

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

As on 31 March 2019

Rupees in thousand	31 March 2019	30 June 2018
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	1,213,385	1,223,549
Intangibles	36,065	40,297
Investments - related parties	53,238	67,287
Long term loan to related party - Secured	-	40,000
Long-term loans	45,001	54,360
Long-term deposits	23,921	25,884
Deferred taxation	10,734	-
	1,382,344	1,451,377
CURRENT ASSETS		
Stores	17,117	15,772
Stock in trade	970,048	1,015,911
Trade debts	1,571,957	1,164,907
Loans and advances	104,639	199,686
Long term loan to related party - Secured	40,000	-
Trade deposits and short-term prepayments	47,939	51,360
Other receivables	26,876	16,363
Taxation - net	308,404	291,573
Short term investments	42,275	42,275
Cash and bank balances	36,101	21,420
	3,165,356	2,819,267
TOTAL ASSETS	4,547,700	4,270,644
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorised share capital 25,000,000 ordinary shares of Rs.10 each	250,000	250,000
Issued, Subscribed and paid-up capital	204,597	181,864
Reserves	805,238	828,666
Surplus on Revaluation of Fixed Assets - net of tax	495,539	509,131
	1,505,374	1,519,661
NON-CURRENT LIABILITIES		
Long term financing	114,668	69,965
Staff retirement and other long term benefits	157,379	142,592
Deferred taxation	-	9,000
	272,047	221,557
CURRENT LIABILITIES		
Trade and other payables	1,254,622	1,301,918
Unclaimed dividend	8,123	4,756
Current maturity of long-term financing	67,856	68,298
Accrued finance cost	32,332	16,465
Short term borrowings - secured	1,407,346	1,137,989
	2,770,279	2,529,426
CONTINGENCIES AND COMMITMENTS		
TOTAL EQUITY AND LIABILITIES	4,547,700	4,270,644

The annexed notes 1 to 8 form an integral part of these condensed interim financial statements.

Chief Financial Officer

Chief Executive

Director

Condensed Interim Unconsolidated Profit or Loss Account (Un-audited)

For the period ended 31 March 2019

	For the nine months ended		For the quarter ended	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Rupees in thousand				
Sales - net	3,760,929	4,122,898	1,119,839	1,392,025
Cost of sales	2,868,614	3,126,868	846,968	1,075,991
Gross Profit	892,315	996,030	272,871	316,034
Marketing and Distribution expenses	630,457	724,276	208,524	245,837
Administrative expenses	151,104	158,309	48,418	55,207
	781,561	882,585	256,942	301,044
Operating Profit	110,754	113,445	15,929	14,990
Other operating income	37,287	29,733	9,418	7,844
	148,041	143,178	25,347	22,834
Finance cost	114,141	63,428	48,126	20,552
Other operating expenses	2,217	5,502	(1,694)	157
	116,358	68,930	46,432	20,709
Profit before taxation	31,683	74,248	(21,085)	2,125
Taxation	9,188	27,241	(6,114)	638
Profit after taxation	22,495	47,007	(14,971)	1,487
Earning per share - basic and diluted	Rs.1.10	<i>Restated</i> Rs.2.30	(Rs.0.73)	<i>Restated</i> Rs.0.07

The annexed notes 1 to 8 form an integral part of these condensed interim financial statements.

Chief Financial Officer

Chief Executive

Director

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

For the period ended 31 March 2019

Rupees in thousand	For the nine months ended		For the quarter ended	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Profit / (Loss) after taxation	22,495	47,007	(14,971)	1,487
<u>Other comprehensive income</u>				
<u>Items that may be reclassified to profit and loss</u>				
Fair value (loss) / profit on 'Available for sale' investments	(14,049)	(5,459)	(1,370)	1,299
Total comprehensive (loss) / income for the period	8,446	41,548	(16,341)	2,786

The annexed notes 1 to 8 form an integral part of these condensed interim financial statements.

Chief Financial Officer

Chief Executive

Director

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

For the period ended 31 March 2019

Rupees in thousand	31 March 2019	31 March 2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	31,683	74,248
Adjustment for non cash items:		
Depreciation on property, plant and equipment	59,303	59,323
Provision against slow moving stock	(1,353)	(1,516)
Provision against bad debts	(17,326)	16,511
Provision for staff retirement and other long term benefits	23,229	24,453
Amortization on intangibles	4,231	3,310
Gain on disposal of property, plant and equipment	(5,020)	(6,666)
Finance costs	114,141	63,428
	177,205	158,843
Operating profit before working capital changes	208,888	233,091
(Increase) / Decrease in Current Assets		
Stores	(1,345)	2,162
Stocks in Trade	47,216	17,900
Trade debts	(389,724)	(79,416)
Loans and advances	95,047	(65,372)
Trade deposits short-term prepayments	3,421	601
Others receivables	(10,513)	(11,454)
	(255,898)	(135,579)
Increase / (Decrease) in Current Liabilities		
Trade and other payables	(47,296)	7,165
Cash generated from operations	(94,306)	104,677
Finance costs paid	(98,274)	(63,194)
Taxes paid	(45,753)	21,271
Staff retirement and other long term benefits paid	(8,442)	(7,756)
Long-term loans - net	9,359	(11,072)
Long-term deposits - net	1,963	(4,718)
	(141,147)	(65,469)
Net cash generated / (used in) from operating activities	(235,453)	39,208
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(60,193)	(84,484)
Sales proceeds on disposal of property, plant and equipment	16,075	11,393
Net cash outflow from investing activities	(44,118)	(73,091)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long term financing	44,261	(51,049)
Dividend Paid	(19,366)	(23,960)
Short-term borrowings - net	(300,000)	-
Net cash generated from / (used in) financing activities	(275,105)	(75,009)
Net increase / (decrease) in cash and cash equivalents	(554,676)	(108,892)
Cash and cash equivalents at beginning of the period	(716,569)	(504,379)
Cash and cash equivalents at end of the period	(1,271,245)	(613,271)

The annexed notes 1 to 8 form an integral part of these condensed interim financial statements.

Chief Financial Officer

Chief Executive

Director

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

For the period ended 31 March 2019

Rupees in thousand	Capital reserve				Revenue reserve		Total share capital and reserve
	Share capital	Share premium	Fair value reserve	Surplus on Revaluation of property, plant and equipment	General reserve	Accumulated Profit	
Balance as at 1 July 2017 - audited	181,864	56,819	28,988	521,363	285,000	353,611	1,427,645
Total comprehensive income for the period							
- Profit for the period	-	-	-	-	-	47,007	47,007
Other Comprehensive income for the period							
Fair value gain on 'Available for sale' investments	-	-	(5,459)	-	-	-	(5,459)
Total comprehensive income for the period	-	-	(5,459)	-	-	47,007	41,548
Surplus on revaluation of property plant and equipment realized through incremental depreciation charged on related assets during the period	-	-	-	(15,620)	-	15,620	-
Balance as at 31 March 2018 - unaudited	181,864	56,819	23,529	505,743	285,000	416,238	1,469,193
Total comprehensive income for the period							
- Profit for the period	-	-	-	-	-	55,098	55,098
Other Comprehensive income for the period							
Fair value loss on 'Available for sale' investments	-	-	(1,822)	-	-	-	(1,822)
Remeasurement of defined benefit obligation	-	-	-	-	-	(5,966)	(5,966)
Total comprehensive income for the period	-	-	(1,822)	-	-	49,132	47,310
Surplus on revaluation of property plant and equipment realized through incremental depreciation charged on related assets during the period	-	-	-	230	-	(230)	-
Reversal of deferred tax due to change of rate	-	-	-	3,158	-	-	3,158
	-	-	-	3,388	-	(230)	3,158
Balance as at 30 Jun 2018 - audited	181,864	56,819	21,707	509,131	285,000	465,140	1,519,661
Total comprehensive income for the period							
- Profit for the period	-	-	-	-	-	22,495	22,495
Other Comprehensive income for the period							
Fair value loss on 'Available for sale' investments	-	-	(14,049)	-	-	-	(14,049)
Total comprehensive income for the period	-	-	(14,049)	-	-	22,495	8,446
Surplus on revaluation of property plant and equipment realized through incremental depreciation charged on related assets during the period	-	-	-	(13,592)	-	13,592	-
Transaction with owners of the Company							
Final cash dividend at the rate of 12.5% (i.e. Rs. 1.25 per share) for the year ended 30 June 2018	-	-	-	-	-	(22,733)	(22,733)
Issue of Bonus shares at the rate of 12.5% (i.e. Rs. 1.25 shares for every 10 shares held)	22,733	(22,733)	-	-	-	-	-
Balance as at 31 March 2019 - unaudited	204,597	34,086	7,658	495,539	285,000	478,494	1,505,374

The annexed notes 1 to 8 form an integral part of these condensed interim financial statements.

Chief Financial Officer

Chief Executive

Director

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

For the period ended 31 March 2019

1. THE COMPANY AND ITS OPERATIONS

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.

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.

2. BASIS OF PREPARATION

These interim condensed financial statements are unaudited and are being submitted to the shareholders in accordance with section 237 of the Companies Act, 2017 and have been prepared in accordance with the requirements of International Accounting Standard (IAS) - 34 "Interim Financial Reporting", as applicable in Pakistan.

The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements as at June 30, 2018.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation followed in the preparation of interim condensed financial statements are same as those published in the annual financial statements for the year ended June 30, 2018.

4. PROPERTY, PLANT AND EQUIPMENT

Rupees in thousand	31 March 2019	31 March 2018
Additions	60,193	84,484

5. CONTINGENCIES AND COMMITMENTS

5.1 Contingencies

Change in contingencies from those reported in audited financial statements of the Company for the year ended 30 June 2018 and the commitments and guarantees are disclosed below:

For tax year 2016, the Commissioner Appeals-I, Lahore, vide its order number 25 dated 20 July 2018, deleted certain additions and remanded the case on certain issues and upheld the case on issue of contractor services which involves revenue of Rs. 10,671,768. Appeal against this order was filed on 17 August 2018 which has not been heard. The Company's legal counsel are of the view that there is very likelihood of final decision of the case in favour of the Company.

For tax year 2010, the Deputy Commissioner Inland Revenue vide its order under section 122(1)/122(5) dated 26 May 2018, created demand of Rs. 211,367,842. Appeal against this order was filed on 9 July 2018, which has been heard. Appellate order is still awaited. The Company's legal counsel are of the view that there is very likelihood of final decision of the case in favour of the Company.

During the period show cause notice PRA/Royalty/2016/12 dated 22 June 2016 for an amount of Rs. 11,446,800 as royalty fee and technical services for the period October 2012 to March 2015 was issued which is under investigation/adjudication proceedings. The Company's legal counsel are of the view that there is very likelihood of final decision of the case in favour of the Company.

5.2 Commitments

- 5.2.1** Outstanding letter of credit as at March 31, 2019 amounted to Rs. 585 million [June 30, 2018: Rs. 533.72 million].
- 5.2.2** Outstanding letter of guarantees as at March 31, 2019 amounted to Rs. 72 million [June 30, 2018: Rs. 65.71 million].

6. TRANSACTION WITH RELATED PARTIES

The following table provides details in respect of transactions entered into with related parties during the quarter ended on March 31, 2019. All transactions were carried out at arms length basis.

Rupees in thousand	31 March 2019	31 March 2018
SALES		
Berger Road Safety (Private) Limited - a subsidiary	125,911	107,009
Buxly Paints Limited - related party	131,237	196,318
3S Pharmaceutical (Private) Limited - related party	-	727
Dadex Eternit	257	834
TOLL MANUFACTURING INCOME		
Buxly Paints Limited - related party	16,115	20,496
RENTAL INCOME AND OTHER SERVICES CHARGED		
Buxly Paints Limited - related party	900	900
Berger Road Safety (Private) Limited - a subsidiary	4,534	4,534
INTEREST INCOME		
Berger Road Safety (Private) Limited - a subsidiary	6,222	3,341
RENTAL EXPENSES		
Buxly Paints Limited - related party	1,359	1,359

Rupees in thousand	31 March 2019	31 March 2018
ROYALTY		
Buxly Paints Limited - related party	946	1,614
Slotrapid Limited B.V.I - holding company	28,887	27,035

7. These interim condensed financial statements were authorized for issue on 22 April 2019 by the Board of Directors of the Company.

8. **GENERAL**

Figures presented in these interim condensed financial statements have been rounded off to the nearest thousand rupees.

Chief Financial Officer

Chief Executive

Director

Berger Paints Pakistan Limited
Consolidated Financial Statements

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

As on 31 March 2019

Rupees in thousand	31 March 2019	30 June 2018
<u>Non-current assets</u>		
Property, plant and equipment	1,217,166	1,229,115
Intangibles	36,065	40,297
Investments - related parties	46,923	63,532
Long term loans	45,001	54,360
Long term deposits	24,906	26,869
Deferred taxation	12,571	-
	1,382,632	1,414,173
<u>Current assets</u>		
Stores	17,117	15,772
Stock in trade	983,729	1,024,042
Trade debts	1,660,848	1,237,001
Loans and advances	111,846	200,825
Trade deposits and short term prepayments	47,939	51,757
Other receivables	26,876	16,363
Taxation - net	345,840	319,994
Short term investments	42,275	42,275
Cash and bank balances	38,545	26,569
	3,275,015	2,934,598
	4,657,647	4,348,771
<u>Share capital and reserves</u>		
Authorised share capital 25,000,000 ordinary shares of Rs.10 each	250,000	250,000
Share capital	204,597	181,864
Reserves	823,522	843,628
Surplus on revaluation of fixed assets	495,539	509,131
	1,523,658	1,534,623
Non-controlling interest	26,625	20,599
<u>Non-current liabilities</u>		
Long-term financing	114,668	69,965
Staff retirement benefits	157,379	142,592
Liabilities against assets subject to finance lease	2,099	2,099
Deferred taxation	-	7,163
	274,146	221,819
<u>Current liabilities</u>		
Trade and other payables	1,316,823	1,342,728
Unclaimed dividend	8,556	4,756
Accrued finance cost	32,332	16,465
Current maturity of long-term financing	67,856	68,298
Current maturity of liabilities against assets subject to finance lease	305	1,494
Short term borrowings	1,407,346	1,137,989
	2,833,218	2,571,730
	3,107,364	2,793,549
Contingencies and commitments	4,657,647	4,348,771

Chief Financial Officer

Chief Executive

Director

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

For the period ended 31 March 2019

	For the nine months ended		For the quarter ended	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Rupees in thousand				
Sales - net	3,927,709	4,287,320	1,170,039	1,453,849
Cost of sales	2,988,990	3,227,297	889,611	1,109,586
Gross profit	938,719	1,060,023	280,428	344,263
Marketing and Distribution costs	643,704	745,867	212,445	251,239
Administrative expenses	159,087	165,305	51,351	57,774
	802,791	911,172	263,796	309,013
Operating profit	135,928	148,851	16,632	35,250
Other operating income	34,273	22,084	11,252	5,254
	170,201	170,935	27,884	40,504
Other Charges	2,217	5,502	(1,694)	(2,063)
Finance cost	120,732	67,286	50,688	24,229
	122,949	72,788	48,994	22,166
Share of (loss) / profit of associated Company	(2,560)	1,169	(1,005)	830
Profit before taxation	44,692	99,316	(22,115)	19,168
Taxation	12,847	34,418	(5,230)	5,687
Profit / (Loss) after taxation	31,845	64,898	(16,885)	13,481
Attributable to:				
Equity holders of the parent	25,819	56,650	(16,465)	8,006
Non-controlling interest	6,026	8,248	(420)	5,475
		----- Rupees -----		
Earning per share - basic and diluted	1.26	Restated 2.77	(0.80)	Restated 0.39

Chief Financial Officer

Chief Executive

Director

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

For the period ended 31 March 2019

Rupees in thousand	For the nine months ended		For the quarter ended	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Profit / (Loss) after taxation	31,845	64,898	(16,885)	13,481
Other comprehensive income for the period				
<i>Items that may be reclassified to profit and loss</i>				
Fair value (loss) / profit on 'Available for sale' investments	(14,049)	(5,459)	(1,370)	1,299
Total comprehensive (loss) / income for the period	17,796	59,439	(18,255)	14,780
<u>Attributable to :</u>				
Equity holder of the parent	11,770	51,191	(17,835)	9,305
Non-controlling interest	6,026	8,248	(420)	5,475

Chief Financial Officer

Chief Executive

Director

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

For the period ended 31 March 2019

Rupees in thousand	31 March 2019	31 March 2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash (used) / generated from operations	(76,991)	102,574
Finance cost paid	(104,865)	(67,052)
Taxes paid	(58,427)	25,072
Staff retirement benefits	(8,442)	(7,756)
Long term loans	9,359	(11,072)
Long term deposits	1,963	(4,718)
Net cash (outflows) / inflows from operating activities	(237,403)	37,048
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(60,192)	(84,508)
Sale proceeds on disposal of property, plant and equipment	16,075	11,393
Net cash (outflows) / inflows from investing activities	(44,117)	(73,115)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long term financing	44,261	(51,049)
Dividend paid	(18,933)	(23,960)
Short term borrowings - net	(300,000)	-
Lease liability	(1,189)	(1,329)
Net cash (outflows) from financing activities	(275,861)	(76,338)
Net increase / (decrease) in cash and cash equivalents	(557,381)	(112,405)
Cash and cash equivalents at 1 Jul	(711,420)	(498,980)
Cash and cash equivalents at 31 March	(1,268,801)	(611,385)

Chief Financial Officer

Chief Executive

Director

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

For the period ended 31 March 2019

Rupees in thousand	Reserves						Total equity attributable to owners of the parent Company	Non controlling Interest	Total equity
	Capital			Revenue					
	Share capital	Share premium	Fair value reserve	Surplus on Revaluation of property, plant and equipment	General reserve	Accumulated (Loss) / Profit			
Balance as at 01 July 2017	181,864	56,819	28,988	521,363	285,000	365,634	1,439,668	18,158	1,457,826
<u>Total comprehensive income for the period</u>									
Profit for the period	-	-	-	-	-	56,650	56,650	8,248	64,898
Other Comprehensive income for the period									
- Fair value gain on 'Available for sale' investments	-	-	(5,459)	-	-	-	(5,459)	-	(5,459)
Total comprehensive income for the period	-	-	(5,459)	-	-	56,650	51,191	8,248	59,439
Surplus on revaluation of property, plant and equipment realized through incremental depreciation charged on related assets during the period	-	-	-	(15,620)	-	15,620	-	-	-
Balance as at 31 March 2018	181,864	56,819	23,529	505,743	285,000	437,904	1,490,859	26,406	1,517,265
<u>Total comprehensive income for the period</u>									
Profit for the period	-	-	-	-	-	48,393	48,393	(5,807)	42,586
Other Comprehensive income for the period									
- Fair value loss on 'Available for sale' investments	-	-	(1,822)	-	-	-	(1,822)	-	(1,822)
- Remeasurement of defined benefit obligation	-	-	-	-	-	(5,966)	(5,966)	-	(5,966)
Total comprehensive income for the period	-	-	(1,822)	-	-	42,427	40,605	(5,807)	34,798
Surplus on revaluation of property, plant and equipment realized through incremental depreciation charged on related assets during the period	-	-	-	230	-	(230)	0	-	0
Reversal of deferred tax due to change of rate	-	-	-	3,158	-	-	3,158	-	3,158
	-	-	-	3,388	-	(230)	3,158	-	3,158
Balance as at 30 June 2018	181,864	56,819	21,707	509,131	285,000	480,102	1,534,623	20,599	1,555,222
<u>Total comprehensive income for the period</u>									
Profit for the period	-	-	-	-	-	25,819	25,819	6,026	31,845
Other Comprehensive income for the period									
- Fair value loss on 'Available for sale' investments	-	-	(14,049)	-	-	-	(14,049)	-	(14,049)
Total comprehensive income for the period	-	-	(14,049)	-	-	25,819	11,770	6,026	17,796
<u>Transaction with owners of the Company</u>									
Final dividend for the year ended 30 June 2018 @ Rs. 1.25 per share	-	-	-	-	-	(22,733)	(22,733)	-	(22,733)
Bonus shares issued for the year ended 30 June 2018 @ 1.25:10 shares	22,733	(22,733)	-	-	-	-	-	-	-
Surplus on revaluation of property, plant and equipment realized through incremental depreciation charged on related assets during the period	-	-	-	(13,592)	-	13,592	-	-	-
Balance as at 31 March 2019	204,597	34,086	7,658	495,539	285,000	496,780	1,523,660	26,625	1,550,285

Chief Financial Officer

Chief Executive

Director

For Free Color Advisory



111-BERGER(111-237-437) KHI, LHR, ISB.

Faisalabad: 041-8554044, 8724050
Peshawar: 091-5703127
Quetta: 081-2822772
Gujranwala: 055-3250744, 3843450
Multan: 061-4586461, 4580946, 4586337
Hyderabad: 022-2720908

Berger Paints Pakistan Limited 28 Km, Multan Road, Lahore, Pakistan.

 www.facebook.com/berger.pak

 www.twitter.com/BergerPaksitan

www.berger.com.pk