



HALF YEARLY REPORT
For the Period Ended
31 December 2015

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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

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

CFO & Company Secretary

Mr. Abdul Wahid Qureshi

Bankers

Al-Baraka Bank Limited
Bank Al-Habib Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
JS Bank Limited
MCB Bank Limited
Summit Bank Limited
United Bank Limited
National Bank of Pakistan Limited

Auditors

KPMG Taseer Hadi & Co.
Chartered Accountants

Solicitors

SurrIDGE & Beecheno

Company Registrar

THK Associates Private Limited

Registered Office

36 Industrial Estate
Kot Lakhpat, Lahore

DIRECTORS' REVIEW

The directors of the Company are pleased to present their review along with the interim financial statements of the Company for the half-year ending 31 December, 2015.

Operational Results

The period turned out to be quite encouraging. The Sales volumes increased by 23 % over the same period of the previous year. Translated financially, sales rose to Rs. 2.54 billion compared to Rs. 2.07 billion of the same period of the previous year. Gross profit accordingly grew to Rs. 738.5 million against Rs. 538.4 million for the corresponding period of the previous year. These results became possible primarily for two reasons; the decrease in the prices of raw material including petroleum products and a timely increase in prices of our products.

Selling, Marketing and Administrative expenses stood at Rs. 568 million compared to Rs. 413 million of the same period last year. The increase is mainly due to the freight and marketing expenses caused as a direct result of the increased sales volumes. Financial costs for the period stood at Rs. 47.3 million compared with Rs. 81.8 million of the corresponding period of the previous year; lower financial charges were mainly due to the reduction in interest rates by about 200 basis points and somewhat improved working capital management.

The Company ended the half year with a profit after tax of Rs. 85.8 million compared to Rs. 38.2 million for the corresponding period of the previous year.

Future Outlook

As a result of a general slowdown in the global economy, the prices of commodities and petroleum products came down over the last six months while on the other hand the rupee lost almost five percent against the dollar tending to increase the cost of imported raw material. Positive signs of improvement in law and order situation and the power supply position are healthy factors to predict a better future but any adverse change would directly affect our performance.

The Directors would like to place on record their appreciation of the hard work and dedication continuously displayed by all members of the staff including the employees as well as the management. The Directors also wish to thank our valued customers, distributors, dealers, bankers and other stakeholders for the trust reposed by them in the Company.

On behalf of the Board

Lahore
Dated: 22 February 2016

Dr. Mahmood Ahmad
Chief Executive

Auditors' Report to the Members on Review of Interim Financial Information

Introduction

We have reviewed the accompanying condensed interim unconsolidated balance sheet of **Berger Paints Pakistan Limited** ("the Company") as at 31 December 2015 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 accounts for the six month period then ended (herein-after referred as the "interim unconsolidated financial information"). Management is responsible for the preparation and presentation of this condensed interim unconsolidated 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 unconsolidated 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 unconsolidated 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.

Other Matter

The figures of the condensed interim unconsolidated profit and loss account and condensed interim unconsolidated statement of comprehensive income for the quarter ended 31 December 2015 and 31 December 2014, have not been reviewed and we do not express a conclusion on them.

Lahore
Date: 22 February 2016

KPMG Taseer Hadi & Co.
Chartered Accountants
(M. Rehan Chughtai)

Condensed Interim Unconsolidated Balance Sheet (Un-audited)

As on 31 December 2015

		31 December 2015 (Rupees in thousand)	30 June 2015
NON- CURRENT ASSETS			
Property, plant and equipment	5	1,032,052	1,045,323
Intangibles		42,810	44,467
Investments - related parties	6	50,968	12,528
Long term loans		45,589	32,472
Long term deposits		16,431	17,925
Deferred taxation		1,161	36,745
		1,189,011	1,189,460
CURRENT ASSETS			
Stores		12,448	7,056
Stock in trade	7	874,607	717,550
Trade debts		1,179,656	1,093,739
Loans and advances		87,788	79,877
Trade deposits and short term prepayments		16,531	25,829
Other receivables		11,617	23,050
Income tax - net		239,760	209,166
Short term investments		-	10,018
Cash and bank balances	8	281,271	191,738
		2,703,678	2,358,023
TOTAL ASSETS		3,892,689	3,547,483
EQUITY AND LIABILITY			
SHARE CAPITAL AND RESERVES			
Authorized share capital 25,000,000 (June 2015: 25,000,000) ordinary shares of Rs. 10 each		250,000	250,000
18,186,409 (June 2015: 18,186,409) ordinary shares of Rs. 10/- each		181,864	181,864
Reserves		535,352	444,701
		717,216	626,565
Surplus on revaluation of fixed assets - net of tax		537,509	559,773
NON-CURRENT LIABILITIES			
Long term financing	9	1,650	41,950
Staff retirement and other long term benefits		88,622	76,420
Liabilities against assets subject to finance lease		-	849
		90,272	119,219
CURRENT LIABILITIES			
Trade and other payables		1,220,711	1,062,745
Current maturity of long term financing	9	80,600	105,600
Current maturity of liabilities against assets subject to finance lease		-	2,434
Accrued finance cost		16,839	27,379
Short term borrowings- secured		1,229,542	1,043,768
		2,547,692	2,241,926
CONTINGENCIES AND COMMITMENTS	10		
TOTAL EQUITY AND LIABILITIES		3,892,689	3,547,483

The annexed notes 1 to 16 form an integral part of this condensed interim unconsolidated financial information.

Chief Financial Officer

Chief Executive

Director

Condensed Interim Unconsolidated Profit and Loss Account (Un-audited)

For the Period Ended 31 December 2015

Note	For the half year ended		For the quarter ended	
	31 December	31 December	31 December	31 December
	2015	2014	2015	2014
----- (Rupees in thousand) -----				
Sales - net	2,539,382	2,070,909	1,398,726	1,170,077
Cost of sales	(1,800,843)	(1,532,485)	(941,404)	(844,640)
Gross profit	738,539	538,424	457,322	325,437
Administrative expenses	(100,412)	(104,584)	(62,725)	(46,989)
Distribution expenses	(467,590)	(308,610)	(297,046)	(177,553)
	(568,002)	(413,194)	(359,771)	(224,542)
Operating profit	170,537	125,230	97,551	100,895
Other income	18,259	21,370	13,296	15,225
	188,796	146,600	110,847	116,120
Finance cost	(47,373)	(81,836)	(24,773)	(41,362)
Other operating expenses	(19,068)	(4,414)	(2,611)	(4,414)
	(66,441)	(86,250)	(27,384)	(45,776)
Profit before taxation	122,355	60,350	83,463	70,344
Taxation	(36,596)	(22,167)	(22,021)	(18,727)
Profit after taxation	85,759	38,183	61,442	51,617
Earnings per share - basic and diluted	Rupees 4.72	2.10	3.38	2.84

The annexed notes 1 to 16 form an integral part of this condensed interim unconsolidated financial information.

Chief Financial Officer

Chief Executive

Director

Condensed Interim Unconsolidated Statement of Comprehensive Income (Un-audited)

For the Period Ended 31 December 2015

	For the half year ended		For the quarter ended	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
	----- (Rupees in thousand) -----			
Profit after taxation	85,759	38,183	61,442	51,617
Other comprehensive income				
<i>Items that will be reclassified to profit and loss:</i>				
Fair value gain / (loss) on 'Available for sale' investments	815	1,094	(1,026)	1,504
Total comprehensive income for the period	86,574	39,277	60,416	53,121

The annexed notes 1 to 16 form an integral part of this condensed interim unconsolidated financial information.

Chief Financial Officer

Chief Executive

Director

Condensed Interim Unconsolidated Cash Flow Statement (Un-audited)

For the Period Ended 31 December 2015

	31 December 2015	31 December 2014
	(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	122,355	60,350
Adjustments for non-cash items:		
Depreciation on property, plant and equipment	65,893	35,677
Amortization on intangibles	2,611	2,586
Provision against slow moving stock	-	3,879
Provision against bad debts	3,674	14,540
Gain on disposal of property, plant and equipment	(1,826)	(4,524)
Finance costs	47,373	81,836
	117,725	133,994
Operating profit before working capital changes	240,080	194,344
(Increase) / decrease in current assets:		
Stores	(5,392)	2,525
Stocks in Trade	(157,057)	(17,441)
Trade debts	(89,591)	77,390
Loans and advances	(7,911)	17,916
Trade deposits and short-term prepayments	9,298	(3,438)
Others receivables	11,433	(11,013)
	(239,220)	65,939
Increase / (decrease) in current liabilities:		
Trade and other payables	169,200	(27,912)
Cash generated from operations	170,060	232,371
Finance cost paid	(57,913)	(82,733)
Income tax paid	(31,606)	(57,369)
Staff retirement and other long term benefits paid	12,202	8,707
Long term loans - net	(13,117)	(7,087)
Long term deposits - net	1,495	(413)
	(88,939)	(138,895)
Net cash generated from operating activities	81,121	93,476
Cash flows from investing activities		
Fixed capital expenditure	(54,983)	(50,625)
Sale proceeds on disposal of property, plant and equipment	3,233	5,987
Long term investments made	(37,625)	-
Short term investments	10,018	-
Net cash used in investing activities	(79,357)	(44,638)
Cash flows from financing activities		
Repayment of long term financing	(65,300)	(52,800)
Dividend Paid	(29,422)	(17,825)
Short term borrowings - net	350,000	(58,000)
Lease rentals paid	(3,283)	(1,121)
Net cash generated from/(used in) financing activities	251,995	(129,746)
Net increase/(decrease) in cash and cash equivalents	253,759	(80,908)
Cash and cash equivalents at beginning of the period	(802,030)	(783,114)
Cash and cash equivalents at end of the period	11	(864,022)

The annexed notes 1 to 16 form an integral part of this condensed interim unconsolidated financial information.

Chief Financial Officer

Chief Executive

Director

Condensed Interim Unconsolidated Statement of Changes in Equity (Un-audited)

For the Period Ended 31 December 2015

	Issued subscribed and paid-up share capital	Capital Reserves		Revenue Reserves		Total share capital and reserve
		Share premium	Fair value reserve	General reserve	Accumulated profit	
(Rupees in thousand)						
Balance as at 01 July 2014 - audited	181,864	56,819	6,430	285,000	37,068	567,181
Total comprehensive income for the period						
- Profit for the period	-	-	-	-	38,183	38,183
Other Comprehensive income for the period						
Fair value gain on 'Available for sale' investments	-	-	1,094	-	-	1,094
	-	-	1,094	-	38,183	39,277
	181,864	56,819	7,524	285,000	75,251	606,458
Surplus on revaluation of property, plant and equipment realized through incremental depreciation charged on related assets during the period - net of tax	-	-	-	-	716	716
Transaction with owners of the Company, recognized directly in equity						
Final dividend for the year ended 30 June 2014 @ Re. 1.00 per share	-	-	-	-	(18,187)	(18,187)
Balance as at 31 December 2014 - unaudited	181,864	56,819	7,524	285,000	57,780	588,987
Total comprehensive income for the period						
- Profit for the period	-	-	-	-	70,970	70,970
Other Comprehensive income for the period						
Remeasurement of defined benefit obligation	-	-	-	-	(5,094)	(5,094)
Fair value deficit on 'Available for sale' investments	-	-	(1,376)	-	-	(1,376)
	-	-	(1,376)	-	65,876	64,500
	181,864	56,819	6,148	285,000	123,656	653,487
Surplus on revaluation of property, plant and equipment realized through incremental depreciation charged on related assets during the period - net of tax	-	-	-	-	358	358
Transaction with owners of the Company, recognized directly in equity						
Interim dividend for the year ended 30 June 2015 @ Rs. 1.50 per share	-	-	-	-	(27,280)	(27,280)
Balance as at 30 June 2015 - audited	181,864	56,819	6,148	285,000	96,734	626,565
Total comprehensive income for the period						
- Profit for the period	-	-	-	-	85,759	85,759
Other Comprehensive income for the period						
Fair value gain on 'Available for sale' investments	-	-	815	-	-	815
	-	-	815	-	85,759	86,574
	181,864	56,819	6,963	285,000	182,493	715,139
Surplus on revaluation of property, plant and equipment realized through incremental depreciation charged on related assets during the period - net of tax	-	-	-	-	22,264	22,264
Transaction with owners of the Company, recognized directly in equity						
Final dividend for the year ended 30 June 2015 @ Re. 1.00 per share	-	-	-	-	(18,187)	(18,187)
Balance as at 31 December 2015 - unaudited	181,864	56,819	6,963	285,000	186,570	717,216

The annexed notes 1 to 16 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 (Un-audited) For the Period Ended 31 December 2015

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 (now Companies Ordinance, 1984) and was subsequently converted into a public limited company. The company is listed on Pakistan Stock Exchange (formerly 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 36-Industrial Estate Kot-Lakhpatt, Lahore and the principal manufacturing facility of the company is situated at 28 Km Multan Road, Lahore.

2. BASIS OF PREPARATION

2.1 Basis of Accounting

2.1.1 This condensed interim financial information comprises the condensed interim unconsolidated balance sheet of the Company as at 31 December 2015 and the related condensed interim unconsolidated profit and loss account, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated cash flow statement and condensed interim unconsolidated statement of changes in equity together with the notes forming part thereof.

2.1.2 This condensed interim financial information of the Company for the six months period ended 31 December 2015 has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

2.1.3 This condensed interim financial information does not include all of the information required for full annual financial statements and should be read in conjunction with the annual financial statements for the year ended 30 June 2015.

2.1.4 Comparative balance sheet numbers are extracted from the annual audited financial statements of the Company for the year ended 30 June 2015, whereas comparative profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity are stated from unaudited condensed interim financial information of the Company for the six months period ended 31 December 2014.

2.1.5 This condensed interim financial information is unaudited and being submitted to the shareholders as required under Section 245 of the Companies Ordinance, 1984 and the Listing Regulations of Pakistan Stock Exchange Limited.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Except as referred to in note 3.2, the accounting policies and the methods of computation adopted in the preparation of this condensed interim unconsolidated financial information are same as those applied in the preparation of the unconsolidated financial statements for the year ended 30 June 2015. The Company has adopted IFRS 13 'Fair Value Measurement' during the period which became effective for financial periods beginning on or after 1 January 2015. The effect of IFRS 13 'Fair Value Measurement' is disclosed in notes 3.2 and 14 to this condensed interim unconsolidated financial information.

3.2 Change in Accounting Policy

IFRS 13 Fair value measurement establishes a single framework for measuring fair value and making disclosures about fair value measurements when such measurements are required and permitted by other IFRSs. It unifies the definition of fair value as the price that would be received to sell

an asset or paid to transfer a liability in an orderly transaction between the market participants on the measurement date. It replaces and expands the disclosure requirements about fair value measurement in other IFRSs, including IFRS 7 Financial Instruments: Disclosures. As a result the Company has added additional disclosures in this regard in note 14 to the condensed interim unconsolidated financial information. In accordance with the transitional provisions of IFRS 13, the Company has applied the new fair value measurement guidance prospectively and has not provided any comparative information for new disclosures. Notwithstanding the above, the change had no significant impacts on the measurements of the Company's financial assets and liabilities.

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 2015.

		(Un-audited) 31 December 2015 (Rupees in thousand)	(Audited) 30 June 2015
5. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets - owned	5.1	987,131	1,003,581
Assets subject to finance lease	5.2	-	3,473
Capital work-in-progress		44,921	38,269
		1,032,052	1,045,323
5.1 Operating fixed assets - owned			
Opening net book value		1,003,581	571,300
Additions during the period / year	5.3	47,531	57,654
Net book value of assets disposed off		(1,407)	(5,012)
Depreciation charge for the period / year		(65,893)	(60,291)
Transfer from leased assets		3,473	-
Adjustments for the period/ year		(154)	(2,001)
Effect of revaluation - net		-	441,931
Closing net book value		987,131	1,003,581
5.2 Assets subject to finance lease			
Opening net book value		3,473	4,809
Transfer to owned assets		(3,473)	-
Adjustments for the period/ year		-	(2)
Depreciation charge for the period / year		-	(1,334)
Closing net book value		-	3,473

	Note	(Un-audited) 31 December 2015 (Rupees in thousand)	(Audited) 30 June 2015
5.3 Additions during the period/ year			
Buildings on freehold land		10,237	3,750
Buildings on leasehold land		406	3,469
Plant and machinery		15,007	32,580
Laboratory equipment		6,651	3,458
Electric fittings		2,468	2,397
Computer and related accessories		4,122	2,208
Office machines		413	404
Furnitures and fixtures		715	2,606
Motor vehicles		7,512	6,782
		<u>47,531</u>	<u>57,654</u>
6. INVESTMENTS - RELATED PARTIES			
In equity instruments of subsidiaries- at cost	6.1	2,550	2,550
Advance for purchase of shares	6.2	37,625	-
Available for sale	6.3	10,793	9,978
		<u>50,968</u>	<u>12,528</u>
6.1 In equity instruments of subsidiaries - at cost			
Unquoted			
Berger DPI (Private) Limited 765,000 (30 June 2015: 765,000) fully paid ordinary shares of Rs. 10 each Equity Held: 51 % (June 30 2015: 51 %)		2,550	2,550
Berdex Construction Chemicals (Private) Limited 676,020 (30 June 2015: 676,020) fully paid ordinary shares of Rs. 10 each Equity Held: 51.96 % (June 30 2015: 51.96 %) Less: Provision for impairment		5,510 (5,510)	5,510 (5,510)
		-	-
		<u>2,550</u>	<u>2,550</u>
6.2 Advance for purchase of shares			

During the period, the Company executed a share purchase agreement with the individual shareholders of M/s 3S Pharmaceuticals (Private) Limited (3S Pharma) to acquire 49% shares in 3S Pharma. The transaction has not been completed until the period end due to non completion of certain conditions in the share purchase agreement and accordingly the amount paid to date has been shown as advance.

	Note	(Un-audited) 31 December 2015 (Rupees in thousand)	(Audited) 30 June 2015
6.3 Available for sale			
Available for sale - at cost	6.3.1	9,978	3,830
Add: Cumulative fair value gain	6.3.2	815	6,148
		<u>10,793</u>	<u>9,978</u>
6.3.1 Available for sale -at cost			
Buxly Paints Limited 273,600 (30 June 2015: 273,600) fully paid ordinary shares of Rs. 10 each Equity Held: 19 % (June 30 2015: 19 %)		9,978	3,830
		<u>9,978</u>	<u>3,830</u>
6.3.2 Cumulative fair value gain			
As at 01 July		6,148	6,430
Fair value gain/(loss) during the period/year		815	(282)
As at 31 December/30 June		<u>6,963</u>	<u>6,148</u>
7. STOCK IN TRADE			
<i>Raw and packing material</i>			
- in hand		472,822	383,790
- in transit		84,253	64,210
		<u>557,075</u>	<u>448,000</u>
Semi processed goods		74,496	77,458
Finished goods		351,318	305,268
		<u>982,889</u>	<u>830,726</u>
<i>Provision for slow moving and obsolete stocks</i>			
- Raw Material		(86,302)	(86,302)
- Semi processed goods		(3,698)	(3,698)
- Finished goods		(18,282)	(23,176)
		<u>(108,282)</u>	<u>(113,176)</u>
		<u>874,607</u>	<u>717,550</u>

7.1 The amount charged to profit and loss account on account of write down of finished goods to net realizable value amounted to Rs. 4.73 million (30 June 2015: Rs. 1.95 million). Included in finished goods stock are color bank machines costing Rs. 17.05 million (30 June 2015: Rs. 10.09 million).

	Note	(Un-audited) 31 December 2015 (Rupees in thousand)	(Audited) 30 June 2015
8. CASH AND BANK BALANCES			
<i>With banks:</i>			
In current accounts		236,412	132,883
In deposit accounts		44,075	58,241
<i>Cash in hand</i>		784	614
		<u>281,271</u>	<u>191,738</u>
9. LONG TERM FINANCING			
<i>Secured</i>			
- JS Bank Limited	9.2	80,000	120,000
- First Habib Modarba	9.3	2,250	25,000
- Habib Bank Limited	9.4	-	2,550
		<u>82,250</u>	<u>147,550</u>
Less: Current maturity shown under current liabilities		(80,600)	(105,600)
		<u>1,650</u>	<u>41,950</u>
9.1 The movement of long term financing during the respective period / year is as follows:			
Opening balance		147,550	253,150
Loans obtained during the period		-	-
		<u>147,550</u>	<u>253,150</u>
Loans repaid during the period		(65,000)	(105,600)
Closing balance		<u>82,550</u>	<u>147,550</u>
9.2	This represents a long term loan 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. The balance is repayable in four quarterly installments of Rs. 20 million each ending on October 2016. Markup is payable quarterly and charged at the rate of three month's KIBOR plus 2 % per annum ranging between 8.53% and 9.81% (30 June 2015: 9.81% and 12.94%) per annum.		
9.3	This represents diminishing musharika facility of Rs 3.6 million for purchase of vehicle. The term of the agreement is 5 years. The balance is repayable in 11 equal quarterly installments of Rs. 0.15 million each ending on July 2018. Mark-up is payable quarterly and charged at the rate of 10% per annum. Under the agreement, the Company holds asset with joint ownership with the modarba.		
9.4	This represents long term loan of Rs. 125 million. This facility was secured against hypothecation charge over plant and machinery of the Company. The loan has been fully repaid during the period.		

10. CONTINGENCIES AND COMMITMENTS

10.1 Contingencies

- There is no change in the status of contingencies as highlighted in the financial statements of the Company for the year ended 30 June 2015.

10.2 Commitments

- Outstanding letters of credit as at 31 December 2015 amounted to Rs. 279.57 million (30 June 2015: Rs. 367.98 million).
- Outstanding letters of guarantee as at 31 December 2015 amounted to Rs. 71.97 million (30 June 2015: Rs. 55.62 million).

	31 December 2015	31 December 2014
Note	(Rupees in thousand)	
11. CASH AND CASH EQUIVALENTS		
Cash and bank balances	281,271	271,037
Short term running finance	(829,542)	(1,135,059)
	<u>(548,271)</u>	<u>(864,022)</u>
12. FINANCE COST		
<i>Mark-up on:</i>		
- Secured long term financing	4,455	14,447
- Secured short term financing	6,095	5,951
- Secured short term running finances	34,100	59,659
- Bank and other charges	2,722	1,779
	<u>47,373</u>	<u>81,836</u>

13. TRANSACTIONS WITH RELATED PARTIES

The related parties of the Company comprise holding company, subsidiaries, associated undertakings, other related companies, post employment benefit plans, directors and key management personnel. There have been no guarantees provided or received for any related party receivable or payable.

Relationship with the Company	Nature and description of related party transaction	Balance As at		Transaction during the half year ended	
		31 December 2015	30 June 2015	31 December 2015	31 December 2014
- - - - - (Rupees in thousand) - - - - -					
i. Holding Company					
Slotrapid Limited B.V.I.	Royalty expense	16,820	27,514	16,820	14,400
ii. Subsidiary Company					
Berger Road Safety (Private) Limited	Debtors / Sales	72,796	37,519	78,331	45,274
	Rental Income and other service charges	1,796	2,798	1,038	1,038
	Common expenditures incurred	-	-	14,941	14,717
iii. Related Party					
Buxly Paints Limited	Debtors / Sales	59,754	61,057	66,652	44,592
	Rental Income and other service charges	-	-	1,804	1,804
	Royalty Expense	7,221	6,051	945	601
	Toll Manufacturing	-	-	5,609	3,260
iv. Associate					
Dadex Eternit Limited	Debtors / Sales	71	33	149	175
v. Post employment benefit plans					
	Expense charged in respect of retirement benefit plans	-	-	12,879	11,764
	Paid to gratuity and pension funds	-	-	1,000	1,546
vi. Remuneration of key management personnel					
		-	-	81,065	53,397

14. FINANCIAL INSTRUMENTS-FAIR VALUES

The additional disclosures due to the adoption of IFRS 13 Fair value measurement are as follows :

	Note	Carrying Amount			Fair Value		
		Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3
----- Rupees -----							
On - balance sheet financial instruments							
<i>31 December 2015- (Un-audited)</i>							
Financial assets measured at fair value		10,793	-	-	10,793	-	-
		10,793	-	-	10,793	-	-
<u>Financial assets not measured at fair value</u>							
Cash and bank balances	14.1	280,487	-	280,487	-	-	-
Trade deposits and short term prepayments	14.1	16,531	-	16,531	-	-	-
Trade debts - unsecured, considered good	14.1	1,179,656	-	1,179,656	-	-	-
Loans and advances	14.1	9,252	-	9,252	-	-	-
Other receivables	14.1	3,856	-	3,856	-	-	-
		1,489,782	-	1,489,782	-	-	-
Financial liabilities measured at fair value		-	-	-	-	-	-
		-	-	-	-	-	-
<u>Financial liabilities not measured at fair value</u>							
Long term finances		-	82,250	82,250	-	82,250	-
Trade and other payables	14.1	-	1,155,688	1,155,688	-	-	-
Short term borrowing		-	1,229,542	1,229,542	-	1,229,542	-
Accrued finance cost	14.1	-	16,839	16,839	-	-	-
		-	2,484,319	2,484,319	-	1,311,792	-

14.1 The Company has not disclosed the fair values of these financial assets and liabilities as these are for short term or reprise over short term. Therefore, their carrying amounts are reasonable approximation of fair value.

15. AUTHORIZATION

This un-audited condensed interim financial information was authorized for issue by the Board of Directors of the Company on 22 February 2016 .

16. GENERAL

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

16.2 All figures, except for 30 June 2015 figures, appearing in these condensed interim financial statements are unaudited.

Chief Financial Officer

Chief Executive

Director

CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
31 DECEMBER 2015

Condensed Interim Consolidated Balance Sheet (Un-audited)

As on 31 December 2015

	(Un-audited) 31 December 2015 (Rupees in thousand)	(Audited) 30 June 2015
ASSETS		
NON- CURRENT ASSETS		
Property, plant and equipment	1,042,201	1,053,935
Intangible	42,810	44,467
Investments - related parties	48,418	9,978
Long term loans	45,589	32,472
Long term deposits	19,135	20,404
Deferred taxation	947	36,525
	<u>1,199,100</u>	<u>1,197,781</u>
CURRENT ASSETS		
Stores	12,448	7,056
Stock in trade	888,433	717,550
Trade debts	1,242,286	1,122,879
Loans and advances	107,284	88,212
Trade deposits and short term prepayments	16,531	25,829
Other receivables	9,821	22,354
Income tax - net	247,928	218,538
Short term investments	-	10,018
Cash and bank balances	287,507	195,600
	<u>2,812,238</u>	<u>2,408,036</u>
TOTAL ASSETS	<u><u>4,011,338</u></u>	<u><u>3,605,817</u></u>
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorised share capital 25,000,000 ordinary shares of Rs.10 each	250,000	250,000
Share capital	181,864	181,864
Reserves	551,387	458,805
	<u>733,251</u>	<u>640,669</u>
NON-CONTROLLING INTEREST	19,901	18,045
SURPLUS ON REVALUATION OF FIXED ASSETS - NET OF TAX	537,509	559,773
NON-CURRENT LIABILITIES		
Long-term financing	1,650	41,950
Staff retirement benefits	88,622	76,420
Liabilities against assets subject to finance lease	6,797	6,181
CURRENT LIABILITIES		
Trade and other payables	1,295,259	1,082,230
Accrued finance cost	16,839	27,379
Current maturity of long-term financing	80,600	105,600
Current maturity of liabilities against assets subject to finance lease	1,368	3,802
Short term borrowings	1,229,542	1,043,768
	<u>2,623,608</u>	<u>2,262,779</u>
	<u>2,720,677</u>	<u>2,387,330</u>
TOTAL EQUITY AND LIABILITIES	<u><u>4,011,338</u></u>	<u><u>3,605,817</u></u>

Chief Financial Officer

Chief Executive

Director

Condensed Interim Consolidated Profit and Loss Account (Un-audited)

For the Period Ended 31 December 2015

	For the half year ended		For the quarter ended	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
	----- (Rupees in thousand) -----			
Sales - net	2,620,474	2,112,140	1,441,282	1,197,312
Cost of sales	1,847,352	1,560,163	965,420	863,184
Gross profit	773,122	551,977	475,862	334,128
Distribution expenses	488,595	312,980	308,464	179,993
Administrative expenses	103,985	106,927	55,055	48,372
	592,580	419,907	363,519	228,365
Operating profit	180,542	132,070	112,343	105,763
Other income	17,262	20,387	12,795	14,727
	197,804	152,457	125,138	120,490
Other charges	19,068	4,414	12,611	4,414
Finance cost	47,927	82,000	25,189	41,439
	66,995	86,414	37,800	45,853
Profit before taxation	130,809	66,043	87,338	74,637
Taxation	41,262	24,256	26,125	20,365
Profit after taxation	89,547	41,787	61,213	54,272
Attributable to:				
Equity holders of the parent	87,691	39,199	60,663	52,403
Non-controlling interest	1,856	2,588	550	1,869
Earning per share - basic and diluted	4.82	2.16	3.34	2.88

Chief Financial Officer

Chief Executive

Director

Condensed Interim Unconsolidated Statement of Comprehensive Income (Un-audited)

For the Period Ended 31 December 2015

	For the half year ended		For the quarter ended	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
	----- (Rupees in thousand) -----			
Profit after taxation	89,547	41,787	61,213	54,272
Other comprehensive income for the period				
Fair value gain / (loss) on 'Available for sale' investments	815	1,094	(1,026)	1,504
Total comprehensive income for the period	90,362	42,881	60,187	55,776
Attributable to:				
Equity holder of the parent	88,506	40,293	59,637	53,907
Non-controlling interest	1,856	2,588	550	1,869

Chief Financial Officer

Chief Executive

Director

Condensed Interim Consolidated
Cash Flow Statement (Un-audited)
For the Period Ended 31 December 2015

	31 December 2015	31 December 2014
	(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash generated from operations	177,730	243,336
Finance costs paid	(58,467)	(82,897)
Income tax - net	(35,074)	(59,442)
Staff Retirement Benefits	12,202	3,473
Long-term loans - net	(13,117)	(7,087)
Long-term deposits - net	1,269	(413)
Net cash inflows from operating activities	84,543	96,970
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(57,496)	(50,943)
Sales proceeds from disposal of fixed assets	3,233	5,987
Long term investments made	(37,625)	-
Short term investments	10,018	-
Net cash outflow from investing activities	(81,870)	(44,956)
CASH FLOWS FROM FINANCING ACTIVITIES		
Short-term borrowings - net	350,000	(58,000)
Dividend paid	(29,422)	(17,774)
Lease rentals paid	(1,818)	(1,401)
Repayment of long term financing	(65,300)	(52,800)
Net cash inflows / (outflow) from financing activities	253,460	(129,975)
Net decrease in cash and cash equivalents	256,133	(77,961)
Cash and cash equivalents at beginning of the period	(798,168)	(776,660)
Cash and cash equivalents at end of the period	(542,035)	(854,621)

Chief Financial Officer

Chief Executive

Director

Condensed Interim Consolidated Statement of Changes in Equity (Un-audited)

For the Period Ended 31 December 2015

	Capital Reserves		Revenue Reserves		Total equity attributable to shareholders of parent Company	Non-controlling interest	Total share capital and reserves	
	Issued, subscribed and paid-up share capital	Share premium	Fair value reserve	General reserve				Accumulated profit
Balance as at 1 July 2014	181,864	56,819	6,430	285,000	50,578	580,691	17,474	598,165
Profit for the period ended 31 December 2014	-	-	-	-	39,199	39,199	2,588	41,787
Other Comprehensive income for the period	-	-	1,094	-	-	1,094	-	1,094
Fair value loss on 'Available for sale' investments	-	-	-	-	-	-	-	-
Measurement of defined benefit obligation	-	-	-	-	-	-	-	-
Total comprehensive loss for the period ended 31 December 2014	-	-	1,094	-	-	1,094	-	1,094
Surplus on revaluation of property plant and equipment realized through incremental depreciation charged on related assets during the period - net of tax	-	-	-	-	39,199	40,293	2,588	42,881
Final dividend for the year ended 30 June 2014 @ Re. 1.00 per share	-	-	-	-	716	716	-	716
Balance as at 31 December 2014	181,864	56,819	7,524	285,000	72,306	603,513	20,062	623,575
Transaction with owners of the Company recognized directly in equity - Distributions								
Interim dividend for the year ended 30 June 2015 @ Rs. 1.50 per share	-	-	-	-	(27,280)	(27,280)	-	(27,280)
Total comprehensive profit for the period ended 30 June 2015	-	-	-	-	70,548	70,548	(2,017)	68,531
Profit for the period	-	-	-	-	-	-	-	-
Other Comprehensive income for the period	-	-	(1,376)	-	-	(1,376)	-	(1,376)
Fair value gain on 'Available for sale' investments	-	-	-	-	(5,094)	(5,094)	-	(5,094)
Remeasurement of defined benefit obligation	-	-	(1,376)	-	(5,094)	(6,470)	-	(6,470)
Total Comprehensive income for the period ended 30 June 2015	-	-	(1,376)	-	65,454	64,078	(2,017)	62,061
Surplus on revaluation of property plant and equipment realized through incremental depreciation charged on related assets during the period - net of tax.	-	-	-	-	358	358	-	358
Balance as at 30 June 2015	181,864	56,819	6,148	285,000	110,838	640,669	18,045	658,714
Transaction with owners of the Company recognized directly in equity - Distributions								
Final dividend for the year ended 30 June 2015 @ Re. 1.00 per share	-	-	-	-	(18,187)	(18,187)	-	(18,187)
Profit for the period ended 31 December 2015	-	-	-	-	87,691	87,691	1,856	89,547
Other Comprehensive income for the period	-	-	815	-	-	815	-	815
Fair value gain on 'Available for sale' investments	-	-	-	-	-	-	-	-
Remeasurement of defined benefit obligation	-	-	-	-	-	-	-	-
Total comprehensive income for the period ended 31 December 2015	-	-	815	-	87,691	88,506	1,856	90,362
Surplus on revaluation of property plant and equipment realized through incremental depreciation charged on related assets during the period - net of tax	-	-	-	-	22,263	22,263	-	22,263
Balance as at 31 December 2015	181,864	56,819	6,963	285,000	202,605	733,251	19,901	753,152

Chief Financial Officer

Director

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