

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

As on 31 December 2020

Rupees in thousand	Note	(Un-audited) 31 December 2020	(Audited) 30 June 2020
<b>ASSETS</b>			
<b><u>Non current assets</u></b>			
Property, plant and equipment	5	1,652,799	1,638,058
Intangibles		24,679	25,516
Investments in related parties		57,928	52,037
Loan to related party - secured		40,000	40,000
Long term loans - secured		26,891	23,974
Long term deposits - unsecured		18,550	17,875
		<b>1,820,847</b>	<b>1,797,460</b>
<b><u>Current assets</u></b>			
Stores and spare parts		16,702	13,593
Stock-in-trade	6	1,119,010	1,085,933
Trade debts - unsecured	7	1,223,765	1,039,773
Loans and advances		165,931	156,048
Trade deposits and short term prepayments		28,066	34,038
Other receivables		89,299	104,579
Tax refund due from Government - net		225,057	250,706
Short term investments		32,195	32,195
Cash and bank balances		46,739	40,635
		<b>2,946,764</b>	<b>2,757,500</b>
		<b>4,767,611</b>	<b>4,554,960</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Authorized share capital</b>			
25,000,000 (30 June 2020: 25,000,000) ordinary shares of Rs. 10/- each		<b>250,000</b>	250,000
<b><u>Share capital and reserves</u></b>			
Issued, subscribed and paid-up capital	8	204,597	204,597
Reserves		1,116,355	1,017,476
Revaluation surplus on property, plant and machinery - net of tax		822,186	832,950
		<b>2,143,138</b>	<b>2,055,023</b>
<b><u>Non-current liabilities</u></b>			
Long term financing - secured	9	194,755	120,122
Deferred income		2,077	2,077
Staff retirement and other long term benefits		84,003	134,369
Deferred taxation		1,140	15,453
		<b>281,975</b>	<b>272,021</b>
<b><u>Current liabilities</u></b>			
Current maturity of long term financing		109,172	227,759
Current maturity of staff retirement and other long term benefits		4,158	4,158
Trade and other payables		1,428,325	902,588
Unclaimed dividend		10,104	6,687
Short term borrowings - secured		768,734	1,051,551
Accrued markup		22,005	35,173
		<b>2,342,498</b>	<b>2,227,916</b>
<b>Contingencies and commitments</b>	10	<b>4,767,611</b>	<b>4,554,960</b>

The annexed notes 1 to 17 form an integral part of these condensed interim unconsolidated financial statements.

Chief Financial Officer

Chief Executive

Director

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

For the half year and quarter ended 31 December 2020

Rupees in thousand	Six months ended		Three months ended	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
Revenue	2,708,578	2,444,787	1,414,634	1,314,617
Cost of sales	(2,087,030)	(1,938,834)	(1,093,548)	(1,017,042)
<b>Gross profit</b>	<b>621,548</b>	505,953	<b>321,086</b>	297,575
Selling and distribution costs	(351,750)	(296,473)	(193,834)	(142,625)
Administrative and general expenses	(87,197)	(86,561)	(41,646)	(43,771)
	(438,947)	(383,034)	(235,480)	(186,396)
<b>Profit from operations</b>	<b>182,601</b>	122,919	<b>85,606</b>	111,179
Other income	32,307	57,748	18,831	27,590
	214,908	180,667	104,437	138,769
Other expenses	(10,631)	(5,157)	(5,169)	(5,157)
Finance cost	(60,835)	(98,251)	(29,524)	(51,182)
	(71,466)	(103,408)	(34,693)	(56,339)
<b>Profit before taxation</b>	<b>143,442</b>	77,259	<b>69,744</b>	82,430
Taxation	(40,758)	(35,764)	(20,557)	(22,811)
<b>Profit after taxation</b>	<b>102,684</b>	41,495	<b>49,187</b>	59,619
	<b>Rupees</b>	Rupees	<b>Rupees</b>	Rupees
<b>Earnings per share - basic and diluted</b>	<b>5.02</b>	2.03	<b>2.40</b>	2.91

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Chief Financial Officer

Chief Executive

Director

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

For the half year and quarter ended 31 December 2020

Rupees in thousand	Six months ended		Three months ended	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
<b>Profit after taxation</b>	<b>102,684</b>	41,495	<b>49,187</b>	59,619
<b><u>Other comprehensive income / (loss)</u></b>				
<b><u>Items that will not be reclassified to profit or loss</u></b>				
Fair value gain / (loss) on Investment classified as FVOCI	<b>5,891</b>	(443)	<b>2,033</b>	471
<b>Total comprehensive income for the period</b>	<b>108,575</b>	41,052	<b>51,220</b>	60,090

The annexed notes 1 to 17 form an integral part of these condensed interim unconsolidated financial statements.

Chief Financial Officer

Chief Executive

Director

# Condensed Interim Unconsolidated Statement of Cash Flows (Un-audited)

For the half year ended 31 December 2020

Rupees in thousand	Note	31 December 2020	31 December 2019
<b><u>Cash flows from operating activities</u></b>			
<b>Profit before taxation</b>		<b>143,442</b>	77,259
Adjustments for non cash and other items:			
Depreciation		56,074	33,687
Amortization		837	867
Provision charged against slow moving stock - net		14,629	78
Provision / (reversal) for doubtful debts		64,000	(9,024)
Bad debts written off		-	(892)
Gain on disposal of property, plant and equipment		(500)	(5,299)
Provision for staff retirement and other long term benefits		24,555	19,425
Finance costs		60,835	98,251
		<b>220,430</b>	137,093
<b>Operating profit before working capital changes</b>		<b>363,872</b>	214,352
(Increase) / decrease in current assets:			
Stores and spare parts		(3,109)	(1,201)
Stock-in-trade		(47,706)	(215,705)
Trade debts - unsecured		(247,992)	28,374
Loans and advances		(9,883)	(96,454)
Trade deposits short-term prepayments		5,972	3,359
Others receivables		15,280	(13,195)
		<b>(287,438)</b>	(294,822)
Increase in current liabilities:			
Trade and other payables		525,737	123,918
<b>Cash generated from operations</b>		<b>602,171</b>	43,448
Taxes paid		(29,422)	(14,938)
Staff retirement and other long term benefits paid		(74,921)	(9,432)
Long term loans - due from employees		(2,917)	(761)
Long term deposits - net		(675)	(480)
		<b>(107,935)</b>	(25,611)
<b>Net cash used in operating activities</b>		<b>494,236</b>	17,837
<b><u>Cash flows from investing activities</u></b>			
Capital expenditure incurred		(72,558)	(48,318)
Proceeds from disposal of property, plant and equipment		2,243	13,853
<b>Net cash used in investing activities</b>		<b>(70,315)</b>	(34,465)
<b><u>Cash flows from financing activities</u></b>			
Long term financing obtained		171,083	23,652
Repayment of long term financing		(215,037)	(36,689)
Short term borrowings - net		(130,394)	(100,000)
Finance cost paid		(74,003)	(93,585)
Dividend paid		(17,043)	(17,414)
<b>Net cash used in financing activities</b>		<b>(265,394)</b>	(224,036)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>158,527</b>	(240,664)
<b>Cash and cash equivalents at beginning of the period</b>		<b>(868,940)</b>	(1,028,122)
<b>Cash and cash equivalents at end of the period</b>	11	<b>(710,413)</b>	(1,268,786)

The annexed notes 1 to 17 form an integral part of these condensed interim unconsolidated financial statements.

Chief Financial Officer

Chief Executive

Director

# Condensed Interim

## Unconsolidated Statement of Changes in Equity (Un-audited)

### For the half year ended 31 December 2020

Rupees in thousand

	Reserves							Total share capital and reserves
	Issued, subscribed and paid-up capital	Capital			Revenue		Total reserves	
		Share premium	Revaluation surplus on property, plant and machinery	Fair value reserve	General reserve	Accumulated Profit		
<b>Balance as at 30 June 2019 - audited</b>	204,597	34,086	472,012	8,924	285,000	575,650	1,399,153	<b>1,580,269</b>
<b><u>Total comprehensive income for the period</u></b>								
Profit for the period	-	-	-	-	-	41,495	41,495	<b>41,495</b>
Other Comprehensive income for the period								
- Available for sale financial asset - net change in fair value	-	-	-	(443)	-	-	(443)	<b>(443)</b>
<b><u>Transactions with owners of the Company recognised directly in equity</u></b>								
-	-	-	-	(443)	-	41,495	41,052	<b>41,052</b>
Transfer of incremental depreciation from surplus on revaluation of fixed assets - net of tax	-	-	(8,080)	-	-	-	(8,080)	<b>(8,080)</b>
<b><u>Transaction with owners of the Company</u></b>								
Final cash dividend at the rate of 10% (i.e. Rs. 1 per share ) for the year ended 30 June 2019	-	-	-	-	-	(20,460)	(20,460)	<b>(20,460)</b>
<b>Balance as at 31 December 2019 - un-audited</b>	<b>204,597</b>	<b>34,086</b>	<b>463,932</b>	<b>8,481</b>	<b>285,000</b>	<b>596,685</b>	<b>1,411,665</b>	<b>1,592,781</b>
<b>Balance as at 30 June 2020 - audited</b>	<b>204,597</b>	<b>34,086</b>	<b>832,950</b>	<b>6,457</b>	<b>285,000</b>	<b>691,933</b>	<b>1,850,426</b>	<b>2,055,023</b>
<b><u>Total comprehensive income for the period</u></b>								
Profit for the period	-	-	-	-	-	102,684	102,684	<b>102,684</b>
Other Comprehensive income for the period								
- Fair value gain on Investment classified as FVOCI	-	-	-	5,891	-	-	5,891	<b>5,891</b>
<b><u>Transactions with owners of the Company recognised directly in equity</u></b>								
-	-	-	-	5,891	-	102,684	108,575	<b>108,575</b>
Transfer of incremental depreciation from surplus on revaluation of fixed assets - net of tax	-	-	(10,764)	-	-	10,764	-	<b>-</b>
<b><u>Transaction with owners of the Company</u></b>								
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)	<b>(20,460)</b>
<b>Balance as at 31 December 2020 - un-audited</b>	<b>204,597</b>	<b>34,086</b>	<b>822,186</b>	<b>12,348</b>	<b>285,000</b>	<b>784,921</b>	<b>1,938,541</b>	<b>2,143,138</b>

The annexed notes 1 to 17 form an integral part of these condensed interim unconsolidated financial statements.

Chief Financial Officer

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Director

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

For the half year ended 31 December 2020

## 1 Reporting entity

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

The Company has following investments:

Company name	Country of incorporation	Percentages of shareholding	Nature of business
<b><u>Subsidiaries</u></b>			
Berger DPI (Private) Limited	Pakistan	51.00%	Execution of contracts relating to application of road marking paints and installation of road safety equipment
Berdex Construction Chemicals (Private) Limited	Pakistan	51.96%	Merchandising and application of construction chemicals
<b><u>Associate</u></b>			
3S Pharmaceuticals (Private) Limited	Pakistan	49.00%	Manufacturing of medicines

## 2 Basis of preparation

### 2.1 Statement of compliance

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

- International Accounting Standard (IAS) 34 - Interim Financial Reporting, 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
- Provisions of and directives issued under the Companies Act, 2017.

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

The condensed interim unconsolidated financial statements does not include information required for full annual financial statements and should be read in conjunction with the audited annual financial statements of the Company for the year ended 30 June 2020.

These condensed interim unconsolidated financial statements are being submitted to the shareholders as required by section 237 of the Companies Act, 2017 and the Rule Book of Pakistan Stock Exchange Limited.

The comparative statement of financial position presented in these condensed interim unconsolidated financial statements has been extracted from the audited annual unconsolidated financial statements of the Company for the year ended 30 June 2020, whereas comparative condensed interim unconsolidated statement of profit or loss, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated statement of changes in equity and condensed interim unconsolidated statement of cash flows have been extracted from the un-audited condensed interim unconsolidated financial statements of the Company for the half year ended 31 December 2019.

## **2.2 Basis of measurement**

These financial statements have been prepared under the historical cost convention except for certain employee retirement benefits and lease liabilities which are stated at present value.

## **2.3 Functional and presentation currency**

These condensed interim financial statements are presented in Pak Rupees which is also the Company's functional currency.

## **3 Use of estimates and judgments**

The preparation of the condensed interim unconsolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing the condensed interim unconsolidated financial statements, the significant judgments made by the management in applying accounting policies and the key sources of estimates were the same as those applied to the annual unconsolidated financial statements for the year ended 30 June 2020.

## **4 Summary of significant accounting policies**

**4.1** The accounting policies and the methods of computation adopted in the preparation of these condensed interim unconsolidated financial statements are same as those applied in the preparation of the annual audited unconsolidated financial statements for the year ended 30 June 2020.

### **4.2 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 January 2021 are not likely to have a significant impact on the financial statements of the Company:

- 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.

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37) effective for the annual period beginning on or after 01 January 2022 amends IAS 1 by mainly adding paragraphs which clarifies what comprise 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.

- Annual Improvements to IFRS standards 2018-2020:

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
- 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.
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16) effective for the annual period beginning on or after 1 January 2022. Clarifies that sales proceeds and cost 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 1 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.



- Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) - In response to concerns regarding temporary accounting mismatches and volatility, and increased costs and complexity, the Board issued amendments to IFRS 4 Insurance Contracts in 2017. The two optional solutions raised some considerations which required detailed analysis and management judgement. On the issue of IFRS 17 (Revised) Insurance Contracts in June 2020, the end date for applying the two options under the IFRS 4 amendments was extended to 1 January 2023, aligned with the effective date of IFRS 17.
- Classification of liabilities as current or non-current (Amendments to IAS 1) effective for the annual period beginning on or after 1 January 2022. 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.

Rupees in thousand	Note	(Un-audited) 31 December 2020	(Audited) 30 June 2020
<b>5 Property, plant and equipment</b>			
Operating fixed assets	5.1	1,440,959	1,372,980
Capital work in progress		16,551	67,274
Right-of-use-asset (leasehold land)	5.2	195,289	197,805
		<b>1,652,799</b>	<b>1,638,059</b>
<b>5.1 Operating fixed assets</b>			
Opening net book value		1,372,980	1,063,618
Additions during the period / year		123,280	49,664
Net book value of assets disposed off		(1,743)	(11,061)
Revaluation adjustment during the year		-	346,738
Depreciation charge for the period / year		(53,558)	(75,979)
Closing net book value		<b>1,440,959</b>	<b>1,372,980</b>
<b>5.2 Right-of-use-asset</b>			
Opening net book value		197,805	89,495
Revaluation adjustment during the year		-	110,514
Depreciation charge for the period / year		(2,516)	(2,204)
Closing net book value		<b>195,289</b>	<b>197,805</b>
<b>6 Stock in trade</b>			
<p>The amount charged to condensed interim unconsolidated statement of profit or loss in respect of write down of inventory to net realizable value and charge of provision for obsolete and slow moving stock - net for the period amounted to Rs. 2.67 million (30 June 2020: Rs 3.2 million) and Rs. 11.95 million (30 June 2020: Rs 6.55 million) respectively.</p>			
<b>7 Trade debts - unsecured</b>			
<p>The amount charged to condensed interim unconsolidated statement of profit or loss in respect of recoveries of trade debts and provision for doubtful debts for the period amounted to Rs. 26.9 million (30 June 2020: Rs. 21.2 million ) and Rs. 90.97 million (30 June 2020: Rs 8.64 million) respectively. Bad debts written off during the peiord against provision for doubtful debts were nil (30 June 2020: Rs. 30.45 million ).</p>			

	(Un-audited) 31 December 2020	(Audited) 30 June 2020	(Un-audited) 31 December 2020	(Audited) 30 June 2020
	(Number of shares)		Rupees in thousand	
<b>8 Issued, subscribed and paid-up capital</b>				
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
	<b>20,459,710</b>	20,459,710	<b>204,597</b>	204,597

	(Un-audited) 31 December 2020	(Audited) 30 June 2020
<b>Rupees in thousand</b>		
<b>9 Long term financing - secured</b>		
Mark-up based financing from conventional banks	192,380	242,567
Islamic mode of financing	111,547	105,314
	<b>303,927</b>	347,881
Current maturity shown under current liabilities	(109,172)	(227,759)
	<b>194,755</b>	120,122

## 10 Contingencies and commitments

### 10.1 Contingencies

There has been no change in the contingencies and commitments as compared to those disclosed in the audited annual financial statements of the Company for the year ended 30 June 2020.

### 10.2 Commitments

- Outstanding letters of guarantee as at 31 December 2020 amounted to Rs. 102.74 million (30 June 2020: Rs. 238.05 million).
- Outstanding letters of credit as at 31 December 2020 amounted to Rs. 213.18 million (30 June 2020: Rs. 102.65 million).
- The amount of future Ijarah rentals for Ijarah financing and the period in which these payments will become due are as follows:

	(Un-audited) 31 December 2020	(Audited) 30 June 2020
<b>Rupees in thousand</b>		
Not later than one year	5,270	6,649
Later than one year and not later than five years	3,990	7,677
	<b>9,260</b>	14,326

Rupees in thousand	(Un-audited) 31 December 2020	(Audited) 30 June 2020
<b>11 Cash and cash equivalents</b>		
Cash and cash equivalents as at 31 December comprise of the following:		
Cash and bank balances	46,739	40,635
Running finance	(757,152)	(909,575)
	<b>(710,413)</b>	<b>(868,940)</b>

## 12 Balances and 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 include entities under common directorship, post employment benefit plans, directors and key management personnel. Detail of significant transactions and balances with related parties is as follows:

Rupees in thousand			Balances as at		Transactions during the half	
Name of parties, nature and basis of relationship	Holding Percentage	Nature and description of related party transaction	(Un-audited) 31 December 2020	(Audited) 30 June 2020	(Un-audited) 31 December 2020	(Un-audited) 31 December 2019
<b>i. Holding Company</b>						
Slotrapid Limited B.V.I.	52.05%	Royalty payable / expense	38,585	16,796	21,789	19,386
		Dividend payable	2,437	10,649	-	-
		Dividend declared	-	-	9,431	9,431
<b>ii. Subsidiary Company</b>						
Berger Road Safety (Private) Limited (Wholly owned subsidiary of Berger DPI (Private) Limited)	-	Debtors / sales including freight	90,820	71,328	49,191	92,207
		Rental income and other service charges	1,888	5,445	1,888	2,722
		Interest income on long term loan	4,432	8,402	4,432	4,219
<b>iii. Related Party</b>						
Buxly Paints Limited (Common Group)	19.95%	Debtors / sales	120,440	118,862	126,032	129,235
		Rental income and other service charges	600	1,200	600	600
		Royalty payable / expense	33	25	8	30
		Toll manufacturing	11,714	16,362	11,714	10,187
<b>iv. Associate</b>						
Dadex Elermit Limited (Common Directorship)	-	Debtors / sales	226	29	252	155
<b>v. Post employment benefit</b>						
		Expense charged in respect of retirement benefit plans	-	-	12,538	19,425
<b>vi. Remuneration of key management personnel</b>						
			-	-	86,898	88,323

## 13 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;

Rupees in thousand

	Carrying amount				Fair value			
	Financial assets at amortised cost	FVOCI - equity instruments	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3	Total
<b>As at 31 December 2020</b>								
<b><u>Financial assets - measured at fair value</u></b>								
Investment classified as FVOCI	-	5,891	-	5,891	5,891	-	-	5,891
<b><u>Financial assets - at amortised cost</u></b>								
Loan to related party - secured	40,000	-	-	40,000	-	-	-	-
Long term loans - secured	26,891	-	-	26,891	-	-	-	-
Long term deposits	18,550	-	-	18,550	-	-	-	-
Loans and advances	165,931	-	-	165,931	-	-	-	-
Trade debts	1,223,765	-	-	1,223,765	-	-	-	-
Trade deposits	23,846	-	-	23,846	-	-	-	-
Other receivables	89,299	-	-	89,299	-	-	-	-
Short term investment - secured	32,195	-	-	32,195	-	-	-	-
Cash and bank balances	46,739	-	-	46,739	-	-	-	-
	<b>1,667,216</b>	<b>5,891</b>	<b>-</b>	<b>1,673,107</b>	<b>5,891</b>	<b>-</b>	<b>-</b>	<b>5,891</b>
<b><u>Financial liabilities - measured at fair value</u></b>								
	-	-	-	-	-	-	-	-
<b><u>Financial liabilities - at amortised cost</u></b>								
Long term financing - secured	-	-	194,755	194,755	-	-	-	-
Trade and other payables	-	-	1,374,945	1,374,945	-	-	-	-
Interest / markup accrued on borrowings	-	-	22,005	22,005	-	-	-	-
Short term borrowings - secured	-	-	768,734	768,734	-	-	-	-
	-	-	<b>2,360,439</b>	<b>2,360,439</b>	-	-	-	-

Rupees in thousand

	Carrying amount				Fair value			
	Financial assets at amortised cost	FVOCI - equity instruments	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3	Total
<b>As at 30 June 2020</b>								
<b><u>Financial assets - measured at fair value</u></b>								
Investment classified as FVOCI	-	10,287	-	10,287	10,287	-	-	10,287
<b><u>Financial assets - at amortised cost</u></b>								
Long term loan to related party - <i>secured</i>	40,000	-	-	40,000	-	-	-	-
Long term loans - <i>secured</i>	23,974	-	-	23,974	-	-	-	-
Long term deposits	17,875	-	-	17,875	-	-	-	-
Loans and advances	22,515	-	-	22,515	-	-	-	-
Trade debts	1,039,773	-	-	1,039,773	-	-	-	-
Trade deposits	22,114	-	-	22,114	-	-	-	-
Other receivables	17,205	-	-	17,205	-	-	-	-
Short term investment - <i>secured</i>	32,195	-	-	32,195	-	-	-	-
Cash and bank balances	39,620	-	-	39,620	-	-	-	-
	1,255,271	10,287	-	1,265,558	10,287	-	-	10,287
Financial liabilities - measured at fair value	-	-	-	-	-	-	-	-
<b><u>Financial liabilities - at amortised cost</u></b>								
Long term financing - <i>secured</i>	-	-	347,881	347,881	-	-	-	-
Trade and other payables	-	-	724,401	724,401	-	-	-	-
Interest / markup accrued on borrowings	-	-	35,173	35,173	-	-	-	-
Short term borrowings - <i>secured</i>	-	-	1,051,551	1,051,551	-	-	-	-
	-	-	2,159,006	2,159,006	-	-	-	-

### 13.1 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.

## 14 Financial risk management

The Company's financial risk management objective and policies are consistent with that disclosed in the annual financial statements of the Company for the year ended 30 June 2020.

## 15 Impact of COVID-19

World Health Organization declared the Novel strain of Corona virus (Covid-19) a global pandemic and recommended containment and mitigation measures worldwide. The federal and provincial governments of Pakistan also took various measures, including imposition of lockdown to contain the spread of Covid-19. This caused an overall economic slowdown and varying degree of disruption to the Company including the suspension of production, sales and operations. However, the Government's initiative to subsequently relax the lockdown along with various other incentives to businesses helped in reviving the demand for paint from June 2020 onwards. The management of the Company has been regularly conducting in depth analysis and has assessed that there is no material impact of COVID - 19 on the carrying amounts of assets and liabilities as at December 31, 2020. Going forward, the management is taking all the required actions and will continue to monitor the potential impact and take all steps possible to mitigate any effects.

## 16 Authorization

These un-audited condensed interim unconsolidated financial statements were authorized for issue by the Board of Directors of the Company on 23 February 2021 .

**17 General**

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

**17.2** No reclassification has been made in the financial statements except for inconsequential amounts, if any.

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# Berger Paints Pakistan Limited Consolidated Financial Statements



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

As on 31 December 2020

Rupees in thousand	31 Dec 2020	30 June 2020
<b><i>Non-current assets</i></b>		
Property, plant and equipment	1,654,266	1,639,835
Intangibles	24,679	25,516
Investments - related parties	55,561	48,885
Long term loans	26,891	23,974
Long term deposits	18,550	17,875
Deferred taxation	7,481	-
	<b>1,787,428</b>	1,756,085
<b><i>Current assets</i></b>		
Stores	16,702	13,593
Stock in trade	1,130,988	1,099,028
Trade debts	1,274,541	1,134,459
Loans and advances	172,654	162,877
Trade deposits and short term prepayments	28,066	34,038
Other receivables	53,408	46,924
Taxation - net	291,915	310,610
Short term investments	32,195	32,195
Cash and bank balances	47,854	41,550
	<b>3,048,323</b>	2,875,274
	<b>4,835,751</b>	4,631,359
<b><i>Share capital and reserves</i></b>		
Authorised share capital 25,000,000 ordinary shares of Rs.10 each	250,000	250,000
Share capital	204,597	204,597
Reserves	1,129,577	1,029,881
Surplus on revaluation of fixed assets	822,186	832,950
	<b>2,156,360</b>	2,067,428
<b>Non-controlling interest</b>	<b>11,397</b>	11,442
<b><i>Non-current liabilities</i></b>		
Long-term financing	194,755	120,122
Deferred Income	2,077	2,077
Staff retirement and other long term benefits	84,003	134,369
Deferred taxation	-	6,833
	<b>280,835</b>	263,401
<b><i>Current liabilities</i></b>		
Trade and other payables	1,472,986	962,674
Unclaimed dividend	10,104	6,687
Current maturity of staff retirement and other long term benefits	4,158	4,158
Accrued finance cost	22,005	35,173
Current maturity of long-term financing	109,172	227,759
Current maturity of liabilities against assets subject to finance lease	-	1,086
Short term borrowings	768,734	1,051,551
	<b>2,387,159</b>	2,289,088
<b>Contingencies and commitments</b>	<b>4,835,751</b>	4,631,359

Chief Financial Officer

Chief Executive

Director

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

For the period ended 31 December 2020

Rupees in thousand

	Six months ended		Three months ended	
	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019
Revenue	2,743,093	2,529,640	1,432,676	1,362,102
Cost of sales	2,106,321	1,998,695	1,096,092	1,050,394
<b>Gross profit</b>	<b>636,772</b>	530,945	<b>336,584</b>	311,708
Selling and distribution expenses	358,422	304,027	197,257	146,882
Administrative and general expenses	88,190	91,564	39,610	46,429
	446,612	395,591	236,867	193,311
<b>Operating profit</b>	<b>190,160</b>	135,354	<b>99,717</b>	118,397
Other operating income	26,001	50,839	15,681	24,326
	216,161	186,193	115,398	142,723
Other expenses	10,631	5,157	5,501	5,157
Finance cost	60,845	98,543	29,529	51,423
	71,476	103,700	35,030	56,580
Share of profit of associated Company	785	42	44	2,105
<b>Profit before taxation</b>	<b>145,470</b>	82,535	<b>80,412</b>	88,248
Taxation	42,014	38,420	21,323	24,465
<b>Profit after taxation</b>	<b>103,456</b>	44,115	<b>59,089</b>	63,783
<b>Attributable to:</b>				
Equity holders of the parent	103,501	43,013	56,394	62,981
Non-controlling interest	(45)	1,102	2,695	802
----- Rupees -----				
Earning per share - basic and diluted	5.06	2.10	2.76	3.08

Chief Financial Officer

Chief Executive

Director

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

For the period ended 31 December 2020

Rupees in thousand

	Six months ended		Three months ended	
	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019
<b>Profit after taxation</b>	<b>103,456</b>	44,115	<b>59,089</b>	63,783
<b><i>Other comprehensive income / (loss)</i></b>				
<b><i>Items that are or maybe reclassified to statement of profit or loss</i></b>				
Fair value profit / (loss) on investment classified as FVOCI	5,891	(443)	3,858	471
<b>Total comprehensive income for the period</b>	<b>109,347</b>	43,672	<b>62,947</b>	64,254
<b>Attributable to:</b>				
Equity holder of the parent	109,392	42,570	60,252	63,452
Non-controlling interest	(45)	1,102	2,695	802

Chief Financial Officer

Chief Executive

Director

# Condensed Interim Consolidated Statement of Cash Flow (Un-audited)

For the period ended 31 December 2020

Rupees in thousand	31 Dec 2020	31 Dec 2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash generated from operations	599,661	52,342
Finance cost paid	(74,013)	(93,877)
Income taxes - net	(37,633)	(22,556)
Staff retirement benefits	(62,904)	(9,432)
Long term loans	(2,917)	(761)
Long term deposits	(675)	(480)
<b>Net cash inflows / (outflows) from operating activities</b>	<b>421,519</b>	<b>(74,764)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditure	(72,558)	(48,318)
Sale proceeds on disposal of property, plant and equipment	2,243	13,853
<b>Net cash (outflows) / inflows from investing activities</b>	<b>(70,315)</b>	<b>(34,465)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of long term financing	(43,954)	(13,037)
Dividend paid	(17,043)	(17,414)
Short term borrowings - net	(130,394)	(100,000)
Lease liability	(1,086)	(608)
<b>Net cash (outflows) from financing activities</b>	<b>(192,477)</b>	<b>(131,059)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>158,727</b>	<b>(240,288)</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>(868,025)</b>	<b>(1,025,495)</b>
<b>Cash and cash equivalents at end of the period</b>	<b>(709,298)</b>	<b>(1,265,783)</b>

Chief Financial Officer

Chief Executive

Director

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

## For the period ended 31 December 2020

Rupees in thousand

	Capital		Reserves		Revenue		Total equity attributable to owners of the parent Company	Non controlling Interest	Total equity
	Share capital	Share premium	Surplus on Revaluation of property, plant and equipment	Fair value reserve	General reserve	Accumulated (Loss) / Profit			
<b>Balance as at 1 July 2019 - audited</b>	204,597	34,086	472,012	8,924	285,000	588,991	1,593,610	17,335	1,610,945
<b>Total comprehensive income for the period</b>									
Profit for the period	-	-	-	-	-	43,013	43,013	1,102	44,115
Other Comprehensive income for the period									
- Fair value profit / (loss) on investment classified as FVOCI	-	-	-	(443)	-	-	(443)	-	(443)
<b>Total comprehensive income for the period</b>	-	-	-	(443)	-	43,013	42,570	1,102	43,672
Surplus on revaluation of property, plant and equipment realized through incremental depreciation charged on related assets during the period	-	-	(8,080)	-	-	8,080	-	-	-
<b>Transaction with owners of the Parent Company</b>									
Final cash dividend at the rate of 10.00% (i.e. Rs. 1.00 per share ) for the year ended 30 June 2019	-	-	-	-	-	(20,460)	(20,460)	-	(20,460)
<b>Balance as at 31 December 2019 - unaudited</b>	<b>204,597</b>	<b>34,086</b>	<b>463,932</b>	<b>8,481</b>	<b>285,000</b>	<b>619,624</b>	<b>1,615,720</b>	<b>18,437</b>	<b>1,634,157</b>
<b>Balance as at 30 June 2020 - audited</b>	<b>204,597</b>	<b>34,086</b>	<b>832,950</b>	<b>6,457</b>	<b>285,000</b>	<b>704,338</b>	<b>2,067,428</b>	<b>11,442</b>	<b>2,078,870</b>
<b>Total comprehensive income for the period</b>									
Profit for the period	-	-	-	-	-	103,501	103,501	(45)	103,456
Other Comprehensive income for the period									
- Fair value (loss) / profit on investment classified as FVOCI	-	-	-	5,891	-	-	5,891	-	5,891
<b>Total comprehensive income for the period</b>	-	-	-	5,891	-	103,501	109,392	(45)	109,347
Surplus on revaluation of property, plant and equipment realized through incremental depreciation charged on related assets during the period	-	-	(10,764)	-	-	10,764	-	-	-
<b>Transaction with owners of the Parent Company</b>									
Final cash dividend at the rate of 10.00% (i.e. Rs. 1.00 per share ) for the year ended 30 June 2020	-	-	-	-	-	(20,460)	(20,460)	-	(20,460)
<b>Balance as at 31 December 2020 - unaudited</b>	<b>204,597</b>	<b>34,086</b>	<b>822,186</b>	<b>12,348</b>	<b>285,000</b>	<b>798,143</b>	<b>2,156,360</b>	<b>11,397</b>	<b>2,167,757</b>

Chief Financial Officer

Chief Executive

Director

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