



2012
quarterly
report

Explore the colors of excellence

CONTENTS

Company Information	2
Directors' Review	3
Condensed Interim Balance Sheet	4
Condensed Interim Profit and Loss Account	5
Condensed Interim Statement of Comprehensive Income	6
Condensed Interim Cash Flow Statement	7
Condensed Interim Statement of Changes in Equity	8
Notes to the Condensed Interim Financial Statements	9
Condensed Interim Consolidated Financial Statements	11

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Maqbool H. H. Rahimtoola - Chairman
Dr. Mahmood Ahmad - Chief Executive
Mr. Hamid Masood Sohail
Mr. Muhammad Naseem
Mr. Ilyas Sharif
Mr. Shahzad M. Husain
Mr. Zafar A. Osmani

AUDIT COMMITTEE

Mr. Hamid Masood Sohail - Chairman
Mr. Maqbool H. H. Rahimtoola
Mr. Muhammad Naseem

HUMAN RESOURCE COMMITTEE

Dr. Mahmood Ahmad
Mr. Shahzad M. Husain
Mr. Zafar A. Osmani

CFO & COMPANY SECRETARY

Mr. Abdul Wahid Qureshi

BANKERS

Habib Bank Limited
Habib Metropolitan Bank Limited
MCB Bank Limited
Faysal Bank Limited
JS Bank Limited
United Bank Limited
Bank Al-Habib Limited

AUDITORS

KPMG Taseer Hadi & Co.
Chartered Accountants

SOLICITORS

Surridge & Beecheno

COMPANY REGISTRAR

THK Associates Private Limited

REGISTERED OFFICE

X-3, Manghopir Road, S.I.T.E.,
Karachi.

DIRECTORS' REVIEW

The Directors of your company are submitting the un-audited financial statements of the company for the quarter ended September 30, 2012.

Operational Results

Pakistan's economy has started to show some positive improvements in economy reflected by stock exchanges performance and controlled inflation. However, power crises and Rupees devaluation continued to increase input costs for the business. Recent reduction of 150 basis points by State bank of Pakistan has also developed some hopes for the revival of Industry overall.

Your company has achieved sales of Rs.1,002 million during the Quarter ended September 30, 2012 as compared to Rs. 983 million for the same period last year. Through controlled operating and financial expenses, bottom line has improved.

Future Outlook

We look forward a healthy sales trend and expect socio political stability in the country to continue the momentum of delivery in rest of the year.

On behalf of the Board

Karachi
Dated: October 22, 2012

Dr. Mahmood Ahmad
Chief Executive

BALANCE SHEET

AS ON SEPTEMBER 30, 2012 (UN-AUDITED)

Sep 30, 2012
(Rupees in thousand)

Jun 30, 2012

ASSETS

NON-CURRENT ASSETS

Property, plant and equipment	619,867	634,304
Intangible asset-in progress	14,513	14,513
Goodwill	40,750	40,750
Long-term investments (subsidiaries and an associate)	4,086	4,086
Long-term loans	17,856	15,437
Long-term deposits	19,171	19,263
Deferred taxation	176,685	176,685
	892,928	905,038

CURRENT ASSETS

Stores	10,181	10,778
Stock in trade	961,772	987,881
Trade debts	739,066	694,265
Loans and advances	56,756	42,764
Trade deposits and short-term prepayments	13,949	12,654
Other receivables	50,473	45,082
Taxation - net	112,549	141,906
Short term investments	20,080	20,080
Cash and bank balances	153,766	144,013
	2,118,592	2,099,423

TOTAL ASSETS

3,011,520 3,004,461

EQUITY AND LIABILITIES

SHARE CAPITAL AND RESERVES

Authorised share capital 25,000,000 ordinary shares of Rs.10 each	250,000	250,000
Issued, Subscribed and paid-up capital	181,864	181,864
Reserves	341,819	341,819
Accumulated Loss	(118,063)	(122,512)
	405,620	401,171

SURPLUS ON REVALUATION OF FIXED ASSETS - NET OF TAX

187,357 187,720

NON-CURRENT LIABILITIES

Long term financing	88,750	115,000
Liability under finance lease	7,053	7,675
Staff retirement benefits	53,175	47,865

CURRENT LIABILITIES

Trade and other payables	1,065,254	1,096,443
Current maturity of long-term financing	105,000	105,000
Current maturity of liability under finance lease	2,074	1,883
Accrued mark-up	40,770	41,008
Short-term borrowings	1,056,467	1,000,696
	2,269,565	2,245,030

CONTINGENCIES AND COMMITMENTS

TOTAL EQUITY AND LIABILITIES

3,011,520 3,004,461

The annexed notes form an integral part of these condensed interim financial statements.

Chief Financial Officer

Chief Executive

Director

PROFIT AND LOSS ACCOUNT

FOR THE QUARTER ENDED SEPTEMBER 30, 2012 (UN-AUDITED)

	Sep 30, 2012 (Rupees in thousand)	Sep 30, 2011
Net sales	1,002,115	983,506
Cost of sales	795,094	788,775
Gross Profit	207,021	194,731
Administrative expenses	39,662	35,359
Distribution cost	121,403	105,639
	161,065	140,998
Operating Profit	45,956	53,733
Other operating income	6,014	8,020
	51,970	61,753
Finance cost	44,793	53,095
Other charges	(1,920)	3,606
	42,873	56,701
Profit before taxation	9,097	5,052
Taxation	5,011	2,737
Profit after taxation	4,086	2,315
	Rupees	
Earning per share - basic and diluted	0.22	0.13

The annexed notes form an integral part of these accounts.

Chief Financial Officer

Chief Executive

Director

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE QUARTER ENDED SEPTEMBER 30, 2012 (UN-AUDITED)

	Sep 30, 2012 (Rupees in thousand)	Sep 30, 2011
Profit after taxation	4,086	2,315
Other comprehensive income	-	-
Total comprehensive profit for the period	<u>4,086</u>	<u>2,315</u>

The annexed notes form an integral part of these condensed interim financial statements.

Chief Financial Officer

Chief Executive

Director

CONDENSED INTERIM UNCONSOLIDATED CASH FLOW STATEMENT FOR THE QUARTER ENDED SEPTEMBER 30, 2012 (UN-AUDITED)

	Sep 30, 2012 (Rupees in thousand)	Sep 30, 2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash generated /(utilized) in operations	4,554	(13,787)
Finance costs paid	(45,031)	(55,338)
Income tax - net	24,346	(10,321)
Long-term loans - net	(2,419)	439
Long-term deposits - net	92	927
Net cash outflow from operating activities	(18,458)	(78,080)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(1,761)	(3,626)
Sales proceeds from disposal of fixed assets	882	918
Net cash outflow from investing activities	(879)	(2,708)
CASH FLOWS FROM FINANCING ACTIVITIES		
Short-term borrowings - net	50,000	-
Lease Liability	(431)	960
Long term financing - net	(26,250)	(26,250)
Net cash outflow from financing activities	23,319	(25,290)
Net decrease in cash and cash equivalents	3,982	(106,078)
Cash and cash equivalents at July 1	(796,683)	(640,030)
Cash and cash equivalents at Sep 30	(792,701)	(746,108)

The annexed notes form an integral part of these financial statements.

Chief Financial Officer

Chief Executive

Director

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE QUARTER ENDED SEPTEMBER 30, 2012 (UN-AUDITED)

	Share capital	Capital Reserves	Revenue Reserves		Total
		Share premium	General reserve	Accumulated loss	
(Rupees in thousand)					
Balance as at 1 July 2011 - restated	181,864	56,819	285,000	(122,350)	401,333
Total comprehensive profit for the period ended 30 September 2011	-	-	-	2,315	2,315
Surplus on revaluation of property plant and equipment realized through incremental depreciation charged on related assets during the period - net of tax.	-	-	-	2,925	2,925
Balance as at 30 September 2011	181,864	56,819	285,000	(117,110)	406,573
Total comprehensive loss for the period ended 30 June 2012	-	-	-	(12,754)	(12,754)
Surplus on revaluation of property plant and equipment realized through incremental depreciation charged on related assets during the period - net of tax.	-	-	-	7,352	7,352
Balance as at 30 June 2012	181,864	56,819	285,000	(122,512)	401,171
Total comprehensive profit for the period ended 30 September 2012	-	-	-	4,086	4,086
Surplus on revaluation of property plant and equipment realized through incremental depreciation charged on related assets during the period - net of tax	-	-	-	363	363
Balance as at 30 September 2012	181,864	56,819	285,000	(118,063)	405,620

Chief Financial Officer

Chief Executive

Director

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION

FOR THE QUARTER ENDED SEPTEMBER 30, 2012 (UN-AUDITED)

1. THE COMPANY AND ITS OPERATIONS

The company was incorporated in Pakistan on March 25, 1950 as a Private Limited Company under the Companies Act, 1913 and was subsequently converted into a public Limited Company. The Company's shares are quoted on the Karachi and Islamabad stock exchanges. The Company is engaged in the manufacturing of paints, varnishes and other related items. Slotrapid Limited, based in British virgin Island is the holding Company of Berger Paints Pakistan Limited.

The registered office of the Company is situated at X-3, Manghopir road, S.I.T.E Karachi and the production facility of the Company is located at Lahore.

2. BASIS OF PREPARATION

These interim condensed financial statements are unaudited and are being submitted to the shareholders in accordance with section 245 of the Companies Ordinance, 1984 and have been prepared in accordance with the requirements of International Accounting Standard (IAS) - 34 "Interim Financial Reporting", as applicable in Pakistan.

The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements as at June 30, 2012.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation followed in the preparation of interim condensed financial statements are same as those published in the annual financial statements for the year ended June 30, 2012.

4. PROPERTY, PLANT AND EQUIPMENT

Additions

Sep 30,
2012
(Rupees in thousand)

Sep 30,
2011

1,761

3,626

5. CONTINGENCIES AND COMMITMENTS

5.1 Contingencies

There is no change in the status of contingency, set out in note 29 to the annual financial statements of the company for the year ended June 30, 2012.

5.2 Commitments

5.2.1 Outstanding letter of credit as at September 30, 2012 amounted to Rs.251.299 million [June 30, 2012: Rs.275.701 million].

5.2.2 Outstanding letter of guarantees as at September 30, 2012 amounted to Rs.25.09 million [June 30, 2012: Rs.23.520 million].

6. TRANSACTION WITH RELATED PARTIES

The following table provides details in respect of transactions entered into with related parties during the quarter ended:

	Sep 30, 2012 (Rupees in thousand)	Sep 30, 2011
SALES		
Berger Road Safety (Private) Limited - a subsidiary	8,703	7,510
Buxly Paints Limited - an associated	24,923	17,435
Dadex Eternit Limited - an associated	-	27
Berdex Construction Chemicals Private Limited - a subsidiary	-	979
TOLL MANUFACTURING INCOME		
Buxly Paints Limited - an associated	1,643	989
RENTAL INCOME AND OTHER SERVICES CHARGED		
Berger DPI (Private Limited - a subsidiary	-	125
Buxly Paints Limited - an associated	902	1,065
Berger Road Safety (Private) Limited - a subsidiary	520	625
COMMISSION EXPENSE		
Berdex Construction Chemicals Private Limited - a subsidiary	479	336
ROYALTY		
Buxly Paints Limited - an associated	133	290
Slotrapid Limited B.V.I - holding company	6,867	6,124

7. DATE OF AUTHORISATION FOR ISSUE

These interim condensed financial statements were authorized for issue on 22 october 2012 by the Board of Directors of the Company.

8. GENERAL

Figures presented in these interim condensed financial statements have been rounded off to the nearest thousand rupees.

Chief Financial Officer

Chief Executive

Director

**BERGER PAINTS PAKISTAN LIMITED
CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE QUARTER ENDED
SEPTEMBER 30, 2012**

CONDENSED INTERIM CONSOLIDATED BALANCE SHEET AS ON SEPTEMBER 30, 2012 (UN-AUDITED)

Sep 30,
2012
(Rupees in thousand)

Jun 30,
2012

ASSETS

NON-CURRENT ASSETS

Property, plant and equipment	621,208	635,819
Intangible asset- in progress	14,513	14,513
Goodwill	40,750	40,750
Long-term investments in an associate	2,534	2,514
Long-term loans	17,856	15,437
Long-term deposits	20,486	20,578
Deferred taxation	176,685	176,617
	894,032	906,228

CURRENT ASSETS

Stores	10,181	10,778
Stock in trade	961,772	987,881
Trade debts	759,445	712,848
Loans and advances	57,510	43,362
Trade deposits and short-term prepayments	14,449	13,343
Other receivables	49,586	42,037
Taxation - net	122,496	152,633
Short term investments	20,080	20,080
Cash and bank balances	156,420	148,128
	2,151,939	2,131,090

TOTAL ASSETS

3,045,971

3,037,318

EQUITY AND LIABILITIES

SHARE CAPITAL AND RESERVES

Authorized share capital 25,000,000 ordinary shares of Rs.10 each	250,000	250,000
Issued, Subscribed and paid-up capital	181,864	181,864
Reserves	238,344	233,078
	420,208	414,942
Minority Interest	15,546	14,790
Advance against issue of share capital	41	41

SURPLUS ON REVALUATION OF FIXED ASSETS - NET OF TAX

187,357

187,720

NON-CURRENT LIABILITIES

Long term financing	88,750	115,000
Staff retirement benefits	53,175	47,865
Liability against assets subject to finance lease	7,053	7,675

CURRENT LIABILITIES

Trade and other payables	1,069,530	1,100,698
Current maturity of long-term financing	105,000	105,000
Current maturity of liability against assets subject to finance lease	2,074	1,883
Accrued mark-up	40,770	41,008
Short-term borrowings	1,056,467	1,000,696
	2,273,841	2,249,285

CONTINGENCIES AND COMMITMENTS

TOTAL EQUITY AND LIABILITIES

3,045,971

3,037,318

Chief Financial Officer

Chief Executive

Director

CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE QUARTER ENDED SEPTEMBER 30, 2012 (UN-AUDITED)

	Sep 30, 2012	Sep 30, 2011
	(Rupees in thousand)	
Sales - net	978,120	987,102
Cost of sales	766,351	791,020
	211,769	196,082
Distribution cost	123,577	108,815
Administrative expenses	39,893	36,251
	163,470	145,066
Operating profit	48,299	51,016
Finance costs	44,817	53,097
Other charges	(1,920)	3,609
	42,897	56,706
Other operating income	6,028	7,294
	11,430	1,604
Profit from associate	20	-
Profit before taxation	11,450	1,604
Taxation	5,791	4,114
Profit/ (Loss) after taxation	5,659	(2,510)
Minority interest	(756)	2,109
Net Profit/ (loss) for the period attributable to the holding company	4,903	(401)
	Rupees	
Earnings/ (Loss) per share	0.27	(0.02)

Chief Financial Officer

Chief Executive

Director

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE QUARTER ENDED SEPTEMBER 30, 2012 (UN-AUDITED)

	Sep 30, 2012 (Rupees in thousand)	Sep 30, 2011
Profit/ (Loss) after taxation	5,659	(2,510)
Minority interest	(756)	2,109
Total comprehensive profit/ (loss) for the period	<u>4,903</u>	<u>(401)</u>

Chief Financial Officer

Chief Executive

Director

CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT
FOR THE QUARTER ENDED SEPTEMBER 30, 2012 (UN-AUDITED)

	Sep 30, 2012	Sep 30, 2011
	(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash generated/ (utilized) in operations	3,193	(14,071)
Finance cost paid	(45,055)	(55,340)
Income tax paid	24,278	(11,424)
Long-term loans - net	(2,419)	451
Long-term investments in an associate	92	1,377
Net cash outflow from operating activities	(19,911)	(79,007)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(1,769)	(3,626)
Sales proceeds from disposal of fixed assets	882	918
Net cash outflow from investing activities	(887)	(2,708)
CASH FLOWS FROM FINANCING ACTIVITIES		
Short-term borrowings - net	50,000	-
Lease liability - net	(431)	960
Long term financing - net	(26,250)	(26,250)
Net cash inflow/ (outflow) from financing activities	23,319	(25,290)
Net increase/ (decrease) in cash and cash equivalents	2,521	(107,005)
Cash and cash equivalents at July 1	(792,568)	(631,807)
Cash and cash equivalents at Sep 30	(790,047)	(738,812)

Chief Financial Officer

Chief Executive

Director

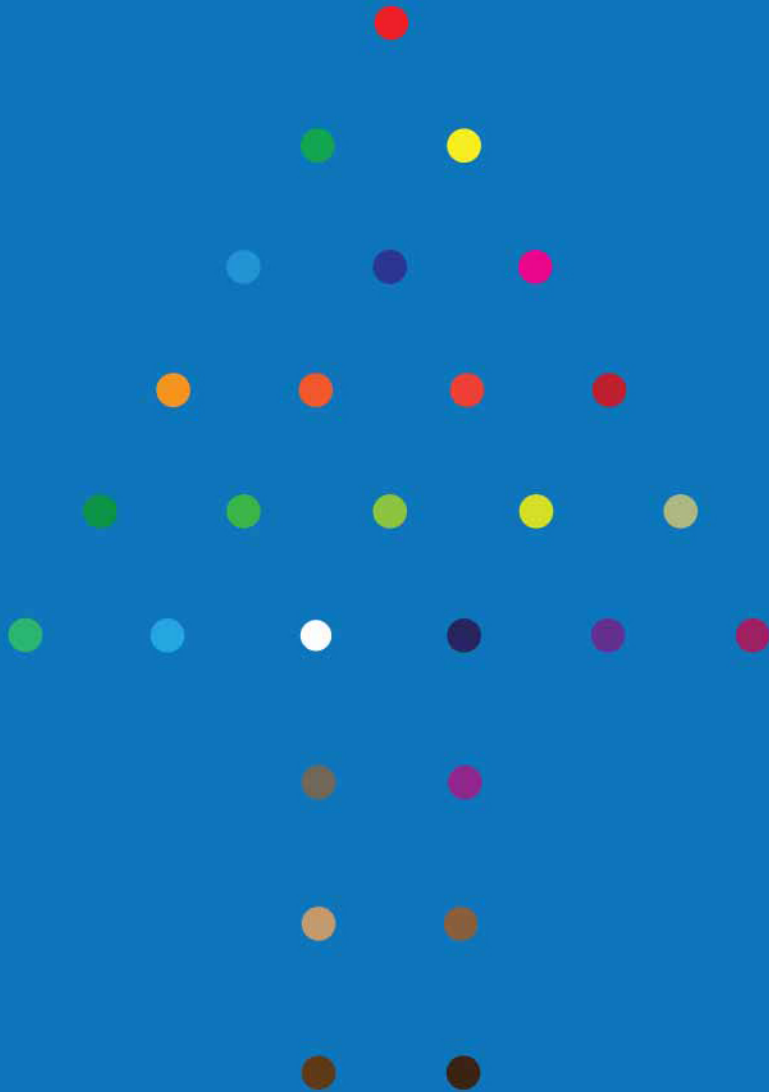
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED SEPTEMBER 30, 2012 (UN-AUDITED)

	Capital Reserves			Revenue Reserves			Total Share Capital and Reserves	Non-controlling interest	Total Equity
	Share capital	Share premium	General reserve	Accumulated profit / (loss)	Total Share Capital and Reserves	Non-controlling interest			
	(Rupees in thousand)								
Balance as at 1 July 2011 - restated	181,864	56,819	285,000	(110,660)	413,023	14,868		427,891	
Total comprehensive loss for the quarter ended 30 September 2011	-	-	-	(401)	(401)	(2,109)		(2,510)	
Surplus on revaluation of property plant and equipment realized through incremental depreciation charged on related assets during the period - net of tax	-	-	-	2,925	2,925	-		2,925	
Balance as at 30 September 2011	181,864	56,819	285,000	(108,136)	415,547	12,759		428,306	
Total comprehensive loss for the period ended 30 June 2012	-	-	-	(7,957)	(7,957)	2,031		(5,926)	
Surplus on revaluation of property plant and equipment realized through incremental depreciation charged on related assets during the period - net of tax	-	-	-	7,352	7,352	-		7,352	
Balance as at 30 June 2012	181,864	56,819	285,000	(108,741)	414,942	14,790		429,732	
Total comprehensive profit for the quarter ended 30 September 2012	-	-	-	4,903	4,903	756		5,659	
Surplus on revaluation of property plant and equipment realized through incremental depreciation charged on related assets during the period - net of tax	-	-	-	363	363	-		363	
Balance as at 30 September 2012	181,864	56,819	285,000	(103,475)	420,208	15,546		435,754	

Chief Financial Officer

Chief Executive

Director



Address: 36, Industrial Estate Kot Lakhpat, Lahore
UAN: 111 237 437 (KHI, LHR, ISB)
Website: www.berger.com.pk