

Interim Financial Report
for the half year ended
December 31, 2022



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Company Information

Board of Directors

Mr. Maqbool H. H. Rahimtoola - Chairman
Dr. Mahmood Ahmad - Chief Executive
Mr. Tariq Ikram - Director
Mr. Zafar A. Osmani - Director
Mr. Shahzad M. Hussain - Director
Mr. Ilyas Sharif - Director
Mr. Mohammad Saeed - Director
Ms. Zareen Aziz - Director

Audit Committee

Mr. Tariq Ikram - Chairman
Mr. Maqbool H. H. Rahimtoola
Ms. Zareen Aziz

Human Resource Committee

Mr. Zafar A. Osmani - Chairman
Dr. Mahmood Ahmad
Mr. Mohammad Saeed

Committee for Business Strategies

Mr. Tariq Ikram - Chairman
Mr. Zafar Aziz Osmani
Mr. Zahid Majid

Chief Financial Officer

Mr. Nauman Afzal

Company Secretary

Mr. Nauman Afzal

Bankers

MCB Bank Limited
National Bank of Pakistan
Faysal Bank Limited
JS Bank Limited
Habib Metropolitan Bank Limited
Samba Bank Limited
Bank Islami Pakistan Limited

Auditors

BDO Ebrahim & Co.
Chartered Accountants

Solicitors

SurrIDGE & BeechENO

Company Registrar

M/s Corplink Private Limited

Registered Office

36 Industrial Estate, Kot Lakhpat,
Lahore.
Tel: 92 42 111 237 437
Fax: 92 42 35151549

Factory

28 Km, Multan Road, Lahore.
Tel: 92 42 38102775
Fax: 92 42 37543450

Web Site

www.berger.com.pk

Directors' Report

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 on 31 December, 2022.

MACROECONOMIC OVERVIEW

The economy continued to face pressures on account of rising inflation, an elevated fiscal deficit and uncertainty over external financing. The GDP growth rate projection for the current year has been revised downwards to 2.0%. Inflation is climbing and was recorded at 29.1% during first six month of FY 2022-23. This was mainly driven by rupee devaluation pass through to domestic prices and upward revision in energy & food prices. Due to slowdown in global demand and gap in exchange rate (interbank and open market), Exports and workers remittances declined by 3.4% and 9.6%, respectively.

(LSM) registered negative growth of 3.6% in July-Dec 22 due to elevated inflationary pressures and supply chain disruptions. The import restrictions on account of declining foreign exchange reserves have started to cripple industries. Accordingly, the shortage of much-needed foreign currency inflows from bilateral and multilateral institutions is required to resolve the issue of Letter of Credits (LCs) for ensuring sustained growth.

Operational Results

During the first half of the year, the Company achieved net sales of Rs. 3.654 billion, an increase of 3.5% as compared to last year, increase in sales mainly on account of inflation. However, global surge in raw material prices kept pressure on gross margins and devaluation of Pak Rupee against USD further increased input costs.

Sales and marketing expense were at Rs. 334 million, while marketing activities were carried out in line with marketing plan. Administrative expenses were at Rs. 104 million. Financial cost contributed negatively Rs. 77 million because of sharp increase in KIBOR for the last six months. The Company achieved profit after tax of Rs. 75.62 million. This translated into Earnings per Share (EPS) of Rs. 3.70.

Future Outlook

Despite these uncertain circumstances, we are expecting that Govt will be successful to materialized the deal with IMF and flow of foreign remittance will reduce the pressure on PKR, which will further support the LC opening process and supply chain issue will resolve. The Company is well poised and has demonstrated its ability to avail new opportunities and handle adversity with an aim to keep building a long-term business proposition that increases stakeholders' value.

The Directors take this opportunity of thanking our shareholders and valued customers for their continued trust and appreciate the dedication demonstrated by all team members of the Company.

On behalf of the Board



Dr. Mahmood Ahmad
Chief Executive



Mr. Maqbool H.H. Rahimtoola
Director

Lahore:
Dated: 22 February 2023

مجلس نظامی رپورٹ

کمپنی کے ڈائریکٹرز اپنا جائزہ ہمراہ عبوری مالیاتی اسٹیٹمنٹس بابت کمپنی برائے نصف برس مختتمہ 31 دسمبر 2022ء ازراہ مسرت پیش کرتے ہیں۔

کلی اقتصادی جائزہ

بڑھتے ہوئے افراط زر، بلند مالیاتی خسارہ اور بیرونی قرضوں کی بابت بے یقینی کے باعث معیشت مسلسل دباؤ کا شکار ہے۔ حالیہ برس کے لئے شرح نمو 2.0% کی کم ترین سطح پر رہنے کی توقع کی جا رہی ہے۔ منہگائی بڑھتی جا رہی ہے اور مالیاتی سال 2022-23 کے پہلے چھ ماہ کے دوران روپے کی قدر میں کمی کے ملکی سطح پر قیمتوں پر اثرات اور توانائی اور خوراک کی قیمتوں میں اضافہ کے باعث یہ 29.1% ریکارڈ کی گئی ہے۔ عالمی طلب میں سست روی اور شرح مبادلہ میں (انٹرنیٹ اور اوپن مارکیٹ میں) خلا کے باعث برآمدات اور غیر ملکی ترسیلات زر میں بالترتیب 13.4% اور 9.6% کمی واقع ہوئی ہے۔

بلند افراط زر کے دباؤ اور سپلائی چین میں رکاوٹوں کے باعث بڑے پیمانے کی صنعتوں میں جولائی تا دسمبر 22 میں منفی نمو رجسٹر ہوئی۔ غیر ملکی زرمبادلہ کے ذخائر میں کمی کے باعث درآمدات پر پابندیوں نے صنعتوں کو گھٹنے میکنے پر مجبور کر دیا ہے۔ اسی طرح سے، دائمی نمونہ کو یقینی بنانے کے لئے دو فریقی اور کثیر فریقی اداروں سے غیر ملکی کرنسی کی آمد میں کمی کو لیٹر آف کریڈٹ (LCs) کے مسئلہ کے حل کی خاطر پورا کرنا ہوگا۔

آپریٹنگ نتائج

سال کے پہلے نصف حصے کے دوران، کمپنی نے 3.654 بلین روپے کی کل فروخت حاصل کی جو گذشتہ برس کی نسبت 3.5% زائد ہے۔ فروخت میں یہ اضافہ بڑھتی ہوئی منہگائی سے منسوب کیا جاتا ہے۔ البتہ، عالمی سطح پر خام مال کی قیمتوں میں اضافے نے مجموعی منافع پر دباؤ جاری رکھا ہے اور امریکی ڈالر کے مقابلے میں پاکستانی روپے کی قدر میں کمی نے کاروباری لاگت میں مزید اضافہ کر دیا ہے۔

سلاز اور مارکیٹنگ اخراجات 334 ملین روپے رہے جب کہ مارکیٹنگ پلان کو مد نظر رکھتے ہوئے تسمیری سرگرمیوں کو بروئے کار لایا گیا۔ انتظامی اخراجات 104 ملین روپے رہے۔ گذشتہ چھ ماہ کے لئے KIBOR میں تیز رفتار اضافے کے باعث قرضوں پر لاگت نے بھی 77 ملین روپے کے منفی نتائج میں کردار ادا کیا۔ کمپنی نے 75.62 ملین روپے کا منافع علاوہ ٹیکس حاصل کیا جس کے باعث فی شخص آمدنی 3.70 روپے ہو گئی ہے۔

مستقبل کا منظر نامہ

ان نامساعد حالات کے باوجود ہم توقع رکھتے ہیں کہ حکومت آئی ایم ایف کے ساتھ معاہدہ کو حتمی شکل دے دے گی اور غیر ملکی ترسیلات زر کی آمد سے پاکستانی روپے پر دباؤ میں کمی واقع ہوگی اور لیٹر آف کریڈٹ کی اوپننگ کے عمل میں مددگار ثابت ہوگی اور اس طرح سپلائی چین کے معاملات حل ہو جائیں گے۔ کمپنی مکمل طور پر فعال ہے اور نئے مواقع حاصل کرنے کے لئے اس نے اپنی صلاحیتوں کا اظہار کیا ہے اور بدترین حالات سے نپٹنے کے لئے طویل مدتی کاروباری تعلقات قائم کرنے کے لئے رواں دواں ہے جس سے اس کے اسٹیٹک ہولڈرز کے منافع میں اضافہ ہوگا۔

اس موقع پر ڈائریکٹرز اپنے اسٹیٹک ہولڈرز اور معزز صارفین کے ہم پر مسلسل بھروسہ کے لئے شکر گزار ہیں اور ہر شعبہ میں کمپنی کے عملے کے جذبہ کو سراہتے ہیں۔

منجانب بورڈ



ڈاکٹر اکبر احمد

چیف ایگزیکٹو



مسٹر مقبول علی ایچ رحمت اللہ

ڈائریکٹر

لاہور

22 فروری 2023ء

Independent Auditor's Review Report

TO THE MEMBERS OF BERGER PAINTS PAKISTAN LIMITED REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of BERGER PAINTS PAKISTAN LIMITED (the "Company") as at December 31, 2022 and the related unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of changes in equity and unconsolidated condensed interim statement of cash flows, and notes to the unconsolidated condensed interim financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements 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 interim financial statements 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 interim financial statements are not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The figures for the quarters ended December 31, 2022 and December 31, 2021 in the unconsolidated condensed interim statement of profit or loss and unconsolidated condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

Other Matter

The condensed interim financial statements of Berger Paints Pakistan Limited for the half year ended December 31, 2021 and for year ended June 30, 2022 were reviewed and audited by another firm of chartered accountants who had expressed an unmodified conclusion and opinion thereon vide their reports dated February 28, 2022 and October 05, 2022, respectively.

The engagement partner on the review resulting in this independent auditor's review report is Muhammad Imran.

Lahore

DATED: 22 FEB 2023

UDIN: RR202210131VPaJ8yUZk



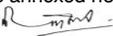
BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

Unconsolidated Condensed Interim Statement of Financial Position (Un-audited)

as at December 31, 2022

		December 31, 2022 (Un-audited)	June 30, 2022 (Audited)
	Note	Rupees in thousand	
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	7	1,569,047	1,628,161
Intangible assets		-	23
Long term investments	8	58,289	70,915
Long term loans	9	42,726	38,632
Long term deposits and prepayments		42,451	38,138
Deferred taxation - net	10	12,014	-
		<u>1,724,527</u>	<u>1,775,869</u>
CURRENT ASSETS			
Stores, spare parts and loose tools		29,990	22,735
Stock in trade	11	1,374,249	1,625,411
Trade debts - unsecured	12	1,926,959	1,628,302
Loans and advances		244,499	221,950
Trade deposits and short term prepayments		19,149	26,821
Other receivables		83,270	113,633
Tax refund due from Government		161,971	172,815
Short term investment	13	191,000	140,000
Cash and bank balances		93,098	223,671
		<u>4,124,185</u>	<u>4,175,338</u>
		<u>5,848,712</u>	<u>5,951,207</u>
TOTAL ASSETS			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital		250,000	250,000
Issued, subscribed and paid up capital		204,597	204,597
Capital reserves			
Revaluation surplus on property, plant and equipment		816,388	830,273
Other reserves (Share premium and fair value reserve)		54,700	58,017
		871,088	888,290
Revenue reserves			
General reserve		285,000	285,000
Accumulated profits		975,500	967,825
		<u>1,260,500</u>	<u>1,252,825</u>
Total equity		2,336,185	2,345,712
NON CURRENT LIABILITIES			
Long term financing - secured	14	131,643	183,222
Long term diminishing musharaka	15	416,666	16,000
Deferred grant		24,752	2,251
Long term employee benefits		149,397	144,012
Deferred taxation - net	10	-	8,379
		722,458	353,864
CURRENT LIABILITIES			
Trade and other payables	16	1,552,706	1,756,458
Current portion of deferred income		6,290	1,379
Current portion of long term financing	14	54,037	67,731
Current portion of long term diminishing musharaka	15	83,334	-
Unclaimed dividend		43,949	6,826
Accrued markup		41,691	45,298
Short term borrowings - secured	17	1,008,062	1,373,939
		2,790,069	3,251,631
CONTINGENCIES AND COMMITMENTS			
	18		
TOTAL EQUITY AND LIABILITIES		<u>5,848,712</u>	<u>5,951,207</u>

The annexed notes from 1 to 34 form an integral part of these unconsolidated condensed interim financial statements.


Chief Financial Officer


Chief Executive


Director

Unconsolidated Condensed Interim Statement of Profit or Loss (Un-audited)

For the half year ended December 31, 2022

	Note	Half year ended		Quarter ended	
		December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
----- (Rupees in thousand) -----					
Revenue from contract with customers - net	20	3,654,803	3,530,852	2,083,570	1,994,732
Cost of sales	21	(2,965,341)	(2,886,188)	(1,679,710)	(1,638,047)
Gross profit		689,462	644,664	403,860	356,685
Selling and distribution expenses		(333,821)	(330,730)	(169,935)	(151,372)
Administrative and general expenses		(104,417)	(97,585)	(53,377)	(56,810)
Other operating expenses		(31,954)	(10,238)	(31,779)	(5,973)
		(470,192)	(438,553)	(255,091)	(214,155)
Profit from operations		219,270	206,111	148,769	142,530
Other income		36,975	27,546	35,458	11,845
		256,245	233,657	184,227	154,375
Finance cost	22	(144,319)	(66,923)	(72,845)	(38,166)
Profit before taxation for the period		111,926	166,734	111,382	116,209
Taxation	23	(36,297)	(30,060)	(36,139)	(15,408)
Profit after taxation for the period		75,629	136,674	75,243	100,801
				30,060	
Earnings per share - basic and diluted (Rupees)	24	3.70	6.68	3.68	4.93

The annexed notes from 1 to 34 form an integral part of these unconsolidated condensed interim financial statements.


Chief Financial Officer


Chief Executive

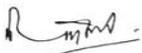

Director

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

For the half year ended December 31, 2022

	Half year ended		Quarter ended	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
----- (Rupees in thousand) -----				
Profit after taxation for the period	75,629	136,674	75,243	100,801
Other comprehensive income				
Items that may be reclassified subsequently to statement of profit or loss	-	-	-	-
Items that will not be reclassified subsequently to statement of profit or loss	-	-	-	-
Fair value (loss) / gain on investment as Fair value through OCI - net of tax	(3,317)	23,228	3,088	34,107
Total comprehensive income for the period	72,312	159,902	78,331	134,908

The annexed notes from 1 to 34 form an integral part of these unconsolidated condensed interim financial statements.



Chief Financial Officer



Chief Executive



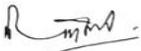
Director

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

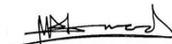
For the half year ended December 31, 2022

	Reserves							Total reserves	Total
	Issued, subscribed and paid-up capital	Revaluation surplus on property, plant and equipment	Capital		Revenue				
			Share premium	Fair value reserve	General reserve	Accumulated profits			
-----Rupees in thousand-----									
Balance as at July 01, 2021 - (audited)	204,597	849,056	34,086	11,218	285,000	841,416	2,020,776	2,225,373	
Profit after taxation for the period	-	-	-	-	-	136,674	136,674	136,674	
Other comprehensive income for the period	-	-	-	-	-	-	-	-	
- Fair value gain on investment classified as Fair Value through OCI	-	-	-	23,228	-	-	23,228	23,228	
Total comprehensive income for the period	-	-	-	23,228	-	136,674	159,902	159,902	
Transfer of incremental depreciation from surplus on revaluation of fixed assets - net of tax	-	(9,724)	-	-	-	9,724	-	-	
Transaction with owners of the Company									
Final cash dividend for the year ended June 30, 2021 at the rate of 40%	-	-	-	-	-	(81,839)	(81,839)	(81,839)	
Balance as at December 31, 2021 - (un-audited)	204,597	839,332	34,086	34,446	285,000	905,975	2,098,839	2,303,436	
Balance as at July 01, 2022 - (audited)	204,597	830,273	34,086	23,931	285,000	967,825	2,141,115	2,345,712	
Profit after taxation for the period	-	-	-	-	-	75,629	75,629	75,629	
Other Comprehensive income for the period	-	-	-	-	-	-	-	-	
- Fair value loss on investment classified as Fair Value through OCI	-	-	-	(3,317)	-	-	(3,317)	(3,317)	
Total comprehensive income for the period	-	-	-	(3,317)	-	75,629	72,312	72,312	
Transfer of incremental depreciation from surplus on revaluation of fixed assets - net of tax	-	(13,885)	-	-	-	13,885	-	-	
Transaction with owners of the Company									
Final cash dividend for the year ended June 30, 2022 at the rate of 40%	-	-	-	-	-	(81,839)	(81,839)	(81,839)	
Balance as at December 31, 2022 - (un-audited)	204,597	816,388	34,086	20,614	285,000	975,500	2,131,588	2,336,185	

The annexed notes from 1 to 34 form an integral part of these unconsolidated condensed interim financial statements.



Chief Financial Officer



Chief Executive



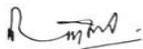
Director

Unconsolidated Condensed Interim Statement of Cash Flow (Un-audited)

For the half year ended December 31, 2022

		Half year ended	
		December 31, 2022	December 31, 2021
		(Rupees in thousand)	
Note			
CASH FLOW FROM OPERATING ACTIVITIES			
	Profit before taxation for the period	111,926	166,734
	Adjustments for non cash and other items:		
	Depreciation on property, plant and equipment	69,387	64,925
	Amortization on computer software	23	94
	Provision charged against slow moving stock - net	-	7,134
	Provision for expected credit losses	23,708	4,090
	Gain on disposal of property, plant and equipment	(1,997)	-
	Provision for staff retirement and other long term benefits	19,953	11,624
	Finance costs	144,319	66,923
		<u>255,393</u>	<u>154,790</u>
	Profit before working capital changes	367,319	321,524
	(Increase) / decrease in current assets:		
	Stores and spare parts	(7,255)	(2,926)
	Stock-in-trade	251,162	(606,611)
	Trade debts - unsecured	(322,365)	(388,870)
	Loans and advances	(22,549)	(1,889)
	Trade deposits and short term prepayments	7,672	12,235
	Others receivables	30,363	(24,325)
		(62,972)	(1,012,386)
	(Decrease)/ increase in current liabilities:		
	Trade and other payables	(203,753)	646,425
	Cash generated from / (used in) operations	100,594	(44,437)
	Taxes paid	(36,536)	(77,909)
	Finance cost paid	(147,926)	(62,336)
	Staff retirement and other long term benefits paid	(14,568)	(8,495)
	Long term loans - net	(4,094)	6,542
	Long term deposits - net	(4,313)	(1,157)
		(207,437)	(143,355)
	Net cash used in operating activities	(106,843)	(187,792)
CASH FLOW FROM INVESTING ACTIVITIES			
	Capital expenditure incurred	(10,889)	(93,107)
	Proceeds from disposal of property, plant and equipment	2,613	-
	Short term investments - net	(51,000)	-
	Net cash used in investing activities	(59,276)	(93,107)
CASH FLOW FROM FINANCING ACTIVITIES			
	Long term financing - net	(37,861)	46,796
	Long term diminishing musharaka - net	484,000	-
	Short term borrowings - net	(160,552)	(46,553)
	Dividend paid	(44,716)	(82,564)
	Net cash generated from / (used in) financing activities	240,871	(82,321)
	Net increase / (decrease) in cash and cash equivalents	74,752	(363,220)
	Cash and cash equivalents at beginning of the period	(894,716)	(742,329)
	Cash and cash equivalents at end of the period	(819,964)	(1,105,549)

The annexed notes from 1 to 34 form an integral part of these unconsolidated condensed interim financial statements.



Chief Financial Officer



Chief Executive



Director

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

For the half year ended December 31, 2022

1 REPORTING ENTITY INFORMATION

- 1.1 Berger Paints Pakistan Limited ("the Company") was incorporated in Pakistan on March 25, 1950 as a Private Limited Company under the Companies Act 1913 (now Companies Act, 2017) and was subsequently converted into a Public Limited Company. The Company is listed on the Pakistan Stock Exchange ("PSX"). The principle business activity of the Company is manufacturing and trading of paints, varnishes and other related items. Slotrapid Limited, based in British Virgin Island is the Holding Company. The aggregate percentage of holding is 52.05%.
- 1.2 These unconsolidated condensed interim financial statements are the separate financial statements of the Company in which investments in subsidiary and associates are accounted for on the basis of direct cost of investment less identified impairment, if any rather than on the basis of reported results and net assets of the investees. Consolidated condensed interim financial statements of the Company are prepared separately. The Company has following investments:

Company name	Country of incorporation	Percentages of shareholding	Nature of business
Subsidiary			
Berger DPI (Private) Limited	Pakistan	51.00%	Execution of contracts relating to application of road marking paints and installation of road safety equipment
Associate			
3S Pharmaceuticals (Private) Limited	Pakistan	49.00%	Manufacturing of medicines

2 GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS UNITS

The geographical locations and addresses of the Company's business units including production facilities are as under:

The registered office of the Company is situated at 36-Industrial Estate Kot-Lakhpat, Lahore and the manufacturing facility of the Company is located at 28 KM Multan Road, Lahore.

Regional office	Office address
Karachi	X-3 Manghopir Road, S.I.T.E
Islamabad	Plot No. 201, Street 1, Sector, I-10/3
Multan	174/A Lodhi Colony, MRE, Opposite Hascol Petrol Pump MDA Road

3 BASIS OF PREPARATION

3.1 Statement of compliance

These unconsolidated condensed interim financial statements of the Company have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard 34, 'Interim Financial Reporting' (IAS 34), issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act); and
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

These unconsolidated condensed interim financial statements are un-audited but subject to the limited scope review by the auditors and is being submitted to the shareholders as required under section 237 of the Companies Act, 2017 and the listing regulations of the Pakistan Stock Exchange.

These unconsolidated condensed interim financial statements do not include all the information and disclosures required for full annual unconsolidated financial statements and should be read in conjunction with the annual unconsolidated financial statements of the Company as at and for the year ended June 30, 2022 which have been prepared in accordance with approved accounting standards as applicable in Pakistan. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements.

The comparative statement of financial position presented in these unconsolidated condensed interim financial statements have been extracted from the annual unconsolidated audited financial statements of the Company for the year ended June 30, 2022, whereas the comparative unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of cash flows and unconsolidated condensed interim statement of changes in equity are extracted from the un-audited unconsolidated condensed interim financial statements for the half year ended December 31, 2021.

3.2 Basis of measurement

These unconsolidated condensed interim financial statements have been prepared under the historical cost convention, except for the recognition of certain staff retirement benefits at present value, some investment at fair value and certain operating fixed assets at revalued amounts.

3.3 Functional and presentation currency

The financial statements are presented in Pak Rupees ("Rs") which is the Company's functional and presentation currency.

4 USE OF ESTIMATES AND JUDGMENTS

The preparation of unconsolidated interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts. Actual results may differ from these judgements, estimates and assumptions.

Judgements and estimates made by the management in the preparation of these unconsolidated condensed interim financial statements are the same as those applied in the unconsolidated annual audited financial statements of the Company for the year ended June 30, 2022.

5 SIGNIFICANT ACCOUNTING POLICIES AND CHANGES THERE IN

5.1 The accounting policies and methods of computation adopted in the preparation of these unconsolidated condensed interim financial statements are consistent with those applied in the preparation of the unconsolidated annual audited financial statements of the company for the year ended June 30, 2022.

5.2 Change in accounting standards, interpretations and amendments to published accounting and reporting standards

5.2.1 Initial application of standards, amendments or an interpretation to existing standards

The following amendments to existing standards have been published that are applicable to the Company's financial statements.

5.2.2 **Amendments to published accounting and reporting standards which became effective during the period:**

There were certain amendments to accounting and reporting standards which became mandatory for the Company during the period. However, the amendments did not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these unconsolidated condensed interim financial statements.

5.2.3 **Amendments to published accounting and reporting standards that are not yet effective:**

There are certain amendments to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 01, 2022. However, these amendments will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these unconsolidated condensed interim financial statements.

6 TAXATION

The provisions for taxation for the half year and quarter ended December 31, 2022, have been made using the estimated effective tax rate applicable to expected total annual earnings. The applicable income tax rate for the Tax Year 2023 is 29%. Income tax expense is recognized in each interim period based on best estimate of the weighted average annual income tax rate expected for the full financial year. Amounts accrued for income tax expense in one interim period may have to be adjusted in a subsequent interim period of that financial year if the estimate of the annual income tax rate changes.

	December 31, 2022	June 30, 2022
	(Un-audited)	(Audited)
Note	Rupees in thousand	

7 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	7.1	1,381,311	1,423,908
Capital work in progress	7.2	228	14,182
Right-of-use-asset (leasehold land)	7.3	187,508	190,071
		<u>1,569,047</u>	<u>1,628,161</u>

Note	December 31, 2022 (Un-audited)	June 30, 2022 (Audited)
	Rupees in thousand	
7.1 Operating fixed assets		
Opening net book value at the start of the period / year	1,423,908	1,428,792
Additions during the period / year - cost	24,843	124,909
Net book value of assets disposed off during the period / year	(616)	(2,249)
Depreciation charge for the period / year	(66,824)	(127,544)
Closing net book value at the end of the period / year	<u>1,381,311</u>	<u>1,423,908</u>
7.1.1 Following is the details of additions during the period / year - at cost:		
Plant and machinery	2,439	83,237
Electric fittings	751	956
Computer and related accessories	666	3,243
Office equipment	44	7,068
Motor vehicles	15,102	27,033
Furniture and fixtures	234	-
Laboratory equipment	5,607	3,372
	<u>24,843</u>	<u>124,909</u>
7.1.2 Following is the detail of disposals during the period / year - at net book value (NBV):		
Plant and machinery	456	1,539
Electric fittings	-	448
Motor vehicles	160	262
	<u>616</u>	<u>2,249</u>
7.1.3	<p>The Company has revalued certain operating fixed assets. The latest valuation of freehold land, leasehold land, building on freehold land, building on leasehold land and plant and machinery was carried out by Harvestor Enterprises and Company, an independent valuer on June 30, 2020. The valuation was determined by reference to current market value of the similar properties / assets. The most significant input into this valuation approach is price per acre for land, price per square foot for buildings and present operational condition and age of plant and machinery respectively.</p>	
7.1.4	<p>During the period certain vehicles have been transferred upon completion of Ijarah facility.</p>	
7.1.5	<p>During the period the Company has acquired certain fixed assets from Berger Road Safety (Private) Limited a related party of the Company at Rs. 1.</p>	

		December 31, 2022 (Un-audited)	June 30, 2022 (Audited)
	Note	Rupees in thousand	
7.2 Capital work in progress			
Opening balance at the start of the period / year		14,182	14,367
Additions (at cost)		23,879	129,970
Transferred to operating fixed assets/adjustments		(37,833)	(130,155)
Closing balance at the end of the period / year		<u>228</u>	<u>14,182</u>
This represents civil work in process at the period / year end.			
7.3 Right-of-use-asset			
Leasehold land			
Opening net book value at the start of the period / year		190,071	191,636
Additions during the period / year		-	3,475
Depreciation charge for the period / year		(2,563)	(5,040)
Closing net book value at the end of the period / year		<u>187,508</u>	<u>190,071</u>
8 LONG TERM INVESTMENTS			
In equity instruments - at cost	8.1	37,457	37,457
Investment in equity instrument classified as FVOCI	8.2	20,831	33,458
		<u>58,288</u>	<u>70,915</u>
8.1 In equity instruments - at cost			
Subsidiary company - unlisted			
Berger DPI (Private) Limited	8.1.1	2,550	2,550
Associated company - unlisted			
3S Pharmaceuticals (Private) Limited	8.1.2	34,907	34,907
		<u>37,457</u>	<u>37,457</u>

8.1.1 This represents investment at cost in subsidiary company 765,000 (June 30, 2022: 765,000) number of shares with face value of Rs. 10 each. The Company holds 51% (June 30, 2022: 51%) shares in the Company.

8.1.2 This represents investment in associated company 98,000 (June 30, 2022: 98,000) number of shares with face value of Rs. 100 each. The Company holds 49% (June 30, 2022: 49%) shares in the Company.

	December 31, 2022 (Un-audited)	June 30, 2022 (Audited)
Note	Rupees in thousand	
8.2 Investment in equity instrument classified as FVOCI		
Buxly Paints Limited - listed		
Cost	3,830	3,830
Fair value adjustment	17,001	29,628
	<u>20,831</u>	<u>33,458</u>

8.2.1 The Company owns 273,600 (June 30, 2022: 273,600) fully paid ordinary shares of Rs. 10 each representing 19.00% (June 30, 2022: 19.00%) investment of total shares in Buxly Paints Limited. As at December 31, 2022, the market value of each share was Rs. 76.14 (June 30, 2022: Rs. 122.29).

8.2.2 Fair value adjustment

Opening balance at start of the period / year	29,628	11,218
Fair value (loss) / gain	(12,627)	18,410
Closing balance at end of the period / year	<u>17,001</u>	<u>29,628</u>

9 LONG TERM LOANS

Opening balance at start of the period / year	69,701	67,577
Disbursements during the period/year	16,183	24,378
Repayments during the period/year	(9,740)	(22,254)
	76,144	69,701
Discounting adjustment for recognition at fair value - deferred employee benefits	(22,592)	(17,377)
Closing balance at end of the period / year	53,552	52,324
Current portion shown under current assets	(10,826)	(13,692)
	<u>42,726</u>	<u>38,632</u>

9.1 These represent interest free loans provided to the employees of the Company in accordance with the terms of their employment, under a scheme for the purchase of motor vehicles. These loans are secured by keeping title of the underlying assets in the name of the Company till final settlement. These loans are recoverable over a period of three to then years. These loans have been discounted using market rate as at reporting date and the corresponding discounting impact has been recognised as prepared employee benefits.

December 31, **June 30,**
2022 **2022**
(Un-audited) **(Audited)**

Rupees in thousand

10 DEFERRED TAXATION - NET

Deferred tax liability on taxable temporary differences arising in respect of		
- Accelerated tax depreciation	(3,445)	(16,672)
- Surplus on revaluation of fixed assets	(80,994)	(85,257)
- Fair value gain on investment classified as FVOCI	-	(5,697)
Deferred tax asset on deductible temporary differences arising in respect of:		
- Impairment allowance on financial assets	62,870	61,426
- Investment in related parties	1,228	1,328
- Fair value gain on investment classified as FVOCI	3,613	-
- Intangibles	-	5
- Minimum turnover tax	16,572	23,328
- Provision for slow moving stock	12,170	13,160
	<u>96,453</u>	<u>99,247</u>
	12,014	(8,379)

10.1 Movement in deferred tax balances is as follows:

Opening balance at start of the period / year	(8,379)	29,093
Recognized in profit or loss:		
- Accelerated tax depreciation including surplus on revaluation of fixed assets	17,490	5,012
- Charge / (reversal) of impairment allowance on financial assets	1,444	(13,359)
- Minimum turnover tax	(6,756)	(19,692)
- Investment in related parties	(100)	111
- Provision for slow moving stock	(990)	(3,847)
- Intangibles	(5)	-
	<u>11,083</u>	<u>(31,775)</u>
Recognized in other comprehensive income:		
- Fair value loss / (gain) on investment classified as FVOCI	9,310	(5,697)
Closing balance at end of the period / year	<u>12,014</u>	<u>(8,379)</u>

		December 31, 2022 (Un-audited)	June 30, 2022 (Audited)
	Note	Rupees in thousand	
11 STOCK-IN-TRADE			
Raw and packing materials			
- in hand		587,570	711,306
- in transit		162,562	319,267
		750,132	1,030,573
Semi processed goods		167,761	162,191
Finished goods			
- Manufactured		506,537	501,776
- Trading		76,347	57,399
		582,884	559,175
		1,500,777	1,751,939
Provision for slow moving and obsolete stocks			
- Raw material		(45,789)	(47,850)
- Semi processed goods		(4,613)	(4,137)
- Finished goods		(76,126)	(74,541)
		(126,528)	(126,528)
		1,374,249	1,625,411
12 TRADE DEBTS - UNSECURED			
Considered good			
Related parties	12.1	214,699	227,651
Others		1,910,331	1,539,239
		2,125,030	1,766,890
Considered doubtful			
Related parties		4,190	15,835
Others		174,470	139,117
		178,660	154,952
Allowance for expected credit losses (ECL)	12.2	(178,660)	(154,952)
Provision for discounts		(198,071)	(138,588)
		1,926,959	1,628,302
12.1 Trade debts include the following amounts due from the following related parties:			
Buxly Paints Pakistan Limited - related party		214,699	209,511
Berger Road Safety (Private) Limited - subsidiary of			
Berger DPI (Private) Limited		-	33,975
		214,699	243,486

		December 31, 2022 (Un-audited)	June 30, 2022 (Audited)
	Note	Rupees in thousand	
12.2 Movement in allowance for ECL			
Opening balance at start of the period / year		154,952	216,962
Allowance for ECL for the period / year		23,708	-
Bad debts written off		-	(62,010)
Closing balance at end of the period / year		<u>178,660</u>	<u>154,952</u>
13 SHORT TERM INVESTMENT			
	13.1	<u>191,000</u>	<u>140,000</u>
13.1 This represents term deposit receipts which are mark-up based investments with conventional bank. The balance is under lien with commercial bank against letter of guarantee, maturing up to one year and carry mark-up at the rates ranging from 7% to 15% (June 30, 2022: 7% to 11.25%) per annum.			
14 LONG TERM FINANCING - SECURED			
Mark-up based financing from conventional banks	14.1	108,353	157,524
Islamic mode of financing	14.2	77,327	93,429
		<u>185,680</u>	<u>250,953</u>
Current maturity shown under current liabilities:			
Mark-up based financing from conventional banks		(21,093)	(34,980)
Islamic mode of financing		(32,944)	(32,751)
		<u>(54,037)</u>	<u>(67,731)</u>
		<u>131,643</u>	<u>183,222</u>
14.1 The reconciliation of the carrying amount is as follows:			
Opening balance at start of the period / year		157,524	151,808
Disbursements during the period / year		-	98,551
Repayments during the period / year		(21,436)	(91,557)
Deferred Grant recognized during the period / year	14.3	(28,284)	(3,898)
Unwinding of discount on liability		549	2,620
Closing balance at end of the period / year		<u>108,353</u>	<u>157,524</u>

	December 31, 2022 (Un-audited)	June 30, 2022 (Audited)
Note	Rupees in thousand	
14.2 The reconciliation of the carrying amount is as follows:		
Opening balance at start of the period / year	93,429	108,574
Disbursements during the period / year	-	21,018
Repayments during the period / year	(16,102)	(36,163)
Closing balance at end of the period / year	77,327	93,429

14.3 The Company obtained a term finance facility under the 'Temporary Economic Refinance Facility' introduced by the State Bank of Pakistan at the rate ranging of 5% from National Bank of Pakistan (NBP). ICAP issued the guidance for accounting of said financing through circular No. 11/2020 dated August 17, 2020 and based on that circular, referring to the requirement of IAS-20, the Company recognized the Deferred Grant amounting to Rs. 28.28 million and respective loan has been recognized at the fair value. This also includes prior year grant and loans at fair value which was not recorded. The net impact was not material to statement of profit or loss, therefore, this has been recorded in the current period.

14.4 There is no material change in the terms and conditions of the Long term financing - secured as disclosed in the unconsolidated annual audited financial statements as at and for the year ended June 30, 2022.

15 LONG TERM DIMINISHING MUSHARAKA

Berger Paints Pakistan Limited		
Sukuk of Rs. 500 million		16,000
Current maturity shown under current liabilities:	15.1	-
		16,000
		416,666

15.1 During the year ended June 30, 2022, the Company issued 16 BPPL Sukuk certificates, having face value of Rs. 1 million each aggregating to Rs. 16 million and entered into a diminishing musharaka agreement with the investment agent, Pak Oman Investment Company (Trustee on behalf of the Sukuk holders) as a co-owners of the musharaka assets. Further during the period ended December 31, 2022, the Company issued 484 BPPL Sukuk certificates, having face value of Rs. 1 million each aggregating to Rs. 484 million. These issues resulted in cash receipt of subscription money of Rs. 500 million. The Sukuk certificates carry profit at the rate of 3 months KIBOR + 1.5% with quarterly rental payments. These certificates are issued for a tenure of four years and are structured in such a way that first quarterly principal repayment installment commenced from the quarter ended September 2023. Under this arrangement the Company sold the beneficial ownership of the musharaka assets, its freehold land and building on freehold land, to the investment agent (for the benefit of Sukuk holders) although legal title remains with the Company. The overall arrangement has been accounted for in these unconsolidated condensed interim financial statements on the basis of substance of the transactions.

		December 31, 2022 (Un-audited)	June 30, 2022 (Audited)
	Note	Rupees in thousand	
16 TRADE AND OTHER PAYABLES			
Trade and other creditors		873,450	943,432
Import bills payable		236,619	402,462
Contract liabilities		31,994	45,164
Accrued expenses		119,317	81,184
Provision for infrastructure cess	16.1	96,087	96,087
Royalty payable to related parties	16.2	72,950	48,210
Technical fee payable		37,544	40,299
Workers' Profits Participation Fund		24,104	17,920
Workers' Welfare Fund		21,370	19,020
Due to statutory authorities		24,726	18,654
Others		14,545	44,026
		<u>1,552,706</u>	<u>1,756,458</u>
16.1 Provision for infrastructure cess			
Opening balance at start of the period / year		96,087	88,097
Provision for the period / year		-	7,990
Bad debts written off		-	-
Closing balance at end of the period / year	16.1.1	<u>96,087</u>	<u>96,087</u>
16.1.1 This provision has not yet been paid by the Company, considering the order of Honorable Supreme Court of Pakistan dated September 01, 2021 in which interim relief relating to the recovery of this cess was provided to the Companies. During the period the Company is paying the cess as per applicable Act.			
16.2 Royalty payable to related parties			
Slotrapid Limited - Holding Company		72,918	48,178
Buxly Paints Limited - Associated Company		32	32
		<u>72,950</u>	<u>48,210</u>
17 SHORT TERM BORROWINGS - SECURED			
Mark-up based borrowings from conventional banks	17.1	716,618	1,010,951
Mark-up based borrowings from Islamic banks	17.2	291,444	362,988
		<u>1,008,062</u>	<u>1,373,939</u>
17.1 The reconciliation of the carrying amount is as follows:			
Opening balance at start of the period / year		918,399	847,503
Disbursements during the period/year		21,527,130	40,086,943
Repayments during the period/year		(21,728,911)	(39,923,495)
Closing balance at end of the period / year		<u>716,618</u>	<u>1,010,951</u>

	December 31, 2022 (Un-audited)	June 30, 2022 (Audited)
Note	Rupees in thousand	
17.2 The reconciliation of the carrying amount is as follows:		
Opening balance at start of the period / year	362,988	-
Disbursements during the period/year	401,382	363,370
Repayments during the period/year	(472,926)	(382)
Closing balance at end of the period / year	291,444	362,988

17.3 There is no material change in the terms and conditions of the short term financing and short term running financing- secured as disclosed in the unconsolidated annual audited financial statements as at and for the year ended June 30, 2022.

18 CONTINGENCIES AND COMMITMENTS

18.1 Contingencies

- a) There has been no change in the contingencies as compared to those disclosed in the audited annual financial statements of the Company for the year ended June 30, 2022, except the following:
- b) The Additional Commissioner Inland Revenue (ACIR) issued a show cause notice dated April 23, 2022 for the Tax Year 2021 and subsequently on September 02, 2022, passed an order u/s 122 (5A) of the Income Tax Ordinance, 2001 and raised a demand of Rs. 455.10 million (June 30, 2022: Nil). The Company filed an appeal before the Commissioner Inland Revenue Appeals-I. The management on the basis of opinion of the tax advisor is hopeful of a favorable outcome, hence no provision has been recorded in these unconsolidated condensed interim financial statements.

18.2 Commitments

- a) Outstanding letters of credit as at December 31, 2022 amounted to Rs. 437 million (30 June 2022: Rs. 967.30 million).
- b) Outstanding letters of guarantee as at December 31, 2022 amounted to Rs. 125 million (30 June 2022: Rs. 124.70 million).
- c) The amount of future Ijarah rentals for Ijarah financing and the period in which these payments will become due are as follows:

Not later than one year	-	1,698
Later than one year and not later than five years	-	-
	-	1,698

December 31, 2022
(Un-audited)
Rupees in thousand

June 30, 2022
(Audited)

19 CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at December 31/ June 30 comprise of the following:

Cash and bank balances	93,098	223,671
Short term borrowings - secured	(913,062)	(1,118,387)
	(819,964)	(894,716)

20 REVENUE FROM CONTRACT WITH CUSTOMERS - NET

	----- (Un-audited) -----			
	Half year ended		Quarter ended	
	December 31,		December 31,	
	2022	2021	2022	2021
	----- (Rupees in thousand) -----			
Sales				
Local	5,551,239	4,876,876	3,729,248	3,087,497
Export	10,320	9,764	5,409	2,524
	5,561,559	4,886,640	3,734,657	3,090,021
Less: Sales tax	(812,199)	(792,016)	(788,473)	(771,893)
Less: Discounts	(1,094,557)	(563,772)	(862,614)	(323,396)
	(1,906,756)	(1,355,788)	(1,651,087)	(1,095,289)
	3,654,803	3,530,852	2,083,570	1,994,732

21 COST OF SALES

Raw materials consumed	2,550,372	2,596,968	1,332,784	1,584,279
Other overheads:				
Stores, spares and consumables	5,642	2,325	79	1,258
Freight and handling	130,495	108,497	70,340	51,275
Salaries, wages and other benefits	152,447	129,456	79,488	63,864
Travelling and conveyance	8,747	6,724	4,861	4,119
Fuel, water and power	56,045	44,265	25,632	22,336
Repair and maintenance	22,165	24,957	9,943	16,702
Legal and professional	758	674	758	674
Rent, rates and taxes	20	-	-	-
Insurance	6,170	4,279	3,083	2,127
Depreciation	50,598	48,079	25,292	22,297
Lease rentals	292	1,133	84	776
Communication	729	650	388	342
Printing and stationery	793	968	423	490
Project application cost	4,447	6,109	4,447	6,109
Other expenses	4,900	4,752	2,058	1,744
	158,054	80,946	182,659	119,613
Opening work in process	158,054	80,946	182,659	119,613
Closing work in process	(163,624)	(146,636)	(163,624)	(146,636)

	----- (Un-audited) -----			
	Half year ended		Quarter ended	
	December 31,		December 31,	
	2022	2021	2022	2021
----- (Rupees in thousand) -----				
Cost of goods manufactured	2,989,050	2,914,146	1,578,695	1,751,369
Finished goods				
Opening stock	484,634	546,744	609,358	461,380
Closing stock	(508,343)	(574,702)	(508,343)	(574,702)
	(23,709)	(27,958)	101,015	(113,322)
	2,965,341	2,886,188	1,679,710	1,638,047
22 FINANCE COST				
Islamic mode of financing:				
- Long term financing	6,077	7,012	3,125	4,864
- Long term diminishing musharaka	38,791	-	22,233	-
- Short term financing	14,645	-	6,902	-
- Short term running finances	15,264	-	7,947	-
Mark-up based borrowings from conventional banks:				
- Long term financing	4,417	9,183	2,412	6,523
- Short term financing	1,389	1,719	53	264
- Short term running finances	57,211	44,270	30,120	23,460
Bank charges	1,310	4,739	-	3,055
Sukuk charges	5,000	-	-	-
Others	215	-	53	-
	144,319	66,923	72,845	38,166
23 TAXATION				
Current	47,380	109,994	47,222	95,342
Prior year	-	(79,934)	-	(79,934)
Deferred	(11,083)	-	(11,083)	-
	36,297	30,060	36,139	15,408

23.1 This includes super tax under Section 4C of the Income Tax Ordinance, 2001 amounting to Rs. 1.55 million (December 31, 2021: Nil).

24 EARNINGS PER SHARE - BASIC AND DILUTED

There is no dilutive effect on the basic earnings per share of the Company, which is based on:

	----- (Un-audited) -----			
	Half year ended		Quarter ended	
	December 31,		December 31,	
	2022	2021	2022	2021
Profit after taxation - (Rs. in thousand)	75,629	136,674	75,243	100,801
Weighted average number of ordinary shares - (Rs. in thousand)	20,460	20,460	20,460	20,460
Earnings per share - basic and diluted - (Rs.)	3.70	6.68	3.68	4.93

25 TRANSACTIONS WITH RELATED PARTIES

Related parties include subsidiaries, associated entities, directors, other key management personnel and close family members of directors and other key management personnel. Details of transactions with related parties during the period, other than those which have been disclosed elsewhere in these unconsolidated condensed interim financial statements, are as follows:

Name of parties, nature and basis of relationship	Holding Percentage	Nature of transaction	----- (Un-audited) -----	
			Half year ended	
			December 31,	
			2022	2021
'Rupees in thousand				
Transaction with:				
Holding Company				
Slotrapid Limited	52.05%	Royalty expense	24,740	23,589
Subsidiary of the subsidiary company				
Berger Road Safety (Private) Limited	-	Sales Rental income and other service Receipts / adjustments Loss on adjustment Trade and other receivables taken	- 150 136,215 174 136,041	1,011 1,670 8,596 - -

During the period the Company has acquired third party trade receivables and other receivables, stock, of Berger Road Safety (Private) Limited amounting to Rs. 136.041 million against outstanding trade receivables, other receivables, loan and markup from Berger Road Safety (Private) Limited amounting to Rs. 136.215 million. During the period the Company has also acquired certain fixed assets from Berger Road Safety (Private) Limited at Rs. 1. These transactions have been made based on the prices/adjustments approved by the Board.

			----- (Un-audited) -----	
			Half year ended	
			December 31,	
			2022	2021
			'Rupees in thousand	
Related party				
Buxly Paints Limited	19.95%	Sales	194,025	148,599
		Rental income and other service	600	600
		Toll manufacturing	15,519	15,496
Associate				
3S Pharmaceuticals (Private) Limited	49.00%	Common expenditure incurred	40	357
		Rental income and other service	-	125
Retirement benefit plans				
		Contribution to staff retirement benefit plans	32,531	11,624
Key management personnel				
		Remuneration and other benefits	137,962	126,567
			December 31,	June 30,
			2022	2022
			(Un-audited)	(Audited)
			Rupees in thousand	
		Note		
Balances as at:				
Holding Company				
		Royalty payable	72,918	48,178
		Payment / adjustments of royalty payable	-	16,801
		Dividend payable to holding company	42,597	-
Berger Road Safety (Private) Limited				
		Debtors	-	33,975
		Loan	-	40,000
		Other receivable	7,786	62,936

	December 31, 2022 (Un-audited)	June 30, 2022 (Audited)
Note	Rupees in thousand	
Buxly Paints Limited		
Debtors	214,699	209,511
Royalty payable	32	32
Other receivable	65,204	58,612
Associated Undertaking - 3S Pharmaceuticals (Private) Limited		
Other receivable	2,460	2,419

- 25.1 In addition to these transactions, the parent Company has an agreement with Buxly Paints Limited (BPL) for construction and use of warehouse on BPL's land located at X-3 Manghopir Road, S.I.T.E, Karachi for a term of ten years at a nominal monthly rent. After the aforementioned term of ten years, the Parent Company will handover the possession of the building to BPL free of cost.

26 FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

Underlying the definition of fair value is the presumption that the Company is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

A financial instrument is regarded as quoted in an active market if quoted price is readily and regularly available from an exchange dealer, broker, industry group, pricing service, or regulatory agency, and that price represents actual and regularly occurring market transactions on an arm's length basis.

IFRS 13 'Fair Value Measurement' requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Quoted prices (unadjusted) in active markets for identical assets or liabilities that entity can access at measurement date (Level 1)

Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2)

Inputs for the asset or liability that are not based on observable market data (i.e. unobservable) inputs (Level 3)

Transfer between levels of the fair value hierarchy are recognised at the end of the reporting period during which the changes have occurred. However, there were no transfers between levels of fair value hierarchy during the year.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

- 27.1** The Company has revalued certain fixed assets at fair value and classified under property, plant and equipment. The carrying value and level of fair value of these non - financial assets have been disclosed in the relevant note to the condensed interim financial statements.
- 27.2** Due to the Company's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, management does not expect non performance by these counter parties on their obligations to the Company. Accordingly, the credit risk is minimal.

28 FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.

There have been no significant changes in the risk management policies since the year end.

The unconsolidated condensed interim financial statements does not include all financial risk management information and disclosures required in the annual financial statements and should be read in conjunction with the Company's audited annual unconsolidated financial statements for the year ended June 30, 2022.

The Company's financial risk management objective and policies are consistent with that disclosed in the annual financial statements for the year ended June 30, 2022.

29 SUMMARY OF SIGNIFICANT TRANSACTIONS AND EVENTS AFFECTING THE COMPANY'S FINANCIAL POSITION AND PERFORMANCE

All other significant transactions and events that have affected the Company's financial position and performance during the period have been adequately disclosed in the notes to these financial statements.

30 CORRESPONDING FIGURES

- 30.1** Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison and better presentation. However, no significant reclassification has been made during the period.
- 30.2** In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', corresponding figures in the unconsolidated condensed interim statement of financial position comprise of balances as per the audited annual unconsolidated financial statements of the Company for year ended June 30, 2022 and the corresponding figures in the unconsolidated condensed interim statement of profit or loss and the unconsolidated condensed interim comprehensive income, unconsolidated condensed interim statement of cash flows and unconsolidated condensed interim statement of changes in equity comprise of balances of comparable period as per the condensed interim financial statements of the Company for the half year ended December 31, 2021.

31 IMPACT OF COVID -19 ON THE FINANCIAL STATEMENT

The COVID-19 pandemic has generally been in control during the year, with variations in its spread and intensity across the country. However, the Company has reviewed its exposure to business risks and has not identified any significant impact on the Company's operations or decline in revenue during the year ended December 31, 2022.

32 DATE OF AUTHORIZATION FOR ISSUE

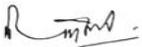
This condensed interim financial statements were authorized for issue on February 22, 2023 by the Board of Directors of the Company.

33 NON-ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE

- 33.1** There are no significant reportable events after the unconsolidated condensed interim statement of financial position date except stated below.
- 33.2** Subsequent to the period end, the Company accepted and made payment against the offer of 293,991 right shares from 3S Pharmaceuticals (Private) Limited (Associated undertaking) having face value of Rs. 10 each.

34 GENERAL

Amounts have been rounded off to the nearest rupees in thousand unless otherwise stated.



Chief Financial Officer



Chief Executive



Director

Berger Paints Pakistan Limited Consolidated Financial Statements

Consolidated Condensed Interim Statement of Financial Position (Un-audited)

as on December 31, 2022

	December 31, 2022 (Un-audited)	June 30, 2022 (Audited)
----- (Rupees in thousand) -----		
ASSETS		
NON CURRENT ASSETS		
Property, plant and equipment	1,569,845	1,629,120
Intangible assets	-	23
Equity - accounted investee - unlisted	26,719	35,174
Long term investment - FVOCI	20,832	33,458
Long term loans	42,726	38,632
Long term deposits and prepayments	42,451	38,138
Deferred taxation - net	13,968	-
	1,716,541	1,774,545
CURRENT ASSETS		
Stores, spare parts and loose tools	29,990	22,735
Stock in trade	1,376,990	1,628,152
Trade debts - unsecured	1,939,032	1,701,094
Loans and advances	173,177	186,924
Trade deposits and short term prepayments	19,304	26,976
Other receivables	26,269	64,418
Tax refund due from Government	192,583	222,585
Short term investment	191,000	140,000
Cash and bank balances	94,529	224,292
	4,042,874	4,217,176
	5,759,415	5,991,721
TOTAL ASSETS		
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorised share capital	250,000	250,000
Issued, subscribed and paid-up capital	204,597	204,597
Capital reserves		
Revaluation surplus on property, plant and equipment	816,388	830,273
Other reserves (Share premium and fair value reserve)	54,700	58,017
	871,088	888,290
Revenue reserves		
General reserve	285,000	285,000
Accumulated profits	992,084	990,162
	1,277,084	1,275,162
Equity attributable to the owners of the Company	2,352,769	2,368,049
Non-controlling interests	10,321	7,725
Total equity	2,363,090	2,375,774
NON CURRENT LIABILITIES		
Long term financing - secured	131,643	183,222
Long term diminishing musharaka	416,666	16,000
Deferred grant	24,752	2,251
Long term employee benefits	149,397	144,012
Deferred taxation - net	-	1,477
	722,458	346,962
CURRENT LIABILITIES		
Trade and other payables	1,476,504	1,773,812
Current portion of deferred income	6,290	1,379
Current portion of long term financing	14,037	67,731
Current portion of long term diminishing musharaka	83,334	-
Unclaimed dividend	43,949	6,826
Accrued markup	41,691	45,298
Short term borrowings - secured	1,008,062	1,373,939
	2,673,867	3,268,985
	3,396,325	3,615,947
	5,759,415	5,991,721
CONTINGENCIES AND COMMITMENTS		
TOTAL EQUITY AND LIABILITIES		


Chief Financial Officer

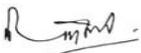

Chief Executive


Director

Consolidated Condensed Interim Statement of Profit or Loss (Un-audited)

For the half year ended December 31, 2022

	Half year ended		Quarter ended	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
----- (Rupees in thousand) -----				
Revenue from contract with customers - net	3,658,824	3,556,215	2,086,941	2,008,098
Cost of sales	(2,968,740)	(2,899,813)	(1,677,244)	(1,643,225)
Gross profit	690,084	656,402	409,697	364,873
Selling and distribution expenses	(334,781)	(330,788)	(168,194)	(153,456)
Administrative and general expenses	(124,693)	(101,839)	(73,545)	(56,337)
Other operating expenses	(31,954)	(10,238)	(11,737)	(5,973)
	(491,428)	(442,865)	(253,476)	(215,766)
Profit from operations	198,656	213,537	156,221	149,107
Other income	68,176	25,890	35,983	10,183
	266,832	239,427	192,204	159,290
Finance cost	(144,399)	(70,112)	(72,847)	(39,582)
Share of profit of equity - accounted investee	(8,455)	(984)	(8,413)	(1,045)
Profit before taxation for the period	113,978	168,331	110,944	118,664
Taxation	(41,506)	(31,774)	(36,336)	(16,342)
Profit after taxation for the period	72,472	136,557	74,608	102,322
Attributable to:				
Equity holders of the parent	69,876	136,132	70,797	101,065
Non-controlling interest	2,596	425	3,811	1,257
Earnings per share - basic and diluted (Rupees)	3.42	6.67	3.37	5.00



Chief Financial Officer



Chief Executive

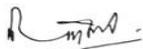


Director

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

For the half year ended December 31, 2022

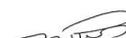
	Half year ended		Quarter ended	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
----- (Rupees in thousand) -----				
Profit after taxation for the period	72,472	136,557	74,608	102,322
Other comprehensive income				
Items that may be reclassified subsequently to statement of profit or loss	-	-	-	-
Items that will not be reclassified subsequently to statement of profit or loss	-	-	-	-
Fair value (loss) / gain on investment as Fair value through OCI - net of tax	(3,317)	23,228	3,088	(10,879)
Total comprehensive income for the period	<u>69,155</u>	<u>159,785</u>	<u>77,696</u>	<u>91,443</u>
Attributable to:				
Equity holders of the parent	66,559	159,360	73,885	90,187
Non-controlling interest	2,596	425	3,811	1,257
	<u>69,155</u>	<u>159,785</u>	<u>77,696</u>	<u>91,443</u>



Chief Financial Officer



Chief Executive



Director

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

For the half year ended December 31, 2022

	Reserves					Total equity attributable to owners of the Parent Company	Non controlling Interests	Total			
	Capital	Revenue	Issued, subscribed and paid-up capital	Revaluation surplus on property, plant and equipment	Share premium				Fair value reserve	General reserve	Accumulated profits
(Rupees in thousands)											
Balance as at July 01, 2021 - (audited)			204,597	849,056	34,086	11,218	285,000	869,962	2,253,919	6,183	2,260,102
Profit after taxation for the period			-	-	-	-	-	136,132	136,132	425	136,557
Other comprehensive income for the period			-	-	-	-	-	-	-	-	-
- Fair value gain on Investment classified as Fair Value through OCI			-	-	-	23,228	-	-	23,228	-	23,228
Total comprehensive income for the period			-	-	-	23,228	-	136,132	159,360	425	159,785
Transfer of incremental depreciation from surplus on revaluation of fixed assets - net of tax			-	(9,724)	-	-	-	9,724	-	-	-
Transaction with owners of the Company			-	-	-	-	-	(81,839)	(81,839)	-	(81,839)
Final cash dividend for the year ended June 30, 2021			-	-	-	-	-	-	-	-	-
Balance as at December 31, 2021 - (un-audited)			204,597	839,332	34,086	34,446	285,000	935,979	2,331,440	6,608	2,338,048
Profit after taxation for the period			204,597	830,273	34,086	23,931	285,000	990,162	2,368,049	7,725	2,375,774
Other Comprehensive income for the period			-	-	-	-	-	69,876	69,876	2,596	72,472
- Fair value gain on Investment classified as Fair Value through OCI			-	-	-	(3,317)	-	-	(3,317)	-	(3,317)
Total comprehensive income for the period			-	-	-	(3,317)	-	69,876	66,559	2,596	69,155
Transfer of incremental depreciation from surplus on revaluation of fixed assets - net of tax			-	(13,885)	-	-	-	13,885	-	-	-
Transaction with owners of the Company			-	-	-	-	-	(81,839)	(81,839)	-	(81,839)
Final cash dividend for the year ended June 30, 2022			-	-	-	-	-	-	-	-	-
Balance as at December 31, 2022 - (un-audited)			204,597	816,388	34,086	20,614	285,000	992,084	2,352,769	10,321	2,363,090



Chief Financial Officer



Chief Executive

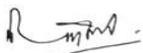


Director

Consolidated Condensed Interim Cash Flow Statement (Un-audited)

For the half year ended December 31, 2022

	Half year ended	
	December 31, 2022	December 31, 2021
	----- (Rupees in thousand) -----	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit after taxation for the period	113,978	168,331
Adjustments for non cash and other items:		
Depreciation on property, plant and equipment	69,548	65,089
Amortization on computer software	23	94
Provision charged against slow moving stock - net	-	7,134
Provision for doubtful debts	23,708	4,090
Share of loss of associated company	8,455	984
Gain on disposal of property, plant and equipment	(1,997)	-
Provision for staff retirement and other long term benefits	19,953	15,668
Finance costs	144,399	70,112
	<u>264,089</u>	<u>163,171</u>
Profit before working capital changes	378,067	331,502
(Increase) / decrease in current assets:		
Stores and spare parts	(7,255)	(2,926)
Stock-in-trade	251,162	(605,537)
Trade debts - unsecured	(261,646)	(339,910)
Loans and advances	13,747	2,865
Trade deposits short-term prepayments	7,672	12,235
Others receivables	38,149	(11,637)
	41,829	(944,910)
(Decrease)/Increase in current liabilities:		
Trade and other payables	(297,308)	579,524
Cash generated from/(used in) operations	<u>122,588</u>	<u>(33,884)</u>
Taxes paid	(17,639)	(80,139)
Finance cost paid	(147,926)	(65,525)
Staff retirement and other long term benefits paid	(14,568)	(12,539)
Long term loans - net	(4,094)	6,529
Long term deposits - net	(4,313)	(1,157)
	<u>(188,540)</u>	<u>(152,831)</u>
Net cash used in operating activities	(65,952)	(186,715)
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure incurred	(10,889)	(93,134)
Proceeds from disposal of property, plant and equipment	2,613	-
Short term investments	(51,000)	-
Net cash used in investing activities	(59,276)	(93,134)
CASH FLOW FROM FINANCING ACTIVITIES		
Long term financing - net	(77,861)	46,796
Long term diminishing musharaka - net	484,000	-
Dividend paid	(44,716)	(82,564)
Net cash generated from / (used in) financing activities	<u>361,423</u>	<u>(35,768)</u>
Net increase / (decrease) in cash and cash equivalents	236,195	(315,617)
Cash and cash equivalents at beginning of the period	(1,149,647)	(801,346)
Cash and cash equivalents at end of the period	<u>(913,452)</u>	<u>(1,116,963)</u>



Chief Financial Officer



Chief Executive



Director



For Free Color Advisory

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