BERGER PAINTS

Trusted Worldwide

2021

Annual Report

CONTENTS







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

Chief Financial Officer
Mr. Abdul Wahid Qureshi

Company Secretary
Mr. Nauman Afzal

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

Auditors
KPMG Taseer Hadi & Co.
Chartered Accountants

Solicitors
Surridge & Beecheno

Company Registrar
M/s Corplink Private Limited

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

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

Web Site
www.berger.com.pk


BERGER

Company Profile

Berger was established two centuries ago and now it has grown to become one of the world's largest paints manufacturer. The history of Berger Paints in Pakistan is as old as the country itself. Berger started its operations in Pakistan in 1950 and was the first organized Paint Company to offer premium products through imports from the United Kingdom.

BERGER PAINTS PAKISTAN LTD. became a public limited company in 1974, when 49.38% of its shares were acquired by Pakistani investors, while the remaining 50.62% were held by U.K. parent company, Jenson & Nicholson Limited. Later Slotrapid Limited registered in B.V.I with diversified business interests, acquired control of Berger Paints Pakistan Limited by gaining 52.0502% shares of the company.

Berger established its first local manufacturing facility in Karachi in 1955. As the country's economic and industrial sector expanded the demand for quality paints also grew and Berger continued to make extensions in its product range to meet these requirements.

In 2006, Berger established a state of the art manufacturing facility in Lahore. With its head office now located in Lahore, Berger caters to the demands of its valued customers on a national basis.

Consistent quality has always been Berger's trait. This has been the driving force in making it the leading brand name backed by premium quality across Pakistan.

Berger has the most comprehensive product range for various paint market segments at different price points. Berger has earned the admiration and trust of customers by virtue of its superior technology, product quality and a very high level of customized services.

Berger over years has entered into a number of technical collaboration arrangements with leading international manufacturers. These include one of the largest paint company from Japan, which enabled Berger to develop Automotive, Vehicle Refinishes and Industrial Paints conforming to international standards; a Japanese chemical company for Bumper Paints; PCS Powders, Protech Oxyplast Belgium for Powder Coatings; DPI Sendirian Berhad, Malaysia for Road & Runway Markings and Cerachem for Construction Chemicals. In 2011, Berger acquired the distribution rights of DuPont Performance Coatings, now Axalta Coating Systems - Cromax, for Pakistan. In 2017, Berger also acquired distribution rights of another brand from Axalta Coatings by the name of Duxone for Pakistan.

Berger also operates a Resin manufacturing facility at its Lahore factory. The resin plant has high production capacity and has enabled Berger to meet its entire resin needs for the manufacturing of a wide range of quality paints. Berger was the first paint company in Pakistan to have set up its own resin production facility.

Berger has regional sales offices in Karachi, Lahore, Islamabad and Multan. A large team of sales personnel and a wide network of dealers and distributors serve customers in all urban centers across the country.

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 the highest level of commitment to achieve best quality products and services.

Care

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

Corporate Social Responsibility

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

A Commitment to Excellence

Berger is the most trusted name in quality paints, specialized coatings and allied products for household, commercial and industrial sectors. The company has built this proud reputation by not compromising on quality standards.

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.

People

At Berger, we consider PEOPLE as our most precious resource. This belief is gaining importance, leading to a more structured and focused approach in developing Human Resource as a competitive strength.

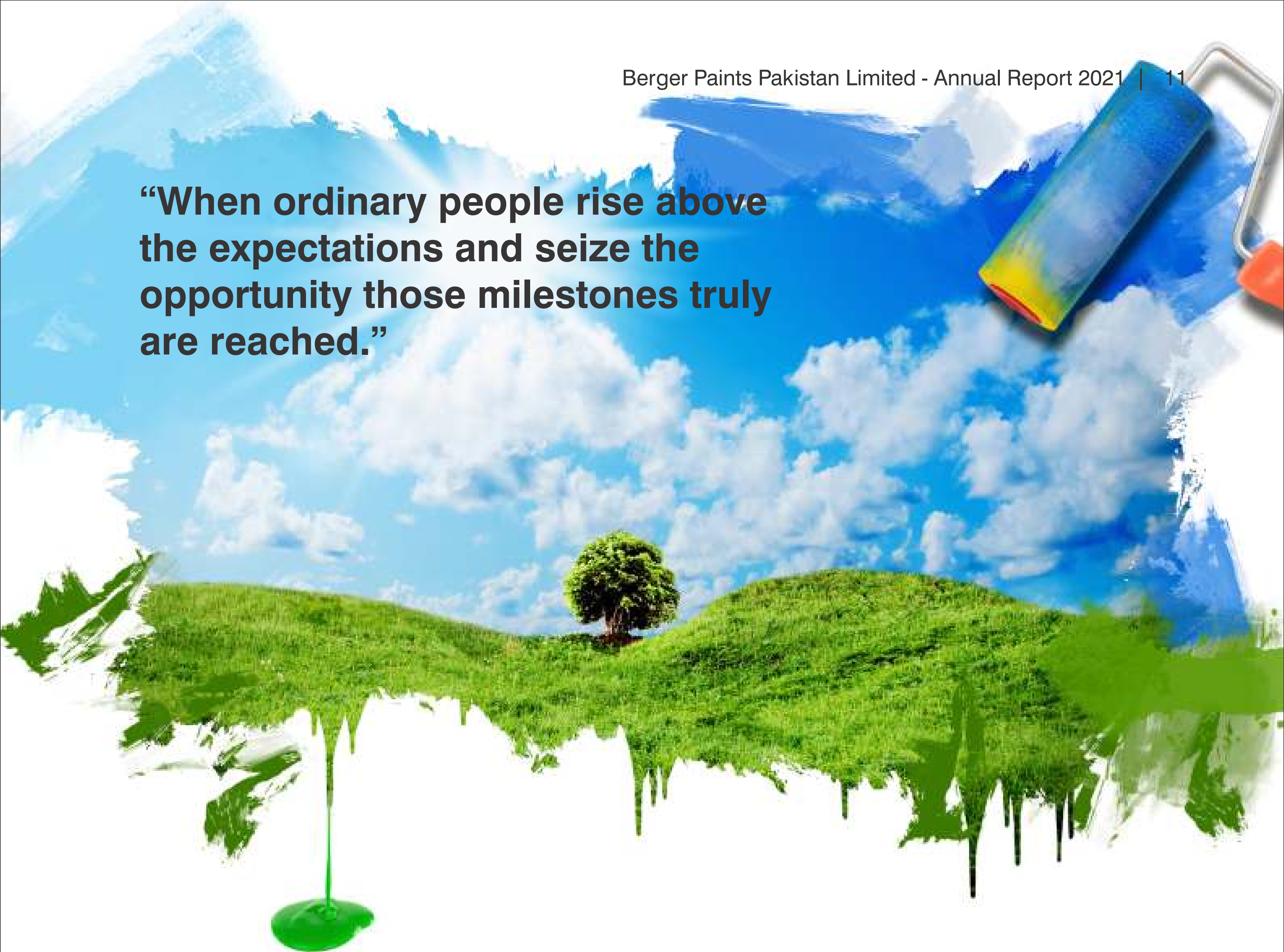
Our journey for excellence is amply supported by developing a learning organization with continuous capability building and skills enhancement. This is supplemented by a wide range of employee engagement activities and programs which are in-place for morale boosting, motivation enhancement and inspiring commitment. Specific skills are being developed through training and coaching in required areas.

Across all layers in the organization, Berger is promoting a culture of acknowledging talent, nurturing potential and encouraging initiatives. We are maintaining an enabling environment with fairness and equal opportunity and freedom to perform and excel.

Our ambition for sustainable growth is to be materialized with the right kind of people possessing best skills and unmatched competencies coupled with unflinching commitment.

Our ambition for sustainable growth is to be materialized with right kind people possessing best skills and unmatched competencies coupled with unflinching commitment.

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



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.

Berger Business Lines

- Decorative Business
- Automotive Business
- General Industrial Finishes
- Powder Coatings
- Protective Coatings
- Vehicle Refinishes Business
- Road Safety
- Government & Marine
- Construction Chemicals
- Adhesives

Quality in Diversity

As an innovative and progressive paint company, Berger Paints Pakistan Limited offers a wide range of paints for diverse applications and uses. Berger's proven product quality and relentless focus on meeting customer needs in various specialized categories of paints and allied products continues to drive its success.

Decorative Paints

Berger Decorative Paints caters to interior, exterior wall surfaces & wood surfaces of residential, offices, factories and commercial buildings with diverse range of colors in all product categories.

Continuous endeavors are made to achieve and maintain the high product standards that Berger is renowned for. At the same time, innovative products that meet the needs of a demanding market are also launched on a regular basis. Berger's decorative product portfolio consists of flagship products like, Silk Emulsion, Elegance Matt Emulsion, Life Plus Emulsion, VIP Super Gloss Enamel, VIP Matt Emulsion MaxPro, All Rounder Matt Enamel, Weathercoat, WeatherPro, No.1 Super Emulsion and SPD Semi Plastic Emulsion.

Berger's Decorative business has achieved remarkable results in all product segments as it strives to keep in touch with new trends and aligns its product range accordingly. This is complemented by pioneering new marketing initiatives and strong focus on customer care.

Berger's decorative business also offers a wide range of colors through its tinting machines. These machines have been set up in different metro cities under the product name of Color Bank.

Automotive Paints

The Automotive Paints business is a quintessential division of the organization. It offers a wide variety of products to cater the complete needs of the Automotive Industrial Sector ranging from pre-treatment products, electro deposition to top-coat stoving and flamboyant finishes to stoving lacquers & varnishes.

In order to serve the Japanese car manufacturing segment Berger has had a long standing Technical collaboration with the prestigious paint company of Japan whereby Berger used Japanese technology to manufacture special Auto paints to supply to customers like Toyota. Besides the car segment Berger also has a considerable share in the commercial vehicles manufacturing segment – to name a few Foton JW and Regal Automobiles are some of the main customers.

The Auto business enjoys a significant market share in the two & three wheeler industry as well by supplying paint to leading Japanese and Chinese Motorcycle & Rickshaw manufacturers along with the local bicycle industry.

Berger is proud to be associated with the Automotive Industry of Pakistan and is committed to provide the same high level of services in the years to come.

Powder Coatings

Powder Coating is a unique segment of the paint business catering to the industrial manufacturing sector of the country. It is an advanced and revolutionary method of applying a decorative or protective coating that can be used by both Industrial and Retail Consumers. The powder used for the process is a mixture of finely ground particles of pigment and resin, which is sprayed on a surface to be coated. The charged powder particles adhere to the electrically grounded surface which are then heated and fused onto a smooth surface. The coated surface is then reheated in a curing oven and the result is a uniform, high-quality, attractive smooth finish.

Powder Coating is mainly used for application on the metal parts of domestic appliances like air-conditioners, refrigerators, microwave ovens, water geysers, furniture, etc. and automotive parts like radiators, hubcaps, filters, door handles, engine parts etc and also on aluminum profiles e.g. doors, windows, light poles, guard rails, light fixtures, antennas etc.

Berger offers a wide variety of shades in Bercoat its flagship powder coating brand. These shades are available in both Pure Polyester and Epoxy Polyester based systems. Customers can also get customized shades developed if need be. These finishes vary from glossy to matt, texture, antique and are all available to our customers as per their requirement.

General Industrial Finishes

The General Industry Paints Business caters mainly to the industrial manufacturing sector of the nation. Berger supplies industrial finishes to leading makers of domestic electric & non-electric appliances, auto spare-parts vendors, steel & metal product manufacturers, heavy industrial machine & transformer manufacturers, metal furniture etc.

Boasting a wide range of industrial finishes Berger enjoys a significant market share in this segment of the paint industry. Berger has a complete industrial paint system developed for its extensive customer network spread all over the country. Finishes ranging from undercoats/primers to air drying enamels & varnishes, high quality heat resistant stoving finishes & varnishes, roller coating paints & lacquers and epoxy based finishes are all available. Each system has its unique characteristics designed to protect & safeguard products from all types of internal & external environmental conditions.

Conforming to International ISO Quality standards Berger over years has established itself as a major manufacturer of Industrial Finishes and is proud to be associated with names like Pak Fans, GFC Fans, SSGC and Atlas Autos.

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

Protective Coatings

The Protecton Division of Berger makes heavy duty Protective Coatings and Anti-Corrosive Paints for specialized structures such as barrages, dams, industrial structures, pipelines, boilers, which are exposed to hostile environmental elements.

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 of atmosphere, and other decaying agents.

They have excellent resisting properties against chemicals, marine environment, oil spillage and fresh and saltwater. These coatings can be applied to concrete, cement render, asbestos sheeting, steel/concrete pipelines, harbors, oil refineries, dams, barrages, chemical plants, battery rooms etc. and shore installations with good durability.

Vehicle Refinishes

Berger also offers technical expertise in the Vehicle Refinish business that offer touch-up paints precisely matched with the original color of vehicles. This is achieved through different refinish systems designed to enable application for high gloss, durable, quick drying and accurate color matching finishes without giving heat treatment.

VITON car paint is one of the most popular market brand that was primarily introduced by Berger with Nitrocellulose base. It is based on international trends and offers a complete painting solution comprising of putty, primer/surfacer, lacquer and thinners.

In 2011, Berger acquired the distribution rights of DuPont Performance Coatings, now Axalta Coating Systems, for Pakistan. DuPont, now Cromax is the leading market brand of premium market segment with a complete range of 2-K Finishes such as binders, tinters, primers, top coats, clear coats and hardeners along with all types of thinners. The product range is made available at leading 3S dealerships, workshops and retail markets.

In 2017, Berger also acquired distribution rights of another brand from Axalta Coatings by the name of Duxone for Pakistan. Duxone is a brand for the economical tier of the Pakistani VR market. Duxone is a well reputed brand with a complete range of tinters, binders, primers, top coats, clear coats, hardeners and thinners.

Road Safety

The motto of Berger Road Safety business is" Leading the Way to a Safe Journey'.

Berger Pioneered the concept of single source manufacturing and application of road marking products in Pakistan. The advance Cataphos hot-melt Thermoplastic (TP) paint is manufactured in Pakistan as per BS 3262 specifications. A full range of other road marking products, including Chlorinated Rubber (CR) paint and Water Based (WB) paint, are also manufactured to match various application standards.

In addition to road marking paints, Berger Road Safety offers a complete range of other road safety products such as traffic signs, cat eyes/studs, guardrails, delineators and barriers etc. that meet high quality standards.

All Application services are provided through our trained application teams that are supervised by qualified field supervisors.

Govt. & Marine

Berger stands tall amongst esteemed suppliers to the Government and its subordinate bodies, Armed Forces, Aviation sector, Utility corporations, Ports and 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.

As Pakistan is endowed with a long coastal belt, it needs reliable protection for its sea-bound crafts as well as off-shore and on-shore installations. Berger's Government & Marine business meets this need with a wide range of products comprising specialized coatings for ships, air craft's, fuel storage stands, warehouses, arms and ammunition depots, etc.

Construction Chemicals

Berger is active in most facets of the construction industry and operates sales, warehousing and manufacturing facilities all over the country, providing local markets with 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's needs, improving the quality, safety, efficiency, economy, design and durability of construction. The product range of BERGER comprises products for almost every conceivable high performance chemical requirement of the building.

The company has earned wide acclaim for its high performance Epoxy Floorings and Chemical Waterproofing products. BERGER products are manufactured under stringent quality control using ingredients sourced indigenously as well as imported.

The array of products include Concrete Admixtures, Waterproofing treatments, Epoxy Flooring, Sealants and Grouts.

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

Berger Paints carried out a major TVC and a strong and effective Social Media campaign last year.

TVC & Radio Campaign: Berger Paints aired TVC starring famous film and TV actress Mehwish Hayat. Berger Paints advertised its product based TVCs of Silk Emulsion, Elegance Matt Emulsion and Weathercoat Exterior Emulsion. Ad concept, direction and production was done by Pakistan's top agency and international production house. Berger TVCs are being advertised on satellite and Radio channels (News, Drama, and Music channels) and regional entertainment channels. The ads are being aired during evening prime time and morning shows.

TVC Airing: TVCs was aired in the following channels:

- ARY Digital
- Geo News
- HUM TV
- Dunya News
- HBO
- ARY News
- Express News
- AVT Khyber
- Geo Entertainment
- 92 New
- City FM 89
- FM 91
- FM 106.2

Social Media: Weekly sponsored TVCs, Posts and cover photos of Product based ads were posted on Facebook official page, Instagram, LinkedIn and company website.

Gymkhana Golf Course Branding

Berger Paints Pakistan Limited always uses innovative and unique ways of promoting its brand. Berger this time went the extra mile to promote its brand name successfully at one of the most prestigious and oldest clubs of Pakistan, The Lahore Gymkhana. Continuing our collaboration with Lahore Gymkhana Golf Club, Berger Paints has sponsored two new branded golf carts to Lahore Gymkhana club. These golf carts will facilitate the golfers and create brand recognition and promotion of the company. Moreover it will create a premium effect for the company as it will enhance Berger's brand perception.

Tribute to Women of Substance

Berger Paints again initiated the movement and joined hands with I AM Karachi and Karachi Press Club to enrich the beautification of Karachi city. I AM KARACHI in collaboration with Berger Paints and Karachi Press Club paid tributes to women of Karachi by painting portraits of prominent females on the walls of Karachi Press Club. In many instances, societies that have made headway in achieving peaceful, progressive and harmonious existence are those which have a strong sense of pride and acceptance of women empowerment. It is key to ensuring that women are celebrated for their role on development of their communities and their city.

Portraits of Dr. Ruth Pfau, Fatima Surraya Bajia, Sabeen Mehmood, Perween Rahman, Yasmeen Lari, Nargis Khanam, Razia Bhatti and Zubaida Mustafa were painted on the outer walls of Karachi Press Club. The contribution of these women in Karachi's city scape and conscience has been tremendous and everlasting. Bilquis Bano Edhi inaugurated the site with a hope that these role models will inspire young girls to excel in their life and achieve their dreams.


I Am Karachi, Berger Paints hold event

PR
KARACHI

I Am Karachi in collaboration with Berger Paints held an event at Karachi Press Club to inaugurate the wall painting done by skilled artists. I Am Karachi has always been in the forefront to rebuild the diverse social and cultural fabric of the city by providing a platform for like-minded organizations and individuals committed to promoting socio-cultural activities and campaigns as vehicles for peace building through arts, culture, sports and dialogue. This was another example of one such work. The inauguration was done by Bilquis Bano Edhi. The program started with the welcome note by President of I Am Karachi followed by a speech paying tribute to women of Karachi by president of Karachi Press Club. Then there was a speech by Berger representative explaining why they became part of this project. The ceremony ended with the thanking note by the director of I Am Karachi followed by inauguration of walls by Bilquis Bano Edhi.

Media Coverage

All the local authorities including Media and Newspapers have appreciated the work done by I AM Karachi in collaboration with Berger paints at Karachi City and committed to continue these cooperative projects of rehabilitation and beautification for Karachi city.

Iqbal Kitab Award

For the promotion of Allama Iqbal's thought and his personality, Allama Iqbal Stamps Society organized Iqbal Kitab Award. Total 19 books were received which were published on Allama Iqbal's thought and his personality. 18 books were in Urdu and 1 in English. Iqbal Kitab Award was introduced first time in last year when 11 books were received for the competition. This year Muhammad Ijaz ul Haq's book “Iqbal Aur Shakespeare” got first position in Urdu category while Prof. Dr. Waheed uz Zaman Tariq's book “Iqbal and the Sages of the East” got medal in English category. Certificates and appreciation letters distributed among all the participants. The judges of the competition were Dr. Najeeb Jamal T.I., Dr. Tahir Hameed Tanoli, Dr. Muhammad Naeem Bazmi and Dr. Mehmood Ali Anjum. The prize distribution ceremony for Iqbal Kitab Award was held at Dabistan-I-Iqbal, Lahore on November 28, 2020 with the collaboration of Berger Paints Pakistan Limited. The chief guest of the event was Justice (R) Nasira Javid Iqbal. The other award also introduced in Iqbaliyat by Allama Iqbal Stamps Society is “Life Time Achievement Award”, this award was given to Muhammad Iqbal Balam. The event was hosted by Mian Sajid Ali (Senior Office – MIS, BPPL) and Zohaa Tanveer. Mujtaba Khalid recited Iqbal's poetry. Berger Paints Pakistan Limited is proud to be a part of this event and looking forward to collaborate and participate is such events on national level in the future as well.

Berger Paints Marketing Department sponsored the whole event and also designed and developed Trophies, Medals and Certificates.

SMS Marketing

Berger Paints did SMS campaigns through Ufone, Zong, and Mobilink, to create awareness about Color advisory service, Online Ordering and toll-free number.

Magazine Advertisement

Berger Paints has been actively engaged in advertising in various consumer and architectural magazines throughout the fiscal year 2020-21.

Wall Paint

Berger Paints again initiated the movement and joined hands with Metropolitan Corporation to effectuate the beautification of Quetta city. Quetta Cantt wall which is approximately 45,000 sq.ft in area was brought to life by painting Murals and this activity was also conducted at Govt. Primary High School Boundary wall - Masood Anwari Road (Cavalry Ground) - Lahore.

To make this projects a success, Berger Paints again fulfilled their commitment and showed the spirit for making the rehabilitation work successful.

All the local authorities including Media and Newspapers have appreciated the work done by Berger paints at Quetta City and committed to continue these cooperative projects of rehabilitation and beautification for Quetta city with Berger Paints.

Wildlife Art Exhibition 2021

In collaboration with Lahore Zoo and Naqsh School of Arts, Berger Paints sponsored and organized Wildlife Art Exhibition 2021 held at Lahore Zoo “Sustaining all life on Earth”. The main ideology behind the Exhibition was to acknowledge the fact that animals and plants are integral part of our lives for sustainable livelihoods.40 participants participated in the competition from Naqsh School of Arts. Canvases at Lahore Zoo were brought to life by painting Wildlife murals. It was a 2 day activity followed by the prize distribution ceremony. The jury members included; Dr Ajaz Anwar, Jameel Hussain and Javed Iqbal (senior professors from NCA).

Overall the event was a huge success, Management of Lahore Zoo and participants appreciated the efforts of Berger Paints and Lahore Zoo for organizing such a marvelous event, also emphasized that colorful pictures of wildlife paintings enhances the beauty of the Lahore Zoo and provide a high spirited look for visitors.

Different media channels and newspapers were also there to cover the whole prize distribution ceremony. Event was also promoted and appreciated on Social Media as well. Berger Paints was the main sponsor and provided paints, t-shirts, trophies, certificates, card holders, caps and other material required for the competition to improve the aesthetics of Lahore Zoo.

Winners of the competition from Naqsh School of Arts:

1st: Mr. Behram Khan

2nd: Miss. Arusa

3rd: Miss. Rahma Ali



Football Tournament – Bhakkar

In collaboration with Bhakkar Football Community Club, Berger Paints Sponsored the Final Match of the Tournament held on 30th October, 2020 at Young Heroes Football Club – main Bhakkar city. After a series of matches start from 16th October, 2020 final match was played between Lahore Wapda Football Club and Young eleven Bhakar club, Lahore Wapda Football club won the tournament after an exciting & thrilling match. Overall the tournament was a huge success, Crowd showed great interest and was very excited while watching the match.

Berger Paints was the main sponsor and provided Football kits, trophies, Branding Boards, and caps required for the Tournament.

Berger Contractor & Dealers Conventions and Painter Parties

Berger Paints organized Contractors Conventions in the main cities of Pakistan namely: Karachi, Lahore, Islamabad, Abbottabad, and D.I. Khan. These conventions provided a huge platform for Berger's staff to interact with the painters and contractors and provided them with information about the company and its products. Moreover, gifts were distributed through lucky draws followed by dinner. These events were a huge success as a large number of painters and contractors participated in them and truly enjoyed the events.

Social Media

Berger actively advertised and posted different posts regarding Berger's products and social events on Berger's official Facebook, YouTube, Instagram and twitter during the whole fiscal year 2020-21 to create the 360-degree effect which resulted in an Integrated Marketing Communication message for the consumers.

Investor Relations

REGISTERED OFFICE

36 Industrial Estate, Kot Lakhpat, 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, 2021 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 21, 2021 to October 27, 2021, both days inclusive.

DIVIDEND REMITTANCE

Ordinary dividend declared and approved at the Annual General Meeting will be paid within the statutory time limit of 45 days.

(i) For shares held in physical form: 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.

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

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.

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 non-deduction.

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’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.

Financial Highlights

Rupees in thousand

	Year Ended June 30,					
	2021	2020	2019	2018	2017	2016
NET ASSETS						
Fixed Assets	**1,635,006**	1,639,574	1,179,841	1,231,583	1,146,921	1,046,039
Goodwill	**-**	24,000	24,000	32,263	36,750	36,750
Long Term Investments	**52,505**	52,037	54,504	67,287	74,568	52,557
Long Term Loans & Deposits	**70,566**	81,849	65,833	120,244	111,703	64,017
Deferred Taxation	**29,093**	-	43,878	-	1,859	-
Net Current Assets	**667,445**	533,742	455,897	289,841	314,084	273,435
Total	**2,454,615**	2,331,202	1,823,953	1,741,218	1,685,885	1,472,798
FINANCED BY						
Share Capital	**204,597**	204,597	204,597	181,864	181,864	181,864
Reserves	**1,171,720**	973,326	903,660	828,666	724,418	638,038
Surplus on Revaluation of Fixed Assets	**849,056**	877,100	472,012	509,131	521,363	542,313
	2,225,373	2,055,023	1,580,269	1,519,661	1,427,645	1,362,215
Long Term and Deferred Liabilities	**229,242**	276,179	243,684	221,557	258,240	110,583
Total	**2,454,615**	2,331,202	1,823,953	1,741,218	1,685,885	1,472,798
TURNOVER AND PROFITS						
Turnover	**5,602,160**	4,177,951	5,120,444	5,453,221	5,122,570	5,081,749
Gross Profit	**1,116,560**	876,334	1,116,423	1,190,648	1,489,961	1,528,317
	19.93%	20.98%	21.80%	21.83%	29.09%	30.07%
Profit/(Loss) before tax	**267,046**	114,532	112,998	147,212	265,931	322,395
Taxation	**(71,825)**	40,224	12,173	45,106	63,820	137,618
Profit/(Loss) after tax	**195,221**	74,308	100,825	102,106	202,111	184,777
EARNING AND DIVIDENDS						
Earning/(Loss) per share	**9.54**	3.63	4.93	4.99	11.11	10.16
Interim Dividend per share-Cash (Rupee)	**-**	-			4.50	
Final Dividend per share-Cash (Rupee)	**4.00**	1.00	1.00	1.25		4.50

Chairman's Review

I am pleased to present annual Accounts of Berger Paints Pakistan Limited for the year ended on June 30, 2021 on behalf of the Board of Directors.

The year was one of trials and tribulations for businesses as the second and then third wave of Covid-19 continued to affect sales activities especially in Retail sector. In response, Pakistan like other countries, enforced strict measures closing all the business activities especially in Southern part of the country for different periods. This reduced working days across the country. In addition to there was high general inflation, rising utility prices and tight fiscal consolidations affecting purchasing power.

Of special interest to the company was that the Federal Government, announced a special package for the construction sector in July 2020 to kick start economic activity; the financial impact of this will be witnessed in the coming years.

The election of Board of directors were held in October 2020 with new independent directors joining the Board. All our directors, who with diverse backgrounds have rich and varied experience, contributed to the business of the company. The Board played an effective role in reviewing performance of the company and guiding management for achieving company's objectives. All directors fully participated and contributed in decision making process of the Board.

The Board has its three sub-committees:

1. Audit Committee

2. Human Resource Committee

3. Business Risk Strategies Committee

These committees assisted the Board in executing its responsibilities in an effective manner. These sub-committees held meetings and reported to the Board as spelt out in the Listed Companies (Code of Corporate Governance) Regulations 2019.

As required in the Code of Corporate Governance, an annual performance evaluation of the Board is carried out. The purpose of this evaluation is to ensure that the Board's overall performance and effectiveness is measured and benchmarked against expectations in the context of objectives set for the Company. The Board has completed its annual self-evaluation. Areas where improvements were required, were duly considered and action plans have been framed. The overall performance of the Board measured on the basis of the approved criteria for the year, was satisfactory.

Mr. Maqbool H.H. Rahimtoola
Chairman

Lahore
Date: 21 September 2021

چیئرمینز ریویو

مجھے خوشی ہے کہ میں برجر پینٹس پاکستان لمیٹڈ کے بورڈ آف ڈائیرکٹرز کی جانب سے کمپنی کے سالانہ اکاونٹس کی مالی سال دو ہزار بیس دو ہزار اکیس کی رپورٹ پیش کر رہا ہوں۔

یہ سال کاروباری اعتبار کے حساب سے آزمائشوں کا سال تھا۔کووڈ کی پہلی دوسری اور تیسری لہر نے بزنس کو بری طرح متاثر کیا۔خصوصا ریٹیل کے کاروبار کے لیے۔اس صورتحال سے نمٹنے کے لیے دیگر ممالک کی نسبت پاکستان نے کئی ہنگامی اقدام کیے۔

ملک بھر میں بالعموم اور جنوبی علاقوں میں خاص کر کاروباری سرگرمیوں کو معطل رکھا گیا۔اور اسی وجہ سے اوقات کار بھی کم سے کم رہے۔اس دوران افراط زر یا انفلیشن بڑھا اور گیس اور بجلی کی قیمتیں بھی بڑھیں اور مالی پالیسی بھی مزید سخت کی گئی۔

اور اس سب کے نتیجے میں لوگوں کی قوت خرید میں نمایاں کمی دیکھی گئی۔

ہماری کمپنی کے لیے خصوصی دلچسپی کا باعث حکومت کا وہ پیکج رہا جو اس نے تعمیراتی صنعت کے لیے فراہم کیا۔اس پیکج کا مقصد معاشی سرگرمی کو ایکٹیویٹ کرنا تھا۔

ملکی اکانومی پر اسکا کیا اثر ہوگا یہ آنے والے برسوں میں پتہ چلے گا۔

ہمارے بورڈ آف ڈائیرکٹرز کے انتخابات گزشتہ اکتوبر میں ہوئے تھے۔اور کئی نئے انڈیپنڈنٹ ڈائیرکٹرز اس بورڈ کا حصہ بنے۔ہمارے ڈائیرکٹرز مختلف بیک گراونڈز سے آتے ہیں۔اور ان کے تجربات کمپنی کی ساکھ کو مستحکم رکھنے میں اہم کردار ادا کرتے ہیں۔

کمپنی پرفارمنس اور ٹارگٹس تک پہنچنے میں ان تمام حضرات نے اہم کردار ادا کیا۔

بورڈ سے متعلق فیصلہ سازی میں انکا بھرپور رول تھا۔

بورڈ کی تین ذیلی یا سب کمیٹیاں ہیں

آڈٹ کمیٹی

ہیومن ریسورس کمیٹی

اور بزنس رسک سٹریٹیجیز کمیٹی۔

اور ان کمیٹیز کی مدد سے ہی بورڈ اپنے فرائض بھرپور طریقے سے نبھا سکا۔دو ہزار انیس کی لسٹڈ کمپنیز کے کوڈ آف کارپوریٹ گورننس ریگولیشن کے مطابق یہ کمیٹیز اپنی میٹنگز کر کے بورڈ کو اپنی رپورٹس پیش کرتی رہی ہیں۔

کوڈ آف کارپوریٹ گورننس کے تحت بورڈ اپنی مجموعی کارکردگی کی سالانہ رپورٹ تیار کرتا ہے۔اس رپورٹ کا مقصد بورڈ کی کارکردگی کا اندازہ لگاتے ہوئے مستقبل کی پلاننگ کرنا ہوتا ہے۔تاکہ اہداف کو پورا کرنے کی سٹریٹجی تیار کیا جا سکے۔

اور رواں سال کے لیے بورڈ اپنی رپورٹ تیار کر چکا ہے۔جہاں جہاں مزید بہتری کی ضرورت سمجھی گئی اس پر بات چیت ہوئی ہے اور انکی تکمیل کی حکمت عملی بنائی گئی ہے۔یاد رہے اس جائزے کے مطابق بورڈ کی پرفارمنس اطمینان بخش رہی ہے۔

مقبول ایچ ایچ رحیم تولا

چیئرمین

بتاریخ: 21 ستمبر 2021ء

Directors' Report

For the year ended 30 June 2021

The directors of your Company are pleased to present their review along with the audited financial statements of the Company for the year ended June 30, 2021.

ECONOMY OF PAKISTAN

The COVID-19 pandemic has led to a global crisis of unprecedented reach and proportion, while the global economic growth remained under pressure. However, Pakistan's economy has regained momentum as COVID-19 related impact was largely well managed. This was supported by introduction of a generous monetary policy, refinancing facilities, targeted fiscal support and other financial initiatives. These measures created extra impulse for the resumption of economic activity post lock down and therefore, impact of contraction phase was short-lived. GDP of Pakistan showed a modest growth of 3.9% in FY 21 and projected @ 4% FY 22.

Large Scale Manufacturing (LSM) represents nearly 80% of the country's total manufacturing and nearly 19% of national output. During FY 21 LSM grew by 14.67% in comparison to contraction of almost 10% during FY 20. Nevertheless, capacity utilization in number of industries is still lagging. Last quarter of the FY21 witnessed again a challenging period, the surge in Raw material prices and volatile supply chain/logistic issues mainly because of COVID related restrictions.

BUSINESS PERFORMANCE

Sales performance remained satisfactory and resultantly Net Sales for the year recorded at Rs. 5,602 million as compared to Rs. 4,177 million in last year, up by 34%. Increase in sales volumes by 28% lead to improved gross profit from Rs.876 million to Rs 1,116 million, up by 27%.

Selling, Marketing and Administrative expenses were Rs. 772 million compared with Rs. 647 million of the previous year, up by 20%, mainly because of reduced running cost during lock down period from March to June 2020.

Financial costs were also reduced by Rs.73million due to reduction in policy rate by 13.25% to 7%, and aggressive easing by SBP to dampen impact of COVID 19.

Rupees in thousand	30 June 2021	30 June 2020
Operating Profit	**343,689**	229,002
Other operating income	**91,580**	84,041
	435,269	313,043
Finance cost	**117,758**	190,050
Other charges	**50,465**	8,461
	168,223	198,511
Profit before taxation	**267,046**	114,532
Taxation	**71,825**	40,224
Profit after taxation	**195,221**	74,308

Future Outlook

In year ahead, as the economic activity normalizes and effects of the pandemic subside, and the economy returns to its full capacity, the country is expected to experience a broad-based socio-economic recovery. Matters that must remain closely watched include the changes in domestic energy prices and international commodity prices which can have an important bearing on the inflation trajectory. The resumption of the IMF program has provided a solid base for economic stabilization and hopefully a take-off. This, together with expected private and official foreign exchange inflow should continue to keep Pakistan's position stable. However the impact of progressively increasing national debt and the recent events in Afghanistan on exchange rates will need to be carefully watched and managed.

Despite the continued challenges due Covid-19 pandemic, the Company feels cautiously optimistic on continued growth in sales cash and profits. While improved macroeconomic environment augers well for the performance of the company, cost reduction, cash flow generation and management of market dynamics remain key operating priorities. With a motivated team, the Company is well positioned to compete, including unorganized sector, to retain and improve its market share along with adding value for its stakeholder's.

HEALTH, SAFETY & ENVIORNMENT (HSE)

Ensuring a Safe and Healthy Environment throughout the company is a core value and the well-being of all employees 'is the company's priority. Led by the top management it spreads throughout the organization. We believe that organizational practices that promote safety also helps us to establish competitive advantage by reducing costs and complying with safety laws. Various and significant initiatives have been done in this respect and with the efforts of management and workers we achieved a milestone of 5 million safe man hours without Lost Time Injury (LTI). We are proud to have achieved 100% fully vaccinated status of all our employees.

ENTERPRISE RISK MANAGEMENT -ERM

Governance:

The Board of Directors has approved Company's risk management policy. The Board of Directors also provides guidelines on strategic matters and organizational objectives. The business units are responsible for managing risks at operational level. However, the Company-level risk management is the responsibility of the Risk Management Function (RMF). RMF reports its results / findings / observations to the Risk Management Committee. The Committee regularly reviews the business risk profile, risk management policy, risk assessment procedures, related counter strategies and also advice on future actions. The Committee then reports the outcomes of their reviews to top management. The Board of Directors has authorized Audit Committee to supervise overall Risk Management process of the Company.

Strategy Formulation:

Management has developed a set of objectives that represent stakeholders' expectations and are the lead indicators for determining the success level of the Company. In order to ensure the achievement of the set objectives, management adopts certain strategies. These strategies are approved by the Committee of the Board of Directors and are subject to any change, depending upon any changes in the external business environment or internal organizational factors.

Risk Assessment:

Businesses face numerous uncertainties that can pose potential threats to our objectives and if not addressed, may culminate in loss. Such uncertainties can arise both from external events as well as internal factors within the organization.

Counter Measures:

Upon identification of risk factors, counter measures are devised to mitigate their impacts. The severity of the risk will determine the criticality of the counter measure and will accordingly set its priority for action. Risks and their related counter strategies are monitored on continuous basis and evaluated for any changes in related impacts.

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. Muhammad Naseem	(Resigned in Oct 2020)	1
Mr. Tariq Ikram	(Appointed in Oct 2020)	3
Mr. Shahzad M. Hussain		4
Mr. Zafar A. Osmani		4
Mr. Mohammad Saeed		4
Mr. Sohail Osman Ali	(Resigned in Oct 2020)	1
Ms. Zareen Aziz	(Appointed in Oct 2020)	2
Mr. Zahid Majid	(Alternate to Mr. Ilyas Sharif)	3

Leave of absence was granted to the Directors who were unable to attend meetings.

All relevant other information has already been disclosed in Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2017 and note 39 to the financial statements.

AUDIT COMMITTEE

The Audit Committee is appointed by the Board of Directors and has three independent directors. The Chairman of the Board Audit Committees (BAC), Mr. Tariq Ikram is an independent Director. The members of BAC possess significant economic, financial and business acumen related to the affairs of the Company.

The BAC has effectively implemented the internal control framework through an in house Internal Audit function. The Company's system of internal controls is sound in design and has been continually evaluated for effectiveness and adequacy.

The BAC has ensured the achievement of operational, compliance and financial reporting objectives, safeguarding the assets of the Company and shareholders wealth through effective financial, operational and compliance controls and risk management at all level within the Company.

During the year the Audit committee of the board held 4 meetings.

HUMAN RESOURCE COMMITTEE

During the year two meetings of Human Resource committee were held. Terms of Reference of the Human Resource Committee has been approved by the Board of Directors and the Committee reviewed all Human Resource activities and policies of the Company in the meetings held during the year under review.

CONSOLIDATED FINANCIAL STAEMENTS

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

PROFITPER SHARE

The Earnings per share for the year is Rs. 9.54(2020: Rs.3.63).

DIVIDEND

The Board of Directors of the Company has announced 40% final cash dividend i.e Rs.4 per share for the year ended 30 June 2021 subject to approval of the shareholders in the Annual General Meeting.

AUDITORS

The present auditors, M/s KPMG Taseer Hadi & Co. Chartered Accountants will retire at the conclusion of the upcoming Annual General Meeting. The Audit Committee of the Company has suggested to change the auditors for the FY 2022 as the current auditors has completed the term of Ten years. The Board has approved & recommended the appointment of M/ A. F. Ferguson & Co., Chartered Accountants to the shareholders as auditors of the Company for the year ended 2021-22.

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 30 June 2021were duly complied with. A statement to this effect is attached with the report.

PATTERN OF SHAREHOLDING

The pattern of shareholding as on June 30, 2021 and its disclosure, as required by the Code of Corporate Governance appears on Page 48.

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, 2021:

	Rupees in Thousand
Berger Paints Executive Staff Pension Fund	57,943
Berger Paints Gratuity Fund	75,203
Berger Paints Provident Fund	254,244

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 believes and fully understands its social responsibilities which strengthen the bond between the Company and the society. Various CSR initiatives were undertaken to strengthen and support this bond such as but not limited to, using left over paint waste and to convert it into usable form which is then donated to schools in the underprivileged areas, in Mosques and Churches, launching a campaign under **"Truck Art -Child Finder"** through **Roshni Helpline** to help find missing children, helping and providing Food Hampers to all workers and staff companywide.

The Directors take this opportunity to thank our shareholders and valued customers for their continued trust as indeed your Company appreciates the dedication demonstrated by all tiers of the Company employees.

ON BEHALF OF THE BOARD

Lahore	**Dr. Mahmood Ahmad**	**Mr. Maqbool H.H. Rahimtoola**
Date: 21 September 2021	Chief Executive	Director

ڈائریکٹراس موقع سے ہمارے حصص یافتگان اور قابل قدر گاہکوں کا ان کے مسلسل اعتماد کے لیے شکریہ ادا کرتے ہیں کیونکہ واقعی آپ کی کمپنی کمپنی کے ملازمین کے تمام درجات کی طرف سے دکھائی گئی لگن کی تعریف کرتی ہے۔

ڈاکٹر محمود احمد
چیف ایگزیکیٹو

ڈائریکٹر:
مقبول ایچ ایچ رحیم تولا

لاہور:
تاریخ: 21 ستمبر، 2021

کارپوریٹ فنانشل رپورٹنگ فریم ورک کا بیان۔

نے ضابطہ کارپوریٹ گورننس کے تمام تقاضوں کو پورا کیا ہے جیسا کہ لسٹنگ کے قواعد وضوابط کی ضرورت ہے۔

اس کے مطابق، ڈائریکٹرز مندرجہ ذیل کی تصدیق کرتے ہوئے خوش ہیں:

میں . مالی بیانات نوٹوں کے ساتھ مل کر کمپنیز ایکٹ 2017 کے مطابق بنائے گئے ہیں۔

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

iii اکاؤنٹس کی مناسب کتابیں کمپنی نے برقرار رکھی ہیں۔

iv مناسب حساب کتاب کی پالیسیاں مسلسل مالی بیانات کی تیاری میں لاگو ہوتی رہی ہیں جو پاکستان میں لاگو بین الاقوامی اکاؤنٹنگ معیارات کے مطابق ہیں۔

.v اکاؤنٹنگ کے تخمینے، جہاں بھی ضرورت ہو معقول اور سمجھدار فیصلے پر مبنی ہیں۔

vi بین الاقوامی مالیاتی رپورٹنگ کا معیار، جیسا کہ پاکستان میں لاگو ہوتا ہے، مالیاتی بیانات کی تیاری میں عمل کیا گیا ہے۔

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

viii ایک تشویش کے طور پر جاری رکھنے کی کمپنی کی صلاحیت پر کوئی خاص شبہات نہیں ہیں۔

.ix کارپوریٹ گورننس کے بہترین طریقوں سے کوئی مادی روانگی نہیں ہوئی، جیسا کہ لسٹنگ ریگولیشنز میں تفصیل سے بیان کیا گیا ہے۔

x پچھلے چھ سالوں کے اہم آپریٹنگ اور مالیاتی اعداد وشمار منسلک ہیں۔

xi پروویڈنٹ، گریجویٹی اور پنشن فنڈز کی سرمایہ کاری کی قیمت 30 جون 2021ء ہے:

ہزار روپے میں۔

برجر پینٹس ایگزیکٹو سٹاف پنشن فنڈ 57,943۔

برجر پینٹس گریجویٹی فنڈ 75,203۔

برجر پینٹس پروویڈنٹ فنڈ 254,244۔

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

کارپوریٹ سماجی ذمہ داری (CSR)- سرگرمیاں

برجر اپنی سماجی ذمہ داریوں پر یقین رکھتا ہے اور اسے مکمل طور پر سمجھتا ہے جو کمپنی اور معاشرے کے مابین تعلقات کو مضبوط کرتی ہے۔ اس بانڈ کو مضبوط اور سپورٹ کرنے کے لیے مختلف سی ایس آر اقدامات کیے گئے تھے جیسے کہ پینٹ ویسٹ کو استعمال کرنا اور اس تک محدود نہیں ہے اور اسے استعمال کے قابل شکل میں تبدیل کرنا ہے جو کہ بعد میں پسماندہ علاقوں، مساجد اور گرجا گھروں کے سکولوں کو عطیہ کیا جاتا ہے۔ روشنی ہیلپ لائن کے ذریعے "ٹرک آرٹ چائلڈ فائنڈر" لاپتہ بچوں کو تلاش کرنے، کمپنی کے تمام کارکنوں اور عملے کو فوڈ ہیمپرز کی مدد اور فراہم کرنے میں مدد کے لیے۔

اور رسک مینجمنٹ کے ذریعے کمپنی کے اندر ہر سطح پر یقینی بنایا ہے۔

سال کے دوران بورڈ کی آڈٹ کمیٹی نے 4 میٹنگیں کیں۔

انسانی وسائل کی کمیٹی

سال کے دوران ہیومن ریسورس کمیٹی کے دو اجلاس ہوئے۔ ہیومن ریسورس کمیٹی کے حوالہ کی شرائط کو بورڈ آف ڈائریکٹرز نے منظور کیا ہے اور کمیٹی نے سال کے دوران ہونے والی میٹنگوں میں کمپنی کی تمام ہیومن ریسورس سرگرمیوں اور پالیسیوں کا جائزہ لیا۔

کنسولڈیٹڈ فنانشل سٹیمنٹ۔

کمپنی کے مربوط مالی بیانات میں اس کے ماتحت اداروں کے اکاؤنٹس، برجر ڈی پی آئی (پرائیویٹ) لمیٹڈ، برجر روڈ سیفٹی (پرائیویٹ) لمیٹڈ شامل ہیں۔

ہولڈنگ کمپنی

برجر پینٹس پاکستان لمیٹڈ کی ہولڈنگ کمپنی میسرز ہے۔

منافع بخش شیئرز

سالانہ فی حصص آمدنی روپے ہے۔9.54 (2020: 3.63 روپے)

ڈیویڈنڈ

کمپنی کے بورڈ آف ڈائریکٹرز نے 30 جون 2021ء کو ختم ہونے والے سال کے لیے 40 فیصد حتمی نقد ڈیویڈنڈ یعنی 4 روپے فی شیئر کا اعلان کیا ہے جو کہ سالانہ جنرل میٹنگ میں شیئر ہولڈرز کی منظوری سے مشروط ہے۔

آڈیٹرز

موجودہ آڈیٹرز، میسرز کے پی ایم جی تاثیر ہادی اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس آئندہ سالانہ جنرل میٹنگ کے اختتام پر ریٹائر ہو جائیں گے۔ کمپنی کی آڈٹ کمیٹی نے مالی سال 2022ء کے لیے آڈیٹرز کو تبدیل کرنے کی تجویز دی ہے کیونکہ موجودہ آڈیٹرز نے دس سال کی مدت پوری کی ہے۔ بورڈ نے 22-2021ء کو ختم ہونے والے سال کے لیے کمپنی کے بطور آڈیٹر A.F/M فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کی تقرری کی منظوری اور سفارش کی ہے۔

متعلقہ پارٹی ٹرانزیکشنز۔

متعلقہ فریقوں کے ساتھ تمام لین دین کا جائزہ لیا جاتا ہے اور بورڈ اس کی منظوری دیتا ہے۔ بورڈ نے متعلقہ پارٹی لین دین کے لیے قیمتوں کی پالیسی کی منظوری دی۔

کارپوریٹ گورننس کے کوڈ کے ساتھ تعمیل کا بیان

پاکستان اسٹاک ایکسچینج کی جانب سے 30 جون 2021ء کو ختم ہونے والے سال کے لیے متعلقہ لسٹنگ کے ضوابط میں کوڈ آف کارپوریٹ گورننس کے تقاضوں کو مناسب طریقے سے پورا کیا گیا۔ اس حوالے سے ایک بیان رپورٹ کے ساتھ منسلک ہے۔

شیئر ہولڈنگ کا پیٹرن۔

30 جون 2021ء کو شیئر ہولڈنگ کا نمونہ اور اس کا انکشاف، جیسا کہ کوڈ آف کارپوریٹ گورننس کی ضرورت ہے صفحہ 48 پر ظاہر ہوتا ہے۔

انسداداقدامات:

خطرے کے عوامل کی نشاندہی پر،ان کے اثرات کوکم کرنے کے لیے انسداداقدامات وضع کیے جاتے ہیں۔خطرے کی شدت کا ونٹر پیمائش کی اہمیت کا تعین کرے گی اور اس کے مطابق کارروائی کے لیےاپنی ترجیح مقرر کرے گی۔خطرات اوران سے متعلقہ جوابی حکمت عملیوں کی مسلسل بنیادوں پر نگرانی کی جاتی ہےاور متعلقہ اثرات میں کسی بھی تبدیلی کے لیےاس کا جائزہ لیا جاتا ہے۔

بورڈ آف ڈائریکٹرز

سال کے دوران،بورڈ آف ڈائریکٹرز کے چار اجلاس منعقد ہوئے اور حاضری مندرجہ ذیل تھی:

مسٹرمقبول ایچ ایچ رحیم تولا	4
ڈاکٹرمحموداحمد	4
مسٹرمحمدنسیم (اکتوبر2020ءمیں استعفیٰ دیا گیا)	1
مسٹرطارق اکرام (اکتوبر2020ءمیں مقرر)	3
جناب شہزاد ایم حسین	4
جناب ظفراے عثمانی	4
جناب محمدسعید	4
مسٹرسہیل عثمان علی (اکتوبر2020ءمیں استعفیٰ دیا گیا)	1
محترمہ زرین عزیز (اکتوبر2020ءمیں مقرر)	2
جناب زاہد ماجد (مسٹرالیاس شریف کے متبادل)	3

غیر حاضری کی رخصت ان ڈائریکٹرز کودی گئی جواجلاسوں میں شرکت کرنے سے قاصر تھے۔

تمام متعلقہ دیگر معلومات پہلے ہی لسٹڈ کمپنیوں (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2017ءکی تعمیل کے بیان میں ظاہر کی جاچکی ہیں اور مالیاتی بیانات پر نوٹ 39۔

آڈٹ کمیٹی

آڈٹ کمیٹی کا تقرر بورڈ آف ڈائریکٹرز کرتا ہےاوراس کے تین آزاد ڈائریکٹر ہوتے ہیں۔بورڈ آڈٹ کمیٹیوں (بی اے سی) کے چیئرمین جناب طارق اکرام ایک آزاد ڈائریکٹر ہیں۔بی اے سی کے ممبران کمپنی کے معاملات سے متعلق اہم معاشی،مالیاتی اور کاروباری صلاحیت رکھتے ہیں۔

بی اے سی نے اندرونی کنٹرول فریم ورک کو گھر کے اندرونی آڈٹ فنکشن کے ذریعے مؤثر طریقے سے نافذ کیا ہے۔کمپنی کا اندرونی کنٹرول کا نظام ڈیزائن میں مستحکم ہےاور تاثیر اور مناسب ہونے کے لیےاس کا مسلسل جائزہ لیا جاتا رہا ہے۔

بی اے سی نے آپریشنل،تعمیل اور مالیاتی رپورٹنگ کے مقاصد کے حصول کو یقینی بنایا ہے،کمپنی کے اثاثوں اور شیئر ہولڈرز کی دولت کی حفاظت کومؤثر مالی،آپریشنل اور کمپلائنس کنٹرولز

مستقبل کا آؤٹ لک۔

آنے والے سالوں میں، جیسے جیسے معاشی سرگرمی معمول پر آتی ہے اور وبائی امراض کے اثرات کم ہوتے ہیں، اور معیشت اپنی پوری صلاحیت کی طرف لوٹتی ہے، توقع کی جاتی ہے کہ ملک وسیع پیمانے پر سماجی و معاشی بحالی کا تجربہ کرے گا۔ جن معاملات کو قریب سے دیکھا جانا چاہیے ان میں گھریلو توانائی کی قیمتوں اور بین الاقوامی اشیاء کی قیمتوں میں تبدیلی شامل ہے جو افراط زر کی رفتار پر اہم اثر ڈال سکتی ہے۔ آئی ایم ایف پروگرام کی دوبارہ بحالی نے معاشی استحکام کے لیے ایک ٹھوس بنیاد فراہم کی ہے اور امید ہے کہ اس کا آغاز ہوگا۔ یہ، متوقع نجی اور سرکاری زرمبادلہ کی آمد کے ساتھ مل کر پاکستان کی پوزیشن کو مستحکم رکھنا چاہیے۔ تاہم بتدریج بڑھتے ہوئے قومی قرضوں کے اثرات اور افغانستان میں حالیہ واقعات کی شرح تبادلہ پر احتیاط سے دیکھنے اور انتظام کرنے کی ضرورت ہوگی۔

COVID-19 وبائی امراض کی وجہ سے مسلسل چیلنجوں کے باوجود، کمپنی سیلز کیش اور منافع میں مسلسل اضافے پر محتاط طور پر پرامید محسوس کرتی ہے۔ اگرچہ بہتر معاشی ماحول کمپنی کی کارکردگی کو بہتر بناتا ہے، لاگت میں کمی، کیش فلو جنریشن اور مارکیٹ ڈائنامکس کا انتظام کلیدی آپریٹنگ ترجیحات ہیں۔ ایک حوصلہ افزائی کرنے والی ٹیم کے ساتھ، کمپنی اپنے اسٹیک ہولڈرز کے لیے قیمت میں اضافے کے ساتھ اپنے مارکیٹ شیئر کو برقرار رکھنے اور بہتر بنانے کے لیے غیر منظم سیکٹر سمیت مقابلہ کرنے کے لیے اچھی پوزیشن میں ہے۔

صحت، حفاظت اور ماحولیات (HSE)

پوری کمپنی میں محفوظ اور صحت مند ماحول کو یقینی بنانا ایک بنیادی قدر ہے اور تمام ملازمین کی فلاح و بہبود، کمپنی کی ترجیح ہے۔ اعلی انتظامیہ کی قیادت میں یہ پوری تنظیم میں پھیلتا ہے۔ ہم سمجھتے ہیں کہ تنظیمی عمل جو حفاظت کو فروغ دیتے ہیں ہمیں اخراجات کو کم کرنے اور حفاظتی قوانین کی تعمیل کرتے ہوئے مسابقتی فائدہ حاصل کرنے میں بھی مدد کرتا ہے۔ اس سلسلے میں مختلف اور اہم اقدامات کیے گئے ہیں اور مینجمنٹ اور کارکنوں کی کوششوں سے ہم نے 5 ملین انسانوں کو گھنٹوں میں بغیر کسی Lost Time Injury (LTI) کے محفوظ کیا۔ ہمیں اپنے تمام ملازمین کی 100 فیصد مکمل طور پر ویکسین کی حیثیت حاصل کرنے پر فخر ہے۔

انٹرپرائز رسک مینجمنٹ۔

حکمرانی:

بورڈ آف ڈائریکٹرز نے کمپنی کی رسک مینجمنٹ پالیسی کی منظوری دے دی ہے۔ بورڈ آف ڈائریکٹرز اسٹریٹجک معاملات اور تنظیمی مقاصد کے بارے میں ہدایات بھی فراہم کرتا ہے۔ کاروباری یونٹ آپریشنل سطح پر خطرات کے انتظام کے لیے ذمہ دار ہیں۔ تاہم، کمپنی کی سطح پر رسک مینجمنٹ رسک مینجمنٹ فنکشن (RMF) کی ذمہ داری ہے۔ RMF رسک مینجمنٹ کمیٹی کو اپنے نتائج/نتائج/مشاہدات کی اطلاع دیتا ہے۔ کمیٹی باقاعدگی سے کاروباری رسک پروفائل، رسک مینجمنٹ پالیسی، خطرے کی تشخیص کے طریقہ کار، متعلقہ انسداد حکمت عملی اور مستقبل کے اقدامات پر مشورے کا باقاعدگی سے جائزہ لیتی ہے۔ کمیٹی پھر ان کے جائزوں کے نتائج کو اعلیٰ انتظامیہ کو رپورٹ کرتی ہے۔ بورڈ آف ڈائریکٹرز نے آڈٹ کمیٹی کو کمپنی کے مجموعی رسک مینجمنٹ کے عمل کی نگرانی کا اختیار دیا ہے۔

حکمت عملی کی تشکیل:

مینجمنٹ نے مقاصد کا ایک مجموعہ تیار کیا ہے جو اسٹیک ہولڈرز کی توقعات کی نمائندگی کرتا ہے اور کمپنی کی کامیابی کی سطح کا تعین کرنے کے لیے اہم اشارے ہیں۔ مقررہ مقاصد کے حصول کو یقینی بنانے کے لیے انتظامیہ کچھ حکمت عملی اپناتی ہے۔ یہ حکمت عملی بورڈ آف ڈائریکٹرز کی کمیٹی سے منظور ہوتی ہے اور بیرونی کاروباری ماحول یا اندرونی تنظیمی عوامل میں کسی بھی تبدیلی کے لحاظ سے کسی بھی تبدیلی سے مشروط ہوتی ہے۔

خطرے کی تشخیص:

کاروباری اداروں کو متعدد غیر یقینی صورتحال کا سامنا کرنا پڑتا ہے جو ہمارے مقاصد کے لیے ممکنہ خطرات کا باعث بن سکتی ہیں اور اگر ان پر توجہ نہ دی گئی تو نقصان میں پہنچ سکتی ہے۔ اس طرح کی غیر یقینی صورتحال بیرونی واقعات کے ساتھ ساتھ تنظیم کے اندرونی عوامل سے بھی پیدا ہو سکتی ہے۔

ڈائریکٹرز رپورٹ

30 جون 2021 کوختم ہونے والے سال کے لیے۔

آپ کی کمپنی کے ڈائریکٹر 30 جون 2021ء کوختم ہونے والے سال کے لیے کمپنی کے آڈٹ شدہ مالی بیانات کے ساتھ اپنا جائزہ پیش کرنے پر خوش ہیں ۔

پاکستان کی معیشت

COVID-19 وبائی بیماری نے عالمی سطح پر بے مثال رسائی اور تناسب کا بحران پیدا کیا ہے' جبکہ عالمی معاشی نمو دباؤ میں رہی۔ تاہم' پاکستان کی معیشت نے ایک بار پھر رفتار حاصل کی ہے کیونکہ COVID-19 سے متعلقہ اثرات کو بڑی حد تک اچھی طرح سے منظّم کیا گیا تھا۔ اس کی تائید ایک فراخ مالیاتی پالیسی' ری فنانسنگ سہولیات' ہدف شدہ مالی معاونت اور دیگر مالی اقدامات کے ذریعے کی گئی۔ ان اقدامات نے لاک ڈاؤن کے بعد معاشی سرگرمیوں کی بحالی کے لیے اضافی تحریک پیدا کی اور اس وجہ سے' سکڑنے کے مرحلے کا اثر مختصر رہ گیا۔ پاکستان کی جی ڈی پی نے مالی سال 21 میں 3.9 فیصد کی معمولی نمو ظاہر کی اور مالی سال 2022ء میں 4 فیصد متوقع ہے۔

بڑے پیمانے پر مینوفیکچرنگ ایل ایس ایم ملک کی کل مینوفیکچرنگ کا تقریبا 80 فیصد اور قومی پیداوار کا تقریباً 19 فیصد ہے۔ مالی سال 2021ء کے دوران ایل ایس ایم میں 14.67 فیصد اضافہ ہوا جبکہ مالی سال 2020ء کے دوران تقریباً 10 فیصد کے سکڑنے کے مقابلے میں۔ اس کے باوجود' صنعتوں کی تعداد میں صلاحیت کا استعمال ابھی بھی پیچھے ہے۔ مالی سال 2021ء کی آخری سہ ماہی میں ایک بار پھر ایک مشکل دور دیکھنے میں آیا' خام مال کی قیمتوں میں اضافے اور سپلائی چین میں اتار چڑھاؤ- لاجسٹک مسائل بنیادی طور پر کوویڈ سے متعلقہ پابندیوں کی وجہ سے۔

کاروباری کارکردگی۔

سیلز کی کارکردگی تسلی بخش رہی اور اس کے نتیجے میں سال کے لیے نیٹ سیلز روپے میں ریکارڈ کی گئی۔ 5,602 ملین روپے کے مقابلے میں پچھلے سال 4,177 ملین' 34 فیصد اضافہ ہوا۔ فروخت کے حجم میں 28 فیصد اضافے سے مجموعی منافع 876 ملین روپے سے بڑھ کر 1116 ملین روپے ہو گیا' جو 27 فیصد اضافہ ہے۔

فروخت' مارکیٹنگ اور انتظامی اخراجات روپے تھے۔ 772 ملین روپے کے مقابلے میں پچھلے سال کے 647 ملین' 20 فیصد تک' اس کی بنیادی وجہ مارچ سے جون 2020ء تک لاک ڈاؤن کے دوران چلنے کی لاگت میں کمی ہے۔

مالیاتی اخراجات کو بھی 73 ملین روپے کم کر دیا گیا ہے کیونکہ پالیسی کی شرح 13.25 فیصد سے 7 فیصد تک کم ہوئی ہے' اور اسٹیٹ بینک کی جانب سے COVID-19 کے اثرات کو کم کرنے کے لیے جارحانہ نرمی کی وجہ سے۔

فنانشل پرفارمنس۔

مالی حیثیت کا خلاصہ مندرجہ ذیل ہے

روپے ہزاروں میں	30 جون، 2021	30 جون، 2020
آپریٹنگ منافع	**343,689**	229,002
دیگر آپریٹنگ انکم	**91,580**	84,041
	435,269	313,043
فنانس کی لاگت	**117,758**	190,050
دیگر اخراجات	**50,465**	8,461
	168,223	198,511
ٹیکس سے قبل منافع	**267,046**	114,532
ٹیکسیشن	**71,825**	40,224
ٹیکس کے بعد منافع	**195,221**	74,308

Pattern of Shareholding

as on 30 June 2021

	------Shareholdings------		
No. of Shareholders	**From**	**To**	**Total Shares Held**
389	1	100	11,006
449	101	500	145,432
282	501	1,000	233,981
390	1,001	5,000	909,759
76	5,001	10,000	560,085
29	10,001	15,000	344,485
11	15,001	20,000	197,548
8	20,001	25,000	181,908
6	25,001	30,000	164,458
3	30,001	35,000	96,500
1	35,001	40,000	37,045
1	40,001	45,000	42,750
1	50,001	55,000	52,762
1	55,001	60,000	59,500
2	65,001	70,000	134,500
1	70,001	75,000	72,509
4	85,001	90,000	358,120
1	90,001	95,000	91,125
1	100,001	105,000	101,000
2	110,001	115,000	223,575
1	130,001	135,000	135,000
1	135,001	140,000	137,457
1	175,001	180,000	179,063
1	180,001	185,000	180,050
1	205,001	210,000	207,556
1	305,001	310,000	307,854
1	390,001	395,000	394,260
1	400,001	405,000	403,107
1	425,001	430,000	426,701
2	525,001	530,000	1,054,969
1	620,001	625,000	623,500
1	740,001	745,000	740,500
1	1,000,001	1,005,000	1,002,331
1	10,645,001	10,650,000	10,649,314
1,673			**20,459,710**

Pattern of Shareholding

as on 30 June 2021

CATEGORIES OF SHAEHOLDER AS OF 30-06-2021

Particulars	Shares Held	Percentage
Directors, CEO, and their spouse and minor children	1,776	0.01%
NIT and ICP	309,529	1.51%
Banks,DFI & NBFI	528,175	2.58%
Modarabas and Mutual Funds	58,125	0.28%
General Public (Local)	7,843,134	38.33%
General Public (Foreign)	108,000	0.53%
Foreign Companies	112,500	0.55%
Others	11,498,471	56.20%
Company Total	**20,459,679**	**100.00%**

Categories of Shareholders Required under the code of Corporate Governance as at June 30, 2021

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)	1,768	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%
	1,776	**0.01%**
ASSOCIATED COMPANIES:		
SLOTRAPID LIMITED (CDC)	**10,649,314**	**52.05%**
NIT & ICP:		
M/S INVESTMENT CORPORATION OF PAKISTAN	663	0.00%
M/S. NATIONAL BANK OF PAKISTAN TURSTEE DEPARTMENT	1,012	0.00%
CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST (CDC)	307,854	1.50%
	309,529	**1.51%**
Banks,DFI & NBFI	528,175	2.58%
General Public (Local)	7,843,134	38.33%
General Public (Foreign)	108,000	0.53%
Others	1,019,782	4.98%
	9,499,091	**46.43%**
	20,459,710	**100.00%**

Notice of Annual General Meeting

Notice is hereby given that the 71st Annual General Meeting of Berger Paints Pakistan Limited will be held virtually via video-link/Zoom Cloud meetings for the wellbeing of shareholders in light of the threat posed by the evolving COVID-19 situation on Wednesday October 27, 2021 at 10:00 am. to transact the following business:

Ordinary Business:

1. To confirm minutes of Annual General Meeting held on October 27, 2020.

2. To receive, consider and adopt the Audited Accounts of the Company along with consolidated Accounts for the year ended June 30, 2021 together with the Auditors' Report, Chairman's Review and Directors' Report thereon.

3. To appoint Auditors for the year ending June 30, 2022 and fix their remuneration. Board of Directors has recommended the appointment of M/s A. F. Ferguson & Co., Chartered Accountants.

4. To approve the announced dividend in Cash @ 40% i.e. Rs. 4 per share of Rs. 10 each for the year 2021 as recommended by the Board of Directors.

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

By Order of the Board

Lahore: October 05, 2021

Registered Office
36- Industrial Estate, Kot Lakhpat Lahore.

Nauman Afzal
Company Secretary

Notes:

1) The Share Transfer Books will remain closed from October 21, 2021 to October 27, 2021, both days inclusive and the final dividend will be paid to the Members whose name will appear in the Register of Members on October 20, 2021. 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.

a) Attendance of AGM Through Video-Link

The entitled shareholders whose name appear in the Books of Company by the close of business in October 20, 2021 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 waqar.tanveer@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.

b) The entitled shareholders (whose name appeared in the books of Company by the close of Business on October 20, 2021 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.

c) 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 waqar.tanveer@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.

d) 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.

e) 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 Financial Statements and notice through email.

Shareholders have an option to receive Annual Audited Financial Statements and Notice of Annual General Meeting through email. Shareholders of Company are requested to give their consent to prescribed format placed on the Company's website www.berger.com.pk to our share Registrar M/S Corplink (Private) Limited at Wings Arcade, 1-K, Commercial Block K, Model Town, Lahore, Punjab, 54000 to update our record if they wish to receive Annual Audited Financial Statements and Notice of Annual General Meeting through email. However, if a shareholder, in addition, request for hard copy of the Audited Financial Statements, the same shall be provide free of cost within seven (07) days of receipt of request.

میں/ہم، برجر پینٹس پاکستان لمیٹڈ کے رکن ہونے کی وجہ سے رجسٹر فولیو نمبر__________ کے مطابق ویڈیو شیئرنگ سہولت کا انتخاب کریں (برائے مہربانی شہر کا نام داخل کریں)۔

غیر دعوی شدہ منافع۔

شیئر ہولڈرز جنہوں نے اپنے ڈیویڈنڈ کا دعویٰ نہیں کیا ہے ان کو مشورہ دیا جاتا ہے کہ وہ اپنے شیئر رجسٹرار سے رابطہ کریں تاکہ ان کے غیر دعوی کردہ ڈیویڈنڈ کے بارے میں پوچھ گچھ کریں۔ ایکٹ کے سیکشن 244 کی شقوں کے مطابق، کمپنی کی طرف سے اعلان کردہ کوئی بھی شیئر یا ڈیویڈنڈ جو کہ اس تاریخ سے تین سال کی مدت تک غیر دعویدار/ بغیر ادائیگی کے رہا ہے جس کی تاریخ اور ادائیگی تھی، اسے سیکیورٹیز کے پاس جمع کرانا ضروری ہے۔ اور شیئر ہولڈرز کو اپنا دعویٰ دائر کرنے کے لیے نوٹس جاری کرنے کے بعد وفاقی حکومت کے کریڈٹ کے لیے ایکسچینج کمیشن آف پاکستان کمپنی کے جاری کردہ شیئرز اور ڈیویڈنڈ کی تفصیلات جو تین سال سے زائد عرصے سے باقی 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 دعوی کردہ ڈیویڈنڈ اور شیئرز کے لیے ان کے دعوے فوری درج کیے جائیں۔ اگر کوئی دعویٰ درج نہیں کیا جاتا ہے تو، کمپنی ایکٹ کی دفعہ 244(2) کی فراہمی کے مطابق وفاقی حکومت کے ساتھ غیر دعویدار/ بلا معاوضہ رقم اور حصص جمع کرائے گی۔

ای میل کے ذریعے مالی بیانات اور نوٹس کی ترسیل۔

شیئر ہولڈرز کے پاس سالانہ آڈٹ شدہ مالی بیانات اور سالانہ جنرل میٹنگ کا نوٹس ای میل کے ذریعے حاصل کرنے کا آپشن ہے۔ کمپنی کے شیئر ہولڈرز سے درخواست کی جاتی ہے کہ وہ کمپنی کی ویب سائٹ www.berger.com.pk پر رکھے گئے مقررہ فارمیٹ پر اپنی رضامندی ہمارے شیئر رجسٹرار M/S Corplink (Private) Limited، Wings Arcade, 1-K, Commercial Block, Model Town، لاہور، پنجاب 54000 پر دیں۔ ہمارے ریکارڈ کو اپ ڈیٹ کرنے کے لیے اگر وہ ای میل کے ذریعے سالانہ آڈٹ شدہ مالی بیانات اور سالانہ جنرل میٹنگ کا نوٹس وصول کرنا چاہتے ہیں۔ تاہم، اگر کوئی شیئر ہولڈر، اس کے علاوہ، آڈٹ شدہ مالیاتی بیانات کی ہارڈ کاپی کی درخواست کرتا ہے، تو وہ درخواست کی وصولی کے سات (07) دن کے اندر مفت فراہم کی جائے گی۔

(a)	انکم ٹیکس ریٹرن فائل کرنے والوں کے لیے:	15%
(b)	انکم ٹیکس ریٹرن فائل نہ کرنے والوں کے لیے	30%

شیئر ہولڈرز، جو فائلر ہیں، کو مشورہ دیا جاتا ہے کہ وہ اس بات کو یقینی بنائیں کہ ان کے نام ایف بی آر کی ویب سائٹ پر ڈیویڈنڈ کی ادائیگی کے وقت فراہم کردہ تازہ ترین ایکٹیو ٹیکس دہندگان کی فہرست (اے ٹی ایل) میں درج ہیں، بصورت دیگران کو نان فائلرز او رٹیکس پر سمجھا جائے گا۔ کیش ڈیویڈنڈ 15 فیصد کے بجائے 30 فیصد کی شرح سے کاٹا جائے گا۔

جوائنٹ اکاؤنٹ ہولڈرز کی صورت میں منافع پر ودہولڈنگ ٹیکس۔

کمپنی کے منافع پر ودہولڈنگ ٹیکس کی کٹوتی کے لیے جوائنٹ اکاؤنٹ ہولڈرز (جہاں پرنسپل شیئر ہولڈر نے شیئر ہولڈنگ کا تعین نہیں کیا ہے) کے شیئر ہولڈنگ تناسب کا تعین کرنے کے لیے ریگولیٹرز کی ہدایات پر عمل کرنے کے لیے، شیئر ہولڈرز کمپنی کے شیئر رجسٹرار کو بطور پرنسپل شیئر ہولڈر اور ان کے جوائنٹ ہولڈرز کے شیئر ہولڈنگ تناسب کی تفصیلات تحریری طور پر دینے کی درخواست کی گئی ہے تا کہ کمپنی کو ہر شیئر ہولڈر کے ودہولڈنگ ٹیکس کا حساب کتاب کرنے کے قابل بنایا جاسکے۔

کمپنی کا نام	فولیو/CDS اکاؤنٹ نمبر	ٹوٹل شیئر	پرنسپل شیئر ہولڈر		جوائنٹ شیئر ہولڈر	
			نام اور شناختی کارڈ نمبر	شیئر ہولڈنگ تناسب (حصص کی تعداد)	نام اور شناختی کارڈ نمبر	شیئر ہولڈنگ تناسب (حصص کی تعداد)

مطلوبہ معلومات اس نوٹس کے 10 دن کے اندر ہمارے شیئر رجسٹرار تک پہنچنا ضروری ہے، ورنہ یہ مان لیا جائے گا کہ شیئر ز پرنسپل شیئر ہولڈر اور جوائنٹ ہولڈر کے برابر ہیں۔

الیکٹرانک موڈ کے ذریعے نقد منافع کی ادائیگی (لازمی)

کمپنیز ایکٹ 2017 ("ACT") کے سیکشن 242 کی شقیں یہ بتاتی ہیں کہ درج کمپنی کی طرف سے اعلان کردہ کوئی بھی ڈیویڈنڈ صرف الیکٹرانک موڈ کے ذریعے براہ راست بینک اکاؤنٹ میں ادا کیا جائے گا۔ ایس ای سی پی نے اپنے درج کردہ 18 اگست 2017ء کے سرکلر نمبر 18 میں تمام لسٹڈ کمپنیوں کو مشورہ دیا ہے کہ وہ اس بات کو یقینی بنائیں کہ 01 نومبر 2017 سے جیسا کہ کمپنیوں (ڈیویڈنڈس کی تقسیم) ریگولیشنز 2017ء میں بھی فراہم کیا گیا 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 واضح کیا گیا ہو: (a) اکاؤنٹ کا عنوان، (b) اکاؤنٹ نمبر (c)IBAN (d) بینک کا نام اور (e) برانچ کا نام، کوڈ اور پتہ کمپنی کو یا شیئر رجسٹرار۔ وہ شیئر ہولڈرز جو شرکاء/سینٹرل ڈپازٹری کمپنی آف پاکستان (سی ڈی سی) کے ساتھ شیئر رکھتے ہیں انہیں مشورہ دیا جاتا ہے کہ وہ اپنے متعلقہ شرکاء/سی ڈی سی 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 ضروری معلومات شیئر ہولڈرز فراہم نہ کریں۔ شیئر ہولڈرز کی سہولت کے لیے ای-ڈیویڈنڈ مینڈیٹ فارم کمپنی کی ویب سائٹ پر دستیاب ہے۔

ای ووٹنگ

ایکٹ کے سیکشن 143-145 اور کمپنیوں (پوسٹل بیلٹ) ریگولیشنز 2018ء کی قابل اطلاق شقوں کی ضروریات کو پورا کرتے ہوئے ممبران پول کا مطالبہ کرنے کے اپنے حق کا استعمال کرسکتے ہیں۔

ویڈیو کانفرنس

21 مئی 2014ء کے ایس ای سی پی سرکلر نمبر 10 کے مطابق، اگر کمپنی جغرافیائی محل وقوع میں رہائش پذیر 10 فیصد یا اس سے زیادہ شیئر ہولڈنگ رکھنے والے ممبروں سے رضامندی حاصل کرے تو ویڈیو کانفرنس کے ذریعے کم از کم 10 دن پہلے سالانہ جنرل میٹنگ کی تاریخ، کمپنی اس شہر میں ویڈیو کانفرنس کی سہولت کا اہتمام کرے گی جو اس شہر میں ایسی سہولت کی دستیابی سے مشروط ہے۔ اس سہولت سے فائدہ اٹھانے کے لیے براہ کرم درج ذیل معلومات شیئر رجسٹرار، میسرز کارپلنک پرائیویٹ لمیٹڈ، ونگز آرکیڈ، 1-کے، کمرشل بلاک کے ماڈل ٹاؤن، لاہور، پنجاب 54000 کو فراہم کریں۔

دلچسپی رکھنے والے شیئر ہولڈرز سے مذکورہ معلومات کی وصولی کے بعد، کمپنی ان کے ای میل پتوں پر لاگ ان کی تفصیلات بھیج دے گی۔ کمپنی "زوم کلاؤڈ میٹنگز" کے ذریعے میٹنگ بلائے گی جسے گوگل پلے یا ایپ سٹور سے ڈاؤن لوڈ کیا جا سکتا ہے۔ لہذا ہمارے شیئر ہولڈرز سے درخواست کی جاتی ہے کہ وہ میٹنگ سے پہلے درخواست ڈاؤن لوڈ کریں۔ اے جی ایم کے دن، شیئر ہولڈرز کسی بھی آسان جگہ سے سمارٹ فونز یا کمپیوٹر ڈیوائسز کے ذریعے اے جی ایم کی کارروائی میں لاگ ان اور حصہ لے سکیں گے۔

لاگ ان کی سہولت میٹنگ کے وقت سے 30 منٹ پہلے کھول دی جائے گی تاکہ شرکاء کو شناخت اور تصدیق کے عمل کے بعد میٹنگ میں شامل ہو سکے۔

b) حق دار شیئر ہولڈرز (جن کا نام کمپنی کی کتابوں میں 20 اکتوبر 2021ء کو کاروبار کے اختتام پر آیا تھا اور اوپر بیان کردہ تفصیلات کے ساتھ مجوزہ ایجنڈا آئٹمز کے لیے اپنے تبصرے/تجاویز کم از کم 48 گھنٹے ای میل ایڈریس پر بھیج سکتے ہیں میٹنگ سے پہلے

ج) اے جی ایم کا الیکٹرانک نوٹس۔

کمپنی AGM کا نوٹس تمام ممبران کو بذریعہ ڈاک ان کے رجسٹرڈ ایڈریس پر بھیج رہی ہے۔ اس کے علاوہ، پراکسی فارم کے ساتھ نوٹس کمپنی کی ویب سائٹ www.berger.com.pk پر دستیاب ہے۔ اور PUCARS سسٹم کے ذریعے PSX کو بھیج دیا گیا ہے۔ نوٹس یا پراکسی فارم تک رسائی میں کسی مشکل کی صورت میں، ممبران ای میل کے ذریعے کمپنی سے waqar.tanveer@berger.com.pk پر رابطہ کر سکتے ہیں۔ کمپنی نوٹس اور پراکسی فارم کی ایک کاپی صرف ای میل کے ذریعے ان اراکین کو بھیجے گی جو تحریری طور پر درخواست کرتے ہیں اور اپنے ای میل پتے کمپنی کے شیئر رجسٹرار، کارپلینک (پرائیویٹ) لمیٹڈ کو فراہم کرتے ہیں۔

d) اجلاس میں شرکت کے لیے:

میں . افراد کی صورت میں، اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور/ یا وہ شخص جس کی سیکیورٹیز گروپ اکاؤنٹ میں ہیں اور ان کی رجسٹریشن کی تفصیل ضابطوں کے مطابق اپ لوڈ کی گئی ہے، وہ اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ دکھا کر اپنی شناخت کی تصدیق کرے گا۔ "CNIC") یا اصل پاسپورٹ ویڈیو لنک کے ذریعے میٹنگ میں شرکت کے وقت۔

ii کارپوریٹ ادارے کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد/ پاور آف اٹارنی نامزد کے نمونے کے دستخط کے ساتھ میٹنگ کے وقت پیش کی جائے گی۔

e) پراکسی تقرری کے لیے:

میں . افراد کی صورت میں، اکاؤنٹ ہولڈر یا ذیلی اکاؤنٹ ہولڈر اور/ یا وہ شخص ہے جس کی سیکیورٹیز گروپ اکاؤنٹ میں ہیں اور ان کی رجسٹریشن کی تفصیل سی ڈی سی ریگولیشنز کے مطابق اپ لوڈ کی گئی ہے وہ مذکورہ بالا ضرورت کے مطابق پراکسی فارم جمع کرائے گا۔

ii پراکسی فارم کا مشاہدہ دو افراد کریں گے جن کے نام، پتے اور CNIC نمبر فارم پر درج ہوں گے۔

iii فائدہ مند مالکان کے CNIC یا پاسپورٹ کی تصدیق شدہ کاپیاں اور پراکسی پراکسی فارم کے ساتھ پیش کی جائیں گی۔

iv پراکسی میٹنگ کے وقت اپنا اصل CNIC یا اصل پاسپورٹ پیش کرے گا۔

.v کارپوریٹ اداروں کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد/ پاور آف اٹارنی نامزد کے نمونے کے دستخط کے ساتھ کمپنی کو پراکسی فارم کے ساتھ (جب تک پہلے فراہم نہ کی گئی ہو) پیش کی جائے گی۔

CNIC اور NTN سرٹیفکیٹ کی کاپیاں جمع کروانا (لازمی)

ایس ای سی پی کی ہدایات کے مطابق، شیئر ہولڈرز کا منافع جن کا CNIC / SNIC یا NTN (کارپوریٹ اداروں کی صورت میں) شیئر رجسٹرار کے پاس دستیاب نہیں ہے، کو روک دیا جائے گا۔ اس لیے شیئر ہولڈرز سے درخواست کی جاتی ہے کہ وہ اپنے درست CNIC / SNIC (اگر پہلے سے فراہم نہیں کی گئی) کی ایک کاپی کمپنی کے شیئر رجسٹرار، میسرز کارپلنک پرائیویٹ لمیٹڈ، ونگز آرکیڈ، K-1، کمرشل بلاک K ماڈل ٹاؤن، لاہور، پنجاب کو جمع کرائیں۔ 54000۔

منافع پر ود ہولڈنگ ٹیکس۔

حکومت پاکستان نے فنانس ایکٹ 2019 کے ذریعے انکم ٹیکس آرڈیننس 2001ء کے سیکشن 150 میں کچھ ترامیم کی ہیں جس کے تحت کمپنیوں کی جانب سے ادا کیے جانے والے منافع کی رقم پر ود ہولڈنگ ٹیکس کی کٹوتی کے لیے مختلف شرحیں مقرر کی گئی ہیں۔ یہ ٹیکس کی شرحیں مندرجہ ذیل ہیں:

نوٹس برائے سالانہ جنرل میٹنگ

بذریعہ ہذا نوٹس اس طرح دیا گیا ہے کہ برجر پینٹس پاکستان لمیٹڈ کی 71 ویں سالانہ جنرل میٹنگ COVID-19 کی ابھرتی ہوئی صورتحال سے پیدا ہونے والے خطرے کی روشنی میں شیئر ہولڈرز کی فلاح و بہبود کے لیے عملی طور پر ویڈیو لنک/ زوم کلاؤڈ میٹنگز بروز بدھ 27 اکتوبر 2021ء صبح 10:00 درج ذیل کاروباری امور کی انجام دہی کے لیے منعقد ہوگا:

عام کاروبار:

1. 27 اکتوبر 2020ء کو منعقد ہونے والی سالانہ جنرل میٹنگ کے منٹ کی تصدیق کرنا۔
2. کمپنی کے آڈٹ شدہ اکاؤنٹس کے ساتھ 30 جون 2021ء کو ختم ہونے والے سال کے لیے مجموعی اکاؤنٹس کے ساتھ آڈیٹرز کی رپورٹ، چیئرمین کا جائزہ اور ڈائریکٹرز کی رپورٹ وصول کرنا، اس پر غور کرنا اور منظوری۔
3. 30 جون 2022ء کو ختم ہونے والے سال کے لیے آڈیٹر مقرر کریں اور ان کا معاوضہ طے کریں۔ بورڈ آف ڈائریکٹرز نے میسرز اے ایف فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کی تقرری کی پیشکش کی ہے۔
4. سال 2021ء کے لیے اعلان کردہ منافع بحساب 40% یعنی 10 روپیہ کے ہر شیئر پر ایک روپیہ فی شیئر کی منظوری جیسا کہ بورڈ آف ڈائریکٹرز نے تجویز کیا ہے۔
5. کسی بھی دیگر کاروبار پر غور، جسے چیئرمین کی اجازت سے ممبران کے سامنے رکھا جا سکتا ہے۔

حسب الحکم بورڈ
نعمان افضل
کمپنی سیکرٹری

لاہور: 05 اکتوبر، 2021ء

رجسٹرڈ آفس۔
36-انڈسٹریل اسٹیٹ، کوٹ لکھپت، لاہور۔

نوٹس:

1) شیئر ٹرانسفر بکس 21 اکتوبر 2021ء سے 27 اکتوبر 2021ء تک بند رہیں گی، دونوں دن شامل اور حتمی منافع ان ممبروں کو ادا کیا جائے گا جن کا نام 20 اکتوبر 2021ء کو ممبروں کے رجسٹر میں ظاہر ہوگا۔ (غیرسی ڈی سی) سے درخواست کی جاتی ہے کہ وہ کمپنی کے رجسٹرار کو ان کے پتے میں کسی تبدیلی کے بارے میں فوری طور پر مطلع کریں اور اگر ان پر لاگو ہو تو زکوۃ Form فارم CZ-50 کی عدم کٹوتی کمپنی کے رجسٹرار میسرز کارپلنک پرائیویٹ لمیٹڈ، ونگز آرکیڈ کے ساتھ جمع کرائیں۔ K-1، کمرشل بلاک K، ماڈل ٹاؤن، لاہور، پنجاب 54000۔ سی ڈی سی کے ذریعے شیئرز رکھنے والے تمام ممبران سے درخواست کی جاتی ہے کہ براہ کرم اپنی شرکت کے ساتھ اپنے پتے اور زکوۃ status کی حیثیت کو اپ ڈیٹ کریں۔

2) اس میٹنگ میں شرکت اور ووٹ دینے کا حقدار رکن کسی دوسرے ممبر کو اس کے پراکسی کے طور پر مقرر کر سکتا ہے تاکہ وہ اس میں شرکت کرے اور ووٹ دے۔ مؤثر ہونے کے لیے پراکسی کمپنی کے رجسٹرڈ آفس میں میٹنگ کے انعقاد کے وقت سے کم از کم 48 گھنٹے پہلے موصول ہونی چاہیے۔ ایک پراکسی کمپنی کا رکن ہونا ضروری ہے۔

3) سی ڈی سی اکاؤنٹس ہولڈرز کو مزید ہدایات پر عمل کرنا پڑے گا جیسا کہ 26 جنوری 2000ء کے سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے جاری کردہ سرکلر 1 میں دیا گیا ہے۔

4) سی ڈی سی اکاؤنٹ ہولڈرز کو سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی جانب سے بیان کردہ ہدایات پر عمل کرنا ہوگا۔

a) ویڈیو لنک کے ذریعے AGM کی حاضری۔

حقدار شیئر ہولڈرز جن کا نام بکس آف کمپنی میں 20 اکتوبر 2021ء کو کاروبار کے اختتام پر ظاہر ہوتا ہے جو آن لائن پلیٹ فارم کے ذریعے AGM میں شرکت کرنا چاہتے ہیں۔

اس طرح درخواست کی گئی ہے کہ وہ کمپنی سیکریٹری آفس میں درج ذیل تفصیلات جلد از جلد فراہم کر کے رجسٹرڈ کرائیں لیکن اس کے بعد 48 گھنٹوں سے زیادہ نہیں۔

شیئر ہولڈر کا نام	شناختی کارڈ نمبر	فولیو نمبر/CDS نمبر	فون نمبر	ایمیل ایڈریس

Statement of Compliance

with Code of Corporate Governance

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

1. The total number of directors are 7 as per the following:

a.	Male	Six
b.	Female	One

2. The composition of the board is as follows:

Category	No.	Name
Independent Directors	4	Mr. Tariq Ikram Mr. Zafar Aziz Osmani Mr. Mohammad Saeed Ms. Zareen Aziz
Non-Executive Directors	3	Mr. Maqbool H. H. Rahimtoola Mr. Shehzad M. Hussain Mr. Ilyas Sharif
Female Directors	1	Ms. Zareen Aziz

Dr. Mahmood Ahmad being CEO is deemed director of the Company.

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company.

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. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company.

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 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 the Board.

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

9. 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).

10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.

11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.

12. The Board has formed committees comprising of members 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. Shehzad M. Hussain	Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.

14. The frequency of meetings of the committee were as per following;

    a) Audit Committee — 4 meetings

    b) HR and Remuneration Committee — 2 meeting

15. The board has set up an effective internal audit function and the person in-charge is suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.

16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or director of the company.

17. 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.

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

Mr. Maqbool H.H. Rahimtoola
Chairman

KPMG Taseer Hadi & Co.
Chartered Accountants
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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 30 June 2021 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 30 June 2021.

KPMG Taseer Hadi & Co.

Lahore
Date: 07 October, 2021

KPMG Taseer Hadi & Co.
Chartered Accountants

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Berger Paints Pakistan Limited
Unconsolidated Financial Statements

for the year ended 30 June 2021

KPMG

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Independent Auditor's Report

To the members of Berger Paints Pakistan Limited
Report on the audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Berger Paints Pakistan Limited (the Company), which comprise the statement of financial position as at 30 June 2021, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant 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, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows 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 30 June 2021 and of the profit, the comprehensive income, the changes in equity and its cash flows 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.

Sr. No.	Key audit matters	How the matters were addressed in our audit
1.	**Revenue** Refer to note 4.13 and 29 to the financial statements. The Company recognized revenue of Rs. 5,602 million (2020: Rs. 4,178 million) from contract with customers, during the year ended 30 June 2021. We identified recognition of revenue as a key audit matter because it is one of the key performance indicators of the Company and gives rise to a risk that revenue is recognized without transferring the control.	Our audit procedures to assess the recognition of revenue included the following: • obtaining an understanding of the process relating to recording of sales and testing the design, implementation and operating effectiveness of relevant key internal controls, including anti-fraud controls; • assessing the appropriateness of the Company's accounting policies for recording of sales and compliance of those policies with the accounting and reporting standards as applicable in Pakistan;

Sr. No.	Key audit matters	How the matters were addressed in our audit
		• comparing a sample of sale transactions recorded during the year with sales invoices, gate pass, delivery challans and relevant underlying documents; • comparing, on a sample basis, specific sales transactions recorded just before and just after the financial year end date to determine whether the revenue had been recognized in the appropriate financial period; and • scanning for any manual journal entries relating to sales recorded during the year which were considered to be material or met other specific criteria for inspecting underlying documentation.
2.	**Valuation of Trade Debts** Refer to note 4.6 and 14 to the financial statements. As at 30 June 2021, the Company's gross trade debtors were Rs. 1,437 million (2020: Rs. 1,405 million) against which an impairment allowance of Rs. 217 million (2020: Rs. 165 million) was recorded. The Company has applied simplified approach to measure Expected Credit Loss ('ECL') in accordance with IFRS-9. The Company determines ECL on trade debtors by using a provision matrix that is based on historical credit loss experience, adjusted for company specific forward-looking information. Due to the significance of trade debts and the complexity involved in determination of ECL, we have considered valuation of trade debtors to be a key audit matter.	Our audit procedures to assess the valuation of trade debts, amongst others included the following: • evaluating the appropriateness of the selection of accounting policies; • involving our specialists to assess the appropriateness of the ECL model and the reasonableness of the assumptions applied in developing ECL; • assessing, on a sample basis, the accuracy of the data inputs used for ECL computation; and • assessing the adequacy of disclosure made in the financial statements in accordance with the requirements of the applicable accounting and reporting standards.

Information Other than the 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 for the year ended 30 June 2021 but does not include the 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 changes in equity and the statement of cash flows 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 Fahad Bin Waheed.

KPMG Taseer Hadi & Co

KPMG Taseer Hadi & Co.
Chartered Accountants

Lahore
Date: 07 October 2021.

Statement of Financial Position

As at 30 June 2021

Rupees in thousand	Note	2021	2020
ASSETS			
Non-current assets			
Property, plant and equipment	6	**1,634,795**	1,638,058
Intangibles	7	**211**	25,516
Investments	8	**52,505**	52,037
Loan to related party - secured	9	**-**	40,000
Long term loans	10	**34,147**	23,974
Long term deposits and prepayments	11	**36,419**	17,875
Deferred taxation	12	**29,093**	-
		1,787,170	1,797,460
Current assets			
Stores, spare parts and loose tools		**18,491**	13,593
Stock-in-trade	13	**1,225,895**	1,085,933
Trade debts - unsecured	14	**1,219,678**	1,039,773
Loans and advances	15	**277,245**	156,048
Trade deposits and short term prepayments	16	**31,676**	34,038
Other receivables	17	**184,323**	104,579
Tax refund due from Government		**192,661**	250,706
Short term investment	18	**30,000**	32,195
Cash and bank balances	19	**44,476**	40,635
		3,224,445	2,757,500
		5,011,615	4,554,960
EQUITY AND LIABILITIES			
Authorised share capital		**250,000**	250,000
Share capital and reserves			
Issued, subscribed and paid-up capital	20	**204,597**	204,597
Reserves			
Capital reserves			
Share premium and other reserves		**45,304**	40,543
Revaluation surplus on property, plant and machinery		**849,056**	877,100
	21	**894,360**	917,643
Revenue reserves			
General reserve		**285,000**	285,000
Accumulated profits		**841,416**	647,783
	21	**1,126,416**	932,783
Total equity		**2,225,373**	2,055,023
Non-current liabilities			
Long term financing - secured	22	**152,498**	120,122
Deferred income	23	**1,155**	2,077
Staff retirement and other long term benefits	24	**75,589**	138,527
Deferred taxation		**-**	15,453
		229,242	276,179
Current liabilities			
Trade and other payables	25	**1,569,174**	900,926
Current portion of deferred income		**2,407**	1,662
Current maturity of long term financing		**107,884**	227,759
Unclaimed dividend		**7,551**	6,687
Accrued markup	26	**22,479**	35,173
Short term borrowings - secured	27	**847,505**	1,051,551
		2,557,000	2,223,758
		2,786,242	2,499,937
Contingencies and commitments	28		
		5,011,615	4,554,960

The annexed notes 1 to 52 form an integral part of these financial statements.

Chief Financial Officer　　Chief Executive　　Director

Statement of Profit or Loss

For the year ended 30 June 2021

Rupees in thousand	Note	2021	2020
Revenue	29	**5,602,160**	4,177,951
Cost of sales	30	**(4,485,600)**	(3,301,617)
Gross profit		**1,116,560**	876,334
Selling and distribution costs	31	**(538,891)**	(479,685)
Administrative and general expenses	32	**(172,057)**	(167,647)
Impairment loss on trade debts and other receivables		**(61,923)**	-
Other income	33	**91,580**	84,041
Other expenses	34	**(50,465)**	(8,461)
		(731,756)	(571,752)
Profit from operations		**384,804**	304,582
Finance cost	35	**(117,758)**	(190,050)
Profit before taxation		**267,046**	114,532
Taxation	36	**(71,825)**	(40,224)
Profit after taxation		**195,221**	74,308
		Rupees	Rupees
Earnings per share - basic and diluted	37	**9.54**	3.63

The annexed notes 1 to 52 form an integral part of these financial statements.

Chief Financial Officer Chief Executive Director

Statement of Comprehensive Income

For the year ended 30 June 2021

Rupees in thousand	2021	2020
Profit after taxation	**195,221**	74,308
Other comprehensive income		
Items that will not be reclassified to statement of profit or loss		
Revaluation surplus on property, plant and machinery	**-**	472,492
Related deferred tax liability on revaluation surplus on property, plant and machinery	**-**	(52,117)
	-	420,375
Fair value gain / (loss) on investment classified as FVOCI	**4,761**	(2,467)
Actuarial (loss) / gain on staff retirement benefits	**(9,172)**	2,998
Total comprehensive income for the year	**190,810**	495,214

The annexed notes 1 to 52 form an integral part of these financial statements.

Chief Financial Officer   Chief Executive   Director

Statement of Cash Flows
For the year ended 30 June 2021

Rupees in thousand	Note	2021	2020
Cash flows from operating activities			
Profit before taxation		**267,046**	114,532
Adjustments for non-cash and other items:			
Depreciation on property, plant and equipment		**134,793**	78,183
Amortization on computer software		**1,305**	1,745
Gain on disposal of property, plant and equipment		**(4,640)**	(6,288)
Provision charged against slow moving stock - *net*		**28,227**	6,557
Insurance claim		**-**	(20,347)
Revaluation deficit		**-**	15,241
Impairment loss on trade debts and other receivables		**61,923**	47,908
Provision for staff retirement and other long term benefits		**20,107**	12,395
Provision for trade deposits and short term prepayments		**-**	495
Provision for doubtful deposits		**-**	381
Finance cost		**117,758**	190,050
Impairment on investment in associate		**4,293**	-
Impairment on goodwill		**24,000**	-
Amortization of deferred grant		**(6,595)**	-
Mark-up on term deposit receipts		**(11,581)**	(13,703)
		369,590	312,617
Operating profit before working capital changes		**636,636**	427,149
Working capital changes			
(Increase) / decrease in current assets:			
Stores, spare parts and loose tools		**(4,898)**	3,313
Stock-in-trade		**(168,189)**	(175,122)
Trade debts - *unsecured*		**(231,784)**	382,146
Loans and advances		**(89,512)**	(57,262)
Trade deposits and short term prepayments		**2,362**	6,673
Other receivables		**(87,955)**	(79,340)
		(579,976)	80,408
Decrease / (increase) in current liabilities:			
Trade and other payables		**692,006**	(289,925)
Cash generated from operations		**748,666**	217,632
Finance cost paid		**(125,589)**	(194,309)
Taxes paid - net		**(82,478)**	(2,782)
Staff retirement and other long term benefits paid		**(92,217)**	(24,919)
Long term loans - *net*		**(19,524)**	20,654
Long term deposits - *net*		**(878)**	2,949
		(320,686)	(198,407)
Net cash generated from operating activities		**427,980**	19,225
Cash flows from investing activities			
Capital expenditure incurred		**(133,349)**	(93,471)
Proceeds from disposal of property, plant and equipment		**8,585**	17,349
Mark-up received on term deposit and long term loan		**9,748**	13,889
Short term investments - *net*		**2,195**	-
Net cash used in investing activities		**(112,821)**	(62,233)
Cash flows from financing activities			
Long term financing - *net*		**(87,676)**	179,967
Dividend paid		**(19,596)**	(19,753)
Short term borrowings - *net*		**(81,276)**	41,976
Net cash (used in) / generated from financing activities		**(188,548)**	202,190
Net increase in cash and cash equivalents		**126,611**	159,182
Cash and cash equivalents at beginning of the year		**(868,940)**	(1,028,122)
Cash and cash equivalents at end of the year	38	**(742,329)**	(868,940)

The annexed notes 1 to 52 form an integral part of these financial statements.

Chief Financial Officer | Chief Executive | Director

Statement of Changes in Equity

For the year ended 30 June 2021

Rupees in thousand

	Issued, subscribed and paid-up capital	Reserves						
		Capital			Revenue			
		Share premium	Surplus on revaluation on property, plant and machinery	Fair value reserve	General reserve	Accumulated Profits	Total reserves	Total
Balance as at 01 July 2019	204,597	34,086	472,012	8,924	285,000	575,650	1,375,672	1,580,269
Total comprehensive income for the year ended 30 June 2020								
Profit for the year	-	-	-	-	-	74,308	74,308	74,308
Other comprehensive income for the year								
- Fair value loss on *Investment classified as FVOCI*	-	-	-	(2,467)	-	-	(2,467)	(2,467)
- Revaluation surplus on property, plant and machinery			472,492				472,492	472,492
- Related deferred tax liability on revaluation surplus			(52,117)				(52,117)	(52,117)
- Actuarial gain on staff retirement benefits	-	-	-	-	-	2,998	2,998	2,998
Total comprehensive income for the year	-	-	420,375	(2,467)	-	77,306	495,214	495,214
Transfer of incremental depreciation from revaluation surplus on property, plant and machinery - *net of tax*	-	-	(15,127)	-	-	15,127	-	-
Transfer of revaluation surplus due to disposal of revalued assets	-	-	(160)	-	-	160	-	-
Transactions with the owners of the Company								
Final cash dividend at the rate of 10% (i.e. Re. 1 per share) for the year ended 30 June 2019	-	-	-	-	-	(20,460)	(20,460)	(20,460)
	-	-	(15,287)	-	-	(5,173)	(20,460)	(20,460)
Balance as at 30 June 2020	204,597	34,086	877,100	6,457	285,000	647,783	1,850,426	2,055,023
Total comprehensive income for the year ended 30 June 2021								
Profit for the year	-	-	-	-	-	195,221	195,221	**195,221**
Other comprehensive income for the year								
- Fair value gain on *investment classified as FVOCI*	-	-	-	4,761	-	-	4,761	**4,761**
- Actuarial loss on staff retirement benefits	-	-	-	-	-	(9,172)	(9,172)	**(9,172)**
Total comprehensive income for the year	**-**	**-**	**-**	**4,761**	**-**	**186,049**	**190,810**	**190,810**
Transfer of incremental depreciation from revaluation surplus on property, plant and machinery - *net of tax*	-	-	(28,044)	-	-	28,044	-	**-**
Transactions with the owners of the Company								
Final cash dividend at the rate of 10% (i.e. Re. 1 per share) for the year ended 30 June 2020	-	-	-	-	-	(20,460)	(20,460)	**(20,460)**
	-	**-**	**(28,044)**	-	-	**7,584**	**(20,460)**	**(20,460)**
Balance as at 30 June 2021	**204,597**	**34,086**	**849,056**	**11,218**	**285,000**	**841,416**	**2,020,776**	**2,225,373**

The annexed notes 1 to 52 form an integral part of these financial statements.

Chief Financial Officer Chief Executive Director

Notes to the Financial Statements

For the year ended 30 June 2021

1 Reporting entity information

1.1 Berger Paints Pakistan Limited ("the 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 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 Company is situated at 36-Industrial Estate Kot-Lakhpat, Lahore and its only manufacturing facility is located at 28 Km Multan Road, Lahore.

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

- Head office: 36 Industrial Estate, Kot Lakhpat, Lahore
- Factory: 28-KM, Multan Road, Lahore
- Regional office: X-3 Manghopir Road, S.I.T.E., Karachi
- Regional office: Plot No. 201, Street # 1, Sector I - 10/3, Islamabad

2 Basis of preparation and statement of compliance

2.1 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.

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

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

3 New standards / amendments to approved accounting standards and interpretations

3.1 There are a number of amendments and interpretations that are effective from 01 July 2020 however, these do not have any significant effect on the financial statements.

3.2 Standards, interpretations and amendments to published approved accounting standards that are not yet effective:

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 01 July 2021:

- Interest Rate Benchmark Reform – Phase 2 which amended IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 is applicable for annual financial periods beginning on or after 01 January 2021, with earlier application permitted. The amendments introduce a practical expedient to account for modifications of financial assets or financial liabilities if a change results directly from IBOR reform and occurs on an 'economically equivalent' basis. In these cases, changes will be accounted for by updating the effective interest rate.

  A similar practical expedient will apply under IFRS 16 for lessees when accounting for lease modifications required by IBOR reform. The amendments also allow a series of exemptions from the regular, strict rules around hedge accounting for hedging relationships directly affected by the interest rate benchmark reforms. The amendments apply retrospectively with earlier application permitted. Hedging relationships previously discontinued solely because of changes resulting from the reform will be reinstated if certain conditions are met.

- COVID-19-Related Rent Concessions (Amendment to IFRS 16) – the International Accounting Standards Board (the Board) has issued amendments to IFRS 16 (the amendments) to provide practical relief for lessees in accounting for rent concessions. The amendments are effective for periods beginning on or after 01 June 2020, with earlier application permitted. Under the standard's previous requirements, lessees assess whether rent concessions are lease modifications and, if so, apply the specific guidance on accounting for lease modifications.

  This generally involves remeasuring the lease liability using the revised lease payments and a revised discount rate. In light of the effects of the COVID-19 pandemic, and the fact that many lessees are applying the standard for the first time in their financial statements, the Board has provided an optional practical expedient for lessees. Under the practical expedient, lessees are not required to assess whether eligible rent concessions are lease modifications, and instead are permitted to account for them as if they were not lease modifications.

The practical expedient introduced in the 2020 amendments only applied to rent concessions for which any reduction in lease payments affected payments originally due on or before 30 June 2021. In light of persistence of economic challenges posed by the COVID-19 pandemic, the Board has extended the practical expedient for COVID-19 related rent concessions by one year i.e. permitting lessees to apply it to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022.

Rent concessions are eligible for the practical expedient if they occur as a direct consequence of the COVID-19 pandemic and if all the following criteria are met:

the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

any reduction in lease payments affects only payments originally due on or before 30 June 2022; and

there is no substantive change to the other terms and conditions of the lease.

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37) effective for the annual periods beginning on or after 01 January 2022 amends IAS 1 by mainly adding paragraphs which clarifies what comprises the cost of fulfilling a contract, Cost of fulfilling a contract is relevant when determining whether a contract is onerous. An entity is required to apply the amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Restatement of comparative information is not required, instead the amendments require an entity to recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

- The following annual improvements to IFRS Standards 2018-2020 are effective for annual reporting periods beginning on or after 01 January 2022.

  IFRS 9 – The amendment clarifies that an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf, when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognize a financial liability.

  IFRS 16 – The amendment partially amends Illustrative Example 13 accompanying IFRS 16 by excluding the illustration of reimbursement of leasehold improvements by the lessor. The objective of the amendment is to resolve any potential confusion that might arise in lease incentives.

  IAS 41 – The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.

- Property, plant and equipment: Proceeds before Intended Use (Amendments to IAS 16) effective for annual periods beginning on or after 01 January 2022 clarifies that sales proceeds and costs of items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management e.g. when testing etc., are recognized in profit or loss in accordance with applicable Standards. The entity measures the cost of those items applying the measurement requirements of IAS 2. The standard also removes the requirement of deducting the net sales proceeds from cost of testing. An entity shall apply those amendments retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

- Reference to the Conceptual Framework (Amendments to IFRS 3) - Reference to the Conceptual Framework, issued in May 2020, amended paragraphs 11, 14, 21, 22 and 23 of and added paragraphs 21A, 21B, 21C and 23A to IFRS 3 . An entity shall apply those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 01 January 2022. Earlier application is permitted if at the same time or earlier an entity also applies all the amendments made by Amendments to References to the Conceptual Framework in IFRS Standards, issued in March 2018.

- Classification of liabilities as current or non-current (Amendments to IAS 1) amendments apply retrospectively for the annual periods beginning on or after 01 January 2023. These amendments in the standards have been added to further clarify when a liability is classified as current. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity shall apply those amendments retrospectively in accordance with IAS 8.

- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) – the Board has issued amendments on the application of materiality to disclosure of accounting policies and to help companies provide useful accounting policy disclosures. The key amendments to IAS 1 include:

    requiring companies to disclose their material accounting policies rather than their significant accounting policies;

    clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and

    clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

  The Board also amended IFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures. The amendments are effective for annual reporting periods beginning on or after 01 January 2023 with earlier application permitted.

- Definition of Accounting Estimates (Amendments to IAS 8) – The amendments introduce a new definition for accounting estimates clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty.

  The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy. The amendments are effective for periods beginning on or after 01 January 2023, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the company applies the amendments.

- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) – The amendments narrow the scope of the initial recognition exemption (IRE) so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision.

  For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. The amendments are effective for annual reporting periods beginning on or after 01 January 2023 with earlier application permitted.

- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) – The amendment amends accounting treatment on loss of control of business or assets. The amendments also introduce new accounting for less frequent transaction that involves neither cost nor full step-up of certain retained interests in assets that are not businesses. The effective date for these changes has been deferred indefinitely until the completion of a broader review.

The above amendments are not likely to have a material impact on the Company's financial statements.

4 Significant accounting policies

The accounting policies adopted for the preparation of the financial statements are set out below. The accounting policies have been consistently applied to all the years presented.

4.1 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 machinery are credited to the revaluation surplus on property, plant and machinery account except for a reversal of deficit already charged to 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 machinery. The revaluation surplus on property, plant and machinery to the extent of the annual incremental depreciation based on the revalued carrying amount of the assets is transferred annually directly to retained earnings 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 retained earnings. All transfers to / from revaluation surplus on property, plant and machinery 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 or capitalized 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 profit or loss.

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

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.

4.2 Intangibles

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 comprise 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 profit or loss.

4.2.1 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 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 7.

4.2.2 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.

4.3 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'.

4.4 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 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.

4.5 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 financial statements whenever necessary.

4.6 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.

4.7 Cash and cash equivalents

Cash and cash equivalents comprise of running finance, cash balances, call deposits and investments with maturities of less than three months or less from acquisition date that are subject to insigni cant 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 cashflows.

4.8 Financial instruments

4.8.1 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 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 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:

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.
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.
Debt investment 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 OCI are reclassified to statement of profit or loss.
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 OCI and are never reclassified to statement of profit or loss.

4.8.2 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 44.1.3 of the financial statements.

4.8.3 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 expire. 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.

4.8.4 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.

4.9 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.

4.10 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.

4.11 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 Company and are disclosed when inflow of economic benefits is probable. Contingent assets are not recognized until their realization become virtually certain.

4.12 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.

4.13 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 except for exports where control is transferred at the time of dispatch and have been accepted at their premises. 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.

4.14 Contract liabilities

A contract liability is the obligation of the Company to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company 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 Company performs under the contract.

4.15 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.

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.

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.

4.16 Employee benefits

4.16.1 Short term employee benefit

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.

4.16.2 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

The 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.

4.16.3 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.

4.16.4 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.

4.16.5 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.

4.17 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.

4.18 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.

4.19 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.

4.20 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.

4.21 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.

5 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
-	Stock-in-trade	4.5
-	Trade debts	4.6
-	Impairment of cash generating unit	4.9
-	Recoverability of deferred tax assets	4.15
-	Staff retirement benefits and other long term benefits	4.16

	Rupees in thousand	Note	2021	2020
6	**Property, plant and equipment**			
	Operating fixed assets	6.1	**1,620,428**	1,570,784
	Capital work in progress	6.2	**14,367**	67,274
			1,634,795	1,638,058

6.1 Operating fixed assets

Rupees in thousand

	30 June 2021									
	Useful life Years	Cost / revalued amount as at 01 July 2020	Additions*	Disposals	Cost / revalued amount as at 30 June 2021	Accumulated depreciation as at 01 July 2020	Depreciation charge for the year	Disposals	Accumulated depreciation as at 30 June 2021	Book value as at 30 June 2021
Owned asset										
Freehold land	-	661,921	-	-	661,921	-	-	-	-	661,921
Building on freehold land	20	282,959	6,998	-	289,957	-	30,976	-	30,976	258,981
Building on leasehold land	10-20	63,866	-	-	63,866	-	6,375	-	6,375	57,491
Plant and machinery	2.8-12.5	259,219	18,433	(2,573)	275,079	-	59,255	(2,510)	56,745	218,334
Laboratory equipment	10	45,625	2,009	-	47,634	24,188	3,702	-	27,890	19,744
Electric fittings	4 - 10	58,807	124,975	(413)	183,369	34,781	11,598	(232)	46,147	137,222
Computer and related accessories	4	31,098	2,824	-	33,922	28,343	1,946	-	30,289	3,633
Office equipment	4 - 10	23,188	3,015	(120)	26,083	9,887	2,421	(85)	12,223	13,860
Furniture and fixtures	10	30,756	365	-	31,121	16,788	2,376	-	19,164	11,957
Motor vehicles	5	57,060	29,763	(17,049)	69,774	27,533	9,975	(13,383)	24,125	45,649
Subtotal		1,514,499	188,382	(20,155)	1,682,726	141,520	128,624	(16,210)	253,934	1,428,792
Leasehold land	48.5	197,805	-	-	197,805	-	6,169	-	6,169	191,636
Total		1,712,304	188,382	(20,155)	1,880,531	141,520	134,793	(16,210)	260,103	1,620,428

The cost of fully depreciated assets which are still in use is Rs. 83.94 million (2020: Rs. 67.09 million).

* This includes borrowing costs related to installation of solar power plant amounting to Rs 2.12 million (2020: Rs. 7.24 million) calculated using average effective rates ranging from 6.52% to 9.44% (2020: 9.26% to 13.15%).

Rupees in thousand

	30 June 2020												
	Useful life Years	Cost / revalued amount as at 01 July 2019	Additions	Disposals	Elimination of gross carrying value against accumulated depreciation	Revaluation surplus / (deficit)	Cost / revalued amount as at 30 June 2020	Accumulated depreciation as at 01 July 2019	Depreciation charge for the year	Disposals	Elimination of gross carrying value against accumulated depreciation	Accumulated depreciation as at 30 June 2020	Book value as at 30 June 2020
Owned asset													
Freehold land	-	484,413	-		-	177,508	661,921	-	-		-	-	661,921
Building on freehold land	20	289,313	8,544		(81,205)	66,307	282,959	64,126	17,079		(81,205)	-	282,959
Building on leasehold land	10-20	83,304	149		(18,116)	(1,471)	63,866	11,226	6,890		(18,116)	-	63,866
Plant and machinery	2.8-12.5	315,494	9,615	(4,226)	(166,057)	104,393	259,219	142,075	27,089	(3,107)	(166,057)	-	259,219
Laboratory equipment	10	43,658	1,967		-	-	45,625	20,700	3,488		-	24,188	21,437
Electric fittings	4 - 10	56,088	3,795	(1,076)	-	-	58,807	30,199	5,050	(468)	-	34,781	24,026
Computer and related accessories	4	30,756	412	(70)	-	-	31,098	25,634	2,742	(33)	-	28,343	2,755
Office equipment	4 - 10	22,644	803	(259)	-	-	23,188	7,680	2,318	(111)	-	9,887	13,301
Furniture and fixtures	10	30,801	-	(45)			30,756	14,162	2,638	(12)	-	16,788	13,968
Motor vehicles	5	44,372	24,379	(11,691)	-	-	57,060	21,423	8,685	(2,575)	-	27,533	29,527
Subtotal		1,400,843	49,664	(17,367)	(265,378)	346,737	1,514,499	337,225	75,979	(6,306)	(265,378)	141,520	1,372,979
Leasehold land	48.5	98,333	-	-	(11,042)	110,514	197,805	8,838	2,204		(11,042)	-	197,805
Total		1,499,176	49,664	(17,367)	(276,420)	457,251	1,712,304	346,063	78,183	(6,306)	(276,420)	141,520	1,570,784

6.1.1 Disposal of operating assets

The following operating fixed assets with a net book value exceeding Rs. 500,000 were disposed off during the year:

Rupees in thousand

Particulars of assets	Sold to		Cost / revalued Amounts	Accumulated depreciation	Book value	Sale proceeds / Insurance claim	Gain / (loss)	Mode of disposal
	Name	Relationship with the Company						
Motor vehicles								
Honda City	Mr. Sajid Naeem	Employee	898	-	898	1,331	433	Employee - Final Settlement
Honda City	Mr. Irfan A. Khan	Employee	641	(22)	619	384	(235)	Employee - Buy back
Suzuki Cultus	Mr. Siddique Bhatti	Employee	781	-	781	1,152	371	Employee - Final Settlement
Others including assets written off with book value less than Rs. 500,000.			17,835	(16,188)	1,647	5,718	4,071	
2021			**20,155**	**(16,210)**	**3,945**	**8,585**	**4,640**	
2020			17,367	(6,306)	11,061	17,349	6,288	

6.1.2 Had there been no revaluation the carrying amount of revalued assets would have been as follows:

Rupees in thousand	2021	2020
Freehold land	**207,183**	207,183
Leasehold land	**20**	1,035
Buildings on freehold land	**123,324**	130,027
Buildings on leasehold land	**54,177**	60,228
Plant and machinery	**72,659**	100,183
	457,363	498,656

6.1.3 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	30 June 2020	**569,458**
Leasehold land	30 June 2020	**167,166**
Buildings on freehold land	30 June 2020	**220,291**
Buildings on leasehold land	30 June 2020	**21,622**
Plant and machinery	30 June 2020	**193,457**

6.1.4 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.

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 and leasehold land.

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

Rupees in thousand	2021	2020
Cost of sales	**103,130**	50,865
Selling and distribution costs	**20,753**	17,144
Administrative and general expenses	**10,910**	10,174
	134,793	78,183

6.2 Capital work in progress

Civil works	**-**	262
Plant and machinery	**3,288**	-
Electrical Installations	**1,423**	60,794
Advances to suppliers	**9,656**	6,200
Others	**-**	18
	14,367	67,274

Rupees in thousand	Note	2021	2020
7 Intangibles			
Computer software	7.1	**211**	1,516
Goodwill	7.2	**-**	24,000
		211	25,516

7.1 Computer software

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

Rupees in thousand	Note	2021	2020
Cost			
As at 01 July		**33,410**	32,845
Additions during the year		**-**	565
As at 30 June		**33,410**	33,410
Accumulated amortization			
As at 01 July		**31,894**	30,149
Amortization during the year	7.1.1	**1,305**	1,745
As at 30 June		**33,199**	31,894
Balance as at 30 June		**211**	1,516
Rate of amortization		**33.33%**	33.33%

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

Administrative and general expenses		**1,305**	1,724
Selling and distribution costs		**-**	21
		1,305	1,745

7.2 Goodwill

Powder Coating Business	7.2.1	**-**	24,000
		-	24,000

7.2.1 Goodwill represented excess purchase consideration paid by the Company for acquisition of Powder Coating Business ("CGU") over the fair value of identifiable net asset of the seller at the time of acquisition, net of impairment losses recognised in previous years.

The recoverable amount of the CGU was based on its value in use, determined by discounting the future cash flows from the continuing use of the CGU. The carrying amount of the CGU was determined to be higher than its recoverable amount and an impairment loss of Rs. 24 million has been recognised during 2021 (2020: Nil). The impairment loss has been fully allocated to goodwill and is included in 'other expenses'.

The key assumptions used in the estimation of value in use include a discount rate of 20.47% and 5.01% for local and foreign currency cash flows respectively, and an annual growth of 1.1% in gross profit.

The discount rate was a pre-tax measure based on the rate of 10-year government bonds adjusted for a risk premium to reflect both the increased risk of investing in equities generally and the systematic risk of the specific CGU.

Three years of cash flows are included in the discounted cash flow model. Revenue and cost of sales growth was projected after taking into account the average growth levels experienced over the past three years and the estimated sales volume and price growth in the projected periods. It was assumed that sales prices would grow at a margin above forecast inflation over the next three years.

Following the impairment loss recognised in the CGU, the recoverable amount was equal to the carrying amount. Therefore, any adverse movement in a key assumption would lead to further impairment.

Rupees in thousand	**Note**	**2021**	2020
Goodwill		**24,000**	24,000
Accumulated impairment			
Accumulated impairment as at 01 July		**-**	-
Impairment charged during the year		**(24,000)**	-
Accumulated Impairment as at 30 June		**(24,000)**	**-**
Balance as at 30 June		**-**	24,000

8 Investments

	Note	2021	2020
In equity instruments - at cost	8.1	**37,457**	41,750
Investment classified as FVOCI	8.2	**15,048**	10,287
		52,505	52,037

8.1 In equity instruments - *at cost*

Rupees in thousand

No. of shares - ordinary		**Name of the Company**	**Percentage**	**2021**	2020
(i)	**Subsidiary companies** - *unlisted*				
2021	2020				
765,000	765,000	Berger DPI (Private) Limited	51.00%	**2,550**	2,550
676,020	676,020	Berdex Construction Chemicals (Private) Limited		**-**	5,510
		Less: Provision for impairment		-	(5,510)
				-	-
The face value of these shares is Rs. 10 each.				**2,550**	2,550

During the year, the Company applied to Securities and Exchange Commission of Pakistan ("SECP") for final order in respect of winding up of Berdex Construction Chemicals (Private) Limited ("BCCPL"). The SECP after due verification, has removed the name of BCCPL from the register of companies.

Rupees in thousand

No. of shares - ordinary		Name of the Company	Percentage	2021	2020
(ii)	**Associated Company** - *unlisted*				
98,000	98,000	3S Pharmaceutical (Private) Limited	49.00%	**39,200**	39,200
		Less: Impairment recognised during the year		**(4,293)**	-
				34,907	39,200
The face value of these shares is Rs. 100 each.				**37,457**	41,750

The recoverable amount of investment in associate was based on fair value less costs of disposal, estimated using adjusted net asset method. Significant valuation inputs used (by an independent valuer) into the valuation includes price per kanal for land, price per square foot for building and present operational condition and age of plant and machinery. Accordingly, fair value measurement has been categorised as a Level 3 fair value based on inputs to the valuation.

Following the impairment loss, the recoverable amount of the investment was equal to its carrying amount. Therefore, any adverse movement in a key assumption would lead to further impairment.

Rupees in thousand	Note	2021	2020
8.2 Investment classified as FVOCI			
Buxly Paints Limited - listed			
Cost		**3,830**	3,830
Fair value adjustment	8.2.1	**11,218**	6,457
		15,048	10,287

The Company owns 273,600 (2020: 273,600) fully paid ordinary shares of Rs. 10 each representing 19.95% (2020: 19.95%) investment of total shares in Buxly Paints Limited. As at year end, the market value of each share was Rs. 55 (2020: Rs. 37.60).

Rupees in thousand	2021	2020
8.2.1 Fair value adjustment		
As at 01 July	**6,457**	8,924
Fair value gain / (loss)	**4,761**	(2,467)
As at 30 June	**11,218**	6,457

9 Loan to related party - secured

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 is repayable in May 2022 and is secured by charge over stock in trade and trade debts of the borrower and personal guarantee of director.

Rupees in thousand	2021	2020
10 Long term loans		
Due from employees - secured	**67,577**	48,053
Present value adjustment	**(17,666)**	-
	49,911	48,053
Less: current portion shown under current assets	**(15,764)**	(24,079)
	34,147	23,974

10.1 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.

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

Rupees in thousand	Note	2021	2020
11 Long term deposits and prepayments			
Deposits - unsecured			
- *Considered good*		**18,753**	17,875
- *Considered doubtful*		**4,969**	4,969
		23,722	22,844
Prepaid employee benefits		**17,666**	-
Less: Allowance for doubtful deposits	11.1	**(4,969)**	(4,969)
	11.2	**36,419**	17,875

11.1 Movement in allowance for doubtful deposits is as follows:

	2021	2020
Balance as at 01 July	**4,969**	4,588
Charge for the year	**-**	381
Balance as at 30 June	**4,969**	4,969

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

Rupees in thousand	2021	2020
12 Deferred taxation		
Deferred tax liability on taxable temporary differences arising in respect of :		
- Accelerated tax depreciation	**(26,820)**	(33,247)
- Surplus on revaluation of fixed assets	**(80,370)**	(90,014)
Deferred tax asset on deductible temporary differences arising in respect of:		
- Impairment allowance on financial assets	**74,785**	56,827
- Investment in related parties	**1,217**	-
- Intangibles	**254**	-
- Turnover tax credit	**43,020**	42,000
- Provision for slow moving stock	**17,007**	8,981
	136,283	107,808
	29,093	(15,453)

12.1 Movement in deferred tax balances is as follows:

Rupees in thousand	2021	2020
As at 01 July	**(15,453)**	43,878
Recognized in profit or loss:		
- Accelerated tax depreciation including surplus on revaluation of fixed assets	**16,325**	3,568
- Charge / (reversal) of impairment allowance on financial assets	**-** / **17,957**	- / (12,653)
- Minimum tax credit	**1,020**	-
- Investment in related parties	**1,217**	-
- Provision for slow moving stock	**8,027**	1,871
	44,546	(7,214)
Recognized in statement of changes in equity:		
-Deferred tax liability on revaluations surplus of plant and machinery, building on freehold and leasehold land	**-**	(52,117)
	-	(52,117)
As at 30 June	**29,093**	(15,453)

Rupees in thousand	Note	2021	2020
13 Stock-in-trade			
Raw and packing materials			
- in hand		**591,035**	601,825
- in transit		**151,184**	18,947
		742,219	620,772
Semi processed goods		**80,946**	71,550
Finished goods			
- Manufactured	13.1	**465,057**	395,307
- Trading		**81,687**	114,091
		546,744	509,398
		1,369,909	1,201,720
Provision for slow moving and obsolete stocks			
- Raw material		**(51,589)**	(51,095)
- Semi processed goods		**(4,471)**	(5,491)
- Finished goods		**(87,954)**	(59,201)
		(144,014)	(115,787)
		1,225,895	1,085,933

13.1 Aggregate stocks with a cost of Rs. 89.91 million (2020: Rs. 39.81 million) are being valued at net realizable value of Rs. 77.26 million (2020: Rs. 36.59 million).

Rupees in thousand	Note	2021	2020
14 Trade debts - *unsecured*			
Considered good			
Related parties	14.1 & 14.2	**180,417**	182,035
Others		**1,039,261**	857,738
		1,219,678	1,039,773
Considered doubtful			
Related parties		**41,498**	8,184
Others		**175,464**	157,588
		1,436,640	1,205,545
Impairment allowance on trade debts	14.3	**(216,962)**	(165,772)
		1,219,678	1,039,773

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

Rupees in thousand	Note	2021	2020
Buxly Paints Pakistan Limited - *related party*	14.1.1	**139,998**	118,862
Berger Road Safety (Private) Limited - *subsidiary of Berger DPI (Private) Limited*	14.1.2	**81,840**	71,328
Dadex Eternit Limited - *related party*	14.1.3	**77**	29
	14.1.4	**221,915**	190,219

14.1.1 Maximum aggregate balance due from the related party at the end of any month during the year was Rs. 152.51 million (2020: Rs. 148.29 million).

14.1.2 Maximum aggregate balance due from the related party at the end of any month during the year was Rs. 95.69 million (2020: 75.38 million).

14.1.3 Maximum aggregate balance due from the related party at the end of any month during the year was Rs. 0.30 million (2020: Rs. 0.18 million).

14.1.4 The Company has recognized impairment allowance on these balances as at 30 June 2021 amounting to Rs. 41.50 million (2020: Rs. 8.18 million).

Rupees in thousand	2021	2020
14.2 Aging of related party balances		
Considered good		
Past due 0 - 30 days	**59,165**	36,818
Past due 31 - 60 days	**35,297**	12,673
Past due 61 - 90 days	**3**	4,740
Past due 91 - 120 days	**18,152**	22,982
Past due 121 - 180 days	**60,634**	71,178
Past due 181 - 364 days	**43,462**	40,740
Past due over one year	**5,202**	1,088
	221,915	190,219
14.3 Movement in impairment allowance		
Balance as at 01 July	**165,772**	208,783
Provision for the year	**51,879**	8,644
Bad debts written off	**(689)**	(30,451)
Bad debts recovered	**-**	(21,204)
Balance as at 30 June	**216,962**	165,772

Rupees in thousand	Note	2021	2020
15 Loans and advances			
Current portion of long term loans:			
Due from employees			
- *secured, considered good*		**14,200**	22,515
- *considered doubtful*		**1,564**	1,564
		15,764	24,079
Less: Impairment allowance		**(1,564)**	(1,564)
		14,200	22,515
Current maturity of long term loan to related party		**40,000**	-
Advances - unsecured, considered good:			
- *employees*		**769**	324
- *suppliers*		**222,276**	133,209
		223,045	133,533
		277,245	156,048
16 Trade deposits and short term prepayments			
Trade deposits			
- *considered good*		**17,716**	22,114
- *considered doubtful*		**9,716**	9,716
		27,432	31,830
Less: Impairment allowance	16.1	**(9,716)**	(9,716)
		17,716	22,114
Short term prepayments		**13,960**	11,924
		31,676	34,038

16.1 Movement in impairment allowance is as follows:

Balance as at 01 July		**9,716**	9,221
Provision for the year		**-**	495
Balance as at 30 June		**9,716**	9,716

Rupees in thousand	Note	2021	2020
17 Other receivables			
LC margin		**110,000**	-
Receivable from related parties	17.1	**62,165**	82,176
Export rebate		**12,446**	17,022
Provision against export rebate		**(11,824)**	(11,824)
		622	5,198
Accrued interest		**2,378**	545
Insurance claim receivable		**6,607**	16,660
Others		**2,551**	-
		184,323	104,579

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

	Note	2021	2020
Buxly Paints Pakistan Limited - *related party*	17.1.1	**43,811**	31,828
Berger Road Safety (Private) Limited - *subsidiary of Berger DPI (Private) Limited*	17.1.2	**35,331**	58,117
3S Pharmaceutical (Private) Limited - *related party*	17.1.3	**1,880**	1,044
	17.1.4	**81,022**	90,989
Less: Impairment allowance	17.3	**(18,857)**	(8,813)
		62,165	82,176

17.1.1 Maximum aggregate balance due from the related party at the end of any month during the year was Rs. 43.81 million (2020: Rs. 58.12 million).

17.1.2 Maximum aggregate balance due from the related party at the end of any month during the year was Rs. 60.01 million (2020: Rs. 32.96 million).

17.1.3 Maximum aggregate balance due from the related party at the end of any month during the year was Rs. 1.88 million. (2020: Rs. 1.04 million).

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

Rupees in thousand	2021	2020
17.2 Aging of related party balances		
Considered good		
Past due 0 - 30 days	**9,424**	10,583
Past due 31 - 60 days	**646**	725
Past due 61 - 90 days	**3,144**	3,531
Past due 91 - 120 days	**2,821**	3,168
Past due 121 - 180 days	**10,486**	11,776
Past due 181 - 364 days	**22,237**	24,973
Past due over one year	**32,264**	36,233
	81,022	90,989
17.3 Movement in impairment allowance is as follows:		
Balance as at 01 July	**8,813**	-
Provision for the year	**10,044**	8,813
Balance as at 30 June	**18,857**	8,813

18 Short term investment

This represents term deposit receipts which are mark-up based investments with conventional bank. The balance is under lien with commercial bank against letter of guarantee, maturing up to one year and carry mark-up at rates ranging from 5.25% to 7.94% per annum (2020: 7.94% to 12.00% per annum).

Rupees in thousand	2021	2020
19 Cash and bank balances		
Cash at bank:		
- current accounts	**43,466**	39,620
Cash in hand	**1,010**	1,015
	44,476	40,635

20 Issued, subscribed and paid-up capital

	2021	2020	2021	2020
	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	**8,323,912**	8,323,912	**83,239**	83,239
	20,459,710	20,459,710	**204,597**	204,597

20.1 As at 30 June 2021, Slotrapid Limited B.V.I., the Holding Company, and their nominees hold 10,649,314 (2020: 10,649,314) voting ordinary shares of Rs. 10 each representing 52.05 % (2020: 52.05%) of the ordinary paid up capital of the Company.

20.2 There was no movement in number of shares during the year.

Rupees in thousand	Note	2021	2020
21 Reserves			
Capital reserves:			
Share premium reserve	21.1	**34,086**	34,086
Fair value reserve	21.2	**11,218**	6,457
		45,304	40,543
Revaluation surplus on property, plant and machinery - net of tax	21.3	**849,056**	877,100
		894,360	917,643
Revenue reserves:			
General reserve		**285,000**	285,000
Accumulated profits		**841,416**	647,783
		1,126,416	932,783
		2,020,776	1,850,426

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

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

Rupees in thousand	**2021**	2020
21.3 Revaluation surplus on property, plant and machinery - net of tax		
As at beginning of the year	**877,100**	472,012
Surplus / (deficit) arising on revaluation:		
Freehold and leasehold land	**-**	288,022
Building on freehold and leasehold land	**-**	68,641
Plant and machinery	**-**	119,857
Revaluation deficit on plant and machinery	**-**	(4,028)
	-	472,492
Deferred tax liability on revaluation surplus	**-**	(52,117)
	877,100	892,387
Net amount transferred to unappropriated profit on account of		
Incremental depreciation - *net of deferred tax*	**(28,044)**	(15,127)
Transfer of revaluation surplus due to disposal of revalued assets	**-**	(160)
	(28,044)	(15,287)
	849,056	877,100

21.3.1 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.

21.3.2 The latest valuation of freehold land, leasehold land, building on freehold land, building on leasehold land and plant and machinery was carried out by Harvestor Enterprises and Company, an independent valuer on 30 June 2020. The valuation was determined by reference to current market value of the similar properties / assets. The most significant input into this valuation approach is price per acre for land, price per square foot for buildings and present operational condition and age of plant and machinery respectively.

Rupees in thousand	Note	2021	2020
22 Long term financing - *secured*			
Mark-up based financing from conventional banks:			
JS Bank Limited	22.1	**62,270**	207,740
Samba Bank Limited	22.2	**43,706**	34,827
Habib Metropolitan Bank Limited	22.3	**45,832**	-
		151,808	242,567
Islamic mode of financing:			
First Habib Modaraba	22.4	**31,491**	15,731
Bank Islami	22.5	**77,083**	89,583
		108,574	105,314
		260,382	347,881
Mark-up based financing from conventional banks:			
Current maturity shown under current liabilities		**(76,349)**	(212,246)
Islamic mode of financing:			
Current maturity shown under current liabilities		**(31,535)**	(15,513)
		152,498	120,122

22.1 JS Bank Limited

	Note	2021	2020
- JS Bank Limited - facility 1	22.1.1	**-**	200,000
- JS Bank Limited - facility 2	22.1.2	**6,020**	7,740
- JS Bank Limited - facility 3	22.1.3	**56,250**	-
		62,270	207,740

22.1.1 This represented a long term loan amounting Rs. 200 million obtained in 2020, for restructuring of statement of financial position. The loan has been fully repaid during the year.

22.1.2 This represents long term loan facility amounting to Rs. 8.6 million to finance 0.38MW grid pegged solar power plant. The outstanding balance is repayable in quarterly instalments of Rs. 0.43 million each ending in November 2024. Markup is payable quarterly and is charged at the rate of one month KIBOR plus 2% per annum. The facility is secured against an equitable mortgage and first charge on land and building of Lahore factory of the Company.

22.1.3 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.

22.2 This represents long term loan facility amounting to Rs. 70 million. The loan is obtained under SBP refinancing scheme for payment of salaries and wages. The outstanding balance is repayable in quarterly instalments of Rs. 4.80 million each ending in February 2023. Markup is payable quarterly and is charged at the rate of 3% per annum. The facility is secured against a ranking charge over present and future fixed assets of the company amounting to Rs. 94 million. The loan has been recognised at present value using effective rate of 8.78% per annum.

22.3 This represents long term loan facility amounting to Rs. 76.5 million. The loan is obtained under SBP refinancing scheme for payment of salaries and wages. The facility is repayable in quarterly instalments of Rs. 9.6 million each ending in October 2022. Markup is payable quarterly and is charged at fixed rate of 3% per annum. This facility is secured against raking charge amounting to Rs. 134 million over all present and future current assets Company. The loan has been recognised at present value using effective rate of 8.78% per annum.

Rupees in thousand	**Note**	**2021**	2020
22.4 First Habib Modaraba			
- First Habib Modaraba - facility 1	22.4.1	**11,222**	13,332
- First Habib Modaraba - facility 2	22.4.2	**1,363**	2,399
- First Habib Modaraba - facility 3	22.4.3	**2,827**	-
- First Habib Modaraba - facility 4	22.4.4	**4,617**	-
- First Habib Modaraba - facility 5	22.4.5	**1,631**	-
- First Habib Modaraba - facility 6	22.4.6	**5,489**	-
- First Habib Modaraba - facility 7	22.4.7	**4,342**	-
		31,491	15,731

22.4.1 This represents diminishing musharika facility amounting to Rs. 15.05 million for purchase of vehicles. The facility is repayable in 20 quarterly installments ending in July 2024. 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.

22.4.2 This represents diminishing musharika facility amounting to Rs. 5.28 million for purchase of vehicles. The facility is repayable in 20 quarterly installments ending in February 2022. 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.

22.4.3 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.

22.4.4 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.

22.4.5 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.

22.4.6 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.

22.4.7 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.

22.5 This represents diminishing musharika facility amounting Rs. 100 million to pay off conventional liabilities. The facility is repayable in monthly installments of Rs. 2.08 million each ending in July 2024 with a grace period of 1 year. Mark-up is payable monthly and is charged at the rate of six month KIBOR plus 1.25% per annum. This facility is secured against raking charge amounting to Rs. 133 million on all present and future current assets of the Company.

Rupees in thousand	Note	2021	2020
23 Deferred income			
Balance as at 1 July		**3,739**	-
Government grants recognised during the year		**6,418**	3,878
Amortization of grant		**(6,595)**	(139)
		3,562	3,739
Less: current portion of deferred income - government grants		**(2,407)**	(1,662)
Balance as at 30 June		**1,155**	2,077
24 Staff retirement and other long term benefits			
Defined benefit plan			
Staff pension fund	24.1	**40,262**	33,705
Staff gratuity fund	24.1	**14,096**	80,407
		54,358	114,112
Other long term employee benefits			
Accumulating compensated absences	24.2	**21,231**	24,416
		75,589	138,527

Defined benefit plan

As mentioned in note 4.16 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 30 June 2021. Projected Unit Credit method based on the following assumptions was used for these valuations:

	2021	2020
Valuation discount rate	**10%**	8.5%
Expected rate of increase in salaries	**9%**	7.5%
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

24.1 Statement of financial position reconciliation

Rupees in thousand

	2021		2020	
	Pension	**Gratuity**	Pension	Gratuity
Present value of defined benefit obligation	**98,206**	**89,299**	87,728	80,446
Fair value of plan assets	**(57,944)**	**(75,203)**	(54,023)	(39)
	40,262	**14,096**	33,705	80,407

24.1.1 Movement in defined benefit obligation is as follows:

Obligation as at 01 July	**87,728**	**80,446**	88,089	90,412
Employees' contribution not paid to the fund by the Company	**1,105**	**-**	1,070	-
Service cost	**2,941**	**8,828**	2,633	9,329
Loss on settlements	**-**	**-**	(8,796)	(10,645)
Interest cost	**7,352**	**6,051**	10,799	10,253
Benefits paid	**(2,480)**	**(10,212)**	(3,392)	(16,768)
Remeasurement loss / (gain)	**1,560**	**4,186**	(2,675)	(2,135)
Obligation as at 30 June	**98,206**	**89,299**	87,728	80,446

24.1.2 Movement in the fair value of plan assets is as follows:

Fair value as at 01 July	**54,023**	**39**	51,468	39
Expected return on plan assets	**4,592**	**3,191**	6,312	5
Remeasurement loss	**(399)**	**(3,027)**	(1,807)	(5)
Company's contribution	**2,208**	**85,212**	1,442	16,768
Benefits paid	**(2,480)**	**(10,212)**	(3,392)	(16,768)
Fair value as at 30 June	**57,944**	**75,203**	54,023	39

24.1.3 Movement in net liability in the statement of financial position is as follows:

Net liability as at 01 July	**33,705**	**80,407**	36,621	90,373
Charge for the year	**5,701**	**11,688**	(1,676)	8,932
Charge to other comprehensive income during the year	**1,959**	**7,213**	(868)	(2,130)
Company's contribution	**(2,208)**	**(85,212)**	(1,442)	(16,768)
Employees' contribution deducted but not paid to the fund	**1,105**	**-**	1,070	-
Net liability as at 30 June	**40,262**	**14,096**	33,705	80,407

Rupees in thousand

	2021		2020	
	Pension	**Gratuity**	Pension	Gratuity
24.1.4 Charge for the year - *net*				
Current service cost	**2,941**	**8,828**	2,633	9,329
Interest cost	**7,352**	**6,051**	10,799	10,253
Expected return on plan assets	**(4,592)**	**(3,191)**	(6,312)	(5)
Loss on settlements	**-**	**-**	(8,796)	(10,645)
	5,701	**11,688**	(1,676)	8,932
Actual return on plan assets	**4,193**	**164**	4,505	-
24.1.5 The charge for the year has been allocated as follows:				
Cost of sales	**2,519**	**5,164**	(838)	4,466
Selling and distribution costs	**2,145**	**4,398**	(687)	3,662
Administrative and general expenses	**1,037**	**2,126**	(151)	804
	5,701	**11,688**	(1,676)	8,932
24.1.6 Plan assets comprise of the following:				
Defence Saving Certificates	**-**	**-**	15,750	-
Collective investment schemes	**39,349**	**75,000**	35,878	**-**
Cash at bank	**18,595**	**203**	2,395	39
	57,944	**75,203**	54,023	39

24.1.7 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:

Rupees in thousand

	2021	2020	2019	2018	2017
As at 30 June					
Present value of defined benefit obligation	**187,505**	164,016	178,501	166,548	130,969
Fair value of plan assets	**(133,147)**	(54,064)	(51,507)	(50,609)	(46,385)
Deficit	**54,358**	109,952	126,994	115,939	84,584
Experience adjustment:					
Loss / (gain) on obligations	**5,746**	(4,810)	(4,883)	1,674	2,444
Gain on plan assets	**7,783**	6,317	4,471	4,720	368

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.

24.1.8 Expected expense for next year

The expected expense to the pension and gratuity schemes for the year ending 30 June 2022 works out to Rs. 7.52 million and Rs. 11.4 million respectively.

24.1.9 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.

24.1.10 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 30 June 2021 would have been as follows:

Impact on present value of defined benefit obligation as at 30 June 2021

Rupees in thousand

			Pension		Gratuity	
		Change	**Increase to**	**Decrease to**	**Increase to**	**Decrease to**
Discount rate	±	1%	**82,922**	**116,304**	**81,648**	**97,663**
Future salary	±	1%	**116,307**	**82,923**	**97,666**	**81,649**

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.

24.1.11 Weighted average duration of the defined benefit obligation is 24 years and 9 years for pension and gratuity plans, respectively.

Rupees in thousand	Note	2021	2020
24.2 Other long term employee benefits			
Movement in accumulated compensated absences			
Balance as at 01 July		**24,416**	27,057
Provision during the year	24.2.2	**2,718**	5,139
Payments made during the year		**(5,903)**	(7,780)
Balance as at 30 June		**21,231**	24,416
24.2.1 Reconciliation of present value of liability			
Present value of liability as at 01 July		**24,416**	27,057
Service cost		**2,837**	1,715
Interest on defined benefit liability		**1,645**	2,896
Benefits paid		**(5,903)**	(7,780)
Remeasurement gain		**(1,764)**	528
		21,231	24,416
24.2.2 Charge for the year			
Service cost		**2,837**	1,715
Interest on defined benefit liability		**1,645**	2,896
Remeasurement gain		**(1,764)**	528
		2,718	5,139

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

Cost of sales		**1,201**	2,570
Selling and distribution costs		**1,023**	2,106
Administrative and general expenses		**494**	463
		2,718	5,139

Rupees in thousand	Note	2021	2020
25 Trade and other payables			
Trade and other creditors		**898,398**	482,741
Import bills payable		**324,246**	99,924
Contract liabilities		**34,840**	36,215
Accrued expenses		**63,611**	65,937
Provision for infrastructure cess	25.1	**88,097**	80,860
Royalty payable to related parties	25.2	**23,247**	16,821
Technical fee payable		**34,953**	37,471
Workers' Profits Participation Fund	25.3	**17,893**	18,943
Workers' Welfare Fund		**22,795**	38,547
Due to statutory authorities		**16,948**	1,299
Others		**44,146**	21,507
Insurance claim payable		**-**	661
		1,569,174	900,926

25.1 Provision for infrastructure cess

	2021	2020
Balance as at 01 July	**80,860**	68,609
Provision for the year	**7,237**	12,251
Balance as at 30 June	**88,097**	80,860

25.2 This includes amount due to the following related parties:

	2021	2020
Slotrapid Limited B.V.I. - *Holding Company*	**23,215**	16,796
Buxly Paints Limited - *Associated Company*	**32**	25
	23,247	16,821

25.3 Workers' Profits Participation Fund

	2021	2020
Balance as at 01 July	**18,943**	11,132
Allocation for the year	**13,772**	6,150
Interest on funds utilized in the Company's business	**394**	1,661
	33,109	18,943
Payments during the year	**(15,216)**	-
Balance as at 30 June	**17,893**	18,943

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.

Rupees in thousand	Note	2021	2020
26 Accrued markup			
Mark-up based borrowings from conventional banks			
Long term financing - *secured*		**1,785**	4,082
Short term financing - *secured*		**2,103**	3,052
Short term running finances - *secured*		**18,471**	26,492
		22,359	33,626
Islamic mode of financing		**120**	1,547
		22,479	35,173
27 Short term borrowings - *secured*			
Mark-up based borrowings from conventional banks			
Short term financing - *secured*	27.1	**60,700**	141,976
Short term running finance - *secured*	27.2	**786,805**	909,575
		847,505	1,051,551

27.1 Short term financing

This represents utilized amount of short term financing facilities under mark-up arrangements available from commercial banks aggregating to Rs. 280 million (2020: Rs. 490 million) which is a sublimit of running finance facilities as described in note 27.2 to the financial statements. These facilities are secured against joint pari passu charge on all present and future current assets along with a registered charge (mortgage and hypothecation) over the current assets of the Company. These carry mark-up at rates ranging between 8.16% and 9.37% (2020: 8.51% and 18.62%) per annum, payable quarterly.

27.2 Short term running finances

This represents utilized amount of short term running finance facilities under mark-up arrangements available from commercial banks aggregating to Rs. 1,250 million (2020: Rs. 1,250 million). These facilities are secured against registered charge over the current assets of the Company and carry mark-up at rates ranging between 8.53% and 9.03% (2020: 9.33% and 15.61%) per annum, payable quarterly.

27.3 Unavailed credit facilities

The available facilities for opening of letters of credit and guarantees as at 30 June 2021 amounted to Rs. 1,700 million (2020: Rs. 1,700 million) out of which Rs. 1,127 million remained unavailed as at the reporting date (2020: Rs. 1,376 million).

28 Contingencies and commitments

28.1 Contingencies

- In 1987, the Company filed a suit against an ex-distributor ("Asia paints") in the Sindh High Court ("the court") for recovery of Rs. 8.89 million and damages amounting to Rs. 5 million on account of unpaid credit invoices for the products supplied by it to the distributor. However, the distributor in return also filed a counter claim amounting to Rs. 78.15 million against the Company in the court on account of damages and compensation. The management believes on the basis of legal advice that it has a strong case and no financial obligation is expected to arise. Accordingly, no provision has been made in financial statements.

- 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.

- 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. 58.94 million for Tax years 2014, 2015, 2016 and 2017 vide various assessment orders. The Company through its legal counsel filed appeals to Commissioner Inland Revenue Appeals ("CIR - A") against the said orders 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.

- 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 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.

- 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.

- 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.

- 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 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.

- 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 initial phase issues were being observed 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 agreed amount, out of which Rs. 4 million is un paid at the reporting date. The management on the basis of legal advice the management believes that it has a strong case and no financial obligation is expected to arise.

- The Additional Commissioner Inland Revenue (ACIR) vide order under section I22(5A) of ITO, 2001 for tax year 2019. The Company filed an appeal against the said order before Commissioner IR Appeals-I, Lahore who upheld certain additions, remanded the case in respect of certain issues and deleted certain additions. The Company filed appeal before ATIR which is pending adjudication. The management on the basis of opinion of the tax advisor is hopeful for a favorable outcome, hence no provision has been recorded in these financial statements.

- DCIT 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 upto 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.

- The Deputy Commissioner IR 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), Lahore which is pending adjudication. The management on the basis of opinion of the tax advisor is hopeful for a favorable outcome, hence no provision has been recorded in these financial statements.

- 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.

28.2 Commitments

- Outstanding letters of credit as at 30 June 2021 amounted to Rs. 464.38 million (2020: Rs. 238.05 million) for purchase of raw and packing materials.

- Outstanding letters of guarantee as at 30 June 2021 amounted to Rs. 108.79 million (2020: Rs. 102.65 million).

- The amount of future rentals for Ijarah financing and the period in which these payments will become due are as follows:

Rupees in thousand	**2021**	2020
Not later than one year	**4,629**	6,649
Later than one year and not later than five years	**1,647**	7,677
	6,276	14,326

Rupees in thousand		2021	2020
29 Revenue			
Local		**7,999,515**	6,114,410
Export		**86,461**	103,952
		8,085,976	6,218,362
Less:	Discounts	**(1,250,351)**	(1,141,868)
	Sales tax	**(1,233,465)**	(898,543)
		(2,483,816)	(2,040,411)
Revenue from contracts with customers		**5,602,160**	4,177,951

29.1 Revenue has been recognized at a point in time for both local and export sales made during the year.

29.2 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. 34.84 million (2020: 36.22 million). Revenue recognized during the reporting period which was included in the contract liabilities at the beginning of the period amounted to Rs. 36.22 million (2020: Rs. 56.22 million).

Rupees in thousand	Note	2021	2020
30 Cost of sales			
Finished goods as at 01 July		**395,307**	271,041
Cost of goods manufactured	30.1	**4,481,922**	3,357,143
Provision against slowing moving finished goods		**28,753**	12,972
Less: finished goods as at 30 June		**(465,057)**	(395,307)
Consumption of finished goods purchased for resale	30.2	**44,675**	55,768
Cost of sales		**4,485,600**	3,301,617

30.1 Cost of goods manufactured

Raw and packing materials consumed		**3,795,179**	2,810,521
Freight and handling		**210,256**	127,835
Provision (reversed) / charged against raw and packing material		**494**	(7,635)
Stores and spare parts consumed		**5,332**	8,733
Salaries, wages and other benefits	30.1.1	**224,263**	195,426
Travelling and conveyance		**3,106**	3,628
Fuel, water and power		**87,668**	97,729
Legal and professional		**3,716**	1,646
Rent, rates and taxes		**387**	88
Insurance		**7,047**	8,608
Repairs and maintenance		**33,583**	23,478
Depreciation		**103,130**	50,865
Ijarah lease rentals		**1,627**	2,530
Printing and stationery		**2,027**	1,439
Communication		**1,522**	1,526
Revaluation deficit on plant and machinery		**-**	11,470
Others		**13,001**	12,835
		4,492,338	3,350,722
Opening stock of semi-processed goods		**71,550**	76,751
Closing stock of semi-processed goods		**(80,946)**	(71,550)
Provision (reversed) / charged during the year		**(1,020)**	1,220
Cost of goods manufactured		**4,481,922**	3,357,143

30.1.1 Salaries, wages and benefits include Rs. 5.16 million (2020: Rs. 4.46 million) in respect of gratuity fund, Rs. 2.52 million (2020: Rs. (0.83) million) in respect of pension fund, Rs. 1.20 million (2020: Rs. 2.56 million) in respect of compensated absences and Rs. 3.13 million (2020: Rs. 3.59 million) in respect of provident fund contribution.

30.2 The movement of finished goods purchased for resale is as follows:

Rupees in thousand	Note	2021	2020
Finished goods as at 01 July		**114,091**	67,194
Add: Finished goods purchased for resale during the year		**12,271**	102,665
Less: Consumption of finished goods during the year		**(44,675)**	(55,768)
Finished goods as at 30 June		**81,687**	114,091

31 Selling and distribution costs

Salaries and other benefits	31.1	**311,250**	280,926
Travelling and conveyance		**1,966**	2,774
Rent, rates and taxes		**2,961**	3,575
Insurance		**9,545**	9,425
Fuel, water and power		**5,716**	5,652
Advertising and sales promotion		**112,881**	107,317
Technical services and royalty fee	31.2	**49,059**	23,663
Repairs and maintenance		**2,804**	1,957
Depreciation		**20,753**	17,144
Amortization		**-**	21
Ijarah lease rentals		**1,672**	2,842
Printing and stationery		**1,865**	1,676
Legal and professional		**2,259**	3,358
Communication		**8,493**	7,706
Revaluation deficit on plant and machinery		**-**	3,771
Others		**7,667**	7,878
		538,891	479,685

31.1 Salaries and other benefits include Rs. 4.39 million (2020: Rs. 3.66 million) in respect of gratuity fund, Rs. 2.15 million (2020: Rs. (0.68) million) in respect of pension fund, Rs. 1.02 million (2020: Rs. 2.10 million) in respect of compensated absences and Rs. 6.83 million (2020: Rs. 7.49 million) in respect of provident fund contribution.

31.2 This represents royalty and technical fee paid to following companies;

Rupees in thousand

Name and address of the party	Relationship with Company	2021	2020
Slotrapid Limited *(Suit# 1 Akara Building, 24 De-Cantro Street, Wickham Cay 1, Road Town, Tortola, British Virgin Island.)*	**Licensor (the Holding Company)**	**44,370**	17,643
Oxyplast Belgium N.V. *(Hulsdonk 35-B 9042/Gent – Mendonk, Belgium.)*	**Licensor**	**4,682**	5,170
Buxly Paints Limited *(X-3, Mangopir Road, S.I.T.E., Karachi.)*	**Licensor (Associated Company)**	**7**	52
Nippon Paint Company Limited *(2-1-2 Oyodo - Kita, Kita-Ku, Osaka -531-8511 Japan.)*	**Licensor**	**-**	798
		49,059	23,663

Rupees in thousand	Note	2021	2020
32 Administrative and general expenses			
Salaries and other benefits	32.1	**113,486**	97,486
Directors' meeting fee		**3,600**	3,400
Travelling and conveyance		**1,986**	5,282
Rent, rates and taxes		**4,377**	5,296
Insurance		**5,134**	5,098
Auditors' remuneration	32.2	**2,820**	2,820
Fuel, water and power		**2,121**	1,978
Repairs and maintenance		**2,703**	2,018
Depreciation		**10,910**	10,174
Amortization of computer software		**1,305**	1,724
Ijarah lease rentals		**1,613**	2,850
Printing and stationery		**1,345**	802
Legal and professional		**11,663**	13,354
Communication		**3,240**	2,864
Others		**5,754**	12,501
		172,057	167,647

32.1 Salaries and other benefits include Rs. 2.13 million (2020: Rs. 0.80 million) in respect of gratuity fund, Rs. 1.03 million (2020: Rs. (0.15) million) in respect of pension fund, Rs. 0.49 million (2020: Rs. 0.46 million) in respect of compensated absences and Rs. 5.07 million (2020: Rs. 4.45 million) in respect of provident fund contribution.

Rupees in thousand	Note	2021	2020
32.2 Auditors' remuneration			
Audit fee		**2,010**	2,010
Consolidation and half yearly review		**460**	460
Out of pocket expenses		**350**	350
		2,820	2,820

33 Other income

Mark-up on term deposit receipts and long term loan	33.1	**11,581**	13,703
Sale of scrap		**23,961**	14,772
Gain on disposal of property, plant and equipment		**4,640**	6,288
Rental income and other services charged to related parties		**4,827**	6,645
Recoveries from doubtful debts - net		**-**	3,747
Export rebate		**1,153**	2,567
Insurance claim		**-**	20,347
Exchange gain		**33,643**	15,102
Amortization of deferred grant		**6,595**	139
Others	33.2	**5,180**	731
		91,580	84,041

33.1 This includes interest income of Rs. 8.07 million (2020: 8.40 million) charged on receivable balance from Berger Road Safety (Private) Limited and Buxly Paints Limited, related parties, on amount which is overdue for more than 90 days.

33.2 This includes penalty charged to suppliers and customers amounting to Rs. 0.78 million (2020: Rs. 0.37 million).

Rupees in thousand	Note	2021	2020
34 Other expenses			
Impairment of goodwill		**24,000**	-
Impairment of investment in associate		**4,293**	-
Workers' Welfare Fund		**8,400**	2,311
Workers' Profit Participation fund		**13,772**	6,150
		50,465	8,461

Rupees in thousand	Note	2021	2020
35 Finance cost			
Islamic mode of financing:			
- Long term financing - *secured*		**10,785**	9,570
Mark-up based borrowings from conventional banks:			
- Long term financing - *secured*		**12,496**	5,902
- Short term financing - *secured*		**4,508**	5,442
- Short term running finances - *secured*		**81,017**	153,357
		98,021	164,701
Interest on WPPF		**394**	1,661
Bank charges		**8,558**	14,118
		117,758)	190,050
36 Taxation			
Current			
- for the year		**121,277**	34,487
- prior year		**(4,906)**	(1,477)
		116,371	33,010
Deferred			
- current year		**(49,628)**	7,214
- prior year		**5,082**	-
		71,825	40,224

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

	2021	2020
Applicable tax rate	**29.00%**	29.00%
Tax effect of:		
- income under Final Tax Regime	**0.07%**	0.87%
- prior year adjustment	**-1.80%**	-1.29%
- permanent difference	**0.66%**	6.30%
- others	**-1.03%**	0.24%
Average effective tax rate charged to profit or loss	**26.90%**	35.12%

		2021	2020
37 Earnings per share - basic and diluted			
37.1 Earning per share - basic			
Profit attributable to ordinary shareholders	*(Rupees in thousand)*	**195,221**	74,308
Weighted average number of shares outstanding during the year	*(Numbers)*	**20,459,710**	20,459,710
Earning per share - basic	*(Rupees)*	**9.54**	3.63

37.2 No figure for diluted earnings per share has been presented as the Company has not issued any instruments carrying options as at 30 June 2021, which would have an impact on earnings per share when exercised.

Rupees in thousand	**2021**	2020
38 Cash and cash equivalents		
Cash and bank balances	**44,476**	40,635
Short term running finance - *secured*	**(786,805)**	(909,575)
	(742,329)	(868,940)

39 Remuneration of Chief Executive, Directors and Executives

Rupees in thousand

	2021			2020		
	Chief Executive	**Executives**	**Non-Executive Directors**	Chief Executive	Executives	Non-Executive Directors
Managerial remuneration (including bonus)	**14,000**	**42,473**	**-**	8,358	39,675	-
Retirement and other long term benefits	**14,909**	**55,229**	**-**	9,493	33,532	-
House rent allowance	**-**	**19,113**	**-**	5,454	17,223	-
Utilities	**-**	**4,247**	**-**	836	3,858	-
Medical expenses	**-**	**5,309**	**-**	-	1,933	-
	28,909	**126,371**	**-**	24,141	96,221	-
Number of persons	**1**	**17**	**7**	1	19	7

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

39.2 Non-Executive Directors were paid meeting fee amounting to Rs. 3.6 million (2020: Rs. 3.4 million).

39.3 The Chief Executive and certain other executives of the Company are provided with free use of Company cars while the Chief Executive is provided boarding and lodging facility in the Company's guest house.

40 Reconciliation of movement of liabilities to cash flows arising from financing activities

Rupees in thousand

	2021			
	Unclaimed dividend	**Long term financing**	**Short term borrowing**	**Total**
As at 30 June 2020	**6,687**	**347,881**	**1,051,551**	**1,406,119**
Changes from financing cash flows				
Dividend paid	**(19,596)**	**-**	**-**	**(19,596)**
Short term borrowings - net	**-**	**-**	**(81,276)**	**(81,276)**
Long term financing	**-**	**(87,676)**	**-**	**(87,676)**
Total changes from financing cash flows	**(19,596)**	**(87,676)**	**(81,276)**	**(188,548)**
Other changes				
Change in borrowings	**-**	**177**	**(122,770)**	**(122,593)**
Dividend declared	**20,460**	**-**	**-**	**20,460**
Total liability related other changes	**20,460**	**177**	**(122,770)**	**(102,133)**
As at 30 June 2021	**7,551**	**260,382**	**847,505**	**1,115,438**

Rupees in thousand

	2020			
	Unclaimed dividend	Long term financing	Short term borrowing	Total
As at 30 June 2019	5,980	169,991	1,204,747	1,380,718
Changes from financing cash flows				
Dividend paid	(19,753)	-	-	(19,753)
Short term borrowings - net	-	-	41,976	41,976
Long term financing	-	179,967	-	179,967
Total changes from financing cash flows	(19,753)	179,967	41,976	202,190
Other changes				
Change in borrowings	-	(2,077)	(195,172)	(197,249)
Dividend declared	20,460	-	-	20,460
Total liability related other changes	20,460	(2,077)	(195,172)	(176,789)
As at 30 June 2020	6,687	347,881	1,051,551	1,406,119

Number of persons	2021	2020
41 Number of employees		
The Company has employed following number of persons:		
- As at 30 June	**427**	509
- Average number of employees	**406**	549

42 Transactions 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 post employment benefit plans, 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.

Material transactions with related parties are given below:

Rupees in thousand

Name of parties, nature and basis of relationship	Holding Percentage	Nature of transaction	2021	2020
Holding Company				
Slotrapid Limited B.V.I.	52.05%	Royalty expense	**44,371**	17,643
		Payment / adjustments	**37,500**	39,670
		Dividend paid	**9,431**	9,431
Subsidiary				
Berger Road Safety (Private)		Sales	**78,572**	131,191
Limited	-	Rental income and other services charged	**7,802**	13,846
(Wholly owned subsidiary of		Common expenditures incurred	**22,264**	25,324
Berger DPI (Private) Limited)		Receipts / adjustments	**52,852**	20,207
Associated				
3S Pharmaceutical (Private) Limited	49.00%	Common expenditures incurred	**836**	606
Related parties				
Buxly Paints Limited ("BPL")	19.95%	Sales	**300,740**	213,022
		Royalty expense	**6**	52
		Rental expense	**1,812**	1,812
		Rental income and other services	**1,200**	1,200
		Common expenditures incurred	**16,656**	18,909
		Receipts / Adjustments	**5,873**	5,500

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.

Rupees in thousand

Name of parties, nature and basis of relationship	Holding Percentage	Nature of transaction	2021	2020
Dadex Eternit Limited (Associated Company)	-	Sales	**318**	180
Post employment benefit plans	-	Contribution to gratuity fund	**85,212**	16,768
(Key Employees)		Contribution to pension fund	**2,208**	1,442
		Provident fund contribution	**30,067**	31,086

43 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:

Rupees in thousands	(Unaudited) 30 June 2021	(Audited) 31 December 2020
Size of the fund - total assets	**256,477**	236,184
Cost of investments made	**227,968**	218,433
Percentage of investments - (% of total assets)	**89%**	92%
Fair value of investments	**254,244**	233,563

43.1 The break-up of investments is as follows:

	2021		2020	
	Rupees in thousands	**%age**	Rupees in thousands	%age
Investment in debt collective investment scheme	**6,752**	**3%**	6,546	3%
Investment in money market collective investment scheme	**10,765**	**4%**	10,650	5%
Investment in equity collective investment scheme	**12,192**	**5%**	12,032	5%
Bank balances	**57,430**	**23%**	47,895	21%
Certificate of deposits	**90,917**	**36%**	85,715	37%
Term deposit receipts	**76,188**	**29%**	70,725	29%
	254,244	**100%**	233,563	100%

The investments out of provident fund and pension fund as at 31 December 2020 have been made in accordance with the requirements of section 218 of the Companies Act, 2017.

44 Financial instruments - Fair values and risk management

44.1 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.

44.1.1 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.

44.1.2 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.

44.1.2.1 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, RMB, 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:

Amount in thousand	**2021**	2020
Statement of financial position items		
Trade and other payables		
- Euro	**62**	2
- RMB	**935**	-
- USD	**1,822**	378
- JPY	**387**	5,657
	3,206	6,037
Off statement of financial position items		
Outstanding letters of credit as at the year end are as follows:		
Euro	**-**	14
RMB	**69**	145
USD	**669**	2,168

The following significant exchange rates were applied during the year:

In rupees	2021	2020
Rupees per Euro		
Average rate for the year	**188.66**	175.05
Reporting date rate	**188.71**	188.61
Rupees per USD		
Average rate for the year	**163.18**	158.26
Reporting date rate	**158.30**	168.05
Rupees per JPY		
Average rate for the year	**1.50**	1.46
Reporting date rate	**1.43**	1.56
Rupees per RMB		
Average rate for the year	**24.08**	23.54
Reporting date rate	**24.39**	23.76

Sensitivity analysis

At reporting date, if the PKR had strengthened by one rupee against the foreign currencies with all other variables held constant, post-tax profit 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.

In rupees	2021	2020
Effect on profit or loss		
EUR	**44,020**	1,420
RMB	**663,850**	-
USD	**1,293,620**	268,380
JPY	**274,770**	4,016,470

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.

44.1.2.2 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:

Rupees in thousands

	Impact on equity	
	2021	2020
Buxly Paints Limited	**1,505**	1,029

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

44.1.2.3 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	
	2021	2020	**2021**	2020
	Percentage		**Rupees in thousands**	
Financial assets				
Fixed rate instruments				
Short term investment	**7%**	7.94% to 12.00%	**30,000**	32,195
Financial liabilities				
Fixed rate instruments				
Long term financing - secured	**3% to 6%**	3%	**145,788**	34,827
Floating rate instruments				
Long term financing - secured	**7.65% to 10.33%**	9.14% to 15.27%	**114,594**	313,054
Short term financing - secured	**8.16% to 9.37%**	8.51% to 15.33%	**60,700**	141,976
Short term running finance - secured	**8.03% to 12.94%**	9.33% to 15.61%	**786,805**	909,575
			962,099	1,364,605

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 2021.

	100 bps	
	Decrease	**Increase**
As at 30 June 2021	**6,831**	**(6,831)**
As at 30 June 2020	9,689	(9,689)

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

44.1.3 Credit risk

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.

Rupees in thousand	**2021**	2020
At amortised cost		
Loan to related party - *secured*	**40,000**	40,000
Long term loans - *secured*	**49,911**	48,053
Long term deposits	**18,753**	17,875
Trade debts - *unsecured*	**1,219,678**	1,039,773
Trade deposits	**17,716**	22,114
Other receivables		
- Receivable from related parties	**62,165**	82,176
- LC Margin	**110,000**	-
- Others	**12,158**	22,403
	184,323	104,579
Short term investment - *secured*	**30,000**	32,195
Bank balances	**43,466**	39,620
	1,603,847	1,344,209

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:

Rupees in thousand	**2021**	2020
Trade debts	**1,219,678**	1,039,773
Banking companies and financial institutions	**183,466**	71,815
Others	**200,703**	232,621
	1,603,847	1,344,209

44.1.3.1 Loan to related party

Loan to related party is secured by a charge over stock in trade, trade debts and personal guarantee of Directors of the Company. There is no increase in credit risk since origination and the loan is repayable in short term. Hence, the management believes that no impairment allowance is necessary in respect of the loan.

44.1.3.2 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.

44.1.3.3 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.

44.1.3.4 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.

44.1.3.4 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.

	Weighted average loss rate	**Gross carrying amount**	**Loss allowance**
30 June 2021			
Past due 0 - 30 days	**1.74%**	**564,958**	**9,856**
Past due 31 - 60 days	**1.63%**	**264,962**	**4,327**
Past due 61 - 90 days	**2.39%**	**176,009**	**4,200**
Past due 91 - 120 days	**5.05%**	**110,558**	**5,579**
Past due 121 - 180 days	**7.78%**	**88,001**	**6,849**
Past due 181 - 364 days	**45.96%**	**85,122**	**39,121**
Past due over one year	**100.00%**	**147,030**	**147,030**
		1,436,640	**216,962**
30 June 2020			
Past due 0 - 30 days	2.61%	415,641	10,859
Past due 31 - 60 days	2.61%	88,360	2,310
Past due 61 - 90 days	3.80%	20,993	798
Past due 91 - 120 days	4.34%	85,598	3,711
Past due 121 - 180 days	6.57%	191,608	12,597
Past due 181 - 364 days	9.82%	258,083	25,340
Past due over one year	75.83%	145,262	110,157
		1,205,545	165,772

44.1.3.5 Balances with banking companies

The Company held balances with banks, short term investments and LC margin amounting to Rs. 183.47 million as at 30 June 2021. These are held with banks and financial institutions counterparties, which are rated A 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 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.

Rupees in thousand	**2021**	2020
Bank Balances	**43,466**	39,620
Short term investment	**30,000**	32,195
Other receivables	**110,000**	-
	183,466	71,815

44.1.3.5.1 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:

Rupees in thousand

Banks	**Rating**		**Rating**		
	Short term	**Long term**	**Agency**	**2021**	**2020**
Bank Al Habib Limited	A1+	AAA	PACRA	**19,356**	19,111
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	**8,152**	15,915
United Bank Limited	A-1+	AAA	JCR-VIS	**-**	2,182
Habib Bank Limited	A-1+	AAA	JCR-VIS	**985**	29
JS Bank Limited	A1+	AA-	PACRA	**30,840**	27,000
Al-Barka Bank Limited	A1	A+	PACRA	**1,812**	711
Bank Alfalah Limited	A1+	AA+	PACRA	**-**	100
National Bank of Pakistan	A1+	AAA	PACRA	**110,540**	4,636
Summit Bank Limited	Suspended	Suspended	JCR-VIS	**-**	2
Bank Islami	A1	A+	PACRA	**1,870**	2,129
Faysal Bank Limited	A1+	AA	PACRA	**9,911**	-
				183,466	71,815

The Company has not recognised an impairment allowance on bank balances during the year ended 30 June 2021, as the impact was immaterial.

44.1.3 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 30 June 2021:

Rupees in thousand

	Carrying amount	Contractual cash flow	Less than one year	Two to five years	More than five years
Non derivative financial liabilities					
Long term financing - *secured*	**260,382**	**287,012**	**124,796**	**150,624**	**11,592**
Trade and other payables	**1,388,601**	**1,388,601**	**1,388,601**	**-**	**-**
Interest / mark-up accrued on borrowings	**22,479**	**22,479**	**22,479**	**-**	**-**
Short term borrowings - *secured*	**847,505**	**1,095,218**	**1,095,218**	**-**	**-**
	2,518,967	**2,793,310**	**2,631,094**	**150,624**	**11,592**

The following are the contractual maturities of financial liabilities as at 30 June 2020:

Rupees in thousand

	Carrying amount	Contractual cash flow	Less than one year	Two to five years	More than five years
Non derivative financial liabilities					
Long term financing - *secured*	347,881	347,881	227,759	120,122	-
Trade and other payables	724,401	724,401	724,401	-	-
Interest / mark-up accrued on borrowings	35,173	35,173	35,173	-	-
Short term borrowings - *secured*	1,051,551	1,106,820	1,106,820	-	-
	2,159,006	2,214,275	2,094,153	120,122	-

It is not expected that the cash flows on the maturity analysis could occur significantly earlier, or at significant different amount.

44.2 Fair value measurement of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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.

Rupees in thousand

	Carrying amount				Fair value			
	Financial assets at amortised cost	FVOCI - equity instruments	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
As at 30 June 2021								
Financial assets - measured at fair value								
Investment classified as FVOCI	-	15,048	-	15,048	15,048	-	-	15,048
Financial assets - at amortised cost								
Loan to related party - *secured*	40,000	-	-	40,000	-	-	-	-
Long term loans - *secured*	49,911	-	-	49,911	-	-	-	-
Long term deposits	18,753	-	-	18,753	-	-	-	-
Trade debts	1,219,678	-	-	1,219,678	-	-	-	-
Trade deposits	17,716	-	-	17,716	-	-	-	-
Other receivables	184,323	-	-	184,323	-	-	-	-
Short term investment - *secured*	30,000	-	-	30,000	-	-	-	-
Cash and bank balances	44,476	-	-	44,476	-	-	-	-
	1,604,857	15,048	-	1,619,905	15,048	-	-	15,048
Financial liabilities - at amortised cost								
Long term financing - *secured*	-	-	260,382	260,382	-	-	-	-
Trade and other payables	-	-	1,388,601	1,388,601	-	-	-	-
Accrued markup	-	-	22,479	22,479	-	-	-	-
Short term borrowings - *secured*	-	-	847,505	847,505	-	-	-	-
	-	-	2,518,967	2,518,967	-	-	-	-

Rupees in thousand

	Carrying amount				Fair value			
	Financial assets at amortised cost	FVOCI - equity instruments	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
As at 30 June 2020								
Financial assets - measured at fair value								
Investment classified as FVOCI	-	10,287	-	10,287	10,287	-	-	10,287
Financial assets - at amortised cost								
Loan to related party - *secured*	40,000	-	-	40,000	-	-	-	-
Long term loans - *secured*	48,053	-	-	48,053	-	-	-	-
Long term deposits	17,875	-	-	17,875	-	-	-	-
Trade debts	1,039,773	-	-	1,039,773	-	-	-	-
Trade deposits	22,114	-	-	22,114	-	-	-	-
Other receivables	104,579	-	-	104,579	-	-	-	-
Short term investment - *secured*	32,195	-	-	32,195	-	-	-	-
Cash and bank balances	40,635	-	-	40,635	-	-	-	-
	1,345,224	10,287	-	1,355,511	10,287	-	-	10,287
Financial liabilities - at amortised cost								
Long term financing - *secured*	-	-	347,881	347,881	-	-	-	-
Trade and other payables	-	-	724,401	724,401	-	-	-	-
Accrued markup	-	-	35,173	35,173	-	-	-	-
Short term borrowings - *secured*	-	-	1,051,551	1,051,551	-	-	-	-
	-	-	2,159,006	2,159,006	-	-	-	-

44.3 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.

44.4 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.

45 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 balance sheet plus net debt. The gearing ratios as at year end are as follows:

Rupees	2021	2020
Long term loans	**260,382**	347,881
Short term borrowings	**847,505**	1,051,551
Total debt	**1,107,887**	1,399,432
Total equity	**2,225,373**	2,055,023
Total equity and debt	**3,333,260**	3,454,455
Debt-to-equity ratio	**33:67**	41:59

46 Impact of COVID-19

The COVID-19 pandemic has generally been in control during the year, with a variations in its spread and intensity across the country. Measures taken by the Government to contain the virus has not significantly affected the economic activity. However, we have taken a number of measures to monitor and mitigate the effects of COVID-19, such as safety and health measures for our people (such as social distancing and working from home, if needed) and securing the supply of materials that are essential to our production process. At this stage, the impact on our business and results has not been significant and based on our experience to date we expect this to remain the case. As we operate in a supply chain sector for the manufacturing industry we have found increased demand for our products and expect this to continue. We will continue to follow the various government policies and advice and, in parallel, we will do our utmost to continue our operations in the best and safest way possible without jeopardising the health of our people.

Rupees in thousand	2021	2020
47 Restriction on title and assets pledged as security		
Mortgages and charges		
First		
Hypothecation of all present and future current assets	**2,003,000**	2,004,000
Mortgage over land and building	**726,000**	506,000
Ranking		
Hypothecation of all present and future current assets	**-**	1,135,334
Mortgage over land and building	**334,000**	-

Liters in thousand	2021	2020
48 Production capacity		
Actual production	**39,653**	31,330

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 17.12 million liters (2020: 12.54 million liters) which is used in the manufacture of the final product.

49 Operating segments

49.1 These financial statements have been prepared on the basis of single reportable segment.

49.2 Revenue from sale of paints and allied represents 99.41% (2020: 99.59%) of the total revenue of the Company.

49.3 98.93% (2020: 98.04%) sales of the Company relates to customers in Pakistan.

49.4 All non-current assets of the Company as at 30 June 2021 are located in Pakistan.

50 Date of authorization for issue

These financial statements were authorized for issue on 21 September 2021 by the Board of Directors of the Company.

51 Non adjusting events after the balance sheet date

The Board of Directors of the Company in its meeting held on 21 September 2021 has proposed a final cash dividend of Rs.4.00 per share, for the year ended 30 June 2021, for approval of the members in the Annual General Meeting to be held on 27 October 2021.

52 General

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

Chief Financial Officer | Chief Executive | Director

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Berger Paints Pakistan Limited
Consolidated Financial Statements
for the year ended 30 June 2021

Consolidated Financial Highlights

Rupees in thousand

	Year Ended June 30,					
	2021	2020	2019	2018	2017	2016
NET ASSETS						
Fixed Assets	**1,636,252**	1,641,351	1,183,189	1,237,149	1,154,469	1,055,803
Goodwill	**-**	24,000	24,000	32,263	36,750	36,750
Long Term Investments	**49,955**	48,885	51,199	63,532	70,143	49,117
Long Term Loans & Deposits	**70,566**	41,849	66,818	81,229	74,407	66,721
Deferred Taxation	**24,700**	-	52,847	-	1,710	-
Net Current Assets	**707,871**	586,186	477,662	362,868	382,320	303,262
Total	**2,489,344**	2,342,271	1,855,715	1,777,041	1,719,799	1,511,653
FINANCED BY						
Share Capital	**204,597**	204,597	204,597	181,864	181,864	181,864
Reserves	**1,206,449**	1,041,323	934,336	864,227	754,600	671,151
Surplus on Revaluation of Fixed Assets	**849,056**	832,950	472,012	509,131	521,363	542,313
	2,260,102	2,078,870	1,610,945	1,555,222	1,457,827	1,395,328
Long Term and Deferred Liabilities	**229,242**	263,401	244,770	221,819	261,972	116,325
Total	**2,489,344**	2,342,271	1,855,715	1,777,041	1,719,799	1,511,653
TURNOVER AND PROFITS						
Turnover	**5,659,620**	4,306,249	5,304,887	5,701,402	5,318,753	5,262,149
Gross Profit	**1,142,355**	912,990	1,163,698	1,260,136	1,540,336	1,587,913
	20.18%	21.20%	21.94%	22.10%	28.96%	30.18%
Profit/(Loss) before tax	**298,313**	111,595	106,632	155,984	267,022	327,615
Taxation	**(101,750)**	44,116	9,839	48,500	67,842	141,874
Profit/(Loss) after tax	**196,563**	67,479	96,793	107,484	199,180	185,741

Directors' Report

For the year ended 30 June 2020

The Directors of the Holding Company present their report together with the audited consolidated financial statements for the year ended 30 June 2021.

MACROECONOMICS

The COVID-19 pandemic has led to a global crisis of unprecedented reach and proportion, as a consequence the global economic growth remained under pressure. However, Pakistan's economy has regained momentum as COVID-19 related impact was largely well managed. This was supported by introduction of a generous monetary policy, refinancing facilities, targeted fiscal support and other financial initiatives. These measures created extra impulse for the resumption of economic activity post lock down and therefore, impact of contraction phase was short-lived. GDP of Pakistan showed a modest growth of 3.9% in FY 21 and projected @ 4% FY 22.

Sales performance remained satisfactory and resultantly Net Sales for the year recorded at Rs. 5,659 million as compared to Rs. 4,306 million in last year, up by 31%. Selling, Marketing and Administrative expenses were Rs. 726 million compared to Rs. 677 million of the previous year, up by 7%.

Rupees in Thousand	
Profit before taxation	**298,313**
Taxation	**(101,750)**
Profit after taxation	**196,563**
Minority interest	**5,259**
Net profit for the year attributable to the Holding Company	**201,822**

FINANCIAL STATEMENTS

The audited accounts of the Holding Company for the year ended June 30, 2021 are annexed.

HOLDING COMPANY

The Holding Company of Berger Paints Pakistan Limited is M/s. Slotrapid Limited which is incorporated in the B.V.I.

AUDITORS

The present auditors, M/s KPMG Taseer Hadi & Co. Chartered Accountants will retire at the conclusion of the upcoming Annual General Meeting and being eligible, offer themselves for re-appointment. The Audit Committee of the Company has suggested and the Board has approved & recommended the appointment of M/S -------------- to the shareholders as auditors of the Company for the year ended 2021-22.

CORPORATE GOVERNANCE

A statement of corporate financial reporting framework appearing in the Directors' Report of the Holding Company is annexed.

OTHER INFORMATION

All other relevant information has already been disclosed in Directors' Report of the Holding Company.

ON BEHALF OF THE BOARD

Lahore	**Dr. Mahmood Ahmad**	**Mr. Maqbool H.H. Rahimtoola**
Date: 21 September 2021	Chief Executive	Director

ہوں گے، لیکن مالی سال 2022ء کے لیے کمپنی کے بیرونی آڈیٹر کے طور پر دوبارہ تقرری کے لیے خود کو پیش نہیں کیا۔ کمپنی کی آڈٹ کمیٹی نے تجویز دی ہے اور بورڈ نے 22-2021ء کو ختم ہونے والے سال کے لیے کمپنی کے آڈیٹر کے طور پر شیئر ہولڈرز کو ایم/اے ایف فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کی تقرری کی منظوری اور سفارش کی ہے۔

کارپوریٹ گورننس۔

کارپوریٹ مالیاتی رپورٹنگ فریم ورک کا ایک بیان جو ہولڈنگ کمپنی کی ڈائریکٹرز کی رپورٹ میں ظاہر ہوتا ہے۔

دوسری معلومات

دیگر تمام متعلقہ معلومات پہلے ہی ہولڈنگ کمپنی کی ڈائریکٹرز کی رپورٹ میں ظاہر کی جا چکی ہیں۔

بورڈ کے کنارے پر

ڈاکٹر محمود احمد۔	جناب مقبول ایچ ایچ رحیم تولا۔
چیف ایگزیکٹیو	ڈائریکٹر

21 ستمبر 2021ء

ڈائریکٹرز کی رپورٹ

ہولڈنگ کمپنی کے ڈائریکٹرز 30 جون 2021ء کو ختم ہونے والے سال کے آڈٹ شدہ مجموعی مالی بیانات کے ساتھ اپنی رپورٹ پیش کرتے ہیں۔

میکرو اکنامکس۔

COVID-19 وبائی بیماری نے عالمی سطح پر بے مثال رسائی اور تناسب کا بحران پیدا کیا ہے، جس کے نتیجے میں عالمی معاشی نمود باؤ میں رہی۔ تاہم، پاکستان کی معیشت نے دوبارہ رفتار حاصل کی ہے کیونکہ COVID-19 سے متعلقہ اثرات کو بڑی حد تک اچھی طرح سے منظّم کیا گیا تھا۔اس کی تائید ایک فراخ مالیاتی پالیسی، ری فنانسنگ سہولیات، ہدف شدہ مالی معاونت اور دیگر مالی اقدامات کے ذریعے کی گئی۔ان اقدامات نے لاک ڈاؤن کے بعد معاشی سرگرمیوں کی بحالی کے لیے اضافی تحریک پیدا کی اور اسی وجہ سے سکڑنے کے مرحلے کا اثر قلیل المدت رہا۔ پاکستان کی جی ڈی پی نے مالی سال 2021ء میں 3.9 فیصد کی معمولی نمو ظاہر کی اور مالی سال 2022ء میں 4 فیصد کا تخمینہ لگایا۔

سیلز کی کارکردگی تسلی بخش رہی اور اس کے نتیجے میں سال کے لیے نیٹ سیلز روپے میں ریکارڈ کی گئی۔5,659 ملین روپے کے مقابلے میں گزشتہ سال 4,306 ملین، 31 فیصد اضافہ ہوا۔فروخت، مارکیٹنگ اور انتظامی اخراجات روپے تھے۔726 ملین روپے کے مقابلے میں پچھلے سال کے 677 ملین، 7 فیصد اضافہ ہوا۔

روپے ہزار میں

ٹیکس سے پیشتر منافع	298,313
ٹیکسیشن	(101,750)
ٹیکس کے بعد منافع	196,563
اقلیتوں کا مفاد	5,259
سال کے لیے خالص منافع ہولڈنگ کمپنی سے منسوب ہے۔	201,822

مالیاتی گوشوارے

30 جون 2021ء کو ختم ہونے والے سال کے لیے ہولڈنگ کمپنی کے آڈٹ شدہ اکاؤنٹس ضم کردیے گئے ہیں۔

ہولڈنگ کمپنی

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

آڈیٹرز

موجودہ آڈیٹرز، میسرز کے پی ایم جی تاثیر ہادی اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس آئندہ سالانہ جنرل میٹنگ کے اختتام پر ریٹائر ہو جائیں گے اور اہل

KPMG

KPMG Taseer Hadi & Co.
Chartered Accountants
351 Shadman-1,
Jail Road, Lahore, Pakistan.

Telephone +92 (42) 111 576 484
Fax +92 (42) 37429907
Internet www.kpmg.com.pk

Independent Auditor's Report

To the members of Berger Paints Pakistan Limited

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 30 June 2021, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2021 and of its consolidated financial performance and its consolidated cashflows 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 year. 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.

Sr. No.	Key audit matters	How the matters were addressed in our audit
1.	**Revenue** Refer to note 4.12 and 29 to the financial statements. The Group recognized revenue of Rs. 5,659 million (2020: Rs. 4,306 million) from contract with customers, during the year ended 30 June 2021. We identified recognition of revenue as a key audit matter because it is one of the key performance indicators of the Group and gives rise to a risk that revenue is recognized without transferring the control.	Our audit procedures to assess the recognition of revenue included the following: • obtaining an understanding of the process relating to recording of sales and testing the design, implementation and operating effectiveness of relevant key internal controls, including anti-fraud controls; • assessing the appropriateness of the Group's accounting policies for recording of sales and compliance of those policies with the accounting and reporting standards as applicable in Pakistan;

Sr. No.	Key audit matters	How the matters were addressed in our audit
		• comparing a sample of sale transactions recorded during the year with sales invoices, gate pass, delivery challans and relevant underlying documents; • comparing, on a sample basis, specific sales transactions recorded just before and just after the financial year end date to determine whether the revenue had been recognized in the appropriate financial period; and • scanning for any manual journal entries relating to sales recorded during the year which were considered to be material or met other specific criteria for inspecting underlying documentation.
2.	**Valuation of Trade Debts** Refer to note 4.5 and 14 to the financial statements. As at 30 June 2021, the Group's gross trade debtors were Rs. 1,467 million (2020: Rs. 1,334 million) against which an impairment allowance of Rs. 221 million (2020: Rs. 200 million) was recorded. The Group has applied simplified approach to measure Expected Credit Loss ('ECL') in accordance with IFRS-9. The Group determines ECL on trade debtors by using a provision matrix that is based on historical credit loss experience, adjusted for entity specific forward-looking information. Due to the significance of trade debts and the complexity involved in determination of ECL, we have considered valuation of trade debtors to be a key audit matter.	Our audit procedures to assess the valuation of trade debts, amongst others included the following: • evaluating the appropriateness of the selection of accounting policies; • involving our specialists to assess the appropriateness of the ECL model and the reasonableness of the assumptions applied in developing ECL; • assessing, on a sample basis, the accuracy of the data inputs used for ECL computation; and • assessing the adequacy of disclosure made in the financial statements in accordance with the requirements of the applicable accounting and reporting standards

Information Other than the Consolidated financial statements and Auditor's Report Thereon

Management is responsible for the other information. Other information comprises the information included in the annual report for the year ended 30 June 2021 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 Consolidated 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 are 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 year 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 Fahad Bin Waheed.

KPMG Taseer Hadi & Co

KPMG Taseer Hadi & Co.
Chartered Accountants

Lahore
Date: 07 October, 2021

Consolidated Statement of Financial Position

As at 30 June 2021

Rupees in thousand	Note	2021	2020
ASSETS			
Non-current assets			
Property, plant and equipment	6	**1,636,041**	1,639,835
Intangibles	7	**211**	25,516
Equity-accounted investee	8	**34,907**	38,598
Investment - FVOCI	9	**15,048**	10,287
Long term loans	10	**34,147**	23,974
Long term deposits and prepayments	11	**36,419**	17,875
Deferred taxation	12	**24,700**	-
		1,781,473	1,756,085
Current assets			
Stores, spare parts and loose tools		**18,491**	13,593
Stock-in-trade	13	**1,237,161**	1,099,028
Trade debts - unsecured	14	**1,276,577**	1,134,459
Loans and advances	15	**246,748**	162,877
Trade deposits and short term prepayments	16	**31,676**	34,038
Other receivables	17	**162,588**	46,924
Tax refund due from Government		**240,243**	310,610
Short term investment	18	**30,000**	32,195
Cash and bank balances	19	**46,159**	41,550
		3,289,643	2,875,274
		5,071,116	4,631,359
EQUITY AND LIABILITIES			
Authorised share capital		**250,000**	250,000
Share capital and reserves			
Issued, subscribed and paid-up capital	20	**204,597**	204,597
Reserves			
Capital reserves			
Share premium and other reserves		**45,304**	40,543
Revaluation surplus on property, plant and machinery		**849,056**	877,100
	21	**894,360**	917,643
Revenue reserves			
General reserve		**285,000**	285,000
Accumulated profits		**869,962**	660,188
	21	**1,154,962**	945,188
Equity attributable to the owners of the Company		**2,253,919**	2,067,428
Non-controlling interests		**6,183**	11,442
Total equity		**2,260,102**	2,078,870
Non-current liabilities			
Long term financing - *secured*	22	**152,498**	120,122
Deferred income	23	**1,155**	2,077
Staff retirement and other long term benefits	24	**75,589**	138,527
Deferred taxation		**-**	6,833
		229,242	267,559
Current liabilities			
Trade and other payables	25	**1,593,946**	961,012
Current portion of deferred income		**2,407**	1,662
Current maturity of long term financing		**107,884**	228,845
Unclaimed dividend		**7,551**	6,687
Accrued mark-up	26	**22,479**	35,173
Short term borrowings - *secured*	27	**847,505**	1,051,551
		2,581,772	2,284,930
		2,811,014	2,552,489
Contingencies and commitments	28		
		5,071,116	4,631,359

The annexed notes 1 to 51 form an integral part of these consolidated financial statements.

Chief Financial Officer Chief Executive Director

Consolidated Statement of Profit or Loss
For the year ended 30 June 2021

Rupees in thousand	**Note**	**2021**	2020
Revenue	29	**5,659,620**	4,306,249
Cost of sales	30	**(4,517,265)**	(3,393,259)
Gross profit		**1,142,355**	912,990
Selling and distribution costs	31	**(552,916)**	(500,765)
Administrative and general expenses	32	**(173,813)**	(176,940)
Impairment loss on trade debts and other receivables		**(22,848)**	-
Other income	33	**83,800**	75,264
Other expenses	34	**(62,214)**	(8,461)
		(727,991)	(610,902)
Profit from operations		**414,364**	302,088
Finance cost	35	**(117,781)**	(190,646)
Share of profit of equity-accounted investee		**1,730**	153
Profit before taxation		**298,313**	111,595
Taxation	36	**(101,750)**	(44,116)
Profit after taxation		**196,563**	67,479
Attributable to:			
Owners of the Company		**201,822**	73,372
Non-controlling interests		**(5,259)**	(5,893)
		196,563	67,479

The annexed notes 1 to 51 form an integral part of these consolidated financial statements.

Chief Financial Officer   Chief Executive   Director

Statement of Comprehensive Income

For the year ended 30 June 2021

Rupees in thousand	2021	2020
Profit after taxation	**196,563**	67,479
<u>Other comprehensive income</u>		
<u>Items that will not be reclassified to statement of profit or loss</u>		
Revaluation surplus on land, property, plant and machinery	**-**	472,492
Related deferred tax liability on revaluation surplus on property, plant and machinery	**-**	(52,117)
	-	420,375
Fair value gain / (loss) on investment classified as FVOCI	**4,761**	(2,467)
Remeasurement (loss) / gain on staff retirement benefits	**(9,172)**	2,998
Equity-accounted investee - share of OCI	**9,540**	-
Total comprehensive income for the year	**201,692**	488,385
Total comprehensive income attributable to:		
Owners of the Company	**206,951**	494,278
Non-controlling interests	**(5,259)**	(5,893)
	201,692	488,385

The annexed notes 1 to 51 form an integral part of these consolidated financial statements.

Chief Financial Officer | Chief Executive | Director

Consolidated Statement of Cash Flows

For the year ended 30 June 2021

Rupees in thousand	Note	2021	2020
Cash flows from operating activities			
Profit before taxation		**298,313**	111,595
Adjustments for non-cash and other items:			
Depreciation on property, plant and equipment		**135,324**	79,753
Amortization on computer software		**1,305**	1,745
Gain on disposal of property, plant and equipment		**(4,640)**	(6,288)
Provision charged against slow moving stock - *net*		**28,227**	6,557
Insurance claim		**-**	(20,438)
Revaluation deficit		**-**	15,241
Impairment loss on trade debts and other receivables		**22,848**	55,652
Provision for staff retirement and other long term benefits		**20,107**	12,395
Provision for trade deposits and short term prepayments		**-**	495
Provision for doubtful deposits		**-**	381
Finance cost		**117,781**	190,050
Impairment on investment in associate		**14,961**	-
Impairment on goodwill		**24,000**	-
Share of profit of equity-accounted investee		**(1,730)**	-
Amortization of deferred grant		**(6,595)**	-
Mark-up on term deposit receipts		**(7,429)**	(13,703)
		344,159	321,675
Operating profit before working capital changes		**642,472**	433,270
Working capital changes			
(Increase) / decrease in current assets:			
Stores, spare parts and loose tools		**(4,898)**	3,313
Stock-in-trade		**(166,360)**	(172,868)
Trade debts - *unsecured*		**(163,596)**	305,936
Loans and advances		**(96,646)**	(57,083)
Trade deposits and short term prepayments		**2,362**	6,673
Other receivables		**(110,741)**	(20,946)
		(539,879)	56,779
Decrease / (increase) in current liabilities:			
Trade and other payables		**656,692**	(261,781)
Cash generated from operations		**759,285**	228,268
Finance cost paid		**(125,612)**	(194,309)
Taxes paid - net		**(87,068)**	(14,612)
Staff retirement and other long term benefits paid		**(92,217)**	(24,919)
Long term loans - *net*		**(19,524)**	20,654
Long term deposits - *net*		**(878)**	3,934
		(325,299)	(209,252)
Net cash generated from operating activities		**433,986**	19,016
Cash flows from investing activities			
Capital expenditure incurred		**(133,349)**	(93,470)
Proceeds from disposal of property, plant and equipment		**8,585**	17,349
Mark-up received on term deposit and long term loan		**5,596**	13,941
Short term investments - *net*		**2,195**	-
Net cash used in investing activities		**(116,973)**	(62,180)
Cash flows from financing activities			
Long term financing - *net*		**(88,762)**	178,410
Dividend paid		**(19,596)**	(19,753)
Short term borrowings - *net*		**(81,276)**	41,976
Net cash (used in) / generated from financing activities		**(189,634)**	200,633
Net increase in cash and cash equivalents		**127,379**	157,469
Cash and cash equivalents at beginning of the year		**(868,025)**	(1,025,494)
Cash and cash equivalents at end of the year	37	**(740,646)**	(868,025)

The annexed notes 1 to 51 form an integral part of these consolidated financial statements.

Chief Financial Officer | Chief Executive | Director

Consolidated Statement of Changes in Equity

For the year ended 30 June 2021

Rupees in thousand

		Reserves							
		Capital			Revenue				
	Issued, subscribed and paid-up capital	Share premium	Surplus on revaluation on property, plant and machinery	Fair value reserve	General reserve	Accumulated profit	Total equity attributable to owners of the Parent Company	Non controlling Interests	Total
Balance as at 30 June 2020	204,597	34,086	472,012	8,924	285,000	588,991	1,593,610	17,335	1,610,945
Total comprehensive income for the year ended 30 June 2020									
Profit for the year	-	-	-	-	-	73,372	73,372	(5,893)	67,479
Other comprehensive income for the year									
- Fair value loss on *Investment classified as FVOCI*	-	-	-	(2,467)	-	-	(2,467)	-	(2,467)
- Revaluation surplus on property, plant and machinery	-	-	472,492	-	-	-	472,492	-	472,492
- Related deferred tax liability on revaluation surplus	-	-	(52,117)	-	-	-	(52,117)	-	(52,117)
- Remeasurement of defined benefit obligation	-	-	-	-	-	2,998	2,998	-	2,998
Total comprehensive income for the year	-	-	420,375	(2,467)	-	76,370	494,278	(5,893)	488,385
Transfer of incremental depreciation from revaluation surplus on property plant and machinery - *net of tax*	-	-	(15,127)	-	-	15,127	-	-	-
Transfer of revaluation surplus due to disposal of revalued assets	-	-	(160)	-	-	160	-	-	-
Transactions with the owners of the Company									
Final cash dividend at the rate of 10% (i.e. Rs. 1 per share) for the year	-	-	-	-	-	(20,460)	(20,460)	-	(20,460)
	-	-	(15,287)	-	-	(5,173)	(20,460)	-	(20,460)
Balance as at 30 June 2020	204,597	34,086	877,100	6,457	285,000	660,188	2,067,428	11,442	2,078,870
Total comprehensive income for the year ended 30 June 2021									
Profit for the year	**-**	**-**	**-**	**-**	**-**	**201,822**	**201,822**	**(5,259)**	**196,563**
Other comprehensive income for the year									
- Fair value gain on *Investment classified as FVOCI*	**-**	**-**	**-**	**4,761**	**-**	**-**	**4,761**	**-**	**4,761**
- Equity- accounted investee - share of OCI						**9,540**	**9,540**	**-**	**9,540**
- Remeasurement of defined benefit obligation	**-**	**-**	**-**	**-**	**-**	**(9,172)**	**(9,172)**	**-**	**(9,172)**
Total comprehensive income for the year	**-**	**-**	**-**	**4,761**	**-**	**202,190**	**206,951**	**(5,259)**	**201,692**
Transfer of incremental depreciation from revaluation surplus on property plant and machinery - *net of tax*	**-**	**-**	**(28,044)**	**-**	**-**	**28,044**	**-**	**-**	**-**
Transactions with the owners of the Company									
Final cash dividend at the rate of 10% (i.e. Rs. 1 per share) for the year ended 30 June 2020	**-**	**-**	**-**	**-**	**-**	**(20,460)**	**(20,460)**	**-**	**(20,460)**
	-	**-**	**(28,044)**	**-**	**-**	**7,584**	**(20,460)**	**-**	**(20,460)**
Balance as at 30 June 2021	**204,597**	**34,086**	**849,056**	**11,218**	**285,000**	**869,962**	**2,253,919**	**6,183**	**2,260,102**

The annexed notes 1 to 51 form an integral part of these consolidated financial statements.

Chief Financial Officer Chief Executive Director

Notes to the Consolidated Financial Statements
For the year ended 30 June 2021

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 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 and holds shareholdings of 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 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	52.05%
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 and statement of compliance

2.1 Consolidated financial statements

These consolidated financial statements comprise the financial statements of the Parent Company and its subsidiary companies as at 30 June 2021.

(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 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 consolidated 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 consolidated 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 Pak Rupees ("Rs."), which is the Group's functional and presentation currency.

3 New standards / amendments to approved accounting standards and interpretations

3.1 There are a number of amendments and interpretations that are effective from 01 July 2020 however, these do not have any significant effect on the consolidated financial statements.

3.2 Standards, interpretations and amendments to published approved accounting standards that are not yet effective:

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 01 July 2021:

- Interest Rate Benchmark Reform – Phase 2 which amended IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 is applicable for annual financial periods beginning on or after 01 January 2021, with earlier application permitted. The amendments introduce a practical expedient to account for modifications of financial assets or financial liabilities if a change results directly from IBOR reform and occurs on an ‘economically equivalent’ basis. In these cases, changes will be accounted for by updating the effective interest rate.

  A similar practical expedient will apply under IFRS 16 for lessees when accounting for lease modifications required by IBOR reform. The amendments also allow a series of exemptions from the regular, strict rules around hedge accounting for hedging relationships directly affected by the interest rate benchmark reforms. The amendments apply retrospectively with earlier application permitted. Hedging relationships previously discontinued solely because of changes resulting from the reform will be reinstated if certain conditions are met.

- COVID-19-Related Rent Concessions (Amendment to IFRS 16) – the International Accounting Standards Board (the Board) has issued amendments to IFRS 16 (the amendments) to provide practical relief for lessees in accounting for rent concessions. The amendments are effective for periods beginning on or after 01 June 2020, with earlier application permitted. Under the standard’s previous requirements, lessees assess whether rent concessions are lease modifications and, if so, apply the specific guidance on accounting for lease modifications.

  This generally involves remeasuring the lease liability using the revised lease payments and a revised discount rate. In light of the effects of the COVID-19 pandemic, and the fact that many lessees are applying the standard for the first time in their financial statements, the Board has provided an optional practical expedient for lessees. Under the practical expedient, lessees are not required to assess whether eligible rent concessions are lease modifications, and instead are permitted to account for them as if they were not lease modifications.

  The practical expedient introduced in the 2020 amendments only applied to rent concessions for which any reduction in lease payments affected payments originally due on or before 30 June 2021. In light of persistence of economic challenges posed by the COVID-19 pandemic, the Board has extended the practical expedient for COVID-19 related rent concessions by one year i.e. permitting lessees to apply it to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022.

Rent concessions are eligible for the practical expedient if they occur as a direct consequence of the COVID-19 pandemic and if all the following criteria are met:

the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

any reduction in lease payments affects only payments originally due on or before 30 June 2022; and

there is no substantive change to the other terms and conditions of the lease.

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37) effective for the annual periods beginning on or after 01 January 2022 amends IAS 1 by mainly adding paragraphs which clarifies what comprises the cost of fulfilling a contract, Cost of fulfilling a contract is relevant when determining whether a contract is onerous. An entity is required to apply the amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Restatement of comparative information is not required, instead the amendments require an entity to recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

- The following annual improvements to IFRS Standards 2018-2020 are effective for annual reporting periods beginning on or after 01 January 2022.

  IFRS 9 – The amendment clarifies that an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf, when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognize a financial liability.

  IFRS 16 – The amendment partially amends Illustrative Example 13 accompanying IFRS 16 by excluding the illustration of reimbursement of leasehold improvements by the lessor. The objective of the amendment is to resolve any potential confusion that might arise in lease incentives.

  IAS 41 – The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.

- Property, plant and equipment: Proceeds before Intended Use (Amendments to IAS 16) effective for annual periods beginning on or after 01 January 2022 clarifies that sales proceeds and costs of items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management e.g. when testing etc., are recognized in profit or loss in accordance with applicable Standards. The entity measures the cost of those items applying the measurement requirements of IAS 2. The standard also removes the requirement of deducting the net sales proceeds from cost of testing. An entity shall apply those amendments retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

- Reference to the Conceptual Framework (Amendments to IFRS 3) - Reference to the Conceptual Framework, issued in May 2020, amended paragraphs 11, 14, 21, 22 and 23 of and added paragraphs 21A, 21B, 21C and 23A to IFRS 3 . An entity shall apply those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 01 January 2022. Earlier application is permitted if at the same time or earlier an entity also applies all the amendments made by Amendments to References to the Conceptual Framework in IFRS Standards, issued in March 2018.

- Classification of liabilities as current or non-current (Amendments to IAS 1) amendments apply retrospectively for the annual periods beginning on or after 01 January 2023. These amendments in the standards have been added to further clarify when a liability is classified as current. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity shall apply those amendments retrospectively in accordance with IAS 8.

- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) – the Board has issued amendments on the application of materiality to disclosure of accounting policies and to help companies provide useful accounting policy disclosures. The key amendments to IAS 1 include:

  requiring companies to disclose their material accounting policies rather than their significant accounting policies;

  clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and

  clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

  The Board also amended IFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures. The amendments are effective for annual reporting periods beginning on or after 01 January 2023 with earlier application permitted.

- Definition of Accounting Estimates (Amendments to IAS 8) – The amendments introduce a new definition for accounting estimates clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty.

  The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy. The amendments are effective for periods beginning on or after 01 January 2023, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the Group applies the amendments.

- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) – The amendments narrow the scope of the initial recognition exemption (IRE) so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision.

  For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. The amendments are effective for annual reporting periods beginning on or after 01 January 2023 with earlier application permitted.

- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) – The amendment amends accounting treatment on loss of control of business or assets. The amendments also introduce new accounting for less frequent transaction that involves neither cost nor full step-up of certain retained interests in assets that are not businesses. The effective date for these changes has been deferred indefinitely until the completion of a broader review.

The above amendments are not likely to have a material impact on the consolidated financial statements.

4 Significant accounting policies

The accounting policies adopted for the preparation of the consolidated financial statements are set out below. The accounting policies have been consistently applied to all the years presented.

4.1 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 machinery are credited to the revaluation surplus on property, plant and machinery account except for a reversal of deficit already charged to 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 machinery. The revaluation surplus on property, plant and machinery to the extent of the annual incremental depreciation based on the revalued carrying amount of the assets is transferred annually directly to retained earnings 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 retained earnings. All transfers to / from revaluation surplus on property, plant and machinery 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 or capitalized 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 profit or loss.

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

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.

4.2 Intangibles

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 comprise 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 profit or loss.

4.2.1 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 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 7.

4.2.2 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.

4.3 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 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.

4.4 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 financial statements whenever necessary.

4.5 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 statement of profit or loss. These assets are written off when there is no reasonable expectation of recovery.

4.6 Cash and cash equivalents

Cash and cash equivalents comprise of running finance, cash balances, call deposits and investments with maturities of less than three months or less from acquisition date that are subject to insigni cant 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 statement of cashflows.

4.7 Financial instruments

4.7.1 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:

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.
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.
Debt investment 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 OCI are reclassified to statement of profit or loss.
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 OCI and are never reclassified to statement of profit or loss.

4.7.2 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 43.1.3 of the financial statements.

4.7.3 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 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 expire. 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.

4.7.4 Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the 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.

4.8 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.

4.9 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.

4.10 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.

4.11 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.

4.12 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 except for exports where control is transferred at the time of dispatch and have been accepted at their premises. 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.

4.13 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.

4.14 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.

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.

4.15 Employee benefits

4.15.1 Short term employee benefit

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.

4.15.2 Defined benefit plan

The Group operates the following defined benefit schemes for employees of the Parent Company:

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

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

Pension scheme

The Group offers Pension benefits to the Parent's 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 Group offers gratuity benefits to the Parent's permanent employees, and is payable to employees having service in the Company for minimum five years. The gratuity benefits provided by Group are 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 Group 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 Group 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 Group as reduced by benefits paid during the year.

4.15.3 Defined contribution plan

Provident fund

The Group also operates a recognized provident fund scheme for the Parent's 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.

4.15.4 Other long term benefits - Accumulated compensated absences

The Group also provides for compensated absences for all eligible employees of the Parent Company accordance with the rules of the Group. 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 Company 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 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.

4.15.5 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.

4.16 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 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.

4.17 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.

4.18 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.

4.19 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 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.

5 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
-	Stock-in-trade	4.4
-	Trade debts	4.5
-	Impairment of cash generating unit	4.8
-	Recoverability of deferred tax assets	4.14
-	Staff retirement benefits and other long term benefits	4.15

Rupees in thousand	**Note**	**2021**	2020
6 Property, plant and equipment			
Operating fixed assets	6.1	**1,621,674**	1,572,561
Capital work in progress	6.2	**14,367**	67,274
		1,636,041	1,639,835

6.1 Operating fixed assets

Rupees in thousand

	30 June 2021									
	Useful life Years	Cost / revalued amount as at 01 July 2020	Additions*	Disposals / transfers	Cost / revalued amount as at 30 June 2021	Accumulated depreciation as at 01 July 2020	Depreciation charge	Disposals	Accumulated depreciation as at 30 June 2021	Book value as at 30 June 2021
Freehold land	-	661,921	-	-	661,921	-	-	-	-	661,921
Building on freehold land	20	282,959	6,998	-	289,957	-	30,976	-	30,976	258,981
Building on leasehold land	10-20	63,866	-	-	63,866	-	6,375	-	6,375	57,491
Plant and machinery	2.8-12.5	272,227	18,433	(2,573)	288,087	11,455	59,577	(2,510)	68,522	219,565
Laboratory equipment	10	45,625	2,009	-	47,634	24,189	3,702	-	27,891	19,743
Electric fittings	4 - 10	58,807	124,975	(413)	183,369	34,781	11,598	(232)	46,147	137,222
Computer and related accessories	4	31,403	2,824	-	34,227	28,631	1,964	-	30,595	3,632
Office equipment	4 - 10	23,197	3,015	(120)	26,092	9,895	2,421	(85)	12,231	13,861
Furniture and fixtures	10	30,791	365	-	31,156	16,801	2,379	-	19,180	11,976
Motor vehicles	5	60,874	29,763	(5,557)	85,080	31,347	10,163	(2,076)	39,434	45,646
Subtotal		1,531,670	188,382	(8,663)	1,711,389	157,099	129,155	(4,903)	281,351	1,430,038
Leasehold land	48.5	197,805	-	-	197,805	-	6,169	-	6,169	191,636
Leased vehicles	5	11,492	-	(11,492)	-	11,307	-	(11,307)	-	-
2021		209,297	-	(11,492)	197,805	11,307	6,169	(11,307)	6,169	191,636
		1,740,967	188,382	(20,155)	1,909,194	168,406	135,324	(16,210)	287,520	1,621,674

The cost of fully depreciated assets which are still in use is Rs. 107.95 million (2020: Rs. 91.1 million).

* This includes borrowing costs related to installation of solar power plant amounting to Rs 2.12 million (2020: Rs. 7.24 million) calculated using average effective rates ranging from 6.52% to 9.44% (2020: 9.26% to 13.15%).

Operating fixed assets

Rupees in thousand

	30 June 2020												
	Useful life Years	Cost / revalued amount as at 01 July 2019	Additions	Disposals	Elimination of gross carrying value against accumulated depreciation	Revaluation surplus / (deficit)	Cost / revalued amount as at 30 June 2020	Accumulated depreciation as at 01 July 2019	Depreciation charge	Disposals	Elimination of gross carrying value against accumulated depreciation	Accumulated depreciation as at 30 June 2020	Book value as at 30 June 2020
Freehold land	-	484,413	-		-	177,508	661,921	-	-		-	-	661,921
Building on freehold land	20	289,313	8,544		(81,205)	66,307	282,959	64,126	17,079		(81,205)	-	282,959
Building on leasehold land	10-20	83,304	149		(18,116)	(1,471)	63,866	11,226	6,890		(18,116)	-	63,866
Plant and machinery	2.8-12.5	328,502	9,615	(4,226)	(166,057)	104,393	272,227	153,208	27,411	(3,107)	(166,057)	11,455	260,772
Laboratory equipment	10	43,658	1,967		-	-	45,625	20,701	3,488		-	24,189	21,436
Electric fittings	4 - 10	56,088	3,795	(1,076)	-	-	58,807	30,199	5,050	(468)	-	34,781	24,026
Computer and related accessories	4	31,061	412	(70)	-	-	31,403	25,877	2,787	(33)	-	28,631	2,772
Office equipment	4 - 10	22,653	803	(259)	-	-	23,197	7,688	2,318	(111)	-	9,895	13,302
Furniture and fixtures	10	30,836	-	(45)	-	-	30,791	14,171	2,642	(12)	-	16,801	13,990
Motor vehicles	5	48,186	24,379	(11,691)	-	-	60,874	25,237	8,685	(2,575)	-	31,347	29,527
Subtotal		1,418,014	49,664	(17,367)	(265,378)	346,737	1,531,670	352,433	76,350	(6,306)	(265,378)	157,099	1,374,571
Leasehold land	48.5	98,333	-	-	(11,042)	110,514	197,805	8,838	2,204	-	(11,042)	-	197,805
Leased vehicles	5	11,492	-	-	-	-	11,492	10,107	1,200	-	-	11,307	185
2020		109,825	-	-	(11,042)	110,514	209,297	18,945	3,404	-	(11,042)	11,307	197,990
		1,527,839	49,664	(17,367)	(276,420)	457,251	1,740,967	371,378	79,754	(6,306)	(276,420)	168,406	1,572,561

6.1.1 Disposal of operating assets

The following operating fixed assets with a net book value exceeding Rs. 500,000 were disposed off during the year:

Rupees in thousand

Particulars of assets	Sold to		Cost / revalued Amounts	Accumulated depreciation	Book value	Sale proceeds / Insurance claim	Gain / (loss)	Mode of disposal
	Name	Relationship with the Group						
Motor vehicles								
Honda City	Mr. Sajid Naeem	Employee	898	-	898	1,331	433	Employee - Final Settlement
Honda City	Mr. Irfan A. Khan	Employee	641	(22)	619	384	(235)	Employee - Buy back
Suzuki Cultus	Mr. Siddique Bhatti	Employee	781	-	781	1,152	371	Employee - Final Settlement
Others including assets written off with book value less than Rs. 500,000.			17,835	(16,188)	1,647	5,718	4,071	
2021			**20,155**	**(16,210)**	**3,945**	**8,585**	**4,640**	
2020			17,367	(6,306)	11,061	17,349	6,288	

6.1.2 Had there been no revaluation the carrying amount of revalued assets would have been as follows:

Rupees in thousand	2021	2020
Freehold land	**207,183**	207,183
Leasehold land	**20**	1,035
Buildings on freehold land	**123,324**	130,027
Buildings on leasehold land	**54,177**	60,228
Plant and machinery	**72,659**	100,183
	457,363	498,656

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

Particulars	Revaluation Report Dates	(Rupees in thousand)
Freehold land	30 June 2020	**569,458**
Leasehold land	30 June 2020	**167,166**
Buildings on freehold land	30 June 2020	**220,291**
Buildings on leasehold land	30 June 2020	**21,622**
Plant and machinery	30 June 2020	**193,457**

6.1.4 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.

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 and leasehold land.

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

Rupees in thousand	2021	2020
Cost of sales	**103,638**	52,387
Selling and distribution costs	**20,754**	17,145
Administrative and general expenses	**10,932**	10,222
	135,324	79,754

6.2 Capital work in progress

Owned		
Civil works	**-**	262
Plant and machinery	**3,288**	-
Electrical Installations	**1,423**	60,794
Advances to suppliers	**9,656**	6,200
Others	**-**	18
	14,367	67,274

Rupees in thousand	Note	2021	2020
7 Intangibles			
Computer software	7.1	**211**	1,516
Goodwill	7.2	**-**	24,000
		211	25,516

7.1 Computer software

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

Rupees in thousand	Note	2021	2020
Cost			
Cost as at 01 July		**33,410**	32,845
Additions during the year		**-**	565
Cost as at 30 June		**33,410**	33,410
Accumulated amortization			
Accumulated amortization as at 01 July		**31,894**	30,149
Amortization during the year	7.1.1	**1,305**	1,745
Accumulated amortization as at 30 June		**33,199**	31,894
Balance as at 30 June		**211**	1,516
Rate of amortization		**33.33%**	33.33%

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

Administrative and general expenses		1,305	1,724
Selling and distribution costs		-	21
		1,305	1,745

7.2 Goodwill

Packaging Ink Business	7.2.1	**-**	24,000
		-	24,000

7.2.2 Goodwill represented excess purchase consideration paid by the Group for acquisition of Powder Coating Business ("CGU") over the fair value of identifiable net asset of the seller at the time of acquisition, net of impairment losses recognised in previous years.

The recoverable amount of the CGU was based on its value in use, determined by discounting the future cash flows from the continuing use of the CGU. The carrying amount of the CGU was determined to be higher than its recoverable amount and an impairment loss of Rs. 24 million has been recognised during 2021 (2020: Nil). The impairment loss has been fully allocated to goodwill and is included in 'other expenses'.

The key assumptions used in the estimation of value in use include a discount rate of 20.47% and 5.01% for local and foreign currency cash flows respectively, and an annual growth of 1.1% in gross profit.

The discount rate was a pre-tax measure based on the rate of 10-year government bonds adjusted for a risk premium to reflect both the increased risk of investing in equities generally and the systematic risk of the specific CGU.

Three years of cash flows are included in the discounted cash flow model. Revenue and cost of sales growth was projected after taking into account the average growth levels experienced over the past three years and the estimated sales volume and price growth in the projected periods. It was assumed that sales prices would grow at a margin above forecast inflation over the next three years.

Following the impairment loss recognised in the CGU, the recoverable amount was equal to the carrying amount. Therefore, any adverse movement in a key assumption would lead to further impairment.

Rupees in thousand	**2021**	2020
Cost		
Cost as at 30 June	**24,000**	24,000
Accumulated impairment		
Accumulated impairment as at 01 July	**-**	-
Impairment charged during the year	**(24,000)**	-
Accumulated Impairment as at 30 June	**(24,000)**	**-**
Balance as at 30 June	**-**	24,000

Rupees in thousand	2021	2020
8 Equity-accounted investee - *unlisted*		
Cost of investment		
3S Pharmaceutical (Private) Limited		
98,000 (2020: 98,000) fully paid ordinary shares of Rs. 100 each	**39,200**	39,200
Share of profit / (loss)		
As at 01 July	**(602)**	(755)
Share of profit for the year	**1,730**	153
	1,128	(602)
Share of other comprehensive income		
As at 01 July	**-**	-
Share of OCI for the year	**9,540**	-
	9,540	-
Less: Impairment charged during the year	**(14,961)**	-
Net investment as at 30 June	**34,907**	38,598

The recoverable amount of equity-accounted investee was based on fair value less costs of disposal, estimated using adjusted net asset method. Significant valuation inputs used (by an independent valuer) into the valuation includes price per kanal for land, price per square foot for building and present operational condition and age of plant and machinery. Accordingly, fair value measurement has been categorised as a Level 3 fair value based on inputs to the valuation.

Following the impairment loss, the recoverable amount of the investment was equal to its carrying amount. Therefore, any adverse movement in a key assumption would lead to further impairment.

8.1 Summarised financial information in respect of equity-accounted investee on the basis of financial statements for the year ended 30 June 2021 and 2020 are set out below:

Rupees in thousand	Note	2021	2020
Non current assets		**81,788**	64,850
Current assets		**49,555**	32,691
Non current liabilities		**(10,635)**	(10,635)
Current liabilities		**(40,781)**	(29,979)
Net assets - 100%		**79,927**	56,927
Percentage ownership interest		**49.00%**	49.00%
Group's share of net assets		**39,164**	27,894
Goodwill		**9,860**	9,860
Other adjustment		**844**	844
		49,868	38,598
Impairment charged during the year		**(14,961)**	-
Carrying amount of interest in associated company		**34,907**	38,598
Revenue		**44,310**	41,688
Profit / (loss) for the year from operations		**3,530**	313
Other comprehensive income		**19,470**	-
Group's share of income / (loss) - *post acquisition*		**10,668**	(602)

9 Investment classified as FVOCI

Buxly Paints Limited - listed

Cost		**3,830**	3,830
Fair value adjustment	9.1	**11,218**	6,457
		15,048	10,287

The Group owns 273,600 (2020: 273,600) fully paid ordinary shares of Rs. 10 each representing 19.95% (2020: 19.95%) investment of total shares in Buxly Paints Limited. As at year end, the market value of each share was Rs. 55 (2020: Rs. 37.60).

Rupees in thousand	2021	2020
9.1 Fair value adjustment		
As at 01 July	**6,457**	8,924
Fair value gain / (loss)	**4,761**	(2,467)
As at 30 June	**11,218**	6,457

Rupees in thousand	2021	2020
10 Long term loans - *secured*		
Due from employees - *considered good*	**67,577**	48,053
Present value adjustment	**(17,666)**	-
	49,911	48,053
Less: current portion shown under current assets	**(15,764)**	(24,079)
	34,147	23,974

10.1 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.

10.2 Directors of the Group were not given any loan during the year.

Rupees in thousand	2021	2020
11 Long term deposits and prepayments		
Deposits - unsecured		
- Considered good	**18,753**	17,875
- Considered doubtful	**4,969**	4,969
	23,722	22,844
Prepaid employee benefits	**17,666**	-
Less: Allowance for doubtful deposits	**(4,969)**	(4,969)
	36,419	17,875

11.1 Movement in allowance for doubtful deposits is as follows:

	2021	2020
Balance as at 01 July	**4,969**	4,588
Provision for the year	**-**	381
Balance as at 30 June	**4,969**	4,969

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

Rupees in thousand	2021	2020
12 Deferred taxation		
Deferred tax liability on taxable temporary differences arising in respect of :		
- Accelerated tax depreciation	**(26,315)**	(33,247)
- Surplus on revaluation of fixed assets	**(80,370)**	(90,014)
Deferred tax asset on deductible temporary differences arising in respect of:		
- Impairment allowance on financial assets	**62,997**	64,958
- Intangibles	**254**	-
- Turnover tax credit	**51,127**	42,000
- Lease liabilities	**-**	489
- Provision for slow moving stock	**17,007**	8,981
	131,385	116,428
	24,700	(6,833)

The subsidiaries have not recgonised deferred tax asset amounting to Rs. 19.13 million (2020: Rs. 21.09 million) in respect of deductible temporary differences.

	Rupees in thousand	2021	2020
12.1	Movement in deferred tax balances is as follows:		
	As at 01 July	**(6,833)**	52,847
	Recognized in profit and loss:		
	- Accelerated tax depreciation including surplus on revaluation of fixed assets	**16,830**	4,177
	- Charge / (reversal) of impairment allowance on financial assets	**(1,961)**	(13,457)
	- Turnover tax credit		-
	- Finance lease obligations	**(489)**	195
	- Provision for slow moving stock	**8,026**	1,871
	- Minimum tax credit	**9,127**	-
		31,533	(7,214)
	Recognized to revaluation surplus on property plant and machinery and accumulated profits and other adjustments:		
	- Others	**-**	(349)
	- Adjustment on initial application of IFRS 9	**-**	-
	-Deferred tax liability on revaluations surplus of plant and machinery, building on freehold and leasehold land.	**-**	(52,117)
		-	(52,466)
		24,700	(6,833)

Rupees in thousand	Note	2021	2020
13 Stock-in-trade			
Raw and packing materials			
- in hand		**602,301**	614,920
- in transit		**151,184**	18,947
		753,485	633,867
Semi processed goods		**80,946**	71,550
Finished goods			
- Manufactured	13.1	**465,057**	395,307
- Trading		**81,687**	114,091
		546,744	509,398
		1,381,175	1,214,815
Provision for slow moving and obsolete stocks			
- Raw material		**(51,589)**	(51,095)
- Semi processed goods		**(4,471)**	(5,491)
- Finished goods		**(87,954)**	(59,201)
		(144,014)	(115,787)
		1,237,161	1,099,028

13.1 Aggregate stocks with a cost of Rs. 89.91 million (2020: Rs. 39.81 million) are being valued at net realizable value of Rs. 77.26 million (2020: Rs. 36.59 million).

Rupees in thousand	Note	2021	2020
14 Trade debts - *unsecured*			
Considered good			
Related parties	14.1 & 14.2	**126,607**	94,686
Others		**1,119,672**	1,015,568
		1,246,279	1,110,254
Considered doubtful			
Related parties		**13,468**	24,205
Others		**207,648**	200,327
		1,467,395	1,334,786
Provision for doubtful debts	14.3	**(221,116)**	(200,327)
Contract assets		**30,298**	-
		1,276,577	1,134,459

Rupees in thousand	Note	2021	2020
14.1 Trade debts include the following amounts due from the following related parties:			
Buxly Paints Pakistan Limited - *related party*	14.1.1	**139,998**	118,862
Dadex Eternit Limited - *related party*	14.1.2	**77**	29
	14.1.3	**140,075**	118,891

14.1.1 Maximum aggregate balance due from the related party at the end of any month during the year was Rs. 152.51 million (2020: Rs. 148.29 million).

14.1.2 Maximum aggregate balance due from the related party at the end of any month during the year was Rs. 0.30 million (2020: Rs. 0.18 million).

14.1.3 The Group has recognised impairment allowance on these balances as at 30 June 2021 amounting to Rs. 5.6 million (2020: 3.76 million).

Rupees in thousand	Note	2021	2020
14.2 Aging of related party balances			
Considered good			
Past due 0 - 30 days		**43,900**	30,128
Past due 31 - 60 days		**28,982**	10,610
Past due 61 - 90 days		**15,564**	3,039
Past due 91 - 120 days		**51,569**	16,112
Past due 121 - 180 days		**60**	48,552
Past due 181 - 364 days		**-**	10,450
		140,075	118,891
14.3 Movement in impairment allowance			
Balance as at 01 July		**200,327**	240,797
Provision for the year		**21,478**	16,850
Bad debts written off		**(689)**	(36,116)
Bad debts recovered		**-**	(21,204)
Balance as at 30 June		**221,116**	200,327

Rupees in thousand	Note	2021	2020
15 Loans and advances			
Current portion of long term loans:			
Due from employees			
- *secured, considered good*		**14,200**	22,515
- *considered doubtful*		**1,564**	1,564
		15,764	24,079
Less: Impairment allowance		**(1,564)**	(1,564)
		14,200	22,515
Advances - unsecured, considered good:			
Suppliers		**223,227**	127,437
Employees		**769**	345
Others	15.1	**8,552**	12,580
		232,548	140,362
		246,748	162,877

15.1 The includes retention money receivable amounting to Rs. 7.65 million (2020: 6.72 million) against which an impairment allowance of Rs. 4.46 million (2020: Nil) has been recorded.

Rupees in thousand	Note	2021	2020
16 Trade deposits and short term prepayments			
Trade deposits			
- considered good		**17,716**	22,114
- considered doubtful		**9,716**	9,716
		27,432	31,830
Less: Impairment allowance		**(9,716)**	(9,716)
		17,716	22,114
Short term prepayments		**13,960**	11,924
		31,676	34,038

16.1 Movement in impairment allowance is as follows:

		2021	2020
Balance as at 01 July		**9,716**	9,221
Provision for the year		**-**	495
Balance as at 30 June		**9,716**	9,716

Rupees in thousand	Note	2021	2020
17 Other receivables			
LC margin		**110,000**	-
Receivable from related parties	17.1	**40,430**	24,521
Export rebate		**12,446**	17,022
Provision for export rebate		**(11,824)**	(11,824)
		622	5,198
Accrued interest		**2,378**	545
Others		**6,607**	-
Insurance claim receivable		**2,551**	16,660
		162,588	46,924

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

Rupees in thousand	Note	2021	2020
Considered good			
Buxly Paints Pakistan Limited - *related party*	17.1.1	**43,811**	31,828
3S Pharmaceutical (Private) Limited - related party	17.1.2	**1,880**	1,044
	17.1.3	**45,691**	32,872
Less: Impairment allowance		**(5,261)**	(8,351)
		40,430	24,521

17.1.1 Maximum aggregate balance due from the related party at the end of any month during the year was Rs. 43.81 million (2020: Rs. 58.12 million).

17.1.2 Maximum aggregate balance due from the related party at the end of any month during the year was Rs. 1.88 million. (2020: Rs. 1.04 million).

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

Rupees in thousand	Note	2021	2020
17.2 Aging of related party balances			
Considered good			
Past due 0 - 30 days		**4,530**	3,259
Past due 31 - 60 days		**253**	182
Past due 61 - 90 days		**1,079**	776
Past due 91 - 120 days		**1,345**	968
Past due 121 - 180 days		**3,870**	2,784
Past due 181 - 364 days		**7,615**	5,479
Past due over one year		**26,999**	19,424
		45,691	32,872

	Rupees in thousand	Note	2021	2020
17.2	**Movement in impairment allowance is as follows:**			
	Balance as at 01 July		**8,351**	-
	(Reversal) / provision for the year		**(3,090)**	8,351
	Balance as at 30 June		**5,261**	8,351

18 Short term investment

This represents term deposit receipts which are mark-up based investments with conventional bank. The balance is under lien with commercial bank against letter of guarantee, maturing up to one year and carry mark-up at rates ranging from 5.25% to 7.94% per annum (2020: 7.94% to 12% per annum).

Rupees in thousand	2021	2020
19 Cash and bank balances		
Cash at bank:		
- current accounts	**45,149**	40,525
Cash in hand	**1,010**	1,025
	46,159	41,550

	2021	2020	2021	2020
	Number of shares		Rupees in thousand	
20 Issued, subscribed and paid-up capital				
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	**8,323,912**	8,323,912	**83,239**	83,239
	20,459,710	20,459,710	**204,597**	204,597

20.1 As at 30 June 2021, Slotrapid Limited B.V.I., the Holding Company, and their nominees hold 10,649,314 (2020: 10,649,314) voting ordinary shares of Rs. 10 each represents 52.05 % (2020: 52.05%) of the ordinary paid up capital of the Parent Company.

20.2 There was no movement in number of shares during the year.

Rupees in thousand	Note	2021	2020
21 Reserves			
Capital reserve:			
Share premium reserve	21.1	**34,086**	34,086
Fair value reserve	21.2	**11,218**	6,457
		45,304	40,543
Revaluation surplus on property, plant and machinery - net of tax	21.3	**849,056**	877,100
		894,360	917,643
Revenue reserve:			
General reserve		**285,000**	285,000
Accumulated profits		**869,962**	660,188
		1,154,962	945,188
		2,049,322	1,862,831

21.1 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.

21.2 The latest valuation of freehold land, leasehold land, building on freehold land, building on leasehold land and plant and machinery was carried out by Harvestor Enterprises and Company, an independent valuer on 30 June 2020. The valuation was determined by reference to current market value of the similar properties / assets. The most significant input into this valuation approach is price per acre for land, price per square foot for buildings and present operational condition and age of plant and machinery respectively.

Rupees in thousand	Note	2021	2020
21.3 Revaluation surplus on property, plant and machinery - net of tax			
As at beginning of the year		**877,100**	472,012
Surplus / (deficit) arising on revaluation:			
Freehold and leasehold land		**-**	288,022
Building on freehold and leasehold land		**-**	68,641
Plant and machinery		**-**	119,857
Revaluation deficit on plant and machinery		**-**	(4,028)
		-	472,492
Deferred tax liability on revaluation surplus		**-**	(52,117)
		877,100	892,387
Net amount transferred to unappropriated profit on account of			
Incremental depreciation - net of deferred tax		**(28,044)**	(15,287)
Effect of rate change		**-**	-
		(28,044)	(15,287)
As at end of the year		**849,056**	877,100

Rupees in thousand	Note	2021	2020
22 Long term financing - *secured*			
Mark-up based financing from conventional banks:			
JS Bank Limited	22.1	**62,270**	207,740
Samba Bank Limited	22.2	**43,706**	34,827
Habib Metropolitan Bank Limited	22.3	**45,832**	-
		151,808	242,567
Islamic mode of financing:			
First Habib Modaraba	22.4	**31,491**	16,817
Bank Islami	22.5	**77,083**	89,583
		108,574	106,400
		260,382	348,967
Mark-up based financing from conventional banks:			
Current maturity shown under current liabilities		**(76,349)**	(212,246)
Islamic mode of financing:			
Current maturity shown under current liabilities		**(31,535)**	(16,599)
		152,498	120,122

22.1 JS Bank Limited

	Note	2021	2020
- JS Bank Limited - facility 1	22.1.1	**-**	200,000
- JS Bank Limited - facility 2	22.1.2	**6,020**	7,740
- JS Bank Limited - facility 3	22.1.3	**56,250**	-
		62,270	207,740

22.1.1 This represented a long term loan amounting Rs. 200 million obtained in 2020, for restructuring of statement of financial position. The loan has been fully repaid during the year.

22.1.2 This represents long term loan facility amounting to Rs. 8.6 million to finance 0.38MW grid pegged solar power plant. The outstanding balance is repayable in quarterly instalments of Rs. 0.43 million each ending in November 2024. Markup is payable quarterly and is charged at the rate of one month KIBOR plus 2% per annum. The facility is secured against an equitable mortgage and first charge on land and building of Lahore factory of the Parent Company.

22.1.3 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 Parent Company.

22.2 This represents long term loan facility amounting to Rs. 70 million. The loan is obtained under SBP refinancing scheme for payment of salaries and wages. The outstanding balance is repayable in quarterly instalments of Rs. 4.80 million each ending in February 2023. Markup is payable quarterly and is charged at the rate of 3% per annum.

The facility is secured against a ranking charge over present and future fixed assets of the Parent Company amounting to Rs. 94 million. The loan has been recognised at present value using effective rate of 8.78% per annum.

22.3 This represents long term loan facility amounting to Rs. 76.5 million. The loan is obtained under SBP refinancing scheme for payment of salaries and wages. The facility is repayable in quarterly instalments of Rs. 9.6 million each ending in October 2022. Markup is payable quarterly and is charged at fixed rate of 3% per annum. This facility is secured against ranking charge amounting to Rs. 134 million over all present and future current assets of the Parent Company. The loan has been recognised at present value using effective rate of 8.78% per annum.

	Rupees in thousand	Note	2021	2020
22.4	**First Habib Modaraba**			
	- First Habib Modaraba - facility 1	22.4.1	**11,222**	13,332
	- First Habib Modaraba - facility 2	22.4.2	**1,363**	2,399
	- First Habib Modaraba - facility 3	22.4.3	**2,827**	-
	- First Habib Modaraba - facility 4	22.4.4	**4,617**	-
	- First Habib Modaraba - facility 5	22.4.5	**1,631**	-
	- First Habib Modaraba - facility 6	22.4.6	**5,489**	-
	- First Habib Modaraba - facility 7	22.4.7	**4,342**	-
			31,491	15,731

22.4.1 This represents diminishing musharika facility amounting to Rs. 15.05 million for purchase of vehicles. The facility is repayable in 20 quarterly installments ending in July 2024. 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 Parent Company. The title of asset is held jointly by the Parent Company and the lender till the facility is fully repaid.

22.4.2 This represents diminishing musharika facility amounting to Rs. 5.28 million for purchase of vehicles. The facility is repayable in 20 quarterly installments ending in February 2022. 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 Parent Company. The title of asset is held jointly by the Parent Company and the lender till the facility is fully repaid.

22.4.3 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 Parent Company. The title of asset is held jointly by the Parent Company and the lender till the facility is fully repaid.

22.4.4 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 Parent Company. The title of asset is held jointly by the Parent Company and the lender till the facility is fully repaid.

22.4.5 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 Parent Company. The title of asset is held jointly by the Parent Company and the lender till the facility is fully repaid.

22.4.6 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 Parent Company. The title of asset is held jointly by the Parent Company and the lender till the facility is fully repaid.

22.4.7 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 Parent Company. The title of asset is held jointly by the Parent Company and the lender till the facility is fully repaid.

22.5 This represents diminishing musharika facility amounting Rs. 100 million to pay off conventional liabilities. The facility is repayable in monthly installments of Rs. 2.08 million each ending in July 2024 with a grace period of 1 year. Mark-up is payable monthly and is charged at the rate of six month KIBOR plus 1.25% per annum. This facility is secured against raking charge amounting to Rs. 133 million on all present and future current assets of the Parent Company.

Rupees in thousand	Note	2021	2020
23 Deferred Income			
Balance as at 1 July		**3,739**	-
Government grant recognised during the year		**6,418**	3,878
Amortisation of grant		**(6,595)**	(139)
		3,562	3,739
Less: Current portion of deferred income		**(2,407)**	(1,662)
		1,155	2,077
24 Staff retirement and other long term benefits			
Defined benefit plan			
Staff pension fund	24.1	**40,262**	33,705
Staff gratuity fund	24.1	**14,096**	80,407
		54,358	114,112
Other long term employee benefits			
Accumulating compensated absences	24.2	**21,231**	24,416
		75,589	138,528

Defined benefit plan

As mentioned in note 4.15 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 30 June 2021. Projected Unit Credit method based on the following assumptions was used for these valuations:

	2021	2020
Valuation discount rate	**10%**	8.5%
Expected rate of increase in salaries	**9%**	7.5%
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

24.1 Statement of financial position reconciliation

Rupees in thousand

	2021		2020	
	Pension	**Gratuity**	Pension	Gratuity
Present value of defined benefit obligation	**98,206**	**89,299**	87,728	80,446
Fair value of plan assets	**(57,944)**	**(75,203)**	(54,023)	(39)
	40,262	**14,096**	33,705	80,407

24.1.1 Movement in defined benefit obligation is as follows:

	2021 Pension	2021 Gratuity	2020 Pension	2020 Gratuity
Obligation as at 01 July	**87,728**	**80,446**	88,089	90,412
Employees' contribution not paid to the fund by the Company	**1,105**	**-**	1,070	-
Service cost	**2,941**	**8,828**	2,633	9,329
Loss on settlements	**-**	**-**	(8,796)	(10,645)
Interest cost	**7,352**	**6,051**	10,799	10,253
Benefits paid	**(2,480)**	**(10,212)**	(3,392)	(16,768)
Remeasurement loss / (gain)	**1,560**	**4,186**	(2,675)	(2,135)
Obligation as at 30 June	**98,206**	**89,299**	87,728	80,446

Rupees in thousand

		2021		2020	
		Pension	**Gratuity**	Pension	Gratuity
24.1.2	**Movement in the fair value of plan assets is as follows:**				
	Fair value as at 01 July	**54,023**	**39**	51,468	39
	Expected return on plan assets	**4,592**	**3,191**	6,312	5
	Remeasurement loss	**(399)**	**(3,027)**	(1,807)	(5)
	Company's contribution	**2,208**	**85,212**	1,442	16,768
	Benefits paid	**(2,480)**	**(10,212)**	(3,392)	(16,768)
	Fair value as at 30 June	**57,944**	**75,203**	54,023	39
24.1.3	**Movement in net liability in the statement of financial position is as follows:**				
	Net liability as at 01 July	**33,705**	**80,407**	36,621	90,373
	Charge for the year	**5,701**	**11,688**	(1,676)	8,932
	Charge to other comprehensive income during the year	**1,959**	**7,213**	(868)	(2,130)
	Company's contribution	**(2,208)**	**(85,212)**	(1,442)	(16,768)
	Employees' contribution deducted but not paid to the fund	**1,105**	**-**	1,070	-
	Net liability as at 30 June	**40,262**	**14,096**	33,705	80,407
24.1.4	**Charge for the year - *net***				
	Current service cost	**2,941**	**8,828**	2,633	9,329
	Interest cost	**7,352**	**6,051**	10,799	10,253
	Expected return on plan assets	**(4,592)**	**(3,191)**	(6,312)	(5)
	Loss on settlements	**-**	**-**	(8,796)	(10,645)
		5,701	**11,688**	(1,676)	8,932
	Actual return on plan assets	**4,193**	**164**	4,505	-

Rupees in thousand

	2021		2020	
	Pension	**Gratuity**	Pension	Gratuity
24.1.5 The charge for the year has been allocated as follows:				
Cost of sales	**2,519**	**5,164**	(838)	4,466
Selling and distribution costs	**2,145**	**4,398**	(687)	3,662
Administrative and general expenses	**1,037**	**2,126**	(151)	804
	5,701	**11,688**	(1,676)	8,932
24.1.6 Plan assets comprise the following:				
Defence Saving Certificates	**-**	**-**	15,750	-
Collective investment schemes	**39,349**	**75,000**	35,878	-
Cash at bank	**18,597**	**203**	2,395	39
	57,946	**75,203**	54,023	39

24.1.7 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:

Rupees in thousand

	2021	2020	2019	2018	2017
As at 30 June					
Present value of defined benefit obligation	**187,505**	164,016	178,501	166,548	130,969
Fair value of plan assets	**(133,147)**	(54,064)	(51,507)	(50,609)	(46,385)
Deficit	**54,358**	109,952	126,994	115,939	84,584
Experience adjustment:					
Loss / (gain) on obligations	**5,746**	(4,810)	(4,883)	1,674	2,444
Gain on plan assets	**7,783**	6,317	4,471	4,720	368

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.

24.1.8 Expected expense for next year

The expected expense to the pension and gratuity schemes for the year ending 30 June 2022 works out to Rs. 7.52 million and Rs. 11.4 million respectively.

24.1.9 The plans expose the Group 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.

24.1.10 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 30 June 2021 would have been as follows:

Impact on present value of defined benefit obligation as at 30 June 2021

Rupees in thousand

			Pension		Gratuity	
		Change	**Increase to**	**Decrease to**	**Increase to**	**Decrease to**
Discount rate	±	1%	**82,922**	**116,304**	**81,648**	**97,663**
Future salary	±	1%	**116,307**	**82,923**	**97,666**	**81,649**

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.

24.1.11 Weighted average duration of the defined benefit obligation is 24 years and 9 years for pension and gratuity plans, respectively.

Rupees in thousand	**Note**	**2021**	2020
24.2 Other long term employee benefits			
Movement in accumulated compensated absences			
Balance as at 01 July		**24,416**	27,057
Provision during the year	24.2.2	**2,718**	5,139
Payments made during the year		**(5,903)**	(7,780)
Balance as at 30 June		**21,231**	24,416
24.2.1 Reconciliation of present value of liability			
Present value of liability as at 01 July		**24,416**	27,057
Service cost		**2,837**	1,715
Interest on defined benefit liability		**1,645**	2,896
Benefits paid		**(5,903)**	(7,780)
Remeasurement gain		**(1,764)**	528
		21,231	24,416

Rupees in thousand		2021	2020
24.2.2	**Charge for the year**		
	Service cost	**2,837**	1,715
	Interest on defined benefit liability	**1,645**	2,896
	Remeasurement gain	**(1,764)**	528
		2,718	5,139
24.2.2.1	The charge for the year has been allocated as follows:		
	Cost of sales	**1,201**	2,570
	Selling and distribution costs	**1,023**	2,106
	Administrative and general expenses	**494**	463
		2,718	5,139

Rupees in thousand	2021	2020
25 Trade and other payables		
Trade and other creditors	**910,622**	542,827
Import bills payable	**324,246**	99,924
Contract liabilities	**45,269**	36,215
Accrued expenses	**64,750**	65,937
Provision for infrastructure cess	**88,097**	80,860
Royalty payable to related parties - *unsecured*	**23,247**	16,821
Technical fee payable	**34,953**	37,471
Workers' Profits Participation Fund	**18,588**	18,943
Workers' Welfare Fund	**23,059**	38,547
Due to statutory authorities	**16,965**	1,299
Insurance claim payable	**-**	661
Others	**44,150**	21,507
	1,593,946	961,012

		2021	2020
25.1	**Provision for infrastructure cess**		
	Balance as at 01 July	**80,860**	68,609
	Provision for the year	**7,237**	12,251
	Balance as at 30 June	**88,097**	80,860
25.2	**This includes amount due to the following related parties:**		
	Slotrapid Limited B.V.I. - *Holding Company*	**23,215**	16,796
	Buxly Paints Limited - *related party*	**32**	25
		23,247	16,821

Rupees in thousand	Note	2021	2020
25.3 Workers' Profits Participation Fund			
Balance as at 01 July		**18,943**	11,132
Allocation for the year	35	**14,467**	6,150
Interest on funds utilized in the Company's business	36	**304**	1,661
		33,714	18,943
Payments during the year		**(15,126)**	-
Balance as at 30 June		**18,588**	18,943

26 Accrued mark-up

	2021	2020
Mark-up based borrowings from conventional banks		
Long term financing - *secured*	**1,785**	4,083
Short term financing - *secured*	**2,103**	3,052
Short term running finances - *secured*	**18,471**	26,492
	22,359	33,627
Islamic mode of financing	**120**	1,546
	22,479	35,173

Rupees in thousand	2021	2020
27 Short term borrowings - *secured*		
Mark-up based borrowings from conventional banks		
Short term financing - *secured*	**60,700**	141,976
Short term running finance - *secured*	**786,805**	909,575
	847,505	1,051,551

27.1 Short term financing

This represents utilized amount of short term financing facilities by the Parent Company under mark-up arrangements available from commercial banks aggregating to Rs. 280 million (2020: Rs. 490 million) which is a sublimit of running finance facilities as described in note 27.2 to the consolidated financial statements. These facilities are secured against joint pari passu charge on all present and future current assets along with a registered charge (mortgage and hypothecation) over the current assets of the Parent Company. These carry mark-up at rates ranging between 8.16% and 9.37% (2020: 8.51% and 18.62%) per annum, payable quarterly.

27.2 Short term running finances

This represents utilized amount of short term running finance facilities by the Parent Company under mark-up arrangements available from commercial banks aggregating to Rs. 1,250 million (2020: Rs. 1,250 million). These facilities are secured against registered charge over the current assets of the Parent Company and carry mark-up at rates ranging between 8.53% and 9.03% (2020: 9.33% and 15.61%) per annum, payable quarterly.

27.3 Unavailed credit facilities

The Parent Company has available facilities for opening of letters of credit and guarantees as at 30 June 2021 amounting to Rs. 1,700 million (2020: Rs. 1,700 million) out of which Rs. 1,127 million remained unavailed as at the reporting date (2020: Rs. 1,376 million).

28 Contingencies and commitments

28.1 Contingencies

-In 1987, the Parent Company filed a suit against an ex-distributor ("Asia paints") in the Sindh High Court ("the court") for recovery of Rs. 8.89 million and damages amounting to Rs. 5 million on account of unpaid credit invoices for the products supplied by it to the distributor. However, the distributor in return also filed a counter claim amounting to Rs. 78.15 million against the Parent Company in the court on account of damages and compensation. The management believes on the basis of legal advice that it has a strong case and no financial obligation is expected to arise. Accordingly, no provision has been made in financial statements.

- 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 consolidated financial statements.

- 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. 58.94 million for Tax years 2014, 2015, 2016 and 2017 vide various assessment orders. the Parent Company through its legal counsel filed appeals to Commissioner Inland Revenue Appeals ("CIR - A") against the said orders 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 consolidated financial statements.

- 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 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 consolidated financial statements.

- 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 consolidated financial statements.

- 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 consolidated financial statements.

- 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 Parent Company through its legal counsel filed appeal before Commissioner Appeals PRA against the order of Additional Commissioner 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 consolidated financial statements.

- 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 initial phase issues were being observed 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 agreed amount, out of which 4 million is unpaid at the reporting date. The management on the basis of legal advice the management believes that it has a strong case and no financial obligation is expected to arise.

- The Additional Commissioner Inland Revenue (ACIR) vide order under section l22(5A) of ITO, 2001 for tax year 2019. The Parent Company filed an appeal against the said order before Commissioner IR Appeals-I, Lahore who upheld certain additions, remanded the case in respect of certain issues to the tune of Rs. 22.81 million which is pending adjudication and deleted certain additions and upheld the disallowance of initial allowance claimed amounting to Rs.1.7 million.

  The Parent Company filed appeal before ATIR which is pending adjudication. The management on the basis of opinion of the tax advisor is hopeful for a favorable outcome, hence no provision has been recorded in these consolidated financial statements.

- DCIT 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 upto 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 consolidated financial statements.

- The Deputy Commissioner IR 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), Lahore which is pending adjudication. The management on the basis of opinion of the tax advisor is hopeful for a favorable outcome, hence no provision has been recorded in these consolidated financial statements.

- Various cases on account of income tax and sales tax matters involving an amount Rs. 11.40 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.

28.2 Commitments

- Outstanding letters of credit as at 30 June 2021 amounted to Rs. 464.38 million (2020: Rs. 238.05 million) for purchase of raw and packing materials.
- Outstanding letters of guarantee as at 30 June 2021 amounted to Rs. 108.79 million (2020: Rs. 102.65 million).
- The amount of future rentals for Ijarah financing and the period in which these payments will become due are as follows:

Rupees in thousand	**2021**	2020
Not later than one year	**4,629**	6,649
Later than one year and not later than five years	**1,647**	7,677
	6,276	14,326

29 Sales - ***net***

Local	**8,085,440**	6,266,543
Export	**86,461**	103,952
	8,171,901	6,370,495
Less: Discounts	**(1,250,351)**	(1,141,868)
Sales tax	**(1,261,930)**	(922,378)
	(2,512,281)	(2,064,246)
Revenue from contracts with customers	**5,659,620**	4,306,249

29.1 Revenue has been recognized at a point in time for both local and export sales made during the year.

29.2 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. 45.3 million (2020: 36.22 million). Revenue recognized during the reporting period which was included in the contract liabilities at the beginning of the period amounted to Rs. 36.22 million (2020: Rs. 56.22 million).

Rupees in thousand	Note	2021	2020
30 Cost of sales			
Finished goods as at 01 July		**395,307**	271,041
Cost of goods manufactured	30.1	**4,513,587**	3,448,785
Provision against slowing moving finished goods		**28,753**	12,972
Less: Finished goods as at 30 June		**(465,057)**	(395,307)
Consumption of finished goods purchased for resale	30.2	**44,675**	55,768
Cost of sales		**4,517,265**	3,393,259

30.1 Cost of goods manufactured

	Note	2021	2020
Raw and packing materials consumed		**3,801,474**	2,866,998
Freight and handling		**210,333**	132,832
Provision charged / (reversed) against raw and packing material		**494**	(7,635)
Stores and spare parts consumed		**6,353**	10,311
Salaries, wages and other benefits	30.1.1	**238,533**	210,227
Travelling and conveyance		**3,182**	3,628
Fuel, water and power		**94,294**	106,101
Legal and professional		**3,716**	1,646
Rent, rates and taxes		**1,088**	478
Insurance		**7,047**	8,608
Repairs and maintenance		**35,071**	25,398
Depreciation		**103,638**	52,387
Ijarah lease rentals		**1,627**	2,530
Printing and stationery		**2,028**	1,443
Communication		**1,522**	1,526
Revaluation deficit on plant and machinery		**-**	11,470
Others		**13,603**	14,416
		4,524,003	3,442,364
Opening stock of semi-processed goods		**71,550**	76,751
Closing stock of semi-processed goods		**(80,946)**	(71,550)
Provision (reversed) / charged during the year		**(1,020)**	1,220
Cost of goods manufactured		**4,513,587**	3,448,785

30.1.1 Salaries, wages and benefits include Rs. 5.16 million (2020: Rs. 4.46 million) in respect of gratuity fund, Rs. 2.52 million (2020: Rs. (0.83) million) in respect of pension fund, Rs. 1.20 million (2020: Rs. 2.56 million) in respect of compensated absences and Rs. 3.13 million (2020: Rs. 3.59 million) in respect of provident fund contribution.

Rupees in thousand	Note	2021	2020
30.2 The movement of finished goods purchased for resale is as follows:			
Finished goods as at 01 July		**114,091**	67,194
Add: Finished goods purchased for resale during the year		**12,271**	102,665
Less: Consumption of finished goods during the year		**(44,675)**	(55,768)
Finished goods as at 30 June		**81,687**	114,091

31 Selling and distribution costs

	Note	2021	2020
Salaries and other benefits	31.1	**315,046**	289,915
Travelling and conveyance		**2,241**	2,975
Rent, rates and taxes		**3,123**	3,575
Insurance		**10,565**	10,455
Fuel, water and power		**5,716**	5,652
Advertising and sales promotion		**113,979**	109,617
Technical services and royalty fee	31.2	**49,059**	23,663
Repairs and maintenance		**2,818**	1,957
Depreciation		**20,754**	17,145
Amortization		**-**	21
Ijarah lease rentals		**1,672**	2,842
Provision for doubtful debts - *net of recoveries*		**-**	8,206
Printing and stationery		**1,886**	1,690
Legal and professional		**2,259**	3,358
Communication		**8,844**	7,870
Revaluation deficit on plant and machinery		**-**	3,771
Others		**14,954**	8,053
		552,916	500,765

31.1 Salaries and other benefits include Rs. 4.39 million (2020: Rs. 3.66 million) in respect of gratuity fund, Rs. 2.15 million (2020: Rs. (0.68) million) in respect of pension fund, Rs. 1.02 million (2020: Rs. 2.10 million) in respect of compensated absences and Rs. 6.83 million (2020: Rs. 7.49 million) in respect of provident fund contribution.

31.2 This represents royalty and technical fee paid to following companies;

Rupees in thousand

Name and address of the party	**Relationship with Company**	**2021**	2020
Slotrapid Limited *(Suit# 1 Akara Building, 24 De-Cantro Street, Wickham Cay 1, Road Town, Tortola, British Virgin Island)*	**Licensor (the Holding Company)**	**44,370**	17,643
Oxyplast Belgium N.V. *(Hulsdonk 35-B 9042/Gent – Mendonk, Belgium)*	**Licensor**	**4,682**	5,170
Buxly Paints Limited *(X-3, Mangopir Road, S.I.T.E., Karachi.)*	**Licensor (Associated Company)**	**7**	52
Nippon Paint Company Limited *(2-1-2 Oyodo - Kita, Kita-Ku, Osaka -531-8511 Japan)*	**Licensor**	**-**	798
		49,059	23,663

Rupees in thousand	**Note**	**2021**	2020
32 Administrative and general expenses			
Salaries and other benefits	32.1	**113,486**	101,786
Directors' meeting fee		**3,600**	3,400
Travelling and conveyance		**1,986**	5,282
Rent, rates and taxes		**4,639**	5,317
Insurance		**5,134**	5,098
Auditors' remuneration	32.2	**3,120**	3,070
Fuel, water and power		**2,121**	1,978
Repairs and maintenance		**2,703**	2,018
Depreciation		**10,932**	10,222
Amortization of computer software		**1,305**	1,724
Ijarah lease rentals		**1,613**	2,850
Printing and stationery		**1,424**	802
Legal and professional		**12,021**	13,968
Communication		**3,253**	2,864
Others		**6,476**	16,561
		173,813	176,940

32.1 Salaries and other benefits include Rs. 2.13 million (2020: Rs. 0.80 million) in respect of gratuity fund, Rs. 1.03 million (2020: Rs. (0.15) million) in respect of pension fund, Rs. 0.49 million (2020: Rs. 0.46 million) in respect of compensated absences and Rs. 5.07 million (2020: Rs. 4.45 million) in respect of provident fund contribution.

Rupees in thousand	2021	2020
32.2 Auditors' remuneration		
32.2.1 Auditor of the Parent Company		
Audit fee	**2,010**	2,010
Consolidation and half yearly review	**460**	460
Out of pocket expenses	**350**	350
	2,820	2,820
32.2.2 Auditor of the Subsidiary Company		
Audit fee	**300**	250
	3,120	3,070

33 Other income - *net*

	2021	2020
Mark-up on term deposit receipts and long term loan	**7,429**	13,755
Sale of scrap	**23,961**	14,772
Gain on disposal of property, plant and equipment	**4,640**	6,288
Rental income and other services charged to related parties	**1,199**	-
Recoveries from doubtful debts - net	**-**	1,472
Export rebate	**1,153**	2,567
Insurance claim	**-**	20,438
Exchange gain / (loss)	**33,643**	15,102
Amortisation of government grant	**6,595**	-
Others	**5,180**	870
	83,800	75,264

Rupees in thousand	2021	2020
34 Other expenses		
Impairment on goodwill	**24,000**	-
Impairment on investment in associate	**14,961**	-
Workers' Welfare Fund	**8,664**	2,311
Workers' Profit Participation fund	**14,467**	6,150
Others	**122**	-
	62,214	8,461
35 Finance cost		
Islamic mode of financing:		
- Long term financing - *secured*	**10,785**	-
Mark-up based borrowing from conventional banks:		
- Long term financing - *secured*	**12,496**	15,472
- Short term financing - *secured*	**4,508**	5,442
- Short term running finances- *secured*	**81,017**	153,357
	98,021	174,271
- Liabilities against assets subject to finance lease - *secured*	**-**	544
Interest on WPPF	**394**	1,661
Bank charges	**8,581**	14,170
	117,781	190,646
36 Taxation		
Current		
- for the year	**138,189**	38,379
- prior year	**(4,906)**	(1,477)
	133,283	36,902
Deferred		
- current year	**(36,614)**	7,214
- prior year	**5,081**	
	101,750	44,116

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

	2021	2020
Applicable tax rate	**29.00%**	29.00%
Tax effect of:		
- income under Final Tax Regime	**0.07%**	0.87%
- prior year adjustment	**-1.80%**	-1.29%
- permanent difference	**7.47%**	6.30%
- others	**-0.64%**	0.24%
Average effective tax rate charged to profit or loss	**34.10%**	35.12%

Rupees in thousand	Note	2021	2020
37 Cash and cash equivalents			
Cash and bank balances	19	**46,159**	41,550
Short term running finance - *secured*	27.2	**(786,805)**	(909,575)
		(740,646)	(868,025)

38 Remuneration of Chief Executive, Directors and Executives

Rupees in thousand

	2021			2020		
	Chief Executive	**Executives**	**Non-Executive Directors**	Chief Executive	Executives	Non-Executive Directors
Managerial remuneration (including bonus)	**14,000**	**42,473**	**-**	8,358	39,675	-
Retirement and other long term benefits	**14,909**	**55,229**	**-**	9,493	33,532	-
House rent allowance	**-**	**19,113**	**-**	5,454	17,223	-
Utilities	**-**	**4,247**	**-**	836	3,858	-
Medical expenses	**-**	**5,309**	**-**	-	1,933	-
	28,909	**126,371**	**-**	24,141	96,221	-
Number of persons	**1**	**17**	**7**	1	19	7

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

38.2 Non-Executive Directors were paid meeting fee amounting to Rs. 3.6 million (2020: Rs. 3.4 million).

38.3 The Chief Executive and certain other executives of the Parent Company are provided with free use of Parent Company cars while the Chief Executive is provided boarding and lodging facility in the Parent Company's guest house.

39 Reconciliation of movement of liabilities to cash flows arising from financing activities

Rupees in thousand

	2021			
	Unclaimed dividend	**Long term financing**	**Short term borrowing**	**Total**
As at 30 June 2020	**6,687**	**346,324**	**1,051,551**	**1,404,562**
Changes from financing cash flows				
Dividend paid	**(19,596)**	**-**	**-**	**(19,596)**
Short term borrowings - net	**-**	**-**	**(81,276)**	**(81,276)**
Long term financing	**-**	**(88,762)**	**-**	**(88,762)**
Total changes from financing cash flows	**(19,596)**	**(88,762)**	**(81,276)**	**(189,634)**
Other changes				
Change in borrowings	**-**	**177**	**(122,770)**	**(122,593)**
Dividend declared	**20,460**	**-**	**-**	**20,460**
Total liability related other changes	**20,460**	**177**	**(122,770)**	**(102,133)**
As at 30 June 2021	**7,551**	**257,739**	**847,505**	**1,112,795**

Rupees in thousand

	2020			
	Unclaimed dividend	Long term financing	Short term borrowing	Total
As at 30 June 2019	5,980	169,991	1,204,747	1,380,718
Changes from financing cash flows				
Dividend paid	(19,753)	-	-	(19,753)
Short term borrowings - net	-	-	41,976	41,976
Long term financing	-	178,410	-	178,410
Total changes from financing cash flows	(19,753)	178,410	41,976	200,633
Other changes				
Change in borrowings	-	(2,077)	(195,172)	(197,249)
Dividend declared	20,460	-	-	20,460
Total liability related other changes	20,460	(2,077)	(195,172)	(176,789)
As at 30 June 2020	6,687	346,324	1,051,551	1,404,562

Number of persons	2021	2020
40 Number of employees		
The Group has employed following number of persons:		
- As at 30 June	**427**	531
- Average number of employees	**406**	570

41 Transactions with related parties

The related parties of the Group comprises of Holding Company, associated companies, directors of the Group and also those under common directorship, key management personnel and post employment benefits plans. Amounts due from and due to related parties, remuneration of directors and key management personnel are disclosed in the relevant notes.

Material transactions with related parties are given below:

Rupees in thousand

Name of parties, nature and basis of relationship	Holding Percentage	Nature of transaction	2021	2020
Holding Company				
Slotrapid Limited B.V.I.	52.05%	Royalty expense	**44,371**	17,643
		Payment / adjustments	**37,500**	39,670
		Dividend paid	**9,431**	9,431
Associated				
3S Pharmaceutical (Private) Limited	49.00%	Common expenditures incurred	**836**	606
Related parties				
Buxly Paints Limited ("BPL")	19.95%	Sales	**300,740**	213,022
		Royalty expense	**6**	52
		Rental expense	**1,812**	1,812
		Rental income and other services	**1,200**	1,200
		Common expenditures incurred	**16,656**	18,909
		Receipts / Adjustments	**5,873**	5,500

In addition to these transactions, the Parent 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 Parent Company will handover the possession of the building to BPL free of cost.

Rupees in thousand

Name of parties, nature and basis of relationship	Holding Percentage	Nature of transaction	2021	2020
Dadex Eternit Limited (Associated Company)	-	Sales	**318**	180
Post employment benefit plans (Key Employees)	-	Contribution to gratuity fund	**85,212**	16,768
		Contribution to pension fund	**2,208**	1,442
		Provident fund contribution	**30,067**	31,086

42 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:

Rupees in thousands

	(Unaudited) 30 June 2021	(Audited) 31 December 2020
Size of the fund - total assets	**256,477**	236,184
Cost of investments made	**227,968**	218,433
Percentage of investments - (% of total assets)	**89%**	92%
Fair value of investments	**254,244**	233,563

42.1 The break-up of investments is as follows:

	2021		2020	
	Rupees in thousands	**%age**	Rupees in thousands	%age
Investment in debt collective investment scheme	**6,752**	**3%**	6,546	3%
Investment in money market collective investment scheme	**10,765**	**4%**	10,650	5%
Investment in equity collective investment scheme	**12,192**	**5%**	12,032	5%
Bank balances	**57,430**	**23%**	47,895	21%
Certificate of deposits	**90,917**	**36%**	85,715	37%
Term deposit receipts	**76,188**	**29%**	70,725	29%
	254,244	**100%**	233,563	100%

The investments out of provident fund and pension fund as at 31 December 2020 have been made in accordance with the requirements of section 218 of the Companies Act, 2017.

43 Financial instruments - Fair values and risk management

43.1 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.

43.1.1 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.

43.1.2 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.

43.1.2.1 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, RMB, 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:

Amount in thousand	**2021**	2020
Statement of financial position items		
Trade and other payables		
- Euro	**62**	2
- RMB	**935**	-
- USD	**1,822**	378
- JPY	**387**	5,657
	3,206	6,037

Off statement of financial position items

Outstanding letters of credit as at the year end are as follows:

Amount in thousand	**2021**	2020
Euro	**-**	14
RMB	**69**	145
USD	**669**	2,168

The following significant exchange rates were applied during the year:

In rupees	2021	2020
Rupees per Euro		
Average rate for the year	**188.66**	175.05
Reporting date rate	**188.71**	188.61
Rupees per USD		
Average rate for the year	**163.18**	158.26
Reporting date rate	**158.30**	168.05
Rupees per JPY		
Average rate for the year	**1.50**	1.46
Reporting date rate	**1.43**	1.56
Rupees per RMB		
Average rate for the year	**24.08**	23.54
Reporting date rate	**24.39**	23.76

Sensitivity analysis

At reporting date, if the PKR had strengthened by one rupee against the foreign currencies with all other variables held constant, post-tax profit 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.

In rupees	2021	2020
Effect on profit or loss		
EUR	**44,020**	1,420
RMB	**663,850**	-
USD	**1,293,620**	268,380
JPY	**274,770**	4,016,470

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.

43.1.2.2 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:

Rupees in thousands

	Impact on equity	
	2021	2020
Buxly Paints Limited	**1,505**	1,029

The sensitivity analysis prepared is not necessarily indicative of the effects on profit / (loss) for the year and assets / liabilities of the Group.

43.1.2.3 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	
	2021	2020	**2021**	2020
	Percentage		Rupees in thousands	
Financial assets				
Fixed rate instruments				
Short term investment	**7%**	7.94% to 12.00%	**30,000**	32,195
Financial liabilities				
Fixed rate instruments				
Long term financing - secured	**3% to 6%**	3%	**145,788**	34,827
Floating rate instruments				
Long term financing - secured	**7.65% to 10.33%**	9.14% to 15.27%	**114,594**	314,140
Short term financing - secured	**8.16% to 9.37%**	8.51% to 15.33%	**60,700**	141,976
Short term running finance - secured	**8.03% to 12.94%**	9.33% to 15.61%	**786,805**	909,575
			962,099	1,365,691

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 2021.

	100 bps	
	Decrease	Increase
As at 30 June 2021	**6,831**	**(6,831)**
As at 30 June 2020	9,696	(9,696)

The sensitivity analysis prepared is not necessarily indicative of the effects on profit / (loss) for the year and assets / liabilities of the Group.

43.1.3 Credit risk

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 company's performance to developments affecting a particular industry.

Rupees in thousand	**2021**	2020
At amortised cost		
Long term loans - *secured*	**49,911**	48,053
Long term deposits	**18,753**	17,875
Trade debts	**1,276,577**	1,134,459
Trade deposits and others	**20,906**	28,837
Other receivables		
- Receivable from related parties	**40,430**	24,521
- LC Margin	**110,000**	-
- Others	**12,158**	22,403
	162,588	46,924
Short term investment - *secured*	**30,000**	32,195
Bank balances	**45,149**	40,525
	1,603,884	1,348,868

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:

Rupees in thousand	**2021**	2020
Trade debts	**1,276,577**	1,134,459
Banking companies and financial institutions	**185,149**	72,720
Others	**142,158**	141,689
	1,603,884	1,348,868

43.1.3.1 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 consolidated financial statements.

43.1.3.2 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.

43.1.3.4 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.

43.1.3.4 Trade debts - unsecured

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.

	Weighted average loss rate	Gross carrying amount	Loss allowance
30 June 2021			
Past due 0 - 30 days	1.72%	589,457	10,120
Past due 31 - 60 days	1.85%	259,817	4,813
Past due 61 - 90 days	2.61%	182,322	4,750
Past due 91 - 120 days	6.19%	112,008	6,929
Past due 121 - 180 days	9.48%	91,352	8,662
Past due 181 - 364 days	72.84%	51,076	37,204
Past due over one year	70.22%	211,661	148,638
		1,497,693	221,116

	Weighted average loss rate	carrying amount	Loss allowance
30 June 2020			
Past due 0 - 30 days	2.81%	384,090	10,799
Past due 31 - 60 days	2.65%	86,297	2,288
Past due 61 - 90 days	3.99%	19,291	769
Past due 91 - 120 days	4.48%	78,698	3,529
Past due 121 - 180 days	6.81%	168,983	11,504
Past due 181 - 364 days	10.29%	227,794	23,448
Past due over one year	40.04%	369,633	147,990
		1,334,786	200,327

43.1.3.5 Balances with banking companies

The Group held balances with banks, short term investments and LC margin amounting to Rs. 183.47 million as at 30 June 2021. These are held with banks and financial institutions counterparties, which are rated A 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 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.

Rupees in thousand	**2021**	2020
Bank Balances	**45,149**	40,525
Short term investment	**30,000**	32,195
Other receivables	**110,000**	-
	185,149	72,720

43.1.3.5.1 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:

Rupees in thousand

Banks	Rating		Rating		
	Short term	Long term	Agency	2021	2020
Bank Al Habib Limited	A1+	AAA	PACRA	**19,356**	19,111
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	**9,835**	16,820
United Bank Limited	A-1+	AAA	JCR-VIS	**-**	2,182
Habib Bank Limited	A-1+	AAA	JCR-VIS	**985**	29
JS Bank Limited	A1+	AA-	PACRA	**30,840**	27,000
Al-Barka Bank Limited	A1	A+	PACRA	**1,812**	711
Bank Alfalah Limited	A1+	AA+	PACRA	**-**	100
National Bank of Pakistan	A1+	AAA	PACRA	**110,540**	4,636
Summit Bank Limited	Suspended	Suspended	JCR-VIS	**-**	2
Bank Islami	A1	A+	PACRA	**1,870**	2,129
Faysal Bank Limited	A1+	AA	PACRA	**9,911**	-
				185,149	72,720

The Group has not recognised an impairment allowance on bank balances during the year ended 30 June 2021, as the impact was immaterial.

43.1.3 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 the 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 30 June 2021:

Rupees in thousand

	Carrying amount	Contractual cash flow	Less than one year	Two to five years	More than five years
Non derivative financial liabilities					
Long term financing - *secured*	**260,382**	**287,012**	**124,796**	**150,624**	**11,592**
Trade and other payables	**1,401,968**	**1,401,968**	**1,401,968**	**-**	**-**
Accrued mark-up	**22,479**	**22,479**	**22,479**	**-**	**-**
Short term borrowings - *secured*	**847,505**	**1,095,218**	**1,095,218**	**-**	**-**
	2,532,334	**2,806,677**	**2,644,461**	**150,624**	**11,592**

The following are the contractual maturities of financial liabilities as at 30 June 2020:

Rupees in thousand

	Carrying amount	Contractual cash flow	Less than one year	Two to five years	More than five years
Non derivative financial liabilities					
Long term financing - *secured*	347,881	347,881	227,759	120,122	-
Liabilities against assets subject to finance lease - *secured*	1,086	1,086	1,086	-	-
Trade and other payables	784,487	784,487	784,487	-	-
Accrued mark-up	35,173	35,173	35,173	-	-
Short term borrowings - *secured*	1,051,551	1,106,820	1,106,820	-	-
	2,220,178	2,275,447	2,155,325	120,122	-

It is not expected that the cash flows on the maturity analysis could occur significantly earlier, or at significant different amount.

43.2 Fair value measurement of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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.

Rupees in thousand

	Carrying amount				Fair value			
	Financial assets at amortised cost	FVOCI - equity instruments	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
As at 30 June 2021								
Financial assets - measured at fair value								
Investment classified as FVOCI	-	15,048	-	15,048	15,048	-	-	15,048
Financial assets - at amortised cost								
Long term loans - *secured*	49,911	-	-	49,911	-	-	-	-
Long term deposits	18,753	-	-	18,753	-	-	-	-
Trade debts	1,246,279	-	-	1,246,279	-	-	-	-
Trade deposits and others	20,906	-	-	20,906	-	-	-	-
Other receivables	162,588	-	-	162,588	-	-	-	-
Short term investment - *secured*	30,000	-	-	30,000	-	-	-	-
Cash and bank balances	46,159	-	-	46,159	-	-	-	-
	1,574,596	15,048	-	1,589,644	15,048	-	-	15,048
Financial liabilities - at amortised cost								
Long term financing - *secured*	-	-	260,382	260,382	-	-	-	-
Trade and other payables	-	-	1,401,968	1,401,968	-	-	-	-
Accrued markup	-	-	22,479	22,479	-	-	-	-
Short term borrowings - *secured*	-	-	847,505	847,505	-	-	-	-
	-	-	2,532,334	2,532,334	-	-	-	-

Rupees in thousand

	Carrying amount				Fair value			
	Financial assets at amortised cost	FVOCI - equity instruments	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
As at 30 June 2020								
Financial assets - measured at fair value								
Investment classified as FVOCI	-	10,287	-	10,287	10,287	-	-	10,287
Financial assets - at amortised cost								
Long term loans - *secured*	48,053	-	-	48,053	-	-	-	-
Long term deposits	17,875	-	-	17,875	-	-	-	-
Trade debts	1,134,459	-	-	1,134,459	-	-	-	-
Trade deposits and others	28,837	-	-	28,837	-	-	-	-
Other receivables	46,924	-	-	46,924	-	-	-	-
Short term investment - *secured*	32,195	-	-	32,195	-	-	-	-
Cash and bank balances	41,550	-	-	41,550	-	-	-	-
	1,349,893	10,287	-	1,360,180	10,287	-	-	10,287
Financial liabilities - at amortised cost								
Long term financing - *secured*	-	-	347,881	347,881	-	-	-	-
Trade and other payables	-	-	724,401	724,401	-	-	-	-
Accrued markup	-	-	35,173	35,173	-	-	-	-
Short term borrowings - *secured*	-	-	1,051,551	1,051,551	-	-	-	-
	-	-	2,159,006	2,159,006	-	-	-	-

43.3 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.

43.4 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 consolidated financial statements.

44 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 statement of financial position plus net debt. The gearing ratios as at year end are as follows:

	2021 Rupees	2020 Rupees
Long term loans	**260,382**	348,967
Short term borrowings	**847,505**	1,051,551
Total debt	**1,107,887**	1,400,518
Total equity	**2,260,102**	2,078,870
Total equity and debt	**3,367,989**	3,479,388
Debt-to-equity ratio	**33:67**	40:60

45 Impact of COVID-19

The COVID-19 pandemic has generally been in control during the year, with a variations in its spread and intensity across the country. Measures taken by the Government to contain the virus has not significantly affected the economic activity. However, we have taken a number of measures to monitor and mitigate the effects of COVID-19, such as safety and health measures for our people (such as social distancing and working from home, if needed) and securing the supply of materials that are essential to our production process. At this stage, the impact on our business and results has not been significant and based on our experience to date we expect this to remain the case. As we operate in a supply chain sector for the manufacturing industry we have found increased demand for our products and expect this to continue. We will continue to follow the various government policies and advice and, in parallel, we will do our utmost to continue our operations in the best and safest way possible without jeopardising the health of our people.

Rupees in thousand	2021	2020
46 Restriction on title and assets pledged as security		
Mortgages and charges		
First		
Hypothecation of all present and future current assets	**2,003,000**	2,004,000
Mortgage over land and building	**726,000**	506,000
Ranking		
Hypothecation of all present and future current assets	**-**	1,135,334
Mortgage over land and building	**334,000**	-

Liters in thousand	2021	2020
47 Production capacity		
Actual production	**39,653**	31,330

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 17.12 million liters (2020: 12.54 million liters) which is used in the manufacture of the final product.

48 Operating segments

48.1 These consolidated financial statements have been prepared on the basis of single reportable segment.

48.2 Revenue from sale of paints and allied represents 99.5% (2020: 99.63%) of the total revenue of the Group.

48.3 98.94% (2020: 98.37%) sales of the Group relates to customers in Pakistan.

48.4 All non-current assets of the Group as at 30 June 2021 are located in Pakistan.

49 Date of authorization for issue

These financial statements were authorized for issue on 21 September 2021 by the Board of Directors of the Company.

50 Non adjusting events after the balance sheet date

The Board of Directors of the Company in its meeting held on 21 September 2021 has proposed a final cash dividend of Rs. 4.00 per share, for the year ended 30 June 2021, for approval of the members in the Annual General Meeting to be held on 27 October 2021.

51 General

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

Chief Financial Officer | Chief Executive | Director

Notes

Notes

Notes

Form of Proxy

The Secretary
Berger Paints Pakistan Limited
36 Industrial Estate, Kot Lakhpat, 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 Wednesday October 27, 2021 at 10:00 am via video link and at any adjournment thereof.

Signed this______________ day of ______________ 2021.

Signature on
Rs. 5.00
Revenue
Stamp

Notes:

1. The share transfer book will remain closed from October 21, 2021 to October 27, 2021 (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.

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The Company Secretary

Berger Paints Pakistan Limited

36 - Industrial Estate, Kot Lakhpat,
Lahore.

پراکسی کا فارم

سیکریٹری

برجر پینٹس پاکستان لمیٹڈ

36 انڈسٹریل اسٹیٹ، کوٹ لکھپت، لاہور

میں / ہم ---

ساکن ---

برجر پینٹس پاکستان لمیٹڈ کا ممبر ہونے اور (شیئرز کی تعداد) ---------------------------------------

آرڈنری شیئرز بمطابق فولیو نمبر ---------------------------------------

کا ہولڈر ہونے کے ناطے بذریعہ ہذا مسمی ---------------------------------------

----

ساکن ---

کو بروز منگل 27 اکتوبر 2021ء کو صبح 10:00 بجے اور کسی بھی التوا کے ساتھ 28- کلومیٹر ملتان روڈ، لاہور میں منعقد ہونے والے کمپنی کے سالانہ عام اجلاس میں میرے / ہمارے ایماء پر شرکت کرنے اور میری / ہماری طرف سے ووٹ ڈالنے کیلئے پراکسی مقرر کرتا ہوں / کرتے ہیں۔

دستخط کردہ ------------------------------ مورخہ ------------------------------2021

-/5 روپے کی
رسیدی ٹکٹ پر دستخط

نوٹس:

1- شیئر ٹرانسفر بکس مورخہ 21 اکتوبر 2021ء سے 27 اکتوبر 2021ء (بشمول دونوں ایام) بند رہیں گی۔

2- کمپنی کا ممبر جو میٹنگ میں شرکت کرنے، بولنے اور ووٹ دینے کا حقدار ہے کسی دوسرے ممبر کو اپنی جگہ میٹنگ میں شریک ہونے، بولنے اور ووٹ دینے کیلئے پراکسی مقرر کر سکتا / کر سکتی ہے۔ پوری طرح مکمل پراکسی فارم کا میٹنگ سے کم از کم 48 گھنٹے قبل کمپنی کے رجسٹرڈ آفس میں موصول ہونا لازمی ہے۔

3- اس میٹنگ میں ووٹ دینے کا حق رکھنے والے سی ڈی سی کے کسی بھی انفرادی ممبر کو اپنی شناخت ثابت کرنے کیلئے اپنا اصل سی این آئی سی ساتھ لانا ضروری ہے، اور پراکسی کی صورت میں شیئر ہولڈر کے سی این آئی سی کی تصدیق شدہ کاپی منسلک کرنا لازمی ہے۔ کارپوریٹ ممبرز کے نمائندگان کو اس مقصد کیلئے درکار معمول کی دستاویزات ہمراہ لانا ہوں گی۔

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The Company Secretary

Berger Paints Pakistan Limited

36 - Industrial Estate, Kot Lakhpat,
Lahore.

Electronic Dividend Mandate Form
Berger Paints Pakistan Limtied

Date: _____ / _____ / _____

In accordance with the provisions of section 242 of the Companies Act, 2017, dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholders. SECP vide Circular No. 18 of 2017 dated August 01, 2017, has presently waived this condition till October 31, 2017. Any dividend payable after this due date shall be paid in the prescribed manner only. Shareholders are requested to send their Electronic Dividend Mandate information duly filled and signed, along with attested copy of their CNIC to the Company's Share Registrar, M/s Corplink Private Limited, Wings Arcade, 1-K, Commercial Block K Model Town, Lahore, Punjab 54000. CDC shareholders are requested to submit their Dividend Mandate Form and attested copy of CNIC directly to their broker (participant)/CDC.

I/We ____ hereby authorize Berger Paints Pakistan Limited to directly credit cash dividend declared by it, if any, in the below mentioned bank account:

Name of shareholder: ____________________________________

Folio Number/CDC Account No.: ____________________of Berger Paints Pakistan Limited

Contact number of shareholder: ____

Title of Account: ______________________________________

IBAN (*): ____

Name of Bank: _______________________________________

Bank Branch: ____

Mailing Address of Branch: ___________________________________

CNIC No. (Attach attested copy): ____________________________________

NTN (in case of corporate entity): ____________________________________

It is stated that to the best of my/our knowledge and belief, the above particulars given by me/us are true and correct; and I/we shall keep Berger Paints Pakistan Limited and its Share Registrar informed in case of any changes in the said particulars in future.

_________________ _______________

Shareholder's Signature Date

NOTES: *Please provide complete IBAN (International Bank Account Number), after checking with your concerned Bank branch to enable electronic credit directly into your bank account.

**The shareholders who hold shares in Physical Form are requested to fill the above mentioned E-Dividend Bank Mandate Form and send it to the Company's Share Registrar at

M/s Corplink Private Limited, Wings Arcade, 1-K, Commercial Block K Model Town, Lahore, Punjab 54000,

Contact +92 42 35916714,

E-mail address: corplink786@gmail.com

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The Company Secretary

Berger Paints Pakistan Limited

36 - Industrial Estate, Kot Lakhpat,
Lahore.

الیکٹرونک ڈیویڈنڈ مینڈیٹ فارم

برجر پینٹس پاکستان لمیٹڈ

کمپنیز ایکٹ 2017ء کے سیکشن 242 کی دفعات کے مطابق قابل ادا نقد منافع کی ادائیگی صرف الیکٹرونک صورت میں براہ راست شیئر ہولڈر کے اسی مقصد کیلئے متعین کئے گئے بینک اکاؤنٹ میں کی جائیگی۔ ایس ای سی پی نے اپنے 2017 کے سرکلر نمبر 18 مورخہ یکم اگست 2017، کے تحت فی الحال اس شرط کیلئے 31 اکتوبر 2017ء تک چھوٹ دے دی ہے۔ اس مقررہ تاریخ کے بعد کوئی بھی قابل ادا منافع صرف طے شدہ طریقے سے ادا کیا جائے گا۔
شیئر ہولڈرز سے گزارش ہے کہ اپنی الیکٹرونک ڈیویڈنڈ مینڈیٹ معلومات پُر کر کے دستخط کرنے کے بعد اپنے سی این آئی سی کی تصدیق شدہ کاپی کے ساتھ کمپنی کے شیئر رجسٹرار، میسرز کارپلنک (پرائیویٹ) لمیٹڈ، ونگز آرکیڈ، K-1 کمرشل بلاک K، ماڈل ٹاؤن، لاہور، پنجاب 54000 کو ارسال کریں۔
سی ڈی سی شیئر ہولڈرز سے گزارش ہے کہ وہ اپنا ڈیویڈنڈ مینڈیٹ فارم اور سی این آئی سی کی تصدیق شدہ کاپی براہ راست اپنے بروکر (شریک)/ سی ڈی سی کو جمع کروائیں۔

میں / ہم --

برجر پینٹس پاکستان لمیٹڈ کو اعلان کردہ نقد منافع، اگر کوئی ہے تو، نیچے دیئے گئے بینک اکاؤنٹ میں براہ راست جمع کروانے کا اختیار دیتا ہوں / دیتے ہیں۔

شیئر ہولڈر کا نام: --

فولیو نمبر / سی ڈی سی اکاؤنٹ نمبر: --- آف برجر پینٹس پاکستان لمیٹڈ

شیئر ہولڈر کا رابطہ نمبر: --

اکاؤنٹ ٹائٹل: --

آئی بی اے این (*): --

بینک کا نام: --

بینک برانچ: --

برانچ کا میلنگ ایڈریس: --

سی این آئی سی نمبر (تصدیق شدہ کاپی منسلک کریں: ---

این ٹی این (کاروباری ادارہ ہونے کی صورت میں): ---

میں / ہم اقرار کرتا ہوں / کرتے ہیں کہ اوپر دی گئی معلومات میرے / ہمارے علم کے مطابق صحیح اور درست ہیں؛ اور میں / ہم برجر پینٹس پاکستان لمیٹڈ اور اس کے شیئر رجسٹرار کو مستقبل میں ان تفصیلات میں ہونے والی کسی بھی قسم کی تبدیلی سے آگاہ رکھوں گا / رکھیں گے۔

شیئر ہولڈر کے دستخط -- مورخہ --

نوٹس:* اپنے بینک اکاؤنٹ میں براہ راست الیکٹرونک کریڈٹ کو قابل عمل بنانے کیلئے براہ کرم اپنی متعلقہ بینک برانچ سے معلوم کر کے اپنا مکمل آئی بی اے این (انٹرنیشنل بینک اکاؤنٹ نمبر) فراہم کریں۔
** وہ شیئر ہولڈرز جن کے پاس شیئرز طبعی صورت میں موجود ہیں ان سے گزارش ہے کہ وہ اوپر دیا گیا الیکٹرونک ڈیویڈنڈ مینڈیٹ فارم پُر کر کے کمپنی کے شیئر رجسٹرار، میسرز کارپلنک (پرائیویٹ) لمیٹڈ، ونگز آرکیڈ، K-1 کمرشل بلاک K، ماڈل ٹاؤن، لاہور، پنجاب 54000 کو ارسال کریں۔

رابطہ +92 42 35916714

ای میل ایڈریس corplink786@gmail.com

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The Company Secretary

Berger Paints Pakistan Limited

36 - Industrial Estate, Kot Lakhpat,
Lahore.

BERGER HELPLINE
08000-2000

For Free Color Advisory

111-BERGER(111-237-437) KHI, LHR, ISB.

Berger Paints Pakistan Limited 28 Km, Multan Road, Lahore, Pakistan.

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