

# CONTENTS

Company Information	2
Directors' Review	3
Independent Auditor's Report on Review of Condensed Interim Financial Information to the Members	4
Condensed Interim Balance Sheet	5
Condensed Interim Profit and Loss Account	6
Condensed Interim Statement of Comprehensive Income	7
Condensed Interim Cash Flow Statement	8
Condensed Interim Statement of Changes in Equity	9
Notes to the Condensed Interim Financial Statements	10
Condensed Interim Consolidated Financial Statements	15

## 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.

The Directors of your company are pleased to present the Directors' Review together with the unaudited financial statement of the company for the Quarter and Half year ended 31 DECEMBER 2012.

### **OPERATIONAL RESULTS**

During period under review although Pakistan's economy witnessed marginal recovery in term of GDP growth along with improvements in key indicators, however, ongoing energy shortages, law and order situation, and other internal challenges continued to hamper economic growth. Further, to expand private sector credit in the hope of stimulating sustainable medium to long term economic growth in the country, the State Bank of Pakistan has reduced the discount rate by 250 bps during this six months period.

Notwithstanding these economic factors and the competitive challenges, your Company has achieved marginal sales growth in this period. We are pleased to report net sales of Rs. 2,027 million during the period ended as compared to Rs.1,947 million for the same period last year, which shows 4% growth over the corresponding period. However, through better product mix and cost control we have achieved a higher gross margin as compared to the last year.

We hope that this momentum of sales will continue in the second half of the year. However, we foresee that Company will continue to be challenged by informal sector which will be countered through better sales and marketing strategies.

We thank our shareholders, valued customers, all employees of the Company for their continued support.

On behalf of the Board

Karachi  
Dated: 26 February 2013

**Dr. Mahmood Ahmad**  
Chief Executive

## INDEPENDENT AUDITOR'S REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO THE MEMBERS

### Introduction

We have reviewed the accompanying condensed interim unconsolidated balance sheet of **Berger Paints Pakistan Limited** ("the Company") as at 31 December 2012 and the related condensed interim unconsolidated profit and loss account, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated cash flow statement, condensed interim unconsolidated statement of changes in equity and notes to the condensed interim unconsolidated financial information for the six-months period then ended (here-in-after referred to as "condensed interim unconsolidated financial information"). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

### Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim unconsolidated financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

The figures for the quarters ended 31 December 2012 and 31 December 2011 in the condensed interim unconsolidated profit and loss account and condensed interim unconsolidated statement of comprehensive income have not been reviewed and we do not express a conclusion thereon.

Lahore  
Date: 26 February 2013

**KPMG Taseer Hadi & Co.**  
Chartered Accountants  
(Bilal Ali)

## BALANCE SHEET

AS ON 31 DECEMBER 2012 (UN-AUDITED)

	Note	31 December 2012 (Rupees in thousand)	30 June 2012
<b>Non current assets</b>			
Property, plant and equipment	6	614,394	634,304
Intangible asset - in progress		14,513	14,513
Goodwill		40,750	40,750
Long term investments (subsidiaries and an associate)		6,107	4,086
Long term loans		18,451	15,437
Long term deposits		19,732	19,263
Deferred taxation		176,685	176,685
		<b>890,632</b>	<b>905,038</b>
<b>Current assets</b>			
Stores and spares		9,968	10,778
Stock in trade	7	1,006,834	987,881
Trade debts		799,096	694,265
Loans and advances		60,682	42,764
Trade deposits and short term prepayments		16,303	12,654
Other receivables	8	53,753	45,082
Taxation - net		101,019	141,906
Short term Investments		31,717	20,080
Cash and bank balances	9	160,360	144,013
		<b>2,239,732</b>	<b>2,099,423</b>
<b>Total Assets</b>		<b>3,130,364</b>	<b>3,004,461</b>
<b>Share Capital and Reserves</b>			
Authorized share capital 25,000,000 (June 2012: 25,000,000) ordinary shares of Rs. 10 each		250,000	250,000
18,186,409 (June 2012 : 18,186,409) ordinary shares of Rs. 10/- each		181,864	181,864
Reserves		230,404	219,307
		<b>412,268</b>	<b>401,171</b>
<b>Surplus on revaluation of fixed assets - net of tax</b>		186,994	187,720
<b>Non-current liabilities</b>			
Long term financing		62,500	115,000
Staff retirement benefits		56,515	47,865
Liabilities against assets subject to finance lease		7,498	7,675
		<b>126,513</b>	<b>170,540</b>
<b>Current liabilities</b>			
Trade and other payables		1,025,955	1,096,443
Current maturity of long term financing	10	105,000	105,000
Current maturity of liabilities against assets subject to finance lease		1,145	1,883
Accrued mark-up		38,050	41,008
Short term borrowings		1,234,439	1,000,696
		<b>2,404,589</b>	<b>2,245,030</b>
<b>Contingencies and commitments</b>	11		
<b>Total Equity and liabilities</b>		<b>3,130,364</b>	<b>3,004,461</b>

The annexed notes 1 to 17 form an integral part of this condensed interim unconsolidated financial information.

Chief Financial Officer

Chief Executive

Director

## PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 31 DECEMBER 2012 (UN-AUDITED)

	For the half year ended		For the quarter ended	
	31 DECEMBER 2012	31 DECEMBER 2011	31 DECEMBER 2012	31 DECEMBER 2011
<b>Note</b>	----- (Rupees in thousand) -----			
Sales - net	2,027,506	1,946,961	1,025,391	963,455
Cost of sales	(1,600,193)	(1,558,033)	(805,099)	(769,258)
<b>Gross profit</b>	<b>427,313</b>	<b>388,928</b>	<b>220,292</b>	<b>194,197</b>
Administrative expenses	(74,108)	(70,860)	(34,446)	(35,501)
Distribution expenses	(271,252)	(254,455)	(149,849)	(148,816)
	(345,360)	(325,315)	(184,295)	(184,317)
<b>Operating profit</b>	<b>81,953</b>	<b>63,613</b>	<b>35,997</b>	<b>9,880</b>
Other operating income	26,951	42,009	19,017	33,989
	108,904	105,622	55,014	43,869
Finance cost	(86,468)	(108,629)	(41,675)	(55,534)
Other operating expenses	(1,333)	(9,574)	(1,333)	(5,968)
	(87,801)	(118,203)	(43,008)	(61,502)
<b>Profit/ (Loss) before taxation</b>	<b>21,103</b>	<b>(12,581)</b>	<b>12,006</b>	<b>(17,633)</b>
Taxation	(10,732)	(23,733)	(5,721)	(20,996)
<b>Profit/ (Loss) after taxation</b>	<b>10,371</b>	<b>(36,314)</b>	<b>6,285</b>	<b>(38,629)</b>
Profit/ (Loss) per share - basic and diluted - Rupees	0.57	(2.00)	0.35	(2.12)

The annexed notes 1 to 17 form an integral part of this condensed interim unconsolidated financial information.

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Chief Executive

\_\_\_\_\_  
Director

## CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 31 DECEMBER 2012 (UN-AUDITED)

	For the half year ended		For the quarter ended	
	31 DECEMBER 2012	31 DECEMBER 2011	31 DECEMBER 2012	31 DECEMBER 2011
----- (Rupees in thousand) -----				
<b>Profit/(loss) after taxation</b>	10,371	(36,314)	6,285	(38,629)
Other comprehensive income	-	-	-	-
<b>Total comprehensive Profit/(loss) for the period</b>	<u>10,371</u>	<u>(36,314)</u>	<u>6,285</u>	<u>(38,629)</u>

The annexed notes 1 to 17 form an integral part of this condensed interim unconsolidated financial information.

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Chief Executive

\_\_\_\_\_  
Director

## CONDENSED INTERIM UNCONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2012 (UN-AUDITED)

	<b>31 December 2012</b>	<b>31 December 2011</b>
	<b>(Rupees in thousand)</b>	
<b>Cash flows from operating activities</b>		
<b>Profit/ (Loss) before taxation</b>	21,103	(12,581)
<b>Adjustments for:</b>		
Depreciation	31,674	37,038
Provision against slow moving	9,569	7,874
Provision against bad debts	4,953	5,079
Impairment in long term investments	-	579
Gain on disposal of fixed assets	(2,603)	(3,209)
Gain on long term investments	(2,021)	-
Finance costs	86,468	108,629
	128,040	155,990
<b>Operating profit before working capital changes</b>	149,143	143,409
<b>(Increase) / Decrease in Current Assets</b>		
Stores and Spares	810	1,354
Stocks in Trade	(28,522)	37,378
Trade debts	(109,784)	(130,286)
Loans and advances	(17,918)	(27,225)
Trade deposits short-term prepayments	(3,649)	(929)
Others receivables	(8,671)	(17,096)
	(167,734)	(136,804)
<b>Increase / (Decrease) in Current Liabilities</b>		
Trade and other payables	(70,488)	(110,919)
Staff Retirement Benefits	8,650	-
	(61,838)	(110,919)
<b>Cash generated from operations</b>	(80,429)	(104,314)
Finance cost paid	(89,426)	(112,736)
Income tax paid	30,155	(31,974)
Long term loans	(3,012)	683
Long term deposits	(469)	(300)
	(62,752)	(144,327)
<b>Net cash outflow from operating activities</b>	(143,181)	(248,641)
<b>Cash flows from investing activities</b>		
Capital expenditure incurred	(12,091)	(5,890)
Sale proceeds on disposal of property, plant and equipment	2,928	4,218
Short Term Investments	(11,637)	-
<b>Net cash outflow from investing activities</b>	(20,800)	(1,672)
<b>Cash flows from financing activities</b>		
Short term borrowings	84,000	(17,500)
Lease rentals paid	(915)	(2,844)
Long term financing	(52,500)	(52,500)
<b>Net cash generated / (used in) from financing activities</b>	30,585	(72,844)
<b>Net (decrease) / increase in cash and cash equivalents</b>	(133,396)	(323,157)
<b>Cash and cash equivalents at the beginning of the period</b>	(796,683)	(640,030)
<b>Cash and cash equivalents at the end of the period</b>	(930,079)	(963,187)

The annexed notes 1 to 17 form an integral part of this condensed interim unconsolidated financial information.



## CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 31 DECEMBER 2012 (UN-AUDITED)

	Share capital	Capital Reserves	Revenue Reserves		Total
		Share premium	General reserve	Accumulated loss	
(Rupees in thousand)					
<b>Balance as at 1 July 2011 - Restated</b>	181,864	56,819	285,000	(122,350)	401,333
Total comprehensive Loss for the period	-	-	-	(36,314)	(36,314)
Surplus on revaluation of property, plant and equipment realized through incremental depreciation charged on related assets during the period - net of tax	-	-	-	6,079	6,079
<b>Balance as at 31 December 2011</b>	181,864	56,819	285,000	(152,585)	371,098
Total comprehensive Profit for the period	-	-	-	25,875	25,875
Surplus on revaluation of property, plant and equipment realized through incremental depreciation charged on related assets during the period - net of tax	-	-	-	4,198	4,198
<b>Balance as at 30 June 2012</b>	181,864	56,819	285,000	(122,512)	401,171
Total comprehensive Profit for the period	-	-	-	10,371	10,371
Surplus on revaluation of property, plant and equipment realized through incremental depreciation charged on related assets during the period - net of tax	-	-	-	726	726
<b>Balance as at 31 December 2012</b>	181,864	56,819	285,000	(111,415)	412,268

The annexed notes 1 to 17 form an integral part of this condensed interim unconsolidated financial information.

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Chief Executive

\_\_\_\_\_  
Director

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION

## FOR THE PERIOD ENDED 31 DECEMBER 2012 (UN-AUDITED)

### 1. STATUS AND NATURE OF BUSINESS

The company was incorporated in Pakistan on 25 March 1950 as a private limited company under the Companies Act, 1913 ( now Companies Ordinance, 1984 ) and was subsequently converted into a public limited company. The company is listed 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. The registered office of the company is situated at X-3, Manghopir Road, S.I.T.E., Karachi.

### 2. BASIS OF PREPARATION

These condensed interim unconsolidated financial statements are un-audited and have been prepared in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. The disclosures in the condensed interim financial information do not include all the information reported for full annual financial statements and should therefore be read in conjunction with the financial statements for the year ended 30 June 2012.

This condensed interim unconsolidated financial information is being submitted to the shareholders as required by section 245 of the Companies Ordinance, 1984.

### 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted for the preparation of this condensed interim unconsolidated financial information are the same as those applied in preparation of the financial statements for the year ended 30 June 2012.

### 4. ESTIMATES

The preparation of the condensed interim unconsolidated financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing the condensed interim unconsolidated financial information, the significant judgments made by the management in applying accounting policies and the key sources of estimates were the same as those applied to the annual financial statements for the year ended 30 June 2012.

### 5. ISSUED, SUBSCRIBED AND PAID UP CAPITAL

31 December 2012 (Number of shares)	30 June 2012		31 December 2012 (Rupees in thousand)	30 June 2012
12,135,798	12,135,798	Ordinary shares of Rs. 10 each fully paid up in cash	121,358	121,358
6,050,611	6,050,611	Ordinary shares of Rs. 10 each issued as bonus shares	60,506	60,506
<u>18,186,409</u>	<u>18,186,409</u>		<u>181,864</u>	<u>181,864</u>

- 5.1 Slotrapid Limited B.V.I. (the holding company) and their nominees held 9,466,057 (June 2012: 9,466,057) ordinary shares of Rs. 10 each representing 52.05 % (June 2012 : 52.05 %) of the ordinary paid up capital of the company.

	Note	31 December 2012 (Rupees in thousand)	30 June 2012
<b>6. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets - owned	6.1	599,882	620,860
Assets subject to finance lease	6.2	8,135	9,121
Capital work-in-progress		6,376	4,323
		<u>614,394</u>	<u>634,304</u>
<b>6.1 Operating fixed assets - owned</b>			
Opening net book value		620,860	684,128
Additions during the period / year	6.3	10,035	10,427
Net book value of assets disposed off - Vehicles		(325)	(17,791)
Depreciation charge for the period / year		(30,688)	(55,904)
Closing net book value		<u>599,882</u>	<u>620,860</u>
<b>6.2 Assets subject to finance lease</b>			
Opening net book value		9,121	2,770
Additions during the period / year	6.4	-	8,055
Depreciation charge for the period / year		(986)	(1,704)
Closing net book value		<u>8,135</u>	<u>9,121</u>
<b>6.3 Additions during the period/ year - owned</b>			
Buildings on freehold land		1,161	56
Buildings on leasehold land		-	-
Plant and machinery		5,163	2,669
Laboratory equipment		212	222
Electric fittings		543	3,807
Computer and related accessories		617	2,047
Office machines		1,209	1,209
Furnitures and fixtures		1,130	375
Motor vehicles		-	42
		<u>10,035</u>	<u>10,427</u>
<b>6.4 Additions during the period/ year - leased</b>			
Plant and machinery		-	1,164
Electric fittings		-	1,290
Motor vehicles		-	5,601
		<u>-</u>	<u>8,055</u>

	Note	31 December 2012 (Rupees in thousand)	30 June 2012
<b>7. STOCK IN TRADE</b>			
Raw and packing material			
- in hand		481,127	504,053
- in transit		97,150	65,369
Semi processed goods		107,060	119,707
Finished goods		335,607	303,293
Color bank machines		10,086	10,086
		1,031,030	1,002,508
Less: Provision for slow moving and obsolete stocks - finished goods		(24,196)	(14,627)
		1,006,834	987,881
<b>8. OTHER RECEIVABLES</b>			
Receivable from related parties		17,452	16,840
Receivable against color bank machines		14,977	11,069
Export Rebate		10,284	10,284
Margin against letters of guarantee		1,073	1,073
Accrued income		1,577	758
Others		8,390	5,058
		53,753	45,082
<b>9. CASH AND BANK BALANCES</b>			
With banks :			
In current accounts			
Local currency		156,920	135,391
In deposit accounts			
Local currency		2,104	7,299
Cash in hand		1,336	1,323
		160,360	144,013
<b>10. LONG TERM FINANCING</b>			
Secured			
- JS Bank Limited	10.2	80,000	120,000
- Habib Bank Limited	10.3	87,500	100,000
		167,500	220,000
Less: Current maturity		(105,000)	(105,000)
		62,500	115,000

	<b>31 December 2012</b>	30 June 2012
	<b>(Rupees in thousand)</b>	
<b>10.1</b> The movement of long term financing during the respective period / year is as follows:		
Opening balance	220,000	325,000
Loans obtained during the period	-	-
	<u>220,000</u>	<u>325,000</u>
Loans repaid during the period	(52,500)	(105,000)
Closing balance	<u>167,500</u>	<u>220,000</u>
<b>10.2</b> This represents a long term loan from JS Bank Limited of Rs. 200 million. The facility is secured against an equitable mortgage of Rs. 267 million on land and building of Lahore factory of the company. Mark-up is payable quarterly and charged at the rate of three month's KIBOR plus 2.5 % per annum. The balance is repayable in 4 equal quarterly installments of Rs. 20 million each, commencing on 25 August 2011. The above facility carries mark-up ranging between 11.94% to 14.45% (June 2012: 14.41% and 16.04%).		
<b>10.3</b> This represents a long term loan from a commercial bank of Rs. 125 million. This facility is secured against first hypothecation charge over plant and machinery of the company. Mark-up is payable quarterly and charged at the rate of three month's KIBOR plus 2.5% per annum. The balance is repayable in 14 equal quarterly installments of Rs 6.25 million each, commencing on 31 July 2011. The above facility carries mark-up ranging between 11.46% and 13.95% ( June 2012 : 13.91% and 15.54%).		

## 11. CONTINGENCIES AND COMMITMENTS

### 11.1 Contingencies

- There is no change in the status of contingencies as set out in note 29 to the financial statements of the Company for the year ended 30 June 2012.

### 11.2 Commitments

- Outstanding letters of credit as at 31 December 2012 amounted to Rs. 277.167 million (June 2012: Rs. 275.701 million).
- Outstanding letters of guarantee as at 31 December 2012 amounted to Rs. 27.286 million ( June 2012: Rs. 23.520 million).

	<b>31 December 2012</b>	31 December 2011
	<b>(Rupees in thousand)</b>	
<b>12. CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	160,360	157,861
Short term running finance	(1,090,439)	(1,121,047)
	<u>(930,079)</u>	<u>(963,186)</u>
<b>13. FINANCE COST</b>		
Mark-up on:		
- Secured long term loans	14,756	23,443
- Secured short term loans	7,211	5,025
- Secured short term running finance	63,055	75,625
- Bank and other charges	1,446	4,536
	<u>86,468</u>	<u>108,629</u>

#### 14. TRANSACTIONS WITH RELATED PARTIES

The related parties of the Company comprise subsidiaries, associated undertakings, employees' gratuity fund, employees' pension fund, employees' provident fund, directors and key management personnel. The Company in the normal course of business carries out transactions with various related parties. There have been no guarantees provided or received for any related party receivable or payable.

Name of parties	Nature of relationship	Nature and description of related party transaction	As at		For the half year ended	
			31 Dec 2012	30 Jun 2012	31 Dec 2012	31 Dec 2011
			(-----Rupees in thousands-----)			
Buxly Paints Limited	Associate	Sales	-	-	47,156	41,438
Dadex Eternit Limited	Associate	Sales	-	-	83	27
Berger Road Safety (Private) Limited	Subsidiary	Sales	-	-	22,938	17,637
Berdex Construction Chemicals (Private) Limited	Subsidiary	Sales	-	-	-	1,276
Berdex Construction Chemicals (Private) Limited	Subsidiary	Commission expense	-	-	892	815
Buxly Paints Limited	Associate	Toll Manufacturing	-	-	2,553	1,836
Berger DPI (Private) Limited	Subsidiary	Rental Income and other service charges	-	-	-	250
Berger Road Safety (Private) Limited	Subsidiary	Rental Income and other service charges	-	-	1,039	1,250
Buxly Paints Limited	Associate	Rental Income and other service charges	-	-	1,804	2,130
Buxly Paints Limited	Associate	Royalty expense	-	-	291	352
Slotrapid Limited B.V.I.	Holding Company	Royalty expense	-	-	14,016	11,801
Receivable from related parties			71,240	83,479	-	-
Payable to related parties			44,029	93,659	-	-
Remuneration of key management personnel			-	-	35,882	32,925

#### 15. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objective and policies are consistent with that disclosed in the financial statements as at and for the year ended 30 June 2012.

#### 16. AUTHORIZATION

This un-audited condensed interim financial information was authorized for issue by the Board of Directors of the Company on 26 February 2013 .

#### 17. GENERAL

17.1 Figures have been rounded off to the nearest thousand of rupees unless otherwise stated.

17.2 Corresponding figures have been re-arranged or reclassified wherever necessary, for the purposes of comparison. However, no significant re-arrangements or re-classification have been made.

17.3 All figures, except for 30 June 2012 figures, appearing in these condensed interim financial statements are unaudited.

Chief Financial Officer

Chief Executive

Director

**BERGER PAINTS PAKISTAN LIMITED  
CONDENSED INTERIM CONSOLIDATED  
FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED  
31 DECEMBER 2012**

## CONDENSED INTERIM CONSOLIDATED BALANCE SHEET AS ON 31 DECEMBER 2012 (UN-AUDITED)

	31 December 2012 (Rupees in thousand)	30 June 2012
<b>Non current assets</b>		
Property, plant and equipment	615,660	635,819
Intangible asset- in progress	14,513	14,513
Goodwill	40,750	40,750
Long-term investments in an associate	4,535	2,514
Long-term loans	18,451	15,437
Long-term deposits	21,047	20,578
Deferred taxation	176,685	176,617
	891,641	906,228
<b>Current Assets</b>		
Stores	9,968	10,778
Stock in trade	1,006,834	987,881
Trade debts	827,993	712,848
Loans and advances	61,495	43,362
Trade deposits and short-term prepayments	16,928	13,343
Other receivables	53,367	42,037
Taxation - net	110,664	152,633
Short term investments	31,717	20,080
Cash and bank balances	164,025	148,128
	2,282,991	2,131,090
<b>Total Assets</b>	<b>3,174,632</b>	<b>3,037,318</b>
<b>Share Capital and Reserves</b>		
Authorized share capital		
25,000,000 ordinary shares of Rs.10 each	250,000	250,000
18,186,409 (30 June 2012 : 18,186,409) ordinary shares of Rs. 10 each	181,864	181,864
Reserves	245,676	233,078
	427,540	414,942
Minority Interest	17,056	14,790
Advance against issue of share capital	41	41
<b>Surplus on revaluation of fixed assets - net of tax</b>	<b>186,994</b>	<b>187,720</b>
<b>Non-current liabilities</b>		
Long term financing	62,500	115,000
Staff retirement benefits	56,515	47,865
Liability against assets subject to finance lease	7,498	7,675
	126,513	170,540
<b>Current liabilities</b>		
Trade and other payables	1,037,854	1,100,698
Current maturity of long term financing	105,000	105,000
Current maturity of liabilities against assets subject to finance lease	1,145	1,883
Accrued mark-up	38,050	41,008
Short-term borrowings	1,234,439	1,000,696
	2,416,488	2,249,285
<b>Total Equity and liabilities</b>	<b>3,174,632</b>	<b>3,037,318</b>

Chief Financial Officer

Chief Executive

Director



## CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 31 DECEMBER 2012 (UN-AUDITED)

	For the half year ended		For the quarter ended	
	31 DECEMBER 2012	31 DECEMBER 2011	31 DECEMBER 2012	31 DECEMBER 2011
----- (Rupees in thousand) -----				
Sales - net	2,046,604	1,955,097	1,068,484	967,995
Cost of sales	(1,610,296)	(1,563,829)	(843,945)	(772,809)
<b>Gross Profit</b>	436,308	391,268	224,539	195,186
Distribution cost	(274,744)	(257,879)	(151,167)	(149,064)
Administrative expenses	(74,360)	(72,505)	(34,467)	(36,254)
	(349,104)	(330,384)	(185,634)	(185,318)
<b>Operating profit</b>	87,204	60,884	38,905	9,868
Finance costs	(86,472)	(108,699)	(41,655)	(55,602)
Other charges	(1,333)	(9,574)	(3,253)	(5,965)
	(87,805)	(118,273)	(44,908)	(61,567)
Other operating income	27,073	42,500	21,045	35,206
	26,472	(14,889)	15,042	(16,493)
Profit from associate	-	-	(20)	-
<b>Profit before taxation</b>	26,472	(14,889)	15,022	(16,493)
Taxation	(12,334)	(25,990)	(6,543)	(21,876)
<b>Profit/ (Loss) after taxation</b>	14,138	(40,879)	8,479	(38,369)
Minority interest	(2,266)	1,958	(1,510)	(151)
<b>Net Profit/ (loss) for the period attributable to the holding company</b>	11,872	(38,921)	6,969	(38,520)
Profit/ (Loss) per share - basic and diluted - Rupees	Rs.0.65	(Rs.2.14)	Rs.0.38	(Rs.2.12)

Chief Financial Officer

Chief Executive

Director

## CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 31 DECEMBER 2012 (UN-AUDITED)

	For the half year ended		For the quarter ended	
	31 DECEMBER 2012	31 DECEMBER 2011	31 DECEMBER 2012	31 DECEMBER 2011
----- (Rupees in thousand) -----				
Profit/ (Loss) after taxation	14,138	(40,879)	8,479	(38,369)
Minority interest	(2,266)	1,958	(1,510)	(151)
<b>Total comprehensive profit/ (loss) for the period</b>	<b>11,872</b>	<b>(38,921)</b>	<b>6,969</b>	<b>(38,520)</b>

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Chief Executive

\_\_\_\_\_  
Director

**CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT**  
FOR THE PERIOD ENDED 31 DECEMBER 2012 (UN-AUDITED)

	<b>31 December 2012</b>	31 December 2011
	<b>(Rupees in thousand)</b>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash utilized in operations	(80,268)	(108,046)
Finance cost paid	(89,430)	(112,806)
Income tax - net	29,567	(33,505)
Long-term loans - net	(3,014)	992
Long-term investments in an associate	(469)	150
<b>Net cash outflow from operating activities</b>	<b>(143,614)</b>	<b>(253,215)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditure	(12,109)	(5,889)
Sales proceeds from disposal of fixed assets	2,928	4,218
Short-term Investments	(11,637)	-
<b>Net cash outflow from investing activities</b>	<b>(20,818)</b>	<b>(1,671)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Short-term borrowings - net	84,000	(17,500)
Lease liability - net	(915)	(2,844)
Long term financing - net	(52,500)	(52,500)
<b>Net cash inflow/ (outflow) from financing activities</b>	<b>30,585</b>	<b>(72,844)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(133,847)</b>	<b>(327,730)</b>
<b>Cash and cash equivalents at July 1</b>	<b>(792,568)</b>	<b>(631,807)</b>
<b>Cash and cash equivalents at Dec 31</b>	<b>(926,415)</b>	<b>(959,537)</b>

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Chief Executive

\_\_\_\_\_  
Director

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
FOR THE PERIOD ENDED 31 DECEMBER 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)			
<b>(Rupees in thousand)</b>							
<b>Balance as at 1 July 2011 - restated</b>	181,864	56,819	285,000	(110,660)	413,023	14,868	427,891
Total comprehensive Loss for the period	-	-	-	(38,921)	(38,921)	(1,958)	(40,879)
Surplus on revaluation of property plant and equipment realized through incremental depreciation charged on related assets during the period - net of tax	-	-	-	6,079	6,079	-	6,079
<b>Balance as at 31 December 2011</b>	181,864	56,819	285,000	(143,502)	380,181	12,910	393,091
Total comprehensive profit for the period ended 30 June 2012	-	-	-	30,563	30,563	1,880	32,443
Surplus on revaluation of property plant and equipment realized through incremental depreciation charged on related assets during the period - net of tax	-	-	-	4,198	4,198	-	4,198
<b>Balance as at 30 June 2012</b>	181,864	56,819	285,000	(108,741)	414,942	14,790	429,732
Total comprehensive profit for the period ended 31 December 2012	-	-	-	11,872	11,872	2,266	14,138
Surplus on revaluation of property plant and equipment realized through incremental depreciation charged on related assets during the period - net of tax	-	-	-	726	726	-	726
<b>Balance as at 31 December 2012</b>	181,864	56,819	285,000	(96,143)	427,540	17,056	444,596

**Chief Financial Officer**

**Chief Executive**

**Director**