

Berger Paints Bangladesh Limited
Statement of Financial Position (Unaudited)
As at 30 Jun 2018

		Taka in '000	
		30 Jun 2018	31 Mar 2018
	<u>Notes</u>		
Assets			
Non-current assets			
Property, plant and equipment	3	3,623,296	3,230,921
Capital work-in-progress		138,007	110,892
Intangible assets		83,855	89,907
		3,845,158	3,431,720
Investment - at cost		89,300	89,300
Total non-current assets		3,934,458	3,521,020
Current assets			
Inventories	4	2,419,193	2,250,601
Trade & other receivables	5	1,630,104	1,580,048
Advances, deposits and prepayments	6	394,789	400,414
Term deposit- short term portion		100,000	150,000
Cash and cash equivalents	7	1,052,752	1,017,838
Inter - company receivables		61,125	74,294
Total current assets		5,657,963	5,473,195
Total assets		9,592,421	8,994,215
Equity and liabilities			
Share capital		231,889	231,889
Share premium		115,068	115,068
General reserve		10,000	10,000
Retained earnings		6,014,028	5,694,178
Equity attributable to the Company's equity holders		6,370,985	6,051,135
Non-current liabilities			
Deferred tax liabilities		241,989	236,989
Total non-current liabilities		241,989	236,989
Current liabilities			
Operational overdraft		274,239	52,608
Short term loan		430,000	-
Trade and other payables	8	2,014,172	2,428,559
Provision for royalty		236,340	215,455
Provision for current tax		8,240	(27,843)
Employees' retirement gratuity		7,667	28,523
Unclaimed dividend - local		8,642	8,642
Liability for unclaimed IPO application money		147	147
Total current liabilities		2,979,447	2,706,091
Total liabilities		3,221,436	2,943,080
Total equity and liabilities		9,592,421	8,994,215
Net Asset Value Per Share (NAVPS) Tk.	9	274.74	260.95


Managing Director


Director & CFO

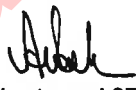

Company Secretary

Dhaka, 17 July 2018

Berger Paints Bangladesh Limited
Statement of Profit or Loss and Other Comprehensive Income (Unaudited)
For the first quarter ended 30 June 2018

	<u>Apr-Jun 2018</u>	<u>Apr-Jun 2017</u>
Revenue-net	3,959,647	3,973,598
Cost of sales	<u>(2,305,938)</u>	<u>(2,178,649)</u>
Gross profit	1,653,709	1,794,949
Selling, distribution and warehousing expenses	(1,095,685)	(1,139,767)
Administrative & general expenses	(118,637)	(121,555)
Other operating expenses	(22,943)	(25,926)
Other operating income	45,286	43,213
	<u>(1,191,979)</u>	<u>(1,244,035)</u>
Operating income	461,730	550,914
Finance costs	(4,917)	(1,665)
Investment income	5,150	21,514
Net finance income	233	19,849
Other non-operating income	4,658	4,327
Income before WPPF and tax	466,621	575,090
Workers' profit participation and welfare fund (WPPF)	(23,099)	(28,539)
Income before tax	443,522	546,551
Current tax expenses	(118,672)	(146,202)
Deferred tax expenses	(5,000)	(5,000)
	<u>(123,672)</u>	<u>(151,202)</u>
Net income	319,850	395,349
Basic earnings per share (EPS) Tk.	13.79	17.05


Managing Director


Director and CFO


Company Secretary

Dhaka, 17 July 2018

Berger Paints Bangladesh Limited
Statement of Changes of Equity (Unaudited)
For the first quarter ended 30 June 2018

Taka in '000

Particulars	Share capital	General reserve	Share Premium	Retained earnings	Total equity
Balance as at 1 April 2017	231,889	10,000	115,068	5,009,778	5,366,735
Dividend paid during the period	-	-	-	-	-
Net profit during the period	-	-	-	395,349	395,349
Balance as at 30 June 2017	231,889	10,000	115,068	5,405,127	5,762,084
Balance as at 1 April 2018	231,889	10,000	115,068	5,694,178	6,051,135
Dividend paid during the period	-	-	-	-	-
Net profit during the period	-	-	-	319,850	319,850
Balance as at 30 June 2018	231,889	10,000	115,068	6,014,028	6,370,985


Managing Director


Director & CFO


Company Secretary

Dhaka, 17 July 2018

Berger Paints Bangladesh Limited
Statement of Cash Flows (Unaudited)
For the first quarter ended 30 June 2018

	Taka in '000	
	Apr-Jun 2018	Apr- Jun 2017
Cash flows from operating activities (A)		
Cash received from customers	3,910,568	3,827,149
Cash received from other operating income	49,458	68,143
Cash paid to suppliers and employees	(4,011,632)	(3,557,613)
Payment of interest	(4,917)	(1,665)
Income tax paid	(82,589)	(112,717)
Net cash flows from operating activities	(139,112)	223,296
Cash flows from investing activities (B)		
Capital expenditures	(536,118)	(234,617)
Proceeds from disposal of property, plant and equipment	8,513	5,646
Net cash used in investing activities	(527,605)	(228,971)
Cash flows from financing activities (C)		
Dividend paid	(0)	-
Net cash used in financing activities	(0)	-
Increase / (Decrease) in cash and cash equivalents (D) = (A+B+C)	(666,717)	(5,675)
Opening cash and cash equivalents (E)	1,115,230	1,629,324
Closing cash and cash equivalents (D+E)	448,513	1,623,649
Reconciliation of cash and cash equivalents:		
	As at	
	30.06.2018	30.06.2017
Term deposit- short term portion	100,000	1,000,000
Term loan- short term portion	(430,000)	-
Cash and cash equivalents	1,052,752	716,816
Operational overdraft	(274,239)	(93,167)
Closing net cash and cash equivalents	448,513	1,623,649
Net Operating Cash Flows Per Share (NOCFPS) Tk	(6.00)	9.63


Managing Director

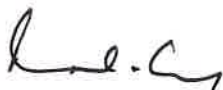

Director & CFO


Company Secretary

Dhaka, 17 July 2018

Berger Paints Bangladesh Limited
Consolidated Statement of Financial Position (Unaudited)
As at 30 June 2018

	Notes	Taka in'000	
		30 Jun 2018	31 Mar 2018
Assets			
Non-current assets			
Property, plant and equipment	3a	4,058,408	3,678,207
Capital work-in-progress		140,696	112,706
Intangible assets		88,364	94,602
Investment in associate		169,231	160,393
Total non-current assets		4,456,699	4,045,908
Current assets			
Inventories	4a	2,563,061	2,393,316
Trade & other receivables	5a	1,666,314	1,605,681
Advances, deposits and prepayments	6a	402,888	405,860
Term deposit-short term portion		100,000	150,000
Cash and cash equivalents	7a	1,057,272	1,041,825
Total current assets		5,789,535	5,596,682
Total assets		10,246,234	9,642,590
Equity and liabilities			
Share capital		231,889	231,889
Share premium		115,068	115,068
General reserve		10,000	10,000
Retained earnings		6,574,037	6,231,294
Equity attributable to the Company's equity holders		6,930,994	6,588,251
Non-current liabilities			
Deferred tax liabilities		313,074	309,354
Total non-current liabilities		313,074	309,354
Current liabilities			
Operational overdraft		274,239	52,608
Short term loan		430,000	-
Trade and other payables	8a	2,051,757	2,481,951
Provision for royalty		236,340	215,455
Provision for current tax		(19,423)	(54,949)
Provision for employees retirement gratuity		20,464	41,131
Unclaimed dividend - Local		8,642	8,642
Liability for unclaimed IPO application money		147	147
Total current liabilities		3,002,166	2,744,985
Total liabilities		3,315,240	3,054,339
Total equity and liabilities		10,246,234	9,642,590
Net Asset Value Per Share (NAVPS) Tk.	9a	298.89	284.11


Managing Director


Director & CFO


Company Secretary

Berger Paints Bangladesh Limited
Consolidated Statement of Profit or Loss and Other Comprehensive Income (Unaudited)
For the first quarter ended 30 June 2018

	Taka in '000	
	Apr-Jun'18	Apr-Jun'17
Revenue-net	3,976,900	3,984,645
Cost of sales	(2,302,012)	(2,152,766)
Gross profit	1,674,888	1,831,879
Selling, distribution and warehousing expenses	(1,100,668)	(1,145,266)
Administrative & general expenses	(126,063)	(128,757)
Other operating expenses	(22,943)	(25,926)
Other operating income	53,435	47,444
Operating expenses	(1,196,239)	(1,252,505)
Operating income	478,649	579,374
Finance costs	(5,104)	(1,365)
Investment income	4,619	19,565
Net finance income	(485)	18,200
Other non-operating income	4,658	4,327
Share of profit of associate-BBBL	8,838	10,072
	13,496	14,399
Profit before WPPF and Tax	491,660	611,973
Workers' profit participation and welfare fund (WPPF)	(24,182)	(29,702)
Net profit before tax	467,478	582,271
Current tax expenses	(121,015)	(149,716)
Deferred tax expenses	(3,720)	(5,818)
	(124,735)	(155,534)
Net income	342,743	426,737
Basic earnings per share (EPS) Tk.	14.78	18.40


Managing Director


Director and CFO


Company Secretary

Dhaka, 17 July 2018

Berger Paints Bangladesh Limited
Consolidated Statement of Changes in Equity (Unaudited)
For the first quarter ended 30 June 2018

Taka. in '000

Particulars	Share capital	General reserve	Share premium	Retained earning	Total
Balance as at 01 April 2017	231,889	10,000	115,068	5,428,930	5,785,887
Dividend paid during the period	-	-	-	-	-
Net income during the period	-	-	-	426,737	426,737
Balance as at 30 June 2017	231,889	10,000	115,068	5,855,667	6,212,624
Balance as at 01 April 2018	231,889	10,000	115,068	6,231,294	6,588,251
Dividend paid during the period	-	-	-	-	-
Net income during the period	-	-	-	342,743	342,743
Balance as at 30 June 2018	231,889	10,000	115,068	6,574,037	6,930,994


Managing Director


Director & CFO


Company Secretary

Dhaka, 17 July 2018

Berger Paints Bangladesh Limited
Consolidated Statement of Cash Flows (Unaudited)
For the first quarter year ended 30 June 2018

	Taka in '000	
	Apr- Jun 2018	Apr- Jun 2017
Cash flows from operating activities (A)		
Cash received from customers	3,917,245	3,830,726
Cash received from other operating income	57,076	72,940
Cash paid to suppliers and employees	(4,040,433)	(3,549,697)
Payment of interest	(5,104)	(1,365)
Income tax paid	(85,489)	(118,310)
Net cash flows from operating activities	(156,705)	234,294
Cash flows from investing activities (B)		
Capital expenditures	(537,992)	(247,063)
Proceeds from disposal of assets	8,513	5,646
Net cash used in investing activities	(529,479)	(241,417)
Cash flows from financing activities (C)		
Dividend paid	-	-
Net cash used in financing activities	-	-
Increase / (Decrease) in cash and cash equivalents (D) = (A+B+C)	(686,184)	(7,123)
Opening cash and cash equivalents (E)	1,139,217	1,639,988
Closing net cash and cash equivalents (D+E)	453,033	1,632,865
Reconciliation of closing cash and cash equivalents:		
	As at	
	30.06.2018	30.06.2017
Term deposit- short term portion	100,000	1,000,000
Term loan- short term portion	(430,000)	-
Cash and cash equivalents	1,057,272	726,032
Bank overdraft	(274,239)	(93,167)
Closing net cash and cash equivalents	453,033	1,632,865
Operating Cash Flows Per Share Tk.	(6.76)	10.10


Managing Director


Director & CFO


Company Secretary

Dhaka, 17 July 2018

BERGER PAINTS BANGLADESH LIMITED
SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (UNAUDITED)
FOR THE FIRST QUARTER ENDED 30 JUNE 2018

1 Status and nature of business

The Company was incorporated on 6 June 1973 under the Companies Act 1913. The company's shares are listed with Dhaka and Chittagong Stock Exchanges and are placed under "A" category. The principal activities of the Company are manufacturing and marketing of liquid, cement and powder paints & varnishes, emulsion and coating.

Berger Paints Bangladesh Limited holds 100% shares of Jenson & Necholson (Bangladesh) Limited - J&NBL. The principal activities of J&NBL are production and marketing of metal containers and printing of metal sheets.

Berger Paints Bangladesh Limited holds 49% shares of Berger Becker Bangladesh Limited-BBBL. The principal activities of BBBL are manufacturing and marketing of coil coatings.

Berger Paints Bangladesh limited has set up a joint venture company with Forsoc International limited, United Kingdom in the name of "Berger Fosroc Limited" in Bangladesh, which was incorporated on 19 April 2018, to manufacture and sell construction materials. Berger Paints Bangladesh Limited has 50% share in the joint venture.

2 Basis of preparation

These financial statements have been prepared in accordance with the requirement of Bangladesh Accounting Standard 34 "Interim Financial Reporting" and the requirements of the Securities & Exchange Rules 1987.

3 Property, Plant and Equipment

	Taka in '000	
	30 Jun 2018	31 Mar 2018
Property, Plant and Equipment - at cost	5,843,870	5,356,229
Accumulated depreciation	(2,220,574)	(2,125,308)
	3,623,296	3,230,921

3 a. Consolidated Property, Plant and Equipment

Property, Plant and Equipment - at cost	6,528,958	6,040,325
Accumulated depreciation	(2,470,550)	(2,362,118)
	4,058,408	3,678,207

4 Inventories

Raw materials	1,092,861	825,372
Semi-processed and bulk products	143,298	132,678
Packing materials	38,489	40,475
Finished goods	555,798	615,158
Stores & Promotional items	64,137	66,150
Stocks in transit	524,610	570,768
	2,419,193	2,250,601

4 a. Consolidated Inventories

Raw materials	1,145,685	879,769
Semi-processed and bulk products	193,892	184,641
Packing materials	31,268	40,475
Finished goods	564,832	620,171
Stores & Promotional items	70,442	71,699
Stocks in transit	556,942	596,561
	2,563,061	2,393,316

5 Trade & other receivables

Trade debtors -unsecured	1,662,546	1,610,408
General provision for bad & doubtful debts	(34,484)	(31,424)
	1,628,062	1,578,984
Other receivables	2,042	1,064
Considered to be good	1,630,104	1,580,048

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		Taka in '000	
		30 Jun 2018	31 Mar 2018
5 a. Consolidated Trade & other receivables			
Trade debtors -unsecured		1,687,368	1,623,113
General provision for bad & doubtful debts		(34,484)	(31,424)
		1,652,884	1,591,689
Intercompany receivables with Berqer Becker Bangladesh Limited		11,181	5,392
Intercompany receivables with Berqer Fosroc Limited		207	
Other receivables		2,042	8,600
Considered to be good		<u>1,666,314</u>	<u>1,605,681</u>
6 Advances, deposits and prepayments			
Advance to employees		60,091	59,997
Advance to suppliers & others		219,584	221,646
VAT & Other deposit		105,968	106,045
Prepaid expenses		9,145	12,726
		<u>394,788</u>	<u>400,414</u>
6 a. Consolidated Advances, deposits and prepayments			
Advance to employees		62,280	60,890
Advance to suppliers & others		219,754	222,370
VAT & Other deposit		111,117	108,939
Prepaid expenses		9,737	13,661
		<u>402,888</u>	<u>405,860</u>
7 Cash and cash equivalents			
Current and collection accounts		947,044	853,202
Short term deposit accounts		78,037	140,538
Dividend account		10,608	10,608
Foreign currency accounts		6,492	3,247
IPO Fund with scheduled bank		385	385
In hand - cash		10,186	9,858
		<u>1,052,752</u>	<u>1,017,838</u>
7 a. Consolidated Cash and cash equivalents			
Current and collection accounts		958,037	877,027
Short term deposit accounts		82,404	151,471
Foreign currency accounts		6,492	3,307
In hand - cash		10,339	10,020
		<u>1,057,272</u>	<u>1,041,825</u>
8 Trade and other payables			
Revenue expenses		1,020,092	1,068,153
Trading supplies		879,499	1,127,066
Other finance		65,256	95,277
Capital expenditure		14,403	19,832
Workers' profits participation & welfare funds		34,922	118,231
		<u>2,014,172</u>	<u>2,428,559</u>
8 a. Consolidated Trade and other payables			
Revenue expenses		1,040,350	1,077,725
Trading supplies		901,892	1,162,513
Other finance		69,976	97,964
Capital expenditure		14,403	19,832
Workers' profits participation & welfare funds		37,933	123,917
		<u>2,064,554</u>	<u>2,481,951</u>
9 NAV per share, EPS and NOCFPS			
The computation of NAV per share			
Total assets		9,474,054	8,994,215
Total liabilities		(3,103,069)	(2,943,080)
Net Assets Value		<u>6,370,985</u>	<u>6,051,135</u>
Earnings (PAT) attributable to ordinary shareholders		<u>319,850</u>	<u>395,349</u>
Net cash flow from operating activities (NOCFPS)		<u>(139,112)</u>	<u>223,296</u>
Number of ordinary shares outstanding during the period		<u>23,188,940</u>	<u>23,188,940</u>
NAV per share		<u>274.74</u>	<u>260.95</u>
EPS -Basic		<u>13.79</u>	<u>17.05</u>
Net Operating cash flow per share (NOCFPS)		<u>(6.00)</u>	<u>9.63</u>

		Taka in '000	
		30 Jun 2018	31 Mar 2018
9 a. NAV per share, EPS and NOCFPS	The computation of NAV per share		
	Total assets	10,246,234	9,642,590
	Total liabilities	(3,315,240)	(3,054,339)
	Net Assets Value	<u>6,930,994</u>	<u>6,588,251</u>
	Earnings (PAT) attributable to ordinary shareholders	<u>342,743</u>	<u>426,737</u>
	Net cash flow from operating activities (NOCFPS)	<u>(156,705)</u>	<u>234,294</u>
	Number of ordinary shares outstanding during the period	<u>23,188,940</u>	<u>23,188,940</u>
	NAV per share	<u>298.89</u>	<u>284.11</u>
	EPS -Basic	<u>14.78</u>	<u>18.40</u>
	Net Operating cash flow per share (NOCFPS)	<u>(6.76)</u>	<u>10.10</u>

10 Reconciliation of net income with cashflows from operating activities

Cash flows from operating activities

Net income	319,850	395,349
Add(deduct) noncash effects on operating income		
Depreciation and Amortization	118,825	100,576
Other non-operating income	(4,658)	(4,327)
Deferred expenses	5,000	5,000
Increase in trade and other receivables	(50,056)	(143,033)
(Increase)/ Decrease in inventories	(168,592)	189,700
Decrease in trade and other payables	(414,387)	(370,785)
Increase/(Decrease) in inter-company receivable	13,169	(6,233)
Increase/(Decrease) advance,deposits and prepayments	5,625	(8,174)
Increase in provision for royalty	20,885	24,743
Increase/(Decrease) in provision for gratuity	(20,856)	6,995
Increase in provision for current tax	36,083	33,485
	<u>(458,962)</u>	<u>(172,053)</u>
Net cash flows from operating activities	<u>(139,112)</u>	<u>223,296</u>

10 a. Reconciliation of net income with cashflows from operating activities

Cash flows from operating activities

Net income	342,743	426,737
Add(deduct) noncash effects on operating income		
Depreciation and Amortization	132,184	111,763
Other non-operating income	(4,658)	(4,327)
Share of profit of associate-BBBL	(8,838)	(10,072)
Deferred tax expenses	3,720	5,818
Increase in trade and other receivables	(60,633)	(147,988)
(Increase)/ Decrease in inventories	(169,745)	189,925
Decrease in trade and other payables	(430,194)	(391,817)
Increase/(Decrease) in inter-company receivable		
Increase/(Decrease) advance,deposits and prepayments	2,972	(9,733)
Increase in provision for royalty	20,885	24,743
Increase/(Decrease) in provision for gratuity	(20,667)	7,839
Increase in provision for current tax	35,526	31,406
	<u>(499,448)</u>	<u>(192,443)</u>
Net cash flows from operating activities	<u>(156,705)</u>	<u>234,294</u>

11 Significant Deviation

The earnings per share (EPS) for first quarter ended 30 June 2018 decreased from same period of previous year as a result of increase in price of key raw materials and adverse foreign exchange rate which could not be fully adjusted with product price because of market reality.

The net operating cash flow per share (NOCFPS) decreased significantly from same period of previous year mainly because of increase in the payment to suppliers due to increase of key raw materials prices. Inventories and receivables also increased as a result of slow down of sales and collection because of incessant torrential rainfall and tight liquidity situation in the country.

9 General

Figures appearing in these financial statements have been rounded off to the nearest thousand Taka.

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