



QUARTERLY REPORT
For the Quarter Ended
30 September 2015

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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

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

CFO & Company Secretary

Mr. Abdul Wahid Qureshi

Bankers

Al-Barka 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

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 your Company are pleased to present their review along with the unaudited financial statements of the Company for the Quarter ended 30 September 2015.

Operational Results

The Quarter turned out to be an impressive operational period as a direct result of the increase in sales volumes. During the financial year, the Company achieved a revenue of Rs. 1,141 million showing an increase of 26% over the same period last year. Consequently the Operating Profit rose from Rs. 24 million to Rs. 63 million. The profit, after tax, increased to Rs. 25.6 million as compared with a loss of Rs. 13.4 million for the same period last year.

Future Outlook

Among the factors contributing to these healthy results are the continually declining trend of the global oil prices, lower rate of inflation and a reduction in the interest cost. Accordingly, your company is looking forward to brighter business results in the months to follow.

We take this opportunity to thank our shareholders and valued customers for their continued trust and all the employees of Berger Paints for their dedication and hard work.

On behalf of the Board

Lahore
Dated: 29 October 2015

Dr. Mahmood Ahmad
Chief Executive

Condensed Interim Unconsolidated Balance Sheet (Un-audited)

As on 30 September 2015

	30 Sep 2015	30 Jun 2015
	(Rupees in thousand)	
ASSETS		
NON- CURRENT ASSETS		
Property, plant and equipment	1,027,063	1,045,323
Intangibles	43,214	44,467
Investments related party	14,369	12,528
Long-term loans	42,656	32,472
Long-term deposits	18,098	17,925
Deferred taxation	36,745	36,745
	<u>1,182,145</u>	<u>1,189,460</u>
CURRENT ASSETS		
Stores	10,084	7,056
Stock in trade	921,869	717,550
Trade debts	1,010,870	1,093,739
Loans and advances	162,825	79,877
Trade deposits and short-term prepayments	21,303	25,829
Other receivables	27,465	23,050
Income tax - net	219,648	209,166
Short term investments	-	10,018
Cash and bank balances	232,893	191,738
	<u>2,606,957</u>	<u>2,358,023</u>
TOTAL ASSETS	<u><u>3,789,102</u></u>	<u><u>3,547,483</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	478,935	444,701
	<u>660,799</u>	<u>626,565</u>
SURPLUS ON REVALUATION OF FIXED ASSETS - NET OF TAX	553,049	559,773
NON-CURRENT LIABILITIES		
Long term financing	21,800	41,950
Staff retirement and other long-term benefits	80,945	76,420
Liabilities against assets subject to finance lease	68	849
CURRENT LIABILITIES		
Trade and other payables	1,307,123	1,062,745
Accrued finance cost	21,770	27,379
Current maturity of long-term financing	80,600	105,600
Current maturity of liabilities against assets subject to finance lease	2,434	2,434
Short-term borrowings	1,060,514	1,043,768
	<u>2,472,441</u>	<u>2,241,926</u>
CONTINGENCIES AND COMMITMENTS		
TOTAL EQUITY AND LIABILITIES	<u><u>3,789,102</u></u>	<u><u>3,547,483</u></u>

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

Chief Financial Officer

Chief Executive

Director

Condensed Interim Unconsolidated Profit and Loss Account (Un-audited)
 For the Quarter Ended 30 September 2015

	30 Sep 2015	30 Sep 2014
	(Rupees in thousand)	
Sales - net	1,140,656	900,832
Cost of sales	859,439	687,845
Gross Profit	281,217	212,987
Administrative expenses	47,687	57,595
Distribution cost	170,544	131,057
	218,231	188,652
Operating Profit	62,986	24,335
Other income	4,963	6,145
	67,949	30,480
Finance cost	22,600	40,474
Other charges	6,457	-
	29,057	40,474
Profit before taxation	38,892	(9,994)
Taxation	13,223	3,440
Profit after taxation	25,669	(13,434)
Earning per share - basic and diluted	Rs.1.41	(Rs.0.74)

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

Chief Financial Officer

Chief Executive

Director

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

For the Quarter Ended 30 September 2015

	30 Sep 2015 (Rupees in thousand)	30 Sep 2014
Profit after taxation	25,669	(13,434)
Other comprehensive income for the year Items that will be reclassified to profit and loss		
Fair value gain / (deficit) on 'Available for sale' investments	1,841	(410)
Total comprehensive income / (loss) for the period	<u>27,510</u>	<u>(13,844)</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 (Un-audited)

For the Quarter Ended 30 September 2015

	30 Sep 2015	30 Sep 2014
	(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	38,892	(9,994)
Adjustment for non cash items:		
Depreciation on property, plant and equipment	34,023	17,767
Provision against slow moving stock	(259)	0
Amortization on intangibles	1,293	1,293
Gain on disposal of property, plant and equipment	(541)	(512)
Finance costs	22,600	40,474
	57,116	59,022
Operating profit before working capital changes	96,008	49,028
(Increase) / Decrease in Current Assets		
Stores and Spares	(3,028)	183
Stocks in Trade	(204,060)	(63,041)
Trade debts	82,853	241,553
Loans and advances	(82,948)	(3,652)
Trade deposits short-term prepayments	4,526	(1,158)
Others receivables	(4,415)	(8,061)
	(207,072)	165,824
Increase / (Decrease) in Current Liabilities		
Trade and other payables	244,378	(43,466)
Net cash generated from operations	133,314	171,386
Finance costs paid	(28,209)	(45,165)
Income tax - net	(23,705)	(48,038)
Staff Retirement Benefits	4,525	3,817
Long-term loans - net	(10,184)	(6,231)
Long-term deposits - net	(173)	(534)
	(57,746)	(96,151)
Net cash outflow from operating activities	75,568	75,235
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(16,511)	(29,647)
Sales proceeds from disposal of fixed assets	1,265	1,035
Short Term Investments	10,018	-
Net cash outflow from investing activities	(5,228)	(28,612)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing - net	(45,150)	(26,250)
Short-term borrowings - net	150,000	(58,000)
Lease Liability	(781)	(706)
Net cash inflows / (outflows) from financing activities	104,069	(84,956)
Net increase / (decrease) in cash and cash equivalents	174,409	(38,333)
Cash and cash equivalents at 1 Jul	(802,030)	(783,114)
Cash and cash equivalents at 30 Sep	(627,621)	(821,447)

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

Chief Financial Officer

Chief Executive

Director

Condensed Interim Unconsolidated Statement of Changes in Equity (Un-audited) For the Quarter Ended 30 September 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 (loss) / profit	
(Rupees in thousand)						
Balance as at 1 July 2014	181,864	56,819	6,430	285,000	37,068	567,181
(Loss) for the period ended 30 September 2014	-	-	-	-	(13,434)	(13,434)
Other Comprehensive income for the year						
Fair value gain on 'Available for sale' investments	-	-	(410)	-	-	(410)
Remeasurement of defined benefit obligation	-	-	-	-	-	-
	-	-	(410)	-	-	(410)
Total comprehensive profit for the period ended 30 September 2014	-	-	(410)	-	(13,434)	(13,844)
Surplus on revaluation of property plant and equipment realized through incremental depreciation charged on related assets during the period - net of tax	-	-	-	-	358	358
Balance as at 30 September 2014	181,864	56,819	6,020	285,000	23,992	553,695
Transaction with owners of the Company recognized directly in equity - Distributions						
Final dividend for the year ended 30 June 2014 @ Rs. 1.00 per share.	-	-	-	-	(18,187)	(18,187)
Interim dividend for the year ended 30 June 2015 @ Rs. 1.50 per share.	-	-	-	-	(27,280)	(27,280)
Total comprehensive income for the year ended 30 Jun 2015						
Profit for the year	-	-	-	-	122,587	122,587
Other Comprehensive income for the year						
Fair value gain on 'Available for sale' investments	-	-	128	-	-	128
Remeasurement of defined benefit obligation	-	-	-	-	(5,094)	(5,094)
	-	-	128	-	(5,094)	(4,966)
Total Comprehensive income for the year	-	-	128	-	117,493	117,621
Surplus on revaluation of property plant and equipment realized through incremental depreciation charged on related assets during the period - net of tax.	-	-	-	-	716	716
Balance as at 30 Jun 2015	181,864	56,819	6,148	285,000	96,734	626,565
Total comprehensive profit for the period ended 30 September 2015						
- Profit for the period	-	-	-	-	25,669	25,669
Other Comprehensive income for the period						
Fair value gain / (loss) on 'Available for sale' investments	-	-	1,841	-	-	1,841
	-	-	1,841	-	-	1,841
	181,864	56,819	7,989	285,000	122,403	654,075
Surplus on revaluation of property plant and equipment realized through incremental depreciation charged on related assets during the period - net of tax	-	-	-	-	6,724	6,724
Balance as at 30 September 2015	181,864	56,819	7,989	285,000	129,127	660,799

Chief Financial Officer

Chief Executive

Director

Notes to the Condensed Interim Unconsolidated Financial Information (Un-audited)

For the Period Ended 30 September 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 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 36, Industrial Estate Kot Lakhpat Lahore 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, 2015.

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, 2015.

4. PROPERTY, PLANT AND EQUIPMENT

	30 Sep 2015	30 Sep 2014
	(Rupees in thousand)	
Additions	16,511	29,647

5. CONTINGENCIES AND COMMITMENTS

5.1 Contingencies

There is no change in the status of contingency, set out in note 28 to the annual financial statements of the company for the year ended June 30, 2015.

5.2 Commitments

5.2.1 Outstanding letter of credit as at September 30, 2015 amounted to Rs. 335.55 million [June 30, 2015: Rs. 367.98 million].

5.2.2 Outstanding letter of guarantees as at September 30, 2015 amounted to Rs. 69.98 million [June 30, 2015: Rs. 55.62 million].

6. TRANSACTION WITH RELATED PARTIES

The following table provides details in respect of transactions entered into with related parties during the quarter ended on September 30, 2015. All transactions were carried out at arms length price.

	30 Sep 2015	30 Sep 2014
	(Rupees in thousand)	
SALES		
Berger Road Safety (Private) Limited - a subsidiary	33,402	17,937
Buxly Paints Limited - related party	31,389	17,713
Dadex Eternit	95	-
TOLL MANUFACTURING INCOME		
Buxly Paints Limited - related party	2,613	1,198
RENTAL INCOME AND OTHER SERVICES CHARGED		
Buxly Paints Limited - related party	1,202	1,202
Berger Road Safety (Private) Limited - a subsidiary	519	519
COMMISSION EXPENSE		
Berdex Construction Chemicals Private Limited - a subsidiary	-	-
ROYALTY		
Buxly Paints Limited - related party	460	257
Slotrapid Limited B.V.I - holding company	7,200	7,200

7. These interim condensed financial statements were authorized for issue on 29 October 2015 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

CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE QUARTER ENDED
30 SEPTEMBER 2015

Condensed Interim Consolidated Balance Sheet (Un-audited)

As on 30 September 2015

	30 Sep 2015	30 Jun 2015
	(Rupees in thousand)	
ASSETS		
NON- CURRENT ASSETS		
Property, plant and equipment	1,035,215	1,053,935
Intangible	43,214	44,467
Investments - related parties	11,819	9,978
Long term loans	42,656	32,472
Long term deposits	20,577	20,404
Deferred taxation	36,551	36,525
	<u>1,190,032</u>	<u>1,197,781</u>
CURRENT ASSETS		
Stores	10,084	7,056
Stock in trade	924,931	717,550
Trade debts	1,037,857	1,122,879
Loans and advances	182,167	88,212
Trade deposits and short term prepayments	21,303	25,829
Other receivables	19,572	22,354
Income tax - net	229,576	218,538
Short term investments	-	10,018
Cash and bank balances	235,551	195,600
	<u>2,661,041</u>	<u>2,408,036</u>
TOTAL ASSETS	<u><u>3,851,073</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	494,398	458,805
	<u>676,262</u>	<u>640,669</u>
NON-CONTROLLING INTEREST	19,351	18,045
SURPLUS ON REVALUATION OF FIXED ASSETS - NET OF TAX	553,049	559,773
NON-CURRENT LIABILITIES		
Long-term financing	21,800	41,950
Staff retirement benefits	80,945	76,420
Liabilities against assets subject to finance lease	5,058	6,181
CURRENT LIABILITIES		
Trade and other payables	1,327,922	1,082,230
Accrued finance cost	21,770	27,379
Current maturity of long-term financing	80,600	105,600
Current maturity of liabilities against assets subject to finance lease	3,802	3,802
Short term borrowings	1,060,514	1,043,768
	<u>2,494,608</u>	<u>2,262,779</u>
	<u>2,602,411</u>	<u>2,387,330</u>
TOTAL EQUITY AND LIABILITIES	<u><u>3,851,073</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 Quarter Ended 30 September 2015

	30 Sep 2015	30 Sep 2014
	(Rupees in thousand)	
Sales - net	1,179,192	914,828
Cost of sales	881,932	696,979
Gross profit	297,260	217,849
Distribution costs	180,131	132,987
Administrative expenses	48,930	58,555
	229,061	191,542
Operating profit	68,199	26,307
Other income	4,467	5,660
	72,666	31,967
Other charges	6,457	-
Finance cost	22,738	40,561
	29,195	40,561
Profit / (Loss) before taxation	43,471	(8,594)
Taxation	15,137	3,891
Profit / (Loss) after taxation	28,334	(12,485)
Attributable to:		
Equity holders of the parent	27,028	(13,204)
Non-controlling interest	1,306	719
	Rupees	
Earning / (Loss) per share - basic and diluted	1.49	(0.73)

Chief Financial Officer

Chief Executive

Director

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

For the Quarter Ended 30 September 2015

	30 Sep 2015	30 Sep 2014
	(Rupees in thousand)	
Profit / (Loss) after taxation	28,334	(12,485)
Other comprehensive income for the period		
Fair value gain on 'Available for sale' investments	1,841	(410)
Total comprehensive income / (loss) for the period	30,175	(12,895)
Attributable to :		
Equity holder of the parent	28,869	(13,614)
Non-controlling interest	1,306	79

Chief Financial Officer

Chief Executive

Director

Condensed Interim Consolidated
Cash Flow Statement (Un-audited)
For the Quarter Ended 30 September 2015

	30 Sep 2015	30 Sep 2014
	(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash generated from operations	135,111	174,793
Finance costs paid	(28,347)	(45,252)
Income tax - net	(26,201)	(49,241)
Staff retirement benefits	4,525	3,817
Long-term loans - net	(10,184)	(6,231)
Long-term deposits - net	(173)	(534)
Net cash inflows from operating activities	74,731	77,352
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(16,536)	(29,646)
Sales proceeds from disposal of fixed assets	1,265	1,035
Short term investments	10,018	-
Net cash outflow from investing activities	(5,253)	(28,611)
CASH FLOWS FROM FINANCING ACTIVITIES		
Short-term borrowings - net	150,000	(58,000)
Lease liability	(1,123)	(846)
Long term financing - net	(45,150)	(26,250)
Net cash inflows / (outflow) from financing activities	103,727	(85,096)
Net decrease in cash and cash equivalents	173,205	(36,355)
Cash and cash equivalents at 1 Jul	(798,168)	(776,660)
Cash and cash equivalents at 30 Sep	(624,963)	(813,015)

Chief Financial Officer

Chief Executive

Director

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

For the Quarter Ended 30 September 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			
(Rupees in thousand)							
Balance as at 1 July 2014	181,864	56,819	6,430	285,000	50,578	17,474	598,165
(Loss) for the period ended 30 September 2014	-	-	-	-	(13,204)	719	(12,485)
Other Comprehensive income for the period	-	-	(410)	-	-	-	(410)
Fair value loss on 'Available for sale' investments	-	-	(410)	-	-	-	-
Remeasurement of defined benefit obligation	-	-	-	-	-	-	-
Total comprehensive loss for the period ended 30 September 2014	-	-	(410)	-	(13,204)	719	(12,895)
Surplus on revaluation of property plant and equipment realized through incremental depreciation charged on related assets during the period - net of tax	-	-	-	-	358	-	358
Balance as at 30 September 2014	181,864	56,819	6,020	285,000	37,732	18,193	585,628
Transaction with owners of the Company recognized directly in equity - Distributions							
Final dividend for the year ended 30 June 2014 @ Rs. 1.00 per share	-	-	-	-	(18,187)	-	(18,187)
Interim dividend for the year ended 30 June 2015 @ Rs. 1.50 per share	-	-	-	-	(27,280)	-	(27,280)
Total comprehensive profit for the period ended 30 June 2015	-	-	-	-	122,951	(148)	122,803
Profit for the period	-	-	-	-	122,951	(148)	122,803
Other Comprehensive income for the period	-	-	128	-	-	-	128
Fair value gain on 'Available for sale' investments	-	-	128	-	(5,094)	-	(5,094)
Remeasurement of defined benefit obligation	-	-	-	-	(4,966)	-	(4,966)
Total Comprehensive income for the period ended 30 June 2015	-	-	128	-	117,857	(148)	117,837
Surplus on revaluation of property plant and equipment realized through incremental depreciation charged on related assets during the period - net of tax	-	-	-	-	716	-	716
Balance as at 30 June 2015	181,864	56,819	6,148	285,000	110,838	18,045	658,714
Profit for the period ended 30 September 2015	-	-	-	-	27,028	1,306	28,334
Other Comprehensive income for the period	-	-	1,841	-	-	-	1,841
Fair value gain on 'Available for sale' investments	-	-	1,841	-	-	-	1,841
Remeasurement of defined benefit obligation	-	-	-	-	-	-	-
Total comprehensive income for the period ended 30 September 2015	-	-	1,841	-	27,028	1,306	30,175
Surplus on revaluation of property plant and equipment realized through incremental depreciation charged on related assets during the period - net of tax	-	-	-	-	6,724	-	6,724
Balance as at 30 September 2015	181,864	56,819	7,989	285,000	144,590	19,351	695,613

Chief Financial Officer

Chief Executive

Director

For Free Color Advisory:

Faisalabad: 041-8554044, 8736569, 8724050

Peshawar: 091-5703376

Quetta: 081-2822772

Gujranwala: 055-3250744, 3843450

Multan: 061-4586461, 4580946, 4586337

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