and studies	3,500	3,508
Bad debts	25,745	25,230
Color Bank operational expenses	3,598	3,555
Illusion expense	2,142	2,037
Others	754	317
	344,758	338,497
Depreciation and amortization	271,550	273,268
Cost of free issue	67	2,856
	271,617	276,124
	2,673,198	**2,757,237**

27 Administrative and general expenses

	2021	2020
Salary and wages	316,827	306,157
Welfare expenses	9,147	9,092
Third party and casuals	5,652	2,702
Training and recruitment expenses	3,803	9,253
Employee engagement	8,676	4,911
Security and cleaning service	6,115	5,477
Outsourcing employee cost	4,875	3,345
Production incentive	392	315
Postage and telecommunication	8,461	9,215

In Thousands Taka	For the year ended 31 March 2021	2020
Depreciation and amortization	84,804	92,853
Travelling, haltage and passage	2,095	7,476
Repair and maintenance - others	34,205	25,886
Share department expenses	2,557	3,191
Bank charges	10,024	7,737
Vehicle expenses	9,740	12,946
Electricity, fuel and water	6,318	5,635
Printing and stationery	5,861	6,379
Rates and fees	2,732	3,352
Subscription and donation	772	702
CSR activity	8,016	8,917
Entertainment	6,968	7,535
Corporate affairs department's expenses	490	608
Insurance	461	358
Legal and professional charges	10,773	11,647
Auditors' remuneration	1,955	1,477
Newspaper and periodicals	141	392
Directors fees	735	473
Process development	-	47
Other overhead	8,565	8,285
	561,160	**556,363**

28 Other operating expenses

Royalty fees	103,951	104,058
Training and consultancy fees	2,812	2,680
	106,763	**106,738**

29 Other operating income

Service charges from house building loans	785	713
Scrap sales and sundry recoveries	30,202	26,606
Color Bank operational income	98,298	93,669
Insurance claim and other realizations	8,832	14,210
Income from illusion	18,638	25,110
Rental income	6,551	4,016
Marketing service fee	10,223	11,187
Indenting commission and scrap sales	39,779	30,880
	213,308	**206,391**

In Thousands Taka	For the year ended 31 March 2021	2020
30 Finance cost		
Interest expense	43,644	8,088
Exchange loss / (gain)	526	(588)
	44,170	7,500
Inter-company transaction	(7,655)	(4,442)
	36,515	**3,058**
31 Investment income		
Dividend income	22,344	-
Term deposits, operational and other	109,958	189,867
Loan to subsidiary	7,655	4,442
	139,957	**194,309**
Inter-company transaction	(7,655)	(4,442)
	132,302	**189,867**
32 Other non-operating income		
Income on sale of property, plant and equipment	13,049	9,741
Others*	3,484	-
	16,533	**9,741**

* Others include BDT 644 thousand related to forfeiture income from provident fund.

33 Financial risk management

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

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

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

i. Liquidity risk

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

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

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

In Thousands Taka	As at 31 March 2021			
Financial liabilities	Carrying amount	Contractual cash flows	Within 12 months or less	Above 12 months
Trade and other payables including dividend payable and payable for IPO application money	4,127,218	4,127,218	4,127,218	-

	As at 31 March 2020			
Financial liabilities	Carrying amount	Contractual cash flows	Within 12 months or less	Above 12 months
Trade and other payables including dividend payable and payable for IPO application money	2,886,941	2,886,941	2,886,941	-

ii. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

a. Currency risk

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

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

	As at 31 March	
In Thousands Taka	2021	2020
Foreign currency denominated assets		
Receivable from customers-Export	22,618	10,244
Cash at bank	4,125,304	3,392,544
Foreign currency denominated liabilities		
Trade payables	1,604,736	1,239,621
Royalty and technical fees	296,768	285,397

The foreign exchange loss Taka 526 thousand for the year ended 31 March 2021 and exchange gain Taka 588 thousand was for the year ended 31 March 2020.

The Group has applied the following significant foreign exchange rates:

	As at 31 March	
In Thousands Taka	2021	2020
US Dollar	84.95	84.95
EURO	100.99	95.74
GBP	118.16	106.96

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:

	As at 31 March	
Financial instruments	2021	2020
Financial assets		
Term deposit	100,000	-
Cash at bank	4,125,304	3,392,544
Financial liabilities	-	-

iii. Credit risk:

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

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

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

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

	As at 31 March	
Financial instruments	2021	2020
Trade receivable		
Local receivable	1,842,257	1,696,922
Export receivable	22,618	10,244
	1,864,875	**1,707,166**
Other receivables:		
Accrued interest	13,282	29,416
Inter-company receivable	34,811	44,602
	48,093	**74,018**

34 Basic Earnings per share (EPS)

	For the year ended 31 March	
In Thousands Taka	2021	2020
Net profit attributable to ordinary shareholders	2,691,528	2,422,077
Net cash inflow from operating activities (NOCF)	3,343,621	3,798,469
Net asset value (NAV) - In Thousands Taka	10,795,691	9,470,342
Number of ordinary shares outstanding during the year	46,377,880	46,377,880
Weighted average number of ordinary shares outstanding	46,377,880	46,377,880
Basic Earnings per share (EPS) - Taka	**58.03**	**52.22**
Diluted earning per share (DEPS) - Taka	**58.03**	**52.22**
Net operating cash flow per share (NOCFPS) - Taka	**72.10**	**81.90**
Net asset value per share (NAVPS) - Taka	**232.78**	**204.20**

In Thousands Taka	For the year ended 31 March 2021	2020
34.1 Cash flows from operating activities under indirect method		
Net profit before tax	**3,642,086**	**3,273,251**
Depreciation	572,760	582,627
Amortization	27,655	30,542
Actuarial gain on defined benefit plans	-	-
Non cash items	**600,415**	**613,169**
Income on sale of property, plant and equipment	(13,049)	(9,741)
Dividend income	(22,344)	-
Other non-operating income	(3,484)	-
Investment (Finance) expenses	35,989	3,646
Share of associates	(38,756)	(37,984)
Non operating income	**(41,644)**	**(44,079)**
Inventories	(884,749)	(298,563)
Trade and other receivables	(110,597)	(3,785)
Advances, deposits and prepayments	(88,750)	219,829
Trade and other payables	1,236,172	818,916
Provision for royalty	11,371	(24,466)
Provision for employees' retirement gratuity	(2,284)	(26,421)
Changes in working capital	**161,163**	**685,510**
Income tax paid	(983,187)	(695,788)
Interest paid on lease obligations	(35,212)	(33,594)
Net cash flows from operating activities	**3,343,621**	**3,798,469**

35 Name of the auditors of companies

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

36 Events after the reporting period - note 3.18

Subsequent to the date of statement of financial position, the Board of Directors recommended 375% cash dividend for the company at the Board meeting held on 19 July 2021. The dividend is subject to the approval by the shareholders in the Annual General Meeting scheduled on 6 October 2021.

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

Annexure-A

Schedule of consolidated property, plant and equipment and depreciation thereon

As at and for the year ended 31 March 2021

In Thousands Taka

Category of assets	Cost				Accumulated depreciation				Written down value as at 31 March 2021
	Opening Balance	Addition during the year	Disposal during the year	Closing Balance	Opening Balance	Addition during the year	Disposal during the year	Closing Balance	
Land	1,057,217	503,397	-	1,560,614	7,667	1,991	-	9,658	1,550,956
Building	1,603,196	49,570	-	1,652,766	350,244	47,346	-	397,590	1,255,176
Plant and machinery	2,547,036	137,739	(1,398)	2,683,377	1,197,586	208,944	(1,398)	1,405,132	1,278,245
Office equipment	245,787	46,339	(368)	291,758	153,052	44,270	(366)	196,956	94,802
Factory and laboratory equipment	1,657,295	188,487	(795)	1,844,987	1,154,319	160,673	(795)	1,314,197	530,790
Computer	195,225	25,401	(637)	219,989	137,045	26,843	(550)	163,338	56,651
Furniture and fixtures	152,725	6,445	(351)	158,819	87,850	14,129	(351)	101,628	57,191
Motor vehicles	402,295	52,959	(46,597)	408,657	258,718	67,605	(45,929)	280,394	128,263
Loose tools	16,207	1,657	(148)	17,716	16,105	500	(148)	16,457	1,259
Electrical installation	8,416	106	-	8,522	6,208	459	-	6,667	1,855
Total as at 31 March 2021	**7,885,399**	**1,012,100**	**(50,294)**	**8,847,205**	**3,368,794**	**572,760**	**(49,537)**	**3,892,017**	**4,955,188**
Total as at 31 March 2020	**7,059,965**	**889,843**	**(64,409)**	**7,885,399**	**2,846,940**	**582,627**	**(60,773)**	**3,368,794**	**4,516,605**