BERGER
PAINTS
Trusted Worldwide

ANNUAL REPORT 2024

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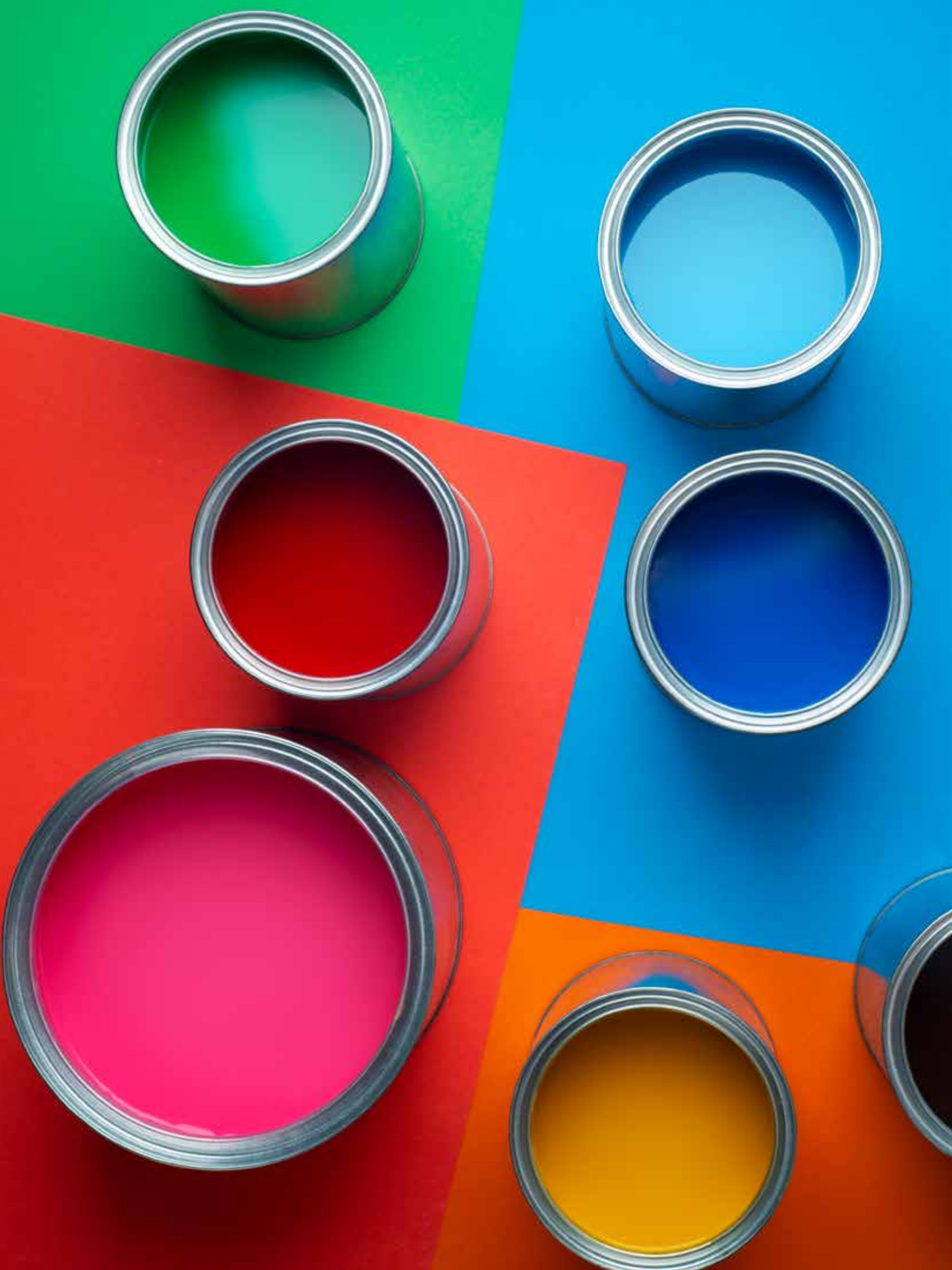

COMPANY INFORMATION

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 (Alternate to Mr. Ilyas Sharif)

CHIEF FINANCIAL OFFICER AND COMPANY SECRETARY
Mr. Nauman Afzal

BANKERS
Allied Bank Limited
Bank Islami Pakistan Limited
Bank Al Habib Limited
Habib Metropolitan Bank Limited
JS Bank Limited
MCB Bank Limited
National Bank of Pakistan
Samba Bank Limited

AUDITORS
BDO Ebrahim & Co.
Chartered Accountants

SOLICITORS
Zafar & Associates LLP.

COMPANY REGISTRAR
M/s Corplink Private Limited

REGISTERED OFFICE AND FACTORY
28 KM, Multan Road, Lahore.
Tel: 92 42 111 237 437
Fax: 92 42 35151549

WEBSITE
www.berger.com.pk


BERGER
PAINTS

COMPANY PROFILE

About Us:

Welcome to Berger paints, your trusted partner in quality paints and coatings. Since 1950, we have been dedicated to providing exceptional products and services to cater to all your painting needs.

At Berger paints, we believe in the transformative power of color. Whether you're refreshing your home, renovating an office space, or embarking on a large-scale commercial project, our comprehensive range of paints and coatings offers solutions that blend innovation with sustainability.

Our commitment to quality is unwavering. We source only the finest raw materials and employ cutting-edge manufacturing processes to ensure that every can of paint meets the highest standards of durability, coverage, and environmental responsibility. Our products undergo rigorous testing to guarantee performance excellence in diverse climates and conditions.

What sets us apart is our dedication to customer satisfaction. We understand that choosing the right paint can be daunting, which is why our knowledgeable team is always ready to provide expert advice and guidance. From selecting the perfect color scheme to recommending the ideal finish, we are here to make your painting experience smooth and enjoyable.

Berger established its first local manufacturing facility in Karachi in 1955. In 2006, Berger established a state of the art manufacturing facility and head office in Lahore with its regional sales offices in Karachi, Islamabad and Multan.

VISION & MISSION

VISION

We will become the leading paints and associated products manufacturing and marketing company in Pakistan ensuring best returns to our investors & highest customer satisfaction.

MISSION

INNOVATION

We will lead by innovative ideas and technological development in the paints and associated products in Pakistan ensuring efficient utilization of resources yielding high returns.

COMMITMENT

We will ensure highest level of commitment to achieve best quality products and services.

CARE

We will vigorously promote and safeguard the interests of employees, shareholders, business associates & all other stakeholders.

CORPORATE SOCIAL RESPONSIBILITY

We will act as a good corporate citizen ensuring service towards community and shall focus on environment, health and safety.

A COMMITMENT TO EXCELLENCE

As an ISO-9001-2015 certified company, Berger continues to upgrade and improve its range by introducing innovative products in line with consumer needs.

All products are tested at the company's own facilities before leaving the factory so that the highest quality control standards are maintained at all times. The company also follows a continuous process of investment in new equipment, such as computerized color matching technology, to ensure fast and accurate testing results at all times.

An on-going training system is also in place so that the most rigorous testing methods and procedures can be applied at the finished product stage.

A high standard of paints manufacturing is further ensured by using resin produced at Berger's own plant.

CUSTOMER SERVICE

Berger is not just a paint company; it offers one window solution across different paint product categories and business lines, in order to meet the demands of its valued customers.

Thorough Berger's Color Advisory Service free color consultancy can be accessed on UAN: 111-237-437 and Berger Helpline Number: 08000-2000. The service is very popular among customers of decorative paints. It offers professional advice on selection of appropriate color schemes and types of paints that should be used on different surfaces and in different environments.

Berger offers professional services to its industrial customers through a highly qualified and experienced Technical Services team. The team consists of highly trained staff in industrial and protective coating products that are offered to customers.The Technical Sales Officers make personal visits to address problems that the customers may be facing and have the relevant paint coating modified or adjusted according to the specific requirement.

HEALTH, SAFETY & ENVIRONMENT

By the Grace of Almighty Allah and continued efforts of employees, we have reached a milestone of achieving 4 MILLION SAFE MAN HOURS, without any LTI which has now become a stepping stone to grow even stronger and safer. If God wills, with top management commitment and with continued efforts of all the employees, within no time we would be able to double and triple the safe man hours and it's possible only.

Special focus is placed at Berger on protection of the environment as well as health and safety of employees, customers and communities where it operates.

The company utilizes all available resources to pursue its EHS objectives by striving to attain economic prosperity and ecological balance.

Berger manufacturing facility conforms to the international and national environmental standards where the company is manufacturing environmental friendly products to minimize the potential effect on the people and the environment.

A clean and pollution-free environment is ensured at the company's manufacturing facilities through a Solvent Recovery Plant that recycles used solvent, a Dust/Vapor extraction system and a Xylene recovery system.

Safety training programs are organized on a regular basis for all personnel, factory workers and vendors to ensure safety of the work environment. Strict safety regulations for PPE's (Personal Protection Equipment) and work procedures are enforced at every step.

In addition, safety officers conduct regular Safety Audits that identify and rectify any non-compliance and enforce proper maintenance of safety procedures with active cooperation of all employees.

“When ordinary people rise above the expectations and seize the opportunity those milestones truly are reached.”

BUSINESS LINES

01 Decorative Paints

02 Automotive Coatings

03 General Industrial Finishes

04 Powder Coatings

05 Vehicle Refinishes

06 Protective Coatings

07 Road Safety

08 Government & Marine

09 Construction Chemicals

10 Adhesives

DECORATIVE PAINTS

Transform your living spaces with Berger decorative paints, where creativity meets quality. Whether you're revitalizing your home's interior or enhancing its curb appeal, our extensive range of decorative paints offers you endless possibilities.

AUTOMOTIVE COATINGS

Our automotive paints are crafted using the latest technologies and highest quality materials to deliver outstanding color accuracy, durability, and resistance to environmental factors. Whether you're restoring a classic car or refinishing a modern vehicle, our paints ensure a flawless finish.

At Berger paints, we specialize in providing premium automotive paints that elevate the finish and durability of vehicles. With a commitment to innovation and quality, we cater to OEM requirements.

Berger Automotive products are utilized by top manufacturers of commercial and passenger vehicles, as well as respected producers of two wheelers in Pakistan.

GENERAL INDUSTRIAL FINISHES

Berger supplies industrial finishes to leading makers of domestic electric & non-electric appliances, auto spare part vendors, steel & metal product manufacturers, heavy industrial machines, transformer & metal furniture manufacturing units etc.

At Berger Paints, we prioritize quality and innovation. Our industrial coatings are formulated using advanced technologies and premium raw materials to ensure exceptional adhesion, corrosion resistance and color retention. Berger has designed a comprehensive industrial paint system tailored for its widespread customer base across the nation. This system includes a variety of finishes, encompassing undercoats, primers, air-drying enamels, varnishes, high-quality heat-resistant stoving finishes and varnishes, roller coating paints, lacquers, and epoxy-based finishes, ensuring a wide range of options to meet diverse industrial needs.

Each system has its unique characteristics designed to protect & safeguard products from all types of internal & external environmental conditions.

Committed to excellence Berger always has and will continue to provide its customers with industrial finishes that are considered value for money and reliable.

POWDER COATINGS

Enhance durability and aesthetics with Berger paints Powder Coating, where innovation meets performance. We specialize in providing high-quality powder coating solutions for a variety of industries and applications.

Berger provides an extensive range of shades in Bercoat & Oxyplast, available in Pure Polyester and Pure Epoxy-based systems. We offer customizable shades to meet specific customer preferences. Our finishes include glossy, matt, textured and antique options, tailored to fulfill diverse requirements.

Powder Coating is gaining rapid recognition in the industrial manufacturing sector for its economic and environmental friendly qualities. Manufacturers prioritize Powder Coatings for their products due to their durability, cost-effectiveness and quality. Berger stands as the preferred choice among conscientious manufacturers seeking reliable coating solutions.

PROTECTIVE COATINGS

Protective Coatings serve a dual purpose of protecting surfaces from chemical reactions as well as improving visual appeal. These protective paints conform to international standards of quality and are designed to resist the severity of extreme environmental as well as corrosive effects and other decaying agents. They have excellent resisting properties against chemicals, marine environment, oil spillage and saltwater. These coatings can be applied to concrete, cement renders, asbestos sheeting, steel/concrete pipelines, harbors, oil refineries, dams, barrages, chemical plants, battery rooms, etc.

The Protecton division of Berger makes heavy-duty protective coatings and anti-corrosive paints for specialized structures such as barrages, dams, industrial structures, pipelines and boilers, which are exposed to hostile environmental elements.

VEHICLE REFINISHES

At Berger paints, we specialize in delivering high-quality vehicle refinish solutions that restore and enhance the appearance of automobiles with precision and durability. Our advanced color matching technology ensures seamless blending and guarantees a flawless look that meets manufacturer standards.

Berger provides specialized technical expertise in the vehicle refinish segment, offering a wide range of products suited to for small touch-ups to complete restoration work ensuring OEM standard finish and durability along with excellent color matching.

In 2011, Berger secured the distribution rights for DuPont Performance Coatings, now known as Axalta Coating Systems. In Pakistan, Dupont is a prominent leader in the premium market segment, offering a comprehensive lineup of 2-K Finishes including binders, tinters, primers, top coats, clear coats, hardeners, and various types of thinners. These products are readily accessible at top-tier 3S dealerships, workshops, and retail markets.

ROAD SAFETY – LANE MARKING

Leading the way to a safe journey.

Berger has been a trailblazer in Pakistan by introducing the concept of integrated manufacturing and application for road marking products. Our state-of-the-art facility produces the advanced Cataphos hot-melt Thermoplastic (TP) paint, meeting BS 3262 specifications locally. We also manufacture a comprehensive range of road marking products, including Chlorinated Rubber (CR) paint and Water Based (WB) paint, tailored to various application standards.

In addition to road marking paints, Berger Road Safety offers a complete array of other high-quality road safety products. These include traffic signs, cat eyes/studs, guardrails, delineators, barriers, and more. Each product is crafted to ensure durability, visibility, and adherence to stringent safety standards, contributing to safer and more efficient road networks nationwide.

GOVERNMENT & MARINE

Berger stands tall amongst esteemed suppliers to the government and its subordinate bodies, armed forces, aviation sector, utility corporations, ports, shipping, research and development organizations, educational institutions and health sector. It provides a vast variety of products and services ranging from the architectural coatings to highly specialized products.

Given Pakistan's extensive coastal stretch, there is a critical need for reliable protection for sea-bound vessels and various onshore and offshore installations.

Berger's Government & Marine division fulfills this requirement by offering a broad spectrum of products, specifically formulated coatings designed for ships, aircraft, fuel storage facilities, warehouses and military ammunition depots, ensuring comprehensive and specialized protection across diverse maritime and defense applications.

CONSTRUCTION CHEMICALS

Berger is active in most facets of the construction industry and operates sales, warehousing and manufacturing facilities all over the country, thereby providing local markets with a prompt and informed customer service.

Berger has established a nationwide reputation for innovative construction technology based on extensive research and development together with experienced practical advice.

We offer a broad range of high-quality, intelligent and tailor-made products and systems to meet customer needs, improving the quality, safety, efficiency, economy, design and durability of construction. The product range of Berger comprises of products for almost every conceivable high performance chemical requirement of the building.

ADHESIVES

The flagship brand of Berger's Adhesives business is Berlith and NUlith. It is white glue with a base of plastic resin combined with high concentration, bonding strength and excellent application qualities. Used both, in the wood furniture and sports goods industries, the high adhesion strength of Berlith and NUlith, is ideal for gluing hardboard, chipboard, softwood, ply, Formica, etc.

Because of its strong plastic resin base, Berlith and NUlith are the best choice for use in kitchen cabinets and counters. They also serve as a suitable pasting glue for labels on plastic, glass, cartons, etc.

MARKETING ACTIVITIES
BERGER AD CAMPAIGN

LEAD FREE-CAMPAIGN

A LIFESAVING COMMITMENT

1 million people die from lead-poisoning every year (WHO). In Pakistan, majority of the paint we use includes traces of this extremely hazardous compound that has a severely negative impact on public health. Lead, traditionally incorporated into paint formulations to increase durability and maintain a fresh appearance of surfaces, holds the danger of turning the cleanest of spaces into a grave threat to good health. Children and their developing cognitive abilities, in particular, are more vulnerable to the toxin, as toxic effects of the compound are instantly activated.

Since 1995, Berger Paints has offered a safe and lead-free alternative that never compromises on appealing aesthetics, longevity, or quality. Our commitment to crafting decorative paints devoid of this hazardous substance is a social action dedicated to the well-being of our customers and the environment alike.

PRODUCT LAUNCH - ELEGANCE DESIRE SILK TOUCH

Berger Paints introduced Berger Elegance Desire, its latest interior product, in Islamabad, drawing over 250+ dealers to the launch event. The attendees received detailed insights into the product's specifications and qualities, emphasizing its features and benefits within the interior paint segment.


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خوش آمدید
ڈیلرز حضرات


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ڈیلرز حضرات


PRO
BERGER
Robbialac
ELEGANCE
DESIRE Silk Touch
ELEGANT SILK FINISH
Trusted Worldwide

16TH CRICKET CHAMPIONSHIP

Berger Paints organized a cricket tournament for its employees in Lahore featuring 12 teams. The knockout rounds led to an exciting final between VITON and WEATHERPRO, with VITON emerging as the victorious team. It was a whole-day, fun-filled event embraced by employees and their families. It was surrounded by diverse activities, including lucky draws, gifts for children, and various games, creating a joyous, family-friendly atmosphere throughout the day.


FEVER IS BACK


BERGER 16TH CRICKET
CHAMPION SHIP 2023


BERGER
RUNNER UP
BERGER
WINNER

IQBAL KITAB AWARDS

To promote Allama Iqbal's thoughts and personality, the Allama Iqbal Stamps Society organized the Iqbal Kitab Award 2022-23. The Iqbal Kitab Award was introduced in 2018-19 with the Berger Paints Pakistan Limited sponsorship. This year, three awards were given to the books in three different categories. Abu Junaid Inayat Ali's book "Do Qaumi Nazariya: Allama Iqbal, Quaid-i-Azam and Syed Modoodi" for Urdu, Dr. Rehmat Aziz Chitrali's book "Phophokan Iqbal" for Khowar and Dr. Mahmood Ali Anjum's book "Ummat Da Hakeem" for Punjabi got Iqbal Kitab Award. Certificates and appreciation letters were distributed among all the participants. The competition judges were Dr. Waheed-ur-Rehman Khan, Dr. Baseera Ambreen, Dr. Razia Majeed and Dr. Arooba Masroor Siddiqui. The prize distribution ceremony was held at Dabistan-i-Iqbal, Lahore, on November 25, 2023, with the collaboration of Berger Paints Pakistan Limited. The event's chief guest was Dr. Abdul Rauf Rafiqui (Director - Iqbal Academy Pakistan). A Special Award was given to Dr. Rafi-ud-Din Hashmi's book, and Three special gifts were also distributed among Iranian Delegation. "Kitabiyat-e-Iqbal" and The other award also introduced by Allama Iqbal Stamps Society is the "Life Time Achievement Award". This award was given to Dr. Abdul Rauf Rafiqui. The event was hosted by Mian Sajid Ali (Executive – MIS) and Arfa Rasheed Aarbi. Mujtaba Khalid and Nabeela Fazal recited Kalam-e-Iqbal. Berger Paints Pakistan Limited is proud to be a part of this event and is looking forward to collaborating and participating in such events on the national level in the future. The Marketing Department of Berger Paints Pakistan Limited sponsored the event for the last five years consecutively and designed and developed the shields, medals and certificates.

CSR ACTIVITY AT KHUSHAB – WATER BORING

Berger, a symbol of compassion, has brightened the lives of a struggling community. In a region where clean water was hard to access, Berger undertook the installation of a water bore and the construction of a water tank in Khushab. This initiative has significantly improved access to clean, pure water, positively impacting the local community through their CSR efforts.

INVESTOR RELATIONS

REGISTERED OFFICE

28 KM Multan Road, Lahore.
Tel: 92 42 111 237 437
Fax: 92 42 35151549

SHARE REGISTRAR

M/s Corplink Private Limited, Wings Arcade, 1-K, Commercial Block K Model Town, Lahore, Punjab 54000
T: +92 42 35916714-19
F: +92 42 35869037

LISTING ON STOCK EXCHANGES

Ordinary shares of Berger Paints Pakistan Limited are listed on Pakistan Stock Exchange Limited.

STOCK CODE / SYMBOL

The stock code / symbol for trading in ordinary shares of Berger Paints Pakistan Limited at Pakistan Stock Exchange Limited is BERG.

STATUTORY COMPLIANCE

During the year, the Company has complied with all applicable provisions, filed all returns/ forms and furnished all the relevant particulars as required under the Companies Act, 2017 and allied rules, the Securities and Exchange Commission of Pakistan Regulations and the listing requirements.

CASH DIVIDEND

Cash Dividend for the year ended June 30, 2024 at Rs.4.00 per share i.e., 40%. This is in addition to interim dividends already paid at Rs. 0 per shares i.e. 0%.

BOOK CLOSURE DATES

Share Transfer Books will remain closed from October 19, 2024 to October 25, 2024, both days inclusive.

DIVIDEND REMITTANCE

Ordinary dividend declared and approved at the Annual General Meeting will be paid within the statutory time limit of 15 days.

<u>(i) For shares held in physical form:</u> to shareholders whose names appear in the Register of Members of the Company after entertaining all requests for transfer of shares lodged with the Company on or before the book closure date.

<u>(ii) For shares held in electronic from:</u> to shareholders whose names appear in the statement of beneficial ownership furnished by CDC as at end of business on book closure date.

WITHHOLDING OF TAX & ZAKAT ON ORDINARY DIVIDEND

As per the provisions of the Income Tax Ordinance, 2001, income tax is deductible at source by the Company at prescribed rates wherever applicable. Zakat is also deductible at source from the ordinary dividend at the rate of 2.5% of the face value of the share, other than corporate holders or individuals who have provided an undertaking for nondeduction.

GENERAL MEETINGS & VOTING RIGHTS

Pursuant to section 132 of The Companies Act 2017, BPPL holds a General Meeting of shareholders at least once a year. Every shareholder has a right to attend the General Meeting. The notice of such meeting is sent to all the shareholders at least 21 days before the meeting and also advertised in at least one English and one Urdu newspaper having circulation in Karachi, Lahore and Islamabad.

Shareholders having holding of at least 10% of voting rights may also apply to the Board of Directors to call for meeting of shareholders, and if the Board does not take action on such application within 21 days, the shareholders may themselves call the meeting.All ordinary shares issued by the Company carry equal voting rights, Generally, matters at the general meetings are decided by a show of hands in the first instance. Voting by show of hands operates on the principle of “One Member-One Vote”. If majority of shareholders raise their hands in favor of a particular resolution, it is taken as passed, unless a poll is demanded.

Since the fundamental voting principle in the Company is “One Share-One Vote”, voting takes place by a poll, if demanded. On a poll being taken, the decision arrived by poll is final, overruling any decision taken on a show of hands.

INVESTOR RELATIONS

INVESTOR'S GRIEVANCES

To date none of the investors or shareholders has filed any significant complaint against any service provided by the Company to its shareholders.

PROXIES

Pursuant to Section 137 of The Companies Act, 2017 and according to the Memorandum and Articles of Association of the Company, every shareholder of the Company who is entitled to attend and vote at a general meeting of the Company can appoint another member as his/her proxy to attend and vote instead of him/her. Every notice calling a general meeting of the Company contains a statement that a shareholder entitled to appoint a proxy.

The instrument appointing a proxy (duly signed by the shareholder appointing that proxy) should be deposited at the office of the Company not less than forty-eight hours before the meeting.

WEB PRESENCE

Updated information regarding the Company can be accessed at its website, www.berger.com.pk.

The website contains the latest financial results of the Company together with the Company's profile.

Fundamental knowledge and understanding of financial market is crucial for the general public and lack of financial literacy or capability makes them vulnerable to frauds. SECP recognizes the importance of investor education and therefore initiated this investor education program, called 'JamaPunji', an investor training program, to promote financial literacy in Pakistan.

FINANCIAL HIGHLIGHTS

Rupees in thousand	Year Ended June 30,					
Year	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**
NET ASSETS						
Fixed Assets	2,264,281	2,306,831	1,628,184	1,635,006	1,639,574	1,179,841
Goodwill	-	-	-	-	24,000	24,000
Long Term Investments	76,595	78,479	70,915	52,505	52,037	54,504
Long Term Loans & Deposits	60,652	59,479	76,770	70,566	81,849	65,833
Deferred Taxation	-	-	-	29,093	-	43,878
Net Current Assets	1,669,792	1,449,633	923,707	667,445	533,742	455,897
Total	**4,071,320**	**3,894,422**	**2,699,576**	**2,454,615**	**2,331,202**	**1,823,953**
FINANCED BY						
Share Capital	245,516	245,516	204,597	204,597	204,597	204,597
Reserves	1,764,229	1,454,674	1,310,842	1,171,720	973,326	903,660
Surplus on Revaluation of Fixed Assets	1,437,720	1,495,613	830,273	849,056	877,100	472,012
	3,447,465	3,195,803	2,345,712	2,225,373	2,055,023	1,580,269
Long Term and Deferred Liabilities	623,855	698,619	353,864	229,242	276,179	243,684
Total	**4,071,320**	**3,894,422**	**2,699,576**	**2,454,615**	**2,331,202**	**1,823,953**
TURNOVER AND PROFITS						
Turnover	8,543,907	7,341,165	7,073,478	5,602,160	4,177,951	5,120,444
Gross Profit	1,721,282	1,483,113	1,222,010	1,116,560	876,334	1,116,423
	20.15%	20.20%	17.28%	19.93%	20.98%	21.80%
Profit before tax	421,352	331,197	247,018	267,046	114,532	112,998
Taxation	158,489	91,136	45,132	71,825	40,224	12,173
Profit/(Loss) after tax	262,863	240,061	201,886	195,221	74,308	100,825
EARNING AND DIVIDENDS						
Earning per share	10.71	9.78	9.87	9.54	3.63	4.93
Interim Dividend per share-Cash (Rupee)	-	-	-	-	-	-
Final Dividend per share-Cash (Rupee)	4.00	-	4.00	4.00	1.00	1.00

CHAIRMAN'S REVIEW

It is my immense pleasure to submit this review report under the requirement of Section 192 of the Companies Act, 2017, for the year ended June 30, 2024, to the stakeholders of Berger Paints Pakistan Limited (the "Company"). This report evaluates the overall performance of the Board of Directors and its effectiveness in achieving the Company's established objectives.

The Board has demonstrated a commitment to building an effective governance model by prioritizing risk management and a strong control environment. To this end, several policies have been implemented in collaboration with the Company's Management, ensuring a structured approach to decision-making and accountability.

A noteworthy aspect of the Board's composition is the representation of non-executive and independent directors, in adherence to the principles laid out in the Code of Corporate Governance 2019. This representation is crucial as it encourages different perspectives and fosters an environment of transparency and integrity, which are essential for effective governance guided by the board's diverse experience.

The Board's proactive initiatives and adherence to regulatory standards have significantly contributed to achieving the Company's strategic objectives while maintaining a robust governance framework. Stakeholders can be reassured of the Board's commitment to upholding best practices in corporate governance.

The Board of Directors has three sub-committees:

1. Audit Committee
2. Human Resources Committee
3. Committee for Business Strategies

The committees established by the Board of Directors have proven to be instrumental in facilitating the execution of their requisite duties. Meeting regularly, these sub-committees provided comprehensive reports to the Board, adhering to the stipulations outlined in the Code of Corporate Governance 2019. Throughout the year, the Board convened multiple times, with the Committees significantly enhancing the overall efficiency of its operations. An annual evaluation of the Board's performance was conducted in accordance with the aforementioned Code, ensuring alignment with the established comprehensive criteria.

During the review period, the Board effectively helped the Company towards achieving sustainable operational and financial outcomes. Furthermore, the Directors maintained frequent interactions when required with the Management team, engaging with both internal and external auditors, to facilitate timely decision-making during Board and sub-Committee meetings. The Management is tasked with executing daily business activities in alignment with the objectives set forth by the Board, ensuring the implementation of a robust system of internal controls, while also adhering to all regulatory requirements and best practices.

In light of the current challenging environment, the Board is committed to implementing robust business continuity plans aimed at safeguarding the safety and well-being of employees and other stakeholders. The Board of Directors will persist in its pivotal role of setting the strategic direction of the Company, while diligently overseeing the execution of these plans in accordance with the principles of sound corporate governance.

On behalf of BERGER's Board, I extend my heartfelt appreciation to the management team, all our dedicated employees, customers, vendors, financiers, esteemed shareholders for their unwavering trust and steadfast commitment to the Company, as well as to our broader community of stakeholders for their continued support

Maqbool H.H. Rahimtoola
Chairman

Dated:

چیئرمین کا تجزیہ

برجر پینٹس پاکستان لمیٹڈ ("کمپنی") کے اسٹیک ہولڈرز کو 30 جون 2024 کو ختم ہونے والے سال کے لیے کمپنیز ایکٹ، 2017 کے سیکشن 192 کی ضرورت کے تحت یہ جائزہ رپورٹ پیش کرتے ہوئے مجھے بے حد خوشی ہو رہی ہے۔ یہ رپورٹ بورڈ آف ڈائریکٹرز کی مجموعی کارکردگی اور کمپنی کے قائم کردہ مقاصد کے حصول میں اس کی تاثیر کا جائزہ لیتی ہے۔
بورڈ نے رسک مینجمنٹ اور مضبوط کنٹرول ماحول کو ترجیح دے کر ایک موثر گورننس ماڈل بنانے کے عزم کا مظاہرہ کیا ہے۔ اس مقصد کے لیے، کمپنی کی انتظامیہ کے تعاون سے کئی پالیسیاں نافذ کی گئی ہیں، جو فیصلہ سازی اور جوابدہی کے لیے ایک منظّم انداز کو یقینی بناتی ہیں۔

کوڈ آف کارپوریٹ گورننس 2019 میں وضع کردہ اصولوں کی تعمیل کرتے ہوئے بورڈ کی تشکیل کا ایک قابل ذکر پہلو غیر ایگزیکٹو اور آزاد ڈائریکٹرز کی نمائندگی ہے۔ شفافیت اور سالمیت کا ماحول، جو بورڈ کے متنوع تجربے کی رہنمائی میں موثر حکمرانی کے لیے ضروری ہے۔
بورڈ کے فعال اقدامات اور ریگولیٹری معیارات کی پابندی نے ایک مضبوط گورننس فریم ورک کو برقرار رکھتے ہوئے کمپنی کے اسٹریٹجک مقاصد کو حاصل کرنے میں اہم کردار ادا کیا ہے۔ اسٹیک ہولڈرز کو کارپوریٹ گورننس میں بہترین طریقوں کو برقرار رکھنے کے لیے بورڈ کے عزم کا یقین دلایا جا سکتا ہے۔

بورڈ آف ڈائریکٹرز کی تین ذیلی کمیٹیاں ہیں:

1. آڈٹ کمیٹی
2. انسانی وسائل کمیٹی
3. کمیٹی برائے کاروباری حکمت عملی

بورڈ آف ڈائریکٹرز کی قائم کردہ کمیٹیاں اپنے مطلوبہ فرائض کی انجام دہی میں سہولت فراہم کرنے میں معاون ثابت ہوئی ہیں۔ باقاعدگی سے میٹنگ کرتے ہوئے، ان ذیلی کمیٹیوں نے کوڈ آف کارپوریٹ گورننس 2019 میں بیان کردہ شرائط پر عمل کرتے ہوئے بورڈ کو جامع رپورٹس فراہم کیں۔ پورے سال کے دوران، بورڈ نے متعدد بار اجلاس کیا، کمیٹیوں نے اپنی کارروائیوں کی مجموعی کارکردگی کو نمایاں طور پر بڑھایا۔ بورڈ کی کارکردگی کا ایک سالانہ جائزہ مذکورہ ضابطہ کے مطابق کیا گیا، جس سے قائم کردہ جامع معیار کے ساتھ ہم آہنگی کو یقینی بنایا گیا۔

جائزہ کی مدت کے دوران، بورڈ نے مؤثر طریقے سے پائیدار آپریشنل اور مالیاتی نتائج حاصل کرنے میں کمپنی کی مدد کی۔ مزید برآں، بورڈ اور ذیلی کمیٹی کے اجلاسوں کے دوران بروقت فیصلہ سازی کی سہولت فراہم کرنے کے لیے، ڈائریکٹرز نے انتظامی ٹیم کے ساتھ ضرورت پڑنے پر، اندرونی اور بیرونی آڈیٹرز کے ساتھ مل کر متواتر تعاملات کو برقرار رکھا۔ انتظامیہ کو روزانہ کی کاروباری سرگرمیوں کو بورڈ کے مقرر کردہ مقاصد کے مطابق انجام دینے، اندرونی کنٹرول کے ایک مضبوط نظام کے نفاذ کو یقینی بنانے کے ساتھ ساتھ تمام ریگولیٹری تقاضوں اور بہترین طریقوں پر عمل کرنے کی ذمہ داری سونپی گئی ہے۔

موجودہ چیلنجنگ ماحول کی روشنی میں، بورڈ مضبوط کاروباری تسلسل کے منصوبوں کو نافذ کرنے کے لیے پرعزم ہے جس کا مقصد ملازمین اور دیگر اسٹیک ہولڈرز کی حفاظت اور فلاح و بہبود کو یقینی بنانا ہے۔ بورڈ آف ڈائریکٹرز کمپنی کی سٹریٹجک سمت کو متعین کرنے کے اپنے اہم کردار پر قائم رہے گا، جبکہ کارپوریٹ گورننس کے مضبوط اصولوں کے مطابق ان منصوبوں پر عمل درآمد کی تندہی سے نگرانی کرے گا۔

BERGER کے بورڈ کی جانب سے، میں انتظامیہ کی ٹیم، اپنے تمام سرشار ملازمین، صارفین، دکانداروں، فنانسرز، معزز حصص یافتگان کو ان کے غیر متزلزل اعتماد اور کمپنی کے ساتھ ثابت قدم وابستگی کے لیے تہہ دل سے خراج تحسین پیش کرتا ہوں۔ اسٹیک ہولڈرز کی ہماری وسیع تر کمیونٹی کو ان کی مسلسل حمایت کے لیے۔

مقبول ایچ ایچ رحیم ٹولہ
چیئرمین

DIRECTORS' REPORT

FOR THE YEAR ENDED JUNE 30, 2024

The Directors of your Company are pleased to present their report along with the audited financial statements of the Company for the year ended June 30, 2024.

ECONOMY OF PAKISTAN

The recent economic landscape of Pakistan reflects a notable recovery, marked by enhanced stability and growth. The government's policy management has resulting in a GDP growth rate of 2.4% for FY 24, a significant improvement from 0.3% the previous year. This growth was chiefly propelled by robust agricultural output, a favorable current account balance, and dwindling inflationary pressures. Nonetheless, persistent challenges, including elevated debt servicing costs and external repayment obligations, necessitate continued engagement with the International Monetary Fund (IMF) for a proposed three-year financial program. On the external front, strategic policy implementations have curtailed the current account deficit and strengthened exports, while remittances have surged beyond $30 billion. The agriculture sector, benefiting from conducive weather and effective government initiatives, and achieved production increases in wheat, cotton, and rice. Although large-scale manufacturing faced a marginal decline, positive growth in various sectors indicates potential for recovery. Overall, proactive measures could further stabilize and enhance Pakistan's economic trajectory.

BUSINESS PERFORMANCE

Given the situation mentioned above, your company achieved net sales of Rs. 8,544 million, reflecting a commendable increase of 16.38% compared to the prior year. The gross profit was reported at Rs. 1,721 million, up from Rs. 1,483 million, attributable to stable exchange rates, advantageous material costs, and an improved product mix. However, sales and marketing expenses inclusive of impairment loss surged by 19.79%, largely due to heightened promotional activities and general inflationary pressures. Similarly, administrative expenses rose by 10.60%, driven primarily by the persistent impacts of inflation. Financial cost slightly increased by the comparative period. The Company's commendable performance can be attributed to its efficient treasury operations, beside by the stability in policy rates. For the fiscal year, the Company reported a profit before tax of Rs. 421 million, representing a notable increase of 27%. This positive trend culminated in a profit after tax of Rs. 263 million, reflecting an 9.5% rise compared to the previous year.

FINANCIAL PERFORMANCE

The financial position is summarized as follows

	June 30, 2024	June 30, 2023
	(Rupees in thousands)	
Operating Profit	656,240	517,051
Other operating income	69,708	97,619
	725,948	614,742
Finance Cost	(304,596)	(91,136)
Profit before taxation	421,352	331,197
Taxation	(158,489)	(91,136)
Profit after taxation	262,863	240,061

FUTURE OUTLOOK

The economy, over the years, has shown strong resilience despite unexpected volatility and uncertainty. Moving forward, in the year to come, financial landscape is witnessing a notable enhancement, attributed primarily to the revival of inflows from both multilateral and bilateral partners. The easing of import restrictions, coupled with beneficial spillovers from robust agricultural performance, is anticipated to facilitate a recovery in the industrial sector. Furthermore, a steadfast commitment to fiscal discipline, the execution of essential structural reforms, and the strategic leveraging of external factors will be critical. By prioritizing domestically driven growth initiatives and focusing on high-potential export sectors, Pakistan can expect to reap substantial economic dividends in the years ahead.

The gradual improvement of the macroeconomic environment necessitates the integration of the undocumented or informal business sector into the tax framework across all sectors to enhance tax collection efforts. Additionally, implementing controls to curb smuggling, both into and out of Pakistan, is essential and long delayed. Emphasizing cost reduction, timely price adjustments, cash flow generation, and effective sales execution are imperative operating priorities. With a motivated sales team, the company is strategically positioned to compete against the unorganized sector, maintain its market share, and continuously add value for its stakeholders.

HEALTH, SAFETY & ENVIORNMENT (HSE)

Safety, the well-being of workers, and environmental compliance have always been the foremost priorities at Berger Paints. In alignment with the standards upheld by world-class companies, we take pride in maintaining an exemplary safety and compliance record. It is our moral, ethical, and legal responsibility to foster a safer and healthier environment for our employees. To this end, we have implemented multiple initiatives, including the installation of charging cabinets to mitigate exposure to contaminants and subsequently reduce the risk of respiratory damage among workers. Furthermore, we have enhanced our emergency declaration system, which in turn has improved the effectiveness of our firefighting capabilities and provided additional firefighting facilities. With 8.47 million safe hours logged thus far, the Company underscores its unwavering commitment to Health, Safety, and Environment (HSE) standards. Additionally, our sustainability efforts are exemplified by the installation of solar power projects at our all-regional offices across the country, along with a one-megawatt solar power project at our factory, thereby contributing positively to the surrounding community. These initiatives collectively highlight our steadfast resolve to prioritize health and safety as core components of our corporate ethos.

ENTERPRISE RISK MANAGEMENT -ERM

The Board of Directors has formally approved the Company's risk management policy, which serves as a foundational framework for the organization's approach to identifying and mitigating risks. In addition to this policy, the Board provides essential guidelines concerning strategic matters and overarching organizational objectives. While individual business units are tasked with the management of risks at the operational level, the comprehensive oversight of company-wide risk management resides with the Risk Management Function (RMF).

The RMF is responsible for reporting its findings, observations, and results to the Board Audit Committee, which plays a pivotal role in regularly reviewing business risk profiles, assessing risk management procedures, and formulating counter-strategies while advising on future actions.

Furthermore, the Board of Directors has authorized the Audit Committee to supervise the overall risk management process, thereby ensuring that the company operates within an effective risk governance framework.

BOARD OF DIRECTORS

During the year, four meetings of the Board of Directors were held and attendance was as follows:

Mr. Maqbool H. H. Rahimtoola	4
Dr. Mahmood Ahmad	4
Mr. Tariq Ikram	4
Mr. Shahzad M. Hussain	4
Mr. Zafar A. Osmani	4
Mr. Mohammad Saeed	1
Ms. Zareen Aziz	1
Mr. Zahid Majid (Alternate to Mr. Ilyas Sharif)	4

All relevant other information has already been disclosed in Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019 and note 45 to the financial statements.

AUDIT COMMITTEE

The Audit Committee, appointed by the Board of Directors, comprises independent directors, with the Chairman serving as an independent Director. The members of the Board Audit Committee (BAC) bring substantial expertise in economic, financial, and business matters pertinent to the Company's operations.

The BAC has successfully established an internal control framework, supported by a dedicated in-house Internal Audit function, which is essential for safeguarding the Company's assets and enhancing overall control mechanisms. This system of internal controls is subject to ongoing evaluation to ensure its effectiveness and adequacy.

Furthermore, the BAC has played a pivotal role in achieving the Company's operational, compliance, and timely financial reporting objectives, thereby enhancing shareholder wealth through robust financial, operational, and compliance controls, as well as comprehensive risk management strategies implemented at all organizational levels. Over the past year, the Audit Committee convened for four meetings to oversee these critical functions.

HUMAN RESOURCE COMMITTEE

The Human Resources Committee (HRC) comprises members with extensive expertise in HR matters pertinent to the company. Chaired by an independent Director, the committee convened formally on two occasions over the past year.

Notable challenges addressed included the strategic management of employees amidst the hyperinflationary environment affecting the Berger Factory and other offices. The HRC conducted evaluations of high-potential employees across departments, recommending tailored career development paths.

Additionally, the committee reviewed various employee engagement initiatives, such as celebrations for International Women's Day, birthdays, and recognition programs, while also assessing the effectiveness of the dissemination of the company's core values.

The members of HR possess significant acumen related to Human Resources affairs of the Company and in general. Chairman of the HR Committees is an independent Director.

COMMITTEE FOR BUSINESS STRATEGY (CBS)

In response to the unprecedented challenges posed by the current economic landscape, the Board of Directors has established a Business Strategies Committee (BSC). This strategic initiative aims to navigate the complexities of these abnormal times and ensure the continued resilience and growth of the Company a decision that underscores the Board's commitment to impartiality and objective decision-making.

The composition of the BSSC is particularly noteworthy, as it includes members of the Committee who possess substantial economic, financial, and business acumen. With an independent Chairman and a team of adept advisors, the BSC is tasked with guiding the Company through uncertainty, ensuring that it remains resilient and competitive in a rapidly changing business landscape.

By leveraging the knowledge and experience of its members, the BSC is well-positioned to provide informed advice to the Board on critical business strategies. This collaborative approach not only enhances the Board's decision-making capabilities but also fosters a culture of strategic agility within the Company. As the BSC formulates recommendations, it will consider the evolving market dynamics and the potential implications for the Company's operations and stakeholders.

In conclusion, the establishment of the Business Strategies Sub Committee represents a proactive measure by the Board to adapt to the challenges of these abnormal times.

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated financial statements of the Company include Accounts of its subsidiaries, Berger DPI (Private) Limited, and Berger Road Safety (Private) Limited.

HOLDING COMPANY

The holding company of Berger Paints Pakistan Limited is Messrs. Slotrapid Limited which is incorporated in the B.V.I.

PROFIT PER SHARE

The Earnings per share for the year is Rs. 10.71 (2023: Rs.9.78)

DIVIDEND

The Board of Directors of the Company has announced 40% final cash dividend i-e Rs. 4 per share for the year ended June 30, 2024 subject to the approval of the shareholders in the Annual General Meeting.

AUDITORS

The present auditors, M/s BDO Ebrahim & Co. Chartered Accountants will retire at the conclusion of the upcoming Annual General Meeting and on recommendation of the Board's Audit Committee, the Board of Directors proposed their re-appointment by the Shareholders at the forth coming Annual General Meeting as the auditors of the company for the year ended June 30, 2025.

RELATED PARTY TRANSACTIONS

All transactions with related parties are reviewed and approved by the Board. The Board approved pricing policy for related party transactions.

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

The requirement of the Code of Corporate Governance set out by the Pakistan Stock Exchange in their listing regulations relevant for the year ended June 30, 2024 were duly complied with. A statement to this effect is attached with the report.

PATTERN OF SHAREHOLDING

The pattern of shareholding as on June 30, 2024 and its disclosure, as required by the Code of Corporate Governance appears on Page 45.

STATEMENT OF CORPORATE FINANCIAL REPORTING FRAMEWORK

The Company has complied with all the requirements of the Code of Corporate Governance as required by the listing regulations. Accordingly, the Directors are pleased to confirm the following:

i. The financial statements together with the notes thereon have been drawn up in conformity with the Companies Act, 2017. These statements present fairly the Company's state of affairs, the result of its operations, cash flow and changes in equity.

ii. The principal business activity of the Company is manufacturing, marketing and distribution of decorative and industrial paints and other related products.

iii. Proper books of accounts have been maintained by the Company.

iv. Appropriate accounting policies have been consistently applied in the preparation of financial statements which conform to the International Accounting Standards as applicable in Pakistan.

v. The accounting estimates, wherever required are based on reasonable and prudent judgment.

vi. International financial reporting standard, as applicable in Pakistan, have been followed in preparation of financial statements.

vii. The system of internal control is sound in design and has been effectively implemented.

viii. There are no significant doubts upon the Company's ability to continue as a going concern.

ix. There has been no material departure from the best practices of corporate governance, as detailed in the Listing Regulations.

x. The key operating and financial data of the last six years is annexed.

xi. The value of investments of provident, gratuity and pension funds are at June 30, 2024:

	Rupees in Thousand
Berger Paints Executive Staff Pension Fund	91,993
Berger Paints Gratuity Fund	30,451
Berger Paints Provident Fund	321,674

xii. The directors, CEO, Executives and their Spouses and minor children did not carry out any trading in the shares of the Company.

CORPORATE SOCIAL RESPONSIBILITY (CSR) - ACTIVITIES

Berger recognizes and embraces its social responsibilities, thereby reinforcing the connection between the Company and society. Among its initiatives, Berger has developed an environmentally friendly program that repurposes leftover paint waste into usable products, which are then donated to schools in underserved communities, as well as to Mosques and Churches.

Additionally, the "Truck Art - Child Finder" campaign, in collaboration with the Roshni Helpline, aims to locate missing children and has garnered international recognition, securing two silver and three bronze trophies. Acknowledging the pressing issue of food insecurity, Berger contributes by providing meals prepared at its plant for employees and sharing surplus food with underprivileged children at a nearby Mosque.

In response to the recent devastating floods that impacted the southern region of the country, the company has demonstrated commendable corporate social responsibility by contributing to relief efforts aimed at alleviating the suffering of affected communities. Recognizing the importance of cultural and religious institutions in the recovery process, the organization has taken the initiative to arrange for the comprehensive repainting of a mixed boys and girls madrassa and mosque that were severely damaged by rising waters. This endeavor not only seeks to restore these vital places of worship and learning but also aims to reinstate a sense of hope and normalcy within the community, reflecting the company's commitment to social welfare and community resilience.

The Directors extend their heartfelt gratitude to shareholders, stakeholders, and valued customers for their ongoing support, emphasizing the dedication of all team members in driving the Company's mission forward.

ON THE BEHALF OF THE BOARD

Chief Executive | Director

Lahore:
Dated: September 25, 2024

ڈائریکٹرز کی رپورٹ

30 جون 2024 کو ختم ہونے والے سال کے لیے

آپ کی کمپنی کے ڈائریکٹرز 30 جون 2024 کو ختم ہونے والے سال کے لیے کمپنی کے آڈٹ شدہ مالیاتی گوشواروں کے ساتھ اپنی رپورٹ پیش کرتے ہوئے خوش ہیں۔

پاکستان کی معیشت:

پاکستان کا حالیہ معاشی منظرنامہ قابل ذکر بحالی کی عکاسی کرتا ہے، جس میں استحکام اور ترقی میں اضافہ ہوا ہے۔ حکومت کے پالیسی مینجمنٹ کے نتیجے میں مالی سال 24 کے لیے جی ڈی پی کی شرح نمو 2.4 فیصد رہی، جو پچھلے سال 0.3 فیصد سے نمایاں بہتری ہے۔ اس نمو کو بنیادی طور پر مضبوط زرعی پیداوار، کرنٹ اکاؤنٹ کے سازگار توازن، اور گرتی ہوئی افراط زر کے دباؤ سے آگے بڑھایا گیا۔ بہرحال، مسلسل چیلنجز، بشمول بلند قرض کی خدمت کے اخراجات اور بیرونی ادائیگی کی ذمہ داریاں، مجوزہ تین سالہ مالیاتی پروگرام کے لیے بین الاقوامی مالیاتی فنڈ (IMF) کے ساتھ مسلسل مشغولیت کی ضرورت ہے۔ بیرونی محاذ پر، سٹریٹجک پالیسی کے نفاذ نے کرنٹ اکاؤنٹ خسارے کو کم کیا ہے اور برآمدات کو مضبوط کیا ہے، جب کہ ترسیلات زر میں 30 بلین ڈالر سے زیادہ کا اضافہ ہوا ہے۔ زرعی شعبہ، سازگار موسم اور موثر حکومتی اقدامات سے مستفید ہو رہا ہے، اور گندم، کپاس اور چاول کی پیداوار میں اضافہ حاصل کر رہا ہے۔ اگرچہ بڑے پیمانے پر مینوفیکچرنگ کو معمولی کمی کا سامنا کرنا پڑا، لیکن مختلف شعبوں میں مثبت نمو بحالی کے امکانات کی نشاندہی کرتی ہے۔ مجموعی طور پر، فعال اقدامات پاکستان کی اقتصادی رفتار کو مزید مستحکم اور بڑھا سکتے ہیں۔

بزنس پرفارمنس:

مذکورہ صورتحال کو دیکھتے ہوئے، آپ کی کمپنی نے روپے کی خالص فروخت حاصل کی۔ 8,544 ملین، پچھلے سال کے مقابلے میں 16.38 فیصد کے قابل ستائش اضافے کی عکاسی کرتا ہے۔ مجموعی منافع روپے پر رپورٹ کیا گیا تھا 1,721 . ملین، روپے سے زیادہ 1,483 ملین، مستحکم زرمبادلہ کی شرح، فائدہ مند مادی اخراجات، اور مصنوعات کے ایک بہتر مرکب سے منسوب۔ تاہم، فروخت اور مارکیٹنگ کے اخراجات بشمول خرابی کے نقصان میں 19.79 فیصد اضافہ ہوا، جس کی بڑی وجہ پروموشنل سرگرمیوں میں اضافہ اور عام افراط زر کے دباؤ کی وجہ سے ہے۔ اسی طرح، انتظامی اخراجات میں 10.60 فیصد اضافہ ہوا، جو بنیادی طور پر افراط زر کے مسلسل اثرات کے باعث ہوا۔ تقابلی مدت کے لحاظ سے مالی لاگت میں قدرے اضافہ ہوا۔ پالیسی ریٹ میں استحکام کے علاوہ کمپنی کی قابل ستائش کارکردگی کو اس کے موثر ٹریژری آپریشنز سے منسوب کیا جا سکتا ہے۔ مالی سال کے لیے، کمپنی نے ٹیکس سے پہلے روپے کا منافع رپورٹ کیا۔ 421 ملین، جو کہ 27 فیصد کے قابل ذکر اضافے کی نمائندگی کرتا ہے۔ یہ مثبت رجحان روپے کے ٹیکس کے بعد منافع میں اختتام پذیر ہوا۔ 263 ملین، پچھلے سال کے مقابلے میں 9.5 فیصد اضافے کی عکاسی کرتا ہے۔

مالی کارکردگی:

مالیاتی پوزیشن کا خلاصہ اس طرح ہے

ہزار روپوں میں	30 جون 2024ء	30 جون 2023ء
آپریٹنگ منافع	**656,240**	517,051
دیگر آپریٹنگ آمدنی	**69,708**	97,619
	725,948	614,742
قرضوں پر لاگت	**(304,596)**	(91,136)
نفع بمعہ ٹیکسیشن	**421,352**	331,197
ٹیکسیشن	**(158,489)**	(91,136)
نفع علاوہ ٹیکسیشن	**262,863**	240,061

مستقبل کا آؤٹ لک:

غیر متوقع اتار چڑھاؤ اور غیر یقینی صورتحال کے باوجود کئی سالوں میں معیشت نے مضبوط لچک دکھائی ہے۔آگے بڑھتے ہوئے، آنے والے سال میں، مالیاتی منظر نامے میں قابل ذکر اضافہ دیکھنے میں آ رہا ہے، جس کی وجہ بنیادی طور پر کثیر جہتی اور دو طرفہ شراکت داروں کی طرف سے آمدن کی بحالی ہے۔ درآمدی پابندیوں میں نرمی، مضبوط زرعی کارکردگی سے فائدہ مند اسپلوور کے ساتھ، صنعتی شعبے میں بحالی میں سہولت فراہم کرنے کی توقع ہے۔ مزید برآں، مالیاتی نظم وضبط، ضروری ڈھانچہ جاتی اصلاحات پر عمل درآمد، اور بیرونی عوامل کا اسٹریٹجک فائدہ اٹھانے کے لیے ثابت قدمی اہم ہوگی۔ مقامی طور پر چلنے والے نمو کے اقدامات کو ترجیح دینے اور اعلیٰ ممکنہ برآمدی شعبوں پر توجہ مرکوز کرنے سے، پاکستان آنے والے سالوں میں خاطر خواہ معاشی منافع حاصل کرنے کی توقع کرسکتا ہے۔

میکرو اکنامک ماحول کی بتدریج بہتری کے لیے ٹیکس وصولی کی کوششوں کو بڑھانے کے لیے تمام شعبوں کے ٹیکس فریم ورک میں غیر دستاویزی یا غیر رسمی کاروباری شعبے کے انضمام کی ضرورت ہے۔ مزید برآں، پاکستان کے اندر اور باہر، اسمگلنگ کو روکنے کے لیے کنٹرول کا نفاذ ضروری اور طویل تاخیر کا شکار ہے۔ لاگت میں کمی، بروقت قیمت کی ایڈجسٹمنٹ، کیش فلو جنریشن، اور سیلز پر موثر عمل درآمد پر زور دینا ضروری آپریٹنگ ترجیحات ہیں۔ ایک حوصلہ افزائی سیلز ٹیم کے ساتھ، کمپنی غیر منظم شعبے کے خلاف مقابلہ کرنے، اپنے مارکیٹ شیئر کو برقرار رکھنے، اور اپنے اسٹیک ہولڈرز کے لیے مسلسل قدر میں اضافہ کرنے کے لیے حکمت عملی کے ساتھ پوزیشن میں ہے۔

صحت، حفاظت اور ماحولیات (HSE):

برجر پینٹس کی حفاظت، کارکنوں کی فلاح و بہبود، اور ماحولیاتی تعمیل ہمیشہ سے اولین ترجیحات رہی ہیں۔ عالمی معیار کی کمپنیوں کی طرف سے برقرار رکھنے والے معیارات کے مطابق، ہم ایک مثالی حفاظت اور تعمیل ریکارڈ کو برقرار رکھنے پر فخر محسوس کرتے ہیں۔ یہ ہماری اخلاقی، اخلاقی اور قانونی ذمہ داری ہے کہ ہم اپنے ملازمین کے لیے ایک محفوظ اور صحت مند ماحول کو فروغ دیں۔ اس مقصد کے لیے، ہم نے متعدد اقدامات نافذ کیے ہیں، جن میں چار جنگ کیبنٹ کی تنصیب شامل ہے تاکہ آلودگیوں کی نمائش کو کم کیا جا سکے اور اس کے نتیجے میں کارکنوں میں سانس کے نقصان کے خطرے کو کم کیا جا سکے۔ مزید برآں، ہم نے اپنے ہنگامی اعلان کے نظام کو بڑھایا ہے، جس کے نتیجے میں ہماری آگ بجھانے کی صلاحیتوں کی تاثیر میں بہتری آئی ہے اور آگ بجھانے کی اضافی سہولیات فراہم کی گئی ہیں۔ اب تک 8.47 ملین محفوظ اوقات کے ساتھ، کمپنی صحت، حفاظت، اور ماحولیات (HSE) کے معیارات کے لیے اپنی غیر متزلزل وابستگی کو واضح کرتی ہے۔ مزید برآں، ہماری پائیداری کی کوششوں کی مثال ملک بھر میں ہمارے تمام علاقائی دفاتر میں شمسی توانائی کے منصوبوں کی تنصیب کے ساتھ ہمارے کارخانے میں ایک میگاواٹ کے شمسی توانائی کے منصوبے کے ساتھ ملتی ہے، جس سے اردگرد کی کمیونٹی کے لیے مثبت کردار ادا ہوتا ہے۔ یہ اقدامات اجتماعی طور پر ہمارے کارپوریٹ اخلاقیات کے بنیادی اجزاء کے طور پر صحت اور حفاظت کو ترجیح دینے کے ہمارے پختہ عزم کو اجاگر کرتے ہیں۔

انٹرپرائز رسک مینجمنٹ-ERM:

بورڈ آف ڈائریکٹرز نے کمپنی کی رسک مینجمنٹ پالیسی کو باضابطہ طور پر منظوری دے دی ہے، جو خطرات کی شناخت اور ان کو کم کرنے کے لیے تنظیم کے نقطہ نظر کے لیے ایک بنیادی فریم ورک کے طور پر کام کرتی ہے۔ اس پالیسی کے علاوہ، بورڈ اسٹریٹجک معاملات اور تنظیمی مقاصد سے متعلق ضروری رہنما خطوط فراہم کرتا ہے۔ اگرچہ انفرادی کاروباری اکائیوں کو آپریشنل سطح پر خطرات کے انتظام کی ذمہ داری سونپی گئی ہے، لیکن کمپنی بھر میں رسک مینجمنٹ کی جامع نگرانی رسک مینجمنٹ فنکشن (RMF) کے پاس ہے۔

RMF اپنے نتائج، مشاہدات اور نتائج کو بورڈ آڈٹ کمیٹی کو رپورٹ کرنے کے لیے ذمہ دار ہے، جو کاروباری رسک پروفائلز کا باقاعدگی سے جائزہ لینے، رسک مینجمنٹ کے طریقہ کار کا اندازہ لگانے، اور مستقبل کے اقدامات پر مشورہ دیتے ہوئے انسدادی حکمت عملی وضع کرنے میں اہم کردار ادا کرتی ہے۔

مزید برآں، بورڈ آف ڈائریکٹرز نے آڈٹ کمیٹی کو اختیار دیا ہے کہ وہ رسک مینجمنٹ کے مجموعی عمل کی نگرانی کرے، اس طرح یہ یقینی بناتا ہے کہ کمپنی ایک مؤثر رسک گورننس فریم ورک کے اندر کام کرتی ہے۔

بورڈ آف ڈائریکٹرز:

سال کے دوران بورڈ آف ڈائریکٹرز کے چار اجلاس منعقد ہوئے اور حاضری حسب ذیل رہی۔

جناب مقبول ایچ ایچ رحیم ٹولہ	4
ڈاکٹر محمود احمد	4
جناب طارق اکرام	4
جناب شہزاد ایم حسین	4
جناب ظفر اے عثمانی	4
جناب محمد سعید	1
محترمہ زرین عزیز	1
جناب زاہد مجید (جناب الیاس شریف کا متبادل)	4

تمام متعلقہ دیگر معلومات پہلے ہی درج کمپنیوں کے ساتھ تعمیل کے بیان (کوڈ آف کارپوریٹ گورننس) کے ضوابط، 2019 اور مالیاتی بیانات کے نوٹ 45 میں ظاہر کردی گئی ہیں۔

بورڈ آف ڈائریکٹرز کی طرف سے مقرر کردہ آڈٹ کمیٹی آزاد ڈائریکٹرز پر مشتمل ہوتی ہے، جس کے چیئرمین ایک آزاد ڈائریکٹر کے طور پر کام کرتے ہیں۔ بورڈ آڈٹ کمیٹی (BAC) کے اراکین کمپنی کے کاموں سے متعلق اقتصادی، مالی اور کاروباری معاملات میں کافی مہارت لاتے ہیں۔

BAC نے کامیابی کے ساتھ ایک داخلی کنٹرول فریم ورک قائم کیا ہے، جس کی مدد سے ایک وقف شدہ اندرون خانہ آڈٹ فنکشن ہے، جو کمپنی کے اثاثوں کی حفاظت اور مجموعی کنٹرول میکانزم کو بڑھانے کے لیے ضروری ہے۔ داخلی کنٹرول کا یہ نظام اس کی تاثیر اور مناسبیت کو یقینی بنانے کے لیے جاری تشخیص سے مشروط ہے۔

مزید برآں، BAC نے کمپنی کے آپریشنل، تعمیل، اور بروقت مالیاتی رپورٹنگ کے مقاصد کو حاصل کرنے میں ایک اہم کردار ادا کیا ہے، اس طرح مضبوط مالی، آپریشنل، اور تعمیل کنٹرولز کے ساتھ ساتھ تمام تنظیمی سطحوں پر لاگو کی جانے والی رسک مینجمنٹ کی جامع حکمت عملیوں کے ذریعے شیئر ہولڈر کی دولت میں اضافہ کیا ہے۔ پچھلے سال کے دوران، آڈٹ کمیٹی نے ان اہم کاموں کی نگرانی کے لیے چار اجلاس بلائے۔

ہیومن ریسورس کمیٹی:

ہیومن ریسورس کمیٹی (HRC) کمپنی سے متعلقہ HR معاملات میں وسیع مہارت رکھنے والے اراکین پر مشتمل ہے۔ ایک آزاد ڈائریکٹر کی سربراہی میں، کمیٹی نے گزشتہ سال کے دوران دو مواقع پر باضابطہ طور پر اجلاس کیا۔

برجر فیکٹری اور دیگر دفاتر کو متاثر کرنے والے انتہائی افراط زر کے ماحول کے درمیان جن قابل ذکر چیلنجوں کو حل کیا گیا ان میں ملازمین کا اسٹریٹجک انتظام شامل ہے۔ HRC نے تمام محکموں میں اعلیٰ صلاحیت والے ملازمین کی تشخیص کی، جس میں کیریئر کی ترقی کے موزوں راستوں کی سفارش کی گئی۔

مزید برآں، کمیٹی نے ملازمین کی شمولیت کے مختلف اقدامات کا جائزہ لیا، جیسے کہ خواتین کے عالمی دن کی تقریبات، سالگرہ، اور شناختی پروگرام، جبکہ کمپنی کی بنیادی اقدار کے پھیلاؤ کی تاثیر کا بھی جائزہ لیا۔

HR کے ممبران کے پاس کمپنی کے انسانی وسائل کے امور اور عمومی طور پر اہم ذہانت ہوتی ہے۔ HR کمیٹیوں کا چیئرمین ایک آزاد ڈائریکٹر ہوتا ہے۔

کاروباری حکمت عملی کے لیے کمیٹی (سی بی ایس):

موجودہ معاشی منظرنامے سے درپیش بے مثال چیلنجوں کے جواب میں، بورڈ آف ڈائریکٹرز نے ایک کاروباری حکمت عملی کمیٹی (BSC) قائم کی ہے۔اس اسٹریٹجک اقدام کا مقصد ان غیر معمولی اوقات کی پیچیدگیوں کو نیویگیٹ کرنا اور کمپنی کی مسلسل لچک اور ترقی کو یقینی بنانا ہے ایک ایسا فیصلہ جو بورڈ کے غیر جانبداری اور با مقصد فیصلہ سازی کے عزم کو واضح کرتا ہے۔

BSSC کی تشکیل خاص طور پر قابل ذکر ہے، کیونکہ اس میں کمیٹی کے ارکان شامل ہیں جو کافی اقتصادی، مالیاتی اور کاروباری ذہانت کے مالک ہیں۔ایک آزاد چیئرمین اور ماہر مشیروں کی ایک ٹیم کے ساتھ، BSC کو کمپنی کی غیر یقینی صورتحال میں رہنمائی کرنے کا کام سونپا گیا ہے، اس بات کو یقینی بنانا کہ یہ تیزی سے بدلتے ہوئے کاروباری منظرنامے میں لچکدار اور مسابقتی رہے۔

اپنے اراکین کے علم اور تجربے سے فائدہ اٹھاتے ہوئے، BSC اہم کاروباری حکمت عملیوں پر بورڈ کو باخبر مشورے فراہم کرنے کے لیے اچھی پوزیشن میں ہے۔ یہ باہمی تعاون نہ صرف بورڈ کی فیصلہ سازی کی صلاحیتوں کو بڑھاتا ہے بلکہ کمپنی کے اندر اسٹریٹجک چستی کے کلچر کو بھی فروغ دیتا ہے۔جیسا کہ BSC سفارشات مرتب کرتا ہے، یہ مارکیٹ کی ابھرتی ہوئی حرکیات اور کمپنی کے آپریشنز اور اسٹیک ہولڈرز کے لیے ممکنہ مضمرات پر غور کرے گا۔

آخر میں، کاروباری حکمت عملی ذیلی کمیٹی کا قیام ان غیر معمولی اوقات کے چیلنجوں سے نمٹنے کے لیے بورڈ کے ایک فعال اقدام کی نمائندگی کرتا ہے۔

مستحکم مالی بیانات:

کمپنی کے مجموعی مالیاتی بیانات میں اس کے ذیلی اداروں، برجر ڈی پی آئی (پرائیویٹ) لمیٹڈ، اور برجر روڈ سیفٹی (پرائیویٹ) لمیٹڈ کے اکاؤنٹس شامل ہیں۔

ہولڈنگ کمپنی:

برجر پینٹس پاکستان لمیٹڈ کی ہولڈنگ کمپنی Messrs. Slotrapid Limited ہے جو B.V.I میں شامل ہے۔

منافع فی شیئر:

سال کی فی حصص آمدنی روپے ہے۔10.71 (9.78:2023 روپے)۔

ڈیویڈنڈ:

کمپنی کے بورڈ آف ڈائریکٹرز نے 30 جون 2024 کو ختم ہونے والے سال کے لیے حتمی کیش ڈیویڈنڈ یعنی روپے فی شیئر کا اعلان کیا ہے جو سالانہ جنرل میٹنگ میں شیئر ہولڈرز کی منظوری سے مشروط ہے۔

آڈیٹرز:

موجودہ آڈیٹرز، BDO/M/s ابراہیم اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس آئندہ سالانہ جنرل میٹنگ کے اختتام پر ریٹائر ہو جائیں گے اور سال 2024-25 کے لیے آڈیٹرز کو ہمارے شیئر ہولڈرز کی طرف سے سالانہ جنرل میٹنگ میں مقرر کیا جا سکتا ہے۔

متعلقہ پارٹی لین دین:

متعلقہ فریقوں کے ساتھ تمام لین دین کا بورڈ کے ذریعہ جائزہ لیا جاتا ہے اور اس کی منظوری دی جاتی ہے۔ بورڈ نے متعلقہ فریق کے لین دین کے لیے قیمتوں کی پالیسی کی منظوری دے دی۔

کوڈ آف کارپوریٹ گورننس کے ساتھ تعمیل کا بیان:

پاکستان اسٹاک ایکسچینج کی جانب سے 30 جون 2024 کو ختم ہونے والے سال کے لیے متعلقہ فہرست سازی کے ضوابط میں وضع کردہ ضابطہ کارپوریٹ گورننس کی ضرورت کو بخوبی پورا کیا گیا۔ اس حوالے سے ایک بیان رپورٹ کے ساتھ منسلک ہے۔

شیئر ہولڈنگ کا پیٹرن:

30 جون 2024 تک شیئر ہولڈنگ کا پیٹرن اور اس کا انکشاف، جیسا کہ کوڈ آف کارپوریٹ گورننس کے لیے ضروری ہے صفحہ ____ پر ظاہر ہوتا ہے۔

کارپوریٹ مالیاتی رپورٹنگ فریم ورک کا بیان:

کمپنی نے کوڈ آف کارپوریٹ گورننس کے تمام تقاضوں کی تعمیل کی ہے جیسا کہ فہرست سازی کے ضوابط کی ضرورت ہے۔ اس کے مطابق، ڈائریکٹرز مندرجہ ذیل کی تصدیق کرتے ہوئے خوش ہیں:

i مالیاتی گوشواروں کے ساتھ ان نوٹوں کو کمپنیز ایکٹ، 2017 کے مطابق بنایا گیا ہے۔ یہ بیانات کمپنی کی حالت، اس کے کاموں کے نتائج، نقد بہاؤ اور ایکویٹی میں ہونے والی تبدیلیوں کو کافی حد تک پیش کرتے ہیں۔

ii کمپنی کی بنیادی کاروباری سرگرمی آرائشی اور صنعتی پینٹس اور دیگر متعلقہ مصنوعات کی تیاری، مارکیٹنگ اور تقسیم ہے۔

iii کمپنی کی طرف سے کھاتوں کی مناسب کتابیں رکھی گئی ہیں۔

iv مالیاتی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو مستقل طور پر لاگو کیا گیا ہے جو پاکستان میں لاگو ہونے والے بین الاقوامی اکاؤنٹنگ معیارات کے مطابق ہیں۔

v حسابی تخمینہ، جہاں بھی ضرورت ہو، معقول اور دانشمندانہ فیصلے پر مبنی ہے۔

vi بین الاقوامی مالیاتی رپورٹنگ کے معیار، جیسا کہ پاکستان میں لاگو ہوتا ہے، مالی بیانات کی تیاری میں پیروی کی گئی ہے۔

vii اندرونی کنٹرول کا نظام ڈیزائن میں درست ہے اور اسے مؤثر طریقے سے نافذ کیا گیا ہے۔

viii جاری تشویش کے طور پر جاری رکھنے کی کمپنی کی صلاحیت پر کوئی خاص شک نہیں ہے۔

ix کارپوریٹ گورننس کے بہترین طریقوں سے کوئی مادی رخصتی نہیں ہوئی ہے، جیسا کہ فہرست سازی کے ضوابط میں تفصیل ہے۔

x پچھلے چھ سالوں کا اہم آپریٹنگ اور مالیاتی ڈیٹا منسلک ہے۔

xi پروویڈنٹ، گریجویٹی اور پنشن فنڈز کی سرمایہ کاری کی قیمت 30 جون 2024 ہے:

	روپے (ہزاروں میں)
برجر پینٹس ایگزیکٹو اسٹاف پنشن فنڈ	91,993
برجر پینٹس گریجویٹی فنڈ	30,451
برجر پینٹس پراویڈنٹ فنڈ	321,674

xii ڈائریکٹرز، سی ای او، ایگزیکٹوز اور ان کی شریک حیات اور نابالغ بچوں نے کمپنی کے شیئرز میں کوئی تجارت نہیں کی۔

کارپوریٹ سماجی ذمہ داری (CSR) - سرگرمیاں:

برجر اپنی سماجی ذمہ داریوں کو پہچانتا اور قبول کرتا ہے، اس طرح کمپنی اور معاشرے کے درمیان تعلق کو مضبوط کرتا ہے۔ اپنے اقدامات میں سے، برجر نے ایک ماحول دوست پروگرام تیار

کیا ہے جو پینٹ کے بچ جانے والے فضلے کو دوبارہ استعمال کے قابل مصنوعات میں تبدیل کرتا ہے، جسے بعد ازاں غیر محفوظ کمیونٹیز کے اسکولوں کے ساتھ ساتھ مساجد اور گرجا گھروں کو عطیہ کیا جاتا ہے۔

مزید برآں، روشنی ہیلپ لائن کے تعاون سے ''ٹرک آرٹ - چائلڈ فائنڈر'' مہم کا مقصد لاپتہ بچوں کو تلاش کرنا ہے اور اس نے دو چاندی اور تین کانسی کی ٹرافیاں حاصل کرتے ہوئے بین الاقوامی سطح پر پہچان حاصل کی ہے۔ غذائی عدم تحفظ کے اہم مسئلے کو تسلیم کرتے ہوئے، برجر ملازمین کے لیے اپنے پلانٹ میں تیار کردہ کھانا فراہم کرکے اور قریبی مسجد میں غیر مراعات یافتہ بچوں کے ساتھ اضافی کھانا بانٹ کر حصہ ڈالتا ہے۔

ملک کے جنوبی علاقے کو متاثر کرنے والے حالیہ تباہ کن سیلاب کے جواب میں، کمپنی نے متاثرہ کمیونٹیوں کی تکالیف کو کم کرنے کے مقصد سے امدادی کوششوں میں حصہ ڈال کر قابل ستائش کارپوریٹ سماجی ذمہ داری کا مظاہرہ کیا ہے۔ بحالی کے عمل میں ثقافتی اور مذہبی اداروں کی اہمیت کو تسلیم کرتے ہوئے، تنظیم نے لڑکوں اور لڑکیوں کے مخلوط مدرسے اور مسجد کی جامع دوبارہ پینٹنگ کا انتظام کرنے کے لیے پہل کی ہے جو بڑھتے ہوئے پانی سے شدید نقصان پہنچا ہے۔ یہ کوشش نہ صرف ان اہم عبادت گاہوں اور سیکھنے کی جگہوں کو بحال کرنے کی کوشش کرتی ہے بلکہ اس کا مقصد کمیونٹی کے اندر امید اور معمول کے احساس کو بحال کرنا ہے، جو سماجی بہبود اور کمیونٹی کی لچک کے لیے کمپنی کے عزم کی عکاسی کرتا ہے۔

ڈائریکٹرز کمپنی کے مشن کو آگے بڑھانے کے لیے ٹیم کے تمام اراکین کی لگن پر زور دیتے ہوئے، حصص یافتگان، اسٹیک ہولڈرز، اور قابل قدر صارفین کا ان کی مسلسل حمایت کے لیے تہہ دل سے شکریہ ادا کرتے ہیں۔

بورڈ کی جانب سے

چیف ایگزیکٹو

ڈائریکٹر

لاہور:

بتاریخ: 25 ستمبر 2024

PATTERN OF SHAREHOLDING

FORM 34

THE COMPANIES ACT 2017	(Section 227(2)(f))
Name of the Company	BERGER PAINTS PAKISTAN LIMITED
2.1 Pattern of holding of the shares held by the shareholders as at	30-06-2024

2.2 No. of Shareholders	Shareholdings From	Shareholdings To	Total shares held
454	1	100	13,621
392	101	500	116,170
319	501	1,000	243,665
496	1,001	5,000	1,186,553
87	5,001	10,000	648,476
34	10,001	15,000	429,655
8	15,001	20,000	148,070
17	20,001	25,000	388,610
7	25,001	30,000	203,157
7	30,001	35,000	224,641
4	35,001	40,000	154,773
2	45,001	50,000	97,550
1	50,001	55,000	51,300
1	60,001	65,000	63,314
1	70,001	75,000	71,000
1	75,001	80,000	78,600
2	85,001	90,000	172,810
1	90,001	95,000	91,900
5	105,001	110,000	539,094
1	110,001	115,000	110,348
1	130,001	135,000	135,000
1	140,001	145,000	143,500
1	150,001	155,000	150,560
1	160,001	165,000	164,948
1	195,001	200,000	200,000
1	245,001	250,000	249,067
1	330,001	335,000	331,000
1	350,001	355,000	354,424
1	365,001	370,000	369,718
1	470,001	475,000	473,112
1	480,001	485,000	483,728
1	510,001	515,000	512,041
1	630,001	635,000	632,362
2	705,001	710,000	1,417,672
1	1,120,001	1,125,000	1,122,000
1	12,775,001	12,780,000	12,779,176
1,857			**24,551,615**

CATEGORIES OF SHAREHOLDER AS OF 30-06-2024

Particulars	Shares Held	Percentage
Directors, CEO and their spouse and minor children	2,129	0.01%
Associated Companies, undertakings and related parties (Parent Company)	12,779,176	52.05%
NIT & ICP	356,433	1.45%
Banks, DFI & NBFC	331,210	1.35%
Insurance Companies	261,908	1.07%
Modarbas and Mutual Funds	2,500	0.01%
General Public (Local)	9,684,042	39.44%
General Public (Foreign)	204,350	0.83%
Others	929,866	3.79%
Company Total	**24,551,614**	**100.00%**

Categories of Shareholders Required under the code of Corporate Governance as at June 30, 2024

DIRECTORS THEIR SPOUSES & MINOR CHILDREN:		
DR. MAHMOOD AHMED	2	0.00%
MR. MUHAMMAD ILYAS	1	0.00%
MR. ZAFAR AZIZ OSMANI	1	0.00%
MR. MAQBOOL H. H. RAHIMTOOLA (CDC)	2,121	0.01%
MR. MOHAMMAD SAEED	1	0.00%
MR. SHAHZAD MUMTAZ HUSSAIN	1	0.00%
MISS ZARINE AZIZ	1	0.00%
MR. TARIQ IKRAM	1	0.00%
	2,129	**0.01%**
ASSOCIATED COMPANIES:		
SLOTRAPID LIMITED (CDC)	12,779,176	52.05%
	12,779,176	**52.05%**
NIT & ICP:		
M/S INVESTMENT CORPORATION OF PAKISTAN	795	0.00%
M/S. NATIONAL BANK OF PAKISTAN TURSTEE DEPARTMENT	1,214	0.00%
CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST (CDC)	354,424	1.44%
	356,433	**1.45%**
BANKS, DFI & NBFC	331,210	1.35%
INSURANCE COMPANIES	261,908	1.07%
MODARBAS AND MUTUAL FUNDS	2,500	0.01%
GENERAL PUBLIC (LOCAL)	9,684,042	39.44%
GENERAL PUBLIC (FOREIGN)	204,350	0.83%
OTHERS	929,866	3.79%
	11,413,876	**46.49%**
	24,551,614	**100.00%**

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 74th Annual General Meeting of Berger Paints Pakistan Limited will be held at 28-Km Off, Multan Road, Lahore, and / or virtually via video-link/Zoom Cloud meetings on Friday October 25, 2024 at 10:00 am. to transact the following business:

Ordinary Business:

1. To confirm minutes of Annual General Meeting held on October 24, 2023.

2. To receive, consider and adopt the Audited Accounts of the Company along with consolidated Accounts for the year ended June 30, 2024 together with the Auditors' Report, Chairman's Review and Directors' Report thereon.

3. To appoint Auditors for the year ending June 30, 2025 and fix their remuneration.

4. To consider any other business, that may be placed before the members with the permission of the chair.

Lahore: October 03, 2024

By Order of the Board

Nauman Afzal
Company Secretary

Registered Office
28-Km Off, Multan Road, Lahore

Notes:

1) The Share Transfer Books will remain closed from October 19, 2024 to October 25, 2024, both days inclusive and the final dividend will be paid to the Members whose name will appear in the Register of Members on October 18, 2024. Members (Non-CDC) are requested to promptly notify the Company's Registrar on any change in their addresses and submit, if applicable to them, the non-deduction of Zakat Form CZ-50 with Registrar of the Company M/s Corplink Private Limited, Wings Arcade, 1-K, Commercial Block K, Model Town, Lahore, Punjab, 54000. All Members holding the shares through the CDC are requested to please update their addresses and Zakat status with their Participations.

2) A member entitled to attend and vote at this meeting may appoint another member as his / her proxy to attend and vote for him / her. Proxies in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the time of holding the meeting. A proxy must be a member of the Company

3) CDC Accounts Holders will further have to follow the guidelines as laid down in Circular 1, dated the January 26, 2000 issued by the Securities & Exchange Commission of Pakistan.

4) CDC Account Holders will further have to follow the under-mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan.

Attendance of AGM Through Video-Link

The entitled shareholders whose name appear in the Books of Company by the close of business in October 18, 2024 who are interested to attend AGM through online platform are hereby requested to get themselves registered with the Company Secretary office by providing the following details at the earliest but not later than 48 hours before the time of AGM at df.secretary@berger.com.pk.

Name of Shareholders	CNIC No.	Folio No./ CDS No.	Cell Number	Email Address

Upon the receipt of above information from interested shareholders, the Company will send the login details at their email addresses. The Company will convene the meeting through “Zoom Cloud Meetings” which can be downloaded from Google Play or App Store. Our shareholders are therefore requested to download the application ahead of the meeting. On the AGM day, shareholders will be able to login and participate in the AGM proceedings through smart phones or Computer devices from any convenient location.

The login facility will be opened 30 minutes before the meeting time to enable the participants to join meeting after identification and verification process.

The entitled shareholders (whose name appeared in the books of Company by the close of Business on October 18, 2024 along with the details mentioned above may send their comments/suggestions for the proposed agenda items at the above email address at least 48 hours before the meeting.

Electronic Notice of AGM

The company has been dispatching the notice of AGM to all the members through post to their registered address. In addition, the Notice along with the proxy form is available on Company website www.berger.com.pk. and has been sent to the PSX via the PUCARS system. In the event of any difficulty in accessing the Notice or proxy form, members can contact the Company via email at DF. Secretary @berger.com.pk. the Company will send a copy of the Notice and proxy form via e-mail only to those members who place a request in writing and have provided their e-mail addresses to the Share Registrar of the Company, Corplink (Private) Limited.

For Attending the Meeting:

i. In case of individuals, the account holder or sub-account holder and / or the person whose securities are in group account and their registration detail is uploaded as per the Regulations, shall authenticate their identity by showing his/her original Computerized National Identity Card(“CNIC”) or original passport at the time of attending the meeting through video-link.

ii. In case of corporate entity, Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be produced (unless provided earlier) at the time of the meeting.

For Appointing proxies:

i. In case of individuals, the account holder or sub-account holder is and / or the person whose securities are in group account and their registration detail is uploaded as per the CDC Regulations shall submit the proxy form as per the above requirement.

ii. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.

iii. Attested copies of the CNIC or passport of the beneficial owners and the proxy shall be furnished with the proxy form.

iv. The proxy shall produce his / her original CNIC or original passport at the time of the meeting.

v. In case of corporate entities, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be submitted (unless provided earlier) along with the proxy form to Company.

Submission of copies of CNIC and NTN Certificate (Mandatory).

Pursuant to the directives of the SECP, the dividend of shareholders whose CNIC / SNIC or NTN (in case of corporate entities), are not available with the Share Registrar shall be withheld. Shareholders are therefore, requested to submit a copy of their valid CNIC/SNIC (if not already provided) to the Company's Share Registrar, M/s Corplink Private Limited, Wings Arcade, 1-K, Commercial Block K Model Town, Lahore, Punjab 54000.

Withholding Tax on Dividend

Government of Pakistan through Finance Act, 2019 has made certain amendments in Section 150 of the Income Tax Ordinance, 2001 whereby different rates are prescribed for deduction of withholding tax on the amount of dividend paid by the companies. These tax rates are as under:

(a)	For filers of income tax returns:	15%
(b)	For non-filers of income tax returns:	30%

Shareholders, who are filers, are advised to make sure that their names are entered into latest Active Taxpayers List (ATL) provided on the website of FBR at the time of dividend payment, otherwise they shall be treated as non-filers and tax on their cash dividend will be deducted at the rate of 30% instead of 15%.

Withholding Tax on Dividend in case of Joint Account Holders

In order to enable the Company to follow the directives of the regulators to determine shareholding ratio of the Joint Account Holder(s) (where shareholding has not been determined by the Principal Shareholder) for deduction of withholding tax on dividends of the Company, shareholders are requested to furnish the shareholding ratio details of themselves as Principal shareholder and their Joint Holders, to the Company's Share Registrar ,in writing as per format given below enabling the Company to compute withholding tax of each shareholder accordingly.

Company Name	Folio/CDS Account No.	Total Shares	Principal Shareholder		Joint Shareholder(s)	
			Name & CNIC No.	Shareholding proportion (No. of Shares)	Name & CNIC No.	Shareholding proportion (No. of Shares)

The required information must reach our Share Registrar within 10 days of this notice, otherwise it will be assumed that the shares are equally held by Principal Shareholder and Joint Holder(s).

Payment of Cash Dividend through Electronic Mode (Mandatory)

The provisions of Section 242 of the Companies Act, 2017 (“ACT”) provides that any dividend declared by a listed company shall only be paid through electronic mode directly into the bank account designated by the entitled shareholders. SECP has advised in their Circular No. 18 of 2017 dated August 01, 2017 to all listed companies to ensure that with effect from November 01, 2017 as also provided in the Companies (Distribution of Dividends) Regulations, 2017 (as amended from time to time) cash dividends shall be paid through electronic mode only. Therefore, shareholders are requested to provide the details of their bank mandate specifying: (a) title of account, (b) account number (c) IBAN (d) bank name and (e) branch name, code and address to the Company or Share Registrar. Those shareholders who hold shares with participants / Central Depository Company of Pakistan (CDC) are advised to provide the same to their concerned participant / CDC. Please note that as per Section 243(3) of the Act, listed companies are entitled to withhold payment of dividend, if necessary information is not provided by shareholders. For the convenience of shareholders e-Dividend Mandate Form is available on Company's website.

E-Voting
Members can exercise their right to demand a poll subject to meeting requirements of Section 143-145 of the Act and applicable clauses of Companies (Postal Ballot) Regulations 2018.

Video Conference
Pursuant to SECP Circular No.10 of 2014 dated May 21, 2014, if the Company receives consent from members holding in aggregate 10% or more shareholding residing in a geographical location to participate in the meeting through video conference at least 10 days prior to the date of Annual General Meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city. To avail this facility please provide the following information to the Share Registrar, M/s Corplink Private Limited, Wings Arcade, 1-K, Commercial Block K Model Town, Lahore, Punjab 54000.

I/We, of being a member of Berger Paints Pakistan Limited holder of Ordinary Share(s) as per Register Folio No. ___________ hereby opt for video conference facility at (Please insert name of the City).

Unclaimed Dividend
Shareholders who have not claimed their dividend are advised to contact our Share Registrar to collect / enquire about their unclaimed dividend, if any. As per the provisions of Section 244 of the Act, any shares issued or dividend declared by the Company which have remained unclaimed/unpaid for a period of three years from the date on which it was due and payable, are required to be deposited with Securities and Exchange Commission of Pakistan for the credit of Federal Government after issuance of notices to the Shareholders to file their claim. The details of the shares issued and dividend declared by the Company which have remained due for more than three years are available on the Company's website http://www.berger.com.pk. Shareholders are requested to ensure that their claims for unclaimed dividend and shares are lodged promptly. In case no claim is lodged, the Company shall proceed to deposit the unclaimed/unpaid amount and shares with the Federal Government pursuant to the provision of Section 244(2) of the Act.

Transmission of Annual Report 2024
i. In terms of the approval of the members of the Company in their Annual General Meeting held on October 24, 2023 and pursuant to the SECP's Notification No. SRO 389 (1)/2023 dated March 21, 2023, the Annual Report for the financial year ended on June 30, 2024 of the Company containing inter alia the audited financial statements, auditors report, directors' and Chairman's reports thereon may be viewed and downloaded by following the QR Code and web-link as givenhereunder:

https://berger.com.pk/investor-information/

ii. Annual Report has also been e-mailed to those shareholders who have provided their valid e-mail IDs to the Company.
iii. The shareholders who wish to receive hard copy of the aforesaid documents may send to the Company Secretary / Share Registrar, the Standard Request Form provided in the annual report and also available on the website of the Company and the Company will supply hard copies of the aforesaid document to the shareholders on demand, free of cost, within one week of such demand.

نوٹس برائے سالانہ اجلاس عام

نوٹس ہذا سے مطلع کیا جاتا ہے کہ برجر پینٹس پاکستان لمیٹڈ کا چوہترواں (74واں) سالانہ اجلاس عام مؤرخہ 25 اکتوبر 2024ء سہ پہر 10:00 بجے KM-28- ملتان روڈ, لاہور اور/ یا بذریعہ وڈیو لنک/ زوم کلاؤڈ فاصلاتی طور پر مندرجہ ذیل امور پر بحث کے لئے منعقد ہوگا:

عمومی امور

1. 24 اکتوبر 2023ء کو منعقدہ سالانہ اجلاس عام کی کارروائی کی توثیق کرنا۔
2. 30 جون 2024ء کو اختتام پذیر سال کے لئے کمپنی کے پڑتال شدہ کھاتے بمعہ مجمدا کاؤنٹس، آڈیٹرز رپورٹ، چیئرمین کی جائزہ رپورٹ اور اس پر ڈائریکٹرز کی رپورٹ کو وصول کرنا، زیرغور لانا اور اپنانا۔
3. 30 جون 2025ء کو اختتام پذیر سال کے لئے آڈیٹرز کی تقرری کرنا اور ان کا مشاہیرہ طے کرنا۔
4. چیئرمین کی اجازت سے اراکین کے سامنے رکھے جانے والے دیگر امور کو زیرغور لانا۔

لاہور: 03 اکتوبر 2024
رجسٹرڈ آفس
KM-28- ملتان روڈ لاہور

بحکم بورڈ
نعمان افضل
کمپنی سیکریٹری

مندرجات:

1) شیئر ٹرانسفر books مؤرخہ 19 اکتوبر 2024ء تا 25 اکتوبر 2024 (بشمول دونوں ایام) بند رہیں گی۔ 18 اکتوبر 2024ء کو اراکین کے رجسٹر پر ظاہر ہونے والے اراکین کو ہی حتمی منافع منقسمہ ادا کیا جائے گا۔ (نان CDC) اراکین سے درخواست ہے کہ وہ اپنے پتہ میں تبدیلی کی بابت کمپنی رجسٹرار کو فوراً آگاہ کریں اور، اگر ان پر لاگو ہو، زکوٰۃ کی عدم کٹوتی کا فارم CZ-50 کمپنی رجسٹرار میسرز کارپ لنک پرائیویٹ لمیٹڈ، ونگز آرکیڈ، K-1 کمرشل بلاک K، ماڈل ٹاؤن لاہور پنجاب 54000 کو جمع کرائیں۔ CDC کے ذریعے حصص کے مالک تمام اراکین کو درخواست کی جاتی ہے اپنے پتہ اور اپنی شرکت کے ساتھ زکوٰۃ کی حیثیت کو اپ ڈیٹ کریں۔

2) اس اجلاس میں شرکت اور ووٹ کرنے کا/کی اہل رکن کسی دوسرے/ دوسری رکن کو اپنی جگہ شرکت اور ووٹ کرنے کے لئے اپنا پراکسی مقرر کر سکتا/سکتی ہے۔ پراکسی کو مؤثر کرنے کی غرض سے پراکسی فارم کمپنی کے رجسٹرڈ آفس میں اجلاس کے انعقاد سے کم از کم 48 گھنٹے قبل پہنچ جانا چاہیئے۔ پراکسی کو لازمی کمپنی کا رکن ہونا چاہیئے۔

3) CDC اکاؤنٹس ہولڈر کو مؤرخہ 26 جنوری، 2000ء کو جاری کردہ سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے سرکلر نمبر 1 میں بیان ہدایات پر عمل کرنا ہوگا۔

4) CDC اکاؤنٹ ہولڈرز کو مذکورہ ذیل سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی ہدایات پر بھی عمل کرنا ہوگا:

بذریعہ وڈیو لنک AGM میں شرکت:

18 اکتوبر 2024 کو کاروبار بند ہونے تک کمپنی کے کھاتوں میں درج اہل شیئر ہولڈرز جو سالانہ اجلاس عام میں بذریعہ آن لائن پلیٹ فارم شرکت کرنا چاہتے ہیں انہیں سالانہ اجلاس عام کے آغاز سے کم از کم 48 گھنٹے قبل کمپنی سیکریٹری کو df.secretary@berger.com.pk پر مندرجہ ذیل تفصیلات فراہم کرنے کی درخواست کی جاتی ہے۔

نام شیئر ہولڈر	شناختی کارڈ نمبر	فولیو/CDS نمبر	سیل نمبر	ای میل ایڈریس

خواہشمند شیئر ہولڈرز سے مذکورہ بالا معلومات موصول ہونے پر کمپنی لاگ اِن کی تفصیلات ان کے ای میل ایڈریس پر بھیجے گی۔ کمپنی ''زوم کلاؤڈ میٹنگز'' کے ذریعے اجلاس طلب کرے گی۔ یہ ایپ گوگل پلے یا ایپ سٹور سے ڈاؤن لوڈ کی جا سکتی ہے۔ لہٰذا ہم اپنے شیئر ہولڈرز سے درخواست کرتے ہیں کہ اجلاس سے قبل یہ ایپلیکیشن ڈاؤن لوڈ کر لیں۔ اجلاس کے دن، شیئر ہولڈرز لاگ اِن کر سکیں گے اور بذریعہ سمارٹ فون یا کمپیوٹر آلات اپنے رہائشی مقام سے اجلاس عام میں شرکت کر سکیں گے۔ لاگ اِن کی سہولت اجلاس کے انعقاد سے 30 منٹ قبل شروع کر دی جائے گی تاکہ شرکاء اپنی شناخت اور تصدیق کے عمل سے گزر کر اجلاس میں شامل ہو سکیں۔

18 اکتوبر 2023ء کو کاروبار بند ہونے تک کمپنی کے کھاتوں میں درج اہل شیئر ہولڈرز مذکورہ بالا معلومات کے ہمراہ اجلاس کے انعقاد سے کم از کم 48 گھنٹے قبل مذکورہ بالا ای میل ایڈریس پر مجوزہ ایجنڈا آئٹمز سے متعلق رائے/تجاویز ارسال کر سکتے ہیں۔

AGM کا الیکٹرونک نوٹس:

کمپنی نے AGM کا نوٹس تمام اراکین کو ان کے رجسٹرڈ پتہ پر ارسال کر دیا ہے۔ مزید برآں نوٹس بمعہ پراکسی فارم کمپنی کی ویب سائٹ www.berger.com.pk پر بھی موجود ہے اور اسے PUCARS کے ذریعے PSX کو بھیج دیا گیا ہے۔ نوٹس یا پراکسی فارم تک رسائی میں کسی بھی مشکل کی صورت میں اراکین کمپنی کے ساتھ ای میل df.secretary@berger.com.pk کے ذریعے رابطہ کر سکتے ہیں۔ کمپنی نوٹس اور پراکسی فارم کی نقل صرف ان اراکین کو ای میل کرے گی جنہوں نے کمپنی کے شیئر رجسٹرار کارپ لنک (پرائیویٹ) لمیٹڈ کو بذریعہ ای میل درخواست کی ہو گی۔

اجلاس میں شرکت کے لئے:

i. فرد واحد کی صورت میں، اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور/ یا ایسے افراد جن کی سیکیورٹیز گروپ اکاؤنٹ میں موجود ہیں اور ان کی رجسٹریشن تفصیلات ضوابط کے تحت شائع کی گئی ہیں کو بذریعہ ویڈیو لنک اجلاس میں شرکت کی بابت اپنی شناخت ثابت کرنے کے لئے اپنا اصلی شناختی کارڈ نمبر یا اصلی پاسپورٹ پیش کرنا ہو گا۔

ii. کاروباری ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/ مختار نامہ بمعہ نامزد فرد کے نمونہ کے دستخط اجلاس کے موقع پر پیش کرنا ہوں گے (اگر پہلے جمع نہیں کرائے گئے ہیں)۔

پراکسیز کی تقرری کے لئے:

i. فرد واحد کی صورت میں، اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور/ یا ایسے افراد جن کی سیکیورٹیز گروپ اکاؤنٹ میں موجود ہیں اور ان کی رجسٹریشن تفصیلات ضوابط کے تحت شائع کی گئی ہیں کو مذکورہ بالا معیار کے مطابق پراکسی فارم جمع کرانا ہو گا۔

ii. دو افراد پراکسی فارم کے گواہ ہوں گے جن کے نام، پتے اور شناختی کارڈ نمبر فارم پر درج ہونے چاہئیں۔

iii. مستفید ہونے والے مالکان اور پراکسی کے شناختی کارڈ یا پاسپورٹ کی مصدقہ نقول پراکسی کے ساتھ لازمی منسلک ہوں۔

iv. اجلاس کے موقع پر پراکسی اپنا اصلی شناختی کارڈ یا اصلی پاسپورٹ پیش کرے گا/ گی۔

v. کاروباری ادارے کی صورت میں پراکسی فارم کے ہمراہ بورڈ آف ڈائریکٹرز کی قرارداد/ مختار نامہ بمعہ نامزد

شناختی کارڈ اور NTN سرٹیفکیٹ (لازمی) کی نقول جمع کرانا:

SECP ہدایات کی پیروی میں ایسے شیئر ہولڈرز جن کے شناختی کارڈ/SNIC یا (کاروباری ادارہ کی صورت میں) NTN شیئر رجسٹرار کے پاس موجود نہیں ان کو منافع منقسمہ کی ادائیگی روک دی جائے گی۔ لہٰذا شیئر ہولڈرز کو اپنے کارآمد شناختی کارڈ/SNIC کی نقل کمپنی کے شیئر رجسٹرار میسرز کارپ لنک پرائیویٹ لمیٹڈ ونگز آرکیڈ، 1-K، کمرشل بلاک K، ماڈل ٹاؤن، لاہور، پنجاب 54000 کو جمع کرانے کی درخواست کی جاتی ہے (اگر پہلے مہیا نہیں کیا گیا ہے)۔

ڈیویڈنڈ پرود ہولڈنگ ٹیکس:

حکومت پاکستان نے فنانس ایکٹ 2019 کے ذریعے انکم ٹیکس آرڈیننس 2001 کے سیکشن 150 میں کچھ ترامیم کی ہیں جس کے تحت کمپنیوں کی طرف سے ادا کردہ ڈیویڈنڈ کی رقم پرود ہولڈنگ ٹیکس کی کٹوتی کے لیے مختلف شرحیں تجویز کی گئی ہیں۔ ٹیکس کی یہ شرحیں درج ذیل ہیں:

(a) انکم ٹیکس گوشوارے جمع کرانے والوں کے لیے :15%

(b) انکم ٹیکس گوشوارے جمع نہ کرنے والوں کے لیے :30%

شیئر ہولڈرز، جو فائلرز ہیں، کو مشورہ دیا جاتا ہے کہ وہ اس بات کو یقینی بنائیں کہ ڈیویڈنڈ کی ادائیگی کے وقت ان کے نام ایف بی آر کی ویب سائٹ پر فراہم کردہ تازہ ترین ایکٹو ٹیکس پیئرز لسٹ (اے ٹی ایل) میں درج ہیں، بصورت دیگر ان کے ساتھ نان فائلرز سمجھا جائے گا اور ان پر ٹیکس وصول کیا جائے گا۔ نقد منافع 15% کی بجائے 30% کی شرح سے کاٹا جائے گا۔

جوائنٹ اکاؤنٹ ہولڈرز کی صورت میں ڈیویڈنڈ پرود ہولڈنگ ٹیکس:

کمپنی کے ڈیویڈنڈ پرود ہولڈنگ ٹیکس کی کٹوتی کے لیے جوائنٹ اکاؤنٹ ہولڈرز (جہاں پرنسپل شیئر ہولڈر کے ذریعے شیئر ہولڈنگ کا تعین نہیں کیا گیا ہے) کے شیئر ہولڈنگ تناسب کا تعین کرنے کے لیے ریگولیٹرز کی ہدایات پر عمل کرنے کے لیے کمپنی کو قابل بنانے کے لیے، شیئر ہولڈرز پرنسپل شیئر ہولڈر اور ان کے جوائنٹ ہولڈرز کے بطور شیئر ہولڈنگ تناسب کی تفصیلات کمپنی کے شیئر رجسٹرار کو تحریری طور پر درج ذیل فارمیٹ کے مطابق فراہم کرنے کی درخواست کی تا کہ کمپنی اس کے مطابق ہر شیئر ہولڈر کے ود ہولڈنگ ٹیکس کا حساب کر سکے۔

کمپنی فولیو/سی ڈی ایس کا نام دیں۔ اکاؤنٹ نمبر کل شیئرز پرنسپل شیئر ہولڈر جوائنٹ شیئر ہولڈرز

نام اور CNIC نمبر شیئر ہولڈنگ تناسب

نام اور (حصص کی تعداد)

CNIC نمبر شیئر ہولڈنگ تناسب (حصص کی تعداد)

مطلوبہ معلومات اس نوٹس کے 10 دنوں کے اندر ہمارے شیئر رجسٹرار تک پہنچنی چاہئیں، ورنہ یہ سمجھا جائے گا کہ حصص پرنسپل شیئر ہولڈر اور جوائنٹ ہولڈرز کے پاس برابر ہیں۔

الیکٹرانک موڈ کے ذریعے نقد ڈیویڈنڈ کی ادائیگی (لازمی):

کمپنیز ایکٹ، 2017 ("ACT") کے سیکشن 242 کی دفعات یہ فراہم کرتی ہیں کہ لسٹڈ کمپنی کی طرف سے اعلان کردہ کوئی بھی ڈیویڈنڈ صرف الیکٹرانک موڈ کے ذریعے براہ راست حقدار شیئر ہولڈرز کے نامزد کردہ بینک اکاؤنٹ میں ادا کیا جائے گا۔ ایس ای سی پی نے اپنے سرکلر نمبر 18 آف 2017 مورخہ 01 اگست 2017 میں تمام لسٹڈ کمپنیوں کو مشورہ دیا ہے کہ وہ 01 نومبر 2017 سے اس بات کو یقینی بنائیں کہ کمپنیز (ڈسٹری بیوشن آف ڈیویڈنڈز) ریگولیشنز، 2017 (جیسا کہ وقتاً فوقتاً ترمیم کی گئی ہے) وقت) نقد منافع صرف الیکٹرانک موڈ کے ذریعے ادا کیا جائے گا۔ لہذا، حصص یافتگان سے درخواست کی جاتی ہے کہ وہ اپنے بینک مینڈیٹ کی تفصیلات فراہم کریں جس میں یہ وضاحت کی گئی ہے: (a) اکاؤنٹ کا عنوان، (b) اکاؤنٹ نمبر (c) IBAN (d) بینک کا نام اور (e) برانچ کا نام، کوڈ اور کمپنی کو پتہ یا شیئر رجسٹرار۔ وہ شیئر ہولڈرز جو شرکاء/سینٹرل ڈپازٹری کمپنی آف پاکستان (CDC) کے پاس حصص رکھتے ہیں انہیں مشورہ دیا جاتا ہے کہ وہ اپنے متعلقہ شریک/CDC کو فراہم کریں۔ براہ کرم نوٹ کریں کہ ایکٹ کے سیکشن 243(3) کے مطابق، لسٹڈ کمپنیاں ڈیویڈنڈ کی ادائیگی روکنے کی حقدار ہیں، اگر شیئر ہولڈرز کی جانب سے ضروری معلومات فراہم نہیں کی جاتی ہیں۔ شیئر ہولڈرز کی سہولت کے لیے ای ڈیویڈنڈ مینڈیٹ فارم کمپنی کی ویب سائٹ پر دستیاب ہے۔

غیر دعویدار ڈیویڈنڈ:

جن شیئر ہولڈرز نے اپنے ڈیویڈنڈ کا دعویٰ نہیں کیا ہے انہیں مشورہ دیا جاتا ہے کہ وہ ہمارے شیئر رجسٹرار سے رابطہ کریں تا کہ اپنے غیر دعویٰ شدہ ڈیویڈنڈ کے بارے میں معلومات حاصل کریں، اگر کوئی ہے۔ ایکٹ کے سیکشن 244 کی دفعات کے مطابق، کمپنی کی طرف سے جاری کردہ یا ڈیویڈنڈ کا اعلان کردہ کوئی بھی حصص جو اس تاریخ سے تین سال کی مدت تک غیر دعویدار/ بغیر ادا شدہ رہ گیا ہے جس تاریخ کو یہ واجب الادا اور قابل ادائیگی ہے، کو سیکیورٹیز کے پاس جمع کرنا ضروری ہے۔ اور ایکسچینج کمیشن آف پاکستان نے شیئر ہولڈرز کو اپنا دعوی دائر کرنے کے نوٹس جاری کرنے کے بعد وفاقی حکومت کے کریڈٹ کے لیے۔ کمپنی کی جانب سے جاری کیے گئے شیئرز اور ڈیویڈنڈ کی تفصیلات جو تین سال سے زائد عرصے سے بقایا ہیں کمپنی کی ویب سائٹ http:// www.berger.com.pk پر دستیاب ہیں۔ شیئر ہولڈرز سے درخواست کی جاتی ہے کہ وہ اس بات کو یقینی بنائیں کہ غیر دعویٰ شدہ ڈیویڈنڈ اور شیئرز کے لیے ان کے دعوے فوری طور پر درج کیے جائیں۔ کوئی دعویٰ درج نہ ہونے کی صورت میں، کمپنی ایکٹ کے سیکشن 244(2) کے مطابق وفاقی حکومت کے پاس غیر دعوی شدہ/ بغیر ادا شدہ رقم اور حصص جمع کرنے کے لیے آگے بڑھے گی۔

ای ووٹنگ:

ممبران ایکٹ کے سیکشن 143-145 کے تقاضوں او کمپنیز (پوسٹل بیلٹ) ریگولیشنز 2018 کی لاگوشقوں کے ساتھ مشروط رائے شماری کا مطالبہ کرنے کا اپنا حق استعمال کر سکتے ہیں۔

ویڈیو کانفرنس:

SECP مراسلہ نمبر 10/2014 مؤرخہ 21 مئی 2014ء کے تحت اگر کمپنی دور دراز جگہ پر مقیم 10 فی صد یا یا زائد شیئر ہولڈنگ کے حامل اراکین سالانہ اجلاس عام کے انعقاد سے دس (10) یوم قبل اجلاس میں بذریعہ ویڈیو کانفرنس شرکت کی درخواست کریں تو مذکورہ شہر میں سہولت دستیاب ہونے پر کمپنی وڈیو کانفرنس کی سہولت کا بندوبست کرے گی۔ یہ سہولت حاصل کرنے کے لئے براہِ کرم شیئر رجسٹرار میسرز کارپ لنک پرائیویٹ لمیٹڈ، ونگز آرکیڈ، 5-1، کمرشل بلاک K، ماڈل ٹاؤن لاہور، پنجاب 54000 کو مندرجہ ذیل معلومات فراہم کریں۔

میں/ ہم بحیثیت رکن برجر پینٹس لمیٹڈ پاکستان رجسٹر پورٹ فولیو نمبر .... کے تحت عمومی حصص کے مالک ہیں لہٰذا یہاں باضابطہ طور پر ....

میں/ ہم ویڈیو کانفرنس سہولت حاصل کرنے کا انتخاب کرتے ہیں۔

سالانہ رپورٹ 2024ء کی ترسیل:

i. 25 اکتوبر 2024ء کو منعقد ہونے والے سالانہ اجلاس عام میں کمپنی کے اراکین کی منظوری سے مشروط اور SECP کے نوٹیفکیشن نمبر SRO 389(1)/2023 مؤرخہ 21 مارچ 2023ء کی پیروی میں مالیاتی سال مختتمہ 30 جون 2024ء کے لئے کمپنی کی مالیاتی اسٹیٹمنٹس پر مشتمل سالانہ رپورٹ، آڈیٹرز رپورٹ، ڈائریکٹرز اور چیئرمین کی رپورٹ مندرجہ ذیل QR کوڈ اور ویب لنک سے ڈاؤن لوڈ اور دیکھی جا سکتی ہے:

https://berger.com.pk/investor-information/

ii. سالانہ رپورٹ ان شیئر ہولڈرز کو بھی ای میل کی جا چکی ہے جنہوں نے اپنے کارآمد ای میل آئی ڈی کمپنی کو جمع کرائے ہیں۔

iii. جو شیئر ہولڈرز مذکورہ بالا دستاویزات کی کاغذی نقل حاصل کرنا چاہتے ہیں وہ سالانہ رپورٹ اور کمپنی کی ویب سائٹ پر دستیاب معیاری درخواست فارم کمپنی سیکریٹری/ شیئر رجسٹرار کو جمع کرا سکتے ہیں اس کے بعد کمپنی درخواست موصول ہونے کے ایک ہفتہ کے اندر مذکورہ بالا دستاویزات کی کاغذی نقول خواہشمند شیئر ہولڈرز کو بالکل مفت فراہم کرے گی۔

STATEMENT OF COMPLIANCE

WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

The Company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are eight as per the following:

a.	Male	Six
b.	Female	One

2. The composition of the board is as follows:

Category	Number	Names
Independent Directors	4	Mr. Tariq Ikram Mr. Zafar Aziz Osmani Mr. Mohammad Saeed Ms. Zareen Aziz (Female Director)
Non-Executive Directors	3	Mr. Maqbool H. H. Rahimtoola Mr. Shehzad M. Hussain Mr. Ilyas Sharif
Executive Director	1	Mr. Dr. Mahmood Ahmad

3. The directors have confirmed that none of them is serving as a director in more than seven listed companies, including this Berger Paints Pakistan Limited

4. The company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.

5. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with dates on which they are approved or amended has been maintained.

6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by the board/shareholders as empowered by the relevant provisions of the Act and these Regulations.

7. The Board established adequate systems and controls for identification and redress of grievances arising from unethical practices.

8. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose. The board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of board.

9. The Board of Directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.

10. All directors have minimum 14 years of education and 15 years' experience on the board of listed Company hence exempt from directors training program (DTP).

11. No new appointment of the CFO, Company Secretary and Head of Internal Audit was made during the year.

12. CFO and CEO duly endorsed the financial statements before approval of the Board.

13. The Board has formed committees comprising given below:

a). Audit Committee

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

b). HR and Remuneration Committee

Mr. Zafar A. Osmani	Chairman
Dr. Mahmood Ahmed	Member
Mr. Mohammad Saeed	Member

c) Committee for Business Strategies

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

14. The terms of the reference of the aforesaid committees have been developed by the Board, documented and advised to the committee for compliance.

15. The Board has provided adequate resources and authority to enable the Audit Committee to carry out its responsibilities effectively.

16. Secretary of Audit Committee circulated minutes of meetings of the audit committee to all members, directors, and head of internal audit and to chief financial officer, when required, and prior to the next meeting of the Board.

17. The frequency of the meetings of the committees were as per following:

Audit Committee	Quarterly
HR and Remuneration Committee	Two meetings during the financial year ended June 30, 2024
Business Strategy Committee	Two meetings during the financial year ended June 30, 2024

18. The Board has set up an effective audit function and the staff is suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company;

19. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP and registered with Audit Oversight Board of

Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP. The Company has appointed external auditor, involved in the audit of a company, who is not a close relative (spouse, parents, dependents and non-dependent children) of the chief executive officer, the chief financial officer, the head of internal audit, the company secretary or a director of the company.

20. The Board has recommended appointment of external auditors for a year and such recommendations included in the Directors' Report.

21. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

22. Company has ensured that the statement of compliance is reviewed and certified by statutory auditors as per relevant Regulations specified by Commission.

23. We confirmed that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.

24. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

Regulation 24, which prohibits the dual holding of the positions of Chief Financial Officer (CFO) and Company Secretary within a listed company.

We are in the process of hiring a suitable individual to fulfill the role of Company Secretary. This appointment is a priority, and we are actively seeking candidates who possess the necessary qualifications and experience to enhance our governance framework. We anticipate that this position will be filled shortly, thereby ensuring our compliance with Regulation 24 and reinforcing our commitment to uphold the highest standards of corporate governance.

Mr. Maqbool H. H. Rahimtoola Chairman	Dr. Mahmood Ahmad Chief Executive

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF BERGER PAINTS PAKISTAN LIMITED

REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Berger Paints Pakistan Limited for the year ended June 30, 2023 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements, we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2023.

BDO Ebrahim Co.

CHARTERED ACCOUNTANTS
Engagement Partner: Muhammad Imran

Lahore
Date: 03 October 2023
UDIN: CR202310131yOKQSaTqb

UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

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As a part of our audit of the financial statements, we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2024.

Further we highlight below instance of non-compliance with the requirement of the regulations as reflected in the paragraph reference where it is stated in the statement of Compliance:

Paragraph	Reference Description
24	The roles of Chief Financial Officer and Company Secretary are held by the same person.

BDO Ebrahim.

Lahore

Dated: October 01, 2024

UDIN: CR202410131DO1HYir6c

BDO EBRAHIM & CO.

CHARTERED ACCOUNTANTS

Engagement Partner: Muhammad Imran

INDEPENDENT AUDITOR,S REPORT
TO THE MEMBERS OF BERGER PAINTS PAKISTAN LIMITED
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

Opinion

We have audited the annexed financial statements of BERGER PAINTS PAKISTAN LIMITED (the Company), which comprise the statement of financial position as at June 30, 2024, and the statement of profit or loss, the statement of comprehensive income, the statement of cash flows, the statement of changes in equity for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, statement of comprehensive income, the statement of cash flows and the statement of changes in equity together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2024 and of the profit and other comprehensive income, its cash flows and the changes in equity for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the key audit matters:

<table>
<tr><th>S.No.</th><th>Key audit matter(s)</th><th>How the matter was addressed in our audit</th></tr>
<tr><td>1</td><td>Trade debts & revenue recognition

(Refer note 34 to the annexed financial statements)

The Company is principally engaged in the production and sale of paints, varnishes and other related items in the local and export markets.

• Revenue from sale of goods is recognised when the performance obligation is satisfied by transferring control of promised goods to the customers.
• We consider revenue recognition as a key audit matter due to revenue being one of the key performance indicators of the Company. In addition, revenue was also considered as an area of an inherent risk of material misstatement and significant audit risk as part of the audit process.

(Refer note 16 to the annexed financial statements)

As at June 30, 2024, the Company's gross trade debts were Rs. 2,915 million against which provision of Rs. 67.990 million has been recognized.

We identified recoverability of trade debts as key audit matter as it involves significant management judgement in determining the expected credit loss.</td><td>Our audit procedures in relation to the revenue, included the following:
• Understood and evaluated management controls over revenue and checked their validation;
• Performed verification of sales with underlying documentation including dispatch documents and sales invoices;
• Tested on a sample basis, specific revenue transactions recorded before and after the reporting date with underlying documentation to assess whether revenue has been recognized in the correct period;
• Verified that sales prices are approved by the appropriate authority;;
• Tested on a sample basis, specific discounts as per Company's policy;
• Performed analytical procedures to analyse variation in the price and quantity sold during the year;
• Tested journal entries relating to revenue recognised during the year based on identified risk criteria; and
• Assessed the adequacy of disclosures made in the financial statements related to revenue
Our key audit procedures to valuation of trade debts included:
• Obtained an understanding of the Company's processes and design and implementation of internal controls relating to credit control processes (credit limits), debt collection process and making expected credit loss for doubtful receivables.
• Testing the accuracy of aging report, on sample basis, by comparing individual balances in the report with underlying documentation.
• Assessing the appropriateness of assumptions and estimates made by management for the expected credit loss by comparing on sample basis, historic cash collection, actual write offs and cash receipts from customers subsequent to reporting date.
• Circulated external confirmations and performed alternative audit procedures in the absence of receipts of external confirmations.</td></tr>
</table>

2	Inventory valuation	
	As at June 30, 2024, the Company held Rs. 1,396.960 million in inventories. Given the size of the inventory balance relative to the total assets of the Company and the estimates and judgements described below, the valuation of inventory required significant audit attention. Inventory is held at the lower of cost and net realizable value determined using the moving average cost method / average cost plus production overheads. At year end, the valuation of inventory is reviewed by management and the cost of inventory is reduced where inventory is forecast to be sold below cost. The determination of whether inventory will be realized for a value less than cost requires management to exercise judgement and apply assumptions. Management undertake the following procedures for determining the level of write down required: • Use inventory aging reports together with historical trends to estimate the likely future salability of slow-moving and older inventory items; • The Company reviews the carrying amount of inventories on a regular basis and provision is made for obsolescence if there is any change in usage pattern and physical form of related inventories. • Perform a line-by-line analysis of remaining inventory to ensure it is stated at the lower of cost and net realizable value and a specific write down is recognized if required. Refer to Notes 6.5 & 15 of the financial statements.	Our audit procedures involved assessing the Company's accounting policies over recognizing and valuation of inventory in compliance with applicable accounting standards. • We tested the costing of the inventory and performed net realizable value testing to assess whether the cost of the inventory exceeds net realizable value. • We performed an analytical review of the inventory to compare and investigate any unexpected or unusual variation between current year and prior year and discuss these with management and also corroborate with underlying record. • We checked final stock valuation sheet to physical stock taking sheet to ensure that all items are included • We reconciled final stock valuation sheet to general ledger and stock ledger and checked amount to appropriate sources and investigate unusual items. • We assessed the Company's disclosures in the financial statements in respect of inventory. • We checked that the provision made is appropriate in the circumstances.

Information Other than the Separate and Consolidated Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the separate and consolidated financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of cash flows and the statement of changes in equity together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

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

BDO Ebrahim.

LAHORE | **BDO EBRAHIM & CO.**

DATED: October 01, 2024 | **CHARTERED ACCOUNTANTS**

UDIN: AR202410131qygr7sTBZ

STATEMENT OF FINANCIAL POSITION
As at 30 June 2024

	Note	2024	2023
		(Rupees in thousand)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	8	2,264,281	2,306,831
Long term investments	10	76,595	78,479
Long term loans	11	27,333	37,261
Long term deposits	12	33,319	22,218
		2,401,528	2,444,789
CURRENT ASSETS			
Stores, spare parts and loose tools	14	30,925	30,341
Stock in trade	15	1,396,960	1,437,793
Trade debts - unsecured	16	2,602,977	1,907,525
Loans and advances	17	243,947	277,322
Trade deposits and short term prepayments	18	35,526	31,864
Other receivables	19	39,251	62,053
Tax refund due from government	20	211,605	182,994
Short term investment	21	121,000	191,000
Cash and bank balances	22	66,172	47,078
		4,748,363	4,167,970
		7,149,891	6,612,759

	Note	2024	2023
		(Rupees in thousand)	
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital		500,000	250,000
Issued, subscribed and paid-up share capital	23	245,516	245,516
Capital reserves			
Revaluation surplus on property, plant and equipment	24.3	1,437,720	1,495,613
Other reserves	24	47,575	56,205
		1,485,295	1,551,818
Revenue reserves			
General reserve	24	285,000	285,000
Accumulated profits	24	1,431,654	1,113,469
		1,716,654	1,398,469
		3,447,465	3,195,803
NON-CURRENT LIABILITIES			
Long term financing - secured	25	106,092	94,221
Long term diminishing musharaka	26	208,333	333,333
Deferred grant	27	17,524	21,672
Long term employee benefits	28	157,459	144,748
Deferred taxation - net	13	134,447	104,645
		623,855	698,619
CURRENT LIABILITIES			
Trade and other payables	29	2,136,092	2,020,366
Current portion of long term financing	30	210,342	228,098
Unclaimed dividend		12,478	13,106
Accrued markup	31	50,024	31,459
Short term borrowings - secured	32	669,635	425,308
		3,078,571	2,718,337
TOTAL LIABILITIES		7,149,891	6,612,759
TOTAL EQUITY AND LIABILITIES		3,078,571	2,718,337
CONTINGENCIES AND COMMITMENTS	33		

The annexed notes form 1 to 60 an integral part of these financial statements.

CHIEF EXECUTIVE **DIRECTOR** **CHIEF FINANCIAL OFFICER**

STATEMENT OF PROFIT OR LOSS
For the year ended 30 June 2024

	Note	2024	2023
		(Rupees in thousand)	
Revenue from contract with customers - net	34	8,543,907	7,341,165
Cost of sales	35	(6,822,625)	(5,858,052)
Gross profit		1,721,282	1,483,113
Selling and distribution expenses	36	(717,442)	(582,571)
Administrative and general expenses	37	(231,145)	(208,993)
Impairment loss charged during the year	16.3	(67,990)	(73,084)
Other operating expenses	38	(48,465)	(101,414)
		656,240	517,051
PROFIT AFTER TAXATION		4,577,767	2,707,373
		(1,065,042)	(966,062)
Profit from operations		656,240	517,051
Other income	39	69,708	97,691
		725,948	614,742
Finance cost	40	(304,596)	(283,545)
Profit before income tax and final taxes		421,352	331,197
Minimum/ final taxes	41	6,215	19,031
Profit before income tax		427,567	350,228
Taxation	41	(164,704)	(110,167)
Profit after taxation		262,863	240,061
Earnings per share - basic and diluted (Rupees)	42	10.71	9.78

The annexed notes form 1 to 60 an integral part of these financial statements.

CHIEF EXECUTIVE **DIRECTOR** **CHIEF FINANCIAL OFFICER**

STATEMENT OF COMREHENSIVE INCOME

For the year ended 30 June 2024

	Note	2024	2023
		(Rupees in thousand)	
Profit after taxation for the year		262,863	240,061
Other comprehensive income			
Items that will be reclassified subsequently to profit or loss		-	-
Items that will not be reclassified subsequently to statement of profit or loss			
Net fair value gain / (loss) on investment classified as FVOCI	10.2	4,928	(13,212)
Related deferred tax liability on fair value gain / (loss) on investment classified as FVOCI		(13,558)	11,400
		(8,630)	(1,812)
Actuarial (loss)/gain on staff retirement benefits	28.1.3	(2,571)	13,127
Revaluation surplus on property, plant and equipment	24.3	-	811,763
Related deferred tax liability on revaluation surplus		-	(131,209)
		-	680,554
Total comprehensive income for the year		251,662	931,930

The annexed notes from 1 to 60 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2024

	Issued, subscribed and paid-up share capital	Reserves						Total
		Capital reserves			Revenue reserves		Total reserves	
		Revaluation surplus on property, plant and equipment	Share premium	Fair value reserve	General reserve	Accumulated profits		
	(Rupees in thousand)							
Balance as at July 01, 2022	204,597	830,273	34,086	23,931	285,000	967,825	2,141,115	2,345,712
Total comprehensive income for the year ended June 30, 2023								
Profit after taxation for the year	-	-	-	-	-	240,061	240,061	240,061
Other comprehensive income for the year								
- Revaluation surplus on property, plant and equipment	-	680,554	-	-	-	-	680,554	680,554
- Fair value gain on Investment classified as FVOCI	-	-	-	(1,812)	-	-	(1,812)	(1,812)
- Actuarial loss on staff retirement benefits	-	-	-	-	-	13,127	13,127	13,127
Total comprehensive income for the year	-	680,554	-	(1,812)	-	253,188	931,930	931,930
Transfer of incremental depreciation from revaluation surplus on property, plant and machinery - net of tax	-	(15,214)	-	-	-	15,214	-	-
Transactions with the owners of the Company								
Bonus issue during the year 1 bonus shares for every 5 shares held	40,919	-	-	-	-	(40,919)	-	-
Final cash dividend for the year ended June 30, 2022 @ Rs. 4 share	-	-	-	-	-	(81,839)	(81,839)	(81,839)
	40,919	(15,214)	-	-	-	(107,544)	(81,839)	(81,839)
Balance as at June 30, 2023	245,516	1,495,613	34,086	22,119	285,000	1,113,469	2,991,206	3,195,803
Total comprehensive income for the year ended June 30, 2024								
Profit after taxation for the year	-	-	-	-	-	262,863	262,863	262,863
Other comprehensive income for the year								
- Fair value loss on investment classified as FVOCI	-	-	-	(8,630)	-	-	(8,630)	(8,630)
- Actuarial gain on staff retirement benefits	-	-	-	-	-	(2,571)	(2,571)	(2,571)
Total comprehensive income for the year	-	-	-	(8,630)	-	260,292	251,662	251,662
Transfer of incremental depreciation from revaluation surplus on property, plant and machinery - net of tax	-	(57,893)	-	-	-	57,893	-	-
Balance as at June 30, 2024	245,516	1,437,720	34,086	13,489	285,000	1,431,654	3,242,868	3,447,465

The annexed notes from 1 to 60 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

STATEMENT OF CASH FLOWS
For the year ended 30 June 2024

	Note	2024	2023
		(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash flows from operating activities before working capital changes	44	1,032,688	872,347
(Increase) / decrease in current assets:			
Stores, spare parts and loose tools	14	(584)	(7,606)
Stock-in-trade	15	59,387	199,364
Trade debts - unsecured	16	(763,442)	(279,223)
Loans and advances	17	14,147	(45,217)
Trade deposits and short term prepayments	18	(3,662)	(5,043)
Other receivables	19	22,802	51,580
		(671,352)	(86,145)
Increase in current liabilities:			
Trade and other payables	29	108,110	209,144
Cash generated from operations		469,446	995,346
Finance cost paid		(290,643)	(296,440)
Tax paid	20.1	(170,856)	(87,189)
Long term employee benefit paid		(32,129)	(31,600)
Worker's Profit Participation Fund paid		(16,711)	(13,248)
Workers' Welfare Fund paid		(7,954)	(4,137)
Long term loans - net		18,207	3,457
Long term deposits (realised)/ paid		(4,586)	3,678
		(504,672)	(425,479)
Net cash (used in)/generated from operating activities		(35,226)	569,867
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure incurred		(174,826)	(25,655)
Proceeds from disposal of property, plant and equipment		12,426	14,408
Mark-up received on term deposit and long term loan		38,054	23,708
Short term investments made during the year		(40,000)	(81,000)
Long term investment during the year		-	(29,399)
Net cash used in investing activities		(164,346)	(97,938)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing - net		(10,033)	(108,332)
(Payment) / proceeds from long term diminishing musharaka		(125,000)	484,000
Dividend paid		(628)	(75,559)
(Repayments)/proceeds of/from short term borrowings - net		-	(255,552)
Net cash (used in)/generated from financing activities		(135,661)	44,557
Net (decrease)/increase in cash and cash equivalents		(335,233)	516,486
Cash and cash equivalents at beginning of the year		(268,230)	(784,716)
Cash and cash equivalents at end of the year	43	(603,463)	(268,230)

The annexed notes 1 to 60 form an integral part of these financial statements.

CHIEF EXECUTIVE **DIRECTOR** **CHIEF FINANCIAL OFFICER**

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2024

1. LEGAL STATUS AND NATURE OF BUSINESS

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%.

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 its only manufacturing facility is located at 28-KM Multan Road, Lahore. The Company is in the process of filing for change of its registered office, which is now 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 Separate financial statements

These 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 financial statements of the Company are prepared separately.

The Company has following investments:

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

3.2 Statement of compliance

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

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and
- Provision of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS and IFAS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3.3 Basis of measurement

These financial statements have been prepared under the historical cost convention except for:

- measurement of certain financial instruments at fair value;
- the measurement of certain items of property, plant and equipment at revalued amounts;
- recognition of employee retirement benefits at present value; and.
- certain foreign currency translation adjustments.

3.4 Functional and presentation currency

These financial statements are presented in Pakistan Rupees which is the Company's functional and presentation currency.

4. CHANGE IN ACCOUNTING POLICY

During the year, the Company changed its accounting policy of recognizing the portion of income tax paid or payable for the year under the Ordinance, not based on the taxable profits of the Company, as a Levy under IFRIC-21/IAS-37 instead of the current income tax for the year under IAS-12.

The management believes that the new policy provides reliable and more relevant information to the users of the financial statements.

The change in accounting policy has been implemented, and last year's figures have been reclassified. However, the change has not been applied retrospectively because its impact on the prior year financial statements is immaterial.

5. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS

5.1 New accounting standards, amendments and IFRS interpretations that are effective for the period ended June 30, 2024

The following standards, amendments and interpretations are effective for the period ended June 30, 2024. These standards, amendments and interpretations are either not relevant to the

Company's operations or did not have significant impact on the financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice Statement 2 Making Materiality Judgements- Disclosure of Accounting Policies	January 01, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of Accounting Estimates	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Deferred Tax related to Assets and Liabilities arising from a single transaction	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes	January 01, 2023

The Company adopted the narrow-scope amendments to the International Accounting Standard (IAS) 1, Presentation of Financial Statements which have been effective for annual reporting periods beginning on or after January 01, 2023. Although the amendments did not result in any changes to accounting policy themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material' rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting the Company to provide useful entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and updates to the information disclosed in Note 6 Material accounting policies (June 30, 2023: Significant accounting policies) in certain instances in line with the amendments and concluded that all its accounting policies are material for disclosure.

5.2 New accounting standards, amendments and interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026

Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	January 01, 2024
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	January 01, 2025
IFRS 17 Insurance Contracts	January 01, 2026

IFRS 1 'First-time Adoption of International Financial Reporting Standards' has been issued by IASB effective from July 01, 2009. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP).

IFRS 18 'Presentation and Disclosures in Financial Statements' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by SECP.

IFRS 19 'Subsidiaries without Public Accountability: Disclosures' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by SECP.

IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023. However SECP has notified the timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2026.

6. MATERIAL ACCOUNTING POLICIES

The principal accounting policies applied in the presentation of these financial statements are set out below. These policies have been consistently applied to all the years presented in these financial statements except as mentioned in note 4 to these financial statements.financial statements.

6.1 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any identified impairment loss, except for freehold and leasehold land, buildings thereon and plant and machinery, which are stated at revalued amounts less any subsequent accumulated depreciation and subsequent accumulated impairment losses, if any. Cost comprises purchase price, non refundable duties and taxes after deducting trade discounts and rebates, and includes other costs directly attributable to the acquisition or construction.

Increases in the carrying amount arising on revaluation of property, plant and equipment are credited to the revaluation surplus on property, plant and equipment account except for a reversal of deficit already charged to statement of profit or loss. A revaluation deficit is recognized in profit or loss, except for a deficit directly offsetting a previous surplus, in which case the deficit is taken to revaluation surplus on property, plant and equipment. The revaluation surplus on property, plant and equipment to the extent of the annual incremental depreciation based on the revalued carrying amount of the assets is transferred annually directly to accumulated profit net of related deferred tax. Any accumulated depreciation at the revaluation date is eliminated against the gross carrying amount of the assets and the net amount is adjusted to the revalued amount of the assets.

Upon disposal, any revaluation reserve relating to the particular assets being sold is transferred to accumulated profits. All transfers to / from revaluation surplus on property, plant and equipment account are net of applicable deferred tax.

Depreciation on all property, plant and equipment except freehold land is charged to profit or loss using the straight line method whereby the cost less residual value of an asset is written off over its estimated useful life. Residual values are reviewed at each reporting date and adjusted if the impact on depreciation is significant.

Depreciation on all property, plant and equipment except freehold land is charged to profit or loss using the straight line method whereby the cost less residual value of an asset is written off over its estimated useful life. Residual values are reviewed at each reporting date and adjusted if the impact on depreciation is significant.

Useful lives are regularly reviewed by the management based on expected usage of assets, expected physical wear and tear, technical and commercial obsolescence, legal and similar limits on the use of the assets and other similar factors.

Depreciation on additions to property, plant and equipment is charged from the month in which the asset is put to use while depreciation on assets disposed off is charged up to the month preceding the disposal.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses on disposal of property, plant and equipment are represented by the difference between the sale proceeds and the carrying amount of the asset and is recognized as an income or expense in statement of profit or loss.

Maintenance and normal repairs are charged to statement of profit or loss as and when incurred. Major renewals and improvements are capitalized.

Right-of-use asset and Lease liability

At inception of a lease contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

The Company applies a practical expedient and, does not recognise right-of-use assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low-value assets, if any. The lease payments associated with these leases is recognised as an expense on a straight line basis over the lease term.

For lease contracts other than the aforementioned, the lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Company's incremental borrowing rate.

Lease payments include fixed payments, variable lease payment that are based on an index or a rate and amounts expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option, less any lease incentives receivable. The extension and termination options are incorporated in determination of lease term only when the Company is reasonably certain to exercise these options.

The lease liability is subsequently measured at amortised cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in fixed lease payments or an index or rate, change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. The corresponding adjustment is made to the carrying amount of the right-to-use asset, or is recorded in the statement of profit and loss account if the carrying amount of right-to-use asset has been reduced to zero.

The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received. The right-of-use asset is depreciated on a straight line method over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The right-of-use asset is reduced by impairment losses.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of its assets (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Significant judgement in determining the lease term of contracts with renewal options

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

Capital work in progress

Capital work in progress is stated at cost less any identified impairment loss and represents expenditure incurred on property, plant and equipment during the construction and installation. Cost also includes applicable borrowing costs. Transfers are made to relevant property, plant and equipment category as and when assets are available for use as intended.

The Company assesses at each reporting date whether there is any indication that the assets may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to determine whether they are recorded in excess of their recoverable amounts. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is charged to profit or loss currently except for impairment loss on revalued assets, which is recognized directly against any revaluation surplus for the related asset to the extent that the impairment loss does not exceed the amount held in the revaluation surplus for the same asset.

6.2. Intangible assets

Intangibles are recognized when it is probable that the expected future economic benefits will flow to the entity and the cost of the asset can be measured reliably. Intangibles are measured initially at cost. The cost of intangible comprises of its purchase price including non-refundable purchase taxes after deducting trade discounts and rebates and includes other costs directly attributable to acquisition. Cost incurred after the asset is in the condition necessary for it to operate in the manner intended by management are recognised in statement of profit or loss.

6.2.1. Computer software

Expenditure incurred to acquire computer software are capitalized as intangible assets and stated at cost less accumulated amortization and any identified impairment loss.

Amortization on assets with finite useful life is charged to statement of profit or loss on straight line basis so as to write off the cost of an asset over its estimated useful life. Amortization on addition is charged from the month in which the asset is acquired or capitalized while no amortization is charged for the month in which the asset is disposed off. Amortization is being charged at annual rates as specified in note 9.

6.2.2 Goodwill acquired in business combinations

The purchase method of accounting is used to account for the acquisition of businesses by the Company. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed, if any, at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities, if any, assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the cost of acquisition over the fair value of the identifiable net assets acquired is recognized as goodwill. Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment loss, if any.

6.3 Investments in equity instruments of subsidiaries and associates

Investments in subsidiaries and associates where the Company has significant influence are measured at cost less impairment, if any, in the Company’s separate financial statements.

The Company is required to issue consolidated financial statements along with its separate financial statements, in accordance with the requirements of IAS-27 ‘Separate Financial Statements’. Investments in associates, in the consolidated financial statements, are accounted for using equity method in accordance with IAS-28 ‘Investment in Associates’.

Investment in unquoted subsidiary is initially valued at cost. At subsequent reporting dates, the Company reviews the carrying amount of the investment to assess whether there is any indication that such investments have suffered an impairment loss. If any such indication exists, the recoverable amount is estimated in order to determine the extent of the impairment loss, if any. Where impairment loss subsequently reverses, the carrying amount of investment is increased to its revised recoverable amount but limited to the extent of initial cost of investment. Reversal of impairment losses are recognized in the profit or loss.

The profits and losses of subsidiaries are carried forward in their financial statements and not dealt within these financial statements except to the extent of dividend declared by the subsidiaries which are recognized in other income. Gains and losses on disposal of investment is included in other income. When the disposal of investment in subsidiary resulted in loss of control such that it becomes an associate, the retained investment is carried at cost.

6.4 Stores, spare parts and loose tools

These are valued at moving weighted average cost less any identified impairment except for items in transit, which are valued at invoice price and related expenses incurred. Items considered obsolete are carried at nil value. General stores and spare parts are charged to statement of profit or loss. The Company reviews the carrying amount of stores on a regular basis and provision is made for obsolescence if there is any change in usage pattern and physical form of related stores.

6.5 Stock of trade

Stock in trade is valued at lower of cost and Net Realizable Value (NRV).

Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition and valuation has been determined as follows:

Raw materials, packing materials and semi-processed goods	Moving weighted average cost
Finished goods	Moving weighted average manufacturing cost
Finished goods purchased for resale	Moving weighted average cost
Stock in transit	Invoice value plus other charges paid thereon up to the reporting date

NRV signifies the estimated selling price in the ordinary course of business less estimated costs of completion and selling expenses.

Provision for obsolete and slow moving stock in trade is based on management's estimate and is recognised in financial statements whenever necessary.

6.6 Trade debts and other receivables

These are classified at amortized cost and are initially recognised when they are originated and measured at fair value of consideration receivable. An impairment allowance i.e. expected credit loss is calculated based on actual credit loss experience over the past years. The Company applies a simplified approach in calculating Expected Credit Loss (ECL). The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The Company recognises a loss allowance based on lifetime ECLs at each reporting date. The impairment allowance is recognized in the statement of profit or loss. These assets are written off when there is no reasonable expectation of recovery.

6.7 Trade debts and other receivables

Cash and cash equivalents comprise of short-term running finance, cash and balances and investments with maturities of three months or less from acquisition date that are subject to insignificant risk of changes in fair value. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of statement of cash flows.

6.8 Financial instruments

6.8.1 Classification and measurement of financial assets and financial liabilities

Under IFRS 9, on initial recognition, the Company classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value either through other comprehensive income (FVOCI), or through profit or loss (FVTPL); and
- Those to be measured at amortized cost.

The classification depends upon entity's business model for managing the financial assets and the contractual terms of the cash flows.

The following assessments are made on the basis of the facts and circumstances that exist at the date of initial application:

- The determination of business model within which a financial asset is held; and
- The designation of certain financial assets with respect to subsequent measurement either through profit or loss or other comprehensive income.

A financial asset is measured at amortised cost if it meets both of the following conditions:

- it is held within business model whose objective is to hold assets to collect contractual cash
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

The following accounting policies apply to the subsequent measurement of financial assets:

i) Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including an interest / markup or dividend income, are recognized in statement of profit or loss.

ii) Financial assets at amortised cost

These assets are subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses, if any. Interest / markup income, foreign exchange gains, losses and impairment are recognized in statement of profit or loss.

iii) Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest / markup income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in statement of profit or loss. Other net gains and losses are recognized in statement of comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to statement of profit or loss.

iv) Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognized in statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to statement of profit or loss.

6.8.2 Impairment

The Company recognizes loss allowances for ECLs on:

- financial assets measured at amortized cost
- debt investments measured at FVOCI

An impairment loss is recognized if the carrying amount of the assets exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists.

Additional information about how the company measures allowance for impairment is detailed in note 48.1.3 of the financial statements.

6.8.3 Derecognition

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company might enter into transactions whereby it transfers assets recognized in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expired. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

6.8.4 Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

6.9 Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. The recoverable amount of an asset or cash-generating unit is the higher of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit, or CGU")

The Company's corporate assets generally do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs. An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss.

Impairment loss recognized in prior periods is assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates that are used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

6.10 Provisions

Provisions are recognized when, the Company has a present obligation (legal or constructive) as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and reliable estimates of the obligations can be made. Provisions are reviewed periodically and adjusted to reflect the current best estimates.

6.11 Contingent assetss

Contingent assets are possible assets those arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company and are disclosed when inflow of economic benefits is probable. Contingent assets are not recognized until their realization become virtually certain.

6.12 Contingent liabilities

A contingent liability is disclosed when:

- there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or
- there is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

6.13 Revenue recognition

Revenue represents the fair value of the consideration received or to be received from the sale of goods, net of sales tax, sales return and related discounts. Revenue is measured based on the consideration specified in a contract with customer. The Company recognises revenue when it transfers control of the goods. The customers obtain control when the goods are delivered to them and have been accepted at their premises except for exports where control is transferred at the time of dispatch Invoices are generated at that point in time. The Company's customer arrangements contain a single performance obligation to transfer manufactured or purchased paints, varnishes and other related items.

Revenue from contract with customers primarily includes sale of paints and coatings. Revenue is recognized when performance obligations are satisfied by transferring control of a good or service to a customer, either at a point in time or over time of an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Revenue is recognised in accordance with the aforementioned principle by applying the following steps:

i) Identify the contract with a customer.
ii) Identify the performance obligation in the contract.
iii) Determine the transaction price of the contract.
iv) Allocate the transaction price to each of the separate performance obligations in the contract.
v) Recognise the revenue when (or as) the entity satisfies a performance obligation.

Revenue is recognised either at a point in time or over time, when (or as) the Company satisfies performance obligations by transferring the promised goods or services to its customers. Any bundled goods or services that are distinct are separately recognized, and any discounts or rebates on the contract price are generally allocated to the separate elements.

a) Sale of goods

Revenue is recognized when the significant risks and rewards of ownership have been transferred to the customer (i.e. after obtaining customer acknowledgment at the time of delivery of goods). Although the transfer of risks and rewards is not the only criterion to be considered to determine whether control over the goods has transferred, it is in most situations considered to be the main indicator of the customer's ability to direct the use of and obtain the benefits from the asset and largely also coincides with the physical transfer of the goods and the obligation of the customer to pay. In case of expected returns, no revenue is recognized for such products.

Variable considerations, including among others rebates and discounts are accrued for as performance obligations are satisfied and revenue is recognized. Variable considerations are only recognized whe n it is highly probable that it is not subject to significant reversal.

Revenue is measured at the fair value of the consideration received or receivable for the goods sold, net of returns, discounts and sales tax.

b) Other

Profit on short-term bank deposits is accounted for on a time-apportioned basis using the effective interest rate method.

Financial income on funds invested, mark-up / interest income on lending's made by the Company and amortization gains on interest free loans given to staff is accounted for using the effective interest rate method.

6.14. Financial expenses

Financial expenses are recognized using the effective interest rate method and comprise of mark-up / interest expense on borrowings, along with amortization losses on interest free loans given to staff.

6.15. Taxation

Income tax expense comprises of current and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised in other comprehensive income, in which case it is recognised in equity.

a) Current tax

Provision for current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year if enacted after taking into account tax credits, rebates and exemptions, if any.

The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years. Under / over paid amount of current tax is recorded as tax refundable / payable due from / to the Government.

The Company takes into account the current income tax law and decisions taken by the taxation authorities. Instances where the Company's views differ from the views taken by the income tax department at the assessment stage and where the Company considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

b) Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for;

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.
- temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognize a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

6.17 Lavy

The amount calculated on taxable income using the notified tax rate is recognized as current income tax expense for the year in the statement of profit or loss. Any excess of expected income tax paid or payable for the year under the Ordinance over the amount designated as current income tax for the year, is then recognized as a levy.

6.18 Borrowings

Loans and borrowings are recorded at the proceeds received. Finance cost are accounted for on accrual basis and are shown as interest and mark-up accrued to the extent of the amount remaining unpaid.

Short term borrowings are classified as current liabilities unless the Company has unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

Borrowing cost on long term finances and short term borrowings which are obtained for the acquisition of qualifying assets are capitalized as part of cost of that asset. All other borrowing costs are charged to profit and loss account in the period in which these are incurred. Borrowing cost also includes exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest cost as allowed under IAS 23 “Borrowing cost”.

6.19 Trade and other payables

Trade payables are obligations under normal short-term credit terms. These are measured at the undiscounted amount of cash to be paid.

6.20 Employee benefits

6.2.1 Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

6.2.2 Defined benefit plan

The Company operates the following defined benefit schemes:

a) An approved and funded pension scheme for all executives; and

b) An approved and funded gratuity scheme for all its permanent employees.

Pension scheme

The Company offers pension benefits to its executive staff. Monthly pension is calculated as two percent of the average basic salary of the last year multiplied with pensionable service.

Gratuity scheme

he Company offers gratuity benefits to its all of its permanent employees, and is payable to employees having service in the Company for minimum five years. The gratuity benefits provided by the Company is calculated by multiplying last drawn basic salary with number of years of service and gratuity factor.

Actuarial valuation are carried out using the 'Projected Unit Credit Method'. Contributions to the schemes are based on these valuations. Remeasurements of the defined benefit liability, which comprise actuarial gains and losses, is recognised immediately in other comprehensive income. The Company determines the interest expense on the defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of benefit payments. Interest expense and other expenses related to defined benefit plan are recognized in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

The actual return on plan assets represents the difference between the fair value of plan assets at the beginning of the year and as at the end of the year after adjustments for contributions made by the Company as reduced by benefits paid during the year.

6.2.3 Defined contribution plan

Provident fund

The Company also operates a recognized provident fund scheme for its employees. Equal monthly contributions are made, both by the Company and the employees, to the fund at the rate of ten percent of basic salary for executive and non-executive staff.

6.2.4 Other long term benefits - Accumulated compensated absences

The Company also provides for compensated absences for all eligible employees in accordance with the rules of the Company. The Company accounts for these benefits in the period in which the absences are earned. Employees are entitled to earned leaves of 21 days per annum. The unutilized leaves are accumulated subject to a maximum of 42 days. The unutilized accumulated leaves can be encashed at the time the employee leaves Company service. The accumulated leave balance in excess of 42 days of an employee is ignored while determining benefit obligations.

The Company uses the actuarial valuations carried out using the projected unit credit method for valuation of its accumulated compensated absences. Provisions are made annually to cover the obligation for accumulating compensated absences based on actuarial valuation and are charged to profit or loss. The amount recognised in the statement of financial position represents the present value of the defined benefit obligation. Actuarial gains and losses are charged to the profit or loss immediately in the year when these occur.

6.2.5 Other employee benefits

The Company employees are offered interest free long term loans for purchase of vehicles. The term of loan ranges for a period of 3-10 years. Deductions are made from salaries as per agreed repayment schedule. The loan amount is required to be repaid immediately as the employment contract ceases on termination or resignation of the employees. The loans are secured against title of vehicles. These loans have been discounted at market rate.

6.21 Foreign currency transactions and translation

Foreign currency transactions are translated into Pak Rupees which is the Company's functional and presentation currency using the exchange rates approximating those prevailing at the date of the transaction. All monetary assets and liabilities in foreign currencies are translated into Pak Rupees using the exchange rate at the statement of financial position date. Exchange gains and losses resulting from the settlement of such transactions and from the translations at the year end, exchange rates of monetary assets and liabilities denominated in foreign currencies are taken to income. Non-monetary assets and liabilities denominated in foreign currency that are measured in terms of historical cost are translated using the exchange rates as at the date of the initial transaction.

6.22 Dividends and appropriations to general reserve

Dividends and appropriations to general reserves are recognized in the financial statements in the period in which these are approved.

6.23 Share capital

Share capital is classified as equity and recognized at the face value. Incremental costs, net of tax, directly attributable to the issue of new shares are shown as a deduction in equity.

6.24 Earnings per share (EPS)

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by adjusting basic EPS with weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares into ordinary shares and post-tax effect of changes in profit or loss attributable to ordinary shareholders of the Company that would result from conversion of all dilutive potential ordinary shares into ordinary shares.

6.25 Capital reserves - Share premium

This reserve can be utilized by the Company only for the purposes specified in section 81(3) of the Companies Act, 2017.

6.26 Related party transactions

Transactions with related parties are based at arm's length that normal commercial rates on the same terms and conditions as applicable to third party transactions.

6.27. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying asset is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognized in profit or loss as incurred.

6.27 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying asset is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognized in profit or loss as incurred.

6.28 Government grants

The Company recognises benefit of a government loan at a below-market rate of interest as a government grant provided there is a reasonable assurance that the grant will be received and Company will comply with all attached conditions. The benefit of loan at below market rate of interest is measured as the difference between the initial carrying value of the loan in accordance with IFRS 9 and the proceeds received. The benefit is generally accounted for and presented as deferred grant in accordance with IAS 20 as a separate line item in statement of financial position. Subsequently, the grant is recognised in statement of profit or loss as other income, on a systematic basis over the periods in which the expenses for which the grant is intended to compensate.

6.29. Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses including revenues and expenses that relate to transactions with any of the Company's other components. All operating segments' results are reviewed regularly by the Company's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. The Company has only one reportable segment.

6.30 Loans, advances, deposits, prepayments and other receivables

Loans, advances, deposits, prepayment and other receivables are carried at original amount less provision made for doubtful receivables based on a review of all outstanding amounts at the year end. Balance considered irrecoverable are written off.

7. USE OF JUDGMENTS AND ESTIMATES

The preparation of these financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions and judgments are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimate is revised if the revision effects only that period, or in the period of revision and future periods if the revision affects both current and future periods. The areas where various assumptions and estimates are significant to Company's financial statements are:

		Note
-	Property, plant and equipment	6.1
-	Stock in trade	6.5
-	Trade debts - unsecured	6.6
-	Impairment of cash generating unit	6.9
-	Recoverability of deferred tax assets	6.16
-	Long Term employee benefits	6.20
-	Taxation	6.16
-	Stores, space parts and loose tools	6.4

a) Income taxes

The Company takes into account relevant provisions of the current income tax laws while providing for current and deferred taxes as explained in note 5.16 to these financial statements.

b) Defined benefit plan

Certain actuarial assumptions have been adopted by external professional valuer for valuation of present value of defined benefit obligations. Any changes in these assumptions in future years might affect unrecognized gains and losses in those years.

c) Property, plant and equipment

The estimates for revalued amounts, if any, of different classes of property, plant and equipment, are based on valuation performed by external professional valuers and recommendation of technical teams of the Company. Further, the Company reviews the value of the assets for possible impairment on an annual basis.

Any change in the estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding effect on the depreciation charge and impairment. As explained in note 8 to these financial statements, the Company has revalued its free hold land as on June 30, 2023.

d) Stores and spares

Management has made estimates for realizable amount of slow moving and obsolete stores and spares items to determine provision for slow moving and obsolete items. Any future change in the estimated realizable amounts might affect carrying amount of stores and spares with corresponding affect on amounts recognized in profit and loss account as provision / reversal.

e) Financial instrument

The fair value of the financial instrument that are not traded in an active market is determined by using valuation techniques based on assumption that are dependent on conditions existing at the balance sheet.

f) Provision for doubtful receivables

The Company uses a provision matrix to calculate ECLs for trade receivables and other receivables. The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

g) Fair value measurement

A number of assets and liabilities included in the financial statements require measurement at, and/or disclosure of, fair value. The fair value measurement of the Establishment's financial and non- financial assets and liabilities utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorized into different levels based on how observable the inputs used in the valuation technique utilised are (the fair value hierarchy):

- Level 1: Quoted prices in active markets for identical items (unadjusted)
- Level 2: Observable direct or indirect inputs other than Level 1 inputs
- Level 3: Unobservable inputs (i.e. not derived from market data).

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

h) Provision and contingencies

The Company reviews the status of all pending litigations and claims against the Company. Based on its judgment and the advice of the legal advisors for the estimated financial outcome, appropriate disclosure or provision is made. The actual outcome of these litigations and claims can have an effect on the carrying amounts of the liabilities recognized at the balance sheet date.

i) Impairment of assets

The carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment loss. If any such indication exists, recoverable amount is estimated using criteria given in respective accounting standards to determine the extent of impairment loss, if any.

j) Stock-in-trade

The Company reviews the carrying amount of stock-in-trade on a regular basis. Carrying amount of stock in-trade is adjusted where the net realizable value is below the cost. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

8. PROPERTY, PLANT AND EQUIPMENT

	Note	2024	2023
		(Rupees in thousand)	
Considered good:			
Operating fixed assets	8.1	2,013,240	2,088,301
Capital work in progress	8.2	40,366	1,864
Right-of-use-asset	8.3	210,675	216,666
		2,264,281	2,306,831

8.1 Operating fixed assets

The following is the statement of property, plant and equipment:

Description	Freehold land	Buildings on freehold land	Buildings on leasehold land	Plant and machinery	Laboratory equipment	Electric fittings	Computer and related accessories	Office equipment	Furniture and fixtures	Motor vehicles	Total
	---- Rupees in thousand ----										
Net carrying value basis At June 30, 2024											
Opening net book value (NBV)	1,064,285	378,054	27,911	403,126	20,864	105,381	4,444	15,252	7,956	61,028	2,088,301
Additions (at cost)	-	45,000	-	6,987	2,421	4,027	3,179	912	-	73,798	136,325
Disposals (at NBV)	-	-	-	-	-	-	-	-	-	(7,530)	(7,530)
Depreciation charge for the year	-	(42,050)	(4,269)	(103,955)	(4,501)	(16,092)	(2,191)	(2,806)	(2,116)	(25,875)	(203,856)
Closing net book value	1,064,285	381,003	23,642	306,158	18,785	93,315	5,432	13,358	5,840	101,421	2,013,239
Gross carrying value basis Year ended June 30, 2024											
Cost / revalued amount	1,064,285	501,220	47,941	575,886	60,134	186,574	41,638	34,247	31,907	184,672	2,728,504
Accumulated depreciation and impairment losses	-	(120,216)	(24,299)	(269,728)	(41,350)	(93,258)	(36,206)	(20,889)	(26,067)	(83,250)	(715,264)
Net book value (NBV)	1,064,285	381,004	23,642	306,158	18,785	93,315	5,432	13,358	5,840	101,421	2,013,240
Net carrying value basis At June 30, 2023											
Opening net book value (NBV)	661,921	235,386	50,661	244,495	19,226	120,882	5,186	17,925	9,503	58,723	1,423,908
Additions (at cost)	-	-	449	2,919	6,707	779	1,294	184	786	24,852	37,970
Disposals (at NBV)	-	-	-	(456)	-	-	-	-	-	(2,617)	(3,073)
Depreciation charge for the year	-	(23,595)	(6,825)	(55,248)	(5,069)	(16,280)	(2,036)	(2,857)	(2,333)	(19,930)	(134,173)
Revaluation /(impairment) during the year	402,364	166,263	(16,374)	211,416	-	-	-	-	-	-	763,669
Closing net book value	1,064,285	378,054	27,911	403,126	20,864	105,381	4,444	15,252	7,956	61,028	2,088,301
Gross carrying value basis Year ended June 30, 2023											
Cost / revalued amount	1,064,285	456,220	47,941	568,899	57,713	182,547	38,459	33,335	31,907	118,403	2,599,709
Accumulated depreciation and impairment losses	-	(78,166)	(20,030)	(165,773)	(36,849)	(77,166)	(34,015)	(18,083)	(23,951)	(57,375)	(511,408)
Net book value (NBV)	1,064,285	378,054	27,911	403,126	20,864	105,381	4,444	15,252	7,956	61,028	2,088,301
Useful life	-	20.00	10 - 20	2.8 - 12.5	10	4 - 10	4	4 - 10	10	5	

8.1.1 Disposal of operating assets

Particulars of assets	Sold to		Cost	Accumulated depreciation	Book value	Sale proceeds	Gain / (loss)	Mode of disposal
	Name	Relationship with the Company						
			(Rupees in thousand)					
2024								
Motor vehicles								
Toyota Fortuner Bh-3512	Jubilee General Insurance	Insurance claim	10,437	3,479	6,958	11,000	4,042	Insurance claim
Suzuki Swift Lea-16a-6971	Mr. Babar Altaf	Employee	1,025	1,025	-	265	265	Company policy
Honda City Leb-16-9186	Mr. Nauman Afzal	Employee	183	125	58	455	397	Company policy
Honda City Lef-18	Mr. Riaz	Employee	155	65	91	269	178	Company policy
Toyota Altis Akd-707	Mr. Tahir Ali Bangash	Employee	619	196	423	437	14	Company policy
			12,419	4,890	7,530	12,426	4,896	
2023								
Plant and machinery								
Attritor	Akram Trading	Third-party	169	76	93	255	162	Bid
Dust collectors	Akram Trading	Third-party	22	10	12	-	(12)	Bid
Brighton Pot, 700Kg	Akram Trading	Third-party	75	34	41	147	106	Bid
Karcher Pump 13 - 14	Akram Trading	Third-party	163	83	80	247	167	Bid
Donkey Pump 1"	Akram Trading	Third-party	5	3	2	8	6	Bid
Ms Pot#88 - Of-P-88 - 800 Kg	Akram Trading	Third-party	24	12	12	36	24	Bid
Ms Pot#89 - Of-P-89 - 800 Kg	Akram Trading	Third-party	24	12	12	36	24	Bid
Ms Pot#90 - Of-P-90 - 800 Kg	Akram Trading	Third-party	24	12	12	36	24	Bid
Tcm Lifter 4 (Rms-331)	U.F. Farat Traders	Third-party	400	211	189	700	511	Bid
Motor vehicles								
Toyota Corolla Lec-16-8682	Mr. Abdul Wahid Qureshi	Employee	160	-	160	1,147	987	Company policy
Suzuki Wagon-R Lea-18-7312	Mr. Asad Ali	Third party	1,109	942	167	1,912	1,745	Auction
Suzuki Wagon-R Lec-18-7419	Mr. Hassan Ali	Third party	141	30	111	2,013	1,902	Auction
Honda City 1.3Mt	Mr. Wajid Gohar	Employee	1,537	1,537	-	506	506	Company policy
Toyota Altis Aku-830	Mr. Pervaiz Khan	Employee	1,995	964	1,031	1,746	715	Company policy
Toyota Prado Leb-16-245	Mr. Abdul Wahid Qureshi	Employee	3,555	3,022	533	2,888	2,355	Company policy
Suzuki Wagon-R Lec-18-896	Mr. Shahid Butt	Employee	106	23	83	264	181	Company policy
Honda City Lef-16-5796	Mr. Ali Asghar Qureshi	Employee	135	16	119	337	218	Company policy
Honda City Le-18A-7638	Mr. Zafar Iqbal	Employee	174	20	154	1,812	1,658	Company policy
Suzuki Cultus Lef-18-5265	Mr. Sohail Qayum	Employee	296	34	262	318	56	Company policy
			10,114	7,041	3,073	14,408	11,335	

8.1.2 Had there been no revaluation, the carrying amount of revalued assets would have been as follows

	2024	2023
	(Rupees in thousand)	
Freehold land	207,183	207,183
Leasehold land	3,287	3,381
Buildings on freehold land	103,023	109,490
Buildings on leasehold land	33,184	40,655
Plant and machinery	55,772	88,883
	402,449	449,592

8.1.3 The forced sale value of revalued assets as per latest available revaluation reports are as follows:

Particulars	Date of revaluation	(Rupees in thousand)
Freehold land	June 30, 2023	904,642
Leasehold land	June 30, 2023	184,166
Building on freehold land	June 30, 2023	321,345
Building on leasehold land	June 30, 2023	23,724
Plant and machinery	June 30, 2023	302,344

8.1.4 Fair value measurement of free hold land is based on the valuations carried out by an independent valuer M/s. Harvestor Services (Private) Limited as at June 30, 2023 on the basis of market value.

8.1.5 Particulars of immovable fixed assets

Freehold lands of the Company are located at 28-Km, Multan Road, Lahore, measuring 92.80 Kanals and 36.10 kanals and Quaid-e-Azam Industrial Estate, Kot-Lakhpat, Lahore, measuring 4.04 Kanals and lodhi colony, Multan measuring 2.65 Kanals.

Leasehold land of the Company is located at Sector I-10/3, Industrial Area, Islamabad, measuring 5.56 Kanals.

Buildings, plant and machinery and other immovable fixed assets of the Company are constructed on above mentioned freehold land and leasehold land.

8.1.6 The depreciation charge for the year has been allocated as follows:

		2024	2023
		(Rupees in thousand)	
Cost of sales	35	165,929	101,265
Selling and distribution expenses	36	30,510	24,275
Administrative and general expenses	37	13,407	13,761
	8.1.7	209,846	139,301

8.1.7 This includes depreciation on lease hold land amounting to Rs. 5.99 million (2023: Rs. 5.12 million) charged to selling and distribution expenses.

8.1.8 The cost of fully depreciated assets which are still in use is Rs. 106.347 million (2023: Rs. 106.60 million).

8.1.9 Fiar value measurement level and valuation techniques used to determine fair value has been disclosed in the notes 48.4 to these financial statements.

	Note	2024	2023
		(Rupees in thousand)	

8.2 Capital work in progress

	Note	2024	2023
This comprises of:			
Civil works		13,695	-
Plant and machinery		8,488	-
Electrical installations	7.2.2	-	1,864
Advances to suppliers		7,003	-
Motor vehicles		10,980	-
Furniture and fixtures		91	-
Office equipment		109	-
	8.2.1	40,366	1,864

8.2.1 Movement of carrying value is as follows:

Description	Civil works	Plant and machinery	Electrical installations	Advances to suppliers	Furnitures & fixtures	Vehicles	Office equipments	Computers & related accessories	Laboratory equipment	Total
					(Rupees in thousand)					
Year ended June 30, 2024										
Opening balance	-	-	1,864	-	-	-	-	-	-	1,864
Additions (at cost)	58,695	15,475	2,163	7,003	91	84,778	1,021	3,179	2,421	174,826
Transferred to operating fixed assets	(45,000)	(6,987)	(4,027)	-	-	(73,798)	(912)	(3,179)	(2,421)	(136,324)
Closing balance	13,695	8,488	-	7,003	91	10,980	109	-	-	40,366
Year ended June 30, 2023										
Opening balance	228	399	555	13,000	-	-	-	-	-	14,182
Additions (at cost)	-	2,721	2,088	24,852	-	-	-	-	-	29,661
Adjustment	(228)	(201)	-	(13,000)	-	-	-	-	-	(13,429)
Transferred to operating fixed assets	-	(2,919)	(779)	(24,852)	-	-	-	-	-	(28,550)
Closing balance	-	-	1,864	-	-	-	-	-	-	1,864

8.2.2 This represents solar panels project completed during the year.

	Note	2024	2023
		(Rupees in thousand)	
8.3 Right-of-use-asset			
Opening net book value		216,666	190,071
Additions during the year		-	-
Depreciation charge for the year		(5,991)	(5,125)
Revaluation surplus for the year	24	-	31,720
Closing net book value		210,675	216,666

8.3.1 The Company has a lease contract of its warehouse. Lease liability against the right-of-use asset has been paid off at the start of the contract.

	Note	2024	2023
		(Rupees in thousand)	
9. INTANGIBLE ASSETS			
Computer software	9.1	-	-

9.1 Computer Software

This represents expenditure incurred on acquiring and implementing Enterprise Resource Planning software.

	Note	2024	2023
		(Rupees in thousand)	
Cost			
As at July 01		33,410	33,410
Additions during the year		-	-
As at June 30		33,410	33,410
Accumulated amortization			
As at July 01		33,410	33,387
Amortization during the year	9.1.1	-	23
As at June 30		33,410	33,410
Balance as at June 30		-	-
Rate of amortization		33.33%	33.33%

9.1.1 The amortization charge for the year has been allocated as follows:

	2024	2023
Administrative and general expenses	-	23

10. LONG TERM INVESTMENTS

	Note	2024	2023
		(Rupees in thousand)	
In equity instruments - at cost	10.1	51,421	58,233
Investment in equity instrument classified as FVOCI	10.2	25,174	20,246
		76,595	78,479

10.1 In equity instruments - at cost

No. of shares - Orddinary 2024	2023	Name of Company	Percentage	Note	2024	2023
(i) Subsidiary Company - unlisted						
765,000	765,000	Berger DPI (Private) Limited	51.00%		2,550	2,550
The face value of these shares is Rs. 10 each						
(ii) Associated Company - unlisted						
392,000	98,000	3S Pharmaceutical (Private) Limited	49%		68,599	39,200
		Add: Right issued during the year			-	29,399
		Less: Impairment loss		10.1.1	(19,728)	(12,916)
					48,871	55,683
					51,421	58,233

The face value of these shares is Rs. 100 each.

The recoverable amount of investment in associate was based on fair value less costs of disposal, estimated using adjusted net asset method. Following the impairment loss in prior year, the recoverable amount of the investment was equal to its carrying amount. The associated company is not fully operational yet and expenses are being incurred to running the company which has resulted in loss to the associated company.

10.1.1 Movement of impairment loss is as follows:

	Note	2024	2023
		(Rupees in thousand)	
As at July 01		12,916	4,293
Impairment During the year As at June 30	38	6,812	8,623
		19,728	12,916

10.2 Investment in equity instrument classified as FVOCI

	Note	2024	2023
Buxly Paints Limited - listed			
Cost		3,830	3,830
Fair value adjustment	10.2.2	21,344	16,416
		25,174	20,246

10.2.1 The Company owns 273,600 (2023: 273,600) fully paid ordinary shares of Rs. 10 each representing 19.00% (2023: 19.00%) investment of total shares in Buxly Paints Limited. As at year end, the market value of each share was Rs. 92.01 (2023: Rs. 74).

	Note	2024	2023
		(Rupees in thousand)	
10.2.2 Fair value adjustment			
As at July 01		16,416	29,628
Fair value gain / (loss)		4,928	(13,212)
As at June 30		21,344	16,416

11. LONG TERM LOANS

Opening balance		66,244	69,701
Disbursements during the year		4,904	23,755
Repayments during the year		(23,111)	(27,212)
		48,037	66,244
Discounting adjustment for recognition at fair value - deferred employee benefits	12	(16,085)	(5,135)
Closing balance		31,952	61,109
Current portion shown under current assets	17	(4,619)	(23,847)
		27,333	37,262

11.1 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. The loans are recoverable over a period of three to ten years. These loans have been discounted using market rate as at reporting date and the corresponding discounting impact has been recognised as prepaid employee benefits.

11.2 Directors of the Company were not given any loan during the year.

12. LONG TERM DEPOSITS

	Note	2024	2023
		(Rupees in thousand)	
Deposits - unsecured			
- Considered good		17,233	17,083
- Considered doubtful	12	5,287	852
		22,520	17,935
Prepaid employee benefits	11	16,085	5,135
Less: Allowance for doubtful deposits	12.1	(5,287)	(852)
	12.2	33,319	22,218

12.1. Movement in allowance for doubtful deposits is as follows:

	2024	2023
Balance as at July 01	852	852
Provision during the year	4,435	-
Reversal during the year	-	-
Balance as at June 30	5,287	852

12.2 These include deposits given to utility companies, deposits against lease and tender deposits.

13. DEFERRED TAXATION - NET

	Note	2024	2023
		(Rupees in thousand)	
Deferred tax liability on taxable temporary differences arising in respect of			
- Accelerated tax depreciation		47,765	78,846
- Surplus on revaluation of fixed assets		(234,997)	(272,713)
		(187,232)	(193,867)
- Fair value gain on investment classified as FVOCI		-	-
Deferred tax asset on deductible temporary differences arising in respect of:			
- Impairment allowance on financial assets		51,506	71,448
- Investment in related parties		4,754	1,491
- Fair value loss on investment classified as FVOCI		(7,855)	5,703
- Provision for slow moving stock		4,380	10,580
		52,785	89,222
		(134,447)	(104,645)

13.1 Movement in deferred tax balances is as follows:

	2024	2023
As at July 01	(104,645)	(8,379)
Recognized in profit or loss:		
- Accelerated tax depreciation including surplus on revaluation of fixed assets	6,635	39,266
- Charge / (reversal) of impairment allowance on financial assets	(19,942)	10,022
- Minimum turnover tax	-	(23,328)
- Investment in related parties	3,263	163
- Provision for slow moving stock	(6,200)	(2,580)
	(16,244)	23,543
Recognized in other comprehensive income:		
- Fair value gain on investment classified as FVOCI	(13,558)	11,400
- Surplus on revaluation of fixed assets	-	(131,209)
As at June 30	(134,447)	(104,645)

14. STORES, SPARE PARTS AND LOOSE TOOLS

	Note	2024	2023
Stores in hand		30,925	30,945
Stationery store		-	1,773
		30,925	32,718
Less: Provision for slow moving and obsolete stores and spares - net	14.1	-	(2,377)
		30,925	30,341

		2024	2023
		(Rupees in thousand)	
14.1 Provision for slow moving and obsolete stores, spare parts and loose tools			
Balance at beginning of the year		2,377	2,339
Provision charged during the year		1,773	38
Stores written-off against provision		(4,150)	-
Balance at end of the year		-	2,377

14.2 Stores and spares also include items which may result in capital expenditure but are not distinguishable at the time of purchase. However, the stores and spares consumption resulting in capital expenditure are capitalized in cost of respective assets.

15. STOCK IN TRADE

		2024	2023
		(Rupees in thousand)	
Raw and packing materials			
- in hand		496,612	589,530
- in transit		171,249	206,607
		667,861	796,137
Semi processed goods		168,032	164,124
Finished goods			
- Manufactured	15.1	576,086	500,787
- Trading		81,209	91,527
		657,295	592,314
		1,493,188	1,552,575
Provision for slow moving and obsolete stocks	15.2		
- Raw material		(18,271)	(23,665)
- Semi processed goods		(4,401)	(5,900)
- Finished goods		(73,556)	(85,217)
		(96,228)	(114,782)
		1,396,960	1,437,793

15.1 Aggregate stocks with a cost of Rs. 13.81 million (2023: Rs. 13.43 million) are being valued at net realizable value of Rs. 9.79 million (2023: Rs. 9.24 million).

15.2. Provision for slow moving and obsolete stocks	2024	2023
	(Rupees in thousand)	
As at the beginning of year	114,782	126,528
Provision made during the year	4,997	24,258
Reversal during the year	-	(3,072)
Write off during the year	(23,551)	(32,932)
As at year end	96,228	114,782

15.3 The cost of stock in trade recognised as an expense amounted to Rs. 5,681 million (2023: Rs. 4,718 million).

15.4 Stock-in-trade up to a maximum amount of Rs. 4,206 million (2023: Rs. 3,939 million) are under hypothecation of commercial banks as security for short term borrowings.

16. TRADE DEBTS - UNSECURED	Note	2024	2023
		(Rupees in thousand)	
Considered good			
Related parties	16.1 & 16.2	275,778	241,351
Others		2,544,034	1,860,458
		2,819,812	2,101,809
Considered doubtful			
Related parties		9,314	7,608
Others		86,850	145,785
		96,164	153,393
Impairment allowance on trade debts	16.3	(96,164)	(153,393)
Provision for discounts	16.4	(216,835)	(194,284)
		2,602,977	1,907,525

16.1 Trade debts include the following amounts due from the following related parties:

	Note	2024	2023
Buxly Paints Pakistan Limited - related party	16.1.1	285,092	248,959

16.1 Maximum aggregate balance due from the related party at the end of any month during the year was Rs. 285.092 million (2023: Rs. 248.959 million).

16.1.2 The Company has recognized impairment allowance on these balances as at June 30, 2024 amounting to Rs. 9.31 million (2023: Rs. 7.61 million).

16.2 Aging of related party balances

	2024	2023
	(Rupees in thousand)	
Considered good		
0 - 30 days	153,654	96,602
Considered doubtful		
31 - 60 days	31,906	-
61 - 90 days	27,626	29,214
91 - 120 days	31,107	36,304
121 - 180 days	40,799	86,839
	285,092	248,959

16.2 Movement in impairment allowance

	2024	2023
Balance as at July 01	153,393	154,952
Provision for the year	67,990	73,084
Bad debts written off	(125,219)	(74,643)
Balance as at June 30	96,164	153,393

16.4 Provision for discounts

	Note	2024	2023
Balance at beginning of the year		194,284	138,588
Charge for the year - net	34	2,675,017	2,196,122
Discounts paid during the year		(2,652,466)	(2,140,426)
Balance at end of the year		216,835	194,284

17. LOANS AND ADVANCES

	Note	2024	2023
		(Rupees in thousand)	
Current portion of long term loans:			
Due from employees			
- secured, considered good		3,086	22,314
- considered doubtful		1,533	1,533
	11	4,619	23,847
Less: Impairment allowance	17.1	(1,533)	(1,533)
		3,086	22,314
Loan to related party	17.2	-	-
Advances - unsecured, considered good:			
- employees		5,335	1,341
- suppliers		235,526	253,667
		240,861	255,008
		243,946	277,322

17.1 Movement in impairment allowance is as follows:

		2024	2023
Balance as at July 01		1,533	1,250
Charged during the year		-	283
Balance as at June 30		1,533	1,533

17.2 Movement in loan to related party is as follows:

		2024	2023
Balance as at July 01		-	40,000
Additions during the year		-	-
Adjusted during the year	17.2.1	-	(40,000)
Balance as at June 30		-	-

17.1.2 This represents loan given to Berger Road Safety (Private) Limited, a related party at a markup of average borrowing rate of the Company plus 2% per annum. The loan was repayable in October 2022 and is secured by charge over stock in trade and trade debts of the borrower and personal guarantee of director.

18. TRADE DEPOSITS AND SHORT TERM PREPAYMENTS

	Note	2024	2023
		(Rupees in thousand)	
Trade deposits			
- considered good		22,209	18,536
- considered doubtful		11,390	11,390
		33,599	29,926
Less: Impairment allowance	18.1	(11,390)	(11,390)
		22,209	18,536
Short term prepayments		13,317	13,328
		35,526	31,864

18.1 Movement in impairment allowance is as follows:

		2024	2023
Balance as at July 01		11,390	10,515
Provision made during the year		-	875
Balance as at June 30		11,390	11,390

	Note	2024	2023
		(Rupees in thousand)	
19. OTHER RECEIVABLES			
LC margin		22,848	20,363
Receivable from related parties	19.1	2,512	-
Export rebate		10,565	10,536
Provision against export rebate	19.5	(9,736)	(9,736)
		828	800
Accrued interest		10,760	14,010
Insurance claim receivable			
- considered good		681	1,608
- considered doubtful		911	-
		1,592	1,608
Less: Impairment allowance	19.2	(911)	-
		681	1,608
Others		1,621	3,206
Due from provident fund	19.6	-	22,066
		39,251	62,053

19.1 Other receivables include the following amounts due from the following related parties:

	Note	2024	2023
Buxly Paints Pakistan Limited - related party	19.1.1	-	1,338
Berger Road Safety (Private) Limited - subsidiary of Berger DPI (Private) Limited	19.1.2	12,526	10,621
3S Pharmaceutical (Private) Limited - related party	19.1.3	5,824	3,879
	19.1.4	18,350	15,838
Less: Impairment allowance	19.4	(15,838)	(15,838)
		2,512	-

19.1.1 Maximum aggregate balance due from the related party at the end of any month during the year was Rs. 1.33 million (2023: Rs. 77.87 million).

19.1.2 Maximum aggregate balance due from the related party at the end of any month during the year was Rs. 22.62 million (2023: Rs. 73.79 million).

19.1.3 Maximum aggregate balance due from the related party at the end of any month during the year was Rs. 5.82 million. (2023: Rs. 3.43 million).

19.1.4 This represents receivables related to sharing of common expenses under normal trade as per agreed terms.

	2024	2023
	(Rupees in thousand)	
19.2 Movement in impairment allowance is as follows:		
Balance as at July 01	-	-
Provision made during the year	911	-
Balance as at June 30	911	-

19.3 Aging of related party balances

	2024	2023
Past due 0 - 30 days	1,834	8,358
Past due 31 - 60 days	-	440
Past due 61 - 90 days	4,393	551
Past due 91 - 120 days	1,235	3,817
Past due 121 - 180 days	934	222
Past due 181 - 364 days	-	465
Past due over one year	9,954	1,985
	18,350	15,838

19.4 Movement in impairment allowance is as follows:

	2024	2023
Balance as at July 01	15,838	19,101
Provision (reversed)/charged during the year	-	(3,263)
Balance as at June 30	15,838	15,838

19.5 Movement in provision against export rebate is as follows:

	2024	2023
Balance as at July 01	9,736	11824
Provision for the year	-	-
Written off during the year	-	(2,088)
Balance as at June 30	9,736	9,736

19.6 This represents excess contribution to the provident fund due to the payment to ex employees on behalf on provident fund.

20. TAX REFUND DUE FROM GOVERNMENT

	Note	2024	2023
		(Rupees in thousand)	
Tax refund due from Government	20.2	189,951	207,054
Taxation net	20.1	21,654	(24,060)
		211,604	182,994

20.1 Taxation net

	Note	2024	2023
Addition: advance taxes and taxes withheld		189,923	87,189
Adjustments during the year		-	3,430
Provision for the year	41	(168,269)	(114,679)
Closing balance		21,654	(24,060)

20.2 During the year the Commissioner Inland Revenue has passed an order and adjusted the income tax refund for the tax year 2018 and 2019 amounting to Rs. 9.381 million and Rs. 9.686 million, respectively against the advance tax liability under section 147 of the Income Tax Ordinance, 2001.

21. SHORT TERM INVESTMENT

	Note	2024	2023
		(Rupees in thousand)	
At amortised cost			
Term deposit receipts (TDRs)			
JS Bank Limited	21.1	71,000	31,000
National Bank of Pakistan Limited		-	110,000
Bank Islami Pakistan Limited	21.3	50,000	50,000
		121,000	191,000

21.1 This represents, investment in Term Deposit Receipts (TDRs) with the JS Bank Limited, having a maturity periods of one year and maturing between July 21, 2024 to April 18, 2025. These carry mark-up ranging from 15.00% to 22.00% (2023: 7% to 20%) per annum.

21.2 This represents, investment in Term Deposit Receipts (TDRs) with the National Bank of Pakistan, having a maturity period of three months and maturing on July 19, 2023. These carry mark-up ranging from Nil (2023: 10.75% to 20.10%) per annum.

21.3 This represents, investment in Term Deposit Receipts (TDRs) with the Bank Islami Pakistan Limited, having a maturity period of one year and maturing on April 02, 2025. This carries mark-up of 18% per annum.

21.4 The balance includes Nil (2023: Rs. 110 million) which has been included in cash and cash equivalents in note 43 to these financial statements.

22. CASH AND BANK BALANCES

	2024	2023
	(Rupees in thousand)	
Cash at bank:		
Local currency		
- current accounts	65,522	46,470
Cash in hand	650	608
	66,172	47,078

23. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

	2024	2023	2024	2023
	(Number of shares)		(Rupees in thousand)	
Authorised share capital				
Ordinary shares of Rs. 10 each	25,000,000	25,000,000	250,000	250,000
Issued, subscribed and paid-up share capital				
Voting ordinary shares of Rs. 10 each fully paid up in cash	12,135,798	12,135,798	121,358	121,358
Voting ordinary shares of Rs. 10 each issued as bonus shares	12,415,816	12,415,816	124,158	124,158
	24,551,614	24,551,614	245,516	245,516

23.1 As at June 30, 2024, Slotrapid Limited, the Holding Company, and their nominees hold 12,779,176 (2023: 12,779,176) voting ordinary shares of Rs. 10 each representing 52.05% (2023: 52.05%) of the ordinary paid up capital of the Company.

23.2 Movement of share capital is as follows:	Note	2024 (Rupees in thousand)	2023 (Rupees in thousand)
Opening balance		245,516	204,597
Bonus shares issued during the year	23.3	-	40,919
Closing balance		245,516	245,516

23.3 There is no shareholder agreement for voting rights, board selection, rights of first refusal and block voting.

24. RESERVES

	Note	2024 (Rupees in thousand)	2023 (Rupees in thousand)
Capital reserves			
Share premium reserve	24.1	34,086	34,086
Fair value reserve - net of tax	24.2	13,489	22,119
		47,575	56,205
Revaluation surplus on property, plant and machinery - net of tax	24.3	1,437,720	1,495,613
		1,485,295	1,551,818
Revenue reserves			
General reserve	24.3.3	285,000	285,000
Accumulated profits		1,431,654	1,113,469
		1,716,654	1,398,469
		3,201,949	2,950,287

24.1 This reserve can be utilized by the Company for the purpose specified in section 81(2) of the Companies Act, 2017.

24.2 This represents fair value reserve created on investment classified as FVOCI.

24.3 Revaluation surplus on property, plant and machinery - net of tax	Note	2024 (Rupees in thousand)	2023 (Rupees in thousand)
As at beginning of the year		1,495,613	830,273
Surplus arising on revaluation:			
Freehold and leasehold land	8.1	-	434,084
Building on freehold	8.1	-	108,502
Plant and machinery	8.1	-	137,968
		-	680,554
		1,495,613	1,510,827
Incremental depreciation - net of tax		(57,893)	(15,214)
		1,437,720	1,495,613

24.3.1 The surplus on revaluation of property, plant and equipment is not available for distribution to the shareholders in accordance with section 241 of the Companies Act, 2017.

24.3.2 The latest valuation of freehold land, leasehold land, building on freehold land, building on leasehold land and plant and machinery was carried out by M/s. Harvestor Services (Private) Limited, an independent valuer on June 30, 2023. 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.

24.3.3 This represents reserve held for future expansion of the company and further for mitigating any future losses that may occur during business operations.

25. LONG TERM FINANCING - SECURED

	Note	2024	2023
		(Rupees in thousand)	
Secured			
Mark-up based financing from conventional banks:			
JS Bank Limited	25.1	27,873	35,998
National Bank of Pakistan Limited	25.2	58,974	65,018
		86,847	101,016
Islamic mode of financing:			
First Habib Modaraba	25.3	55,739	20,823
Bank Islami Pakistan Limited	25.3.10	2,083	27,083
		57,822	47,906
		144,668	148,922
Mark-up based financing from conventional banks:			
Current portion shown under current liabilities	30	(20,781)	(23,518)
Islamic mode of financing:			
Current portion shown under current liabilities	30	(17,796)	(31,183)
		(38,577)	(54,701)
		106,092	94,221

25.1 This represents long term loan facility amounting to Rs. 63 million to finance 0.604MW grid pegged solar power plant. The outstanding balance is repayable in quarterly instalments of Rs. 2.25 million each ending in July 2027. Markup is payable quarterly and is charged at the rate of 6% per annum. The facility is secured against an equitable mortgage and first charge on land and building of Lahore factory of the Company.

25.1 This represents long term loan facility amounting to Rs. 100 million. The loan was obtained under SBP refinancing scheme for Temporary Economic Refinance. The facility is repayable in quarterly instalments of Rs. 2.8 million each ending in September 2031. Markup is payable quarterly and is charged at 5% per annum. This facility was secured against first pari passu charge amounting to Rs. 134 million over all present and future current assets of the Company.

	Note	2024	2023
		(Rupees in thousand)	
25.3 First Habib Modaraba			
- First Habib Modaraba - facility 1	25.3.1	1,135	1,767
- First Habib Modaraba - facility 2	25.3.2	2,376	3,212
- First Habib Modaraba - facility 3	25.3.3	793	1,099
- First Habib Modaraba - facility 4	25.3.4	2,732	3,748
- First Habib Modaraba - facility 5	25.3.5	1,229	1,704
- First Habib Modaraba - facility 6	25.3.6	4,832	6,225
- First Habib Modaraba - facility 7	25.3.7	2,499	3,068
- First Habib Modaraba - facility 8	25.3.8	17,735	-
- First Habib Modaraba - facility 9	25.3.9	4,130	-
- First Habib Modaraba - facility 10	25.3.10	18,278	-
		55,739	20,823

25.3.1 This represents diminishing musharika facility amounting to Rs. 3.39 million for purchase of vehicles. The facility is repayable in 20 quarterly installments ending in June 2025. Profit is payable quarterly and charged at the rate of six month's KIBOR plus 1.5% per annum. The facility is secured against charge over present and future current and fixed assets of the Company. The title of asset is held jointly by the Company and the lender till the facility is fully repaid.

25.3.2 This represents diminishing musharika facility amounting to Rs. 5.21 million for purchase of vehicles. The facility is repayable in 20 quarterly installments ending in September 2025. Profit is payable quarterly and charged at the rate of six month's KIBOR plus 1% per annum. The facility is secured against charge over present and future current and fixed assets of the Company. The title of asset is held jointly by the Company and the lender till the facility is fully repaid..

25.3.3 This represents diminishing musharika facility amounting to Rs. 1.795 million for purchase of vehicles. The facility is repayable in 20 quarterly installments ending in December 2025.

25.3.4 This represents diminishing musharika facility amounting to Rs. 6.04 million for purchase of vehicles. The facility is repayable in 20 quarterly installments ending in November 2025. Profit is payable quarterly and charged at the rate of six month's KIBOR plus 1% per annum. The facility is secured against charge over present and future current and fixed assets of the Company. The title of asset is held jointly by the Company and the lender till the facility is fully repaid.

25.3.5 This represents diminishing musharika facility amounting to Rs. 4.81 million for purchase of vehicles. The facility is repayable in 20 quarterly installments ending in September 2025. Profit is payable quarterly and charged at the rate of six month's KIBOR plus 1% per annum. The facility is secured against charge over present and future current and fixed assets of the Company. The title of asset is held jointly by the Company and the lender till the facility is fully repaid.

25.3.6 This represents diminishing musharika facility amounting to Rs. 8.91 million for purchase of vehicles. The facility is repayable in 20 quarterly installments ending in April 2026. Profit is payable quarterly and charged at the rate of six month's KIBOR plus 1% per annum. The facility is secured against charge over present and future current and fixed assets of the Company. The title of asset is held jointly by the Company and the lender till the facility is fully repaid.

25.3.7 This represents diminishing musharika facility amounting to Rs. 3.94 million for purchase of vehicles. The facility is repayable in 20 quarterly installments ending in October 2025. Profit is payable quarterly and charged at the rate of six month's KIBOR plus 1% per annum. The facility is secured against charge over present and future current and fixed assets of the Company. The title of asset is held jointly by the Company and the lender till the facility is fully repaid.

25.3.8 This represents diminishing musharika facility amounting to Rs. 22.8 million for purchase of vehicles. The facility was repayable in 16 quarterly installments ending in April 2027. Profit was payable quarterly and charged at the rate of three month's KIBOR plus 1% per annum. The facility was secured against charge over present and future current and fixed assets of the Company. The title of asset was held jointly by the Company and the lender till the facility was fully repaid.

25.3.9 This represents diminishing musharika facility amounting to Rs. 4.4 million for purchase of vehicles. The facility was repayable in 20 quarterly installments ending in January 2029. Profit was payable quarterly and charged at the rate of three month's KIBOR plus 1% per annum. The facility was secured against charge over present and future current and fixed assets of the Company. The title of asset was held jointly by the Company and the lender till the facility was fully repaid.

25.3.10 This represents diminishing musharika facility amounting to Rs. 19.5 million for purchase of vehicles. The facility was repayable in 20 quarterly installments ending in March 2029. Profit was payable quarterly and charged at the rate of three month's KIBOR plus 1% per annum. The facility was secured against charge over present and future current and fixed assets of the Company. The title of asset was held jointly by the Company and the lender till the facility was fully repaid.

25.3.11 The Company has total credit facilities of Rs. 363 million (2023: Rs. 363 million) at the year end. Whereas the Company has availed credit facilities of Rs. 363 million (2023: Rs. 363 million) and unavailed credit facilities of Nil (2023: Nil) at the year end.

26. LONG TERM DIMINISHING MUSHARAKA

	Note	2024	2023
		(Rupees in thousand)	
Secured			
Berger Paints Pakistan Limited (BPPL) - Sukuk of Rs. 500 million	26.1	375,000	500,000
Current portion shown under current liabilities	30	(166,667)	(166,667)
		208,333	333,333

26.1 During the year ended June 30, 2024, the Company issued Rs. Nil (2023: Rs. 484 million) BPPL Sukuk certificates, having face value of Rs. 1 million each aggregating to Rs. Nil (2023: Rs. 484 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-owner of the musharaka assets. The issue resulted in cash receipt of subscription money of Rs. Nil (2023: Rs. 484 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 financial statements on the basis of substance of the transaction.

27. DEFERRED GRANT

	Note	2024	2023
		(Rupees in thousand)	
Balance as at July 01		28,402	3,630
Recognised during the year			31,073
Reversed during the year		-	-
Amortization of grant during the year	39	(5,780)	(6,301)
		22,622	28,402
Less: current portion of deferred grants	30	(5,098)	(6,730)
Balance as at June 30		17,525	21,672

27.1 This represents deferred grant recognised in respect of the benefit of below-market interest rate on long term finance facility as 'referred to in notes 25.1 and 25.2. The benefit has been measured as the difference between the fair value of the loan and the proceeds received. Company received term finance facility under Refinancing / Temporary Economic Refinance Facility Scheme of the State Bank/ of Pakistan from different banks. ICAP issued the guidance for accounting of said financing through circular No. 11/2020, and based on this, the Group recognized the Deferred Grant in accordance with the requirements of 'IAS 20-Accounting for Government Grants and Disclosure of Government Assistance'.

28. LONG TERM EMPLOYEE BENEFITS

	Note	2024	2023
		(Rupees in thousand)	
Defined benefit plan			
Staff pension fund	28.1	7,255	24,616
Staff gratuity fund	28.1	122,133	95,404
		129,388	120,020
Other long term employee benefits			
Accumulating compensated absences	28.2	28,071	24,728
		157,459	144,748

Defined benefit plan

As mentioned in note 6.20 the Company operates an approved funded gratuity and pension schemes for all its permanent employees. Actuarial valuation of the scheme is carried out every year and the latest actuarial valuation was carried out at June 30, 2024. Projected Unit Credit method based on the following assumptions was used for these valuations:.

	2024	2023
Valuation discount rate	14.00%	15.75%
Expected rate of increase in salaries	13.00%	14.75%
Withdrawal rates	Age-Based (per appendix)	Age-Based (per appendix)
Expected mortality rate	SLIC (2001-05)	SLIC (2001-05)
Retirement age	60 years	60 years

28.1 Statement of financial position reconciliation

	2024		2023	
	Pension	Gratuity	Pension	Gratuity
	(Rupees in thousand)			
Present value of defined benefit obligation	99,249	152,584	86,770	126,579
Fair value of plan assets	(91,993)	(30,451)	(62,154)	(31,175)
	7,256	122,133	24,616	95,404
28.1.1 Movement in defined benefit obligation is as follows:				
Obligation as at July 01	86,770	126,579	101,260	110,999
Employees' contribution not paid to the fund by the Company	1,627	-	1,573	-
Service cost	2,333	16,435	2,215	15,091
Interest cost	13,444	19,532	13,866	13,321
Benefits paid	(2,818)	(5,129)	(4,435)	(20,934)
Remeasurement loss / (gain)	(2,108)	(4,833)	(27,709)	8,102
Obligation as at June 30	99,249	152,584	86,770	126,579
28.1.2 Movement in the fair value of plan assets is as follows:				
Fair value as at July 01	62,154	31,175	59,471	28,267
Expected return on plan assets	11,536	4,910	8,326	3,745
Remeasurement loss	(3,879)	(5,634)	(5,643)	(837)
Company's contribution	25,000	5,129	4,435	20,934
Fund transferred back to the Company during the year	-	-	-	-
Benefits paid	(2,818)	(5,129)	(4,435)	(20,934)
Fair value as at June 30	91,993	30,451	62,154	31,175
28.1.3 Movement in net liability in the statement of financial position is as follows:				
Net liability as at July 01	24,616	95,405	41,790	82,733
Charge for the year	4,241	31,057	7,755	24,667
Charge to other comprehensive income during the year	1,771	800	(22,067)	8,939
Company's contribution	(25,000)	(5,129)	(4,435)	(20,934)
Fund transferred back to the Company during the year	-	-	-	-
Employees' contribution deducted but not paid to the fund	1,627	-	1,573	-
Net liability as at June 30	7,255	122,133	24,616	95,405
28.1.4 Charge for the year - net				
Current service cost	2,333	16,435	2,215	15,091
Interest cost	13,444	19,532	13,866	13,321
Expected return on plan assets	(11,536)	(4,910)	(8,326)	(3,745)
Loss on settlements	-	-	-	-
	4,241	31,057	7,755	24,667

	2024		2023	
	Pension	Gratuity	Pension	Gratuity
	.... (Rupees in thousand)			
28.1.5 Actual return on plan assets	7,657	(724)	2,683	2,908
28.1.6 The charge for the year has been allocated as follows:				
Cost of sales	1,884	14,138	3,354	11,206
Selling and distribution expenses	1,894	11,563	3,518	9,195
Administrative and general expenses	463	5,356	883	4,266
	4,241	31,058	7,755	24,667
28.1.7 The charge for the year has been				
Collective investment schemes	60,000	25,000	60,000	25,000
Cash at bank	31,993	5,451	2,154	6,175
	91,993	30,451	62,154	31,175

28.1.8 Amounts for the current year and previous four years of the fair value of plan assets, present value of defined benefit obligation and deficit thereon is as follows:

As at June 30,	2024	2023	2022	2021	2020
	.... (Rupees in thousand)				
Present value of defined benefit obligation	252,832	21,349	212,260	187,505	164,016
Fair value of plan assets	(122,444)	(93,329)	(87,735)	(133,147)	(54,064)
Feficit					
	129,388	120,020	124,525	54,358	109,952
Experience adjustment:					
Loss / (gain) on obligations	(6,941)	(19,607)	6,195	5,746	(4,810)
Gain on plan assets	16,446	12,071	10,814	7,783	6,317

The expected return on plan assets was determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at reporting date.

28.1.9 Expected expense for next year

The expected return on plan assets was determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at reporting date.

28.1.10 The plans expose the Company to the actuarial risks such as:

Salary risks

The risk that the final salary at the time of cessation of service may be greater than that assumed in determination of present value of defined benefits obligations. As the benefit is calculated on the final salary (which will closely reflect inflation and other macroeconomic factors), the benefit amount increases as salary increase.

Mortality / withdrawal risks

The risks that the actual mortality / withdrawal experiences is different. The effect depends upon beneficiaries' service / age distribution and the entitled benefits of the beneficiary.

Interest rate risks

The risk that bond interest rate may be different. A decrease in bond interest rate will increase the liability, and vice versa.

28.1.11 Actuarial assumptions sensitivity analysis

If the significant actuarial assumptions used to estimate the defined benefit obligation at the reporting date, had fluctuated by 1% with all other variables held constant, the impact on the present value of the defined benefit obligation as at June 30, 2024 would have been as follows:

Impact on present value of defined benefit obligation as at June 30, 2024

		Pension		Gratuity	
	Change	Increase to	Decrease to	Increase to	Decrease to
		(Rupees in thousand)			
Discount rate	+ 1%	82,152	119,903	138,135	168,550
Future salary	+ 1%	109,635	89,849	168,546	138,133

The sensitivity analysis of the defined benefit obligation to the significant actuarial assumptions has been performed using the same calculation techniques as applied for calculation of defined benefit obligation reported in the statement of financial position.

28.1.12 Weighted average duration of the defined benefit obligation is 20 years and 10 years for pension and gratuity plans, respectively.

28.2 Other long term employee benefits

	Note	2024	2023
		(Rupees in thousand)	
Movement in accumulated compensated absences			
Balance as at July 01		24,728	19,488
Provision during the year	28.2.2	6,970	13,041
Payments made during the year		(3,627)	(7,801)
Balance as at June 30		28,071	24,728

28.2.1 Reconciliation of present value of liability

	2024	2023
Present value of liability as at July 01	24,728	19,488
Service cost	3,098	2,271
Interest on defined benefit liability	3,609	2,065
Benefits paid	(3,627)	(7,801)
Remeasurement gain	263	8,705
Present value of liability as at June 30	28,071	24,728

	2024	2023
	(Rupees in thousand)	
28.2.2 Charge for the year		
Service cost	3,098	2,271
Interest on defined benefit liability	3,609	2,065
Remeasurement gain	263	8,705
	6,969	13,041

28.2.3 The charge for the year has been allocated as follows:

	2024	2023
Cost of sales	1,081	1,994
Selling and distribution expenses	3,567	6,683
Administrative and general expenses	2,322	4,364
	6,969	13,041

28.2.4 Expected expense for next year

The expected expense pertaining to accumulated compensated absences for the year ending June 30, 2024 works out to Rs. 7.10 million.

28.2.5 Actuarial assumptions sensitivity analysis

If the significant actuarial assumptions used to estimate the defined benefit obligation at the reporting date, had fluctuated by 1% with all other variables held constant, the impact on the present value of the defined benefit obligation as at June 30, 2023 would have been as follows:

Impact on present value of defined benefit obligation as at June 30, 2023

			Defined benefit obligation	
		Change	Increase to	Decrease to
Discount rate	±	1%	25,412	31,007
Future salary	±	1%	31,008	25,412

The sensitivity analysis of the defined benefit obligation to the significant actuarial assumptions has been performed using the same calculation techniques as applied for calculation of defined benefit obligation reported in the statement of financial position.

28.2.6 Weighted average duration of the defined benefit obligation is 10 years.

29. TRADE AND OTHER PAYABLES

	Note	2024	2023
		(Rupees in thousand)	
Trade and other creditors		1,431,131	1,173,882
Import bills payable		183,532	316,196
Contract liabilities	34.4	137,526	80,111
Accrued expenses		75,978	129,831
Provision for infrastructure cess	29.1	96,087	96,087
Royalty payable to related parties	29.3	40,158	40,158
Technical fee payable		40,090	40,090
Workers' Profits Participation Fund	29.4	28,449	22,478
Workers' Welfare Fund	29.5	9,699	8,038
Due to statutory authorities		5,621	9,634
Others	29.6	54,220	41,682
Sales tax payable		32,906	62,179
Due to provident fund		695	-
		2,136,091	2,020,366

29.1 Provision for infrastructure cess

	2024	2023
Balance as at July 01	96,087	96,087
Provision for the year	-	-
Balance as at June 30	96,087	96,087

29.2 Pursuant to Honorable Supreme Court order in September 2021, during the year, the Company is paying this Cess as per the Sindh Development and Maintenance of Infrastructure Cess Act, 2017. However, in the said order, interim relief was provided to the companies, and recovery of the Cess payable was suspended till any further order.

29.3 This includes amount due to the following related parties:

	2024	2023
	(Rupees in thousand)	
Slotrapid Limited - Holding Company	40,126	40,126
Buxly Paints Limited - Associated Company	32	32
	40,158	40,158

29.4 Workers' Profits Participation Fund

	2024	2023
Balance as at July 01	22,478	17,920
Allocation for the year	22,682	17,806
Interest on funds utilized in the Company's business	1,168	944
	46,328	36,670
Payments during the year	(17,879)	(14,192)
Balance as at June 30	28,449	22,478

29.4.1 Interest on outstanding liability towards Workers' Profit Participation Fund is charged at bank rate plus 2.50% per annum as required under the Companies Profits (Workers' Participation) Act, 1968.

	Note	2024	2023
		(Rupees in thousand)	
29.5 Workers' Welfare Fund			
Balance as at July 01		8,038	19,020
Allocation for the year		9,615	7,123
Interest on funds utilized in the Company's business		-	-
		17,653	26,143
Payments/adjustments during the year		(7,954)	(18,105)
Balance as at June 30		9,699	8,038
29.6 Advance against sale of vehicle from employee			
Deduction from salaries	28.6.1	22,582	12,742

29.6.1 This represents the balance deducted against employees' salaries for the vehicles scheme. This will be adjusted against the disposal of fixed assets on retirement/leaving of employees or completion of full deduction.

	Note	2024	2023
		(Rupees in thousand)	
30. CURRENT PORTION OF LONG TERM FINANCING			
Current portion of long term financing	25	38,577	54,701
Current portion of long term diminishing musharaka	26	166,667	166,667
Current portion of deferred income	27	5,098	6,730
		210,342	228,098
31. ACCRUED MARKUP			
Mark-up based borrowings from conventional banks			
Long term financing - secured		1,411	396
Short term running finances - secured		47,728	24,991
		49,138	25,387
Mark-up based borrowings from Islamic banks			
Long term financing - secured		-	1,724
Long term diminishing musharaka - secured		885	1,293
Short term financing - secured		-	1,605
Short term running finances - secured		-	1,450
		50,023	31,459
32. ACCRUED MARKUP			
Mark-up based borrowings from conventional banks			
Short term running finance - secured	32.1	585,716	268,720
Mark-up based borrowings from Islamic banks			
Short term running finance - secured	32.2	83,919	156,588
		669,635	425,308

32.1 Short term running finances - Conventional banks

This represents utilized amount of short term running finance facilities under mark-up arrangements available from commercial banks aggregating to Rs. 1,150 million (2023: Rs. 1,019 million). These facilities are secured against joint pari passu charge over all the present and future current assets of the Company and carry mark-up at rates ranging between 22.92% and 23.80% (2023: 12.89% and 23.58%) per annum, payable quarterly.

32.2 Short term running finances - Islamic banks

This represents utilized amount of short term running finance facilities under mark-up arrangements available from commercial banks aggregating to Rs. 200 million (2023: Rs. 200 million). These facilities are secured against registered charge over the current assets of the Company and carry mark-up at rates ranging between 23.27% and 23.78% (2023: 15.56% and 22.95%) per annum, payable quarterly.

32.2 The Company has total credit facilities of Rs. 1,550 million (2023: 1,450 million) at the year end. Whereas the Company has availed credit facilities of Rs. 1,550 million (2023: Rs. 1,450 million) and unavailed credit facilities of Nil (2023: Nil) at the year end.

33. CONTINGENCIES AND COMMITMENTS

32.1. Contingencies

a) The Company contracted Allied Engineering for installation of solar panels and solar systems at the factory. The process was to be completed in different phases. After the completion of initial phase, issues were identified in the solar systems installed. The Company opted to get the solar systems installed from another vendor while inviting Allied Engineering to reach a settlement. However, Allied Engineering wanted full execution of the contract and full payment of the agreed amount, out of which Rs. 4 million is unpaid at the reporting date. The management on the basis of legal advice, believes that it has a strong case and no further financial obligation is expected to arise.

b) The Sindh Revenue Board (SRB) through an assessment raised sales tax demand amounting to Rs. 39.34 million along-with penalty. Department (SRB) had inadvertently added all royalty figures appearing in accounts including royalty receivable, royalty payable, royalty expense and related party transfers for the calculation of tax on royalties. The Company, through its legal counsel, filed an appeal before the Commissioner (Appeals) SRB on the grounds that amount of sales tax is not correctly calculated and the provisions of Sindh Sales Tax on Services Act, 2011 are not applicable for the reason that the Company is managing its affairs from the province of Punjab. The Commissioner (Appeals) had reduced the demand to Rs. 8.18 million, against which the Company had filed an appeal before Appellate Tribunal SRB which is pending adjudication. 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 financial statements.

c) During 2018, the Deputy Commissioner Inland Revenue (DCIR) issued show cause notices for collection of income tax under section 236G / 236H of the Income Tax Ordinance 2001. In this regard, the taxation officer raised demand of Rs. 48.94 million for tax years 2014, 2015, and 2016 vide various assessment orders. The Company through its legal counsel filed appeals to Commissioner Inland Revenue Appeals (CIR - A) against the said orders, the CIR-A provided relief amounting to Rs. 7.4 million and 2.7 million for tax year 2014 and 2015 respectively and upheld the demand of tax year 2016. Being aggrieved from the CIR-A orders, the Company through its legal counsel filed appeals before ATIR which are still pending adjudication. 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 financial statements.

d) The Additional Commissioner Inland Revenue (ACIR) and Deputy Commissioner Inland Revenue (DCIR), while proceeding U/S 122 of the Income Tax Ordinance, 2001 created income tax demands amounting to Rs. 484.38 million and Rs. 213.12 million for the tax years 2014 and 2016 respectively vide two separate orders. The Company filed an appeal before Commissioner Inland Revenue (Appeals), the Commissioner Inland Revenue (Appeals) remanded the case on some issues and confirmed additions to the tune of Rs. 32.99 million and Rs. 9.2 million for the tax year 2014 and 2016 respectively. The Company through its legal counsel had filed an appeal before ACIR which is pending adjudication. The management believes that it has a strong arguable case and matter will be decided in favor of the Company. Hence no provision has been recorded in these financial statements.

e) The Commissioner Appeals - I, Lahore, vide its order for tax year 2016, deleted certain additions while remanding the case on certain issues and upheld the case on issue of contractor services which involves revenue amounting to Rs. 10.67 million. Appeal against this order has been filed which is pending adjudication. 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 financial statements.

f) During the year 2016, a notice from Punjab Revenue Authority involving an amount of Rs. 11.45 million as royalty fee and technical services for the period October 2012 to March 2015 was issued which is under investigation / adjudication proceedings and no demand is raised. 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 financial statements.

g) Additional Commissioner Enforcement of Punjab Revenue Authority issued assessment order creating demand of Rs. 132 million under various section of Punjab Sales Tax on Services Act 2012. However, the Company through its legal counsel filed appeal before Commissioner Appeals PRA against the order of Additional Commissioner. The Commissioner Appeals through order dated April 16, 2024 has remanded back the case to the Additional Commissioner for further assessment, no hearing has been called by Additional Commissioner till date.

h) DCIR raised a demand amounting to Rs. 10.5 million in relation to sales tax on sales of scrap stock burnt in fire in 2008 which was upheld by Commissioner Appeals. This demand was later reduced by Appellate Tribunal up to the demand pertaining to sales tax on fixed assets. The Company being aggrieved by the order of ATIR, filed an appeal before honorable Lahore high court which was remanded back to the ATIR and is pending adjudication. 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 financial statements.

i) The DCIR passed order under section 161(1) for tax year 2014 and raised a demand amounting to Rs. 33.5 million. The Company filed an appeal before the Commissioner Inland Revenue (Appeals). The Appeals remanded back the case to the department for further assessment. Currently, no demand is in field against the Company.

j) Various cases on account of income tax and sales tax matters involving an amount Rs. 11.401 million are also pending. The management on the basis of opinion of the tax advisor is hopeful of a favorable outcome in all these cases, hence no provision has been recorded in these financial statements.

k) The Additional Commissioner IR issued a show cause notice dated April, 23, 2022 for tax year 2021 and subsequently passed order under section 122 (5A) to the Income Tax Ordinance, 2001 dated September 02, 2022 amounting to Rs. 455 million. The Company filed an appeal before Commissioner IR Appeals-1(CIR-A) Lahore. The CIR-A through order dated April 11, 2023 decided appeal partially in favor of the Company. The Company filled appeal against CIR-A order before ATIR, the appeal has been heard on March 01, 2024. No judgment has been released as of yet. The Company is expecting a favorable outcome, accordingly no provision has been recorded in the books of accounts.

l) The Company is facing claims, launched in the labor courts, pertaining to staff retirement benefits, salaries and others related matters. The claims amount cannot be quantified due to nature of the claims.

33.2 Outstanding letters of guarantee as at June 30, 2024 amounts to Rs. 138 million (2023: Rs. 125.14 million).

33.3 Commitments

Outstanding letters of guarantee as at June 30, 2024 amounts to Rs. 138 million (2023: Rs. 125.14 million).

	Note	2024	2023
		(Rupees in thousand)	
34. REVENUE FROM CONTRACT WITH CUSTOMERS			
Local	34.6	13,188,341	11,141,904
Export		56,586	55,288
		13,244,927	11,197,192
Less:			
Discounts		(2,675,017)	(2,196,122)
Sales tax		(2,026,003)	(1,659,905)
		(4,701,020)	(3,856,027)
		8,543,907	7,341,165

34.1 The entity is involved in trading of paints, varnishes and other related items. The performance obligation is satisfied upon delivery of goods. The Company makes sales against advances as well as on credit terms. In case of credit sales, payment is generally due within 60 to 90 days from the date of delivery of goods.

	Note	2024	2023
34.2 Timing of revenue recognition - net		(Rupees in thousand)	
Goods and services transferred at a point in time		8,543,907	7,341,165
34.3. Geographical market			
Pakistan	34.6	8,487,321	7,285,877
Afghanistan		56,586	55,288
		8,543,907	7,341,165

34.4. Contract balances

Contract balances primarily comprises of contract liabilities, representing advance consideration received from customers for the purchase of products. Balance as at reporting date amounted to Rs. 137.52 million (2023: Rs. 80.11 million). Revenue recognized during the reporting period which was included in the contract liabilities at the beginning of the period amounted to Rs. 80.11 million (2023: Rs. 45.16 million).

	2024	2023
34.5 Movement of contract liabilities is as follows:	(Rupees in thousand)	
Opening balance	80,111	45,164
Advance received	137,526	80,111
Income recongised	(80,111)	(45,164)
Closing balance	137,526	80,111

34.6 This includes an amount of Rs. 414.703 million and Rs. 35.556 million (2023: Rs. 331.079 million and Rs. 31.839 million) charged to Buxly Paints Limited, a related party of the Company for material and toll manufacturing, respectively.

35. CURRENT PORTION OF LONG TERM FINANCING

	Note	2024	2023
		(Rupees in thousand)	
Finished goods as at July 01		500,787	501,776
Cost of goods manufactured	35.1	6,881,164	5,818,915
(Reversal) / provision slow moving finished goods		(11,661)	10,676
Less: Finished goods as at June 30	15	(576,086)	(500,787)
Consumption of finished goods purchased	35.4	28,421	27,472
Cost of sales		6,822,625	5,858,052

35.1 Cost of goods manufactured

	Note	2024	2023
Raw and packing materials consumed	35.2	5,798,296	4,904,449
Freight and handling	35.6	340,580	283,220
Stores and spare parts consumed		9,047	9,425
Salaries, wages and other benefits	35.3	133,943	124,086
Contracted services	35.5	168,733	193,031
Travelling and conveyance		17,375	16,780
Fuel, water and power		154,236	90,713
Legal and professional		1,049	1,589
Rent, rates and taxes		177	20
Insurance		8,550	9,479
Repairs and maintenance		35,343	41,987
Depreciation	8.1.6	165,929	101,265
Ijarah lease rentals		-	347
Toll manufacturing cost		33,863	25,839
Printing and stationery		2,150	1,909
Communication		1,343	1,225
Others		15,957	13,721
		6,886,571	5,819,085
Opening stock of semi-processed goods		164,124	162,191
Closing stock of semi-processed goods	15	(168,032)	(164,124)
Provision reversed during the year		(1,499)	1,763
Cost of goods manufactured		6,881,164	5,818,915

35.2 Raw and packing materials consumed

	Note	2024	2023
Raw and packing material as at July 01		796,137	1,030,573
Purchases of raw and packing material		5,675,414	4,694,198
Provision /(reversal) slow moving finished goods		(5,394)	(24,185)
Less: Raw and packing material as at June 30	15	(667,861)	(796,137)
Raw and packing materials consumed		5,798,296	4,904,449

35.3 Salaries, wages and benefits include Rs. 14.14 million (2023: Rs. 11.21 million) in respect of gratuity fund, Rs. 1.88 million (2023: Rs. 3.35 million) in respect of pension fund, Rs. 1.08 million (2023: Rs. 1.99 million) in respect of compensated absences and Rs. 5.22 million (2023: Rs. 3.66 million) in respect of provident fund contribution.

	Note	2024	2023
		(Rupees in thousand)	
35.4. The movement of finished goods purchased for resale is as follows:			
Finished goods as at July 01		91,527	57,399
Add: Finished goods purchased for resale during the year		18,103	61,600
Less: Finished goods as at June 30		(81,209)	(91,527)
Consumption of finished goods during the year		28,421	27,472

35.5 This represents amounts relates to outsourced staff from FSC Integrated Services (Private) Limited.

35.6 This represents amounts relates to freight and handling charges for delivery of goods to customers and management considered this cost as part of the product.

36. SELLING AND DISTRIBUTION EXPENSES

	Note	2024	2023
		(Rupees in thousand)	
Salaries and other benefits	36.1	353,562	346,588
Contracted services	36.4	38,548	34,092
Travelling and conveyance		6,252	2,911
Rent, rates and taxes		6,796	7,132
Insurance		9,645	11,573
Fuel, water and power		3,332	3,822
Advertising and sales promotion		248,545	127,000
Technical services and royalty fee	36.2	-	4,494
Repairs and maintenance		3,473	2,487
Depreciation	8.1.6	30,510	24,275
Ijarah lease rentals		-	413
Printing and stationery		1,455	2,131
Legal and professional		980	1,879
Communication		5,797	8,149
Others		8,547	5,625
		717,443	582,571

36.1 Salaries, wages and benefits include Rs.11.56 million (2023: Rs. 9.2 million) in respect of gratuity fund, Rs. 1.89 million (2023: Rs. 3.52 million) in respect of pension fund, Rs. 3.57 million (2023: Rs. 6.68 million) in respect of compensated absences and Rs. 8.66 million (2023: Rs. 9.12 million) in respect of provident fund contribution.

36.2 This represents royalty and technical fee expense for the year. Detail is as follows:

Name and address of the party	Relationship with Company	Note	2024	2023
			(Rupees in thousand)	
Slotrapid Limited (Suit# 1 Akara Building, 24 De-Cantro Street, Wickham Cay 1, Road Town, Tortola, British Virgin Island.)	Licensor (the Holding Company	36.3	-	-
Oxyplast Belgium N.V. (Hulsdonk 35-B 9042/Gent – Mendonk, Belgium.)	Licensor		-	4,494
			-	4,494

36.3 During the year the parent entity has waived off its right to receive for royalty, accordingly no provision has been made against this head.

36.4 This represents amounts relates to outsourced staff from FSC Integrated Services (Private) Limited.

37. ADMINISTRATIVE AND GENERAL EXPENSES

	Note	2024	2023
		(Rupees in thousand)	
Salaries and other benefits	37.1	143,435	127,359
Contracted services	37.2	1,780	4,071
Directors' meeting fee		3,900	4,900
Travelling and conveyance		21,384	16,989
Rent, rates and taxes		2,249	2,384
Insurance		4,502	3,011
Auditors' remuneration	37.3	3,792	3,453
Fuel, water and power		1,809	2,479
Repairs and maintenance		3,570	2,676
Depreciation	8.1.6	13,407	13,761
Amortization of computer software	9	-	23
Ijarah lease rentals		-	558
Printing and stationery		3,916	1,573
Legal and professional		15,324	13,371
Communication		3,452	1,738
Others		8,625	10,647
		231,145	208,993

37.1 Salaries, wages and benefits include Rs. 5.36 million (2023: Rs. 4.27 million) in respect of gratuity fund, Rs. 0.46 million (2023: Rs. 0.88 million) in respect of pension fund, Rs. 2.32 million (2023: Rs. 4.36 million) in respect of compensated absences and Rs. 5.93 million (2023: Rs. 5.66 million) in respect of provident fund contribution.

37.2 This represents amounts relates to outsourced staff from FSC Integrated Services (Private) Limited.

	Note	2024	2023
		(Rupees in thousand)	
37.3 Auditors' remuneration			
Audit fee		2,100	2,100
Consolidation and half yearly review		900	900
Out of pocket expenses		178	178
Statutory certifications		268	275
		3,446	3,453

38. OTHER OPERATING EXPENSES

	Note	2024	2023
Workers' Welfare Fund	29.5	9,615	7,123
Workers' Profit Participation fund	29.4	22,682	17,806
Exchange loss - net		4,921	34,896
Written off advance income tax (1996)		-	8,905
Sales tax on royalty		-	7,511
Others		-	176
Impairment on investment in associate	10.1	6,812	8,623
Impairment on revaluation of building	8.1	-	16,374
Impairment on other receivables and deposits		4,435	-
		48,464	101,414

39. OTHER INCOME

	Note	2024	2023
Income from financial assets			
Mark-up on term deposit receipts and long term loan	39.1	34,804	33,412
Income from non-financial assets			
Sale of scrap		15,927	28,406
Gain on disposal of property, plant and equipment - net	8.1.1	4,896	11,335
Rental income and other services charged to related parties		1,200	5,319
Export rebate		899	720
Insurance claim		4,491	3,087
Amortization of deferred grant	27	5,780	6,301
Others		1,711	5,848
Impairment loss reversed during the year	19.4	-	3,263
		69,708	97,691

39.1 This includes interest income of Rs. 1.350 million (2023: Rs. 5.799 million) charged on receivable balance from Berger Road Safety (Private) Limited and 3S Pharmaceutical (Private) Limited, related parties.

	Note	2024	2023
		(Rupees in thousand)	
40. FINANCE COST			
Islamic mode of financing:			
- Long term financing - secured		9,625	11,518
- Long term diminishing musharaka - secured		109,882	90,036
- Short term financing - secured		858	1,188
- Short term running finances - secured		31,153	31,183
		151,518	133,925
Mark-up based borrowings from conventional banks:			
- Long term financing - secured		11,965	18,314
- Short term financing - secured		-	23,138
- Short term running finances - secured		131,356	100,686
		143,321	142,138
Interest on WPPF		1,168	944
Bank charges		8,589	6,538
		304,596	283,545
41. TAXATION			
Final	41.3	566	438
Minimum claimed		(6,781)	(19,469)
		(6,215)	(19,031)
Current			
- for the year	41.1	174,484	134,015
- prior year	41.2	(26,024)	(305)
		148,460	133,710
Deferred			
- current year	13.1	16,244	(23,543)
- prior year	-	-	
		158,489	91,136
41.1 Current year tax includes super tax as follows:			
- for the year		22,974	22,974

41.2 This represents a difference between net taxation charged in the finanicial and the income tax return filed in the last year due to advance tax not taken into account.

41.3 This represents final taxes paid under Section 154A of Income Tax Ordinance, 2001 representing levy in terms of requirements of IFRIC 21/IAS 37.

41.3.1 Reconciliation of tax charge

Reconciliation of current tax charge charged as per tax laws for the year, with current tax recognised in the profit and loss account is as follows:

	2024	2023
	(Rupees in thousand)	
Current tax liability for the year as per applicable tax laws	149,026	134,148
Portion of current tax liability as per tax laws, representing income tax under IAS 12	(148,460)	(133,709)
Portion of current tax computed as per tax laws, representing levy in terms of requirements of IFRIC 21/IAS 37	(566)	(438)
Difference	-	-

41.3.2 The aggregate of final tax and income tax amounting to Rs. 149,026 million (2023: Rs. 134.148 million) represents tax liability of the Company calculated under the relevant provisions of the Income Tax Ordinance, 2001.

41.4 The numerical reconciliation between the average tax rate and the applicable tax rate is as follows:

	2024	2023
Applicable tax rate	29.00%	29.00%
Tax effect of:		
- income under Final Tax Regime	0.13%	0.13%
- prior year adjustment	-6.15%	-0.09%
- permanent difference	0.01%	0.01%
- others	1.00%	-7.44%
- effect of super tax	8.77%	6.78%
Average effective tax rate charged to profit or loss	33%	28.39%

41.5 Comparison of tax provision against tax assessments

Years	Excess/ (Short)	Tax provision	Tax assessment/ tax return
		(Rupees)	
2022-23	(406,436)	114,984,017	115,390,453
2021-22	305,289	93,291,025	92,985,736
2019-20	79,911,491	121,277,078	41,365,587

41.6 As at June 30, 2024, as per the treatments adopted in tax returns filed that are based on the applicable tax laws and decisions of appellate authorities on similar matters, the provision in the financial statements for income tax is sufficient as there are strong grounds that the said treatments are likely to be accepted by the tax authorities.

42. EARNINGS PER SHARE - BASIC AND DILUTED

42.1 Earning per share - basic and diluted

	2024	2023
Profit attributable to ordinary shareholders (Rupees in thousand)	262,863	240,061
Weighted average number of shares outstanding during the year (Number of shares)	24,551,614	24,551,614
Earning per share - basic (Restated) (Rupees)	10.71	9.78

42.2 No figure for diluted earnings per share has been presented as the Company has not issued any instruments carrying options as at June 30, 2024, which would have an impact on earnings per share when exercised.

42.3 EPS of last year has been restated based on bonus element for bonus share issued during the year.

	Note	2024	2023
		(Rupees in thousand)	

43. CASH AND CASH EQUIVALENTS

	Note	2024	2023
Cash and bank balances	22	66,172	47,078
Short term investment	21	-	110,000
Short term running finance - secured	32	(669,635)	(425,308)
		(603,463)	(268,230)

44. CASH FLOWS FROM OPERATING ACTIVITIES

	Note	2024	2023
Profit before taxation		421,352	331,197
Adjustments for non-cash and other items:			
Depreciation on property, plant and equipment	8.1.6	209,846	139,301
Amortization on intangible assets	9.1.1	-	23
Gain on disposal of property, plant and equipment	39	(4,896)	(11,335)
Provision (reversed)/charged against slow moving stock - net		(18,554)	(11,746)
Impairment loss (reversed) / recorded during the year		67,990	73,084
Provision for long term employee benefit		42,269	45,463
Finance cost	40	304,596	283,545
Provision for Workers' Profit Participation Fund	38	22,682	17,806
Provision for Workers' Welfare Fund	38	9,615	7,123
Amortization of deferred grant	27	5,780	6,301
Impairment on revaluation of building		-	16,374
Impairment on investment in associate		6,812	8,623
Mark-up on term deposit receipts and long term loan	39	(34,804)	(33,412)
Net cash flow before working capital changes		1,032,688	872,347

45. RECONCILIATION OF MOVEMENT OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

	Unclaimed dividend	Long term diminishing musharaka	Long term financing	Short term borrowing	Total
	(Rupees in thousand)				
As at June 30, 2023	13,106	500,000	148,922	425,308	1,087,336
Changes from financing cash flows					
Dividend paid	(628)	-	-	-	(628)
Long term financing - net	-	-	(10,033)	-	(10,033)
Long term dimishing musharaka - net	-	(125,000)	-	-	(125,000)
Total changes from financing cash flows	(628)	(125,000)	(10,033)	-	(135,661)
Other changes					
Adjustment of Government grant	-	-	5,780	-	5,780
Change in borrowings- net	-	-	-	244,327	244,327
Total liability related other changes	-	-	5,780	244,327	250,107
As at June 30, 2024	12,478	375,000	144,669	669,635	1,201,782
As at June 30, 2022	6,826	16,000	250,953	1,373,939	1,647,718
Changes from financing cash flows					
Dividend paid	(75,559)	-	-	-	(75,559)
Short term borrowings - net	-	-	-	(255,552)	(255,552)
Long term financing	-	-	(108,332)	-	(108,332)
Long term diminishing musharka	-	484,000	-	-	484,000
Total changes from financing cash flows	(75,559)	484,000	(108,332)	(255,552)	44,557
Other changes					
Adjustment of Government grant	-	-	6,301	-	6,301
Change in borrowings	-	-	-	(693,079)	(693,079)
Dividend declared	81,839	-	-	-	81,839
Total liability related other changes	81,839	-	6,301	(693,079)	(604,939)
As at June 30, 2023	13,106	500,000	148,922	425,308	1,087,336

46. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged in the financial statements for the year for remuneration, including all benefits, to the Chief Executive, Directors and Executives of the Company are as follows:

	2024			2023		
	Chief Executive	Executives	Non-Executive Directors	Chief Executive	Executives	Non-Executive Directors
	(Rupees in thousand)					
Fees	-	-	3,700	-	-	4,900
Managerial remuneration (including bonus)	22,000	83,132	-	19,000	64,995	-
Retirement and other long term benefits	4,182	60,414	-	6,818	45,553	-
House rent allowance	-	28,608	-	-	22,456	-
Utilities	-	6,357	-	-	4,990	-
Medical expenses	-	7,947	-	-	6,238	-
Provident fund	2,000	5,951	-	1,727	4,535	-
	28,182	192,409	3,700	27,545	148,767	4,900
Number of persons	1	32	7	1	22	7

46.1 Retirement and other long term benefits include benefits provided under provident fund, gratuity, pension and accumulated compensated absences.

46.2 The Chief Executive and certain other executives of the Group are provided with free use of Company cars. The approximate value of the benefit amounts to Rs. 36.73 million (2023: Rs. 21.93 million).

47. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The Company is a subsidiary of Slotrapid Limited, therefore all the subsidiaries and associates of the Holding Company are related parties of the Company. In addition related parties includes long term employee benefit, directors and key management personnel. Amounts due from and due to related parties, remuneration of directors and key management personnel are disclosed in the relevant notes.

Name of parties	Nature of relationship	Nature of transactions	Note	June 30, 2024 Transactions during the period	June 30, 2024 Closing balance	June 30, 2023 Transactions during the year	June 30, 2023 Closing balance
				(Rupees in thousand)			
Slotrapid Limited	Holding Company	Royalty expense		-	-	-	-
		Royalty payable		-	40,126		40,126
		Royalty waiver		60,120	-	39,640	-
		Payment		-	-	-	-
		Dividend paid		-	-	30,600	-
Berger Road Safety (Private) Limited	(Wholly owned subsidiary of Berger DPI (Private) Limited)	Sales		-	-	-	-
		Rental income and		-	-	-	-
		other services charged		-	-	175	-
		Receipts / adjustments		-	-	136,215	-
		Loss on adjustment		-	-	174	-
		Trade and other receivables taken		-	-	136,041	-
		Common expenditures incurred		-	-	2,868	-
		Royalty payable		-	-	-	32
		Other receivable		-	12,526	-	10,621
		Interest income		1,144	-	5,352	-
3S Pharmaceutical (Private) Limited	Associated Company	Common expenditures incurred		1,740	-	1,459	-
		Impairment allowance		6,812	-	8,623	-
		Other receivable		-	5,824	-	3,879
		Interest income		206	-	448	-
Buxly Paints Limited ("BPL")	Associated Company	Sales		449,811	-	362,918	-
		Rental expense		1,800	-	1,812	-
		Rental income and other services		1,200	-	1,200	-
		Common expenditures incurred		34,178	-	19,255	-
		Receipts / adjustments		-	-	1,933	-
		Trade debt		-	285,092	-	248,959
		Other receivable		-	-	-	1,338
		Royalty payable			32		32
		Toll manufacturing - cost		33,863	-	27,131	-
					-		
Post employment benefit plans (Key Management Personnel)		Contribution to gratuity fund		5,129	-	20,934	-
		Contribution to pension fund		25,000	-	4,435	-
		Provident fund contribution		39,633	-	36,872	-
		Provident fund receivable /(payable)		-	(695)	-	22,066

47.1 Basis of relationship with the company

In respect of associated companies and holding company incorporated inside Pakistan with whom the company had entered into transaction during the financial year along with basis of relationship is as follows:

Name of related party	Country of Incorporation/origin	Relationship	Basis of Association	Shareholdings	Basis of Association	Shareholdings
			2024		2023	
Slotrapid Limited	British Virgin Island	Holding	Shareholding	52.05%	Shareholding	52.05%
Berger DPI (Private) Limited	Pakistan	Subsidiary	Shareholding	51%	Common management	51%
Berger Road Safety (Private) Limited	Pakistan	(Wholly owned subsidiary of Berger DPI (Private) Limited)	Shareholding		Common management	
3S Pharmaceutical (Private) Limited	Pakistan	Associated	Shareholding	49%	Common management	49%
Buxly Paints Limited	Pakistan	Associated	Common management	19%	Common management	19%

47.2 In addition to these transactions, the Company has an agreement with 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 company will handover the possession of the building to BPL free of cost.

47.3 The details of compensation paid to key management personnel are shown under the heading of "Remuneration of Chief Executive, Directors and Executive (note 45)". There are no transactions with key management personnel other than under their terms of employment except otherwise stated.

47.4 Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity. The Company considers all members of its management team, including the Chief Executive Officer and the Directors to be key management personnel.

48. FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

48.1 Risk management of financial instruments

The Company finances its operations through equity, borrowings and management of working capital with a view to obtain a reasonable mix between the various sources of finance to minimize the finance related risks to the entity.

The Company has exposure to the following risks from its use of financial instruments:
- Market risk
- Credit risk
- Liquidity risk

The Company's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

48.1.1 Risk management framework

The Board of Directors have the overall responsibility for the establishment and oversight of Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect to changes in market conditions and the Company's activities. The Company through its training and management standards and procedures aims to maintain a disciplined and constructive control environment in which employees understand their roles and responsibilities.

The Company's audit committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. Audit committee is assisted in its oversight role by internal audit department. Internal audit department undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

48.1.2 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's profit or loss or value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures with acceptable parameters, while optimizing return.

48.1.2.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

The Company is exposed to currency risk arising from various currency exposures, primarily with respect to the Euro (EUR), RMB (Chinese Yuan), United States Dollar (USD) and Japanese Yen (JPY). Currently, the Company's foreign exchange risk exposure is restricted to the amounts payable to foreign entities.

The Company's exposure to foreign exchange risk is as follows:

	2024	2023
Statement of financial position items	**(Amount in thousand)**	
Trade and other payables		
- Euro	-	-
- USD	456	888
- AED	397	-
- RMB	-	475
- JPY-	-	
Off statement of financial position items		
Outstanding letters of credit as at the year end are as follows:		
- Euro	-	-
- USD	2,271	2,498
- RMB	-	-
- JPY-	-	

The following significant exchange rates were applied during the year:	2024	2023
	(In rupees)	
Rupees per Euro		
Average rate for the year	305.67	263.37
Reporting date rate	298.41	312.93
Rupees per USD		
Average rate for the year	282.40	245.42
Reporting date rate	278.80	285.99
Rupees per RMB		
Average rate for the year	39.10	35.14
Reporting date rate	38.53	39.67
Rupees per JPY		
Average rate for the year	1.86	1.75
Reporting date rate	1.73	1.99

Sensitivity analysis

At reporting date, if the PKR had strengthened by one rupee against the foreign currencies with all other variables held constant, profit after tax for the year would have been higher by the amount shown below, mainly as a result of net foreign exchange gain on translation of foreign currency loans.

	2024	2023
Effect on profit or loss	**(Amount in thousand)**	
- Euro	-	-
- USD	324	630
- RMB	262	337
- JPY	-	-

The weakening of the PKR against foreign currencies would have had an equal but opposite impact on the post tax profit. The sensitivity analysis prepared is not necessarily indicative of the effects on profit / (loss) for the year and assets / liabilities of the Company.

48.1.2.2 Price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company is not exposed to commodity price risk since it has a diverse portfolio of commodity suppliers.

Sensitivity analysis

The Company's investments in equity instrument of other entities are publicly traded on the PSX. The summary below explains the impact of increase on the Company's surplus on investment classified as FVOCI to change in market price. The analysis is based on the assumption that the market price had increased by 10% with all other variables held constant:

	Impact on equity	
	2024	2023
	(Rupees in thousand)	
Buxly Paints Limited	2,517	2,025

The sensitivity analysis prepared is not necessarily indicative of the effects on profit after tax for the year and assets / liabilities of the Company.

48.1.2.3 Interest rate risk

Interest rate risk is the risk that fair values or future cash flows of a financial instrument will fluctuate because of changes in interest rates. Significant interest rate risk exposures are primarily managed by a mix of borrowings at variable interest rates. Sensitivity to interest rate risk arises from mismatch of financial assets and financial liabilities that mature or re-price in a given period.

	Effective rate		Carrying amount	
	2024	2023	2024	2023
Financial assets	(Percentage)		(Rupees in thousands)	
Fixed rate instruments				
Short term investment	19%	11%	121,000	191,000

	Effective rate		Carrying amount	
	2024	2023	2024	2023
Financial liabilities				
Fixed rate instruments				
Long term financing - secured	5.5%	5.5%	86,847	101,016
Floating rate instruments				
Long term financing - secured	23.1%	19.8%	57,822	47,906
Long term diminishing musharaka	22.9%	17.6%	375,000	500,000
Short term running finance - secured	23.5%	18.2%	669,635	425,308
			1,102,457	973,214

Cash flow sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rates financial assets and liabilities at fair value through profit or loss. Therefore, a change in profit / mark-up / interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased / (decreased) profit for the year by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis as for 2023.

	100 bps	
	Decrease	**Increase**
As at June 30, 2024	11,025	(11,025)
As at June 30, 2023	9,732	(9,732)

The sensitivity analysis prepared is not necessarily indicative of the effects on profit after tax for the year and assets / liabilities of the Company.

48.1.3 Credit risk

Credit risk is the risk of financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Out of the total financial assets of Rs. 3,017 million (2023: Rs. 2,387.39 million) financial assets which are subject to credit risk amount to Rs. 3,017 million (2023: Rs. 2,387.39 million).

Credit risk represents the financial loss that would be recognized at the reporting date if the counterparties fail completely to perform as contracted / fail to discharge an obligation / commitment that it has entered into with the Company. Concentration of credit risk arises when a number of counterparties are engaged in similar business activities, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentration of credit risk indicates the relative sensitivity of a company's performance to developments affecting a particular industry.

	2024	2023
	(Rupees in thousand)	
Long term loans - secured	31,952	61,109
Long term deposits	33,319	22,218
Trade debts - unsecured	2,602,977	1,907,525
Long term investments	76,595	78,479
Trade deposits	22,209	18,536
Other receivables		
- Receivable from related parties	2,512	-
- LC Margin	22,848	20,363
- Others	13,891	41,690
	39,251	62,053
Short term investment - secured	121,000	191,000
Bank balances	65,522	46,470
	2,992,825	2,387,390

Concentration of credit risk

The Company identifies concentrations of credit risk by reference to type of counter party. Maximum exposure to credit risk by type of counterparty is as follows:

	2024	2023
	(Rupees in thousand)	
Trade debts	2,602,977	1,907,525
Banking companies and financial institutions	209,370	257,833
Others	180,478	222,032
	2,992,825	2,387,390

48.1.3.1 Trade deposits and other receivables

Deposits and other receivables represents deposits held by government institutions and vendors. The Company has assessed, based on historical experience, that the expected credit loss associated with these financial assets is generally trivial. Hence, no additional allowance has been recognised in these financial statements.

48.1.3.2 Receivable from related party

The Company uses an allowance matrix to measure ECLs on receivables from related parties. Loss rates are determined using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency. The future recoveries from related parties are accounted for in calculating the loss rate.

48.1.3.3 Long term loans

Long term loans are due from employees of the Company and are secured against assets. Hence, the management believes that no impairment allowance is necessary in respect of these loans.

48.1.3.5 Trade debts

The Company uses an allowance matrix to measure ECLs of trade debts. Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency. The future recoveries from trade debtors are accounted for in calculating the loss rate.

June 30, 2024	Weighted average loss rate	Gross carrying amount	Loss allowance
Past due 0 - 30 days	0.00%	1,074,175	-
Past due 31 - 60 days	0.50%	816,763	4,060
Past due 61 - 90 days	1.51%	360,228	5,422
Past due 91 - 120 days	2.73%	308,257	8,421
Past due 121 - 180 days	3.79%	192,461	7,299
Past due 181 - 364 days	14.66%	109,133	16,003
Past due over one year	100.00%	54,959	54,959
		2,915,976	96,164

June 30, 2023	Weighted average loss rate	Gross carrying amount	Loss allowance
Past due 0 - 30 days	0.00%	1,129,668	-
Past due 31 - 60 days	0.88%	409,754	5,938
Past due 61 - 90 days	1.13%	191,924	3,672
Past due 91 - 120 days	2.91%	123,768	5,103
Past due 121 - 180 days	5.58%	181,209	13,194
Past due 181 - 364 days	24.60%	141,571	48,178
Past due over one year	100.00%	77,308	77,308
		2,255,202	153,393

48.1.3.6 Balances with banking companies

‘The Company held balances with banks, short term investments and LC margin amounting to Rs. 209.37 million as at June 30, 2024. These are held with banks and financial institutions counterparties, which are rated A1 to AAA, based on credit ratings from rating agencies.

Impairment on these financial assets has been measured on a 12 month expected loss basis and reflects short term maturities of the exposure. The Company considers that these balances have low credit risk based on the external ratings of the counterparties.

12 month probabilities of default are based on historical data supplied by PACRA and VIS rating agency for each credit rating. Loss given default (LGD) parameters generally reflect assumed recovery rates based on recovery rates assumed in Basel Guidelines for unsecured exposures.

		2024	2023
		(Rupees in thousand)	
Bank balances	22	65,522	46,470
Short term investment	21	121,000	191,000
Other receivables	19	22,848	20,363
		209,370	257,833

48.1.3.7 Credit quality of financial assets

The credit quality of bank balances that are neither past due nor impaired can be assessed by reference to external credit ratings or to historical information about counterparty default rate:

Banks	Rating		Rating Agency	2024	2023
	Short term	Long term		(Rupees in thousand)	
Balances with bank:					
Bank Al Habib Limited	A-1+	AAA	PACRA	23,585	18,817
Habib Metropolitan Bank Limited	A-1	AA+	PACRA	8,438	23,349
Habib Bank Limited	A-1+	AAA	VIS	34	35
JS Bank Limited	A-1+	AA-	PACRA	-	31,000
Al-Baraka Bank Pakistan Limited	A-1	A+	VIS	6	6
United Bank Limited	A-1+	AA+	PACRA	-	20
National Bank of Pakistan	A-1+	AAA	PACRA	11,918	114,131
Bank Islami Pakistan Limited	A-1	A+	PACRA	20,732	60,240
Samba Bank Limited	AA	A-1	VIS	-	-
Faysal Bank Limited	A-1+	AA	PACRA	809	10,235
				65,522	257,833
Deposits with bank/ TDRs:					
JS Bank Limited	A-1+	AA-	PACRA	71,000	31,000
National Bank of Pakistan	A-1+	AAA	PACRA	-	110,000
Bank Islami Pakistan Limited	A-1	A+	VIS	50,000	50,000
				121,000	191,000

The Company has not recognised an impairment allowance on bank balances during the year ended June 30, 2024, as the impact was immaterial.

48.1.4 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities, that are settled by delivering cash or other financial asset, or that such obligation will have to be settled in a manner unfavorable to Company. The Company's approach to managing liquidity is to ensure, as far as possible that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions. The Company finances its operations through equity, borrowings and working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk. The management aims to maintain flexibility in funding by keeping regular committed credit limits.

The following are the contractual maturities of financial liabilities as at June 30, 2024

	Carrying amount	Contractual cash flow	Less than one year	Two to five years	More than five years
Non derivative financial liabilities	. . . .	(Rupees in thousand)	. . . .		
Long term financing - secured	144,669	178,441	47,695	117,058	13,688
Long term diminishing musharaka	375,000	375,000	166,667	208,333	-
Trade and other payables	1,825,109	1,825,109	1,825,109	-	-
Interest / mark-up accrued on borrowings	50,024	50,024	50,024	-	-
Short term borrowings - secured	669,635	495,399	495,399	-	-
	3,064,570	2,923,973	2,586,027	325,391	13,688

The following are the contractual maturities of financial liabilities as at June 30, 2023;

	Carrying amount	Contractual cash flow	Less than one year	Two to five years	More than five years
Non derivative financial liabilities	. . . .	(Rupees in thousand)	. . . .		
Long term financing - secured	148,922	212,705	66,324	108,192	38,189
Long term diminishing musharaka	500,000	642,938	243,790	399,148	-
Trade and other payables	1,741,839	1,741,839	1,741,839	-	-
Interest / mark-up accrued on borrowings	31,459	31,459	31,459	-	-
Short term borrowings - secured	425,308	495,399	495,399	-	-
	2,847,528	3,124,340	2,578,811	507,340	38,189

It is not expected that the cash flows on the maturity analysis could occur significantly earlier, or at significant different amount.

48.2 Fair value measurement 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.

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.

	Carrying amount				Fair value			
	Financial assets at amortised cost	FVOCI - equity instruments	Financial liabilities	Total	Level 1	Level 2	Level 3	Total
As at June 30, 2024	Rupees in thousand							
Financial assets - measured at fair value								
Investment classified as FVOCI	-	25,174	-	25,174	25,174	-	-	25,174
Financial assets - at cost								
Long term investments	51,421	-	-	51,421	-	-	-	-
Financial assets - at amortised cost								
Long term loans - secured	31,952	-	-	31,952	-	-	-	-
Long term deposits	33,319	-	-	33,319	-	-	-	-
Trade debts	2,602,977	-	-	2,602,977	-	-	-	-
Trade deposits	22,209	-	-	22,209	-	-	-	-
Other receivables	39,251	-	-	39,251	-	-	-	-
Short term investment - secured	121,000	-	-	121,000	-	-	-	-
Cash and bank balances	65,522	-	-	65,522	-	-	-	-
	2,967,651	25,174	-	2,992,825	25,174	-	-	25,174
Financial liabilities - at amortised cost								
Long term financing - secured	-	-	144,669	144,669	-	-	-	-
Long term diminishing musharaka	-	-	375,000	375,000	-	-	-	-
Trade and other payables	-	-	1,825,109	1,825,109	-	-	-	-
Accrued markup	-	-	50,024	50,024	-	-	-	-
Short term borrowings - secured	-	-	669,635	669,635	-	-	-	-
	-	-	3,064,437	3,064,437	-	-	-	-

	Carrying amount				Fair value			
	Financial assets at amortised cost	FVOCI - equity instruments	Financial liabilities	Total	Level 1	Level 2	Level 3	Total
As at June 30, 2023	Rupees in thousand							
Financial assets - measured at fair value								
Investment classified as FVOCI	-	20,246	-	20,246	20,246	-	-	20,246
Financial assets - at cost								
Long term investments	58,233	-	-	58,233	-	-	-	-
Financial assets - at amortised cost								
Loan to related party - secured	61,109	-	-	61,109	-	-	-	-
Long term deposits	22,218	-	-	22,218	-	-	-	-
Trade debts	1,907,525	-	-	1,907,525	-	-	-	-
Trade deposits	18,536	-	-	18,536	-	-	-	-
Other receivables	62,053	-	-	62,053	-	-	-	-
Short term investment - secured	191,000	-	-	191,000	-	-	-	-
Cash and bank balances	46,470	-	-	46,470	-	-	-	-
	2,367,144	20,246	-	2,387,390	20,246	-	-	20,246
Financial liabilities - at amortised cost								
Long term financing - secured	-	-	148,922	148,922	-	-	-	-
Long term diminishing musharaka			500,000	500,000	-	-	-	-
Trade and other payables	-	-	1,741,839	1,741,839	-	-	-	-
Accrued markup	-	-	31,459	31,459	-	-	-	-
Short term borrowings - secured	-	-	425,308	425,308	-	-	-	-
	-	-	2,847,528	2,847,528	-	-	-	-

48.3 Fair value versus carrying amounts

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

48.4 Freehold land, leasehold land, building on freehold land, building on leasehold land and plant and machinery have been carried at revalued amounts determined by professional valuers (level 3 measurement) based on their assessment of the values as disclosed. The valuations are conducted by an independent valuation expert appointed by the Company. The valuation expert used a market based approach to arrive at the fair value of the Company's land and building. 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. The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty, accordingly a qualitative disclosure of sensitivity has not been presented in these financial statements. Reconciliation of level three has been disclosed in relevant note and there is no transfer between fair value hierarchy.

49. CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders through repurchase of shares, issue new shares or sell assets to reduce debt. Consistent with others in the industry and the requirements of the lenders, the Company monitors the capital structure on the basis of gearing ratio.

This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings including current and non-current borrowings. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt. The gearing ratios as at year end are as follows:

	2024	2023
	(Rupees in thousand)	
Long term loans	519,669	648,922
Short term borrowings	669,635	425,308
Total debt	1,189,304	1,074,230
Total equity	3,447,465	3,195,803
Total equity and debt	4,636,769	4,270,033
Gearing ratio	26:74	25:75

50. RESTRICTION ON TITLE AND ASSETS PLEDGED AS SECURITY

Mortgages and charges

	2024	2023
First		
Hypothecation of all present and future current assets	2,070,000	2,070,000
Mortgage over land and building	1,268,171	1,268,171
Ranking		
Hypothecation of all present and future current assets	2,136,000	1,869,000
Mortgage over land and building	-	-

51. NUMBER OF EMPLOYEES

	2024	2023
	(Number of persons)	
The Company has employed following number of persons:		
- Factory employees	79	74
- Salaried employee	262	250
	341	324
- Average number of employees	374	246
- Average number of factory employees	87	83

52. PROVIDENT FUND RELATED DISCLOSURES

The Company operates funded contributory provident fund scheme for all its permanent and eligible employees. The following information is based on the un - audited financial statements of the provident fund:

	(Unaudited) June 30, 2024	(Unaudited) June 30, 2023
	(Rupees in thousands)	
Size of the fund		
Cost of investments made	324,133	314,630
Percentage of investments - (% of total assets)	190,468	247,697
Fair value of investments	59%	79%
	321,676	296,981

52.1 The break-up of investments is as follows:

	2024		2023	
	Rupees in thousand	%	Rupees in thousand	%
Investment in debt collective investment scheme	-	0%	-	0%
Investment in money market collective investment	54,737	16%	37,966	13%
Investment in equity collective investment scheme	-	0%	-	0%
Bank balances	69,424	22%	27,290	9%
Certificate of deposits	111,797	35%	111,725	38%
Term deposit receipts	85,716	27%	120,000	40%
	321,674	100%	296,981	100%

The investments out of provident fund as at June 30, 2024 have been made in accordance with the requirements of section 218 of the Companies Act, 2017.

53. PRODUCTION CAPACITY

	2024	2023
	(Liters in thousand)	
Actual production	40,771	40,217

The capacity of the plant is indeterminable because it is a multi product plant involving varying processes of manufacturing. Actual production includes resin production of 15.43 million liters (2023: 15.55 million liters) which is used in the manufacture of the final product.

54. OPERATING SEGMENTS

54.1 These financial statements have been prepared on the basis of single reportable segment.

54.2 Revenue from sale of paints and allied represents 100% (2023: 100%) of the total revenue of the Company.

54.3 99.57% (2023: 99.51%) sales of the Company relates to customers in Pakistan.

54.4 All non-current assets of the Company as at June 30, 2024 are located in Pakistan.

55. SHARIAH COMPLIANCE DISCLOSURE

Following information has been disclosed with the reference to disclosure requirements of fourth schedule of the Companies Act, 2017 relating to all shares Islamic Index.

	Description	2024	2023
		(Rupees in thousand)	
55.1	Statement of financial position - Liability side		
	Financing obtained as per Islamic mode:		
	Long term financing	57,822	47,906
	Long term diminishing musharaka	208,333	333,333
	Short term financing	83,919	156,588
	Markup accrued on conventional loans:		
	Long term financing	49,139	25,387
55.2	Statement of financial position - Asset side		
	Shariah compliant investments:	-	-
	Long term investments	-	-
	Short term investments	-	-
	Shariah compliant bank deposit, bank balance and TDRs	50,000	50,000
55.3	Statement of financial position - Statement of comprehensive income:		
	Revenue earned from a shariah compliant business segment:	-	-
	Late payment or liquidated damages:	-	-
	Gain/ loss or dividend earned on shariah compliant investments:	-	-
	Profit earned from Shariah compliant bank deposit, bank balances or TDRs:	-	-
	Exchange gain earned from actual currency:	-	-
	Exchange gain earned using conventional derivative financial instruments:	-	-
	Profit paid on Islamic mode of financing:	-	-
	Total interest earned on any conventional loan or advance:	-	-
	Shariah compliant/ Non-shariah compliant portion of other income:	-	-

Relationship with banks having Islamic windows

Bank Name	Region	Nature of transactions
Pak Oman Investment Company Limited	Pakistan	Sukuk
Bank Islami Pakistan Limited	Pakistan	TDR
Bank Islami Pakistan Limited	Pakistan	Long term financing
First Habib Modaraba	Pakistan	Long term financing
Meezan Bank Limited	Pakistan	Short term borrowing

56. CORRESPONDING FIGURES

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 except the following for appropriate presentation:

Description	Note	From	To	(Rupees in thousands)
Reclassification of income tax expense to levy	41	Taxation	Minimum/ final taxes	(19,031)

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

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

58. NON ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE

The Board of Directors of the Company in its meeting held on 25 Sepetember 2024 has proposed a final cash dividend of Rs.4 per share, for the year ended June 30, 2024 for approval of the members in the Annual General Meeting to be held on 25 October 2024.

59. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 25 Sepetember 2024 by the Board of Directors of the Company.

60. GENERAL

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

CHIEF EXECUTIVE **DIRECTOR** **CHIEF FINANCIAL OFFICER**

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

INDEPENDENT AUDITOR,S REPORT
TO THE MEMBERS OF BERGER PAINTS PAKISTAN LIMITED
REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Report on the Audit of the consolidated financial statements

Opinion

We have audited the annexed consolidated financial statements of BERGER PAINTS PAKISTAN LIMITED and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at June 30, 2024, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policies and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at June 30, 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key audit matters:

S.No.	Key audit matter(s)	How the matter was addressed in our audit
1	**Trade debts & revenue recognition** (Refer note 34 to the annexed financial statements) The Group is principally engaged in the production and sale of paints, varnishes and other related items in the local and export markets. • Revenue from sale of goods is recognised when the performance obligation is satisfied by transferring control of promised goods to the customers. • We consider revenue recognition as a key audit matter due to revenue being one of the key performance indicators of the Group. In addition, revenue was also considered as an area of an inherent risk of material misstatement and significant audit risk as part of the audit process (Refer note 16 to the annexed financial statements) As at June 30, 2024, the Group's gross trade debts were Rs. 2,915.976 million against which provision of Rs. 67.990 million has been recognized. We identified recoverability of trade receivables as key audit matter as it involves significant management judgement in determining the expected credit loss.	Our audit procedures in relation to the revenue, included the following: • Understood and evaluated management controls over revenue and checked their validation; • Performed verification of sales with underlying documentation including dispatch documents and sales invoices • Tested on a sample basis, specific revenue transactions recorded before and after the reporting date with underlying documentation to assess whether revenue has been recognized in the correct period; • Verified that sales prices are approved by the appropriate authority; • Tested on a sample basis, specific discounts as per Group's policy; • Performed analytical procedures to analyse variation in the price and quantity sold during the year; • Tested journal entries relating to revenue recognised during the year based on identified risk criteria; and • Assessed the adequacy of disclosures made in the financial statements related to revenue. Our key audit procedures to valuation of trade receivables included: • Obtained an understanding of the Group's processes and design and implementation of internal controls relating to credit control processes (credit limits), debt collection process and making expected credit loss for doubtful receivables. • Testing the accuracy of aging report, on sample ba sis, by comparing individual balances in the report with underlying documentation • Testing the accuracy of aging report, on sample basis, by comparing individual balances in the report with underlying documentation. • Assessing the appropriateness of assumptions and estimates made by management for the expected credit loss by comparing on sample basis, historic cash collection, actual write offs and cash receipts from customers subsequent to reporting date. • Circulated external confirmations and performed alternative audit procedures in the absence of receipts of external confirmations.

<table>
<tr><td>2</td><td>Inventory valuation</td><td></td></tr>
<tr><td></td><td>As at June 30, 2024, the Group held Rs. 1,396.960 million in inventories. Given the size of the inventory balance relative to the total assets of the Group and the estimates and judgements described below, the valuation of inventory required significant audit attention.

As disclosed in Note 5.5, inventory is held at the lower of cost and net realizable value determined using the moving average cost method / average cost plus production overheads. At year end, the valuation of inventory is reviewed by management and the cost of inventory is reduced where inventory is forecast to be sold below cost.

The determination of whether inventory will be realized for a value less than cost requires management to exercise judgement and apply assumptions. Management undertake the following procedures for determining the level of write down required:
• Use inventory aging reports together with historical trends to estimate the likely future salability of slow-moving and older inventory items;
• The Group reviews the carrying amount of inventories on a regular basis and provision is made for obsolescence if there is any change in usage pattern and physical form of related inventories.
• Perform a line-by-line analysis of remaining inventory to ensure it is stated at the lower of cost and net realizable value and a specific write down is recognized if required.

Refer to Notes 5.5 & 15 of the financial statements.</td><td>Our audit procedures involved assessing the Group's

accounting policies over recognizing and valuation of inventory in compliance with applicable accounting standards.
• We tested the costing of the inventory and performed net realizable value testing to assess whether the cost of the inventory exceeds net realizable value.
• We performed an analytical review of the inventory to compare and investigate any unexpected or unusual variation between current year and prior year and discuss these with management and also corroborate with underlying record.
• We checked final stock valuation sheet to physical stock taking sheet to ensure that all items are included.
• We reconciled final stock valuation sheet to general ledger and stock ledger and checked amount to appropriate sources and investigate unusual items.
• Obtained an understanding of the Group's processes and design and implementation
• We assessed the Group disclosures in the consolidated financial statements in respect of inventory.
• We checked that the provision made is appropriate in the circumstances.
• We assessed the Group's disclosures in the consolidated financial statements in respect of inventory.</td></tr>
</table>

Information Other than the consolidated financial statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Unconsolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of directors is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

BDO Ebrahim.

BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS
Engagement Partner: Muhammad Imran

Lahore

Dated: October 01, 2024

UDIN: AR202410131NflaJtPu7

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2024

	Note	2024	2023
		(Rupees in thousand)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	2,264,640	2,307,469
Equity - accounted investee - unlisted	9	48,871	48,013
Long term investment - FVOCI	10	25,174	20,246
Long term loans	11	27,333	37,262
Long term deposits and prepayments	12	33,319	22,218
		2,399,337	2,435,208
CURRENT ASSETS			
Stores, spare parts and loose tools	14	30,925	30,341
Stock in trade	15	1,396,960	1,437,793
Trade debts - unsecured	16	2,602,977	1,917,825
Loans and advances	17	243,947	277,322
Trade deposits and short term prepayments	18	35,526	31,864
Other receivables	19	39,251	65,549
Tax refund due from government	20	238,515	209,904
Short term investment	21	121,000	191,000
Cash and bank balances	22	66,960	47,824
		4,776,061	4,209,422
TOTAL ASSETS		7,175,398	6,644,630

CHIEF EXECUTIVE **DIRECTOR** **CHIEF FINANCIAL OFFICER**

	Note	2024	2023
		(Rupees in thousand)	
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital	23	500,000	250,000
Issued, subscribed and paid-up share capital	23	245,516	245,516
Capital reserves			
Revaluation surplus on property, plant and equipment	24.3	1,437,720	1,495,613
Other reserves	24	47,575	56,205
		1,485,295	1,551,818
Revenue reserves			
General reserve	24	285,000	285,000
Accumulated profits	24	1,444,487	1,128,397
		1,729,487	1,413,397
EQUITY ATTRIBUTABLE TO THE OWNERS OF THE COMPANY		3,460,298	3,210,731
NON-CONTROLLING INTERESTS		7,749	8,101
TOTAL EQUITY		3,468,047	3,218,832
NON-CURRENT LIABILITIES			
Long term financing - secured	25	106,092	94,221
Long term diminishing musharaka	26	208,333	333,333
Deferred grant	27	17,524	21,672
Long term employee benefits	28	157,459	144,748
Deferred taxation - net	13	134,447	104,450
		623,855	698,424
CURRENT LIABILITIES			
Trade and other payables	29	2,141,017	2,029,403
Current portion of long term financing	30	210,342	228,098
Unclaimed dividend		12,478	13,106
Accrued markup	31	50,024	31,459
Short term borrowings - secured	32	669,635	425,308
		3,083,496	2,727,374
TOTAL LIABILITIES		3,707,351	3,425,798
TOTAL EQUITY AND LIABILITIES		7,175,398	6,644,630
CONTINGENCIES AND COMMITMENTS	33		

The annexed notes from 1 to 59 form an integral part of these financial statements.

CHIEF EXECUTIVE **DIRECTOR** **CHIEF FINANCIAL OFFICER**

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024	2023
		(Rupees in thousand)	
Revenue from contract with customers - net	34	8,543,907	7,347,337
Cost of sales	35	(6,822,579)	(5,864,417)
Gross profit		1,721,328	1,482,920
Selling and distribution expenses	36	(717,442)	(583,554)
Administrative and general expenses	37	(231,499)	(209,669)
Impairment loss charged during the year	16.3	(67,990)	(73,084)
Other operating expenses	38	(42,553)	(129,272)
		(1,059,484)	(995,579)
Profit from operations		661,844	487,341
Other income	39	68,694	139,960
		730,538	627,301
Finance cost	40	(304,626)	(283,632)
Share of loss of equity - accounted investee	9	(6,812)	(7,937)
Profit before income tax and final taxes		419,100	335,732
Minimum/ final taxes	41	6,215	19,031
Profit before income tax		425,315	354,763
Taxation	41	(164,899)	(121,735)
Profit after taxation		260,416	233,028
Attributable to:			
Owners of the Company		260,768	232,652
Non-controlling interests		(352)	376
		260,416	233,028
Earnings per share - basic and diluted (Rupees)	42	10.62	9.48

The annexed notes from 1 to 59 form an integral part of these financial state ments.

CHIEF EXECUTIVE **DIRECTOR** **CHIEF FINANCIAL OFFICER**

CONSOLIDATED STATEMENT OF COMREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024	2023
		(Rupees in thousand)	
Profit after taxation for the year		260,416	233,028
Other comprehensive income			
Items that will be reclassified subsequently to profit or loss		-	-
Items that will not be reclassified subsequently to statement of profit or loss			
Fair value (loss)/gain on investment classified as FVOCI	10.2	4,928	(13,212)
Related deferred tax liability on fair value (loss)/gain on investment classified as FVOCI		(13,558)	11,400
		(8,630)	(1,812)
Actuarial (loss)/gain on staff retirement benefits	28.1.3	(2,571)	13,127
Revaluation surplus on property, plant and equipment	24.3	-	811,763
Related deferred tax liability on revaluation surplus	13.2	-	(131,209)
		-	680,554
Total comprehensive income for the year		249,215	924,897
Attributable to:			
Owners of the Company		249,567	924,521
Non-controlling interests		(352)	376
		249,215	924,897

The annexed notes from 1 to 59 form an integral part of these financial statements.

CHIEF EXECUTIVE | DIRECTOR | CHIEF FINANCIAL OFFICER

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024	2023
		(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash flows from operating activities before working capital changes	44	1,032,789	839,840
(Increase) / decrease in current assets:			
Stores, spare parts and loose tools	14	(584)	(7,606)
Stock-in-trade	15	59,387	202,105
Trade debts - unsecured	16	(753,142)	(216,731)
Loans and advances	17	14,147	(85,217)
Trade deposits and short term prepayments	18	(3,662)	(4,888)
Other receivables	19	23,048	(1,131)
		(660,806)	(113,468)
Increase in current liabilities:			
Trade and other payables	29	101,015	205,359
Cash generated from operations		472,998	931,731
Finance cost paid		(291,841)	(296,675)
Taxation - net	20.1	(170,856)	(88,395)
Long term employee benefit paid		(32,129)	(31,600)
Workers' Profit Participation Fund paid		(17,879)	(13,248)
Workers' Welfare Fund paid		(7,954)	(4,137)
Long term loans - net		18,207	3,457
Long term deposits (realised)/paid		(4,586)	3,678
		(507,038)	(426,920)
Net cash (used in)/generated from operating activities		(34,040)	504,811
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure incurred		(174,826)	(25,664)
Proceeds from disposal of property, plant and equipment		12,426	22,656
Mark-up received on term deposit and long term loan		36,910	21,852
Short term investments made during the year		(40,000)	(81,000)
Right shares purchased during the year		-	29,399
Net cash used in investing activities		(165,490)	(32,757)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing - net		(10,033)	(108,332)
(Payments)/ proceeds from long term diminishing musharaka		(125,000)	484,000
Dividend paid		(628)	(75,559)
Repayments od short term borrowings - net		-	(255,552)
Net cash (used in)/generated from financing activities		(135,661)	44,557
Net (decrease)/increase in cash and cash equivalents		(335,191)	516,611
Cash and cash equivalents at beginning of the year		(267,484)	(784,095)
Cash and cash equivalents at end of the year	43	(602,675)	(267,484)

The annexed notes from 1 to 59 form an integral part of these financial statements.

CHIEF EXECUTIVE **DIRECTOR** **CHIEF FINANCIAL OFFICER**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2024

	Issued, subscribed and paid-up share capital	Reserves					Total equity attributable to owners of the Parent Company	Non controlling Interests	Total
		Capital reserves		Revenue reserves					
		Revaluation surplus on property, plant and equipment	Share premium	Fair value reserve	General reserve	Accumulated profits			
	(Rupees in thousand)								
Balance as at July 01, 2022	204,597	830,273	34,086	23,931	285,000	990,162	2,368,049	7,725	2,375,774
Total comprehensive income for the year ended June 30, 2023									
Profit after taxation for the year	-	-	-	-	-	232,652	232,652	376	233,028
Other comprehensive income for the year							-		
- Fair value gain on Investment classified as FVOCI	-	-	-	(1,812)	-	-	(1,812)	-	(1,812)
- Actuarial loss on staff retirement benefits	-	-	-	-	-	13,127	13,127	-	13,127
- Revaluation surplus on property, plant and equipment	-	680,554	-	-	-	-	680,554	-	680,554
Total comprehensive income for the year	-	680,554	-	(1,812)	-	245,779	924,521	376	924,897
Transfer of incremental depreciation from revaluation surplus on property, plant and machinery - net of tax	-	(15,214)	-	-	-	15,214	-	-	-
Transactions with the owners of the Company									
Bonus issue during the year 1 bonus shares for every 5 shares held	40,919	-	-	-	-	(40,919)	-	-	-
Final cash dividend for the year ended June 30, 2022 @ Rs. 4 share	-	-	-	-	-	(81,839)	(81,839)	-	(81,839)
	40,919	(15,214)	-	-	-	(107,544)	(81,839)		(81,839)
Balance as at June 30, 2023	245,516	1,495,613	34,086	22,119	285,000	1,128,397	3,210,731	8,101	3,218,832
Total comprehensive income for the year ended June 30, 2024									
Profit after taxation for the year	-	-	-	-	-	260,768	260,768	(352)	260,416
Other comprehensive income for the year									
- Fair value loss on investment classified as FVOCI	-	-	-	(8,630)	-	-	(8,630)	-	(8,630)
- Actuarial gain on staff retirement benefits	-	-	-	-	-	(2,571)	(2,571)	-	(2,571)
Total comprehensive income for the year	-	-	-	(8,630)	-	258,197	249,567	(352)	249,215
Transfer of incremental depreciation from revaluation surplus on property, plant and machinery - net of tax	-	(57,893)	-	-	-	57,893	-	-	-
Balance as at June 30, 2024	245,516	1,437,720	34,086	13,489	285,000	1,444,487	3,460,298	7,749	3,468,047

The annexed notes from 1 to 59 form an integral part of these financial statements.

CHIEF EXECUTIVE **DIRECTOR** **CHIEF FINANCIAL OFFICER**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

1. REPORTING ENTITY INFORMATION

The group comprises of the following companies:

Parent Company

- Berger Paints Pakistan Limited

Subsidiary companies

- Berger DPI (Private) Limited
- Berger Road Safety (Private) Limited - subsidiary of Berger DPI (Private) Limited

Associated company

- 3S Pharmaceuticals (Private) Limited

1.1 Berger Paints Pakistan Limited (the Parent Company) was incorporated in Pakistan on 25 March 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 Parent 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%. The registered office of the Parent Company is situated at 36-Industrial Estate, Kot-Lakhpat, Lahore and its only manufacturing facility is located at 28-KM Multan Road, Lahore.

The Parent Company owns 51 percent of the share capital of Berger DPI (Private) Limited who in turn holds 100 percent share capital of the Berger Road Safety (Private) Limited. The Group is a subsidiary of Slotrapid Limited British Virgin Islands (the Holding Company).

Following is the pertinent information related to the Holding Company:

Particulars	Related information
Registered address	Suit # 1 Akara Building, 24 De-Cantro Street, Wickham Cay 1, Road Town, Tortola, British Virgin Island.
Principle officer - President / Director	Vernon Emmanuel Salazar Zurita
Aggregate Percentage of holding	52%
Operational status	Active

Auditor's opinion on latest financial statements of the Holding Company is not available as the country of incorporation does not have any such statutory requirement.

2. BASIS OF PREPARATION

2.1 Consolidated financial statements

These consolidated financial statements comprise the financial statements of the Parent Company and its subsidiary companies as at June 30, 2024.

(a) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which the control ceases.

The financial statements of the subsidiary companies have been consolidated on a line-by-line basis and the carrying values of the investments held by the Group have been eliminated against the shareholders' equity in the subsidiary companies.

The financial statements of the subsidiaries are prepared for the same reporting year as the Parent Company, using consistent accounting policies.

All intragroup balances, transactions, income and expenses and profits or losses resulting from intragroup transactions that are recognised in assets, are eliminated in full.

The subsidiaries are fully consolidated from the date of acquisition, being the date on which the group obtains control, and continue to be consolidated until the date that such control ceases.

(b) Non-controlling interest

Non-controlling interest is that part of net results of operations and of net assets of the subsidiaries which are not owned by the Group. Non-controlling interest is presented as a separate item in the consolidated financial statements.

NCI are measured initially at their proportionate share of acquiree's identifiable net assets at the date of acquisition. The Group applies a policy of treating transactions with non-controlling interests as transactions with parties external to the Group. Disposals to non-controlling interests result in gains and losses for the Group and are recorded in the consolidated statement of profit or loss.

(c) Interests in equity - accounted investees

The Group's interests in equity- accounted investees comprise interests in associates.

Associates are all entities over which the Group has significant influence but not control, or joint control over the financial and operating policies. The Group's share of its associate's post-acquisition profit or loss is recognised in the consolidated statement of profit or loss, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

2.2 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in

Pakistan comprise of:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act 2017;

- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and

- Provision of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS and IFAS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.3 Basis of measurement

These financial statements have been prepared under the historical cost convention except for:

- measurement of certain financial instruments at fair value;
- the measurement of certain items of property, plant and equipment at revalued amounts;
- recognition of employee retirement benefits at present value; and
- certain foreign currency translation adjustments.

2.4 Functional and presentation currency

These consolidated financial statements are presented in Pakistan Rupees (Rs.), which is the Group's functional and presentation currency.

3. CHANGE IN ACCOUNTING POLICY

During the year, the Group changed its accounting policy of recognizing the portion of income tax paid or payable for the year under the Ordinance, not based on the taxable profits of the Group, as a Levy under IFRIC-21/IAS-37 instead of the current income tax for the year under IAS-12.

The management believes that the new policy provides reliable and more relevant information to the users of the financial statements.

The change in accounting policy has been implemented, and last year's figures have been reclassified. However, the change has not been applied retrospectively because its impact on the prior year financial statements is immaterial.

4. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS

4.1 New accounting standards, amendments and IFRS interpretations that are effective for the period ended June 30, 2024

The following standards, amendments and interpretations are effective for the period ended June 30, 2024. These standards, amendments and interpretations are either not relevant to the Group's operations or did not have significant impact on the financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice Statement 2 Making Materiality Judgements- Disclosure of Accounting Policies	January 01, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of Accounting Estimates	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Deferred Tax related to Assets and Liabilities arising from a single transaction	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes	January 01, 2023

The Group adopted the narrow-scope amendments to the International Accounting Standard (IAS) 1, Presentation of Financial Statements which have been effective for annual reporting periods beginning on or after January 01, 2023. Although the amendments did not result in any changes to accounting policy themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material' rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting the Group to provide useful entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and updates to the information disclosed in Note 5 Material accounting policies (June 30, 2023: Significant accounting policies) in certain instances in line with the amendments and concluded that all its accounting policies are material for disclosure.

4.2 New accounting standards, amendments and interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, amendments and interpretations are either not relevant to the Group's operations or are not expected to have significant impact on the Group's financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026

Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	January 01, 2024
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	January 01, 2025
IFRS 17 Insurance Contracts	January 01, 2026

IFRS 1 'First-time Adoption of International Financial Reporting Standards' has been issued by IASB effective from July 01, 2009. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP).

IFRS 18 'Presentation and Disclosures in Financial Statements' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by SECP.

IFRS 19 'Subsidiaries without Public Accountability: Disclosures' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by SECP.

IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023. However SECP has notified the timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2026.

5. MATERIAL ACCOUNTING POLICIES

The principal accounting policies applied in the presentation of these financial statements are set out below. These policies have been consistently applied to all the years presented in these financial statements except as mentioned in note 3 to these financial statements.

5.1 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any identified impairment loss, except for freehold and leasehold land, buildings thereon and plant and machinery, which are stated at revalued amounts less any subsequent accumulated depreciation and subsequent accumulated impairment losses, if any. Cost comprises purchase price, non refundable duties and taxes after deducting trade discounts and rebates, and includes other costs directly attributable to the acquisition or construction.

Increases in the carrying amount arising on revaluation of property, plant and equipment are credited to the revaluation surplus on property, plant and equipment account except for a reversal of deficit already charged to consolidated statement of profit or loss. A revaluation deficit is recognized in profit or loss, except for a deficit directly offsetting a previous surplus, in which case the deficit is taken to revaluation surplus on property, plant and equipment. The revaluation surplus on property, plant and equipment to the extent of the annual incremental depreciation based on the revalued carrying amount of the assets is transferred annually directly to accumulated profit net of related deferred tax. Any accumulated depreciation at the revaluation date is eliminated against the gross carrying amount of the assets and the net amount is adjusted to the revalued amount of the assets.

Upon disposal, any revaluation reserve relating to the particular assets being sold is transferred to accumulated profits. All transfers to / from revaluation surplus on property, plant and equipment account are net of applicable deferred tax.

Depreciation on all property, plant and equipment except freehold land is charged to profit or loss using the straight line method whereby the cost less residual value of an asset is written off over its estimated useful life. Residual values are reviewed at each reporting date and adjusted if the impact on depreciation is significant.

Useful lives are regularly reviewed by the management based on expected usage of assets, expected physical wear and tear, technical and commercial obsolescence, legal and similar limits on the use of the assets and other similar factors.

Depreciation on additions to property, plant and equipment is charged from the month in which the asset is put to use while depreciation on assets disposed off is charged up to the month preceding the disposal.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses on disposal of property, plant and equipment are represented by the difference between the sale proceeds and the carrying amount of the asset and is recognized as an income or expense in consolidated statement of profit or loss.

Maintenance and normal repairs are charged to consolidated statement of profit or loss as and when incurred. Major renewals and improvements are capitalized.

Right-of-use asset and Lease liability

At inception of a lease contract, the Group assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

The Group applies a practical expedient and, does not recognise right-of-use assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low-value assets, if any. The lease payments associated with these leases is recognised as an expense on a straight line basis over the lease term.

For lease contracts other than the aforementioned, the lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Group's incremental borrowing rate.

Lease payments include fixed payments, variable lease payment that are based on an index or a rate and amounts expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option, less any lease incentives receivable. The extension and termination options are incorporated in determination of lease term only when the Group is reasonably certain to exercise these options.

The lease liability is subsequently measured at amortised cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in fixed lease payments or an index or rate, change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. The corresponding adjustment is made to the carrying amount of the right-to-use asset, or is recorded in the consolidated statement of profit and loss account if the carrying amount of right-to-use asset has been reduced to zero.

The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received. The right-of-use asset is depreciated on a straight line method over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The right-of-use asset is reduced by impairment losses.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of its assets (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Significant judgement in determining the lease term of contracts with renewal options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

Capital work in progress

Capital work in progress is stated at cost less any identified impairment loss and represents expenditure incurred on property, plant and equipment during the construction and installation. Cost also includes applicable borrowing costs. Transfers are made to relevant property, plant and equipment category as and when assets are available for use as intended.

The Group assesses at each reporting date whether there is any indication that the assets may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to determine whether they are recorded in excess of their recoverable amounts. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is charged to consolidated statement of profit or loss currently except for impairment loss on revalued assets, which is recognized directly against any revaluation surplus for the related asset to the extent that the impairment loss does not exceed the amount held in the revaluation surplus for the same asset.

5.2 Intangible assets

Intangibles are recognized when it is probable that the expected future economic benefits will flow to the Group and the cost of the asset can be measured reliably. Intangibles are measured initially at cost. The cost of intangible comprises of its purchase price including non-refundable purchase taxes after deducting trade discounts and rebates and includes other costs directly attributable to acquisition. Cost incurred after the asset is in the condition necessary for it to operate in the manner intended by management are recognised in consolidated statement of profit or loss.\

5.2.1 Computer software

Expenditure incurred to acquire computer software are capitalized as intangible assets and stated at cost less accumulated amortization and any identified impairment loss.

Amortization on assets with finite useful life is charged to consolidated statement of profit or loss on straight line basis so as to write off the cost of an asset over its estimated useful life. Amortization on addition is charged from the month in which the asset is acquired or capitalized while no amortization is charged for the month in which the asset is disposed off. Amortization is being charged at annual rates as specified in note 8.

5.2.2 Goodwill acquired in business combinations

The purchase method of accounting is used to account for the acquisition of businesses by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed, if any, at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities, if any, assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the cost of acquisition over the fair value of the identifiable net assets acquired is recognized as goodwill. Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment loss, if any.

5.3 Impairment

Goodwill and intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

5.4 Stores, spare parts and loose tools

These are valued at moving weighted average cost less any identified impairment except for items in transit, which are valued at invoice price and related expenses incurred. Items considered obsolete are carried at nil value. General stores and spare parts are charged to consolidated statement of profit or loss. The Group reviews the carrying amount of stores on a regular basis and provision is made for obsolescence if there is any change in usage pattern and physical form of related stores.

5.5 Stock in trade

Stock in trade is valued at lower of cost and Net Realizable Value (NRV).

Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition and valuation has been determined as follows:

Raw materials, packing materials and semi-processed goods	Moving weighted average cost
Finished goods	Moving weighted average manufacturing cost
Finished goods purchased for resale	Moving weighted average cost
Stock in transit	Invoice value plus other charges paid thereon up to the reporting date

NRV signifies the estimated selling price in the ordinary course of business less estimated costs of completion and selling expenses.

Provision for obsolete and slow moving stock in trade is based on management's estimate and is recognised in consolidated financial statements whenever necessary.

5.6 Trade debts and other receivables

These are classified at amortized cost and are initially recognised when they are originated and measured at fair value of consideration receivable. An impairment allowance i.e. expected credit loss is calculated based on actual credit loss experience over the past years. The Group applies a simplified approach in calculating Expected Credit Loss (ECL). The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The Group recognises a loss allowance based on lifetime ECLs at each reporting date. The impairment allowance is recognized in the consolidated statement of profit or loss. These assets are written off when there is no reasonable expectation of recovery.

5.7 Cash and cash equivalents

Cash and cash equivalents comprise of short- term running finance, cash and balances and investments with maturities of three months or less from acquisition date that are subject to insignificant risk of changes in fair value. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of consolidated statement of cash flows.

5.8 Financial instruments

5.8.1 Classification and measurement of financial assets and financial liabilities

Under IFRS 9, on initial recognition, the Group classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value either through other comprehensive income (FVOCI), or through profit or loss (FVTPL); and

- Those to be measured at amortized cost.

The classification depends upon entity's business model for managing the financial assets and the contractual terms of the cash flows.

The following assessments are made on the basis of the facts and circumstances that exist at the date of initial application:

- The determination of business model within which a financial asset is held; and

- The designation of certain financial assets with respect to subsequent measurement either through profit or loss or other comprehensive income.

A financial asset is measured at amortised cost if it meets both of the following conditions:

- it is held within business model whose objective is to hold assets to collect contractual cash flows; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

The following accounting policies apply to the subsequent measurement of financial assets:

i) Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including an interest / markup or dividend income, are recognized in consolidated statement of profit or loss.

ii) Financial assets at amortised cost

These assets are subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses, if any. Interest / markup income, foreign exchange gains, losses and impairment are recognized in consolidated statement of profit or loss.

iii) Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest / markup income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in the consolidated statement of profit or loss. Other net gains and losses are recognized in the consolidated statement of comprehensive income. On derecognition, gains and losses accumulated in consolidated statement of comprehensive income are reclassified to consolidated statement of profit or loss.

iv) Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognized in consolidated statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in consolidated statement of comprehensive income and are never reclassified to consolidated statement of profit or loss.

5.8.2 Impairment

The Group recognizes loss allowances for ECLs on:

- financial assets measured at amortized cost;
- debt investments measured at FVOCI
- contract assets

An impairment loss is recognized if the carrying amount of the assets exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists.

Additional information about how the Group measures allowance for impairment is detailed in note 48.1.3.4 of the consolidated financial statements.

5.8.3 Derecognition

Financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group might enter into transactions whereby it transfers assets recognized in its consolidated statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

Financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expired. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

5.8.4 Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

5.9 Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. The recoverable amount of an asset or cash-generating unit is the higher of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit, or CGU").

The Group's corporate assets generally do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs. An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss.

Impairment loss recognized in prior periods is assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates that are used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

5.10 Provisions

Provisions are recognized when, the Group has a present obligation (legal or constructive) as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and reliable estimates of the obligations can be made. Provisions are reviewed periodically and adjusted to reflect the current best estimates.

5.11 Contingent assets

Contingent assets are possible assets those arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group and are disclosed when inflow of economic benefits is probable. Contingent assets are not recognized until their realization become virtually certain.

5.12 Contingent liabilities

A contingent liability is disclosed when:

- there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

- there is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

5.13 Revenue recognition

Revenue represents the fair value of the consideration received or to be received from the sale of goods, net of sales tax, sales return and related discounts. Revenue is measured based on the consideration specified in a contract with customer. The Group recognises revenue when it transfers control of the goods. The customers obtain control when the goods are delivered to them and have been accepted at their premises except for exports where control is transferred at the time of dispatch Invoices are generated at that point in time. The Group's customer arrangements contain a single performance obligation to transfer manufactured or purchased paints, varnishes and other related items.

Revenue from contract with customers primarily includes sale of paints and coatings. Revenue is recognized when performance obligations are satisfied by transferring control of a good or service to a customer, either at a point in time or over time of an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Revenue is recognised in accordance with the aforementioned principle by applying the following steps:

i) Identify the contract with a customer.

ii) Identify the performance obligation in the contract.

iii) Determine the transaction price of the contract.

iv) Allocate the transaction price to each of the separate performance obligations in the contract.

v) Recognise the revenue when (or as) the entity satisfies a performance obligation.

Revenue is recognised either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers. Any bundled goods or services that are distinct are separately recognized, and any discounts or rebates on the contract price are generally allocated to the separate elements.

a) Sale of goods

Revenue is recognized when the significant risks and rewards of ownership have been transferred to the customer (i.e. after obtaining customer acknowledgment at the time of delivery of goods). Although the transfer of risks and rewards is not the only criterion to be considered to determine whether control over the goods has transferred, it is in most situations considered to be the main indicator of the customer's ability to direct the use of and obtain the benefits from the asset and largely also coincides with the physical transfer of the goods and the obligation of the customer to pay. In case of expected returns, no revenue is recognized for such products.

Variable considerations, including among others rebates and discounts are accrued for as performance obligations are satisfied and revenue is recognized. Variable considerations are only recognized when it is highly probable that it is not subject to significant reversal.
Revenue is measured at the fair value of the consideration received or receivable for the goods sold, net of returns, discounts and sales tax.

b) Other

Profit on short-term bank deposits is accounted for on a time-apportioned basis using the effective interest rate method.

Financial income on funds invested, mark-up / interest income on lending's made by the Group and amortization gains on interest free loans given to staff is accounted for using the effective interest rate method.

5.14 Financial expenses

Financial expenses are recognized using the effective interest rate method and comprise of mark-up / interest expense on borrowings, along with amortization losses on interest free loans given to staff.

5.15 Contract liabilities

A contract liability is the obligation of the Group to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs under the contract.

5.16 Taxation

Income tax expense comprises of current and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised in consolidated statement of comprehensive income, in which case it is recognised in equity.

Current tax

Provision for current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year if enacted after taking into account tax credits, rebates and exemptions, if any.

The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years. Under / over paid amount of current tax is recorded as tax refundable / payable due from / to the Government.

The Group takes into account the current income tax law and decisions taken by the taxation authorities. Instances where the Group's views differ from the views taken by the income tax department at the assessment stage and where the Group considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for;

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;

- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

- temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognize a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

5.17 Levy

The amount calculated on taxable income using the notified tax rate is recognized as current income tax expense for the year in the statement of profit or loss. Any excess of expected income tax paid or payable for the year under the Ordinance over the amount designated as current income tax for the year, is then recognized as a levy.

5.18 Borrowings

Loans and borrowings are recorded at the proceeds received. Finance cost are accounted for on accrual basis and are shown as interest and mark-up accrued to the extent of the amount remaining unpaid.

Short term borrowings are classified as current liabilities unless the Group has unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

Borrowing cost on long term finances and short term borrowings which are obtained for the acquisition of qualifying assets are capitalized as part of cost of that asset. All other borrowing costs are charged to profit and loss account in the period in which these are incurred. Borrowing cost also includes exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest cost as allowed under IAS 23 “Borrowing cost”.

5.19 Trade and other payables

Trade payables are obligations under normal short-term credit terms. These are measured at the undiscounted amount of cash to be paid.

5.20 Employee benefits

5.20.1 Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

5.20.2 Defined benefit plan

The Group operates the following defined benefit schemes for employees of Parent Company:

a) An approved and funded pension scheme for all executives; and
b) An approved and funded gratuity scheme for all its permanent employees.

Pension scheme

The Parent Company offers pension benefits to its executive staff. Monthly pension is calculated as two percent of the average basic salary of the last year multiplied with pensionable service.

Gratuity scheme

The Parent Company offers gratuity benefits to its all of its permanent employees, and is payable to employees having service in the Parent Company for minimum five years. The gratuity benefits provided by the Parent Company is calculated by multiplying last drawn basic salary with number of years of service and gratuity factor.

Actuarial valuation are carried out using the 'Projected Unit Credit Method'. Contributions to the schemes are based on these valuations. Remeasurements of the defined benefit liability, which comprise actuarial gains and losses, is recognised immediately in consolidated statement of comprehensive income. The Parent Company determines the interest expense on the defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of benefit payments. Interest expense and other expenses related to defined benefit plan are recognized in profit or loss. The Parent Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

The actual return on plan assets represents the difference between the fair value of plan assets at the beginning of the year and as at the end of the year after adjustments for contributions made by the Parent Company as reduced by benefits paid during the year.

5.20.3 Defined contribution plan

Provident fund

The Group also operates a recognized provident fund scheme for Parent Company's employees. Equal monthly contributions are made, both by the Parent Company and its employees, to the fund at the rate of ten percent of basic salary for executive and non-executive staff.

5.20.4 Other long term benefits - Accumulated compensated absences

The Group also provides for compensated absences for all eligible employees in accordance with the rules of the Parent Company. The Group accounts for these benefits in the period in which the absences are earned. Employees are entitled to earned leaves of 21 days per annum. The unutilized leaves are accumulated subject to a maximum of 42 days. The unutilized accumulated leaves can be encashed at the time the employee leaves Group service. The accumulated leave balance in excess of 42 days of an employee is ignored while determining benefit obligations.

The Group uses the actuarial valuations carried out using the projected unit credit method for valuation of its accumulated compensated absences. Provisions are made annually to cover the obligation for accumulating compensated absences based on actuarial valuation and are charged to profit or loss. The amount recognised in the consolidated statement of financial position represents the present value of the defined benefit obligation. Actuarial gains and losses are charged to the profit or loss immediately in the year when these occur.

5.20.5 Other employee benefits

The Parent Company's employees are offered interest free long term loans for purchase of vehicles. The term of loan ranges for a period of 3-10 years. Deductions are made from salaries as per agreed repayment schedule. The loan amount is required to be repaid immediately as the employment contract ceases on termination or resignation of the employees. The loans are secured against title of vehicles. These loans have been discounted at market rate.

5.21 Foreign currency transactions and translation

Foreign currency transactions are translated into Pak Rupees which is the Group's functional and presentation currency using the exchange rates approximating those prevailing at the date of the transaction. All monetary assets and liabilities in foreign currencies are translated into Pak Rupees using the exchange rate at the consolidated statement of financial position date. Exchange gains and losses resulting from the settlement of such transactions and from the translations at the year end, exchange rates of monetary assets and liabilities denominated in foreign currencies are taken to income. Non-monetary assets and liabilities denominated in foreign currency that are measured in terms of historical cost are translated using the exchange rates as at the date of the initial transaction.

5.22 Dividends and appropriations to general reserve

Dividends and appropriations to general reserves are recognized in the consolidated financial statements in the period in which these are approved.

5.23 Share capital

Share capital is classified as equity and recognized at the face value. Incremental costs, net of tax, directly attributable to the issue of new shares are shown as a deduction in equity.

5.24 Earnings per share (EPS)

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by adjusting basic EPS with weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares into ordinary shares and post-tax effect of changes in profit or loss attributable to ordinary shareholders of the Group that would result from conversion of all dilutive potential ordinary shares into ordinary shares.

5.25 Capital reserves - Share premium

This reserve can be utilized by the Group only for the purposes specified in section 81(3) of the Companies Act, 2017.

5.26 Related party transactions

Transactions with related parties are based at arm's length that normal commercial rates on the same terms and conditions as applicable to third party transactions.

5.27 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying asset is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognized in profit or loss as incurred.

5.28 Government grants

The Group recognises benefit of a government loan at a below-market rate of interest as a government grant provided there is a reasonable assurance that the grant will be received and Group will comply with all attached conditions. The benefit of loan at below market rate of interest is measured as the difference between the initial carrying value of the loan in accordance with IFRS 9 and the proceeds received. The benefit is generally accounted for and presented as deferred grant in accordance with IAS 20 as a separate line item in consolidated statement of financial position. Subsequently, the grant is recognised in consolidated statement of profit or loss as other income, on a systematic basis over the periods in which the expenses for which the grant is intended to compensate.

5.29 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' results are reviewed regularly by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. The Group has only one reportable segment.

5.30 Loans, advances, deposits, prepayments and other receivables

Loans, advances, deposits, prepayment and other receivables are carried at original amount less provision made for doubtful receivables based on a review of all outstanding amounts at the year end. Balance considered irrecoverable are written off.

6. USE OF JUDGMENTS AND ESTIMATES

The preparation of these consolidated financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions and judgments are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimate is revised if the revision effects only that period, or in the period of revision and future periods if the revision affects both current and future periods. The areas where various assumptions and estimates are significant to Group's financial statements are:

		Note
-	Property, plant and equipment	5.1
-	Stores, spare parts and loose tools	5.4
-	Stock in trade	5.5

-	Trade debts - unsecured	5.6
-	Impairment of cash generating unit	5.9
-	Contingencies	5.11 & 5.12
-	Recoverability of deferred tax assets	5.16
-	Taxation	5.16
-	Long term employee benefits	5.20

a) Income taxes

The Group takes into account relevant provisions of the current income tax laws while providing for current and deferred taxes as explained in note 5.16 to these consolidated financial statements.

b) Defined benefit plan

Certain actuarial assumptions have been adopted by external professional valuer for valuation of present value of defined benefit obligations. Any changes in these assumptions in future years might affect unrecognized gains and losses in those years.

c) Property, plant and equipment

The estimates for revalued amounts, if any, of different classes of property, plant and equipment, are based on valuation performed by external professional valuers and recommendation of technical teams of the Group. Further, the Group reviews the value of the assets for possible impairment on an annual basis.

Any change in the estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding effect on the depreciation charge and impairment. As explained in note 7 to these consolidated financial statements, the Group has revalued its free hold land as on June 30, 2023.

d) Stores and spares

Management has made estimates for realizable amount of slow moving and obsolete stores and spares items to determine provision for slow moving and obsolete items. Any future change in the estimated realizable amounts might affect carrying amount of stores and spares with corresponding affect on amounts recognized in profit and loss account as provision / reversal.

e) Financial instrument

The fair value of the financial instrument that are not traded in an active market is determined by using valuation techniques based on assumption that are dependent on conditions existing at the balance sheet.

f) Provision for doubtful receivables

The Group uses a provision matrix to calculate ECLs for trade receivables and other receivables. The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

g) Fair value measurement

A number of assets and liabilities included in the consolidated financial statements require measurement at, and/or disclosure of, fair value. The fair value measurement of the Establishment's financial and non- financial assets and liabilities utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorized into different levels based on how observable the inputs used in the valuation technique utilised are (the fair value hierarchy):

- Level 1: Quoted prices in active markets for identical items (unadjusted)
- Level 2: Observable direct or indirect inputs other than Level 1 inputs
- Level 3: Unobservable inputs (i.e. not derived from market data).

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

h) Provision and contingencies

The Group reviews the status of all pending litigations and claims against the Group. Based on its judgment and the advice of the legal advisors for the estimated financial outcome, appropriate disclosure or provision is made. The actual outcome of these litigations and claims can have an effect on the carrying amounts of the liabilities recognized at the balance sheet date.

i) Impairment of assets

The carrying amounts of the Group's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment loss. If any such indication exists, recoverable amount is estimated using criteria given in respective accounting standards to determine the extent of impairment loss, if any.

j) Stock-in-trade

The Group reviews the carrying amount of stock-in-trade on a regular basis. Carrying amount of stock in-trade is adjusted where the net realizable value is below the cost. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

7. PROPERTY, PLANT AND EQUIPMENT

		2024	2023
		(Number of shares)	
Operating fixed assets	7.1	2,013,599	2,088,939
Capital work in progress	7.2	40,366	1,864
Right-of-use-asset	7.3	210,675	216,666
		2,264,640	2,307,469

7.1 Operating fixed assets

The following is the statement of property, plant and equipment:

Description	Freehold land	Buildings on freehold land	Buildings on leasehold land	Plant and machinery	Laboratory equipment	Electric fittings	Computer and related accessories	Office equipment	Furniture and fixtures	Motor vehicles	Total
	(Rupees in thousand)										
Net carrying value basis											
Year ended June 30, 2024											
Opening net book value (NBV)	1,064,285	378,054	27,911	403,718	20,864	105,381	4,454	15,252	7,992	61,028	2,088,939
Additions (at cost)	-	45,000	-	6,987	2,421	4,027	3,179	912	-	73,798	136,324
Disposals (at NBV)	-	-	-	-	-	-	-	-	-	(7,530)	(7,530)
Depreciation charge for the year	-	(42,050)	(4,269)	(104,225)	(4,501)	(16,092)	(2,194)	(2,806)	(2,122)	(25,875)	(204,134)
Closing net book value	1,064,285	381,004	23,642	306,480	18,784	93,316	5,439	13,358	5,870	101,421	2,013,599
Gross carrying value basis											
Year ended June 30, 2024											
Cost / revalued amount	1,064,285	501,220	47,941	588,894	60,134	186,574	41,933	34,247	31,967	199,977	2,757,172
Accumulated depreciation and impairment losses	-	(120,216)	(24,299)	(282,414)	(41,350)	(93,258)	(36,494)	(20,889)	(26,097)	(98,556)	(743,573)
Net book value (NBV)	1,064,285	381,004	23,642	306,480	18,784	93,316	5,439	13,358	5,870	101,421	2,013,599
Net carrying value basis											
Year ended June 30, 2023											
Opening net book value (NBV)	661,921	235,386	50,661	245,399	19,226	120,882	5,199	17,925	9,545	58,723	1,424,867
Additions (at cost)	-	-	449	2,919	6,707	779	1,294	184	786	24,852.00	37,970
Disposals (at NBV)	-	-	-	(456)	-	-	-	-	-	- 2,617.00	(3,073)
Depreciation charge for the year	-	(23,595)	(6,825)	(55,560)	(5,069)	(16,280)	(2,039)	(2,857)	(2,339)	(19,930)	(134,494)
Revaluation /(impairment) during the year	402,364.00	166,263	(16,374)	211,416	-	-	-	-	-	-	763,669
Closing net book value	1,064,285	378,054	27,911	403,718	20,864	105,381	4,454	15,252	7,992	61,028	2,088,939
Gross carrying value basis											
Year ended June 30, 2023											
Cost / revalued amount	1,064,285	456,220	47,941	581,907	57,713	182,547	38,754	33,335	31,967	133,709	2,628,378
Accumulated depreciation and impairment losses	-	(78,166)	(20,030)	(178,189)	(36,849)	(77,166)	(34,300)	(18,083)	(23,975)	(72,681)	(539,439)
Net book value (NBV)	1,064,285	378,054	27,911	403,718	20,864	105,381	4,454	15,252	7,992	61,028	2,088,939
Useful life	-	20	10 - 20	2.8 - 12.5	10	4 - 10	4	4 - 10	10	5	

7.1.1 Disposal of operating assets

Particulars of assets	Sold to		Cost	Accumulated depreciation	Book value	Sale proceeds	Gain / (loss)	Mode of disposal
	Name	Relationship with the Company	(Rupees in thousand)					
2024								
Motor vehicles								
Toyota Fortuner Bk-4927	Jubilee General Insurance	Insurance claim	10,437	3,479	6,958	11,000	4,042	Insurance claim
Suzuki Swift Lea-16a-6971	Mr. Babar Altaf	Employee	1,025	1,025	-	265	265	Company policy
Honda City Leb-16-9186	Mr. Nauman Afzal	Employee	183	125	58	455	397	Company policy
Toyota Yaris Aar-895	Mr. Riaz	Employee	155	65	91	269	178	Company policy
Toyota Altis Akd-707	Mr. Tahir Ali Bangash	Employee	619	196	423	437	14	Company policy
			12,419	4,890	7,530	12,426	4,896	
2023								
Plant and machinery								
Attritor	Akram Trading	Third-party	169	76	93	255	162	Bid
Dust collectors	Akram Trading	Third-party	22	10	12	-	(12)	Bid
Brighton Pot, 700Kg	Akram Trading	Third-party	75	34	41	147	106	Bid
Karcher Pump 13 - 14	Akram Trading	Third-party	163	83	80	247	167	Bid
Donkey Pump 1"	Akram Trading	Third-party	5	3	2	8	6	Bid
Ms Pot#88 - Of-P-88 - 800 Kg	Akram Trading	Third-party	24	12	12	36	24	Bid
Ms Pot#89 - Of-P-89 - 800 Kg	Akram Trading	Third-party	24	12	12	36	24	Bid
Ms Pot#90 - Of-P-90 - 800 Kg	Akram Trading	Third-party	24	12	12	36	24	Bid
Tcm Lifter 4 (Rms-331)	U.F. Farat Traders	Third-party	400	211	189	700	511	Bid
Motor vehicles								
Toyota Corolla Lec-16-8682	Mr. Abdul Wahid Qureshi	Employee	160	-	160	1,147	987	Company policy
Suzuki Wagon-R Lea-18-7312	Mr. Asad Ali	Third party	1,109	942	167	1,912	1,745	Auction
Suzuki Wagon-R Lec-18-7419	Mr. Hassan Ali	Third party	141	30	111	2,013	1,902	Auction
Honda City 1.3Mt	Mr. Wajid Gohar	Employee	1,537	1,537	-	506	506	Company policy
Toyota Altis Aku-830	Mr. Pervaiz Khan	Employee	1,995	964	1,031	1,746	715	Company policy
Toyota Prado Leb-16-245	Mr. Abdul Wahid Qureshi	Employee	3,555	3,022	533	2,888	2,355	Company policy
Suzuki Wagon-R Lec-18-896	Mr. Shahid Butt	Employee	106	23	83	264	181	Company policy
Honda City Lef-16-5796	Mr. Ali Asghar Qureshi	Employee	135	16	119	337	218	Company policy
Honda City Le-18A-7638	Mr. Zafar Iqbal	Employee	174	20	154	1,812	1,658	Company policy
Suzuki Cultus Lef-18-5265	Mr. Sohail Qayum	Employee	296	34	262	318	56	Company policy
Truck Isuzu Les-6783	Mr. Mehmood Ali	Third-party	487	487	-	850	850	Bid
Truck Isuzu Ju-4888	Mr. Mehmood Ali	Third-party	487	487	-	850	850	Bid
Truck Isuzu Ris-1798	Mr. Mehmood Ali	Third-party	2,250	2,250	-	3,274	3,274	Bid
Truck Isuzu Ris-1677	Mr. Mehmood Ali	Third-party	2,250	2,250	-	3,274	3,274	Bid
			15,588	12,515	3,073	22,656	19,583	

7.1.2 Had there been no revaluation, the carrying amount of revalued assets would have been as follows:

	2024	2023
	(Rupees in thousand)	
Freehold land	207,183	207,183
Leasehold land	3,287	3,381
Buildings on freehold land	148,023	109,490
Buildings on leasehold land	33,184	40,655
Plant and machinery	62,759	88,883
	454,436	449,592

7.1.3 The forced sale value of revalued assets as per latest available revaluation reports are as follows:

Particulars	Date of revaluation	(Rupees in thousand)
Freehold land	June 30, 2020	904,642
Leasehold land	June 30, 2020	184,166
Building on freehold land	June 30, 2020	321,345
Building on leasehold land	June 30, 2020	23,724
Plant and machinery	June 30, 2020	302,344

7.1.4 Fair value measurement of free hold land is based on the valuations carried out by an independent valuer M/s. Harvestor Services (Private) Limited as at June 30, 2023 on the basis of market value.

7.1.5 Particulars of immovable fixed assets

Freehold lands of the Group are located at 28-Km, Multan Road, Lahore, measuring 92.80 Kanals and 36.10 kanals and Quaid-e-Azam Industrial Estate, Kot-Lakhpat, Lahore, measuring 4.04 Kanals and Lodhi colony Multan measuring 2.56 Kanals.

Leasehold land of the Group is located at Sector I-10/3, Industrial Area, Islamabad, measuring 5.56 Kanals.

Buildings, plant and machinery and other immovable fixed assets of the Group are constructed on above mentioned freehold land and leasehold land.

7.1.6 The depreciation charge for the year has been allocated as follows:

		2024	2023
		(Rupees in thousand)	
Cost of sales	35	166,199	101,577
Selling and distribution expenses	36	30,510	24,275
Administrative and general expenses	37	13,416	13,779
	7.1.7	210,125	139,631

7.1.7 This includes depreciation on lease hold land amounting to Rs. 5.99 million (2023: Rs. 5.12 million) charged to selling and distribution expenses.

7.1.8 The cost of fully depreciated assets which are still in use is Rs. 128.747 million (2023: Rs. 129 million).

7.1.9 Fiar value measurement level and valuation techniques used to determine fair value has been disclosed in the note 48.2 to these financial statements.

7.2 Capital work in progress

	Note	2024	2023
		(Rupees in thousand)	
This comprises of:			
Civil works		13,695	-
Plant and machinery		8,488	-
Electrical installations	7.2.2	-	1,864
Advances to suppliers		7,003	-
Motor vehicles		10,980	-
Furniture and fixtures		91	-
Office equipment		109	-
	7.2.1	40,366	1,864

7.2.1 Movement of carrying value is as follows:

Description	Civil works	Plant and machinery	Electrical installations	Advances to suppliers	Furnitures & fixtures	Vehicles	Office equipments	Computers & related accessories	Laboratory equipment	Total
	(Rupees in thousand)									
Year ended June 30, 2024										
Opening balance	-	-	1,864	-	-	-	-	-	-	1,864
Additions (at cost)	58,695	15,475	2,163	7,003	91	84,778	1,021	3,179	2,421	174,826
Transferred to operating fixed assets	(45,000)	(6,987)	(4,027)	-	-	(73,798)	(912)	(3,179)	(2,421)	(136,324)
Closing balance	13,695	8,488	-	7,003	91	10,980	109	-	-	40,366
Year ended June 30, 2023										
Opening balance	228	399	555	13,000	-	-	-	-	-	14,182
Additions (at cost)	-	2,721	2,088	24,852	-	-	-	-	-	29,661
Adjustment	(228)	(201)	-	(13,000)	-	-	-	-	-	(13,429)
Transferred to operating fixed assets	-	(2,919)	(779)	(24,852)	-	-	-	-	-	(28,550)
Closing balance	-	-	1,864	-	-	-	-	-	-	1,864

7.2.2 This represents solar panels project completed during the year.

	Note	2024	2023
		(Rupees in thousand)	
7.3 Right-of-use-asset			
Opening net book value		216,666	190,071
Additions during the year		-	-
Depreciation charge for the year		(5,991)	(5,125)
Revaluation surplus for the year	24	-	31,720
Closing net book value		210,675	216,666

7.3.1 The Group has a lease contract of its warehouse. Lease liability against the right-of-use asset has been paid off at the start of the contract.

	Note	2024	2023
		(Rupees in thousand)	
8. INTANGIBLE ASSETS			
Computer software	8.1	-	-

8.1 Computer software

This represents expenditure incurred on acquiring and implementing Enterprise Resource Planning software.

	Note	2024	2023
		(Rupees in thousand)	
Cost			
As at July 01		33,410	33,410
Additions during the year		-	-
As at June 30		33,410	33,410
Accumulated amortization			
As at July 01		33,410	33,387
Amortization during the year	8.1.1	-	23
As at June 30		33,410	33,410
Balance as at June 30		-	-
Rate of amortization		33.33%	33.33%

8.1.1 The amortization charge for the year has been allocated as follows:

	2024	2023
Administrative and general expenses	-	23

9. EQUITY - ACCOUNTED INVESTEE - UNLISTED

	2024	2023
	(Rupees in thousand)	
Cost of investment - 3S Pharmaceutical (Private) Limited		
392,000 (2023: 98,000) fully paid ordinary shares of Rs. 100 each	68,599	39,200
Add: Right shares issued during the year	-	29,399
Share of loss/ (profit)		
As at July 01	(6,542)	1,395
Share of loss for the year	(6,812)	(7,937)
	(13,354)	(6,542)
Share of other comprehensive income		
As at July 01	9,540	9,540
Share of OCI for the year	-	-
	9,540	9,540
Less: Accumulated impairment	(15,914)	(23,584)
Carrying value of investment as at June 30	48,871	48,013

9.1 The recoverable amount of investment in associate was based on fair value less costs of disposal, estimated using adjusted net asset method. Following the impairment loss in prior year, the recoverable amount of the investment was equal to its carrying amount. The associated company is not fully operational yet and expenses are being incurred to running the company which has resulted in loss to the associated company.

9.2 Summarised financial information in respect of equity - accounted investee on the basis of its separate financial statements for the year ended June 30, 2024 and June 30, 2023 are set out below:

	2024	2023
	(Rupees in thousand)	
Non current assets	75,428	77,504
Current assets	36,561	52,968
Non current liabilities	(9,719)	(1,664)
Current liabilities	(2,533)	(4,535)
Net assets - 100%	99,737	124,273
Percentage ownership interest	49.00%	49.00%
Group's share of net assets	48,871	60,893
Goodwill	9,860	9,860
Other adjustment	844	844
	59,575	71,597
Accumulated impairment of the investment	(15,914)	(23,584)
	43,661	48,013
Revenue	4,211	18,022
Loss for the year from operations	(13,902)	(16,198)
Other comprehensive income	-	-
Group's share of income - post acquisition	(3,814)	2,998

10. LONG TERM INVESTMENT - FVOCI

	Note	2024	2023
		(Rupees in thousand)	
Investment in equity instrument classified as FVOCI		25,174	20,246
Buxly Paints Limited - listed			
Cost		3,830	3,830
Fair value adjustment	10.2	21,344	16,416
		25,174	20,246

10.1 The Company owns 273,600 (2023: 273,600) fully paid ordinary shares of Rs. 10 each representing 19.00% (2023: 19.00%) investment of total shares in Buxly Paints Limited. As at year end, the market value of each share was Rs. 92.01 (2023: Rs. 74).

10.2 Fair value adjustment

	Note	2024	2023
		(Rupees in thousand)	
As at July 01		16,416	29,628
Fair value (loss) / gain		4,928	(13,212)
As at June 30		21,344	16,416

11. LONG TERM LOANS

	Note	2024	2023
Opening balance		66,244	69,701
Disbursements during the year		4,904	23,755
Repayments during the year		(23,111)	(27,212)
		48,037	66,244
Discounting adjustment for recognition at fair value - deferred employee benefits	12	(16,085)	(5,135)
Closing balance		31,952	61,109
Current portion shown under current assets	17	(4,619)	(23,847)
		27,333	37,262

11.1 These represent interest free loans provided to the employees of the Parent 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. The loans are recoverable over a period of three to ten years. These loans have been discounted using market rate as at reporting date and the corresponding discounting impact has been recognised as prepaid employee benefits.

11.2 Directors of the Group were not given any loan during the year.

12. LONG TERM DEPOSITS AND PREPAYMENTS

	Note	2024	2023
		(Rupees in thousand)	
Deposits - unsecured			
- Considered good		17,234	17,083
- Considered doubtful	12.1	5,287	852
		22,521	17,935
Prepaid employee benefits	11	16,085	5,135
Less: Allowance for doubtful deposits	12.1	(5,287)	(852)
	12.2	33,319	22,218

12.1 Movement in allowance for doubtful deposits is as follows:

	2024	2023
Balance as at July 01	852	852
Provision during the year	4,435	-
Reversal during the year	-	-
Balance as at June 30	5,287	852

12.2 These include deposits given to utility companies, deposits against lease and tender deposits.

13. DEFERRED TAXATION - NET

	Note	2024	2023
		(Rupees in thousand)	
Deferred tax liability on taxable temporary differences arising in respect of			
- Accelerated tax depreciation		47,765	79,041
- Surplus on revaluation of fixed assets		(234,997)	(272,713)
		(187,232)	(193,672)
- Fair value gain on investment classified as FVOCI		-	-
Deferred tax asset on deductible temporary differences arising in respect of:			
- Impairment allowance on financial assets		51,506	71,448
- Investment in related parties		4,754	1,491
- Fair value loss on investment classified as FVOCI		(7,855)	5,703
- Provision for slow moving stock		4,380	10,580
		52,785	89,222
		(134,447)	(104,450)

13.1 The subsidiaries have not recogonised deferred tax asset amounting to Rs. Nil (2023: Rs. 0.042) in respect of deductible temporary differences.

	Note	2024	2023
		(Rupees in thousand)	
13.2 Movement in deferred tax balances is as follows:			
As at July 01		(104,450)	(1,477)
Recognized in profit or loss:			
- Accelerated tax depreciation including surplus on revaluation of fixed assets		6,440	16,275
- (Reversal) / charge of impairment allowance on financial assets		(19,942)	2,983
- Minimum turnover tax		-	(1,328)
- Investment in related parties		3,263	1,486
- Provision for slow moving stock		(6,200)	(2,580)
		(16,439)	16,836
Recognized in other comprehensive income:			
- Fair value gain on investment classified as FVOCI		(13,558)	(131,209)
- Surplus on revaluation of fixed assets		-	11,400
As at June 30		(134,447)	(104,450)

14. STORES, SPARE PARTS AND LOOSE TOOLS

	Note	2024	2023
Stores in hand		30,925	30,945
Stationery store		-	1,773
		30,925	32,718
Less: Provision for slow moving and obsolete stores and spares - net	14.1	-	(2,377)
		30,925	30,341

14.1 Provision for slow moving and obsolete stores, spare parts and loose tools

	2024	2023
Balance at beginning of the year	2,377	2,339
Provision charged during the year	1,773	38
Stores written-off against provision	(4,150)	-
Balance at end of the year	-	2,377

14.2 Stores and spares also include items which may result in capital expenditure but are not distinguishable at the time of purchase. However, the stores and spares consumption resulting in capital expenditure are capitalized in cost of respective assets.

15. STOCK IN TRADE

	Note	2024	2023
		(Rupees in thousand)	
Raw and packing materials			
- in hand		496,612	589,530
- in transit		171,249	206,607
		667,861	796,137
Semi processed goods		168,032	164,124
Finished goods			
- Manufactured	15.1	576,086	500,924
- Trading		81,209	91,390
		657,295	592,314
		1,493,188	1,552,575
Provision for slow moving and obsolete stocks	15.2		
- Raw material		(18,271)	(23,665)
- Semi processed goods		(4,401)	(5,900)
- Finished goods		(73,556)	(85,217)
		(96,228)	(114,782)
		1,396,960	1,437,793

15.1 Aggregate stocks with a cost of Rs. 13.81 million (2023: Rs. 13.43 million) are being valued at net realizable value of Rs. 9.79 million (2023: Rs. 9.24 million).

15.2 Provision for slow moving and obsolete stocks

	Note	2024	2023
		(Rupees in thousand)	
As at the beginning of year		114,782	126,528
Provision made during the year		4,997	24,258
Reversal during the year		-	(3,072)
Write off during the year		(23,551)	(32,932)
As at year end		96,228	114,782

15.3 The cost of stock in trade recognised as an expense amounted to Rs. 5,681 million (2023: Rs. 4,718 million).

15.4 Stock-in-trade up to a maximum amount of Rs. 4,206 million (2023: Rs. 3,939 million) are under hypothecation of commercial banks as security for short term borrowings.

16. TRADE DEBTS - UNSECURED

	Note	2024	2023
		(Rupees in thousand)	
Considered good			
Related parties	16.1&16.2	275,778	241,351
Others		2,544,034	1,870,758
		2,819,812	2,112,109
Considered doubtful			
Related parties	16.1&16.2	9,314	7,608
Others		86,850	135,485
		96,164	143,093
Allowance for expected credit losses	16.3	(96,164)	(143,093)
Provision for discounts	16.4	(216,835)	(194,284)
		(312,999)	(337,377)
Contract assets		-	-
		2,602,977	1,917,825

16.1 Trade debts include the following amounts due from the following related parties:

	Note	2024	2023
Buxly Paints Pakistan Limited - related party	16.1.1	285,092	248,959

16.1.1 Maximum aggregate balance due from the related party at the end of any month during the year was Rs. 285.092 million (2023: Rs. 248.959 million).

16.1.2 The Group has recognized impairment allowance on these balances as at June 30, 2024 amounting to Rs. 9.31 million (2023: Rs. 7.61 million).

16.2 Aging of related party balances

	Note	2024	2023
		(Rupees in thousand)	
Considered good			
0 - 30 days		153,654	96,602
Considered doubtful			
31 - 60 days		31,906	-
61 - 90 days		27,626	29,214
91 - 120 days		31,107	36,304
121 - 180 days		40,799	86,839
		285,092	248,959

	Note	2024	2023
		(Rupees in thousand)	
16.3 Movement in allowance for expected credit losses			
Balance as at July 01		143,093	177,831
Provision for the year		67,990	73,084
Bad debts written off		(114,919)	(74,643)
Provision written back		-	(33,179)
Balance as at June 30		96,164	143,093
16.4 Provision for discounts			
Balance at beginning of the year		194,284	138,588
Charge for the year - net	34	2,675,017	2,196,122
Discounts paid during the year		(2,652,466)	(2,140,426)
Balance at end of the year		216,835	194,284

17. LOANS AND ADVANCES

	Note	2024	2023
Current portion of long term loans:			
Due from employees			
- secured, considered good		3,086	22,314
- considered doubtful		1,533	1,533
	11	4,619	23,847
Less: Impairment allowance	17.1	(1,533)	(1,533)
		3,086	22,314
Advances - unsecured, considered good:			
- employees		5,335	1,341
- suppliers		235,526	253,667
		240,861	255,008
		243,947	277,322

17.1 Movement in impairment allowance is as follows:

	2024	2023
Balance as at July 01	1,533	1,250
Charged/(reversed) during the year	-	283
Balance as at June 30	1,533	1,533

18. TRADE DEPOSITS AND SHORT TERM PREPAYMENTS

	Note	2024	2023
Trade deposits			
- considered good		22,209	18,536
- considered doubtful		11,390	11,390
		33,599	29,926
Less: Impairment allowance	18.1	(11,390)	(11,390)
		22,209	18,536
Short term prepayments		13,317	13,328
		35,526	31,864

	Note	2024	2023
		(Rupees in thousand)	
18.1 Movement in impairment allowance is as follows:			
Balance as at July 01		11,390	10,515
Provision made during the year		-	875
Balance as at June 30		11,390	11,390

19. OTHER RECEIVABLES

	Note	2024	2023
		(Rupees in thousand)	
LC margin		22,848	20,363
Receivable from related parties	19.1	2,512	-
Export rebate		10,565	10,536
Provision against export rebate	19.5	(9,736)	(9,736)
		829	800
Accrued interest		10,760	14,010
Insurance claim receivable			
- considered good		681	1,608
- considered doubtful		911	-
		1,592	1,608
Less: Impairment allowance	19.2	(911)	-
		681	1,608
Others		1,621	6,702
Due from provident fund	19.6	-	22,066
		39,251	65,549

19.1 Other receivables include the following amounts due from the following related parties:

	Note	2024	2023
		(Rupees in thousand)	
Buxly Paints Pakistan Limited - related party	19.1.1	-	1,338
3S Pharmaceutical (Private) Limited - related party	19.1.2	5,824	3,879
	19.1.3	5,824	5,217
Less: Impairment allowance	19.4	(3,312)	(5,217)
		2,512	-

19.1.1 Maximum aggregate balance due from the related party at the end of any month during the year was Rs. 1.33 million (2023: Rs. 77.87 million).

19.1.2 Maximum aggregate balance due from the related party at the end of any month during the year was Rs. 5.82 million. (2023: Rs. 3.43 million).

19.1.3 This represents receivables related to sharing of common expenses under normal trade as per agreed terms.

	Note	2024	2023
		(Rupees in thousand)	

19.2 Movement in impairment allowance is as follows:

Balance as at July 01	-	-
Provision made during the year	911	-
Balance as at June 30	911	-

19.3 Aging of related party balances

Past due 0 - 30 days	582	-
Past due 31 - 60 days	-	440
Past due 61 - 90 days	1,398	551
Past due 91 - 120 days	408	1,554
Past due 121 - 180 days	291	222
Past due 181 - 364 days	-	465
Past due over one year	3,145	1,985
	5,824	5,217

19.4 Movement in impairment allowance is as follows:

Balance as at July 01	5,217	5,380
Charged/(reversed) during the year	(1,905)	(163)
Balance as at June 30	3,312	5,217

19.5 Movement in provision against export rebate is as follows:

Balance as at July 01	9,736	11,824
Provision for the year	-	-
Written off during the year	-	(2,088)
Balance as at June 30	9,736	9,736

19.6 This represents excess contribution to the provident fund due to the payment to ex employees on behalf on provident fund.

	Note	2024	2023
		(Rupees in thousand)	

20. TAX REFUND DUE FROM GOVERNMENT

	Note	2024	2023
Tax refund due from Government	20.2	216,861	259,518
Taxation net	20.1	21,654	(49,614)
		238,515	209,904

20.1 Taxation net

	Note	2024	2023
Addition: advance taxes and taxes withheld		189,923	88,395
Adjustments during the year		-	(22,570)
Provision for the year	41	(168,269)	(115,439)
Closing balance		21,654	(49,614)

20.2 During the year the Commissioner Inland Revenue has passed an order and adjusted the income tax refund for the tax year 2018 and 2019 amounting to Rs. 9.381 million and Rs. 9.686 million, respectively against the advance tax liability under section 147 of the Income Tax Ordinance, 2001.

21. SHORT TERM INVESTMENT

	Note	2024	2023
		(Rupees in thousand)	
At amortised cost			
Term deposit receipts (TDRs)			
JS Bank Limited	21.1	71,000	31,000
National Bank of Pakistan Limited	21.2	-	110,000
Bank Islami Pakistan Limited	21.3	50,000	50,000
		121,000	191,000

21.1 This represents, investment in Term Deposit Receipts (TDRs) with the JS Bank Limited, having a maturity periods of one year and maturing between July 21, 2024 to April 18, 2025. These carry mark-up ranging from 15.00% to 22.00% (2023: 7% to 20%) per annum.

21.2 This represents, investment in Term Deposit Receipts (TDRs) with the National Bank of Pakistan, having a maturity period of three months and maturing on July 19, 2023. These carry mark-up ranging from Nil (2023: 10.75% to 20.10%) per annum.

21.3 This represents, investment in Term Deposit Receipts (TDRs) with the Bank Islami Pakistan Limited, having a maturity period of one year and maturing on April 02, 2025. This carries mark-up of 18% per annum.

21.4 The balance includes Nil (2023: Rs. 110 million) which has been included in cash and cash equivalents in note 43 to these financial statements.

22. CASH AND BANK BALANCES

	Note	2024	2023
		(Rupees in thousand)	
Cash at bank:			
Local currency			
- current accounts		65,902	46,808
- deposit accounts	22.1	408	408
Cash in hand		650	608
		66,960	47,824

22.1 The balances in deposit accounts bear mark up which ranges from 2% to 6% per annum (2023: 2% to 6% per annum).

23. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

	2024	2023	2024	2023
	(Number of shares)		(Rupees in thousand)	
Authorised share capital				
Ordinary shares of Rs. 10 each	50,000,000	25,000,000	500,000	250,000
Issued, subscribed and paid-up share capital				
Voting ordinary shares of Rs. 10 each fully paid up in cash	12,135,798	12,135,798	121,358	121,358
Voting ordinary shares of Rs. 10 each issued as bonus shares	12,415,816	8,323,881	124,158	83,239
	24,551,614	20,459,679	245,516	204,597

23.1 As at June 30, 2024, Slotrapid Limited, the Holding Company, and their nominees hold 12,779,176 (2023: 12,779,176) voting ordinary shares of Rs. 10 each representing 52.05% (2023: 52.05%) of the ordinary paid up capital of the Company.

23.2 Movement of share capital is as follows:	Note	2024 (Rupees in thousand)	2023
Opening balance		245,516	204,597
Bonus shares issued during the year	23.3	-	40,919
Closing balance		245,516	245,516

23.3 The Parent Company has issued bonus shares in the proportion of 1 for every 5 shares held having face value of Rs. 10 each as approved by the Board of Directors of the Parent Company vide its resolution dated June 13, 2023.

23.4 There is no shareholder agreement for voting rights, board selection, rights of first refusal and block voting.

24. RESERVES

	Note	2024 (Rupees in thousand)	2023
Capital reserves			
Share premium reserve	24.1	34,086	34,086
Fair value reserve - net of tax	24.2	13,489	22,119
		47,575	56,205
Revaluation surplus on property, plant and machinery - net of tax	24.3	1,437,720	1,495,613
		1,485,295	1,551,818
Revenue reserves			
General reserve	24.3.3	285,000	285,000
Accumulated profits		1,444,487	1,128,397
		1,729,487	1,413,397
		3,214,782	2,965,215

24.1 This reserve can be utilized by the Group for the purpose specified in section 81(2) of the Companies Act, 2017.

24.2 This represents fair value reserve created on investment classified as FVOCI.

24.3 Revaluation surplus on property, plant and machinery - net of tax	Note	2024 (Rupees in thousand)	2023
As at beginning of the year		1,495,613	830,273
Surplus arising on revaluation:			
Freehold and leasehold land	7.1	-	434,084
Building on freehold	7.1	-	108,502
Plant and machinery	7.1	-	137,968
		-	680,554
		1,495,613	1,510,827
Incremental depreciation - net of tax		(57,893)	(15,214)
		1,437,720	1,495,613

24.3.1 The surplus on revaluation of property, plant and equipment is not available for distribution to the shareholders in accordance with section 241 of the Companies Act, 2017.

24.3.2 The latest valuation of freehold land, leasehold land, building on freehold land, building on leasehold land and plant and machinery was carried out by M/s. Harvestor Services (Private) Limited, an independent valuer on June 30, 2023. 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.

24.3.3 This represents reserve held for future expansion of the company and further for mitigating any future losses that may occur during business operations.

25. LONG TERM FINANCING - SECURED

	Note	2024	2023
		(Rupees in thousand)	
Secured			
Mark-up based financing from conventional banks:			
JS Bank Limited	25.1	27,873	35,998
National Bank of Pakistan Limited	25.2	58,974	65,018
		86,847	101,016
Islamic mode of financing:			
First Habib Modaraba	25.3	55,739	20,823
Bank Islami Pakistan Limited		2,083	27,083
		57,822	47,906
		144,669	148,922
Mark-up based financing from conventional banks:			
Current portion shown under current liabilities	30	(20,781)	(23,518)
Islamic mode of financing:			
Current portion shown under current liabilities	30	(17,796)	(31,183)
		(38,577)	(54,701)
		106,092	94,221

25.1 This represents long term loan facility amounting to Rs. 63 million to finance 0.604MW grid pegged solar power plant. The outstanding balance is repayable in quarterly instalments of Rs. 2.25 million each ending in July 2027. Markup is payable quarterly and is charged at the rate of 6% per annum. The facility is secured against an equitable mortgage and first charge on land and building of Islamabad factory of the Parent Company.

25.2 This represents long term loan facility amounting to Rs. 100 million. The loan was obtained under SBP refinancing scheme for Temporary Economic Refinance. The facility is repayable in quarterly instalments of Rs. 2.8 million each ending in September 2031. Markup is payable quarterly and is charged at 5% per annum. This facility was secured against exclusive charge amounting to Rs. 134 million over all fixed assets of the Company.

	Note	2024	2023
		(Rupees in thousand)	
25.3 First Habib Modaraba			
- First Habib Modaraba - facility 1	25.3.1	1,135	1,767
- First Habib Modaraba - facility 2	25.3.2	2,376	3,212
- First Habib Modaraba - facility 3	25.3.3	793	1,099
- First Habib Modaraba - facility 4	25.3.4	2,732	3,748
- First Habib Modaraba - facility 5	25.3.5	1,229	1,704
- First Habib Modaraba - facility 6	25.3.6	4,832	6,225
- First Habib Modaraba - facility 7	25.3.7	2,499	3,068
- First Habib Modaraba - facility 8	25.3.8	17,735	-
- First Habib Modaraba - facility 9	25.3.9	4,130	-
- First Habib Modaraba - facility 10	25.3.10	18,278	-
		55,739	20,823

25.3.1 This represents diminishing musharika facility amounting to Rs. 3.39 million for purchase of vehicles. The facility is repayable in 20 quarterly installments ending in June 2025. Profit is payable quarterly and charged at he rate of six month's KIBOR plus 1.5% per annum. The facility is secured against charge over present and future current and fixed assets of the Company. The title of asset is held jointly by the Company and the lender till the facility is fully repaid.

25.3.2 This represents diminishing musharika facility amounting to Rs. 5.21 million for purchase of vehicles. The facility is repayable in 20 quarterly installments ending in September 2025. Profit is payable quarterly and charged at the rate of six month's KIBOR plus 1% per annum. The facility is secured against charge over present and future current and fixed assets of the Company. The title of asset is held jointly by the Company and the lender till the facility is fully repaid.

25.3.3 This represents diminishing musharika facility amounting to Rs. 1.795 million for purchase of vehicles. The facility is repayable in 20 quarterly installments ending in December 2025. Profit is payable quarterly and charged at the rate of six month's KIBOR plus 1% per annum. The facility is secured against charge over present and future current and fixed assets of the Company. The title of asset is held jointly by the Company and the lender till the facility is fully repaid.

25.3.4 This represents diminishing musharika facility amounting to Rs. 6.04 million for purchase of vehicles. The facility is repayable in 20 quarterly installments ending in November 2025. Profit is payable quarterly and charged at the rate of six month's KIBOR plus 1% per annum. The facility is secured against charge over present and future current and fixed assets of the Company. The title of asset is held jointly by the Company and the lender till the facility is fully repaid.

25.3.5 This represents diminishing musharika facility amounting to Rs. 4.81 million for purchase of vehicles. The facility is repayable in 20 quarterly installments ending in September 2025. Profit is payable quarterly and charged at the rate of six month's KIBOR plus 1% per annum. The facility is secured against charge over present and future current and fixed assets of the Company. The title of asset is held jointly by the Company and the lender till the facility is fully repaid.

25.3.6 This represents diminishing musharika facility amounting to Rs. 8.91 million for purchase of vehicles. The facility is repayable in 20 quarterly installments ending in April 2026. Profit is payable quarterly and charged at the rate of six month's KIBOR plus 1% per annum. The facility is secured against charge over present and future current and fixed assets of the Company. The title of asset is held jointly by the Company and the lender till the facility is fully repaid.

25.3.7 This represents diminishing musharika facility amounting to Rs. 3.94 million for purchase of vehicles. The facility is repayable in 20 quarterly installments ending in October 2025. Profit is payable quarterly and charged at the rate of six month's KIBOR plus 1% per annum. The facility is secured against charge over present and future current and fixed assets of the Company. The title of asset is held jointly by the Company and the lender till the facility is fully repaid.

25.3.8 This represents diminishing musharika facility amounting to Rs. 22.8 million for purchase of vehicles. The facility was repayable in 16 quarterly installments ending in April 2027. Profit was payable quarterly and charged at the rate of three month's KIBOR plus 1% per annum. The facility was secured against charge over present and future current and fixed assets of the Company. The title of asset was held jointly by the Company and the lender till the facility was fully repaid.

25.3.9 This represents diminishing musharika facility amounting to Rs. 4.4 million for purchase of vehicles. The facility was repayable in 20 quarterly installments ending in January 2029. Profit was payable quarterly and charged at the rate of three month's KIBOR plus 1% per annum. The facility was secured against charge over present and future current and fixed assets of the Company. The title of asset was held jointly by the Company and the lender till the facility was fully repaid.

25.3.10 This represents diminishing musharika facility amounting to Rs. 19.5 million for purchase of vehicles. The facility was repayable in 20 quarterly installments ending in March 2029. Profit was payable quarterly and charged at the rate of three month's KIBOR plus 1% per annum. The facility was secured against charge over present and future current and fixed assets of the Company. The title of asset was held jointly by the Company and the lender till the facility was fully repaid.

25.4 The Company has total credit facilities of Rs. 363 million (2023: Rs. 363 million) at the year end. Whereas the Company has availed credit facilities of Rs. 363 million (2023: Rs. 363 million) and unavailed credit facilities of Nil (2023: Nil) at the year end.

	Note	2024	2023
		(Rupees in thousand)	
26. LONG TERM DIMINISHING MUSHARAKA			
Secured			
Berger Paints Pakistan Limited (BPPL) - Sukuk of Rs. 500 million	26.1	375,000	500,000
Current portion shown under current liabilities	30	(166,667)	(166,667)
		208,333	333,333

26.1 During the year ended June 30, 2024, the Parent Company issued Rs. Nil (2023: Rs. 484 million) BPPL Sukuk certificates, having face value of Rs. 1 million each aggregating to Rs. Nil (2023: Rs. 484 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-owner of the musharaka assets. The issue resulted in cash receipt of subscription money of Rs. Nil (2023: Rs. 484 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 Parent 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 Parent Company. The overall arrangement has been accounted for in these financial statements on the basis of substance of the transaction.

27. DEFERRED GRANT

	Note	2024 (Rupees in thousand)	2023
Balance as at July 01		28,402	3,630
Recognised during the year		31,073	
Reversed during the year		-	-
Amortization of grant during the year	39	(5,780)	(6,301)
		22,622	28,402
Less: current portion of deferred grants	30	(5,098)	(6,730)
Balance as at June 30		17,524	21,672

27.1 This represents deferred grant recognised in respect of the benefit of below-market interest rate on long term finance facility as 'referred to in notes 25.1 and 25.2. The benefit has been measured as the difference between the fair value of the loan and the proceeds received. The Parent Company received term finance facility under Refinancing / Temporary Economic Refinance Facility Scheme of the State Bank/ of Pakistan from different banks. ICAP issued the guidance for accounting of said financing through circular No. 11/2020, and based on this, the Group recognized the Deferred Grant in accordance with the requirements of 'IAS 20-Accounting for Government Grants and Disclosure of Government Assistance'.

28. LONG TERM EMPLOYEE BENEFITS

	Note	2024 (Rupees in thousand)	2023
Defined benefit plan			
Staff pension fund	28.1	7,255	24,616
Staff gratuity fund	28.1	122,133	95,404
		129,388	120,020
Other long term employee benefits			
Accumulating compensated absences	28.2	28,071	24,728
		157,459	144,748

Defined benefit plan

As mentioned in note 5.20.2 the Parent Company operates an approved funded gratuity and pension schemes for all its permanent employees. Actuarial valuation of the scheme is carried out every year and the latest actuarial valuation was carried out at June 30, 2024. Projected Unit Credit method based on the following assumptions was used for these valuations:

	2024	2023
Valuation discount rate	14.00%	15.75%
Expected rate of increase in salaries	13.00%	14.75%
Withdrawal rates	Age-Based (per appendix)	Age-Based (per appendix)
Expected mortality rate	SLIC (2001-05)	SLIC (2001-05)
Retirement age	60 years	60 years

28.1 Statement of financial position reconciliation

	2024		2023	
	Pension	Gratuity	Pension	Gratuity
	(Rupees in thousand)			
Present value of defined benefit obligation	99,248	152,584	86,770	126,579
Fair value of plan assets	(91,993)	(30,451)	(62,154)	(31,175)
	7,255	122,133	24,616	95,404

28.1.1 Movement in defined benefit obligation is as follows:

	2024 Pension	2024 Gratuity	2023 Pension	2023 Gratuity
Obligation as at July 01	86,770	126,579	101,260	110,999
Employees' contribution not paid to the fund by the Group	1,627	-	1,573	-
Service cost	2,333	16,435	2,215	15,091
Interest cost	13,444	19,532	13,866	13,321
Benefits paid	(2,818)	(5,129)	(4,435)	(20,934)
Remeasurement loss / (gain)	(2,108)	(4,833)	(27,709)	8,102
Obligation as at June 30	99,248	152,584	86,770	126,579

28.1.2 Movement in the fair value of plan assets is as follows:

	2024 Pension	2024 Gratuity	2023 Pension	2023 Gratuity
Fair value as at July 01	62,154	31,175	59,471	28,267
Expected return on plan assets	11,536	4,910	8,326	3,745
Remeasurement loss	(3,879)	(5,634)	(5,643)	(837)
Group's contribution	25,000	5,129	4,435	20,934
Fund transferred back to the Group during the year	-	-	-	-
Benefits paid	(2,818)	(5,129)	(4,435)	(20,934)
Fair value as at June 30	91,993	30,451	62,154	31,175

28.1.3 Movement in net liability in the statement of financial position is as follows:

	2024 Pension	2024 Gratuity	2023 Pension	2023 Gratuity
Net liability as at July 01	24,616	95,405	41,790	82,733
Charge for the year	4,241	31,057	7,755	24,667
Charge to other comprehensive income during the year	1,771	800	(22,067)	8,939
Group's contribution	(25,000)	(5,129)	(4,435)	(20,934)
Fund transferred back to the Group during the year	-	-	-	-
Employees' contribution deducted but not paid to the fund	1,627	-	1,573	-
Net liability as at June 30	7,255	122,133	24,616	95,405

28.1.4 Charge for the year - net

	2024 Pension	2024 Gratuity	2023 Pension	2023 Gratuity
Current service cost	2,333	16,435	2,215	15,091
Interest cost	13,444	19,532	13,866	13,321
Expected return on plan assets	(11,536)	(4,910)	(8,326)	(3,745)
Loss on settlements	-	-	-	-
	4,241	31,057	7,755	24,667

	2024		2023	
	Pension	Gratuity	Pension	Gratuity
	(Rupees in thousand)			
28.1.5 Actual return on plan assets	7,657	(724)	2,683	2,908

28.1.6 The charge for the year has been allocated as follows:

	2024 Pension	2024 Gratuity	2023 Pension	2023 Gratuity
Cost of sales	121	3	3,354	11,206
Selling and distribution expenses	229,660	67,990	3,518	9,195
Administrative and general expenses	1,375	855	883	4,266
	231,156	68,848	7,755	24,667

28.1.7 Plan assets comprise of the following:

	2024 Pension	2024 Gratuity	2023 Pension	2023 Gratuity
Collective investment schemes	60,000	25,000	60,000	25,000
Cash at bank	31,993	5,451	2,154	6,175
	91,993	30,451	62,154	31,175

28.1.8 Amounts for the current year and previous four years of the fair value of plan assets, present value of defined benefit obligation and deficit thereon is as follows:

As at June 30,	2024	2023	2022	2021	2020
	(Rupees in thousand)				
Present value of defined benefit obligation	251,832	213,349	212,260	187,505	164,016
Fair value of plan assets	(122,444)	(93,329)	(87,735)	(133,147)	(54,064)
Deficit	129,388	120,020	124,525	54,358	109,952
Experienece adjustment:					
Loss / (gain) on obligations	(6,941)	(19,607)	6,195	5,746	(4,810)
Gain on plan assets	16,446	12,071	10,814	7,783	6,317

The expected return on plan assets was determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at reporting date.

28.1.9 Expected expense for next year

The expected expense to the pension and gratuity schemes for the year ending June 30, 2025 works out to Rs. 3.97 million and Rs. 36.07 million respectively.

28.1.10 The plans expose the Company to the actuarial risks such as:

Salary risks

The risk that the final salary at the time of cessation of service may be greater than that assumed in determination of present value of defined benefits obligations. As the benefit is calculated on the final salary (which will closely reflect inflation and other macroeconomic factors), the benefit amount increases as salary increase.

Mortality / withdrawal risks

The risks that the actual mortality / withdrawal experiences is different. The effect depends upon beneficiaries' service / age distribution and the entitled benefits of the beneficiary.

Interest rate risks

The risk that bond interest rate may be different. A decrease in bond interest rate will increase the liability, and vice versa.

28.1.11 Actuarial assumptions sensitivity analysis

If the significant actuarial assumptions used to estimate the defined benefit obligation at the reporting date, had fluctuated by 1% with all other variables held constant, the impact on the present value of the defined benefit obligation as at June 30, 2024 would have been as follows:

Impact on present value of defined benefit obligation as at June 30, 2024

		Pension		Gratuity	
	Change	Increase to	Decrease to	Increase to	Decrease to
		(Rupees in thousand)			
Discount rate	+ 1%	82,152	119,903	138,135	168,550
Future salary	+ 1%	109,635	89,849	168,546	138,133

The sensitivity analysis of the defined benefit obligation to the significant actuarial assumptions has been performed using the same calculation techniques as applied for calculation of defined benefit obligation reported in the statement of financial position.

28.1.12 Weighted average duration of the defined benefit obligation is 20 years and 10 years for pension and gratuity plans, respectively.

	Note	2024	2023
		(Rupees in thousand)	
28.2 Other long term employee benefits			
Movement in accumulated compensated absences			
Balance as at July 01		24,728	19,488
Provision during the year	28.2.2	6,970	13,041
Payments made during the year		(3,627)	(7,801)
Balance as at June 30		28,071	24,728
28.2.1 Reconciliation of present value of liability			
Present value of liability as at July 01		24,728	19,488
Service cost		3,098	2,271
Interest on defined benefit liability		3,609	2,065
Benefits paid		(3,627)	(7,801)
Remeasurement gain		263	8,705
Present value of liability as at June 30		28,071	24,728

28.2.2 Charge for the year

	2024	2023
	(Rupees in thousand)	
Service cost	3,098	2,271
Interest on defined benefit liability	3,609	2,065
Remeasurement gain	263	8,705
	6,970	13,041

28.2.3 The charge for the year has been allocated as follows:

	2024	2023
Cost of sales	3	1,994
Selling and distribution expenses	16	6,683
Administrative and general expenses	255	4,364
	274	13,041

28.2.4 Expected expense for next year

The expected expense pertaining to accumulated compensated absences for the year ending June 30, 2024 works out to Rs. 7.10 million.

28.2.5 Actuarial assumptions sensitivity analysis

If the significant actuarial assumptions used to estimate the defined benefit obligation at the reporting date, had fluctuated by 1% with all other variables held constant, the impact on the present value of the defined benefit obligation as at June 30, 2024 would have been as follows:

Impact on present value of defined benefit obligation as at June 30, 2024

			Defined benefit obligation	
		Change	Increase to	Decrease to
Discount rate	±	1%	25,412	31,007
Future salary	±	1%	31,008	25,412

The sensitivity analysis of the defined benefit obligation to the significant actuarial assumptions has been performed using the same calculation techniques as applied for calculation of defined benefit obligation reported in the statement of financial position.

28.2.6 Weighted average duration of the defined benefit obligation is 10 years.

The sensitivity analysis of the defined benefit obligation to the significant actuarial assumptions has been performed using the same calculation techniques as applied for calculation of defined benefit obligation reported in the statement of financial position.

28.2.7 Weighted average duration of the defined benefit obligation is 10 years.

29. TRADE AND OTHER PAYABLES

	Note	2024	2023
		(Rupees in thousand)	
Trade and other creditors		1,431,742	1,178,134
Import bills payable		183,532	316,196
Contract liabilities	34.4	137,526	80,111
Accrued expenses		76,483	131,707
Provision for infrastructure cess	29.1	96,087	96,087
Royalty payable to related parties	29.3	40,158	40,158
Technical fee payable		40,090	40,090
Workers' Profits Participation Fund	29.4	29,199	22,478
Workers' Welfare Fund	29.5	10,628	8,817
Due to statutory authorities		5,621	9,634
Others	29.6	54,237	41,699
Sales tax payable		35,019	64,292
Due to provident fund		695	-
		2,141,017	2,029,403

29.1 Provision for infrastructure cess

	2024	2023
Balance as at July 01	96,087	96,087
Provision for the year	-	-
Balance as at June 30	96,087	96,087

29.2 Pursuant to Honorable Supreme Court order in September 2021, during the year, the Company is paying this Cess as per the Sindh Development and Maintenance of Infrastructure Cess Act, 2017. However, in the said order, interim relief was provided to the companies, and recovery of the Cess payable was suspended till any further order.

29.3 This includes amount due to the following related parties:

	2024	2023
	(Rupees in thousand)	
Slotrapid Limited - Holding Company	40,126	40,126
Buxly Paints Limited - Associated Company	32	32
	40,158	40,158

29.4 Workers' Profits Participation Fund

	2024	2023
Balance as at July 01	22,478	17,920
Allocation for the year	23,432	17,806
Interest on funds utilized in the Company's business	1,168	944
	47,078	31,390
Payments during the year	(17,879)	(14,192)
Balance as at June 30	29,199	17,198

29.4.1 Interest on outstanding liability towards Workers' Profit Participation Fund is charged at bank rate plus 2% per annum as required under the Companies Profits (Workers' Participation) Act, 1968.

	Note	2024	2023
		(Rupees in thousand)	
29.5 Workers' welfare Fund			
Balance as at July 01		8,817	19,470
Allocation for the year		9,765	7,370
Interest on funds utilized in the Company's business		-	82
		18,582	26,922
Payments/adjustments during the year		(7,954)	(18,105)
Balance as at June 30		10,628	8,817
29.6 Advance against sale of vehicle from			
Deduction from salaries	29.6.1	22,582	12,742

29.6.1 This represents the balance deducted against employees' salaries for the vehicles scheme. This will be adjusted against the disposal of fixed assets on retirement/leaving of employees or completion of full deduction.

	Note	2024	2023
		(Rupees in thousand)	
30. CURRENT PORTION OF LONG TERM FINANCING			
Current portion of long term financing	25	38,577	54,701
Current portion of long term diminishing musharaka	26	166,667	166,667
Current portion of deferred income	27	5,098	6,730
		210,342	228,098
31. ACCRUED MARKUP			
Mark-up based borrowings from conventional banks			
Long term financing - secured		1,411	396
Short term running finances - secured		47,728	24,991
		49,139	25,387
Mark-up based borrowings from Islamic banks			
Long term financing - secured		-	1,724
Long term diminshing musharaka - secured		885	1,293
Short term financing - secured		-	1,605
Short term running finances - secured		-	1,450
		50,024	31,459
32. SHORT TERM BORROWINGS - SECURED			
Mark-up based borrowings from conventional banks			
Short term running finance - secured	32.1	585,716	268,720
Mark-up based borrowings from Islamic banks			
Short term running finance - secured	32.2	83,919	156,588
		669,635	425,308

32.1 Short term financing - Conventional banks

This represents utilized amount of short term running finance facilities under mark-up arrangements available from commercial banks aggregating to Rs. 1,150 million (2023: Rs. 1,019 million). These facilities are secured against joint pari passu charge over all the present and future current assets of the Parent Company and carry mark-up at rates ranging between 22.92% and 23.80% (2023: 12.89% and 23.58%) per annum, payable quarterly.

32.2 Short term running finances - Islamic banks

This represents utilized amount of short term running finance facilities under mark-up arrangements available from commercial banks aggregating to Rs. 200 million (2023: Rs. 200 million). These facilities are secured against registered charge over the current assets of the Parent Company and carry mark-up at rates ranging between 23.27% and 23.78% (2023: 15.56% and 22.95%) per annum, payable quarterly.

32.3 The Group has total credit facilities of Rs. 1,550 million (2023: 1,450 million) at the year end. Whereas the Parent Company has availed credit facilities of Rs. 1,550 million (2023: Rs. 1,450 million) and unavailed credit facilities of Nil (2023: Nil) at the year end.

33. CONTINGENCIES AND COMMITMENTS

33.1 Contingencies

a) The Parent Company contracted Allied Engineering for installation of solar panels and solar systems at the factory. The process was to be completed in different phases. After the completion of initial phase, issues were identified in the solar systems installed. The Parent Company opted to get the solar systems installed from another vendor while inviting Allied Engineering to reach a settlement. However, Allied Engineering wanted full execution of the contract and full payment of the agreed amount, out of which Rs. 4 million is unpaid at the reporting date. The management on the basis of legal advice, believes that it has a strong case and no further financial obligation is expected to arise.

b) The Sindh Revenue Board (SRB) through an assessment raised sales tax demand amounting to Rs. 39.34 million along-with penalty. Department (SRB) had inadvertently added all royalty figures appearing in accounts including royalty receivable, royalty payable, royalty expense and related party transfers for the calculation of tax on royalties. The Parent Company, through its legal counsel, filed an appeal before the Commissioner (Appeals) SRB on the grounds that amount of sales tax is not correctly calculated and the provisions of Sindh Sales Tax on Services Act, 2011 are not applicable for the reason that the Parent Company is managing its affairs from the province of Punjab. The Commissioner (Appeals) had reduced the demand to Rs. 8.18 million, against which the Parent Company had filed an appeal before Appellate Tribunal SRB which is pending adjudication. 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 financial statements.

c) During 2018, the Deputy Commissioner Inland Revenue (DCIR) issued show cause notices for collection of income tax under section 236G / 236H of the Income Tax Ordinance 2001. In this regard, the taxation officer raised demand of Rs. 48.94 million for tax years 2014, 2015, and 2016 vide various assessment orders. The Parent Company through its legal counsel filed appeals to Commissioner Inland Revenue Appeals (CIR - A) against the said orders, the CIR-A provided relief amounting to Rs. 7.4 million and 2.7 million for tax year 2014 and 2015 respectively and upheld the demand of tax year 2016. Being aggrieved from the CIR-A orders, the Parent Company through its legal counsel filed appeals before ATIR which are still pending adjudication. 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 financial statements.

d) The Additional Commissioner Inland Revenue (ACIR) and Deputy Commissioner Inland Revenue (DCIR), while proceeding U/S 122 of the Income Tax Ordinance, 2001 created income tax demands amounting to Rs. 484.38 million and Rs. 213.12 million for the tax years 2014 and 2016 respectively vide two separate orders. The Parent Company filed an appeal before Commissioner Inland Revenue (Appeals), the Commissioner Inland Revenue (Appeals) remanded the case on some issues and confirmed additions to the tune of Rs. 32.99 million and Rs. 9.2 million for the tax year 2014 and 2016 respectively. The Parent Company through its legal counsel had filed an appeal before ACIR which is pending adjudication. The management believes that it has a strong arguable case and matter will be decided in favor of the Parent Company. Hence no provision has been recorded in these financial statements.

e) The Commissioner Appeals - I, Lahore, vide its order for tax year 2016, deleted certain additions while remanding the case on certain issues and upheld the case on issue of contractor services which involves revenue amounting to Rs. 10.67 million. Appeal against this order has been filed which is pending adjudication. 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 financial statements.

f) During the year 2016, a notice from Punjab Revenue Authority involving an amount of Rs. 11.45 million as royalty fee and technical services for the period October 2012 to March 2015 was issued which is under investigation / adjudication proceedings and no demand is raised. 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 financial statements.

g) Additional Commissioner Enforcement of Punjab Revenue Authority issued assessment order creating demand of Rs. 132 million under various section of Punjab Sales Tax on Services Act 2012. However, the Company through its legal counsel filed appeal before Commissioner Appeals PRA against the order of Additional Commissioner. The Commissioner Appeals through order dated April 16, 2024 has remanded back the case to the Additional Commissioner for further assessment, no hearing has been called by Additional Commissioner till date.

h) DCIR raised a demand amounting to Rs. 10.5 million in relation to sales tax on sales of scrap stock burnt in fire in 2008 which was upheld by Commissioner Appeals. This demand was later reduced by Appellate Tribunal up to the demand pertaining to sales tax on fixed assets. The Parent Company being aggrieved by the order of ATIR, filed an appeal before honorable Lahore high court which was remanded back to the ATIR and is pending adjudication. 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 financial statements.

i) The DCIR passed order under section 161(1) for tax year 2014 and raised a demand amounting to Rs. 33.5 million. The Parent Company filed an appeal before the Commissioner Inland Revenue (Appeals). The Appeals remanded back the case to the department for further assessment. Currently, no demand is in field against the Parent Company.

j) Various cases on account of income tax and sales tax matters involving an amount Rs. 11.401 million are also pending. The management on the basis of opinion of the tax advisor is hopeful of a favorable outcome in all these cases, hence no provision has been recorded in these financial statements.

k) The Additional Commissioner IR issued a show cause notice dated April, 23, 2022 for tax year 2021 and subsequently passed order under section 122 (5A) to the Income Tax Ordinance, 2001 dated September 02, 2022 amounting to Rs. 455 million. The Parent Company filed an appeal before Commissioner IR Appeals-1(CIR-A) Lahore. The CIR-A through order dated April 11, 2023 decided appeal partially in favor of the Parent Company. The Parent Company filled appeal against CIR-A order before ATIR, the appeal has been heard on March 01, 2024. No judgment has been released as of yet. The Parent Company is expecting a favorable outcome, accordingly no provision has been recorded in the books of accounts.

l) The Company is facing claims, launched in the labor courts, pertaining to staff retirement benefits, salaries and others related matters. The claims amount cannot be quantified due to nature of the claims.

33.2 Outstanding letters of guarantee as at June 30, 2024 amounts to Rs. 138 million (2023: Rs. 125.14 million).

33.3 Commitments

Outstanding letters of credit as at June 30, 2024 amounts to Rs. 636 million (2023: Rs. 804.83 million) for purchase of raw and packing materials.

34. REVENUE FROM CONTRACT WITH CUSTOMERS

	Note	2024	2023
		(Rupees in thousand)	
Local	34.6	13,188,341	11,148,076
Export		56,586	55,288
		13,244,927	11,203,364
Less:			
Discounts		(2,675,017)	(2,196,122)
Sales tax		(2,026,003)	(1,659,905)
		(4,701,020)	(3,856,027)
		8,543,907	7,347,337

34.1 The Group is involved in trading of paints, varnishes and other related items. The performance obligation is satisfied upon delivery of goods. The Group makes sales against advances as well as on credit terms. In case of credit sales, payment is generally due within 60 to 90 days from the date of delivery of goods.

34.2 Timing of revenue recognition - net

	2024	2023
	(Rupees in thousand)	
Goods and services transferred at a point in time	8,543,907	7,347,337

34.3 Geographical market

	2024	2023
Pakistan	8,487,321	7,292,049
Afghanistan	56,586	55,288
	8,543,907	7,347,337

34.4 Contract balances

Contract balances primarily comprises of contract liabilities, representing advance consideration received from customers for the purchase of products. Balance as at reporting date amounted to Rs. 137.52 million (2023: Rs. 80.11 million). Revenue recognized during the reporting period which was included in the contract liabilities at the beginning of the period amounted to Rs. 80.11 million (2023: Rs. 45.16 million).

34.5 Movement of contract liabilities is as follows:

	2024	2023
	(Rupees in thousand)	
Opening balance	80,111	50,240
Advance received	137,526	80,111
Income recongised	(80,111)	(50,240)
Closing balance	137,526	80,111

34.6 This includes an amount of Rs. 414.703 million and Rs. 35.556 million (2023: Rs. 331.079 million and Rs. 31.839 million) charged to Buxly Paints Limited, a related party of the Group for material and toll manufacturing, respectively.

35. COST OF SALES

	Note	2024	2023
		(Rupees in thousand)	
Finished goods as at July 01		500,924	501,776
Cost of goods manufactured	35.1	6,881,118	5,822,539
Provision /(reversal) slow moving finished goods		(11,661)	10,676
Less: Finished goods as at June 30	15	(576,086)	(500,924)
Consumption of finished goods purchased for resale	35.4	28,284	30,350
Cost of sales		6,822,579	5,864,417

35.1 Cost of goods manufactured

	Note	2024	2023
Raw and packing materials consumed	35.2	5,798,296	4,904,449
Freight and handling	35.6	340,580	283,259
Stores and spare parts consumed		9,047	9,575
Salaries, wages and other benefits	35.3	133,943	124,086
Contracted services	35.5	168,733	193,118
Travelling and conveyance		17,375	16,824
Fuel, water and power		154,236	92,809
Legal and professional		1,049	1,589
Rent, rates and taxes		177	439
Insurance		8,550	9,479
Repairs and maintenance		35,027	42,427
Depreciation	7.1.6	166,199	101,577
Ijarah lease rentals		-	347
Toll manufacturing cost		33,863	25,839
Printing and stationery		2,150	1,910
Communication		1,343	1,225
Others		15,957	13,757
		6,886,525	5,822,709
Opening stock of semi-processed goods		164,124	162,191
Closing stock of semi-processed goods	15	(168,032)	(164,124)
Provision reversed during the year		(1,499)	1,763
Cost of goods manufactured		6,881,118	5,822,539

35.2 Raw and packing materials consumed

	Note	2024	2023
Raw and packing material as at July 01		796,137	1,030,573
Purchases of raw and packing material		5,675,414	4,694,198
Provision /(reversal) slow moving finished goods		(5,394)	(24,185)
Less: Raw and packing material as at June 30	15	(667,861)	(796,137)
Raw and packing materials consumed		5,798,296	4,904,449

35.3 Salaries, wages and benefits include Rs. 14.14 million (2023: Rs. 11.21 million) in respect of gratuity fund, Rs. 1.88 million (2023: Rs. 3.35 million) in respect of pension fund, Rs. 1.08 million (2023: Rs. 1.99 million) in respect of compensated absences and Rs. 5.22 million (2023: Rs. 3.66 million) in respect of provident fund contribution.

	2024	2023
	(Rupees in thousand)	
35.4 The movement of finished goods purchased for resale is as follows:		
Finished goods as at July 01	91,390	60,140
Add: Finished goods purchased for resale during the year	18,103	61,600
Less: Consumption of finished goods during the year	(28,284)	(30,350)
Finished goods as at June 30	81,209	91,390

35.5 This represents amounts relates to outsourced staff from FSC Integrated Services (Private) Limited.

35.6 This represents amounts relates to freight and handling charges for delivery of goods to customers and management considered this cost as part of the product.

36. SELLING AND DISTRIBUTION EXPENSES

	Note	2024	2023
		(Rupees in thousand)	
Salaries and other benefits	36.1	353,562	346,737
Contracted services	36.4	38,548	34,092
Travelling and conveyance		6,252	2,945
Rent, rates and taxes		6,796	7,132
Insurance		9,645	12,011
Fuel, water and power		3,332	3,822
Advertising and sales promotion		248,545	127,124
Technical services and royalty fee	36.2	-	4,494
Repairs and maintenance		3,473	2,488
Depreciation	7.1.6	30,510	24,275
Ijarah lease rentals		-	413
Printing and stationery		1,455	2,144
Legal and professional		980	1,879
Communication		5,797	8,162
Others		8,547	5,836
		717,442	583,554

36.1 Salaries, wages and benefits include Rs.11.56 million (2023: Rs. 9.2 million) in respect of gratuity fund, Rs. 1.89 million (2023: Rs. 3.52 million) in respect of pension fund, Rs. 3.57 million (2023: Rs. 6.68 million) in respect of compensated absences and Rs. 8.66 million (2023: Rs. 9.12 million) in respect of provident fund contribution.

36.2 This represents royalty and technical fee expense for the year. Detail is as follows:

Name and address of the party	Relationship with Company	Note	2024	2023
			(Rupees in thousand)	
Slotrapid Limited (Suit# 1 Akara Building, 24 De-Cantro Street, Wickham Cay 1, Road Town, Tortola, British Virgin Island.)	Licensor (the Holding Company	36.3	-	-
Oxyplast Belgium N.V. (Hulsdonk 35-B 9042/Gent – Mendonk, Belgium.)	Licensor		-	4,494
			-	4,494

36.3 During the year the parent entity has waived off its right to receive for royalty, accordingly no provision has been made against this head.

36.4 This represents amounts relates to outsourced staff from FSC Integrated Services (Private) Limited.

37. ADMINISTRATIVE AND GENERAL EXPENSES

	Note	2024	2023
		(Rupees in thousand)	
Salaries and other benefits	37.1	143,435	127,359
Contracted services	37.2	1,780	4,071
Directors' meeting fee		3,900	4,900
Travelling and conveyance		21,384	17,020
Rent, rates and taxes		2,249	2,435
Insurance		4,502	3,011
Auditors' remuneration	37.3	3,791	3,798
Fuel, water and power		1,809	2,479
Repairs and maintenance		3,570	2,676
Depreciation	7.1.6	13,416	13,770
Amortization of computer software	8	-	23
Ijarah lease rentals		-	558
Printing and stationery		3,916	1,592
Legal and professional		15,324	13,584
Communication		3,452	1,738
Others		8,971	10,655
		231,499	209,669

37.1 Salaries, wages and benefits include Rs. 5.36 million (2023: Rs. 4.27 million) in respect of gratuity fund, Rs. 0.46 million (2023: Rs. 0.88 million) in respect of pension fund, Rs. 2.32 million (2023: Rs. 4.36 million) in respect of compensated absences and Rs. 5.93 million (2023: Rs. 5.66 million) in respect of provident fund contribution.

37.2 This represents amounts relates to outsourced staff from FSC Integrated Services (Private) Limited.

	Note	2024	2023
		(Rupees in thousand)	
37.3 Auditors' remuneration			
37.3.1 Auditors' remuneration of the Parent Company			
Audit fee		2,100	2,100
Consolidation and half yearly review		900	900
Out of pocket expenses		178	178
Statutory certifications		268	275
		3,446	3,453
37.3.2 Auditors' remuneration of the Subsidiaries Company			
Audit fee		345	345
		3,791	3,798

38. OTHER OPERATING EXPENSES

	Note	2024	2023
Workers' Welfare Fund	29.5	9,765	7,370
Workers' Profit Participation fund	29.4	23,432	17,806
Exchange loss - net		4,921	34,896
Written of advance income tax (1996)	38.1	-	8,905
Sales tax on royalty	-	7,511	
Others	-	176	
Impairment on investment in associate	-	8,623	
Impairment on revaluation of building	7.1	-	16,374
Debit balances written off directly		-	27,611
Impairment on other receivables and deposits		4,435	-
		42,553	129,272

38.1 The Parent Company has written of advance income tax which was taken in the year 1996 and the Parent Company believes that this will not be adjustable and on prudence basis has written off.

39. OTHER INCOME

	Note	2024	2023
		(Rupees in thousand)	
(Rupees in thousand)			
Income from financial assets			
Mark-up on term deposit receipts and long term loan	21	33,660	31,556
Income from non-financial assets			
Sale of scrap		15,927	28,406
Gain on disposal of property, plant and equipment - net		4,896	19,583
Rental income and other services charged to related parties		1,200	5,144
Export rebate		899	720
Insurance claim		4,491	3,087
Amortization of deferred grant	27	5,780	6,301
Others		1,841	5,912
Impairment loss reversed during the year		-	36,442
Credit Balances written back		-	2,809
		68,694	139,960

40. FINANCE COST

	Note	2024	2023
		(Rupees in thousand)	
Islamic mode of financing:			
- Long term financing - secured		9,625	11,518
- Long term diminishing musharaka - secured		109,882	90,036
- Short term financing - secured		858	1,188
- Short term running finances - secured		31,153	31,183
		151,518	133,925
Mark-up based borrowings from conventional banks:			
- Long term financing - secured		11,965	18,314
- Short term financing - secured		-	23,138
- Short term running finances - secured		131,356	100,686
		143,321	142,138
Interest on WPPF		1,168	1,026
Bank charges		8,619	6,543
		304,626	283,632

41. TAXATION

	Note	2024	2023
Final	41.3	566	438
Minimum claimed		(6,781)	(19,469)
		(6,215)	(19,031)
Current			
- for the year	41.1	174,484	136,112
- prior year	41.2	(26,024)	(1,642)
		148,460	134,470
Deferred			
- current year	13.2	16,439	(12,735)
- prior year		-	-
		158,684	102,704

41.1 Current year tax includes super tax as follows:

	2024	2023
- for the year	37,489	22,974

41.2 This represents a difference between net taxation charged in the financial and the income tax return filed in the last year due to advance tax not taken into account.

41.3 This represents final taxes paid under Section 154A of Income Tax Ordinance, 2001 representing levy in terms of requirements of IFRIC 21/IAS 37.

41.3.1 Reconciliation of tax charge

Reconciliation of current tax charge charged as per tax laws for the year, with current tax recognised in the profit and loss account is as follows:

	2024	2023
	(Rupees in thousand)	
Current tax liability for the year as per applicable tax laws	149,026	134,908
Portion of current tax liability as per tax laws, representing income tax under IAS 12	(148,460)	(134,470)
Portion of current tax computed as per tax laws, representing levy in terms of requirements of IFRIC 21/IAS 37	(566)	(438)
Difference	-	-

41.3.2 The aggregate of final tax and income tax amounting to Rs. 149.026 million (2023: Rs. 134.908 million) represents tax liability of the Company calculated under the relevant provisions of the Income Tax Ordinance, 2001.

41.4 The numerical reconciliation between the average tax rate and the applicable tax rate is as follows:

	2024	2023
Applicable tax rate	29.00%	29.00%
Tax effect of:		
- income under Final Tax Regime	0.13%	0.13%
- prior year adjustment	-6.15%	-0.09%
- permanent difference	0.01%	0.01%
- others	1.00%	-7.44%
- effect of super tax	8.77%	6.78%
Average effective tax rate charged to profit or loss	33%	28.39%

41.5 Comparison of tax provision against tax assessments

Years	Excess/ (Short)	Tax provision	Tax assessment/ tax return
		(Rupees)	
2022-23	(406,436)	114,984,017	115,390,453
2021-22	305,289	93,291,025	92,985,736
2019-20	79,911,491	121,277,078	41,365,587

41.6 As at June 30, 2024, as per the treatments adopted in tax returns filed that are based on the applicable tax laws and decisions of appellate authorities on similar matters, the provision in the financial statements for income tax is sufficient as there are strong grounds that the said treatments are likely to be accepted by the tax authorities.

42. EARNINGS PER SHARE - BASIC AND DILUTED

42.1 Earning per share - basic and diluted

	2024	2023
Profit attributable to ordinary shareholders (Rupees in thousand)	260,768	232,652
Weighted average number of shares outstanding during the year (Number of shares)	24,551,614	24,551,614
Earning per share - basic (Rupees)	10.62	9.48

42.2 No figure for diluted earnings per share has been presented as the Group has not issued any instruments carrying options as at June 30, 2024, which would have an impact on earnings per share when exercised.

	Note	2024	2023
		(Rupees in thousand)	
43. CASH AND CASH EQUIVALENTS			
Cash and bank balances	22	66,960	47,824
Short term investment	21	-	110,000
Short term running finance - secured	32	(669,635)	(425,308)
		(602,675)	(267,484)

	Note	2024	2023
44. CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		419,100	335,732
Adjustments for non-cash and other items:			
Depreciation on property, plant and equipment	7.1.6	210,125	139,631
Amortization on intangible assets	8.1.1	-	23
Gain on disposal of property, plant and equipment	39	(4,896)	(19,583)
Provision (reversed)/charged against slow moving stock - net		(18,554)	(11,746)
Impairment loss (reversed) / recorded during the year		67,990	73,084
Provision for long term employee benefit		42,269	45,463
Finance cost	40	304,626	283,632
Provision for Workers' Profit Participation Fund	38	23,432	17,806
Provision for Workers' Welfare Fund	38	9,765	7,370
Amortization of deferred grant	39	5,780	6,301
Impairment on revaluation of building		-	16,374
Share of profit of equity - accounted investee		6,812	7,937
Impairment on investment in associate		-	8,623
Impairment loss reversed during the year		-	(36,442)
Mark-up on term deposit receipts and long term loan		(33,660)	(31,556)
Credit Balances written back	39	-	(2,809)
Net cash flow before working capital changes		1,032,789	839,840

45. RECONCILIATION OF MOVEMENT OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

	Unclaimed dividend	Long term diminishing musharaka	Long term financing	Short term borrowing	Total
	(Rupees in thousand)				
As at June 30, 2023	13,106	500,000	148,922	425,308	1,087,336
Changes from financing cash flows					
Dividend paid	(628)	-	-	-	(628)
Long term financing - net	-	-	(10,033)	-	(10,033)
Long term dimishing musharaka - net	-	(125,000)	-	-	(125,000)
Total changes from financing cash flows	(628)	(125,000)	(10,033)	-	(135,661)
Other changes					
Adjustment of Government grant	-	-	5,780	-	5,780
Change in borrowings- net	-	-	-	244,327	244,327
Total liability related other changes	-	-	5,780	244,327	250,107
As at June 30, 2024	12,478	375,000	144,669	669,635	1,201,782
As at June 30, 2022	6,826	16,000	250,953	1,373,939	1,647,718
Changes from financing cash flows					
Dividend paid	(75,559)	-	-	-	(75,559)
Short term borrowings - net	-	-	-	(255,552)	(255,552)
Long term financing	-	-	(108,332)	-	(108,332)
Long term diminishing musharka	-	484,000	-	-	484,000
Total changes from financing cash flows	(75,559)	484,000	(108,332)	(255,552)	44,557
Other changes					
Adjustment of Government grant	-	-	6,301	-	6,301
Change in borrowings	-	-	-	(693,079)	(693,079)
Dividend declared	81,839	-	-	-	81,839
Total liability related other changes	81,839	-	6,301	(693,079)	(604,939)
As at June 30, 2023	13,106	500,000	148,922	425,308	1,087,336

46. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged in the financial statements for the year for remuneration, including all benefits, to the Chief Executive, Directors and Executives of the Parent Company are as follows:

	2024			2023		
	Chief Executive	Executives	Non-Executive Directors	Chief Executive	Executives	Non-Executive Directors
	(Rupees in thousand)					
Fees	-	-	3,700	-	-	4,900
Managerial remuneration (including bonus)	22,000	83,132	-	19,000	64,995	-
Retirement and other long term benefits	4,182	60,414	-	6,818	45,553	-
House rent allowance	-	28,608	-	-	22,456	-
Utilities	-	6,357	-	-	4,990	-
Medical expenses	-	7,947	-	-	6,238	-
Provident fund	2,000	5,951	-	1,727	4,535	-
	28,182	192,409	3,700	27,545	148,767	4,900
Number of persons	1	32	7	1	22	7

46.1 Retirement and other long term benefits include benefits provided under provident fund, gratuity, pension and accumulated compensated absences.

46.2 The Chief Executive and certain other executives of the Group are provided with free use of Company cars. The approximate value of the benefit amounts to Rs. 36.73 million (2023: Rs. 21.93 million).

47. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The Company is a subsidiary of Slotrapid Limited, therefore all the subsidiaries and associates of the Holding Company are related parties of the Company. In addition related parties includes long term employee benefit, directors and key management personnel. Amounts due from and due to related parties, remuneration of directors and key management personnel are disclosed in the relevant notes.

Name of parties	Nature of relationship	Nature of transactions	Note	June 30, 2024 Transactions during the period	June 30, 2024 Closing balance	June 30, 2023 Transactions during the year	June 30, 2023 Closing balance
				(Rupees in thousand)			
Slotrapid Limited	Holding Company	Royalty expense		-	-	-	-
		Royalty payable		-	40,126		40,126
		Royalty waiver		60,120	-	39,640	-
		Payment		-	-	-	-
		Dividend paid		-	-	30,600	-
3S Pharmaceutical (Private) Limited	Associated Company	Common expenditures incurred		1,740	-	1,459	-
		Impairment allowance		6,812	-	8,623	-
		Other receivable		-	5,824	-	3,879
		Interest income		206	-	448	-
Buxly Paints Limited ("BPL")	Associated Company	Sales		449,811	-	362,918	-
		Rental expense		1,800	-	1,812	-
		Rental income and other services		1,200	-	1,200	-
		Common expenditures incurred		34,178	-	19,255	-
		Receipts / adjustments		-	-	1,933	-
		Trade debt		-	285,092	-	248,959
		Other receivable		-	-	-	1,338
		Royalty payable			32		32
		Toll manufacturing - cost		33,863	-	27,131	-
					-		
Post employment benefit plans		Contribution to gratuity fund		5,129	-	20,934	-
Key Management Personnel)		Contribution to pension fund		25,000	-	4,435	-
		Provident fund contribution		39,633	-	36,872	-
		Provident fund receivable /(payable)		-	(695)	-	22,066

47.1 Basis of relationship with the company

In respect of associated companies and holding company incorporated inside Pakistan with whom the company had entered into transaction during the financial year along with basis of relationship is as follows:

Name of related party	Country of Incorporation/origin	Relationship	Basis of Association	Shareholdings	Basis of Association	Shareholdings
			2024		2023	
Slotrapid Limited	British Virgin Island	Holding	Shareholding	52.05%	Shareholding	52.05%
Berger DPI (Private) Limited	Pakistan	Subsidiary	Shareholding	51%	Common management	51%
Berger Road Safety (Private) Limited	Pakistan	(Wholly owned subsidiary of Berger DPI (Private) Limited)	Shareholding		Common management	
3S Pharmaceutical (Private) Limited	Pakistan	Associated	Shareholding	49%	Common management	49%
Buxly Paints Limited	Pakistan	Associated	Common management	19%	Common management	19%
Dadex Externit Limited	Pakistan	Associated	Common management		Common management	

47.2 In addition to these transactions, the Company has an agreement with 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 company will handover the possession of the building to BPL free of cost.

47.3 The details of compensation paid to key management personnel are shown under the heading of "Remuneration of Chief Executive, Directors and Executive (note 46)". There are no transactions with key management personnel other than under their terms of employment except otherwise stated.

47.4 Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity. The Company considers all members of its management team, including the Chief Executive Officer and the Directors to be key management personnel.

48. FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

48.1 Risk management of financial instruments

The Group finances its operations through equity, borrowings and management of working capital with a view to obtain a reasonable mix between the various sources of finance to minimize the finance related risks to the entity.

The Group has exposure to the following risks from its use of financial instruments:
- Market risk
- Credit risk
- Liquidity risk

The Group's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

48.1.1 Risk management framework

The Board of Directors have the overall responsibility for the establishment and oversight of Group's risk management framework. The Board is also responsible for developing and monitoring the Group's risk management policies.

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect to changes in market conditions and the Group's activities. The Group through its training and management standards and procedures aims to maintain a disciplined and constructive control environment in which employees understand their roles and responsibilities.

The Group's audit committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. Audit committee is assisted in its oversight role by internal audit department. Internal audit department undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

48.1.2 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's profit or loss or value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures with acceptable parameters, while optimizing return.

48.1.2.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

The Group is exposed to currency risk arising from various currency exposures, primarily with respect to the Euro (EUR), RMB (Chinese Yuan), United States Dollar (USD) and Japanese Yen (JPY). Currently, the Group's foreign exchange risk exposure is restricted to the amounts payable to foreign entities.

The Group's exposure to foreign exchange risk is as follows:

	2024	2023
Statement of financial position items	**(Amount in thousand)**	
Trade and other payables		
- Euro	-	-
- USD	456	888
- RMB	397	-
- JPY	-	475
	-	-
Off statement of financial position items		
Outstanding letters of credit as at the year end are as follows:		
- Euro	-	-
- USD	2,271	2,498
- RMB	-	-
- JPY -	-	

The following significant exchange rates were applied during the year:	2024	2023
	(In rupees)	
Rupees per Euro		
Average rate for the year	305.67	263.37
Reporting date rate	298.41	312.93
Rupees per USD		
Average rate for the year	282.40	245.42
Reporting date rate	278.80	285.99
Rupees per RMB		
Average rate for the year	39.10	35.14
Reporting date rate	38.53	39.67
Rupees per JPY		
Average rate for the year	1.86	1.75
Reporting date rate	1.73	1.99

Sensitivity analysis

At reporting date, if the PKR had strengthened by one rupee against the foreign currencies with all other variables held constant, profit after tax for the year would have been higher by the amount shown below, mainly as a result of net foreign exchange gain on translation of foreign currency loans.

	2024	2023
Effect on profit or loss	**(Amount in thousand)**	
- Euro	-	-
- USD	324	630
- RMB	282	337
- JPY	-	-

The weakening of the PKR against foreign currencies would have had an equal but opposite impact on the post tax profit. The sensitivity analysis prepared is not necessarily indicative of the effects on profit / (loss) for the year and assets / liabilities of the Group.

48.1.2.2 Price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Group is not exposed to commodity price risk since it has a diverse portfolio of commodity suppliers.

Sensitivity analysis

The Group's investments in equity instrument of other entities are publicly traded on the PSX. The summary below explains the impact of increase on the Group's surplus on investment classified as FVOCI to change in market price. The analysis is based on the assumption that the market price had increased by 10% with all other variables held constant:

	Impact on equity	
	2024	2023
	(Rupees in thousand)	
Buxly Paints Limited	2,517	2,025

The sensitivity analysis prepared is not necessarily indicative of the effects on profit after tax for the year and assets / liabilities of the Group.

48.1.2.3 Interest rate risk

Interest rate risk is the risk that fair values or future cash flows of a financial instrument will fluctuate because of changes in interest rates. Significant interest rate risk exposures are primarily managed by a mix of borrowings at variable interest rates. Sensitivity to interest rate risk arises from mismatch of financial assets and financial liabilities that mature or re-price in a given period.

	Effective rate		Carrying amount	
	2024	2023	2024	2023
Financial assets	(Percentage)		(Rupees in thousands)	
Fixed rate instruments				
Short term investment	19%	11%	121,000	191,000

	Effective rate		Carrying amount	
	2024	2023	2024	2023
Financial liabilities				
Fixed rate instruments				
Long term financing - secured	5.5%	5.5%	86,847	101,016
Floating rate instruments				
Long term financing - secured	23.1%	19.8%	57,822	47,906
Long term diminishing musharaka	22.9%	17.6%	375,000	500,000
Short term running finance - secured	23.5%	18.2%	669,635	425,308
			1,102,457	973,214

Cash flow sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rates financial assets and liabilities at fair value through profit or loss. Therefore, a change in profit / mark-up / interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased / (decreased) profit for the year by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis as for 2023.

	100 bps	
	Decrease	**Increase**
As at June 30, 2024	11,025	(11,025)
As at June 30, 2023	9,732	(9,732)

The sensitivity analysis prepared is not necessarily indicative of the effects on profit after tax for the year and assets / liabilities of the Group.

48.1.3 Credit risk

Credit risk is the risk of financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Out of the total financial assets of Rs. 2,942 million (2023: Rs. 2,343 million) financial assets which are subject to credit risk amount to Rs. 2,942 million (2023: Rs. 2,343 million).

Credit risk represents the financial loss that would be recognized at the reporting date if the counterparties fail completely to perform as contracted / fail to discharge an obligation / commitment that it has entered into with the Group. Concentration of credit risk arises when a number of counterparties are engaged in similar business activities, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentration of credit risk indicates the relative sensitivity of a Group's performance to developments affecting a particular industry.

	2024	2023
	(Rupees in thousand)	
Long term loans - secured	31,952	61,109
Long term deposits	33,319	22,218
Trade debts - unsecured	2,602,977	1,917,825
Long term investment - FVOCI	25,174	20,246
Trade deposits	22,209	18,536
Other receivables		
- Receivable from related parties	2,512	-
- LC Margin	22,848	20,363
- Others	13,891	45,186
	39,251	65,549
Short term investment - secured	121,000	191,000
Bank balances	66,310	47,216
	2,942,192	2,343,699

Concentration of credit risk

The Group identifies concentrations of credit risk by reference to type of counter party. Maximum exposure to credit risk by type of counterparty is as follows:

	2024	2023
	(Rupees in thousand)	
Trade debts	2,602,977	1,917,825
Banking companies and financial institutions	210,158	258,579
Others	129,057	167,295
	2,942,192	2,343,699

48.1.3.1 Trade deposits and other receivables

Deposits and other receivables represents deposits held by government institutions and vendors. The Group has assessed, based on historical experience, that the expected credit loss associated with these financial assets is generally trivial. Hence, no additional allowance has been recognised in these financial statements.

48.1.3.2 Receivable from related party

The Group uses an allowance matrix to measure ECLs on receivables from related parties. Loss rates are determined using a ‘roll rate’ method based on the probability of a receivable progressing through successive stages of delinquency. The future recoveries from related parties are accounted for in calculating the loss rate.

48.1.3.3 Long term loans

Long term loans are due from employees of the Group and are secured against assets. Hence, the management believes that no impairment allowance is necessary in respect of these loans.

48.1.3.4 Trade debts

The Group uses an allowance matrix to measure ECLs of trade debts. Loss rates are calculated using a ‘roll rate’ method based on the probability of a receivable progressing through successive stages of delinquency. The future recoveries from trade debtors are accounted for in calculating the loss rate.

June 30, 2024	Weighted average loss rate	Gross carrying amount	Loss allowance
Past due 0 - 30 days	0.00%	1,074,175	-
Past due 31 - 60 days	0.50%	816,763	4,060
Past due 61 - 90 days	1.51%	360,228	5,422
Past due 91 - 120 days	2.73%	308,257	8,421
Past due 121 - 180 days	3.79%	192,461	7,299
Past due 181 - 364 days	14.66%	109,133	16,003
Past due over one year	100.00%	54,959	54,959
		2,915,976	96,164

June 30, 2023	Weighted average loss rate	Gross carrying amount	Loss allowance
Past due 0 - 30 days	0.00%	1,129,668	-
Past due 31 - 60 days	1.45%	409,754	5,938
Past due 61 - 90 days	1.91%	191,924	3,672
Past due 91 - 120 days	4.12%	123,768	5,103
Past due 121 - 180 days	1.60%	181,209	2,894
Past due 181 - 364 days	34.03%	141,571	48,178
Past due over one year	100.00%	77,308	77,308
		2,255,202	143,093

48.1.3.5 Balances with banking companies

‘The Group held balances with banks, short term investments and LC margin amounting to Rs. 210.158 million as at June 30, 2024. These are held with banks and financial institutions counterparties, which are rated A1 to AAA, based on credit ratings from rating agencies.

Impairment on these financial assets has been measured on a 12 month expected loss basis and reflects short term maturities of the exposure. The Group considers that these balances have low credit risk based on the external ratings of the counterparties.

12 month probabilities of default are based on historical data supplied by PACRA and VIS rating agency for each credit rating. Loss given default (LGD) parameters generally reflect assumed recovery rates based on recovery rates assumed in Basel Guidelines for unsecured exposures.

	2024	2023
	(Rupees in thousand)	
Bank balances	66,310	47,216
Short term investment	121,000	191,000
Other receivables	22,848	20,363
	210,158	258,579

48.1.3.6 Credit quality of financial assets

The credit quality of bank balances that are neither past due nor impaired can be assessed by reference to external credit ratings or to historical information about counterparty default rate:

Banks	Rating		Rating Agency	2024	2023
	Short term	Long term		(Rupees in thousand)	
Balances with bank:					
Bank Al Habib Limited	A-1+	AAA	PACRA	23,585	18,817
Habib Metropolitan Bank Limited	A-1	AA+	PACRA	9,226	24,095
Habib Bank Limited	A-1+	AAA	VIS	34	35
JS Bank Limited	A-1+	AA-	PACRA	-	31,000
Al-Baraka Bank Pakistan Limited	A-1	A+	VIS	6	6
United Bank Limited	A-1+	AA+	PACRA	-	20
National Bank of Pakistan	A-1+	AAA	PACRA	11,918	114,131
Bank Islami Pakistan Limited	A-1	A+	PACRA	20,732	60,240
Samba Bank Limited	AA	A-1	VIS	-	-
Faysal Bank Limited	A-1+	AA	PACRA	809	10,235
				66,310	258,579
Deposits with bank/ TDRs:					
JS Bank Limited	A-1+	AA-	PACRA	71,000	31,000
National Bank of Pakistan	A-1+	AAA	PACRA	-	110,000
Bank Islami Pakistan Limited	A-1	A+	VIS	50,000	50,000
				121,000	191,000

The Group has not recognised an impairment allowance on bank balances during the year ended June 30, 2024, as the impact was immaterial.

48.1.4 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities, that are settled by delivering cash or other financial asset, or that such obligation will have to be settled in a manner unfavorable to Group. The Group's approach to managing liquidity is to ensure, as far as possible that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions. The Group finances its operations through equity, borrowings and working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk. The management aims to maintain flexibility in funding by keeping regular committed credit limits.

The following are the contractual maturities of financial liabilities as at June 30, 2024;

	Carrying amount	Contractual cash flow	Less than one year	Two to five years	More than five years
Non derivative financial liabilities	(Rupees in thousand)				
Long term financing - secured	144,669	178,441	47,695	117,058	13,688
Long term diminishing musharaka	375,000	375,000	166,667	208,333	-
Trade and other payables	1,826,242	1,826,242	1,826,242	-	-
Interest / mark-up accrued on borrowings	50,024	50,024	50,024	-	-
Short term borrowings - secured	669,635	495,399	495,399	-	-
	3,065,570	2,925,106	2,586,027	325,391	13,688

The following are the contractual maturities of financial liabilities as at June 30, 2023;

	Carrying amount	Contractual cash flow	Less than one year	Two to five years	More than five years
Non derivative financial liabilities	(Rupees in thousand)				
Long term financing - secured	148,922	212,705	66,324	108,192	38,189
Long term diminishing musharaka	500,000	642,938	243,790	399,148	-
Trade and other payables	1,747,984	1,747,984	1,747,984	-	-
Interest / mark-up accrued on borrowings	31,459	31,459	31,459	-	-
Short term borrowings - secured	425,308	495,399	495,399	-	-
	2,853,673	3,130,485	2,584,956	507,340	38,189

It is not expected that the cash flows on the maturity analysis could occur significantly earlier, or at significant different amount.

48.2 Fair value measurement of financial instruments

The carrying values of all financial assets and liabilities reflected in the consolidated 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 Group 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 Group 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.

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.

	Carrying amount				Fair value			
	Financial assets at amortised cost	FVOCI - equity instruments	Financial liabilities	Total	Level 1	Level 2	Level 3	Total
As at June 30, 2024	Rupees in thousand							
Financial assets - measured at fair value								
Investment classified as FVOCI	-	25,174	-	25,174	25,1 74	-	-	25,174
Financial assets - at amortised cost								
Long term loans - secured	31,952	-	-	31,952	-	-	-	-
Long term deposits	33,319	-	-	33,319	-	-	-	-
Trade debts	2,602,977	-	-	2,602,977	-	-	-	-
Trade deposits	22,209	-	-	22,209	-	-	-	-
Other receivables	39,251	-	-	39,251	-	-	-	-
Short term investment - secured	121,000	-	-	121,000	-	-	-	-
Cash and bank balances	66,310	-	-	66,310	-	-	-	-
	2,917,018	25,174	-	2,942,192	25,174	-	-	25,174
Financial liabilities - at amortised cost								
Long term financing - secured	-	-	144,669	144,669	-	-	-	-
Long term diminishing musharaka	-	-	375,000	375,000	-	-	-	-
Trade and other payables	-	-	1,826,242	1,826,242	-	-	-	-
Accrued markup	-	-	50,024	50,024	-	-	-	-
Short term borrowings - secured	-	-	669,635	669,635	-	-	-	-
	-	-	3,065,570	3,065,570	-	-	-	-

	Carrying amount				Fair value			
	Financial assets at amortised cost	FVOCI - equity instruments	Financial liabilities	Total	Level 1	Level 2	Level 3	Total
As at June 30, 2023								
Financial assets - measured at fair value								
Investment classified as FVOCI	-	20,246	-	20,246	20,246	-	-	20,246
Financial assets - at amortised cost								
Long term loans - secured	61,109	-	-	61,109	-	-	-	-
Long term deposits	22,218	-	-	22,218	-	-	-	-
Trade debts	1,917,825	-	-	1,917,825	-	-	-	-
Trade deposits	18,536	-	-	18,536	-	-	-	-
Other receivables	65,549	-	-	65,549	-	-	-	-
Short term investment - secured	191,000	-	-	191,000	-	-	-	-
Cash and bank balances	47,216	-	-	47,216	-	-	-	-
	2,323,453	20,246	-	2,343,699	20,246	-	-	20,246
Financial liabilities - at amortised cost								
Long term financing - secured	-	-	148,922	148,922	-	-	-	-
Long term diminishing musharaka	-	-	500,000	500,000	-	-	-	-
Trade and other payables	-	-	1,747,984	1,747,984	-	-	-	-
Accrued markup	-	-	31,459	31,459	-	-	-	-
Short term borrowings - secured	-	-	425,308	425,308	-	-	-	-
	-	-	2,853,673	2,853,673	-	-	-	-

48.3 Fair value versus carrying amounts

The Group has not disclosed the fair values of financial assets and liabilities which are for short term or repriced over short term. Therefore, their carrying amounts are reasonable approximation of fair value.

48.4 Freehold land, leasehold land, building on freehold land, building on leasehold land and plant and machinery have been carried at revalued amounts determined by professional valuers (level 3 measurement) based on their assessment of the values as disclosed. The valuations are conducted by an independent valuation expert appointed by the Group. The valuation expert used a market based approach to arrive at the fair value of the Group's land and building. 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. The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty, accordingly a qualitative disclosure of sensitivity has not been presented in these financial statements.

49. CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital is to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders through repurchase of shares, issue new shares or sell assets to reduce debt. Consistent with others in the industry and the requirements of the lenders, the Group monitors the capital structure on the basis of gearing ratio.

This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings including current and non-current borrowings. Total capital is calculated as 'equity' as shown in the consolidated statement of financial position plus net debt. The gearing ratios as at year end are as follows:

	2024	2023
	(Rupees in thousand)	
Long term loans	519,669	648,922
Short term borrowings	669,635	425,308
Total debt	1,189,304	1,074,230
Total equity	3,468,047	3,218,832
Total equity and debt	4,657,351	4,293,062
Gearing ratio	26:74	25:75

50. RESTRICTION ON TITLE AND ASSETS PLEDGED AS SECURITY

Mortgages and charges

	2024	2023
First		
Hypothecation of all present and future current assets	2,070,000	2,070,000
Mortgage over land and building	1,268,171	1,268,171
Ranking		
Hypothecation of all present and future current assets	2,136,000	1,869,000
Mortgage over land and building	-	-

51. NUMBER OF EMPLOYEES

	2024	2023
	(Number of persons)	
The Group has employed following number of persons:		
- Factory employees	79	74
- Salaried employee	262	250
	341	324
- Average number of employees	374	246
- Average number of factory employees	87	83

52. PROVIDENT FUND RELATED DISCLOSURES

The Parent Company operates funded contributory provident fund scheme for all its permanent and eligible employees. The following information is based on the un - audited financial statements of the provident fund:

	(Unaudited) June 30, 2024	(Unaudited) June 30, 2023
	(Rupees in thousands)	
Size of the fund		
Cost of investments made	324,133	314,630
Percentage of investments - (% of total assets)	190,468	247,697
Fair value of investments	59%	79%
	321,676	296,981

52.1 The break-up of investments is as follows:

	2024		2023	
	Rupees in thousand	%	Rupees in thousand	%
Investment in debt collective investment scheme	-	0%	-	0%
Investment in money market collective investment	54,737	16%	37,966	13%
Investment in equity collective investment scheme	-	0%	-	0%
Bank balances	69,424	22%	27,290	9%
Certificate of deposits	111,797	35%	111,725	38%
Term deposit receipts	85,716	27%	120,000	40%
	321,674	100%	296,981	100%

The investments out of provident fund as at June 30, 2024 have been made in accordance with the requirements of section 218 of the Companies Act, 2017.

53. PRODUCTION CAPACITY

	2024	2023
	(Liters in thousand)	
Actual production	40,771	40,217

The capacity of the plant is indeterminable because it is a multi product plant involving varying processes of manufacturing. Actual production includes resin production of 15.43 million liters (2023: 15.55 million liters) which is used in the manufacture of the final product.

54. OPERATING SEGMENTS

54.1 These financial statements have been prepared on the basis of single reportable segment.

54.2 Revenue from sale of paints and allied represents 100% (2023: 100%) of the total revenue of the Group.

54.3 99.57% (2023: 99.51%) sales of the Group relates to customers in Pakistan.

54.4 All non-current assets of the Group as at June 30, 2023 are located in Pakistan.

55. SHARIAH COMPLIANCE DISCLOSURE

Following information has been disclosed with the reference to disclosure requirements of fourth schedule of the Companies Act, 2017 relating to all shares Islamic Index.

	Description	2024	2023
		(Rupees in thousand)	
55.1	Statement of financial position - Liability side		
	Financing obtained as per Islamic mode:		
	Long term financing	57,822	47,906
	Long term diminishing musharaka	208,333	333,333
	Short term financing	83,919	156,588
	Markup accrued on conventional loans:		
	Long term financing	49,139	25,387
55.2	Statement of financial position - Asset side		
	Shariah compliant investments:	-	-
	Long term investments	-	-
	Short term investments	-	-
	Shariah compliant bank deposit, bank balance and TDRs	50,000	50,000
55.3	Statement of financial position - Statement of comprehensive income:		
	Revenue earned from a shariah compliant business segment:	-	-
	Late payment or liquidated damages:	-	-
	Gain/ loss or dividend earned on shariah compliant investments:	-	-
	Profit earned from Shariah compliant bank deposit, bank balances or TDRs:	-	-
	Exchange gain earned from actual currency:	-	-
	Exchange gain earned using conventional derivative financial instruments:	-	-
	Profit paid on Islamic mode of financing:	-	-
	Total interest earned on any conventional loan or advance:	-	-
	Shariah compliant/ Non-shariah compliant portion of other income:	-	-

Relationship with banks having Islamic windows

Bank Name	Region	Nature of transactions
Pak Oman Investment Company Limited	Pakistan	Sukuk
Bank Islami Pakistan Limited	Pakistan	TDR
Bank Islami Pakistan Limited	Pakistan	Long term financing
First Habib Modaraba	Pakistan	Long term financing
Meezan Bank Limited	Pakistan	Short term borrowing

56. SUMMARY OF SIGNIFICANT TRANSACTIONS AND EVENTS AFFECTING THE GROUPS FINANCIAL POSITION AND PERFORMANCE

All significant transactions and events that have affected the Group’s financial position and performance during the year have been adequately disclosed in the notes to these financial statements.

57. NON ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE

The Board of Directors of the Group in its meeting held on 25 Sepetember 2024 has proposed a final cash dividend of Rs. 4 per share, for the year ended June 30, 2024 for approval of the members in the Annual General Meeting to be held on 25 October 2024.

58. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 25 Sepetember 2024 by the Board of Directors of the Group.

59. GENERAL

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

CHIEF EXECUTIVE **DIRECTOR** **CHIEF FINANCIAL OFFICER**

Form of Proxy

The Secretary
Berger Paints Pakistan Limited
28 KM, Multan Road, Lahore.

I/We ____

____

r/o____

____

Being a member of Berger Pakistan Limited and a holder of ______________________

(No. of shares) ____

Ordinary shares as per folio number ______________________________

____

hereby appoint ____

____

r/o____

____

On my/our behalf at the Annual General Meeting of the Company to be held on Friday October 25, 2024 at 10:00 am via video link and at any adjournment thereof.

Signed this______________________ day of ____________________ 2024.

Signature on
Rs. 50.00
Revenue
Stamp

Notes:

1. The share transfer book will remain closed from October 19, 2024 to October 25, 2024 (both days inclusive)
2. A member of the Company entitled to attend, speak and vote at this meeting may appoint another member as his/her proxy to attend, speak and vote on his/her behalf. The completed proxy form must be received at the registered office of the company not less than 48 hours before the meeting.
3. Any individual beneficial owner of CDC, entitled to vote at this meeting must bring his/her original CNIC with him/her to prove his/her identity, and in case of proxy , a copy of shareholder's attested CNIC must be attached with the proxy form. Representatives of Corporate members should also bring the usual documents required for such purpose.

AFFIX
CORRECT
POSTAGE

The Company Secretary
Berger Paints Pakistan Limited
28 KM, Multan Road, Lahore.

پراکسی کا فارم

سیکریٹری،

برجر پینٹس پاکستان لمیٹڈ

28-KM – ملتان روڈ، لاہو

میں/ہم...

ساکن...

بطور رکن برجر پینٹس پاکستان لمیٹڈ..

اور...................................عمومی حصص کے مالک بمطابق فولیونمبر.................................یہاں باضابطہ طور پر

ساکن..

....

کو25 اکتوبر، 2024 بروز جمعہ صبح 10:00 بجے کو منعقد ہونے والے سالانہ اجلاس عام یا مابعد نشست میں اپنی جگہ بذریعہ ویڈیو لنک شرکت کے لئے اپنا پراکسی مقرر کرتا/کرتے ہوں/ ہیں۔

دستخط:..

مؤرخہ...

50.00 روپے کی ریوینیو سٹامپ پر دستخط کریں

نوٹس:

1. شیئر ٹرانسفر بکس مؤرخہ 19 اکتوبر 2024ء تا 25 اکتوبر 2024ء (بشمول دونوں ایام) بند رہیں گی۔
2. اجلاس میں شرکت اور ووٹ کرنے کے کا/کی اہل رکن کسی دوسرے/ دوسری رکن کو اپنی جگہ شرکت اور ووٹ کرنے کے لئے اپنا پراکسی مقرر کرسکتا/سکتی ہے۔ پراکسی کو مؤثر کرنے کی غرض سے پراکسی فارم کمپنی کے رجسٹرڈ آفس میں اجلاس کے انعقاد سے کم از کم 48 گھنٹے قبل پہنچ جانا چاہیئے۔
3. اس اجلاس میں ووٹ کرنے کے اہل CDC کے مستفید ہونے والے مالکان کو اپنی شناخت ثابت کرنے کے لئے اپنا اصلی شناختی کارڈ پیش کرنا ہوگا۔ پراکسی کی صورت میں، شیئر ہولڈرز کے شناختی کارڈ کی مصدقہ نقل پراکسی فارم کے ساتھ منسلک کی جائے۔ کاروباری ادارے نمائندگان اس مقصد کے لئے تمام معمول کے دستاویزات ہمراہ لائیں گے۔

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The Company Secretary
Berger Paints Pakistan Limited
28 KM, Multan Road, Lahore.

For Free Color Advisory

BERGER HELPLINE
08000-2000

111-BERGER(111-237-437) KHI, LHR, ISB.

Berger Paints Pakistan Limited 28 Km, Multan Road, Lahore, Pakistan.

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