

FROM EVERY BRUSHSTROKE TO  
EVERY MILESTONE



ANNUAL  
REPORT 2025



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# COMPANY INFORMATION

## Board of Directors

Mr. Maqbool H. H. Rahimtoola - Chairman  
 Dr. Mahmood Ahmad - Chief Executive  
 Mr. Tariq Ikram - Director  
 Mr. Zafar A. Osmani - Director  
 Mr. Shahzad M. Hussain - Director  
 Mr. Ilyas Sharif - Director  
 Ms. Roohi Raees Khan - 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. Shahzad M. Hussain

## Committee for Business Strategies

Mr. Tariq Ikram - Chairman  
 Mr. Zafar Aziz Osmani  
 Mr. Zahid Majid (Alternate to Mr. Ilyas Sharif)

## Chief Financial Officer

Mr. Nauman Afzal

## Company Secretary

Naveed Ahmed Zafar

## Bankers

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

## Auditors

BDO Ebrahim & Co.  
 Chartered Accountants

## Solicitors

Surridge & Beecheno

## Company Registrar

M/s Corplink Private Limited

## Registered Office and Factory

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

## Web Site

[www.berger.com.pk](http://www.berger.com.pk)





# COMPANY PROFILE

## About us

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

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

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

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

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

# VISION & MISSION

## Vision

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

## Mission

### Innovation

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

### Commitment

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

### Care

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

### Corporate Social Responsibility

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



## A COMMITMENT TO EXCELLENCE

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

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

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

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

# CUSTOMER SERVICE

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

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

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

## 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.

## 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.

# Business Lines



## DECORATIVE PAINTS

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

## AUTOMOTIVE COATINGS

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

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

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

## POWDER COATINGS

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

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

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

## GENERAL INDUSTRIAL FINISHES

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

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

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

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

## PROTECTIVE COATINGS

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

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



## VEHICLE REFINISHES

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

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

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

## ROAD SAFETY – LANE MARKING

Leading the way to a safe journey.

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

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

## GOVERNMENT & MARINE

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

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

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

## CONSTRUCTION CHEMICALS

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

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

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

## ADHESIVES

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

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

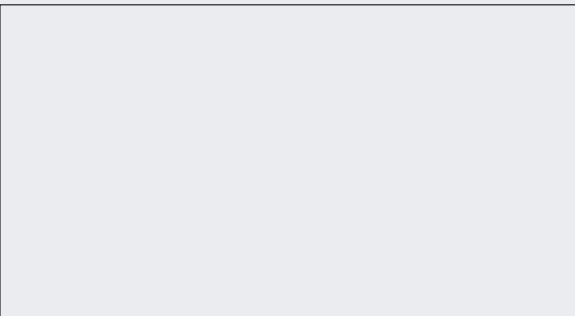
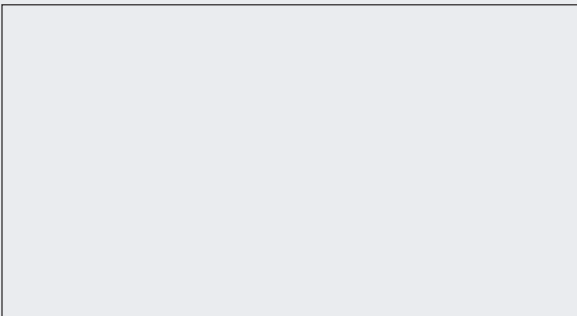
# MARKETING ACTIVITIES

## August 2024

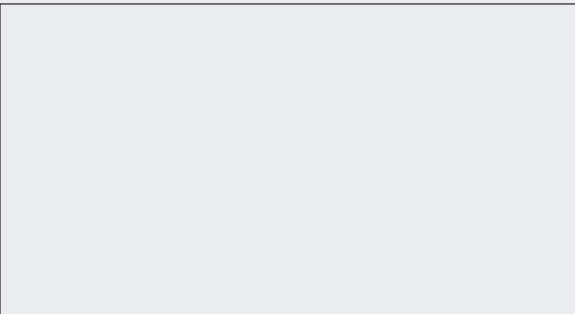
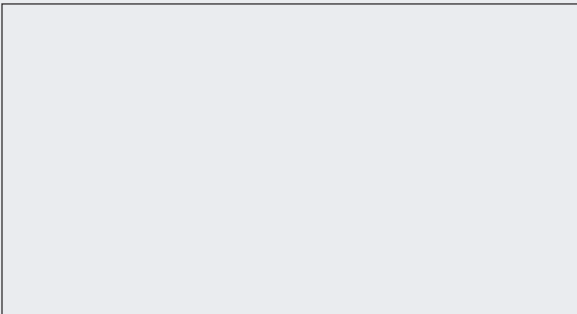
### Celebrating Independence Day at Berger

On August 14th, Berger came with the vibrant spirit of Independence Day as they gathered all their employees to celebrate this momentous occasion. The day was marked by a series of engaging activities that highlighted our national pride and unity. Employees adorned the workspace with patriotic decorations, and a special assembly featured speeches, quiz based on Pakistan's history, singing competition and much more. At office Berger offered a taste of traditional dishes, bringing everyone together in a shared celebration. This event not only honored our country's rich heritage but also fostered a sense of patriotism among the team. It was a day of reflection, celebration, and appreciation for the values that unite us. Gifts were also distributed to the employees on winning different tasks.

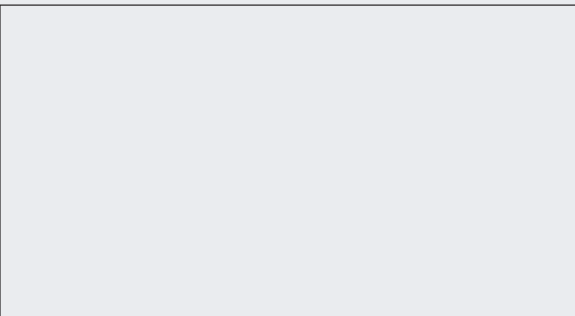
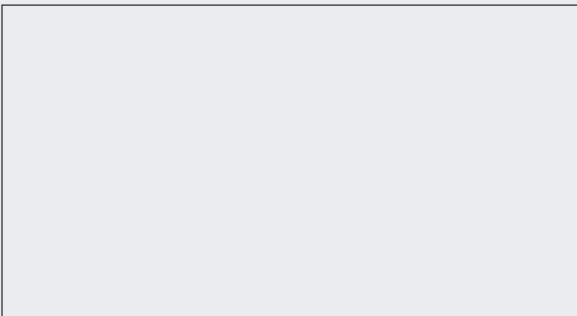
#### Lahore Factory/Headoffice



#### Islamabad office



#### Karachi office



## September 2024

### Free Eye Sight Checkup at Berger

On August 14th, Berger came with the vibrant spirit of Independence Day as they gathered all their employees to celebrate this momentous occasion. The day was marked by a series of engaging activities that highlighted our national pride and unity. Employees adorned the workspace with patriotic decorations, and a special assembly featured speeches, quiz based on Pakistan's history, singing competition and much more. At office Berger offered a taste of traditional dishes, bringing everyone together in a shared celebration. This event not only honored our country's rich heritage but also fostered a sense of patriotism among the team. It was a day of reflection, celebration, and appreciation for the values that unite us. Gifts were also distributed to the employees on winning different tasks.



## MARKETING ACTIVITIES

December 2024

### Iqbal Kitab Awards 2023-24

The event was organized by the Allama Iqbal Stamps Society, a group dedicated to preserving and promoting the legacy of Allama Iqbal, especially through stamps and literature. Berger Paints sponsored the event, showcasing their support for cultural and intellectual activities. They also contributed to the success of the awards by providing trophies, gifts, and certificates for the participants. The event was hosted by Mian Sajid Ali, the Associate Manager at Berger Paints. A total of 20 books were submitted for the awards, all centered around Allama Iqbal's thought and personality. Out of the 20, 18 books were in Urdu, reflecting the linguistic and cultural importance of Iqbal's original language. The awards aimed at providing a platform for young scholars in the field of Iqbal Studies, an essential step for nurturing the next generation of researchers who can contribute to the ongoing intellectual conversation surrounding Iqbal.





## January 2025

### Marketing Activities – New Year

Add the pictures of our 2025 calendar, diary and notebook. Also add a little detail about the calendars concept. Hamza will provide the data.

Let this calendar inspire you to transform your space into a haven that connects you with the world, allowing each shade to transport you. Imagine a journey where each month unfolds the spirit of a different place, a story written in color and culture, an invitation to explore the world from the comfort of your own space. This year, Berger Paints brings you a visual symphony that melds the essence of twelve unique destinations with colors that speak deeply to the soul. Each page is a portal, a reflection of the seasons, traditions and landscapes that give each location its distinct charm. So let your walls tell a story, one month at a time and immerse yourself in a year long journey where culture, color and connection converge in the spaces closest to you.



# MARKETING ACTIVITIES

## February 2025

### National Ice Competitions 2025

Berger paints sponsored the National Ice Competition held at the PAF Ski Resort Naltar, Gilgit-Baltistan, bringing together teams from across Pakistan, including the Pakistan Air Force, Gilgit-Baltistan Scouts (Unit of Pakistan Army), Punjab, Sindh, Hunza and Shandur (Gilgit-Baltistan), and KPK provinces. The event, conducted under the patronage of the Pakistan Air Force and the Winter Sports Federation Pakistan, featured several winter ice sports disciplines. Additionally, athletes participated in Ice Speed Skating and Figure Skating, showcasing the growing interest and talent in winter sports in the country. This competition was a significant step towards promoting ice sports in Pakistan, especially in the picturesque and snow-covered landscapes of Naltar.





## March 2025

### Sponsorship – ADA Awards

The ADA Awards 2024-25 celebrations unfolded over three inspiring days filled with knowledge sharing, critical discourse, and creative insights, leading up to the grand finale night. Berger paints sponsored this event which honored Pakistan's creative fraternity, recognizing winners, distinctive awards, and exceptional works that have left a lasting impact on the industry.

Held against the stunning backdrop of Shalimar Gardens in Lahore, the grand finale was a seamless blend of art, architecture, and design. The night was made even more memorable by a musical journey that echoed the vibrancy and richness of Pakistan's creative landscape.



# INVESTOR RELATIONS

## REGISTERED OFFICE

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

## SHARE REGISTRAR

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

## LISTING ON STOCK EXCHANGES

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

## STOCK CODE / SYMBOL

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

## STATUTORY COMPLIANCE

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

## CASH DIVIDEND

Cash Dividend for the year ended June 30, 2025 at Rs. 5.00 per share i.e., 50%. This is in addition to interim dividends already paid at Rs. 0 per shares i.e. 0%.

## BOOK CLOSURE DATES

The Share Transfer Books will remain closed from October 21, 2025 to October 27, 2025, both days inclusive.

## DIVIDEND REMITTANCE

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

(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 form: to shareholders whose names appear in the statement of beneficial ownership furnished by CDC as at end of business on book closure date.

## WITHHOLDING OF TAX & ZAKAT ON ORDINARY DIVIDEND

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

## GENERAL MEETINGS & VOTING RIGHTS

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

Shareholders having holding of at least 10% of voting rights may also apply to the Board of Directors to call for meeting of shareholders, and if the Board does not take action on such application within 21 days, the shareholders may themselves call the meeting.

All ordinary shares issued by the Company carry equal voting rights. Generally, matters at the general meetings are decided by a show of hands in the first instance. Voting by show of hands operates on the principle of "One Member-One Vote". If majority of shareholders raise their hands in favor of a particular resolution, it is taken as passed, unless a poll is demanded.

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

# INVESTOR RELATIONS

## INVESTOR'S GRIEVANCES

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

## PROXIES

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

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

## WEB PRESENCE

Updated information regarding the Company can be accessed at its website, [www.berger.com.pk](http://www.berger.com.pk). The website contains the latest financial results of the Company together with the Company's profile.

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



**JamaPunji**  
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# FINANCIAL HIGHLIGHTS

Rupees in thousand

		Year Ended June 30,			
	2025	2024	2023	2022	2021
<b>NET ASSETS</b>					
Fixed Assets	<b>2,293,081</b>	2,246,298	2,306,831	1,628,184	1,635,006
Goodwill	-	-	-	-	-
Long Term Investments	<b>99,393</b>	76,595	78,479	70,915	52,505
Long Term Loans & Deposits	<b>88,521</b>	78,635	59,479	76,770	70,566
Deferred Taxation	-	-	-	-	29,093
Net Current Assets	<b>1,679,867</b>	1,669,792	1,449,633	923,707	667,445
<b>Total</b>	<b>4,160,862</b>	4,071,320	3,894,422	2,699,576	2,454,615
<b>FINANCED BY</b>					
Share Capital	<b>245,516</b>	245,516	245,516	204,597	204,597
Reserves	<b>2,048,434</b>	1,764,229	1,454,674	1,310,842	1,171,720
Surplus on Revaluation of Fixed Assets	<b>1,387,257</b>	1,437,720	1,495,613	830,273	849,056
	<b>3,681,207</b>	3,447,465	3,195,803	2,345,712	2,225,373
Long Term and Deferred Liabilities	<b>479,655</b>	623,855	698,619	353,864	229,242
<b>Total</b>	<b>4,160,862</b>	4,071,320	3,894,422	2,699,576	2,454,615
<b>TURNOVER AND PROFITS</b>					
Turnover	<b>8,944,694</b>	8,543,907	7,341,165	7,073,478	5,602,160
Gross Profit	<b>1,853,973</b>	1,721,282	1,483,113	1,222,010	1,116,560
	<b>20.73%</b>	20.15%	20.20%	17.28%	19.93%
Profit before tax	<b>463,923</b>	421,352	331,197	247,018	267,046
Taxation	<b>165,400</b>	158,489	91,136	45,132	71,825
Profit/(Loss) after tax	<b>298,523</b>	262,863	240,061	201,886	195,221
<b>EARNING AND DIVIDENDS</b>					
Earning per share	<b>12.16</b>	10.71	9.78	9.87	9.54
Interim Dividend per share-Cash (Rupee)	-	-	-	-	-
Final Dividend per share-Cash (Rupee)	<b>5.00</b>	4.00	-	4.00	4.00

# CHAIRMAN'S REVIEW

It is my immense pleasure to submit this review report in compliance with Section 192(4) of the Companies Act, 2017, concerning the fiscal year ending June 30, 2025, for Berger Paints Pakistan Limited. It comprehensively evaluates the Board of Directors' overall performance and its contribution to achieving the Company's strategic objectives, thereby promoting transparent and accountable corporate governance.

The Board of Directors has exhibited a firm dedication to establishing a robust governance model through the prioritization of risk management protocols and a resilient control environment. In furtherance of this objective, a series of policies have been enacted in conjunction with the Company's Management, thereby guaranteeing a formalized and methodical framework for both decision-making processes and the assignment of accountability.

The Board's structure notably includes non-executive and independent directors, aligning with the Corporate Governance Code 2019. This composition is vital for incorporating varied viewpoints and cultivating transparency and integrity, thereby ensuring effective governance guided by the Board's collective expertise.

The Board's proactive approach and commitment to regulatory compliance have been instrumental in realizing the Company's strategic goals and ensuring a strong governance structure. This dedication provides stakeholders with assurance regarding the Board's adherence to the highest standards of corporate governance.

## **The Board of Directors has three sub-committees:**

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

Committees established by the Board of Directors have been instrumental in supporting the execution of their mandated duties. Regularly convened sub-committees provided comprehensive reports to the Board, adhering to the stipulations of the Code of Corporate Governance 2019. Frequent Board meetings, enhanced by the operational effectiveness of the committees, facilitated governance. Moreover, an annual performance evaluation, conducted in accordance with the Code, ensured adherence to established benchmarks.

During the review period, the Board of Directors offered crucial guidance, fostering sustainable operational and financial results. Consistent communication with the Management team, alongside collaboration with internal and external auditors, facilitated efficient decision-making in Board and sub-Committee meetings. The Management team executed daily operations according to Board objectives, implemented internal controls, and adhered to regulatory mandates and industry best practices.

The Board is dedicated to enacting comprehensive business continuity plans to protect the welfare of employees and stakeholders amidst the present demanding circumstances. Maintaining its crucial function, the Board of Directors will continue to define the Company's strategic path and diligently supervise the execution of these plans, adhering to robust corporate governance principles.

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

**Maqbool H.H. Rahimtoola**

**Chairman**



## چیرمین کا تجزیہ

برجر پینٹس پاکستان لمیٹڈ ("کمپنی") کے اسٹیک ہولڈرز کو 30 جون 2025 کو ختم ہونے والے سال کے لیکینیزا ایکٹ، 2017 کے سیکشن (4) 192 کی ضرورت کے تحت یہ جائزہ رپورٹ پیش کرتے ہوئے مجھے بے حد خوشی ہو رہی ہے۔ یہ رپورٹ بورڈ آف ڈائریکٹرز کی مجموعی کارکردگی اور کمپنی کے اسٹریٹجک مقاصد کے حصول میں ان کے تعاون کا جامع جائزہ لیتا ہے، اس طرح شفاف اور جوابدہ کارپوریٹ گورننس کو فروغ ملتا ہے۔

بورڈ آف ڈائریکٹرز نے رسک مینجمنٹ اور مضبوط کنٹرول ماحول کو ترجیح دے کر ایک موثر گورننس ماڈل بنانے کے عزم کا مظاہرہ کیا ہے۔ اس مقصد کے لیے، کمپنی کی انتظامیہ کے تعاون سے کئی پالیسیاں نافذ کی گئی ہیں، جو فیصلہ سازی اور جوابدہی کے لیے ایک منظم انداز کو یقینی بناتی ہیں۔

کوڈ آف کارپوریٹ گورننس 2019 میں وضع کردہ اصولوں کی تعمیل کرتے ہوئے بورڈ کی تشکیل کا ایک قابل ذکر پہلو،، غیر ایگزیکٹو اور آزاد ڈائریکٹرز کی نمائندگی ہے۔ شفافیت اور سہولیت کا ماحول، جو بورڈ کے متنوع تجربے کی رہنمائی میں موثر حکمرانی کے لیے ضروری ہے۔

بورڈ کے فعال اقدامات اور ریگولیٹری معیارات کی پابندی نے ایک مضبوط گورننس فریم ورک کو برقرار رکھتے ہوئے کمپنی کے اسٹریٹجک مقاصد کو حاصل کرنے میں اہم کردار ادا کیا ہے۔ اسٹیک ہولڈرز کو کارپوریٹ گورننس میں بہترین طریقوں کو برقرار رکھنے کے لیے بورڈ کے عزم کا یقین دلا یا جاسکتا ہے۔

بورڈ آف ڈائریکٹرز کی تین ذیلی کمیٹیاں ہیں:

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

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

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

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

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

مقبول ایچ ایچ رحمت اللہ

چیرمین



# DIRECTORS' REPORT

For the year ended June 30, 2025

The Directors of your Company are pleased to present their report along with the audited financial statements of the Company for the year ended June 30, 2025.

## ECONOMY OF PAKISTAN

During the year under review, the macroeconomic environment of the country exhibited signs of recovery, with real GDP growth estimated at 2.7%, primarily fueled by private consumption and remittances. Inflation experienced a decline, reaching 3.2% in June 2025, which bolstered household purchasing power, although underlying cost pressures sustained elevated core inflation. The current account position strengthened, driven by robust remittance inflows and export performance, thereby contributing to exchange rate stabilization. Monetary policy remained accommodative as the State Bank of Pakistan maintained a policy rate of 11.0%. While the agriculture sector experienced contraction, Large-Scale Manufacturing demonstrated a mixed recovery, with a majority of sectors posting growth. The reduction in electricity tariffs and targeted actions by the Special Investment Facilitation Council are anticipated to further support the manufacturing sector. For the paints and coatings sector, including Berger Paints Pakistan Ltd., the improved macroeconomic conditions fostered demand recovery; however, reliance on dollar-denominated raw materials necessitates continued focus on disciplined procurement and operational efficiencies.

## BUSINESS PERFORMANCE

In the fiscal year under review, the company demonstrated a marginal increase in net sales, achieving Rs. 8,945 million, a 4.69% rise from the prior year. Gross profit improved to Rs. 1,854 million, up from Rs. 1,721 million, owing to favorable exchange rates, reduced material costs, and a more profitable product mix. However, increased promotional activities and inflationary pressures led to a surge of 22.26% in sales and marketing expenses, while administrative expenses also rose by 8.64% due to inflationary effects. Efficient treasury operations and reduced policy rates contributed to a significant decrease in financial costs. Consequently, the company reported a profit before tax of Rs. 463.92 million, a 10.11% increase, culminating in a profit after tax of Rs. 298.54 million, reflecting a substantial rise of 14.71% compared to the preceding year.

## FINANCIAL PERFORMANCE

The financial position is summarized as follows:

	30 June 2025	30 June 2024
	Rupees in thousand	
Operating Profit	593,889	656,240
Other operating income	94,060	69,708
	687,949	725,948
Finance cost	(224,026)	(304,596)
Profit before taxation	463,923	421,352
Taxation	(165,400)	(158,489)
<b>Profit after taxation</b>	<b>298,523</b>	<b>262,863</b>

# DIRECTORS' REPORT

For the year ended June 30, 2025

## FUTURE OUTLOOK

Pakistan entered FY2025 with encouraging macroeconomic momentum, supported by an uptick in GDP growth, improved foreign exchange reserves, moderating inflationary pressures, and renewed investor confidence. Industrial output showed signs of recovery, while government-led infrastructure initiatives and housing-related schemes provided a foundation for long-term growth. However, the unprecedented floods that began in mid-August 2025 have severely disrupted economic activity in large parts of the country. Early estimates suggest significant damage to agriculture, infrastructure, and housing stock, which may weigh on short-term growth, elevate fiscal pressures, and create inflationary headwinds, particularly in food and imported commodities. The paints and coatings sector expected to face short-term volatility due to supply chain disruptions, higher input costs, and a temporary slowdown in construction activity in the flood-affected regions. Demand from both retail and institutional segments is likely to soften in the immediate quarters as resources are diverted toward relief and rehabilitation. Nevertheless, the medium- to long-term outlook remains positive. As reconstruction and rehabilitation efforts gain pace, demand for decorative and protective coatings is anticipated to rise significantly, driven by housing repairs, infrastructure rebuilding, and increased public and private sector investment. This cycle will provide substantial opportunities for the industry to expand volumes and introduce innovative solutions tailored to evolving customer needs. By balancing resilience with readiness, the Company is well positioned to support national rebuilding efforts while safeguarding long-term shareholder value.

## HEALTH, SAFETY & ENVIRONMENT (HSE)

The Company's dedication to maintaining the highest standards of health, safety, and environmental (HSE) management is demonstrated through a robust framework of systematic processes, strict regulatory compliance, and continuous improvement initiatives, reflecting the paramount importance placed on the safety and well-being of employees, contractors, and surrounding communities. Throughout the year, comprehensive health and safety audits were diligently conducted at all manufacturing facilities to ensure unwavering adherence to both national regulations and globally recognized best practices, facilitating the identification of areas requiring enhancement and reinforcing accountability across all organization. Employee training remained a critical component of the safety program, with regular workshops and awareness sessions designed to educate personnel on the safe handling of chemicals, the proper utilization of protective equipment, and comprehensive emergency preparedness protocols to ensure that employees are adequately prepared to respond effectively in the event of an emergency. To further reinforce workplace safety, the Company invested in the procurement and deployment of advanced personal protective equipment (PPE) for all shop floor accompanied by routine inspections to guarantee proper usage and adherence. The integration of sustainability and environmental responsibility into the health and safety strategy was evident through enhanced waste management practices, incorporating safer storage, segregation, and disposal methodologies for hazardous materials in accordance with regulatory guidelines, coupled with strategic investments in process improvements aimed at reducing emissions and minimizing environmental impact, thereby aligning operations with a commitment to safe and responsible practices. The Board underscores its steadfast commitment to cultivating a zero-incident culture through continuous monitoring, strategic investments in safety infrastructure, and proactive employee engagement, recognizing that prioritizing the health and safety of personnel not only ensures regulatory compliance but also reinforces the long-term vision of operating responsibly, sustainably, and in alignment with the best interests of all stakeholders.

## ENTERPRISE RISK MANAGEMENT -ERM

The Board recognizes its responsibility for ensuring an effective risk management system and provides oversight to safeguard the Company's strategic objectives and stakeholder interests. The board formally approved the Company's risk management policy, which serves as a foundational framework.

In line with the policy, the company has established a structured Risk Management Framework designed to safeguard business continuity, support strategic objectives, and protect stakeholder value. Risks are identified through a systematic process involving management reviews, market analysis, and stakeholder feedback, ensuring that both internal and external risk factors are captured.

All identified risks are assessed using a defined methodology that evaluates their likelihood and potential impact on operations, finances, and reputation. This process enables the Board and management to prioritize risks in line with the Company's defined risk appetite, which balances growth opportunities with prudent risk-taking.

Mitigation plans are developed and regularly monitored, focusing on preventive controls, contingency measures, and continuous improvement initiatives. These plans are embedded across functions to ensure proactive risk response and resilience against emerging challenges.

The Company applies the "Three Lines Model" to strengthen governance and oversight. Operational management serves as the first line, directly managing risks within business processes. The second line comprises risk management, compliance, and control functions that provide independent oversight and guidance. The third line, internal audit, provides independent assurance to the Board and its Committees on the effectiveness of risk management and internal controls.

Through this integrated framework, Berger Paints Pakistan Ltd. remains committed to maintaining a disciplined approach to risk, enabling sustainable growth and long-term value creation for all stakeholders.

## BOARD OF DIRECTORS

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

Mr. Maqbool H. H. Rahimtoola	4
Dr. Mahmood Ahmad	4
Mr. Tariq Ikram	4
Mr. Shahzad M. Hussain	4
Mr. Zafar A. Osmani	4
Ms. Zareen Aziz	2
Ms. Roohi Raees Khan	2
Mr. Zahid Majid (Alternate to Mr. Ilyas Sharif)	4

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

## BOARD AUDIT COMMITTEE

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

# DIRECTORS' REPORT

For the year ended June 30, 2025

The (BAC) plays a vital role in advising strong governance, compliance, and oversight across the Company. The Committee met regularly during the year to review financial reporting, internal controls, and risk management processes. It ensured compliance with applicable laws, regulations, and the Code of Corporate Governance, while also monitoring adherence to International Financial Reporting Standards (IFRS) and regulatory requirements of the Pakistan Stock Exchange and the Securities and Exchange Commission of Pakistan (SECP).

The Committee reviewed the Company's quarterly and annual financial statements, considered the findings of internal and external auditors, and oversaw the implementation of corrective actions where required. It also assessed the adequacy of the internal audit function and confirmed that an effective system of controls is in place to safeguard the Company's assets and the interests of stakeholders.

Through its independent oversight, the Audit Committee continues to support the Board in promoting transparency, accountability, and compliance across all areas of the Company's operations. The Committee affirms that it has discharged its responsibilities in accordance with its Terms of Reference approved by the Board.

Over the past year, the Audit Committee convened for four meetings to oversee these critical functions.

## HUMAN RESOURCE COMMITTEE

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

The Board HR & Remuneration Committee is responsible for providing oversight on human resource policies, succession planning, and remuneration matters in line with the Company's strategic objectives and governance standards. During the year, the Committee reviewed and recommended policies relating to compensation, performance management, and employee development, ensuring alignment with industry benchmarks and regulatory requirements.

The Committee also oversaw succession planning for key management positions and monitored initiatives to strengthen talent retention and employee engagement. In discharging its role, the Committee ensured that remuneration structures are fair, transparent, and linked with the Company's performance and long-term value creation.

The Committee confirms that it has carried out its responsibilities in accordance with its Terms of Reference approved by the Board.

## COMMITTEE FOR BUSINESS STRATEGY (CBS)

The Board Business Strategy Committee provides guidance and oversight on the Company's long-term strategic direction, business plans, and growth initiatives. During the year, the Committee reviewed the Company's strategic objectives in light of evolving market dynamics, economic conditions, and industry trends, and provided recommendations to the Board to ensure sustainable growth and competitiveness.

The Committee also monitored the implementation of key strategic initiatives and assessed opportunities for expansion, innovation, and operational efficiency. In doing so, it ensured that business strategies remain aligned with stakeholder expectations and the Company's long-term vision.

The Committee affirms that it has discharged its responsibilities in accordance with its Terms of Reference approved by the Board.

## **CONSOLIDATED FINANCIAL STATEMENTS**

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

## **HOLDING COMPANY**

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

## **PROFIT PER SHARE**

The Earnings per share for the year is Rs. 12.16 (2024: Rs.10.71).

## **DIVIDEND**

The Board of Directors of the Company has announced 50% final cash dividend i-e Rs. 5/- per share for the year ended June 30, 2025 subject to the approval of the shareholders in the Annual General Meeting.

## **AUDITORS**

The present auditors, M/s BDO Ebrahim & Co. Chartered Accountants will retire at the conclusion of the upcoming Annual General Meeting and Auditors for the year 2025-26 may be appointed in Annual General Meeting by our Shareholders.

## **RELATED PARTY TRANSACTIONS**

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

## **STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE**

The requirement of the Code of Corporate Governance set out by the Pakistan Stock Exchange in their listing regulations relevant for the year ended June 30, 2025 were duly complied with. A statement to this effect is attached with the report.

## **PATTERN OF SHAREHOLDING**

The pattern of shareholding as on June 30, 2025 and its disclosure, as required by the Code of Corporate Governance appears on Page 46.

## **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.

# DIRECTORS' REPORT

For the year ended June 30, 2025

- 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, 2025:

	Rupees in Thousand
Berger Paints Executive Staff Pension Fund	114,691
Berger Paints Gratuity Fund	35,750
Berger Paints Provident Fund	334650

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 demonstrates its commitment to corporate social responsibility through various initiatives. These include an environmentally conscious program that transforms paint waste into resources for underserved schools and religious institutions. In response to recent severe floods, Berger provided financial assistance to affected employees, distributed essential food, prepared meals, and contributed food supplies to affected regions. Furthermore, Berger supports community recovery by repainting damaged educational and religious infrastructure.

The "Truck Art - Child Finder" campaign, in collaboration with the Roshni Helpline, more than 3,000 calls received out of which more than 500 calls were solid leads, which led to reunited 7 missing children with their families, earning international recognition.

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

## ON BEHALF OF THE BOARD

Chief Executive Director

Lahore  
Date: September 24, 2025

## ڈائریکٹرز رپورٹ

برائے سال ختم شدہ 30 جون 2025

آپ کی کمپنی کے ڈائریکٹرز کو خوشی ہے کہ وہ سالانہ مالی بیانات کے ساتھ اپنی رپورٹ پیش کر رہے ہیں، جو 30 جون 2025 کو ختم ہونے والے مالی سال کے لیے آڈٹ شدہ ہیں۔

### پاکستان کی معیشت:

سال کے دوران ملکی معیشت میں بہتری کے آثار ظاہر ہوئے، اور حقیقی جی ڈی پی کی شرح نمو 2.7% رہی، جو زیادہ تر نجی کھپت اور ترسیلات زر سے تقویت پائی۔ افراط زر میں کمی ہوئی اور جون 2025 میں 3.2% تک آگیا، جس سے گھریلو قوت خرید بہتر ہوئی، تاہم بنیادی قیمتوں کا دباؤ برقرار رہا۔ کرنٹ اکاؤنٹ میں بہتری آئی، جو ترسیلات زر اور برآمدات کی مضبوط کارکردگی کی وجہ سے تھی، اور اس سے زرمبادلہ کی شرح استحکام میں مدد ملی۔ اسٹیٹ بینک آف پاکستان نے پالیسی ریٹ 11.0% برقرار رکھا۔ زرعی شعبہ سیکڑاؤ کا شکار رہا، لیکن بڑے پیمانے کی صنعتوں (LSM) نے جزوی بہتری دکھائی۔ بجلی کے نرخوں میں کمی اور اسپیشل انویسٹمنٹ فیسلٹی کونسل کے اقدامات نے صنعت کو سہارا دیا۔ پینٹس اور کونٹیکٹر کے شعبے، بشمول برجر پینٹس پاکستان لمیٹڈ، کے لیے بہتر معاشی حالات نے طلب میں بہتری پیدا کی، لیکن ڈالر سے منسلک خام مال پر انحصار محتاط خریداری اور عملی کارکردگی کی ضرورت کو اجاگر کرتا ہے۔

### کاروباری کارکردگی:

مالی سال 2025 کے دوران کمپنی کی خالص فروخت 4.69% بڑھ کر 8,945 ملین روپے رہی۔ مجموعی منافع 1,721 ملین روپے سے بڑھ کر 1,854 ملین روپے ہوا، جس کی وجہ زرمبادلہ کی بہتر صورتحال، خام مال کی کم لاگت اور منافع بخش مصنوعات کا امتزاج رہا۔ تاہم، فروخت اور مارکیٹنگ کے اخراجات 22.26% بڑھ گئے جبکہ انتظامی اخراجات میں بھی 8.64% اضافہ ہوا۔ مالی اخراجات میں کمی آئی کیونکہ پالیسی ریٹ کم ہوئے اور سرمایہ کاری کی حکمت عملی مؤثر رہی۔ نتیجتاً، ٹیکس سے پہلے منافع 463.92 ملین روپے (10.11% اضافہ) اور ٹیکس کے بعد منافع 298.54 ملین روپے (14.71% اضافہ) رہا۔

### مالی کارکردگی:

کمپنی کی مالی پوزیشن کا خلاصہ درج ذیل ہے:

Rupees in thousand	30 June 2025	30 June 2024
Operating Profit	593,889	656,240
Other operating income	94,060	69,708
	687,949	725,948
Finance cost	(224,026)	(304,596)
Profit before taxation	463,923	421,352
Taxation	(165,400)	(158,489)
<b>Profit after taxation</b>	<b>298,523</b>	<b>262,863</b>

### مستقبل کی حکمت عملی:

پاکستان نے مالی سال 2025 کا آغاز مثبت معاشی رفتار کے ساتھ کیا، جسے جی ڈی پی میں اضافے، زرمبادلہ کے ذخائر میں بہتری، افراط زر کے دباؤ میں کمی، اور سرمایہ کاروں کے نئے اعتماد نے سہارا دیا۔ صنعتی پیداوار نے بحالی کے آثار دکھائے، جبکہ حکومت کی زیر قیادت بنیادی ڈھانچے کی ترقی اور ہاؤسنگ سے متعلقہ اسکیموں نے طویل مدتی نمو کے لیے بنیاد فراہم کی۔

تاہم، اگست 2025 کے وسط میں آنے والے غیر معمولی سیلاب نے ملک کے بڑے حصوں میں معاشی سرگرمی کو بری طرح متاثر کیا۔ ابتدائی تخمینے زرعی شعبے، بنیادی ڈھانچے اور مکانات کو نمایاں نقصان ظاہر کرتے ہیں، جو قلیل مدتی نمو پر دباؤ ڈالیں گے، مالی بوجھ میں اضافہ کریں گے اور افراط زر کو بڑھاوا دیں گے، خاص طور پر خوراک اور درآمدی اجناس میں۔

پینٹس اور کونکر کا شعبہ بھی قلیل مدتی اتار چڑھاؤ کا شکار رہے گا کیونکہ سپلائی چین متاثر ہے، خام مال کی لاگت میں اضافہ ہوا ہے، اور متاثرہ علاقوں میں تعمیراتی سرگرمی عارضی طور پر سست پڑ گئی ہے۔ ریٹیل اور ادارہ جاتی دونوں شعبوں میں طلب آئندہ چند ماہیوں میں کمزور رہنے کا امکان ہے کیونکہ وسائل ریلیف اور بحالی کی طرف منتقل کیے جا رہے ہیں۔ اس کے باوجود، درمیانی اور طویل مدتی منظر نامہ مثبت ہے۔ جیسے جیسے تعمیر نو اور بحالی کی سرگرمیاں تیز ہوں گی، سجاوٹی اور حفاظتی کونکروں کی طلب نمایاں طور پر بڑھے گی، جسے مکانات کی مرمت، بنیادی ڈھانچے کی دوبارہ تعمیر، اور سرکاری و نجی سرمایہ کاری میں اضافے سے سہارا ملے گا۔ یہ سلسلہ صنعت کے لیے حجم بڑھانے اور صارفین کی بدلتی ہوئی ضروریات کے مطابق نئی اور جدید مصنوعات متعارف کرانے کے وسیع مواقع فراہم کرے گا۔

مضبوطی اور تیاری کے امتزاج کے ساتھ، کمپنی نہ صرف قومی تعمیر نو کی کاوشوں میں کردار ادا کرنے کے لیے بہتر پوزیشن میں ہے بلکہ طویل مدتی حصص یافتگان کی قدر کو بھی محفوظ رکھنے کے لیے تیار ہے۔

### صحت، حفاظت اور ماحولیات (HSE):

کمپنی کی جانب سے صحت، حفاظت اور ماحولیات (HSE) کے اعلیٰ ترین معیارات کو برقرار رکھنے کا عزم ایک مضبوط فریم ورک کے ذریعے ظاہر ہوتا ہے، جس میں منظم طریقہ کار، سخت ریگولیٹری تعمیل، اور مسلسل بہتری کی حکمت عملیاں شامل ہیں۔ اس سے ظاہر ہوتا ہے کہ کمپنی اپنے ملازمین، ٹھیکیداروں اور ارد گرد کی کمیونٹی کی حفاظت اور فلاح کو سب سے زیادہ اہمیت دیتی ہے۔

سال بھر تمام پیداواری یونٹس میں جامع صحت اور حفاظت کے آڈٹس باقاعدگی سے کیے گئے تاکہ قومی قوانین اور عالمی بہترین طریقہ کار کے ساتھ مکمل مطابقت کو یقینی بنایا جاسکے۔ اس عمل نے ان پہلوؤں کی نشاندہی میں مدد کی جہاں بہتری کی ضرورت تھی اور تنظیم کے اندر احتساب کو مزید مضبوط کیا گیا۔

ملازمین کی تربیت اس حفاظتی پروگرام کا ایک لازمی جز رہی۔ اس کے تحت باقاعدہ ورکشاپس اور آگاہی سیشن منعقد کیے گئے جن میں عمل کو کیمیکلز کے محفوظ استعمال، حفاظتی آلات (Protective Equipment) کے درست استعمال، اور ہنگامی صورتحال سے نمٹنے کے لیے جامع تیاری کے پروٹوکولز کے بارے میں تربیت دی گئی۔ مقصد یہ تھا کہ کسی بھی ایمرجنسی کی صورت میں ملازمین مؤثر اور بروقت رد عمل دے سکیں۔

کام کی جگہ پر مزید تحفظ کو یقینی بنانے کے لیے کمپنی نے جدید حفاظتی آلات (PPE) کی خریداری اور فراہمی میں سرمایہ کاری کی، جن کے درست استعمال کو یقینی بنانے کے لیے معمول کے مطابق معائنہ بھی کیا گیا۔

پائیداری اور ماحولیاتی ذمہ داری کو صحت و حفاظت کی حکمت عملی میں شامل کرتے ہوئے کمپنی نے فضلے کے بہتر انتظامات اپنائے، جن میں خطرناک مواد کی محفوظ ذخیرہ کاری، علیحدگی اور تلفی کے جدید طریقے شامل ہیں۔ اس کے ساتھ ساتھ، اخراج کم کرنے اور ماحولیاتی اثرات میں کمی کے لیے عمل میں بہتری پر بھی سرمایہ کاری کی گئی تاکہ کام کے تمام مراحل محفوظ اور ذمہ دارانہ طریقے سے عمل کے مطابق رہیں۔

بورڈ اپنے پختہ عزم کو دہراتا ہے کہ وہ مسلسل نگرانی، حفاظتی انفراسٹرکچر میں سرمایہ کاری، اور ملازمین کی فعال شمولیت کے ذریعے ایک ایسا ماحول قائم کرے گا جو حادثات سے پاک ہو۔ صحت اور حفاظت کو ترجیح دینا نہ صرف ریگولیٹری تقاضوں کی تکمیل کو یقینی بناتا ہے بلکہ ذمہ دار، پائیدار اور اسٹیک ہولڈرز کے بہترین مفاد کے مطابق طویل مدتی وژن کو بھی مضبوط کرتا ہے۔



## ڈائریکٹرز رپورٹ

برائے سال ختم شدہ 30 جون 2025

انٹرنیٹ پر انزرسک مینجمنٹ (ERM):

بورڈ اس بات کو تسلیم کرتا ہے کہ مؤثر رسک مینجمنٹ سسٹم قائم کرنا اس کی ذمہ داری ہے، اور اس مقصد کے لیے وہ کمپنی کے اسٹریٹجک اہداف اور اسٹیک ہولڈرز کے مفادات کے تحفظ پر نگرانی فراہم کرتا ہے۔ بورڈ نے باضابطہ طور پر کمپنی کی رسک مینجمنٹ پالیسی منظور کی، جو اس نظام کے لیے بنیادی فریم ورک کا کردار ادا کرتی ہے۔

پالیسی کے مطابق کمپنی نے ایک منظم رسک مینجمنٹ فریم ورک قائم کیا ہے، جس کا مقصد کاروبار کے تسلسل کو برقرار رکھنا، اسٹریٹجک اہداف کی تکمیل میں معاونت کرنا، اور اسٹیک ہولڈرز کی قدر کو محفوظ رکھنا ہے۔ خطرات کو ایک منظم طریقہ کار کے ذریعے شناخت کیا جاتا ہے، جس میں مینجمنٹ ریویو، مارکیٹ کا تجزیہ، اور اسٹیک ہولڈرز کی آراء شامل ہیں، تاکہ داخلی اور خارجی دونوں خطرات کو مد نظر رکھا جاسکے۔

تمام شناخت شدہ خطرات کو ایک واضح طریقہ کار کے ذریعے جانچا جاتا ہے، جس میں ان کے وقوع پذیر ہونے کے امکانات اور آپریشنز، مالیات اور ساکھ پر ممکنہ اثرات کو پرکھا جاتا ہے۔ یہ عمل بورڈ اور مینجمنٹ کو کمپنی کے مقرر کردہ رسک اپیٹائٹ (Risk Appetite) کے مطابق خطرات کی ترجیح طے کرنے میں مدد دیتا ہے، جو ترقی کے مواقع اور محتاط خطرہ لینے کے درمیان توازن قائم کرتا ہے۔

ان خطرات سے نمٹنے کے لیے تخفیفی منصوبے (Mitigation Plans) مرتب کیے جاتے ہیں اور ان پر باقاعدگی سے نظر رکھی جاتی ہے۔ یہ منصوبے روک تھام کے اقدامات، ہنگامی تدابیر، اور مسلسل بہتری کی حکمت عملیوں پر مرکوز ہیں۔ انہیں کمپنی کے تمام افعال میں شامل کیا گیا ہے تاکہ ابھرتے ہوئے چیلنجز کے خلاف پیشگی رد عمل اور مزاحمت کو یقینی بنایا جاسکے۔

**کمپنی نے گورننس اور نگرانی کو مضبوط بنانے کے لیے "تھری لائنز ماڈل" (Three Lines Model) اپنایا ہے:**

پہلی لائن: آپریشنل مینجمنٹ، جو براہ راست کاروباری عمل کے اندر خطرات کا انتظام کرتی ہے۔

دوسری لائن: رسک مینجمنٹ، کمپلائنس اور کنٹرول کے افعال، جو آزادانہ نگرانی اور رہنمائی فراہم کرتے ہیں۔

تیسری لائن: اندرونی آڈٹ، جو بورڈ اور اس کی کمیٹیوں کو رسک مینجمنٹ اور اندرونی کنٹرول کی مؤثریت پر آزادانہ یقین دہانی فراہم کرتا ہے۔

اس مربوط فریم ورک کے ذریعے برجر پینٹس پاکستان لمیٹڈ ایک منظم اور محتاط رویہ برقرار رکھنے کے لیے پرعزم ہے، جو پائیدار ترقی اور تمام اسٹیک ہولڈرز کے لیے طویل مدتی قدر میں اضافے کو ممکن بناتا ہے۔

**بورڈ آف ڈائریکٹرز:**

**سال کے دوران چار اجلاس ہوئے۔ حاضری کی تفصیل درج ذیل رہی:**

مقبول ایچ۔ ایچ۔ رحمت اللہ۔	4
ڈاکٹر محمود احمد۔	4
طارق اکرام۔	4
شہزاد ایم۔ حسین۔	4
ظفر اے۔ عثمانی۔	4
زریں عزیز۔	2

2 روجی رئیس خان۔

4 زاہد مجید (الیاس شریف کے متبادل)۔

دیگر تمام متعلقہ معلومات پہلے ہی اسٹیٹمنٹ آف کمپلائنس (Statement of Compliance with Listed Companies Code of Corporate Governance Regulations, 2019) اور مالی بیانات کے نوٹ میں ظاہر کر دی گئی ہیں۔

### بورڈ آڈٹ کمیٹی:

آڈٹ کمیٹی، جو بورڈ آف ڈائریکٹرز کی جانب سے مقرر کی گئی ہے، آزاد ڈائریکٹرز پر مشتمل ہے اور اس کا چیئرمین بھی ایک آزاد ڈائریکٹر ہے۔ بورڈ آڈٹ کمیٹی (BAC) کے ارکان معیشت، مالیات اور کاروباری امور میں وسیع مہارت رکھتے ہیں جو کمپنی کی سرگرمیوں کے لیے نہایت اہم ہے۔

(BAC) کمپنی میں مضبوط گورننس، تعمیل اور نگرانی کے فروغ میں کلیدی کردار ادا کرتی ہے۔ کمیٹی نے سال بھر باقاعدگی سے اجلاس منعقد کیے جن میں مالیاتی رپورٹنگ، اندرونی کنٹرولز اور رسک مینجمنٹ کے عمل کا جائزہ لیا گیا۔ اس نے متعلقہ قوانین، قواعد و ضوابط اور کارپوریٹ گورننس کے ضابطہ اخلاق کی تعمیل کو یقینی بنایا، اور بین الاقوامی مالیاتی رپورٹنگ کے معیارات (IFRS)، پاکستان اسٹاک ایکسچینج اور سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کے تقاضوں کی نگرانی بھی کی۔

کمیٹی نے کمپنی کے سہ ماہی اور سالانہ مالی بیانات کا جائزہ لیا، اندرونی اور بیرونی آڈیٹرز کی رپورٹوں پر غور کیا، اور جہاں ضرورت پڑی وہاں اصلاحی اقدامات پر عملدرآمد کی نگرانی کی۔ اس نے اندرونی آڈٹ کے دائرہ کار اور مؤثریت کا بھی جائزہ لیا اور اس بات کی تصدیق کی کہ کمپنی کے اثاثوں اور اسٹیک ہولڈرز کے مفادات کے تحفظ کے لیے مؤثر نظام موجود ہے۔

آزادانہ نگرانی کے ذریعے آڈٹ کمیٹی شفافیت، جوابدہی اور تعمیل کو فروغ دینے میں بورڈ کی معاونت کرتی ہے۔ کمیٹی اس بات کی توثیق کرتی ہے کہ اس نے اپنی ذمہ داریاں بورڈ کی جانب سے منظور شدہ Terms of Reference کے مطابق انجام دی ہیں۔

گزشتہ سال کے دوران، آڈٹ کمیٹی نے ان اہم امور کی نگرانی کے لیے چار اجلاس منعقد کیے۔

### ہیومن ریسورس کمیٹی (HRC):

ہیومن ریسورس کمیٹی کے ارکان کو کمپنی کے ایچ آر امور میں وسیع تجربہ حاصل ہے۔ یہ کمیٹی ایک آزاد ڈائریکٹر کی سربراہی میں کام کرتی ہے اور گزشتہ سال دو باضابطہ اجلاس منعقد کیے گئے۔

بورڈ ایچ آر اور ریمونیریشن (Remuneration) کمیٹی کمپنی کی اسٹریٹجک ترجیحات اور گورننس کے اصولوں کے مطابق انسانی وسائل کی پالیسیوں، جانشینی منصوبہ بندی، اور معاوضے کے معاملات پر نگرانی کی ذمہ دار ہے۔ سال کے دوران، کمیٹی نے معاوضے، کارکردگی کے نظم و نسق، اور ملازمین کی ترقی سے متعلق پالیسیوں کا جائزہ لیا اور سفارشات دیں، تاکہ یہ صنعت کے معیار اور ریگولیٹری تقاضوں کے مطابق رہیں۔

کمیٹی نے اہم مینجمنٹ عہدوں کے لیے جانشینی منصوبہ بندی کی نگرانی کی اور ٹیلنٹ برقرار رکھنے اور ملازمین کی شمولیت بڑھانے کی کوششوں پر نظر رکھی۔ اپنی ذمہ داریوں کی انجام دہی میں، کمیٹی نے اس بات کو یقینی بنایا کہ معاوضے کے ڈھانچے منصفانہ، شفاف، کمپنی کی کارکردگی سے منسلک اور طویل مدتی قدر کے فروغ سے ہم آہنگ ہوں۔

کمیٹی تصدیق کرتی ہے کہ اس نے اپنی ذمہ داریاں بورڈ کی منظور شدہ Terms of Reference کے مطابق پوری کی ہیں۔

## ڈائریکٹرز رپورٹ

برائے سال ختم شدہ 30 جون 2025

برنس اسٹریٹیجی کمیٹی (CBS):

بورڈ برنس اسٹریٹیجی کمیٹی کمپنی کی طویل مدتی حکمت عملی، کاروباری منصوبوں اور ترقیاتی اقدامات پر رہنمائی فراہم کرتی ہے۔ سال کے دوران، کمیٹی نے مارکیٹ کی بدلتی صورتحال، معاشی حالات اور صنعت کے رجحانات کے تناظر میں کمپنی کے اسٹریٹجک اہداف کا جائزہ لیا اور بورڈ کو پائیدار ترقی اور مسابقت کو یقینی بنانے کے لیے سفارشات فراہم کیں۔

کمیٹی نے اہم اسٹریٹجک اقدامات کے نفاذ کی نگرانی بھی کی اور توسیع، جدت اور عملی کارکردگی کے مواقع کا جائزہ لیا۔ اس عمل سے یہ یقینی بنایا گیا کہ کاروباری حکمت عملیاں اسٹیک ہولڈرز کی توقعات اور کمپنی کے طویل مدتی وژن کے ساتھ ہم آہنگ رہیں۔

کمیٹی اس بات کی بھی تصدیق کرتی ہے کہ اس نے اپنی ذمہ داریاں بورڈ کی منظور شدہ Terms of Reference کے مطابق انجام دی ہیں۔

### یکجا شدہ مالی بیانات:

کمپنی کے یکجا شدہ مالی بیانات میں اس کی ذیلی کمپنیوں برجر ڈی پی آئی (پرائیویٹ) لمیٹڈ اور برجر روڈ سیفٹی (پرائیویٹ) لمیٹڈ کے اکاؤنٹس شامل ہیں۔

### ہولڈنگ کمپنی:

برجر بیننس پاکستان لمیٹڈ کی ہولڈنگ کمپنی ایم/ایس۔ سلاٹ ریپید لمیٹڈ ہے، جو B.V.I. میں رجسٹرڈ ہے۔

### فی حصص منافع:

سال 2025 کے لیے فی حصص آمدنی 12.16 روپے رہی (2024: 10.71 روپے)۔

### ڈیویڈنڈ:

بورڈ آف ڈائریکٹرز نے 30 جون 2025 کو ختم ہونے والے سال کے لیے -5/ فی حصص نقد منافع کا اعلان کیا ہے، جو کہ سالانہ عام اجلاس میں حصص یافتگان کی منظوری سے مشروط ہے۔

### آڈیٹرز:

موجودہ آڈیٹرز ایم/ایس بی ڈی او ابراہیم اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، آئندہ سالانہ عام اجلاس کے اختتام پر ریٹائر ہو جائیں گے۔ سال 2025-26 کے لیے نئے آڈیٹرز حصص یافتگان کی جانب سے سالانہ عام اجلاس میں مقرر کیے جاسکتے ہیں۔

### متعلقہ فریقین کے ساتھ لین دین:

تمام لین دین بورڈ کے جائزے اور منظوری کے بعد کیے جاتے ہیں۔ بورڈ نے متعلقہ فریقین کے ساتھ لین دین کے لیے پرائیویٹ پالیسی منظور کی ہے۔

### کارپوریٹ گورننس کے ضابطہ اخلاق کی تعمیل کا بیان:

پاکستان اسٹاک ایکسچینج کے لسٹنگ ریگولیشنز میں سال ختم شدہ 30 جون 2025 کے لیے وضع کردہ کارپوریٹ گورننس کے ضابطہ اخلاق کی تمام ضروریات پوری کی گئی ہیں۔ اس ضمن میں ایک بیان اس رپورٹ کے ساتھ منسلک ہے۔

### حصص کی ملکیت کا پٹرین:

30 جون 2025 کو حصص کی ملکیت کا پٹرین اور اس کی تفصیل، جیسا کہ کارپوریٹ گورننس کے ضابطہ اخلاق کے تحت درکار ہے، صفحہ 46 پر درج ہے۔

### کارپوریٹ فنانشل رپورٹنگ فریم ورک کا بیان:

کمپنی نے لسٹنگ ریگولیشنز کے مطابق کارپوریٹ گورننس کے ضابطہ اخلاق کی تمام ضروریات پوری کی ہیں۔ لہذا ڈائریکٹرز کو خوشی ہے کہ وہ درج ذیل امور کی تصدیق کرتے ہیں:

i. مالی بیانات اور ان کے ساتھ منسلک نوٹس کمپنیز ایکٹ 2017 کے مطابق تیار کیے گئے ہیں۔ یہ بیانات کمپنی کی مالی صورتحال، اس کے آپریشنز کے نتائج، کیش فلو اور ایکویٹی میں تبدیلیوں کو درست طور پر پیش کرتے ہیں۔

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

iii. کمپنی نے درست اور باقاعدہ اکاؤنٹس کی کتابیں برقرار رکھی ہیں۔

iv. مالی بیانات کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو مسلسل اپنایا گیا ہے، جو پاکستان میں قابل اطلاق انٹرنیشنل اکاؤنٹنگ اسٹینڈرڈز کے مطابق ہیں۔

v. جہاں کہیں اکاؤنٹنگ کے تخمینے درکار تھے، وہ معقول اور محتاط فیصلے کی بنیاد پر کیے گئے ہیں۔

vi. مالی بیانات کی تیاری میں پاکستان میں قابل اطلاق انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈز کی پیروی کی گئی ہے۔

vii. اندرونی کنٹرول کا نظام ڈیزائن میں مضبوط ہے اور اسے مؤثر طور پر نافذ کیا گیا ہے۔

viii. کمپنی کی بحیثیت جاری رہنے کی صلاحیت پر کسی قسم کا کوئی نمایاں شک موجود نہیں ہے۔

ix. لسٹنگ ریگولیشنز میں درج کارپوریٹ گورننس کی بہترین روایات سے کسی بھی قسم کی نمایاں انحرافی نہیں کی گئی۔

x. گزشتہ چھ سالوں کے کلیدی آپریشنل اور مالی اعداد و شمار رپورٹ کے ساتھ منسلک ہیں۔

xi. 30 جون 2025 تک پروویڈنٹ، گریجویٹ اور پنشن فنڈز میں سرمایہ کاری کی مالیت درج ذیل ہے (ہزاروں روپے میں):

برجر پینٹس ایگزیکٹو اسٹاف پنشن فنڈ: 114,691

برجر پینٹس گریجویٹ پنشن فنڈ: 35,750

برجر پینٹس پروویڈنٹ فنڈ: 334,650

xii. کمپنی کے ڈائریکٹرز، چیف ایگزیکٹو، ایگزیکٹوز اور ان کے شریک حیات یا نابالغ بچوں نے کمپنی کے شیئرز میں کوئی ٹریڈنگ نہیں کی۔

### کارپوریٹ سوشل ریسپانسیبلٹی (CSR) - سرگرمیاں:

برجر اپنی سماجی ذمہ داری کو مختلف اقدامات کے ذریعے عملی جامہ پہناتا ہے۔ ان اقدامات میں ماحولیاتی تحفظ پر مبنی ایک پروگرام شامل ہے جس کے تحت پینٹ ویسٹ کو مستحق اسکولوں اور مذہبی اداروں کے لیے قابل استعمال وسائل میں تبدیل کیا جاتا ہے۔

حال ہی میں آنے والے شدید سیلاب کے بعد، برجر نے متاثرہ ملازمین کو مالی امداد فراہم کی، بنیادی اشیائے خورد و نوش تقسیم کیں، تیار کھانے مہیا کیے اور متاثرہ علاقوں میں خوراک پہنچائی۔ اس کے علاوہ، برجر نے کمیونٹی کی بحالی میں تعاون کیا اور متاثرہ تعلیمی و مذہبی اداروں کی دوبارہ رنگ و روغن کے ذریعے مرمت کی۔

## ڈائریکٹرز رپورٹ

برائے سال ختم شدہ 30 جون 2025

"ٹرک آرٹ-چائلڈ فائنڈر" مہم، جو روشنی ہیلپ لائن کے تعاون سے چلائی گئی، کے تحت 3,000 سے زائد کالز موصول ہوئیں، جن میں سے 500 سے زائد ٹھوس معلومات پر مبنی تھیں۔ اس مہم کے نتیجے میں 7 گمشدہ بچے اپنے خاندانوں سے دوبارہ مل گئے، اور اس اقدام کو بین الاقوامی سطح پر بھی سراہا گیا۔

ڈائریکٹرز حصص یافتگان، اسٹیک ہولڈرز اور معزز صارفین کا دل سے شکریہ ادا کرتے ہیں کہ انہوں نے مسلسل اعتماد اور تعاون جاری رکھا۔ ساتھ ہی وہ کمپنی کے تمام ٹیم ممبرز کی انتھک محنت اور لگن کو خراج تحسین پیش کرتے ہیں جنہوں نے کمپنی کے مشن کو آگے بڑھانے میں اہم کردار ادا کیا۔

بورڈ کی جانب سے:

ڈائریکٹر:

چیف ایگزیکٹو:

لاہور:

بتاریخ: 24 ستمبر 2025

# PATTERN OF SHAREHOLDING

as on 30 June 2025

THE COMPANIES ACT 2017	(Section 227(2)(f))
Name of the Company	BERGER PAINTS PAKISTAN LIMITED
Pattern of holding of the shares held by the shareholders as at	30-06-2025

**FORM 20**

No. of Shareholders	-----Shareholdings-----		Total Shares Held
	From	To	
726	1	100	24,318
601	101	500	178,801
395	501	1,000	321,649
513	1,001	5,000	1,242,815
112	5,001	10,000	869,905
36	10,001	15,000	468,392
14	15,001	20,000	246,439
16	20,001	25,000	369,186
11	25,001	30,000	313,162
5	30,001	35,000	165,200
3	35,001	40,000	116,540
3	40,001	45,000	130,802
1	45,001	50,000	45,500
5	50,001	55,000	258,155
3	65,001	70,000	203,879
4	70,001	75,000	300,000
2	75,001	80,000	156,663
2	80,001	85,000	162,993
2	85,001	90,000	175,263
2	90,001	95,000	182,834
1	95,001	100,000	99,800
2	105,001	110,000	216,786
1	160,001	165,000	164,948
1	190,001	195,000	195,000
1	245,001	250,000	249,067
1	330,001	335,000	331,000
1	350,001	355,000	354,424
1	375,001	380,000	377,695
1	580,001	585,000	580,548
1	590,001	495,000	591,164
1	615,001	620,000	619,477
1	630,001	635,000	632,362
1	705,001	710,000	708,836
1	715,001	720,000	718,836
1	12,775,001	12,780,00	12,779,176
<b>2,472</b>			<b>24,551,615</b>

# CATEGORIES OF SHAREHOLDER

as of 30 June 2025

Particulars	Shares Held	Percentage
Directors, CEO and their spouse and minor children	720,965	2.94%
Associated Companies, undertakings and related parties (Parent Company)	12,779,176	52.05%
NIT & ICP	356,433	1.45%
Banks, DFI & NBFC	331,210	1.35%
Insurance Companies	342,660	1.40%
Modarbas and Mutual Funds	53,000	0.22%
General Public (Local)	9,105,622	37.09%
General Public (Foreign)	175,230	0.71%
Others	687,319	2.80%
<b>Company Total</b>	<b>24,551,615</b>	<b>100.00%</b>

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

### DIRECTORS THEIR SPOUSES & MINOR CHILDREN:

DR. MAHMOOD AHMED	2	0.00%
MR. MUHAMMAD ILYAS	1	0.00%
MR. ZAFAR AZIZ OSMANI	1	0.00%
MR. MAQBOOL H. H. RAHIMTOOLA (CDC)	2,121	0.01%
MR. SHAHZAD MUMTAZ HUSSAIN	1	0.00%
MISS ZARINE AZIZ	1	0.00%
MR. TARIQ IKRAM	1	0.00%
MRS. ROOHI R. KHAN	1	0.00%
MRS. AYESHA MAHMOOD W/O DR. MAHMOOD AHMAD	718,836	2.93%
	<b>720,965</b>	<b>2.94%</b>

### ASSOCIATED COMPANIES:

SLOT RAPID LIMITED (CDC)	12,779,176	52.05%
	<b>12,779,176</b>	<b>52.05%</b>

### NIT & ICP:

M/S INVESTMENT CORPORATION OF PAKISTAN	795	0.00%
M/S. NATIONAL BANK OF PAKISTAN TRUSTEE DEPARTMENT	1,214	0.00%
CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST (CDC)	354,424	1.44%
	<b>356,433</b>	<b>1.45%</b>
BANKS, DFI & NBFC	331,210	1.35%
INSURANCE COMPANIES	342,660	1.40%
MODARBAS AND MUTUAL FUNDS	53,000	0.22%
GENERAL PUBLIC (LOCAL)	9,105,622	37.09%
GENERAL PUBLIC (FOREIGN)	175,230	0.71%
OTHERS	687,319	2.80%
	<b>10,695,041</b>	<b>43.56%</b>
	<b>24,551,615</b>	<b>100.00%</b>

# NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the **75<sup>th</sup> Annual General Meeting of Berger Paints Pakistan Limited** will be held at 28-Km Off, Multan Road, Lahore, and / or virtually via video-link/Zoom Cloud meetings on Monday **October 27, 2025 at 10:00 am.** to transact the following business:

## Ordinary Business:

1. To confirm minutes of Annual General Meeting held on October 25, 2024.
2. To receive, consider and adopt the Audited Accounts of the Company along with consolidated Accounts for the year ended June 30, 2025 together with the Auditors' Report, Chairman's Review and Directors' Report thereon.
3. To appoint Auditors for the year ending June 30, 2026 and fix their remuneration.
4. To approve the announced dividend in Cash @ 50% i.e. Rs. 5.00 per share of Rs. 10 each for the year 2025, 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 06, 2025

Registered Office  
28-Km Off, Multan Road, Lahore.

**Naveed Ahmed Zafar**  
Company Secretary

## Notes:

- 1) The Share Transfer Books will remain closed from October 21, 2025 to October 27, 2025, 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, 2025. Members (Non-CDC) are requested to promptly notify the Company's Registrar on any change in their addresses and submit, if applicable to them, the non-deduction of Zakat Form CZ-50 with Registrar of the Company M/s Corplink Private Limited, Wings Arcade, 1-K, Commercial Block K, Model Town, Lahore, Punjab, 54000. All Members holding the shares through the CDC are requested to please update their addresses and Zakat status with their Participations.
- 2) A member entitled to attend and vote at this meeting may appoint another member as his / her proxy to attend and vote for him / her. Proxies in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the time of holding the meeting. A proxy must be a member of the Company.
- 3) CDC Accounts Holders will further have to follow the guidelines as laid down in Circular 1, dated the January 26, 2000 issued by the Securities & Exchange Commission of Pakistan.
- 4) CDC Account Holders will further have to follow the under-mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan.

## Attendance of AGM through Video-Link

The entitled shareholders whose name appear in the Books of Company by the close of business in October 20, 2025 who are interested to attend AGM through online platform are hereby requested to get themselves registered with the Company Secretary office by providing the following details at the earliest but not later than 48 hours before the time of AGM at [df.secretary@berger.com.pk](mailto:df.secretary@berger.com.pk).



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

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

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

The entitled shareholders (whose name appeared in the books of Company by the close of Business on October 20, 2025 along with the details mentioned above may send their comments/suggestions for the proposed agenda items at the above email address at least 48 hours before the meeting.

#### **Electronic Notice of AGM**

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

#### **For Attending the Meeting:**

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

#### **For Appointing Proxies:**

- 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.
- The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- Attested copies of the CNIC or passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- The proxy shall produce his / her original CNIC or original passport at the time of the meeting.

# NOTICE OF ANNUAL GENERAL MEETING

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

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

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

## Withholding Tax on Dividend

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

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

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

## Withholding Tax on Dividend in case of Joint Account Holders

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

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

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

## Payment of Cash Dividend through Electronic Mode (Mandatory)

The provisions of Section 242 of the Companies Act, 2017 ("ACT") provides that any dividend declared by a listed company shall only be paid through electronic mode directly into the bank account designated by the entitled shareholders. SECP has advised in their Circular No. 18 of 2017 dated August 01, 2017 to all listed companies to ensure that with effect from November 01, 2017 as also provided in the Companies

(Distribution of Dividends) Regulations, 2017 (as amended from time to time) cash dividends shall be paid through electronic mode only. Therefore, shareholders are requested to provide the details of their bank mandate specifying: (a) title of account, (b) account number (c) IBAN (d) bank name and (e) branch name, code and address to the Company or Share Registrar. Those shareholders who hold shares with participants / Central Depository Company of Pakistan (CDC) are advised to provide the same to their concerned participant / CDC. Please note that as per Section 243(3) of the Act, listed companies are entitled to withhold payment of dividend, if necessary information is not provided by shareholders. For the convenience of shareholders e-Dividend Mandate Form is available on Company's website.

### **E-Voting**

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

### **Video Conference**

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

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

### **Unclaimed Dividend**

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

### **Transmission of Annual Report 2025**

- i. In accordance with Section 223(6) of the Companies Act, 2017 and pursuant to the SECP's Notification No. SRO 389 (1)/2023 dated March 21, 2023, the Annual Report for the financial year ended on June 30, 2025 of the Company containing inter alia the audited financial statements, auditors report, directors' and Chairman's reports thereon may be viewed and downloaded by following the QR Code and web-link as given hereunder:

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

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

## نوٹس برائے سالانہ اجلاس عام

نوٹس ہذا سے مطلع کیا جاتا ہے کہ برجر پینٹس پاکستان لمیٹڈ کا چھتر واں (75 واں) سالانہ اجلاس عام مورخہ 27 اکتوبر 2025ء سہ پہر 10:00 بجے 28-KM-ملتان روڈ، لاہور اور/یا بڈریج روڈ پولنگ/زوم کلاؤڈ فاصلاتی طور پر مندرجہ ذیل امور پر بحث کے لئے منعقد ہوگا:  
**عمومی امور**

1. 25 اکتوبر 2024ء کو منعقدہ سالانہ اجلاس عام کی کارروائی کی توثیق کرنا۔
2. 30 جون 2025ء کو اختتام پذیر سال کے لئے کمپنی کے پڑتال شدہ کھاتے بمعہ منجدا کاؤنٹس، آڈیٹرز رپورٹ، چیئرمین کی جائزہ رپورٹ اور اس پر ڈائریکٹرز کی رپورٹ کو وصول کرنا، زیر غور لانا اور اپنانا۔
3. 30 جون 2026ء کو اختتام پذیر سال کے لئے آڈیٹرز کی تقرری کرنا اور ان کا مشاہیرہ طے کرنا۔
4. بورڈ آف ڈائریکٹرز کی سفارشات پر سال 2025 کے لئے ہر 10 روپے کے حصص پر 5.00 روپے فی حصص یعنی 50 فیصد کی شرح سے اعلان شدہ نقد منافع منقسمہ کی منظوری دینا۔
5. چیئرمین کی اجازت سے اراکین کے سامنے رکھے جانے والے دیگر امور کو زیر غور لانا۔

بحکم بورڈ

لاہور: 06 اکتوبر 2025

نودید احمد ظفر

رجسٹرڈ آفس

کمپنی سیکریٹری

28-KM-ملتان روڈ لاہور

### مندرجات:

- (1) شیئر ٹرانسفر books مورخہ 21 اکتوبر 2025ء تا 27 اکتوبر 2025ء (بشمول دونوں ایام) بندر ہیں گی۔ 20 اکتوبر 2025ء کو اراکین کے رجسٹر پر ظاہر ہونے والے اراکین کو ہی حتمی منافع منقسمہ ادا کیا جائے گا۔ (نان CDC) اراکین سے درخواست ہے کہ وہ اپنے پتہ میں تبدیلی کی بابت کمپنی رجسٹرار کو فوراً آگاہ کریں اور، اگر ان پر لاگو ہو، زکوٰۃ کی عدم کٹوتی کا فارم CZ-50 کمپنی رجسٹرار میسرز کارپ لنک پرائیویٹ لمیٹڈ، ونگز آرکیڈ، 1-K، کمرشل بلاک K، ماڈل ٹاؤن لاہور پنجاب 54000 جمع کرائیں۔ CDC کے ذریعے حصص کے مالک تمام اراکین کو درخواست کی جاتی ہے اپنے پتہ اور اپنی شرکت کے ساتھ زکوٰۃ کی حیثیت کو اپ ڈیٹ کریں۔
- (2) اس اجلاس میں شرکت اور ووٹ کرنے کا/کی اہل رکن کسی دوسرے/دوسری رکن کو اپنی جگہ شرکت اور ووٹ کرنے کے لئے اپنا پراکسی مقرر کر سکتا/سکتی ہے۔ پراکسی کو مؤثر کرنے کی غرض سے پراکسی فارم کمپنی کے رجسٹرڈ آفس میں اجلاس کے انعقاد سے کم از کم 48 گھنٹے قبل پہنچ جانا چاہئے۔ پراکسی کو لازمی کمپنی کارکن ہونا چاہئے۔
- (3) CDC کاؤنٹس ہولڈرز کو مورخہ 26 جنوری، 2000ء کو جاری کردہ سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے سرکل نمبر 1 میں بیان ہدایات پر عمل کرنا ہوگا۔
- (4) CDC کاؤنٹس ہولڈرز کو مذکورہ زیریں سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی ہدایات پر بھی عمل کرنا ہوگا:

### بڈریج روڈ پولنگ AGM میں شرکت:

20 اکتوبر 2025ء کو کاروبار بند ہونے تک کمپنی کے کھاتوں میں درج اہل شیئر ہولڈرز جو سالانہ اجلاس عام میں بڈریج آف لائن پلیٹ فارم شرکت کرنا چاہتے ہیں انہیں سالانہ اجلاس عام کے آغاز سے کم از کم 48 گھنٹے قبل کمپنی سیکریٹری کو df.secretary@berger.com.pk پر مندرجہ ذیل تفصیلات فراہم کرنے کی درخواست کی جاتی ہے۔

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

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

20 اکتوبر 2025ء کو کاروبار بند ہونے تک کمپنی کے کھاتوں میں درج اہل شیئر ہولڈرز مذکورہ بالا معلومات کے ہمراہ اجلاس کے انعقاد سے کم از کم 48 گھنٹے قبل مذکورہ بالا ای میل ایڈریس پر مجوزہ ایجنڈا آئٹمز سے متعلق رائے/تجاویز ارسال کر سکتے ہیں۔

### AGM کا الیکٹرونک نوٹس:

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

### اجلاس میں شرکت کے لئے:

- فرد واحد کی صورت میں، اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور/یا ایسے افراد جن کی سیکورٹیز گروپ اکاؤنٹ میں موجود ہیں اور ان کی رجسٹریشن تفصیلات ضوابط کے تحت شائع کی گئی ہیں کو بذریعہ ویڈیو لنک اجلاس میں شرکت کی بابت اپنی شناخت ثابت کرنے کے لئے اپنا اصلی شناختی کارڈ نمبر یا اصلی پاسپورٹ پیش کرنا ہوگا۔
- کاروباری ادارے کی صورت میں بوڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ بمعہ نامزد فرد کے نمونہ کے دستخط اجلاس کے موقع پر پیش کرنا ہوں گے (اگر پہلے جمع نہیں کرائے گئے ہیں)۔

### پراکسی کی تقرری کے لئے:

- فرد واحد کی صورت میں، اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور/یا ایسے افراد جن کی سیکورٹیز گروپ اکاؤنٹ میں موجود ہیں اور ان کی رجسٹریشن تفصیلات ضوابط کے تحت شائع کی گئی ہیں کو مذکورہ بالا معیار کے مطابق پراکسی فارم جمع کرنا ہوگا۔
- دو افراد پراکسی فارم کے گواہ ہوں گے جن کے نام، پتے اور شناختی کارڈ نمبر فارم پر درج ہونے چاہئیں۔
- مستفید ہونے والے مالکان اور پراکسی کے شناختی کارڈ یا پاسپورٹ کی مصدقہ نقول پراکسی کے ساتھ لازمی منسلک ہوں۔
- اجلاس کے موقع پر پراکسی اپنا اصلی شناختی کارڈ یا اصلی پاسپورٹ پیش کرے گا/گی۔
- کاروباری ادارے کی صورت میں پراکسی فارم کے ہمراہ بوڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ بمعہ نامزد

## نوٹس برائے سالانہ اجلاس عام

شناختی کارڈ اور NTN ٹیکسٹ (لازمی) کی نقول جمع کرنا:

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

**ڈیویڈنڈ پروڈولنگ ٹیکس:**

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

15%	(a) انکم ٹیکس گوشوارے جمع کرانے والوں کے لیے:
30%	(b) انکم ٹیکس گوشوارے جمع نہ کرنے والوں کے لیے:

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

**جوائنٹ اکاؤنٹ ہولڈرز کی صورت میں ڈیویڈنڈ پروڈولنگ ٹیکس:**

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

کمپنی	فولیو/سی ڈی ایس اکاؤنٹ نمبر	کل شیئرز	پرنسپل شیئر ہولڈر	جوائنٹ شیئر ہولڈرز
			نام اور CNIC نمبر	نام اور CNIC نمبر
			شیئر ہولڈنگ تناسب (حصص کی تعداد)	شیئر ہولڈنگ تناسب (حصص کی تعداد)

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

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

کمپنیز ایکٹ، 2017 ("ACT") کے سیکشن 242 کی دفعات یہ فراہم کرتی ہیں کہ لسٹڈ کمپنی کی طرف سے اعلان کردہ کوئی بھی ڈیویڈنڈ صرف الیکٹرانک موڈ کے ذریعے براہ راست حقدار شیئر ہولڈرز کے نامزد کردہ بینک اکاؤنٹ میں ادا کیا جائے گا۔ ایس ای سی پی نے اپنے سرکلر نمبر 18 آف 2017 مورخہ 01 اگست 2017 میں تمام لسٹڈ کمپنیوں کو



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

غیر دعویٰ دار ڈیویڈنڈ:

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

ای وونگ:

ممبران ایکٹ کے سیکشن 143-145 کے تقاضوں اور کمپنیز (پوسٹل بیلت) ریگولیشنز 2018 کی لاگو شدہ شرائط کے ساتھ مشروط رائے شماری کا مطالبہ کرنے کا اپنا حق استعمال کر سکتے ہیں۔

ویڈیو کانفرنس:

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

میں/ہم بحیثیت رکن برجر پینٹس لمیٹڈ پاکستان رجسٹرڈ پورٹ فولیو نمبر ..... کے تحت عمومی حصص کے مالک ہیں لہذا یہاں باضابطہ طور پر ..... میں/ہم ویڈیو کانفرنس سہولت حاصل کرنے کا انتخاب کرتے ہیں۔

سالانہ رپورٹ 2025ء کی ترسیل:

i. 27 اکتوبر 2025ء کو منعقد ہونے والے سالانہ اجلاس عام میں کمپنی کے اراکین کی منظوری سے مشروط اور SECP کے نوٹیفکیشن نمبر SRO 389(1)/2023 مؤرخہ 21 مارچ 2023ء کی پیروی میں مالیاتی سال مختتمہ 30 جون 2025ء کے لئے کمپنی کی مالیاتی اسٹیٹمنٹس پر مشتمل سالانہ رپورٹ، آڈیٹڈ رپورٹ، ڈائریکٹرز اور چیئرمین کی رپورٹ مندرجہ ذیل QR کوڈ اور ویب لنک سے ڈاؤن لوڈ اور دیکھی جاسکتی ہے:

## نوٹس برائے سالانہ اجلاس عام



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

- ii. سالانہ رپورٹ ان شیئر ہولڈرز کو بھی ای میل کی جا چکی ہے جنہوں نے اپنے کارآمدی میل آئی ڈی کمپنی کو جمع کرائے ہیں۔
- iii. جو شیئر ہولڈرز مذکورہ بالا دستاویزات کی کاغذی نقل حاصل کرنا چاہتے ہیں وہ سالانہ رپورٹ اور کمپنی کی ویب سائٹ پر دستیاب معیاری درخواست فارم کمپنی سیکریٹری/شیئر رجسٹرار کو جمع کرا سکتے ہیں اس کے بعد کمپنی درخواست موصول ہونے کے ایک ہفتہ کے اندر مذکور بالا دستاویزات کی کاغذی نقول خواہشمند شیئر ہولڈرز کو بالکل مفت فراہم کرے گی۔

# GENDER PAY GAP STATEMENT

Under SECP Circular 10 of 2024 for the year ended June 30, 2025

Berger Paints Pakistan Limited is committed to maintaining transparency and fairness in pay practices across the organization. In compliance with the disclosure requirements of Circular 10 of 2024 issued by the Securities and Exchange Commission of Pakistan (SECP), the Company has prepared its gender pay gap analysis for the year ended June 30, 2025.

## Gender Pay Gap Results

Indicator	2025	2024
Mean Gender Pay Gap	19.99%	26.66%
Median Gender Pay Gap	(3.74%)	(6.22%)



## Interpretation

- The mean gender pay gap of 19.99% in 2025 indicates an improvement compared to 26.66% in 2024, reflecting progress in narrowing the average earnings difference between male and female employees.
- The median gender pay gap remains negative at -3.74% (2025), showing that, at the mid-point of the pay distribution, female employees earn slightly more than male employees.

## Commitment and Way Forward

- Ensuring equal pay for equal work across all roles.
- Improving female representation in managerial, technical, and leadership positions.
- Regularly reviewing compensation frameworks to promote equity.
- Implementing talent development and mentorship programs to support gender diversity.

## Conclusion

The Company acknowledges the progress made in reducing the gender pay gap during the year and remains committed to building an inclusive and equitable workplace. Continuous monitoring and targeted initiatives will further strengthen diversity and equality in the years ahead.

Chief Executive Officer

Date: September 4, 2025

# STATEMENT OF COMPLIANCE

## with Listed Companies (Code of Corporate Governance) Regulations, 2019

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

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

a.	Male	Six
b.	Female	Two

- The composition of the board is as follows:

Category	No.	Name
i) Independent Directors	4	Mr. Tariq Ikram Mr. Zafar Aziz Osmani Ms. Roohi R.Khan (Female Director) Ms. Zareen Aziz (Female Director)
ii) Non-Executive Directors	3	Mr. Maqbool H. H. Rahimtoola Mr. Shehzad M. Hussain Mr. Ilyas Sharif
iii) Executive Director	1	Dr. Mahmood Ahmad
iv) Female Directors	2	Ms. Roohi R.Khan Ms. Zareen Aziz

- The directors have confirmed that none of them is serving as a director on more than seven listed companies, including Berger Paints Pakistan Limited;
- 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;
- 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;
- 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;
- The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of Board;
- The Board of Directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
- The Directors of the Company have attended the Directors' Training program who were required as per the applicable Code of Corporate Governance prescribed timelines;
- The Board has approved the appointment of Chief Financial Officer (CFO), Company Secretary and Head of Internal Audit including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;

# STATEMENT OF COMPLIANCE

## with Listed Companies (Code of Corporate Governance) Regulations, 2019

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

**c) Committee for Business Strategies**

Mr. Tariq Ikram	Chairman
Mr. Zafar Aziz Osmani	Member
Mr. Zahid Majid (Alternate to Mr. Ilyas Sharif)	Member

13. The terms of the reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;
14. The frequency of the meetings of the committees were as following.

BOD	Four
Audit Committee	Four
HR and Remuneration Committee	Two
Committee for Business Strategies	Two

15. The Board has set up an effective internal audit function and the staff 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 confirmed that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.
19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below;

Sr. No.	Requirement	Explanation
1	<p><b><u>Role of the Board and its member to address Sustainability Risks and Opportunities:</u></b></p> <p>As per regulation 10A of the code of corporate governance, the Board is responsible for setting the Company's sustainability strategies, priorities and targets to create long term corporate value. The Board may establish a dedicated sustainability committee.</p>	Currently, the Board offers governance and oversight regarding to the Company's endeavors regarding Environmental, Social, and Governance (ESG) issues. Nevertheless, the regulations recently promulgated by the SECP via notification dated June 12, 2024, and applicable to the company subsequent to June 2026, and the Board will adhere to the requisite compliance in a timely manner.
2	<p><b><u>Risk Management Committee:</u></b></p> <p>As per regulation 30 of the code of corporate governance, the Board may constitute the risk management committee.</p>	The Board itself and through its Audit Committee annually reviews business risks facing the Company to ensure that a sound system of risk identification, risk management and related systemic and internal controls is being maintained to safeguard assets. All material controls (financial, operational, compliance) are monitored and reviewed. The Board ensures that risk mitigation measures are robust.
3	<p><b><u>Nomination Committee:</u></b></p> <p>As per regulation 29 of the code of corporate governance, the Board may constitute a separate committee, designated as the nomination committee.</p>	The Board effectively discharges all the responsibilities of Nomination Committee as recommended by the Code. It regularly monitors and assesses the requirements with respect to any changes needed on Board's committees including chairmanship of those committees. The Board also actively monitors requirements regarding its structure, size and composition and timely reviews and adapts any necessary changes in that regard. In future the board may consider the nomination committee.

# STATEMENT OF COMPLIANCE

with Listed Companies (Code of Corporate Governance) Regulations, 2019

Sr. No.	Requirement	Explanation
4	<p><b><u>Disclosure of significant policies on website</u></b></p> <p>As per Regulation 35; of the Code of Corporate Governance, the company may post:</p> <ul style="list-style-type: none"> <li>• Significant policies;</li> <li>• Brief synopsis of term of references of the Board Committees; and</li> <li>• Key elements of the director's remuneration policy</li> </ul>	<p>Although these are well circulated among the relevant employees and directors, The Company may consider to post required policies as per regulation 35 of the code of corporate governance in due course.</p>

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**Maqbool H. H Rahimtoola**  
Chairman

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**Dr. Mahmood Ahmed**  
Chief Executive Officer



# INDEPENDENT AUDITOR'S REVIEW REPORT

## TO THE MEMBERS OF BERGER PAINTS PAKISTAN LIMITED

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

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Berger Paints Pakistan Limited for the year ended June 30, 2025 in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2025.

Lahore

Date: 03 October, 2025

UDIN: CR202510131KJnQGFI9p

*BDO Muhammad Imran*

CHARTERED ACCOUNTANTS

Engagement Partner: Muhammad Imran

# Berger Paints Pakistan Limited

## Unconsolidated Financial Statements

for the year ended June 30, 2025

# INDEPENDENT AUDITOR'S REPORT

## To the members of Berger Paints Pakistan Limited Report on the Audit of the Unconsolidated Financial Statements

### Opinion

We have audited the annexed unconsolidated financial statements of **BERGER PAINTS PAKISTAN LIMITED** (the Company), which comprise the unconsolidated statement of financial position as at June 30, 2025, and the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated statement of cash flows for the year then ended, and notes to the unconsolidated financial statements, including material accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated 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 June 30, 2025 and of the profit and other comprehensive income, 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 matter	How the matters were addressed in our audit
1.	<b>Trade debts &amp; revenue recognition</b>	
	<p>(Refer note 33 to the annexed unconsolidated financial statements)</p> <p>The Company is principally engaged in the production and sale of paints, varnishes and other related items in the local and export markets.</p>	<p>Our audit procedures in relation to the revenue, included the following:</p> <ul style="list-style-type: none"> <li>Understood and evaluated management controls over revenue and checked their validation;</li> </ul>

Sr. No.	Key audit matter	How the matters were addressed in our audit
	<ul style="list-style-type: none"> <li>Revenue from sale of goods is recognised when the performance obligation is satisfied by transferring control of promised goods to the customers.</li> <li>We consider revenue recognition as a key audit matter due to revenue being one of the key performance indicators of the Company. In addition, revenue was also considered as an area of an inherent risk of material misstatement and significant audit risk as part of the audit process.</li> </ul> <p>(Refer note 15 to the annexed unconsolidated financial statements)</p> <p>As at June 30, 2025, the Company's gross trade debts were Rs. 3,116.279 million against which provision of Rs. 123.517 million has been recognized.</p> <p>We identified recoverability of trade debts as key audit matter as it involves significant management judgement in determining the expected credit loss.</p>	<ul style="list-style-type: none"> <li>Performed verification of sales with underlying documentation including dispatch documents and sales invoices;</li> <li>Tested on a sample basis, specific revenue transactions recorded before and after the reporting date with underlying documentation to assess whether revenue has been recognized in the correct period;</li> <li>Verified that sales prices are approved by the appropriate authority;</li> <li>Tested on a sample basis, specific discounts as per Company's policy;</li> <li>Performed analytical procedures to analyse variation in the price and quantity sold during the year;</li> <li>Tested journal entries relating to revenue recognised during the year based on identified risk criteria; and</li> <li>Assessed the adequacy of disclosures made in the financial statements related to revenue.</li> <li>Our key audit procedures to valuation and existence of trade debts included:</li> <li>Obtained an understanding of the Company's processes and design and implementation of internal controls relating to credit control processes (credit limits), debt collection process and making</li> <li>expected credit loss for doubtful receivables.</li> <li>Testing the accuracy of aging report, on sample basis, by comparing individual balances in the report with underlying documentation.</li> <li>Assessing the appropriateness of assumptions and estimates made by management for the expected credit loss by comparing on sample basis, historic cash collection, actual write offs and cash receipts from customers subsequent to reporting date.</li> <li>Circulated external confirmations and performed alternative audit procedures in the absence of receipts of external confirmations.</li> </ul>

Sr. No.	Key audit matter	How the matters were addressed in our audit
2.	<b>Inventories</b>	
	<p>(Refer to Notes 5.5 &amp; 14 of the unconsolidated financial statements)</p> <p>As at June 30, 2025, the Company held Rs. 1,540.911 million in inventories. Given the size of the inventory balance relative to the total assets of the Company and the estimates and judgements described below, the valuation of inventory required significant audit attention.</p> <p>Inventory is held at the lower of cost and net realizable value determined using the moving average cost method / average cost plus production overheads. At year end, the valuation of inventory is reviewed by management and the cost of inventory is reduced where inventory is forecast to be sold below cost.</p> <p>The determination of whether inventory will be realized for a value less than cost requires management to exercise judgement and apply assumptions. Management undertake the following procedures for determining the level of write down required:</p> <ul style="list-style-type: none"> <li>• Use inventory aging reports together with historical trends to estimate the likely future salability of slow-moving and older inventory items;</li> <li>• The Company reviews the carrying amount of inventories on a regular basis and provision is made for obsolescence if there is any change in usage pattern and physical form of related inventories.</li> <li>• Perform a line-by-line analysis of remaining inventory to ensure it is stated at the lower of cost and net realizable value and a specific write down is recognized if required.</li> </ul>	<p>Our audit procedures involved assessing the Company's accounting policies over existence and valuation of inventory in compliance with applicable accounting standards.</p> <ul style="list-style-type: none"> <li>• We tested the costing of the inventory and performed net realizable value testing to assess whether the cost of the inventory exceeds net realizable value.</li> <li>• We performed an analytical review of the inventory to compare and investigate any unexpected or unusual variation between current year and prior year and discuss these with management and also corroborate with underlying record.</li> <li>• We checked final stock valuation sheet to physical stock taking sheet to ensure that all items are included.</li> <li>• We reconciled final stock valuation sheet to general ledger and stock ledger and checked amount to appropriate sources and investigate unusual items.</li> <li>• We assessed the Company's disclosures in the financial statements in respect of inventory.</li> <li>• We checked that the provision made is appropriate in the circumstances.</li> <li>• Attended the physical inventory count conducted by the Company, observed the count procedures, performed test counts on a sample basis, and assessed the appropriateness and reasonableness of management's process for ensuring completeness and accuracy of inventory records.</li> </ul>

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

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

Our opinion on the unconsolidated 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 unconsolidated 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 Unconsolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the unconsolidated 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 the unconsolidated 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 Unconsolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the unconsolidated 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 unconsolidated 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 unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of cash flows and the unconsolidated statement of changes in equity together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

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

Lahore

Date: 03 October, 2025

UDIN: AR2025101313BYHqjuWN

*BDO Ebrahim & Co.*

BDO EBRAHIM & CO.

CHARTERED ACCOUNTANTS



# UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

## AS AT JUNE 30, 2025

		2025	2024
		(Rupees in thousand)	
<b>ASSETS</b>	<b>Note</b>		
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7	2,293,081	2,246,298
Long term investments	9	99,393	76,595
Long term loans and advances	10	45,546	45,316
Long term deposits	11	42,975	33,319
		<u>2,480,995</u>	<u>2,401,528</u>
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools	13	35,456	30,925
Stock in trade	14	1,540,911	1,396,960
Trade debts - unsecured	15	2,785,490	2,602,977
Loans and advances	16	255,044	243,947
Trade deposits and short term prepayments	17	54,552	35,526
Other receivables	18	139,352	39,251
Tax refund due from government	19	250,726	211,605
Short term investment	20	91,000	121,000
Cash and bank balances	21	295,706	66,172
		<u>5,448,237</u>	<u>4,748,363</u>
<b>TOTAL ASSETS</b>		<u>7,929,232</u>	<u>7,149,891</u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorised share capital		500,000	500,000
Issued, subscribed and paid-up share capital	22	245,516	245,516
Capital reserves			
Revaluation surplus on property, plant and equipment	23.3	1,387,257	1,437,720
Other reserves	23	63,126	47,575
		<u>1,450,383</u>	<u>1,485,295</u>
Revenue reserves			
General reserve	23	285,000	285,000
Accumulated profits	23	1,700,308	1,431,654
		<u>1,985,308</u>	<u>1,716,654</u>
		<u>3,681,207</u>	<u>3,447,465</u>
<b>NON-CURRENT LIABILITIES</b>			
Long term financing - secured	24	157,459	106,092
Long term diminishing musharaka	25	41,666	208,333
Deferred grant	26	12,058	17,524
Long term employee benefits	27	172,513	157,459
Deferred taxation - net	12	95,959	134,447
		<u>479,655</u>	<u>623,855</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	28	2,296,315	2,136,092
Current portion of long term financing	29	222,395	210,342
Unclaimed dividend		13,539	12,478
Accrued markup	30	34,650	50,024
Short term borrowings - secured	31	1,201,471	669,635
		<u>3,768,370</u>	<u>3,078,571</u>
<b>TOTAL LIABILITIES</b>		<u>4,248,025</u>	<u>3,702,426</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>7,929,232</u>	<u>7,149,891</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	32		

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

Chief Financial Officer

Chief Executive

Director

# UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS

## FOR THE YEAR ENDED JUNE 30, 2025

	<b>Note</b>	<b>2025</b> <b>(Rupees in thousand)</b>	<b>2024</b>
Revenue from contract with customers - net	33	8,944,694	8,543,907
Cost of sales	34	(7,090,721)	(6,822,625)
Gross profit		1,853,973	1,721,282
Selling and distribution expenses	35	(932,881)	(717,442)
Administrative and general expenses	36	(251,158)	(231,145)
Impairment loss charged during the year	15.3	(27,353)	(67,990)
Other operating expenses	37	(48,692)	(48,465)
		(1,260,084)	(1,065,042)
Profit from operations		593,889	656,240
Other income	38	94,060	69,708
		687,949	725,948
Finance cost	39	(224,026)	(304,596)
Profit before income tax and levy		463,923	421,352
Levy	40	(3)	6,215
Profit before income tax		463,920	427,567
Taxation	41	(165,397)	(164,704)
Profit after taxation		298,523	262,863
Earnings per share - basic and diluted (Rupees)	42	12.16	10.71

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

## UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

### FOR THE YEAR ENDED JUNE 30, 2025

	<b>Note</b>	<b>2025</b> <b>(Rupees in thousand)</b>	<b>2024</b>
Profit after taxation for the year		298,523	262,863
Other comprehensive income			
Items that will be reclassified subsequently to statement of profit or loss		-	-
Items that will not be reclassified subsequently to statement of profit or loss			
Net fair value gain on investment classified as FVOCI	9.2.2	26,263	4,928
Related deferred tax liability on fair value gain on investment classified as FVOCI		(10,712)	(13,558)
		15,551	(8,630)
Actuarial gain/(loss) on staff retirement benefits	27.1.3	17,874	(2,571)
Total comprehensive income for the year		<u>331,948</u>	<u>251,662</u>

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

# UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2025

Issued, subscribed and paid-up share capital	Reserves						Total reserves	Total
	Capital reserves			Revenue reserves				
	Revaluation surplus on property, plant and equipment	Share premium	Fair value reserve	General reserve	Accumulated profits			
(Rupees in thousand)								
Balance as at July 01, 2023	245,516	1,495,613	34,086	22,119	285,000	1,113,469	2,950,287	3,195,803
Total comprehensive income for the year ended June 30, 2023	-	-	-	-	-	262,863	262,863	262,863
Profit after taxation for the year	-	-	-	-	-	-	-	-
Other comprehensive income for the year	-	-	-	(8,630)	-	-	(8,630)	(8,630)
- Fair value gain on investment classified as FVOCI	-	-	-	-	-	-	-	-
- Actuarial loss on staff retirement benefits	-	-	-	-	-	(2,571)	(2,571)	(2,571)
Total comprehensive income for the year	-	-	-	(8,630)	-	260,292	251,662	251,662
Transfer of incremental depreciation from revaluation surplus on property, plant and machinery - net of tax	-	(57,893)	-	-	-	57,893	-	-
Transactions with the owners of the Company	-	-	-	-	-	-	-	-
Final cash dividend for the year ended June 30, 2023	-	(57,893)	-	-	-	57,893	-	-
Balance as at June 30, 2024	245,516	1,437,720	34,086	13,489	285,000	1,431,654	3,201,949	3,447,465
Total comprehensive income for the year ended June 30, 2024	-	-	-	-	-	298,523	298,523	298,523
Profit after taxation for the year	-	-	-	-	-	-	-	-
Other comprehensive income for the year	-	-	-	-	-	-	-	-
- Fair value loss on investment classified as FVOCI	-	-	-	15,551	-	-	15,551	15,551
- Actuarial gain on staff retirement benefits	-	-	-	-	-	17,874	17,874	17,874
Total comprehensive income for the year	-	-	-	15,551	-	316,397	331,948	331,948
Transfer of incremental depreciation from revaluation surplus on property, plant and machinery - net of tax	-	(50,463)	-	-	-	50,463	-	-
Transactions with the owners of the Company	-	-	-	-	-	-	-	-
Final cash dividend for the year ended June 30, 2024 @ Rs. 4 per share	-	(50,463)	-	-	-	(98,206)	(98,206)	(98,206)
Balance as at June 30, 2025	245,516	1,387,257	34,086	29,040	285,000	1,700,308	3,435,691	3,681,207

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

Chief Financial Officer

Chief Executive

Director

# UNCONSOLIDATED STATEMENT OF CASH FLOWS

## FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 (Rupees in thousand)	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net cash flows from operating activities before working capital changes	44	908,344	1,032,688
<b>(Increase) / decrease in current assets:</b>			
Stores, spare parts and loose tools		(4,531)	(584)
Stock-in-trade		(75,367)	59,387
Trade debts - unsecured		(209,866)	(763,442)
Loans and advances		(11,097)	14,147
Trade deposits and short term prepayments		(19,026)	(3,662)
Other receivables		(100,101)	22,802
		(419,988)	(671,352)
<b>Increase in current liabilities:</b>			
Trade and other payables		160,820	108,110
<b>Cash generated from operations</b>		649,176	469,446
Finance cost paid		(238,771)	(289,475)
Taxation paid		(252,968)	(170,856)
Long term employee benefits paid		(13,238)	(32,129)
Workers' Profit Participation Fund paid		(24,533)	(17,879)
Workers' Welfare Fund paid		(8,283)	(7,954)
Long term loans (disbursed) / received - net		(230)	18,207
Long term deposits realised		(9,656)	(4,586)
		(547,679)	(504,672)
Net cash generated from /(used in) operating activities		101,497	(35,226)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure incurred		(252,252)	(174,826)
Proceeds from disposal of property, plant and equipment		8,707	12,426
Mark-up received on term deposit and long term loans		21,698	38,054
Proceeds from / (investment made) short term investments		30,000	(40,000)
Net cash used in investing activities		(191,847)	(164,346)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of long term financing - net		51,860	(10,033)
Repayments from long term diminishing musharaka		(166,667)	(125,000)
Dividend paid		(97,145)	(628)
Net cash used in from financing activities		(211,952)	(135,661)
Net decrease in cash and cash equivalents		(302,302)	(335,233)
Cash and cash equivalents at beginning of the year		(603,463)	(268,230)
Cash and cash equivalents at end of the year	43	(905,765)	(603,463)

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

# UNCONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED JUNE 30, 2025

### 1 LEGAL STATUS AND NATURE OF BUSINESS

Berger Paints Pakistan Limited (the "Company") was incorporated in Pakistan on March 25, 1950 as a Private Limited Company under the Companies Act 1913 (now Companies Act, 2017) and was subsequently converted into a Public Limited Company. The Company is listed on the Pakistan Stock Exchange (PSX). The principal business activity of the Company is manufacturing and trading of paints, varnishes and other related items. Slotrapid Limited, based in British Virgin Islands, is the Holding Company. The aggregate percentage of holding is 52.05%.

### 2 GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS UNITS

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

The registered office of the Company is situated at 28-KM Multan Road, Lahore which is its only manufacturing facility.

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

### 3 BASIS OF PREPARATION

#### 3.1 Separate financial statements

These unconsolidated financial statements are the separate financial statements of the Company in which investments in subsidiary and associates are accounted for on the basis of cost of investment less identified impairment, if any rather than on the basis of reported results and net assets of the investees. Consolidated financial statements of the Company are prepared separately.

The Company has following investments:

Company name	Country of incorporation	Percentage of shareholding	Nature of business
<b>Subsidiary</b>			
Berger DPI (Private) Limited	Pakistan	51%	Execution of contracts relating to application of road marking paints and installation of road safety equipment.
<b>Associate</b>			
3S Pharmaceuticals (Private) Limited	Pakistan	49%	Manufacturing of medicines

Company name	Country of incorporation	Percentage of shareholding	Nature of business
<b>Wholly owned subsidiary of Berger DPI (Private) Limited</b>			
Berger Road Safety (Private) Limited	Pakistan	Subsidiary of Berger DPI (Private) Limited	The Company is principally engaged in application of road marking paints and installation of various road safety equipment.

### 3.2 Statement of compliance

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

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

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

### 3.3 Basis of measurement

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

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

### 3.4 Functional and presentation currency

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

## 4 APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS

### 4.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2025.

The following standards, amendments and interpretations are effective for the year ended June 30, 2025. These standards, amendments and interpretations are either not relevant to the Company's operations or did not have or are not expected to have significant impact on the financial statements other than certain additional disclosures.

**Effective date  
(annual periods  
beginning on or  
after)**

Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements

January 01, 2024

**Effective date  
(annual periods  
beginning on or  
after)**

Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	January 01, 2024

Certain annual improvements have also been made to a number of IFRSs.

#### **4.2 New accounting standards, amendments and interpretations that are not yet effective**

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

Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	January 01, 2025
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026
IFRS 17 Insurance Contracts	January 01, 2027

Certain annual improvements have also been made to a number of IFRSs and IASs.

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



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

IFRS 19 'Subsidiaries without Public Accountability: Disclosures' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP).

IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023. However SECP has notified the timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2027.

## 5 MATERIAL ACCOUNTING POLICIES

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

### 5.1 Property, plant and equipment

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

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

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

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

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

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

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

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

## **Right-of-use asset and Lease liability**

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

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

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

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

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

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

## **Short-term leases and leases of low-value assets**

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

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

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

## **Capital work in progress**

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

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

## **5.2 Intangible assets**

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

### **5.2.1 Computer software**

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

Amortization on assets with finite useful life is charged to statement of profit or loss on straight line basis so as to write off the cost of an asset over its estimated useful life. Amortization on addition is charged from the month in which the asset is acquired or capitalized while no amortization is charged for the month in which the asset is disposed off. Amortization is being charged at annual rates as specified in note 8.

### **5.2.2 Goodwill acquired in business combinations**

The purchase method of accounting is used to account for the acquisition of businesses by the 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.

## **5.3 Investments in equity instruments of subsidiaries and associates**

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

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

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

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

#### 5.4 Stores, spare parts and loose tools

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

#### 5.5 Stock in trade

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

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

Raw materials, packing materials and semi-

processed goods	Moving weighted average cost
Finished goods	Moving weighted average manufacturing cost
Finished goods purchased for resale	Moving weighted average cost
Stock in transit	Invoice value plus other charges paid thereon up to the reporting date

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

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

#### 5.6 Trade debts and other receivables

These are classified at amortized cost and are initially recognised when they are originated and measured at fair value of consideration receivable. An impairment allowance i.e. expected credit loss is calculated based on actual credit loss experience over the past three 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.

#### 5.7 Cash and cash equivalents

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

#### 5.8 Financial instruments

##### 5.8.1 Classification and measurement of financial assets and financial liabilities

Under IFRS 9, on initial recognition, the 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:

**i) Financial assets at FVTPL**

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

**ii) Financial assets at amortised cost**

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

### iii) **Debt investments at FVOCI**

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

### iv) **Equity investments at FVOCI**

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

## 5.8.2 **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 47.1.3.5 of the unconsolidated financial statements.

## 5.8.3 **Derecognition**

### **Financial assets**

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

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

### **Financial liabilities**

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

## 5.8.4 **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.

## 5.9 Impairment of non-financial assets

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

The 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.

## 5.10 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.

## 5.11 Contingent assets

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

## 5.12 Contingent liabilities

A contingent liability is disclosed when:

- there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the 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.

### 5.13 Revenue recognition

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

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

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

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

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

#### a) Sale of goods

Revenue is recognized when (or as) the entity satisfies performance obligation by transferring control of a promised goods or services to the customer (i.e. after obtaining customer acknowledgment at the time of delivery of goods). Transfer of control over goods and services to customer in most situations is considered to be the main indicator of the customer's ability to direct the use of and obtain the benefits from the asset and largely also coincides with the physical transfer of the goods and the obligation of the customer to pay. In case of expected returns, no revenue is recognized for such products.

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

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

#### b) Other

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

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

### 5.14 Financial expenses

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



### 5.15 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.

### 5.16 Taxation

Income tax expense comprises of current and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised in 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.

### 5.17 Levy

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

### 5.18 Borrowings

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

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

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

### 5.19 Trade and other payables

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

### 5.20 Employee benefits

#### 5.20.1 Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the 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.

#### 5.20.2 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 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 valuations 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.

### **5.20.3 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.

### **5.20.4 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.

### **5.20.5 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.

### **5.21 Foreign currency transactions and translation**

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

### **5.22 Dividends and appropriations to general reserve**

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

### 5.23 Share capital

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

### 5.24 Earnings per share (EPS)

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the 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.

### 5.25 Capital reserves - Share premium

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

### 5.26 Related party transactions

Transactions and contracts with the related parties are based on the policy approved by the Board.

### 5.27 Borrowing costs

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

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

### 5.28 Government grants

The 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.

### 5.29 Segment reporting

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

### 5.30 Loans, advances, deposits, prepayments and other receivables

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

### 5.31 Contingencies

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, existence of which 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 the Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

## 6 USE OF JUDGMENTS AND ESTIMATES

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

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

	Note
- Property, plant and equipment	5.1
- Stock in trade	5.5
- Trade debts - unsecured	5.6
- Impairment of cash generating unit	5.9
- Recoverability of deferred tax assets	5.16
- Long term employee benefits	5.20
- Taxation	5.16
- Stores, spare parts and loose tools	5.4
- Contingencies	5.31
- Provisions	5.10

### a) Income taxes

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

### b) Defined benefit plan

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

### c) Property, plant and equipment

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

Any change in the estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding effect on the depreciation charge and impairment. As explained in note 7 to these unconsolidated financial statements, the Company has revalued its free hold land as on June 30, 2023.

**d) Stores and spares**

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

**e) Financial instrument**

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

**f) Provision for doubtful receivables**

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

**g) Fair value measurement**

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

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

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

**h) Provision and contingencies**

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

**i) Impairment of assets**

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

**j) Stock-in-trade**

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

7 PROPERTY, PLANT AND EQUIPMENT

Note

2025 2024

(Rupees in thousand)

Operating fixed assets		
Capital work in progress	7.1	2,017,341
Right-of-use-asset	7.2	71,056
	7.3	204,684
		2,293,081
		2,246,298

7.1 Operating fixed assets

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

Description	Freehold land	Buildings on freehold land	Buildings on leasehold land	Plant and machinery	Laboratory equipment	Electric fittings	Computer and related accessories	Office equipment	Furniture and fixtures	Vehicles		Total
										Owned	Diminishing musharaka	
(Rupees in thousand)												
Net carrying value basis												
Year ended June 30, 2025												
Opening net book value (NBV)	1,064,285	381,004	23,642	306,158	18,784	93,316	5,432	13,358	5,840	97,117	4,305	2,013,241
Additions (at cost)	-	33,890	-	59,406	2,747	1,043	4,081	2,159	-	29,691	70,545	203,562
Disposals (at NBV)	-	-	-	-	-	-	-	-	-	(951)	-	(951)
Depreciation charge for the year	-	(44,994)	(4,266)	(80,669)	(4,409)	(15,771)	(2,825)	(2,947)	(1,808)	(31,326)	(9,496)	(198,511)
Closing net book value	1,064,285	369,900	19,376	284,895	17,122	78,588	6,688	12,570	4,032	94,531	65,354	2,017,341
Gross carrying value basis												
Year ended June 30, 2025												
Cost / revalued amount	1,064,285	535,110	47,941	628,631	62,881	187,617	45,719	36,155	31,907	189,278	74,998	2,904,522
Accumulated depreciation and impairment losses	-	(165,210)	(28,565)	(343,736)	(45,759)	(109,029)	(39,031)	(23,585)	(27,875)	(94,707)	(9,644)	(887,141)
Net book value (NBV)	1,064,285	369,900	19,376	284,895	17,122	78,588	6,688	12,570	4,032	94,571	65,354	2,017,381
Net carrying value basis												
Year ended June 30, 2024												
Opening net book value (NBV)	1,064,285	378,054	27,911	403,126	20,864	105,381	4,444	15,252	7,956	61,028	-	2,088,301
Additions (at cost)	-	45,000	-	6,987	2,421	4,027	3,179	912	-	69,345	4,453	136,324
Disposals (at NBV)	-	-	-	-	-	-	-	-	-	(7,530)	-	(7,530)
Depreciation charge for the year	-	(42,050)	(4,269)	(103,955)	(4,501)	(16,092)	(2,191)	(2,806)	(2,116)	(25,727)	(148)	(203,855)
Closing net book value	1,064,285	381,004	23,642	306,158	18,784	93,316	5,432	13,358	5,840	97,116	4,305	2,013,240
Gross carrying value basis												
Year ended June 30, 2024												
Cost / revalued amount	1,064,285	501,220	47,941	575,886	60,134	186,574	41,638	34,247	31,907	180,218	4,453	2,728,503
Accumulated depreciation and impairment losses	-	(120,216)	(24,299)	(269,728)	(41,350)	(93,258)	(36,206)	(20,889)	(26,067)	(83,102)	(148)	(715,263)
Net book value (NBV)	1,064,285	381,004	23,642	306,158	18,784	93,316	5,432	13,358	5,840	97,116	4,305	2,013,240
Useful life	-	20	10 - 20	2 - 13	10	4 - 10	4	4 - 10	10	5	5	

7.1.1 Plant and machinery includes a 750-KVA generator which has been obtained under diminishing musharakah facility from the First Habib Modaraba amounting to Rs. 31.5 million.

### 7.1.2 Disposal of operating assets

Particulars of assets	Sold to		Relationship with the Company	Cost	Accumulated depreciation	Book value	Sale proceeds	Gain / (loss)	Mode of disposal
	Name								
2025									
Motor vehicles									
Toyota Yaris-ADE-587	Waleed Minhas		Employee	2,853	1,902	951	2,557	1,606	Company policy
Suzuki Cultus-LEC-14-694	Rana M. Saleem		3rd Party	1,056	1,056	-	1,212	1,212	Auction
Toyota Altis AGJ-17-075	Usman Adeel		Employee	2,533	2,533	-	633	633	Company policy
Toyota Altis-LEF-19-8261	Shahid Nizami		Employee	2,706	2,706	-	625	625	Company policy
Plant and machinery									
Generator	Ammer Co International		3rd Party	6,661	6,661	-	3,680	3,680	Auction
				15,809	14,858	951	8,707	7,756	
2024									
Motor vehicles									
Toyota Fortuner BK-4927	Jubilee General Insurance		Insurance claim	10,437	3,479	6,958	11,000	4,042	Insurance claim
Suzuki Swift LEA-16A-6971	Mr. Babar Altaf		Employee	1,025	1,025	-	265	265	Company policy
Honda City LEB-16-9186	Mr. Nauman Afzal		Employee	183	125	58	455	397	Company policy
Toyota Yaris AAR-895	Mr. Riaz		Employee	155	65	91	269	178	Company policy
Toyota Altis AKD-707	Mr. Tahir Ali Bangash		Employee	619	196	423	437	14	Company policy
				12,419	4,890	7,530	12,426	4,896	



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

	Note	2025 (Rupees in thousand)	2024 (Rupees in thousand)
Freehold land		207,183	207,183
Leasehold land		3,193	3,287
Buildings on freehold land		172,515	148,023
Buildings on leasehold land		25,713	33,184
Plant and machinery		81,644	62,759
		<u>490,248</u>	<u>454,436</u>

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

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

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

**7.1.6 Particulars of immovable fixed assets**

Freehold lands of the Group are located at 28-Km, Multan Road, Lahore, measuring 128.9 Kanals, Quaid-e-Azam Industrial Estate, Kot-Lakhpur, Lahore, measuring 4.04 Kanals and Lodhi Colony, Multan measuring 2.65 Kanals.

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

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

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

Cost of sales	34	142,607	165,929
Selling and distribution expenses	35	39,181	30,510
Administrative and general expenses	36	22,730	13,407
	7.1.8	<u>204,518</u>	<u>209,846</u>

**7.1.8** This includes depreciation on lease hold land amounting to Rs. 5.99 million (2024: Rs. 5.99 million) charged to selling and distribution expenses.

**7.1.9** The cost of fully depreciated assets which are still in use is Rs. 136.67 million (2024: Rs. 106.347 million).

**7.1.9** Fair value measurement level and valuation techniques used to determine fair value has been disclosed in the note 48.2 to these unconsolidated financial statements.

		<b>2025</b>	<b>2024</b>
	<b>Note</b>	<b>(Rupees in thousand)</b>	
<b>7.2 Capital work in progress</b>			
This comprises of:			
Civil works		43,520	13,695
Plant and machinery		25,034	8,488
Electrical installations		239	-
Furnitures and fixtures		91	91
Office equipments		556	109
Computers and related accessories		133	-
Laboratory equipment		1,483	-
	7.2.1	<u>71,056</u>	<u>22,383</u>

## 7.2.1 Movement of carrying value is as follows:

Description	(Rupees in thousand)							Total
	Civil works	Plant and machinery	Electrical installations	Furnitures and fixtures	Office equipments	Computers and related accessories	Laboratory equipment	
<b>Year ended June 30, 2025</b>								
Opening balance	13,695	8,488	-	91	109	-	-	22,383
Additions (at cost)	63,715	75,952	1,282	-	2,606	4,124	4,230	151,909
Transferred to operating fixed assets	(33,890)	(59,406)	(1,043)	-	(2,159)	(3,991)	(2,747)	(103,236)
Closing balance	43,520	25,034	239	91	556	133	1,483	71,056
<b>Year ended June 30, 2024</b>								
Opening balance	-	-	1,864	-	-	-	-	1,864
Additions (at cost)	58,695	15,475	2,163	91	1,021	3,179	2,421	83,045
Transferred to operating fixed assets	(45,000)	(6,987)	(4,027)	-	(912)	(3,179)	(2,421)	(62,526)
Closing balance	13,695	8,488	-	91	109	-	-	22,383

		2025 (Rupees in thousand)	2024
<b>7.3</b>	<b>Right-of-use-asset</b>		
	Opening net book value	210,675	216,666
	Additions during the year	-	-
	Depreciation charge for the year	(5,991)	(5,991)
	Closing net book value	<u>204,684</u>	<u>210,675</u>

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

## **8 INTANGIBLE ASSETS**

	Computer software	8.1	<u>-</u>	<u>-</u>
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### **8.1 Computer software**

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

#### **Cost**

As at July 01	33,410	33,410
Additions during the year	-	-
As at June 30	<u>33,410</u>	<u>33,410</u>

#### **Accumulated amortization**

As at July 01	33,410	33,410
Amortization during the year	-	-
As at June 30	<u>33,410</u>	<u>33,410</u>

Balance as at June 30	<u>-</u>	<u>-</u>
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Rate of amortization	33.33%	33.33%
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**8.2** The ERP software is fully amortized but it is still in use of the Company.

## **9 LONG TERM INVESTMENTS**

In equity instruments - at cost	9.1	47,956	51,421
Investment in equity instrument classified as FVOCI	9.2	<u>51,437</u>	<u>25,174</u>
		<u>99,393</u>	<u>76,595</u>

				Note	2025 (Rupees in thousand)	2024
<b>9.1</b>	<b>In equity instruments - at cost</b>					
	<b>No. of shares - ordinary</b>	<b>Name of the Company</b>	<b>Percentage</b>			
(i)	Subsidiary Company - unlisted					
	<b>2025</b>	<b>2024</b>				
	765,000	765,000	Berger DPI (Private) Limited	51%	2,550	2,550

The face value of these shares is Rs. 10 each

	<b>No. of shares - ordinary</b>	<b>Name of the Company</b>	<b>Percentage</b>			
(ii)	Associated Company - unlisted					
	<b>2025</b>	<b>2024</b>				
	392,000	392,000	3S Pharmaceutical (Private) Limited	49%	68,599	68,599
			Less: Impairment loss		(23,193)	(19,728)
					45,406	48,871
					<u>47,956</u>	<u>51,421</u>

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

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

#### 9.1.1 Movement of impairment loss is as follows:

As at July 01		19,728	12,916
Impairment during the year	37	3,465	6,812
As at June 30		<u>23,193</u>	<u>19,728</u>

#### 9.2 Investment in equity instrument classified as FVOCI

##### Buxly Paints Limited - listed

Cost		3,830	3,830
Fair value adjustment	9.2.2	47,607	21,344
		<u>51,437</u>	<u>25,174</u>

- 9.2.1** The Company owns 273,600 (2024: 273,600) fully paid ordinary shares of Rs. 10 each representing 19.00% (2024: 19.00%) investment of total shares in Buxly Paints Limited. As at year end, the market value of each share was Rs. 188 (2024: Rs. 92.01).

	<b>Note</b>	<b>2025</b> <b>(Rupees in thousand)</b>	<b>2024</b>
<b>9.2.2 Fair value adjustment</b>			
As at July 01		21,344	16,416
Fair value gain		26,263	4,928
As at June 30		<u>47,607</u>	<u>21,344</u>

## **10 LONG TERM LOANS AND ADVANCES**

Unsecured

Considered good

Loans to employees

Long term advances

10.1	12,850	27,333
10.3	32,696	17,983
	<u>45,546</u>	<u>45,316</u>

### **10.1 Movement for loans to employees - secured**

Opening balance		48,037	66,244
Disbursements during the year		3,890	4,904
Repayments during the year		<u>(21,975)</u>	<u>(23,111)</u>
		29,952	48,037
Discounting adjustment for recognition at fair value			
- deferred employee benefits	11	<u>(14,560)</u>	<u>(16,085)</u>
Closing balance		15,392	31,952
Current portion shown under current assets	16	<u>(2,542)</u>	<u>(4,619)</u>
		<u>12,850</u>	<u>27,333</u>

- 10.2** 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.

- 10.2.1** Directors of the Company were not given any loan during the year.

- 10.3** This represents advances given to various suppliers for capital expenditure.

	Note	2025 (Rupees in thousand)	2024
<b>11 LONG TERM DEPOSITS</b>			
Deposits - unsecured			
- Considered good		28,415	17,234
- Considered doubtful	11.1	5,287	5,287
		<u>33,702</u>	<u>22,521</u>
Prepaid employee benefits	10	14,560	16,085
Less: Allowance for doubtful deposits	11.1	(5,287)	(5,287)
	11.2	<u>42,975</u>	<u>33,319</u>
<b>11.1 Movement in allowance for doubtful deposits is as follows:</b>			
Balance as at July 01		5,287	852
Provision during the year		-	4,435
Balance as at June 30		<u>5,287</u>	<u>5,287</u>
<b>11.2</b> These include deposits given to utility companies, deposits against lease and tender deposits.			
<b>12 DEFERRED TAXATION - NET</b>			
Deferred tax liability on taxable temporary differences arising in respect of			
- Accelerated tax depreciation		43,708	47,765
- Surplus on revaluation of fixed assets		(206,760)	(234,997)
		(163,052)	(187,232)
- Fair value gain on investment classified as FVOCI		-	-
Deferred tax asset on deductible temporary differences arising in respect of:			
- Impairment allowance on financial assets		65,834	51,506
- Investment in related parties		9,045	4,754
- Fair value loss on investment classified as FVOCI		(18,567)	(7,855)
- Provision for slow moving stock		10,781	4,380
		<u>67,093</u>	<u>52,785</u>
		<u>(95,959)</u>	<u>(134,447)</u>

	Note	2025 (Rupees in thousand)	2024
<b>12.1 Movement in deferred tax balances is as follows:</b>			
As at July 01		(134,447)	(104,645)
Recognized in profit or loss:			
- Accelerated tax depreciation including surplus on revaluation of fixed assets		24,180	6,635
- Charge / (reversal) of impairment allowance on financial assets		14,328	(19,942)
- Investment in related parties		4,291	3,263
- Provision for slow moving stock		6,401	(6,200)
		49,200	(16,244)
Recognized in other comprehensive income:			
- Fair value gain on investment classified as FVOCI		(10,712)	(13,558)
As at June 30		<u>(95,959)</u>	<u>(134,447)</u>
<b>13 STORES, SPARE PARTS AND LOOSE TOOLS</b>			
Stores in hand		35,456	30,925
Less: Provision for slow moving and obsolete stores and spares - net	13.1	-	-
		<u>35,456</u>	<u>30,925</u>
<b>13.1 Provision for slow moving and obsolete stores, spare parts and loose tools</b>			
Balance at beginning of the year		-	2,377
Provision charged during the year		-	1,773
Stores written-off against provision		-	(4,150)
Balance at end of the year		<u>-</u>	<u>-</u>
<b>13.2</b> Stores and spares also include items which may result in capital expenditure but are not distinguishable at the time of purchase. However, the stores and spares consumption resulting in capital expenditure are capitalized in cost of respective assets.			
<b>14 STOCK IN TRADE</b>			
Raw and packing materials			
- in hand		568,796	496,612
- in transit		260,981	171,249
		<u>829,777</u>	<u>667,861</u>
Semi processed goods		156,317	168,032
Finished goods			
- Manufactured	14.1	544,250	576,086
- Trading		38,211	81,209
		<u>582,461</u>	<u>657,295</u>
		<u>1,568,555</u>	<u>1,493,188</u>



	Note	2025 (Rupees in thousand)	2024
Provision for slow moving and obsolete stocks	14.2		
- Raw material		(15,174)	(18,271)
- Semi processed goods		(3,358)	(4,401)
- Finished goods		(9,112)	(73,556)
		(27,644)	(96,228)
		<u>1,540,911</u>	<u>1,396,960</u>
<b>14.1</b>	Aggregate stocks with a cost of Rs. 35.20 million (2024: Rs. 13.81 million) are being valued at net realizable value of Rs. 32.21 million (2024: Rs. 9.79 million).		
<b>14.2</b>	<b>Provision for slow moving and obsolete stocks</b>		
As at the beginning of year		96,228	114,782
Provision made during the year		18,130	4,997
Reversal during the year		(4,140)	-
Write off during the year		(82,574)	(23,551)
As at year end		<u>27,644</u>	<u>96,228</u>
<b>14.3</b>	The cost of stock in trade recognised as an expense amounted to Rs. 5,948 million (2024: Rs. 5,681 million).		
<b>14.4</b>	Stock-in-trade up to a maximum amount of Rs. 4,474 million (2024: Rs. 4,206 million) are under hypothecation of commercial banks as security for short term borrowings.		
<b>15</b>	<b>TRADE DEBTS - UNSECURED</b>		
Considered good			
Related parties	15.1 & 15.2	354,445	275,778
Others		<u>2,638,317</u>	<u>2,544,034</u>
		2,992,762	2,819,812
Considered doubtful			
Related parties		7,608	9,314
Others		<u>115,909</u>	<u>86,850</u>
		123,517	96,164
Impairment allowance on trade debts	15.3	(123,517)	(96,164)
Provision for discounts	15.4	<u>(207,272)</u>	<u>(216,835)</u>
		<u>2,785,490</u>	<u>2,602,977</u>
<b>15.1</b>	<b>Trade debts include the following amounts due from the following related parties:</b>		
Buxly Paints Pakistan Limited - related party	15.1.1	<u>362,053</u>	<u>285,092</u>
		<u>362,053</u>	<u>285,092</u>
<b>15.1.1</b>	Maximum aggregate balance due from the related party at the end of any month during the year was Rs. 362.05 million (2024: Rs. 285.092 million).		
<b>15.1.2</b>	The Company has recognized impairment allowance on these balances as at June 30, 2025 amounting to Rs. 7.61 million (2024: Rs. 9.31 million).		

	Note	2025 (Rupees in thousand)	2024 (Rupees in thousand)
<b>15.2 Aging of related party balances</b>			
Considered good			
0 - 30 days		43,867	153,654
Considered doubtful			
31 - 60 days		55,837	31,906
61 - 90 days		14,091	27,626
91 - 120 days		67,646	31,107
121 - 180 days		85,251	40,799
181 - 364 days		95,361	-
over one year		-	-
		<u>362,053</u>	<u>285,092</u>
<b>15.3 Movement in allowance for expected credit losses</b>			
Balance as at July 01		96,164	153,393
Provision for the year		27,353	67,990
Bad debts written off		-	(125,219)
Balance as at June 30		<u>123,517</u>	<u>96,164</u>
<b>15.4 Provision for discounts</b>			
Balance as at July 01		216,835	194,284
Charge for the year - net	33	2,057,452	2,675,017
Discounts paid during the year		<u>(2,067,015)</u>	<u>(2,652,466)</u>
Balance as at June 30		<u>207,272</u>	<u>216,835</u>
<b>16 LOANS AND ADVANCES</b>			
Current portion of long term loans:			
Due from employees			
- considered good		1,009	3,086
- considered doubtful		<u>1,533</u>	<u>1,533</u>
	10	2,542	4,619
Less: Impairment allowance	16.1	<u>(1,533)</u>	<u>(1,533)</u>
		1,009	3,086
Advances - unsecured, considered good:			
- employees		1,242	5,335
- suppliers		<u>252,793</u>	<u>235,526</u>
		254,035	240,861
		<u>255,044</u>	<u>243,947</u>
<b>16.1 Movement in impairment allowance is as follows:</b>			
Balance as at July 01		1,533	1,533
Charged during the year		-	-
Balance as at June 30		<u>1,533</u>	<u>1,533</u>

		2025	2024
	Note	(Rupees in thousand)	
<b>17</b>	<b>TRADE DEPOSITS AND SHORT TERM PREPAYMENTS</b>		
Trade deposits			
- considered good		35,171	22,209
- considered doubtful		10,515	11,390
		45,686	33,599
Less: Impairment allowance	17.1	(10,515)	(11,390)
		35,171	22,209
Short term prepayments		19,381	13,317
		54,552	35,526
<b>17.1</b>	<b>Movement in impairment allowance is as follows:</b>		
Balance as at July 01		11,390	11,390
Provision made during the year		(875)	-
Balance as at June 30		10,515	11,390
<b>18</b>	<b>OTHER RECEIVABLES</b>		
LC margin		18,236	22,848
Sales tax		74,652	-
Receivable from related parties	18.1	35,881	2,512
Export rebate		12,665	10,565
Provision against export rebate	18.4	(9,736)	(9,736)
		2,929	829
Accrued interest		5,600	10,760
Insurance claim receivable			
- considered good		681	681
- considered doubtful		-	911
		681	1,592
Less: Impairment allowance	18.2	-	(911)
			681
Others		740	1,621
Due to provident fund	18.5	633	-
		139,352	39,251
<b>18.1</b>	<b>Other receivables include the following amounts due from the following related parties:</b>		
Berger Road Safety (Private) Limited - subsidiary of Berger DPI (Private) Limited	18.1.1	15,111	12,526
Buxly Paints Pakistan Limited	18.1.2	31,697	-
3S Pharmaceutical (Private) Limited - related party	18.1.3	7,288	5,824
	18.1.4	54,096	18,350
Less: Impairment allowance	18.3	(18,215)	(15,838)
		35,881	2,512

- 18.1.1** Maximum aggregate balance due from the related party at the end of any month during the year was Rs. 20.08 million (2024 Rs. 22.62 million).
- 18.1.2** Maximum aggregate balance due from the related party at the end of any month during the year was Rs. 31.69 million (2024 Rs. Nil).
- 18.1.3** Maximum aggregate balance due from the related party at the end of any month during the year was Rs. 7.54 million. (2024: Rs. 5.82 million).
- 18.1.4** This represents receivables related to sharing of common expenses under normal trade as per agreed terms.

	Note	2025 (Rupees in thousand)	2024 (Rupees in thousand)
<b>18.2 Movement in impairment allowance is as follows:</b>			
Balance as at July 01		-	-
Provision made during the year		-	911
Balance as at June 30		-	911
<b>18.2 Aging of related party balances</b>			
Past due 0 - 30 days		3,838	1,834
Past due 31 - 60 days		3,779	-
Past due 61 - 90 days		2,519	4,393
Past due 91 - 120 days		3,970	1,235
Past due 121 - 180 days		7,241	934
Past due 181 - 364 days		15,776	-
Past due over one year		16,975	9,954
		54,098	18,350
<b>18.3 Movement in impairment allowance is as follows:</b>			
Balance as at July 01		15,838	15,838
Provision charged during the year		2,377	-
Balance as at June 30		18,215	15,838
<b>18.4 Movement in provision against export rebate is as follows:</b>			
Balance as at July 01		9,736	9736
Provision for the year		-	-
Written off during the year		-	-
Balance as at June 30		9,736	9,736
<b>18.5</b>	This represents excess contribution to the provident fund due to the payment to ex employees on behalf on provident fund.		

			2025 (Rupees in thousand)	2024
	Note			
<b>19</b>	<b>TAX REFUND DUE FROM GOVERNMENT</b>			
		Tax refund due from Government	189,951	189,951
	19.1	Taxation - net	<u>60,775</u>	<u>21,654</u>
			<u>250,726</u>	<u>211,605</u>
<b>19.1</b>	<b>Taxation - net</b>			
		Addition: advance taxes and taxes withheld	280,203	189,923
	41	Provision for the year	<u>(219,428)</u>	<u>(168,269)</u>
		Closing balance	<u>60,775</u>	<u>21,654</u>
<b>19.2</b>	In prior year, the Commissioner Inland Revenue has passed an order and adjusted the income tax refund for the tax year 2018 and 2019 amounting to Rs. 9.381 million and Rs. 9.686 million, respectively against the advance tax liability under section 147 of the Income Tax Ordinance, 2001.			
<b>20</b>	<b>SHORT TERM INVESTMENT</b>			
		At amortised cost		
		Term deposit receipts (TDRs)		
	20.1	JS Bank Limited	41,000	71,000
	20.2	Bank Islami Pakistan Limited	<u>50,000</u>	<u>50,000</u>
			<u>91,000</u>	<u>121,000</u>
<b>20.1</b>	This represents investment in Term Deposit Receipts (TDRs) with JS Bank Limited, having maturity periods of one year and maturing between July 21, 2025 to April 18, 2026. These carry mark-up ranging from 8.92% to 22.00% (2024: 15% to 22.00%) per annum.			
<b>20.2</b>	This represents, investment in Term Deposit Receipts (TDRs) with the Bank Islami Pakistan Limited, having a maturity period of one year and maturing on March 13, 2026. This carries mark-up of 18.5% per annum.			
<b>20.3</b>	In the prior year, this balance includes Rs. 50 million which has been included in cash and cash equivalents in note 43 to these unconsolidated financial statements.			
<b>21</b>	<b>CASH AND BANK BALANCES</b>			
		Cash at bank:		
		Local currency		
		- current accounts	270,568	43,413
	21.1	- saving accounts	<u>24,286</u>	<u>22,109</u>
		Cash in hand	<u>852</u>	<u>650</u>
			<u>295,706</u>	<u>66,172</u>
<b>21.1</b>	Balances in deposit accounts carry interest ranging from 9.25% to 19% (2024: 20.25% from 21.25%) per annum.			

## 22 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

	2025 (Number of shares)	2024	2025 (Rupees in thousand)	2024
<b>Authorised share capital</b>				
Ordinary shares of Rs. 10 each	50,000,000	50,000,000	500,000	500,000
<b>Issued, subscribed and paid-up share 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	12,415,817	12,415,817	124,158	124,158
	<u>24,551,615</u>	<u>24,551,615</u>	<u>245,516</u>	<u>245,516</u>

**22.1** As at June 30, 2025, Slotrapid Limited, the Holding Company, and their nominees hold 12,779,176 (2024: 12,779,176) voting ordinary shares of Rs. 10 each representing 52.05% (2024: 52.05%) of the ordinary paid up capital of the Company.

### 22.2 Movement of share capital is as follows:

Opening balance		245,516	245,516
Shares issued during the year	22.3	-	-
Closing balance		<u>245,516</u>	<u>245,516</u>

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

		2025 (Rupees in thousand)	2024
<b>23 RESERVES</b>			
<b>Capital reserves</b>			
Share premium reserve	23.1	34,086	34,086
Fair value reserve - net of tax	23.2	29,040	13,489
		63,126	47,575
Revaluation surplus on property, plant and machinery - net of tax	23.3	1,387,257	1,437,720
		<u>1,450,383</u>	<u>1,485,295</u>
<b>Revenue reserves</b>			
General reserve	23.3.3	285,000	285,000
Accumulated profits		1,700,308	1,431,654
		<u>1,985,308</u>	<u>1,716,654</u>
		<u>3,435,691</u>	<u>3,201,949</u>

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

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

	Note	2025 (Rupees in thousand)	2024
<b>23.3 Revaluation surplus on property, plant and machinery - net of tax</b>			
As at beginning of the year		1,437,720	1,495,613
Incremental depreciation - net of tax		(50,463)	(57,893)
		<u>1,387,257</u>	<u>1,437,720</u>

**23.3.1** 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.

**23.3.2** The latest valuation of freehold land, leasehold land, building on freehold land, building on leasehold land and plant and machinery was carried out by M/s. Harvester Services (Private) Limited, an independent valuer on June 30, 2023. The valuation was determined by reference to current market value of the similar properties / assets. The most significant input into this valuation approach is price per acre for land, price per square foot for buildings and present operational condition and age of plant and machinery respectively.

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

## 24 LONG TERM FINANCING - SECURED

### Secured

#### Mark-up based financing from conventional banks:

JS Bank Limited	24.1	19,549	27,873
National Bank of Pakistan Limited	24.2	53,128	58,974
		<u>72,677</u>	<u>86,847</u>

#### Islamic mode of financing:

First Habib Modaraba	24.3	135,726	55,739
Bank Islami Pakistan Limited		-	2,083
		<u>135,726</u>	<u>57,822</u>
		<u>208,403</u>	<u>144,669</u>

#### Mark-up based financing from conventional banks:

Current portion shown under current liabilities	29	(20,781)	(20,781)
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#### Islamic mode of financing:

Current portion shown under current liabilities	29	(30,163)	(17,796)
		<u>(50,944)</u>	<u>(38,577)</u>
		<u>157,459</u>	<u>106,092</u>

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

**24.2** This represents long term loan facility amounting to Rs. 100 million. The loan was obtained under SBP refinancing scheme for Temporary Economic Refinance. The facility is repayable in quarterly instalments of Rs. 2.8 million each ending in September 2031. Markup is payable quarterly and is charged at 3 month Kibor plus 5% spread per annum. This facility was secured against first pari passu charge amounting to Rs. 134 million over all present and future current assets of the Company.

	Note	2025 (Rupees in thousand)	2024
<b>24.3 First Habib Modaraba</b>			
- First Habib Modaraba - facility 1	24.3.1	-	1,135
- First Habib Modaraba - facility 2	24.3.2	1,329	2,376
- First Habib Modaraba - facility 3	24.3.3	400	793
- First Habib Modaraba - facility 4	24.3.4	1,440	2,732
- First Habib Modaraba - facility 5	24.3.5	629	1,229
- First Habib Modaraba - facility 6	24.3.6	2,055	4,832
- First Habib Modaraba - facility 7	24.3.7	1,627	2,499
- First Habib Modaraba - facility 8	24.3.8	12,583	17,735
- First Habib Modaraba - facility 9	24.3.9	3,564	4,130
- First Habib Modaraba - facility 10	24.3.10	9,171	18,278
- First Habib Modaraba - facility 11	24.3.11	11,317	-
- First Habib Modaraba - facility 12	24.3.12	12,779	-
- First Habib Modaraba - facility 13	24.3.13	32,120	-
- First Habib Modaraba - facility 14	24.3.14	6,408	-
- First Habib Modaraba - facility 15	24.3.15	5,909	-
- First Habib Modaraba - facility 16	24.3.16	14,699	-
- First Habib Modaraba - facility 17	24.3.17	8,011	-
- First Habib Modaraba - facility 18	24.3.18	11,685	-
		<u>135,726</u>	<u>55,739</u>

**24.3.1** This represents diminishing musharika facility amounting to Rs. 3.39 million for purchase of vehicles. The facility is repayable in 20 quarterly installments ending in June 2025. Profit is payable quarterly and charged at the rate of six-month KIBOR plus 1.5% per annum, subject to a floor of 7% and ceiling of 22%. 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.

**24.3.2** This represents diminishing musharika facility amounting to Rs. 5.21 million for purchase of vehicles. The facility is repayable in 20 quarterly installments ending in September 2025. Profit is payable quarterly and charged at the rate of six-month KIBOR plus 1.00% 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.

**24.3.3** This represents diminishing musharika facility amounting to Rs. 1.795 million for purchase of vehicles. The facility is repayable in 20 quarterly installments ending in December 2025. Profit is payable quarterly and charged at the rate of six month's KIBOR plus 1% per annum. The facility is secured against charge over present and future current and fixed assets of the Company. The title of asset is held jointly by the Company and the lender till the facility is fully repaid.

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

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



- 24.3.6** This represents diminishing musharika facility amounting to Rs. 8.91 million for purchase of vehicles. The facility is repayable in 20 quarterly installments ending in April 2026. Profit is payable quarterly and charged at the rate of six month's KIBOR plus 1% per annum. The facility is secured against charge over present and future current and fixed assets of the Company. The title of asset is held jointly by the Company and the lender till the facility is fully repaid.
- 24.3.7** This represents diminishing musharika facility amounting to Rs. 3.94 million for purchase of vehicles. The facility is repayable in 20 quarterly installments ending in October 2025. Profit is payable quarterly and charged at the rate of six month's KIBOR plus 1% per annum. The facility is secured against charge over present and future current and fixed assets of the Company. The title of asset is held jointly by the Company and the lender till the facility is fully repaid.
- 24.3.8** This represents diminishing musharika facility amounting to Rs. 22.8 million for purchase of vehicles. The facility was repayable in 16 quarterly installments ending in April 2027. Profit was payable quarterly and charged at the rate of three month's KIBOR plus 1% per annum. The facility was secured against charge over present and future current and fixed assets of the Company. The title of asset was held jointly by the Company and the lender till the facility was fully repaid.
- 24.3.9** This represents diminishing musharika facility amounting to Rs. 4.4 million for purchase of vehicles. The facility was repayable in 20 quarterly installments ending in January 2029. Profit was payable quarterly and charged at the rate of three month's KIBOR plus 1% per annum. The facility was secured against charge over present and future current and fixed assets of the Company. The title of asset was held jointly by the Company and the lender till the facility was fully repaid.
- 24.3.10** This represents diminishing musharika facility amounting to Rs. 19.5 million for purchase of vehicles. The facility was repayable in 20 quarterly installments ending in March 2029. Profit was payable quarterly and charged at the rate of three month's KIBOR plus 1% per annum. The facility was secured against charge over present and future current and fixed assets of the Company. The title of asset was held jointly by the Company and the lender till the facility was fully repaid.
- 24.3.11** This represents diminishing musharika facility amounting to Rs. 13.80 million for purchase of vehicles. The facility is repayable in 20 quarterly installments ending in June 2029. Profit is payable quarterly and charged at the rate of three-month KIBOR plus 1.00% 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.
- 24.3.12** This represents diminishing musharika facility amounting to Rs. 14.77 million for purchase of vehicles. The facility is repayable in 20 quarterly installments ending in August 2029. Profit is payable quarterly and charged at the rate of three-month KIBOR plus 1.00% 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.
- 24.3.13** This represents diminishing musharika facility amounting to Rs. 36.50 million for purchase of generator. The facility is repayable in 20 quarterly installments over a five-year period. Profit is payable quarterly and charged at the rate of three-month KIBOR plus 1.25% per annum, with periodic review. The facility is secured against charge registered with SECP over the asset value. The title of asset is held jointly by the Company and the lender till the facility is fully repaid.
- 24.3.14** This represents diminishing musharika facility amounting to Rs. 7.36 million for purchase of vehicles. The facility is repayable in 20 quarterly installments ending in August 2029. Profit is payable quarterly and charged at the rate of three-month KIBOR plus 1.00% 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.

**24.3.15** This represents diminishing musharika facility amounting to Rs. 19.89 million for purchase of vehicles. The facility is repayable in 20 quarterly installments ending in September 2029. Profit is payable quarterly and charged at the rate of three-month KIBOR plus 1.00% 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.

**24.3.16** This represents diminishing musharika facility amounting to Rs. 16.21 million for purchase of vehicles. The facility is repayable in 20 quarterly installments ending in December 2029. Profit is payable quarterly and charged at the rate of three-month KIBOR plus 1.00% 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.

**24.3.17** This represents diminishing musharika facility amounting to Rs. 8.52 million for purchase of vehicles. The facility is repayable in 20 quarterly installments ending in January 2030. Profit is payable quarterly and charged at the rate of three-month KIBOR plus 1.00% 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.

**24.3.18** This represents diminishing musharika facility amounting to Rs. 12.42 million for purchase of vehicles. The facility is repayable in 20 quarterly installments ending in February 2030. Profit is payable quarterly and charged at the rate of three-month KIBOR plus 1.00% 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.

**24.3.19** The Company has total credit facilities of Rs. 163 million (2024: Rs. 363 million) at the year end. Whereas the Company has availed credit facilities of Rs. 163 million (2024: Rs. 363 million) and unavailed credit facilities of Nil (2024: Nil) at the year end.

	Note	2025 (Rupees in thousand)	2024 (Rupees in thousand)
<b>25</b>	<b>LONG TERM DIMINISHING MUSHARAKA</b>		
Secured:			
Islamic mode of financing:			
Berger Paints Pakistan Limited (BPPL) - Sukuk of			
Rs. 500 million	25.1	208,333	375,000
Current portion shown under current liabilities:	29	(166,667)	(166,667)
		<u>41,666</u>	<u>208,333</u>

**25.1** In 2023, the Company issued Rs. 484 million BPPL Sukuk certificates, having face value of Rs. 1 million each aggregating to Rs. 484 million and entered into a diminishing musharaka agreement with the investment agent, Pak Oman Investment Company (trustee on behalf of the Sukuk holders) as a co-owner of the musharaka assets. The issue resulted in cash receipt of subscription money of Rs. Rs. 484 million. The Sukuk certificates carry profit at the rate of 3 months KIBOR + 1.5% with quarterly rental payments. These certificates are issued for a tenure of four years and are structured in such a way that first quarterly principal repayment installment commenced from the quarter ended September 2023. Under this arrangement the Company sold the beneficial ownership of the musharaka assets, its freehold land and building on freehold land, to the investment agent (for the benefit of Sukuk holders) although legal title remains with the Company. The overall arrangement has been accounted for in these financial statements on the basis of substance of the transaction.

		2025 (Rupees in thousand)	2024
	Note		
<b>26 DEFERRED GRANT</b>			
Balance as at July 01		22,622	28,402
Amortization of grant during the year	38	(5,780)	(5,780)
		16,842	22,622
Less: current portion of deferred grants	29	(4,784)	(5,098)
Balance as at June 30		12,058	17,524

- 26.1** This represents deferred grant recognised in respect of the benefit of below-market interest rate on long term finance facility as referred to in notes 24.1 and 24.2. The benefit has been measured as the difference between the fair value of the loan and the proceeds received. Company received term finance facility under Refinancing / Temporary Economic Refinance Facility Scheme of the State Bank/ of Pakistan from different banks. ICAP issued the guidance for accounting of said financing through circular No. 11/2020, and based on this, the Group recognized the Deferred Grant in accordance with the requirements of IAS 20-Accounting for Government Grants and Disclosure of Government Assistance.

## 27 LONG TERM EMPLOYEE BENEFITS

### Defined benefit plan

Staff pension fund	27.1	1,371	7,255
Staff gratuity fund	27.1	139,967	122,133
		141,338	129,388

### Other long term employee benefits

Accumulating compensated absences	27.2	31,175	28,071
		172,513	157,459

### Defined benefit plan

As mentioned in note 5.20 the Company operates an approved funded gratuity and pension schemes for all its permanent employees. Actuarial valuation of the scheme is carried out every year and the latest actuarial valuation was carried out at June 30, 2025. Projected Unit Credit method based on the following assumptions was used for these valuations:

	2025	2024
Valuation discount rate	15.75%	14.00%
Expected rate of increase in salaries	14.75%	13.00%
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

## 27.1 Statement of financial position reconciliation

	2025		2024	
	Pension	Gratuity (Rupees in thousand)	Pension	Gratuity
Present value of defined benefit obligation	116,062	175,716	99,248	152,584
Fair value of plan assets	(114,691)	(35,749)	(91,993)	(30,451)
	<u>1,371</u>	<u>139,967</u>	<u>7,255</u>	<u>122,133</u>

### 27.1.1 Movement in defined benefit obligation is as follows:

Obligation as at July 01	99,250	152,584	86,770	126,579
Employees' contribution not paid to the fund by the Company	1,693	-	1,625	-
Service cost	2,822	16,652	2,333	16,435
Interest cost	13,702	20,743	13,445	19,532
Benefits paid	(2,760)	(8,842)	(2,817)	(5,129)
Remeasurement loss / (gain)	1,355	(5,421)	(2,108)	(4,833)
Obligation as at June 30	<u>116,062</u>	<u>175,716</u>	<u>99,248</u>	<u>152,584</u>

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

Fair value as at July 01	91,993	30,451	62,154	31,175
Expected return on plan assets	12,686	4,263	11,536	4,910
Remeasurement loss	12,772	1,035	(3,879)	(5,634)
Company's contribution	-	8,842	25,000	5,129
Benefits paid	(2,760)	(8,842)	(2,818)	(5,129)
Fair value as at June 30	<u>114,691</u>	<u>35,749</u>	<u>91,993</u>	<u>30,451</u>

	2025		2024	
	Pension	Gratuity (Rupees in thousand)	Pension	Gratuity

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

Net liability as at July 01	7,257	122,133	24,616	95,405
Charge for the year	3,838	33,132	4,241	31,057
Charge to other comprehensive income during the year	(11,417)	(6,457)	1,771	800
Company's contribution	-	(8,841)	(25,000)	(5,129)
Employees' contribution deducted but not paid to the fund	1,693	-	1,627	-
Net liability as at June 30	<u>1,371</u>	<u>139,967</u>	<u>7,255</u>	<u>122,133</u>

	2025		2024	
	Pension	Gratuity (Rupees in thousand)	Pension	Gratuity
<b>27.1.4 Charge for the year - net</b>				
Current service cost	2,822	16,652	2,333	16,435
Interest cost	13,702	20,743	13,444	19,532
Expected return on plan assets	(12,686)	(4,263)	(11,536)	(4,910)
	<u>3,838</u>	<u>33,132</u>	<u>4,241</u>	<u>31,057</u>

<b>27.1.5</b> Actual return on plan assets	<u>25,458</u>	<u>5,298</u>	<u>7,657</u>	<u>(724)</u>
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**27.1.6 The charge for the year has been allocated as follows:**

Cost of sales	1,647	13,670	1,884	14,138
Selling and distribution expenses	1,746	13,724	1,894	11,563
Administrative and general expenses	445	5,738	463	5,356
	<u>3,838</u>	<u>33,132</u>	<u>4,241</u>	<u>31,057</u>

**27.1.7 Plan assets comprise of the following:**

Collective investment schemes	60,000	25,000	60,000	25,000
Cash at bank	32,861	5,451	31,993	5,451
	<u>92,861</u>	<u>30,451</u>	<u>91,993</u>	<u>30,451</u>

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

	2025	2024	2023	2022	2021
As at June 30,	(Rupees in thousand)				
Present value of defined benefit obligation					
Fair value of plan assets	291,776	251,832	213,349	212,260	187,505
Deficit	<u>(150,438)</u>	<u>(122,444)</u>	<u>(93,329)</u>	<u>(87,735)</u>	<u>(133,147)</u>
	<u>141,338</u>	<u>129,388</u>	<u>120,020</u>	<u>124,525</u>	<u>54,358</u>
Experience adjustment:					
Loss / (gain) on obligations					
Gain on plan assets	(4,066)	(6,941)	(19,607)	6,195	5,746
	<u>16,949</u>	<u>16,446</u>	<u>12,071</u>	<u>10,814</u>	<u>7,783</u>

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.

**27.1.9 Expected expense for next year**

The expected expense to the pension and gratuity schemes for the year ending June 30, 2026 works out to Rs. 3.19 million and Rs. 36.36 million respectively.

#### 27.1.10 The plans expose the Company to the actuarial risks such as:

##### Salary risks

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

##### Mortality / withdrawal risks

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

##### Interest rate risks

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

#### 27.1.11 Actuarial assumptions sensitivity analysis

If the significant actuarial assumptions used to estimate the defined benefit obligation at the reporting date, had fluctuated by 1% with all other variables held constant, the impact on the present value of the defined benefit obligation as at June 30, 2025 would have been as follows:

##### Impact on present value of defined benefit obligation as at June 30, 2025

	Change		Pension		Gratuity	
			Increase to	Decrease to	Increase to	Decrease to
			----- (Rupees in thousand) -----			
Discount rate	±	1%	97,825	137,451	159,076	194,102
Future salary	+	1%	128,417	104,871	194,098	159,074

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.

**27.1.12** Weighted average duration of the defined benefit obligation is 17 years and 10 years for pension and gratuity plans, respectively.

	Note	2025 (Rupees in thousand)	2024 (Rupees in thousand)
<b>27.2 Other long term employee benefits</b>			
<b>Movement in accumulated compensated absences</b>			
Balance as at July 01		28,071	24,728
Provision during the year	27.2.2	9,196	6,970
Payments made during the year		(6,092)	(3,627)
Balance as at June 30		<u>31,175</u>	<u>28,071</u>

**2025                      2024**  
**(Rupees in thousand)**

**27.2.1 Reconciliation of present value of liability**

Present value of liability as at July 01	28,071	24,728
Service cost	3,169	3,098
Interest on defined benefit liability	3,503	3,609
Benefits paid	(6,092)	(3,627)
Remeasurement gain	2,524	263
Present value of liability as at June 30	<u>31,175</u>	<u>28,071</u>

**27.2.2 Charge for the year**

Service cost	3,169	3,098
Interest on defined benefit liability	3,503	3,609
Remeasurement gain	2,524	263
	<u>9,196</u>	<u>6,970</u>

**27.2.3 The charge for the year has been allocated as follows:**

Cost of sales	1,614	1,081
Selling and distribution expenses	5,317	3,567
Administrative and general expenses	2,265	2,322
	<u>9,196</u>	<u>6,970</u>

**27.2.4 Expected expense for next year**

The expected expense pertaining to accumulated compensated absences for the year ending June 30, 2026 works out to Rs. 7.47 million.

**27.2.5 Actuarial assumptions sensitivity analysis**

If the significant actuarial assumptions used to estimate the defined benefit obligation at the reporting date, had fluctuated by 1% with all other variables held constant, the impact on the present value of the defined benefit obligation as at June 30, 2025 would have been as follows:

**Impact on present value of defined benefit obligation as at June 30, 2025**

			<b>Defined benefit obligation</b>	
		<b>Change</b>	<b>Increase to</b>	<b>Decrease to</b>
Discount rate	±	1%	28,172	34,437
Future salary	±	1%	34,494	28,170

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.

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

		2025	2024
	Note	(Rupees in thousand)	
<b>28</b>	<b>TRADE AND OTHER PAYABLES</b>		
Trade and other creditors		1,360,461	1,431,131
Import bills payable		473,962	183,532
Contract liabilities	33.4	70,008	137,526
Accrued expenses		79,301	75,978
Provision for infrastructure cess	28.1	96,087	96,087
Royalty payable to related parties	28.3	61,656	40,158
Technical fee payable		40,090	40,090
Workers' Profit Participation Fund	28.4	25,879	28,449
Workers' Welfare Fund	28.5	12,440	9,699
Due to statutory authorities		-	5,621
Others		76,431	54,220
Sales tax payable		-	32,906
Due to provident fund		-	695
		<u>2,296,315</u>	<u>2,136,092</u>
<b>28.1</b>	<b>Provision for infrastructure cess</b>		
Balance as at July 01		96,087	96,087
Provision for the year		-	-
Balance as at June 30		<u>96,087</u>	<u>96,087</u>
<b>28.2</b>	Pursuant to Honorable Supreme Court order in September 2021, during the year, the Company is paying this Cess as per the Sindh Development and Maintenance of Infrastructure Cess Act, 2017. However, in the said order, interim relief was provided to the companies, and recovery of the Cess payable was suspended till any further order.		
<b>28.3</b>	<b>This includes amount due to the following related parties:</b>		
Slotrapid Limited - Holding Company		61,624	40,126
Buxly Paints Limited - Associated Company		32	32
		<u>61,656</u>	<u>40,158</u>
<b>28.4</b>	<b>Workers' Profits Participation Fund</b>		
Balance as at July 01		28,449	22,478
Allocation for the year		21,278	22,682
Interest on funds utilized in the Company's business		685	1,168
		<u>50,412</u>	<u>46,328</u>
Payments during the year		(24,533)	(17,879)
Balance as at June 30		<u>25,879</u>	<u>28,449</u>
<b>28.4.1</b>	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.		



		2025	2024
	Note	(Rupees in thousand)	
<b>28.5 Workers' Welfare Fund</b>			
Balance as at July 01		9,699	8,038
Allocation for the year		11,024	9,615
Interest on funds utilized in the Company's business		-	-
		<u>20,723</u>	<u>17,653</u>
Payments/adjustments during the year		(8,283)	(7,954)
Balance as at June 30		<u>12,440</u>	<u>9,699</u>
<b>28.6 Advance against sale of vehicle from employee</b>			
Deduction from salaries	28.6.1	<u>39,314</u>	<u>22,582</u>
<b>28.6.1</b>	This represents the balance deducted against employees' salaries for the vehicles scheme. This will be adjusted against the disposal of fixed assets on retirement/leaving of employees or completion of full deduction.		
<b>29 CURRENT PORTION OF LONG TERM FINANCING</b>			
Current portion of long term financing	24	50,944	38,577
Current portion of long term diminishing musharaka	25	166,667	166,667
Current portion of deferred income	26	4,784	5,098
		<u>222,395</u>	<u>210,342</u>
<b>30 ACCRUED MARKUP</b>			
Mark-up based borrowings from conventional banks			
Long term financing - secured		1,068	1,411
Short term running finances - secured		<u>33,220</u>	<u>47,728</u>
		34,288	49,139
Mark-up based borrowings from Islamic banks			
Long term diminishing musharaka - secured		362	885
		<u>34,650</u>	<u>50,024</u>
<b>31 SHORT TERM BORROWINGS - SECURED</b>			
Secured from financial institution			
Mark-up based borrowings from conventional banks			
Short term running finance - secured	31.1	<u>961,343</u>	<u>585,716</u>
		961,343	585,716
Mark-up based borrowings from Islamic banks			
Short term running finance - secured	31.2	<u>240,128</u>	<u>83,919</u>
		240,128	83,919
		<u>1,201,471</u>	<u>669,635</u>
<b>31.1 Short term financing - Conventional banks</b>			

This represents utilized amount of short term running finance facilities under mark-up arrangements available from commercial banks aggregating to Rs. 1,350 million (2024: Rs. 1,150 million). These facilities are secured against joint pari passu charge over all the present and future current assets of the Company and carry mark-up at rates ranging between 20.24% and 11.33% (2024: 12.89% and 23.58%) per annum, payable quarterly.

## 31.2 Short term running finances - Islamic banks

This represents utilized amount of short term running finance facilities under mark-up arrangements available from commercial banks aggregating to Rs. 300 million (2024: Rs. 200 million). These facilities are secured against registered charge over the current assets of the Company and carry mark-up at rates ranging between 22.02% and 11.33% (2024: 23.27% and 23.78%) per annum, payable quarterly.

**31.3** The Company has total credit facilities of Rs. 1,650 million (2024: 1,550 million) at the year end. Whereas the Company has availed credit facilities of Rs. 1,650 million (2024: Rs. 1,550 million) and unavailed credit facilities of Nil (2024: Nil) at the year end.

## 32 CONTINGENCIES AND COMMITMENTS

### 32.1 Contingencies

- a) The Company contracted Allied Engineering for installation of solar panels and solar systems at the factory. The process was to be completed in different phases. After the completion of initial phase, issues were identified in the solar systems installed. The Company opted to get the solar systems installed from another vendor while inviting Allied Engineering to reach a settlement. However, Allied Engineering wanted full execution of the contract and full payment of the agreed amount, out of which Rs. 4 million is unpaid at the reporting date. The management on the basis of legal advice, believes that it has a strong case and no further financial obligation is expected to arise.
- b) The Sindh Revenue Board (SRB) through an assessment raised sales tax demand amounting to Rs. 39.34 million along-with penalty. Department (SRB) had inadvertently added all royalty figures appearing in accounts including royalty receivable, royalty payable, royalty expense and related party transfers for the calculation of tax on royalties. The Company, through its legal counsel, filed an appeal before the Commissioner (Appeals) SRB on the grounds that amount of sales tax is not correctly calculated and the provisions of Sindh Sales Tax on Services Act, 2011 are not applicable for the reason that the Company is managing its affairs from the province of Punjab. The Commissioner (Appeals) had reduced the demand to Rs. 8.18 million, against which the Company had filed an appeal before Appellate Tribunal SRB which is pending adjudication. The management on the basis of opinion of the tax advisor is hopeful of a favorable outcome, hence no provision has been recorded in these unconsolidated financial statements.
- c) During 2018, the Deputy Commissioner Inland Revenue (DCIR) issued show cause notices for collection of income tax under section 236G / 236H of the Income Tax Ordinance 2001. In this regard, the taxation officer raised demand of Rs. 19.1 million for tax years 2016 vide order dated 30-08-2017 The Company through its legal counsel filed appeals to Commissioner Inland Revenue Appeals (CIR - A) against the said order, partial relief was granted by CIR-A. Being aggrieved from the CIR-A order, the Company through its legal counsel filed appeal before ATIR which has been heard on 10-01-2024 but no judgment has been announced as of yet. The management on the basis of opinion of the tax advisor is hopeful of a favorable outcome, hence no provision has been recorded in these unconsolidated financial statements.
- d) The Additional Commissioner Inland Revenue (ACIR) and Deputy Commissioner Inland Revenue (DCIR), while proceeding U/S 122 of the Income Tax Ordinance, 2001 created income tax demands amounting to Rs. 484.38 million and Rs. 213.12 million for the tax years 2014 and 2016 respectively vide two separate orders. The Company filed an appeal before Commissioner Inland Revenue (Appeals), the Commissioner Inland Revenue (Appeals) remanded the case on some issues and confirmed additions to the tune of Rs. 32.99 million and Rs. 9.2 million for the tax year 2014 and 2016 respectively.

The Company through its legal counsel had filed an appeal before ATIR for both cases. For Tax year 2014, the ATIR has remanded back the case to CIR-A again, no date of hearing has been fixed as of yet. And for Tax year 2016 the ATIR remanded the case back to CIR-A. The Company through application dated 27-03-2025 has filled for rectification of the remand back order. The management believes that it has a strong arguable case and matter will be decided in favor of the Company. Hence no provision has been recorded in these financial statements.

- e) The Commissioner Appeals - I, Lahore, vide its order for tax year 2016, deleted certain additions while remanding the case on certain issues and upheld the case on issue of contractor services which involves revenue amounting to Rs. 10.67 million. Appeal against this order has been filed which is pending adjudication. The management on the basis of opinion of the tax advisor is hopeful of a favorable outcome, hence no provision has been recorded in these unconsolidated financial statements.
- f) During the year 2016, a notice from Punjab Revenue Authority involving an amount of Rs. 11.45 million as royalty fee and technical services for the period October 2012 to March 2015 was issued which is under investigation / adjudication proceedings and no demand is raised. The management on the basis of opinion of the tax advisor is hopeful of a favorable outcome, hence no provision has been recorded in these unconsolidated financial statements.
- g) Additional Commissioner Enforcement of Punjab Revenue Authority issued assessment order creating demand of Rs. 132 million under various section of Punjab Sales Tax on Services Act 2012. However, the Company through its legal counsel filed appeal before Commissioner Appeals PRA against the order of Additional Commissioner. The Commissioner Appeals through order dated 16-04-2024 has remanded back the case to the Additional Commissioner for further assessment, no hearing has been called by Additional Commissioner till date.
- h) DCIR raised a demand amounting to Rs. 10.5 million in relation to sales tax on sales of scrap stock burnt in fire in 2008 which was upheld by Commissioner Appeals. This demand was later reduced by Appellate Tribunal up to the demand pertaining to sales tax on fixed assets. The Company being aggrieved by the order of ATIR, filed an appeal before honorable Lahore high court which was remanded back to the ATIR and is pending adjudication. The management on the basis of opinion of the tax advisor is hopeful of a favorable outcome, hence no provision has been recorded in these unconsolidated financial statements.
- l) The DCIR passed order under section 161(1) for tax year 2014 and raised a demand amounting to Rs. 33.5 million. The Company filed an appeal before the Commissioner Inland Revenue (Appeals). The Appeals remanded back the case to the department for further assessment. Currently, no demand is in field against the Company.
- j) Various cases on account of income tax and sales tax matters involving an amount Rs. 11.401 million are also pending. The management on the basis of opinion of the tax advisor is hopeful of a favorable outcome in all these cases, hence no provision has been recorded in these unconsolidated financial statements.
- k) The Additional Commissioner IR issued a show cause notice dated April, 23, 2022 for tax year 2021 and subsequently passed order under section 122 (5A) to the Income Tax Ordinance, 2001 dated September 02, 2022 amounting to Rs. 455 million. The Company filed an appeal before Commissioner IR Appeals-1(CIR-A) Lahore. The CIR-A through order dated 11-04-2023 decided appeal partially in favor of the Company. The Company filled appeal against CIR-A order before ATIR, the appeal has been heard on 01-03-2024. The ATIR deleted the additions and upheld the decision of CIR-A of remanding back certain additions through order dated 04-02-2025. The Company through its legal counsel had filed an application for rectification of the said order, which has not been fixed as of yet. The Company is expecting a favorable outcome, accordingly no provision has been recorded in the books of accounts.
- l) The DCIR issued a show cause notice dated 26 June 2023 on various matters. In response, the Company submitted replies through letters dated 02 August 2023, 10 October 2023, 07 November 2023, 15 December 2023, and 15 May 2023. Subsequently, the Deputy Commissioner Inland Revenue passed an order raising sales tax demand of Rs. 112.73 million along with penalty of Rs. 4.05 million. Being aggrieved, the Company filed an appeal before the Commissioner Inland Revenue Appeals, who, vide order No. 1/A-V dated 13 May 2024, upheld the demand. The Company then preferred an appeal before the Appellate Tribunal Inland Revenue. The Tribunal, vide order No. 1056/L8/2024 dated 29 July 2024, remanded the case back to the assessing officer for reconsideration. Pursuant to this, the assessing officer initiated fresh proceedings through Notice No. C.No./S.Tax/U-10/1579 dated 20 August 2024, to which the Company submitted its reply via letter No. LT/0757/24 dated 04 November 2024. The case is currently pending adjudication. The Company is expecting a favorable outcome, accordingly no provision has been recorded in the books of accounts.
- m) The Company is facing claims, launched in the labor and civil courts, pertaining to salaries, staff retirement benefits and customer matters. The claims amount cannot be quantified due to nature of the claims.

**32.2** Outstanding letters of guarantee as at June 30, 2025 amounts to Rs. 138.28 million (2024: Rs. 138 million).

**32.3 Commitments**

Outstanding letters of credit as at June 30, 2025 amounts to Rs. 649 million (2024: Rs. 636 million) for purchase of raw and packing materials.

	Note	2025 (Rupees in thousand)	2024
<b>33 REVENUE FROM CONTRACT WITH CUSTOMERS</b>			
Local	33.6	12,964,259	13,188,341
Export		147,908	56,586
		<u>13,112,167</u>	<u>13,244,927</u>
Less:			
Discounts		(2,057,452)	(2,675,017)
Sales tax		(2,110,021)	(2,026,003)
		<u>(4,167,473)</u>	<u>(4,701,020)</u>
		<u>8,944,694</u>	<u>8,543,907</u>

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

**33.2 Timing of revenue recognition - net**

Goods and services transferred at a point in time	<u>8,944,694</u>	<u>8,543,907</u>
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**33.3 Geographical market**

Pakistan	8,796,786	8,487,321
Afghanistan	147,908	56,586
	<u>8,944,694</u>	<u>8,543,907</u>

**33.4 Contract balances**

Contract balances primarily comprises of contract liabilities, representing advance consideration received from customers for the purchase of products. Balance as at reporting date amounted to Rs. 70 million (2024: Rs. 137.52 million). Revenue recognized during the reporting period which was included in the contract liabilities at the beginning of the period amounted to Rs. 223.48 million (2024: Rs. 80.11 million).

**33.5 Movement of contract liabilities is as follows:**

Opening balance	137,526	80,111
Advance received	70,008	137,526
Income recongised	(137,526)	(80,111)
Closing balance	<u>70,008</u>	<u>137,526</u>

**33.6** This includes an amount of Rs. 363.91 million and Rs. 44.65 million (2024: Rs. 414.703 million and Rs. 35.556 million) charged to Buxly Paints Limited, a related party of the Company for material and toll manufacturing, respectively.

	Note	2025 (Rupees in thousand)	2024
<b>34 COST OF SALES</b>			
Finished goods as at July 01		576,086	500,787
Cost of goods manufactured	34.1	7,080,331	6,881,164
Provision /(reversal) slow moving finished goods		(64,444)	(11,661)
Less: Finished goods as at June 30	14	(544,250)	(576,086)
Consumption of finished goods purchased for resale	34.4	42,998	28,421
Cost of sales		<u>7,090,721</u>	<u>6,822,625</u>
<b>34.1 Cost of goods manufactured</b>			
Raw and packing materials consumed	34.2	5,929,496	5,798,296
Freight and handling		342,227	340,580
Stores and spare parts consumed		15,049	9,047
Salaries, wages and other benefits	34.3	127,830	133,943
Contracted services	34.5	206,109	168,733
Travelling and conveyance		14,975	17,375
Fuel, water and power		118,685	101,795
Legal and professional		472	1,049
Rent, rates and taxes		-	177
Project application cost	34.7	47,515	52,441
Insurance		9,229	8,550
Repairs and maintenance		45,344	35,343
Depreciation	7.1.7	142,607	165,929
Toll manufacturing cost		42,519	33,863
Printing and stationery		2,389	2,150
Communication		1,781	1,343
Others		23,432	15,957
		<u>7,069,659</u>	<u>6,886,571</u>
Opening stock of semi-processed goods		168,032	164,124
Closing stock of semi-processed goods	14	(156,317)	(168,032)
Provision reversed during the year		(1,043)	(1,499)
Cost of goods manufactured		<u>7,080,331</u>	<u>6,881,164</u>
<b>34.2 Raw and packing materials consumed</b>			
Raw and packing material as at July 01		667,861	796,137
Purchases of raw and packing material		6,094,509	5,675,414
Provision /(reversal) slow moving finished goods		(3,097)	(5,394)
Less: Raw and packing material as at June 30	14	(829,777)	(667,861)
Raw and packing materials consumed		<u>5,929,496</u>	<u>5,798,296</u>
<b>34.3</b>	Salaries, wages and benefits include Rs. 13.68 million (2024: Rs. 14.14 million) in respect of gratuity fund, Rs. 1.64 million (2024: Rs. 1.88 million) in respect of pension fund, Rs. 1.61 million (2024: Rs. 1.08 million) in respect of compensated absences and Rs. 4.80 million (2024: Rs. 5.22 million) in respect of provident fund contribution.		

	Note	2025 (Rupees in thousand)	2024
<b>34.4 The movement of finished goods purchased for resale is as follows:</b>			
Finished goods as at July 01		81,209	91,527
Add: Finished goods purchased for resale during the year		-	18,103
Less: Consumption of finished goods during the year		(42,998)	(28,421)
Finished goods as at June 30		<u>38,211</u>	<u>81,209</u>
<b>34.5</b>	This represents amount related to outsourced staff from FSC Integrated Services (Private) Limited.		
<b>34.6</b>	This represents amount related to freight and handling charges for delivery of goods to customers and management considered this cost as part of the product.		
<b>34.7</b>	This represents amount related to project undertaken for road marking and related services.		
<b>35 SELLING AND DISTRIBUTION EXPENSES</b>			
Salaries and other benefits	35.1	447,923	353,562
Contracted services	35.4	32,665	38,548
Travelling and conveyance		3,140	6,252
Rent, rates and taxes		3,862	6,796
Insurance		8,139	9,645
Fuel, water and power		3,374	3,332
Advertising and sales promotion		250,291	248,545
Technical services and royalty fee	35.2	125,148	-
Repairs and maintenance		4,379	3,473
Depreciation	7.1.7	39,181	30,510
Printing and stationery		1,976	1,455
Legal and professional		699	980
Communication		4,476	5,797
Others		7,628	8,547
		<u>932,881</u>	<u>717,442</u>
<b>35.1</b>	Salaries, wages and benefits include Rs. 13.72 million (2024: Rs. 11.56 million) in respect of gratuity fund, Rs. 1.75 million (2024: Rs. 1.89 million) in respect of pension fund, Rs. 5.26 million (2024: Rs. 3.57 million) in respect of compensated absences and Rs. 10.57 million (2024: Rs. 8.66 million) in respect of provident fund contribution.		
<b>35.2</b>	This represents royalty and technical fee expense for the year. Detail is as follows:		

		Note	2025 (Rupees in thousand)	2024
Name and address of the party	Relationship with Company			
Slotrapid Limited (Suit # 1 Akara Building, 24 De-Cantro Street, Wickham Cay 1, Road Town, Tortola, British Virgin Island.)	Licensor (the Holding Company)	35.3	125,148	-
Oxyplast Belgium N.V. (Hulsdonk 35-B 9042/Gent – Mendonk, Belgium.)	Licensor		-	-
			125,148	-
35.3	During the year, company paid royalty fee amounting to Rs. 103.65 million (2024: Rs. Nil million).			
35.4	This represents amounts relates to outsourced staff from FSC Integrated Services (Private) Limited.			
35.5	During the year the company paid a royalty fee to the parent company amounting to Rs. 103.65 million.			
36	ADMINISTRATIVE AND GENERAL EXPENSES			
	Salaries and other benefits	36.1	155,893	143,435
	Contracted services	36.2	2,392	1,780
	Directors' meeting fee		3,400	3,900
	Travelling and conveyance		21,906	21,384
	Rent, rates and taxes		7,298	2,249
	Insurance		4,538	4,502
	Auditors' remuneration	36.3	3,533	3,446
	Fuel, water and power		961	1,809
	Repairs and maintenance		2,678	3,570
	Depreciation	7.1.7	22,730	13,407
	Printing and stationery		2,420	3,916
	Legal and professional		19,006	15,324
	Communication		3,380	3,452
	Others		1,023	8,971
			251,158	231,145
36.1	Salaries, wages and benefits include Rs. 5.74 million (2024: Rs. 5.36 million) in respect of gratuity fund, Rs. .45 million (2024: Rs. 0.46 million) in respect of pension fund, Rs. 2.24 million (2024: Rs. 2.32 million) in respect of compensated absences and Rs. 6.39 million (2024: Rs. 5.93 million) in respect of provident fund contribution.			
36.2	This represents amounts relates to outsourced staff from FSC Integrated Services (Private) Limited.			

			2025	2024
		Note	(Rupees in thousand)	
<b>36.3</b>	<b>Auditors' remuneration</b>			
	Audit fee		2,100	2,100
	Consolidation and half yearly review		900	900
	Out of pocket expenses		200	178
	Statutory certifications		333	268
			<u>3,533</u>	<u>3,446</u>
<b>37</b>	<b>OTHER OPERATING EXPENSES</b>			
	Workers' Welfare Fund	28.5	11,024	9,615
	Workers' Profit Participation fund	28.4	21,278	22,682
	Exchange loss - net		10,548	4,921
	Impairment on investment in associate	9.1.1	3,465	6,812
	Impairment on other receivables and deposits		2,377	4,435
			<u>48,692</u>	<u>48,465</u>
<b>38</b>	<b>OTHER INCOME</b>			
	Income from financial assets			
	Mark-up on term deposit receipts long term loan, saving account, and related party	38.1	21,698	34,804
	Income from non-financial assets			
	Sale of scrap		31,918	15,927
	Gain on disposal of property, plant and equipment - net		7,756	4,896
	Rental income and other services charged to related parties		1,200	1,200
	Export rebate		2,100	899
	Insurance claim		417	4,491
	Amortization of deferred grant	26	5,440	5,780
	Others		23,531	1,711
			<u>94,060</u>	<u>69,708</u>
<b>38.1</b>	This includes interest income of Rs. 2.17 million (2024: Rs. Nil ) charged on receivable balance from Buxly Paints Pakistan Limited and 1.74 (2024: Rs. 1.35 million) charged on receivable balance from Berger Road Safety (Private) Limited.			



	Note	2025 (Rupees in thousand)	2024
<b>39 FINANCE COST</b>			
Islamic mode of financing:			
- Long term financing - secured		8,859	9,625
- Long term diminshing musharaka - secured		53,523	109,882
- Short term financing - secured		-	858
- Short term running finances - secured		9,512	31,153
		<u>71,894</u>	<u>151,518</u>
Mark-up based borrowings from conventional banks:			
- Long term financing - secured		10,507	11,965
- Short term financing - secured		15,396	-
- Short term running finances - secured		116,237	131,356
		142,140	143,321
Interest on WPPF		685	1,168
Bank charges		9,307	8,589
		<u>224,026</u>	<u>304,596</u>
<b>40 LEVY</b>			
Final tax	41.1		
- for the year		-	566
- prior year		3	-
Minimum tax		-	(6,781)
		<u>3</u>	<u>(6,215)</u>
<b>40.1</b>	This represents final taxes paid under Section 154A of Income Tax Ordinance, 2001 representing levy in terms of requirements of IFRIC 21/IAS 37.		
<b>41 TAXATION</b>			
Current			
- for the year	41.1	213,326	174,484
- prior year	41.2	1,271	(26,024)
		<u>214,597</u>	<u>148,460</u>
Deferred			
- current year	12.1	(49,200)	16,244
- prior year		-	-
		<u>165,397</u>	<u>164,704</u>
<b>41.1 Current year tax includes super tax as follows:</b>			
- current year		54,699	37,489
- prior year		(410)	-
		<u>54,289</u>	<u>37,489</u>
<b>41.2</b>	This represents a difference between net taxation charged in the financial statements and the income tax return filed in the last year due to advance tax not taken into account.		

### 41.3 Reconciliation of tax charge

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

	2025 (Rupees in thousand)	2024
Current tax liability for the year as per applicable tax laws	214,600	142,245
Portion of current tax liability as per tax laws, representing income tax under IAS 12	(214,597)	(148,460)
Portion of current tax computed as per tax laws, representing levy in terms of requirements of IFRIC 21/IAS 37	(3)	6,215
Difference	-	-

### 41.4 The aggregate of final tax and income tax amounting to Rs. 142.245 million (2023: Rs. 114.679 million) represents tax liability of the Company calculated under the relevant provisions of the Income Tax Ordinance, 2001.

	29.00%	29.00%
Tax effect of:		
- income under Final Tax Regime	0.00%	0.13%
- prior year adjustment	0.27%	-0.09%
- permanent difference	0.01%	0.01%
- others	-11.00%	-7.44%
- effect of super tax	11.80%	6.78%
Average effective tax rate charged to profit or loss	30.08%	28.39%

### 41.5 Comparison of tax provision against tax assessments

Years	Excess/ (Short)	Tax provision	Tax assessment/ tax return
			(Rupees)
2023-24	3,557,269	168,268,956	164,711,687
2022-23	(711,436)	114,679,017	115,390,453
2021-22	305,289	93,291,025	92,985,736

### 41.6 As at June 30, 2025, as per the treatments adopted in tax returns filed that are based on the applicable tax laws and decisions of appellate authorities on similar matters, the provision in the unconsolidated financial statements for income tax is sufficient as there are strong grounds that the said treatments are likely to be accepted by the tax authorities.

## 42 EARNINGS PER SHARE - BASIC AND DILUTED

### 42.1 Earning per share - basic and diluted

	2025	2024
Profit attributable to ordinary shareholders (Rupees in thousand)	298,523	262,863
Weighted average number of shares outstanding during the year (Number of shares)	24,551,615	24,551,615
Earning per share - basic (Rupees)	12.16	10.71

	Note	2025 (Rupees in thousand)	2024
<b>43 CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances	21	295,706	66,173
Short term running finance - secured	31	(1,201,471)	(669,635)
		<u>(905,765)</u>	<u>(603,462)</u>
<b>44 CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation		463,923	421,352
Adjustments for non-cash and other items:			
Depreciation on property, plant and equipment	7.1.7	204,518	209,846
Gain on disposal of property, plant and equipment	38	(7,756)	(4,896)
Provision charged against slow moving stock - net		(68,584)	(18,554)
Impairment loss recorded during the year		27,353	67,990
Provision for long term employee benefit		46,166	42,269
Finance cost		224,026	304,596
Provision for Workers' Profit Participation Fund		21,963	22,682
Provision for Workers' Welfare Fund		11,024	9,615
Amortization of deferred grant		6,120	5,780
Impairment on investment in associate		3,465	6,812
Mark-up charged		(23,874)	(34,804)
		<u>444,421</u>	<u>611,336</u>
Net cash flow before working capital changes		<u>908,344</u>	<u>1,032,688</u>

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

	Unclaimed dividend	Long term diminishing musharaka	Long term financing	Short term borrowing	Total
(Rupees in thousand)					
<b>As at June 30, 2024</b>	12,478	375,000	144,669	669,635	1,201,782
<b>Changes from financing cash flows</b>					
Dividend paid	(97,145)	-	-	-	-
Short term borrowings - net	-	-	-	-	-
Long term financing - net	-	-	(51,860)	-	-
Long term diminishing musharaka - net	-	(166,667)	-	-	-
Total changes from financing cash flows	(97,145)	(166,667)	(51,860)	-	(315,672)
<b>Other changes</b>					
Adjustment of Government grant	-	-	5,780	-	-
Change in borrowings- net	-	-	-	531,836	-
Dividend declared	98,206	-	-	-	-
Total liability related other changes	98,206	-	5,780	531,836	635,822
<b>As at June 30, 2025</b>	13,539	208,332	98,589	1,201,471	1,521,932
<b>As at June 30, 2023</b>	13,106	500,000	148,922	425,308	1,087,336
<b>Changes from financing cash flows</b>					
Dividend paid	(628)	-	-	-	(628)
Long term financing - net	-	-	(10,033)	-	(10,033)
Long term diminishing musharaka - net	-	(125,000)	-	-	(125,000)
Total changes from financing cash flows	(628)	(125,000)	(10,033)	-	(135,661)
<b>Other changes</b>					
Adjustment of Government grant	-	-	5,780	-	5,780
Change in borrowings- net	-	-	-	244,327	244,327
Total liability related other changes	-	-	5,780	244,327	250,107
<b>As at June 30, 2024</b>	12,478	375,000	144,669	669,635	1,201,782

#### 46 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

	2025			2024		
	Chief Executive	Executives	Non-Executive Directors	Chief Executive	Executives	Non-Executive Directors
(Rupees in thousand)						
Fees	-	-	4,600	-	-	3,700
Managerial remuneration (including bonus)	22,000	93,741	-	22,000	83,132	-
Retirement and other long term benefits	2,000	68,525	-	4,182	60,414	-
House rent allowance	-	29,992	-	-	28,608	-
Utilities	-	6,665	-	-	6,357	-
Medical expenses	-	8,331	-	-	7,947	-
Provident fund	2,000	6,316	-	2,000	5,951	-
	26,000	213,570	4,600	28,182	192,409	3,700
Number of persons	1	35	7	1	32	7

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

**46.2** The Chief Executive and certain other executives of the Company are provided with free use of Company cars. The approximate value of the benefit amounts to Rs. 36.73 million (2024: Rs. 36.73 million).

## 47 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

Name of parties	Nature of relationship	Nature of transactions	Note	June 30, 2025		June 30, 2024	
				Transactions during the period	Closing balance	Transactions during the year	Closing balance
				----- (Rupees in thousand) -----			
Slotrapid Limited	Holding Company	Royalty expense		125,148	-	-	-
		Royalty payable		-	61,624	-	40,126
		Royalty waiver		-	-	60,120	-
		Payment		103,650	-	-	-
		Dividend paid		43,287	-	-	-
Berger Road Safety (Private) Limited	(Wholly owned subsidiary of Berger DPI)	Other receivable		-	15,111	-	12,526
		Interest income		1,749	-	1,144	-
3S Pharmaceutical (Private) Limited	Associated Company	Receipts / adjustments		1,215	-	-	-
		Impairment allowance		3,465	-	6,812	-
		Common expenditures incurred		1,732	-	1,740	-
		Other receivable		-	7,288	-	5,824
		Interest income		947	-	206	-
Buxly Paints Limited ("BPL")	Related Party	Sales		408,557	-	449,811	-
		Rental expense		1,800	-	1,800	-
		Rental income and other services		1,200	-	1,200	-
		Common expenditures incurred		35,200	-	34,178	-
		Markup		2,176	-	-	-
		Receipts / adjustments		4,103	-	-	-
		Trade debt		-	362,053	-	248,959
		Royalty payable		-	32	-	32
		Other receivable		-	31,697	-	-
		Toll manufacturing - cost		42,519	-	33,863	-
Post employment benefit plans (Key Management Personnel)		Contribution to gratuity fund		8,842	-	5,129	-
		Contribution to pension fund		-	-	25,000	-
		Provident fund contribution		43,525	-	39,633	-
		Provident fund receivable /payable		-	633	-	(695)

### 47.1 Basis of relationship with the company

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

Name of related party	Country of Incorporation /origin	Relationship	Basis of Association	Shareholdings	Basis of Association	Shareholdings
			2025		2024	
Slotrapid Limited	British Virgin Island	Holding	Shareholding	52.05%	Shareholding	52.05%
Berger DPI (Private) Limited	Pakistan	Subsidiary	Shareholding	51%	Common management	51%
Berger Road Safety (Private) Limited	Pakistan	(Wholly owned subsidiary of Berger DPI (Private) Limited)	Shareholding	-	Common management	-
3S Pharmaceutical (Private) Limited	Pakistan	Associated	Shareholding	49%	Common management	49%
Buxly Paints Limited	Pakistan	Related Party	Common management	19%	Common management	19%
Dadex Externit Limited	Pakistan	Associated	Common management	-	Common management	-

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

**47.3** The details of compensation paid to key management personnel are shown under the heading of "Remuneration of Chief Executive, Directors and Executive (note 46)". There are no transactions with key management personnel other than under their terms of employment except otherwise stated.

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

## **48 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT**

### **48.1 Risk management of financial instruments**

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

The Company has exposure to the following risks from its use of financial instruments:

- Market risk
- Credit risk
- Liquidity risk

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

#### **48.1.1 Risk management framework**

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

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

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

#### **48.1.2 Market risk**

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

##### **48.1.2.1 Currency risk**

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

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

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

	2025	2024
Statement of financial position items	(Amount in thousand)	
<b>Trade and other payables</b>		
- USD	810	456
- RMB	256	397
		-

#### Off statement of financial position items

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

- CNY	2,516	2,498
- EUR	6,386	-
- USD	1,370	-

The following significant exchange rates were applied during the year:

	2025	2024
	(In rupees)	
<b>Rupees per Euro</b>		
Average rate for the year	315.62	305.67
Reporting date rate	332.83	298.41
<b>Rupees per USD</b>		
Average rate for the year	281.45	282.40
Reporting date rate	284.10	278.80
<b>Rupees per RMB</b>		
Average rate for the year	39.10	39.10
Reporting date rate	39.66	38.53
<b>Rupees per JPY</b>		
Average rate for the year	1.98	1.86
Reporting date rate	1.97	1.73

#### Sensitivity analysis

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

#### Effect on profit or loss

- USD	575	324
- RMB	182	182

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

#### 48.1.2.2 Price risk

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

#### Sensitivity analysis

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

	Impact on equity	
	2025	2024
	(Rupees in thousands)	
Buxly Paints Limited	5,144	2,517

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

#### 48.1.2.3 Interest rate risk

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

	Effective rate		Carrying amount	
	2025	2024	2025	2024
	(Percentage)		(Rupees in thousands)	
<b>Financial assets</b>				
<b>Fixed rate instruments</b>				
Short term investment	11%	19%	91,000	121,000
Saving account	9.25-19%	20.25-21.25%	24,286	22,109
	Effective rate		Carrying amount	
	2025	2024	2025	2024
	(Percentage)		(Rupees in thousands)	
<b>Financial liabilities</b>				
<b>Fixed rate instruments</b>				
Long term financing - secured	5% to 6%	5% to 6%	72,677	86,847
<b>Floating rate instruments</b>				
Long term financing - secured	16.25% to 23.20%	8.65% to 16.25%	135,726	57,822
Long term diminishing musharaka	17.58%	17.58%	41,667	375,000
Short term running finance - secured	12.89% to 23.58%	8.70% to 12.89%	1,201,471	669,635
			1,378,864	1,102,457



**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 2025.

	<b>100 bps</b>	
	<b>Decrease</b>	<b>Increase</b>
As at June 30, 2025	13,789	(13,789)
As at June 30, 2024	11,025	(11,025)

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

**48.1.3 Credit risk**

Credit risk is the risk of financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Out of the total financial assets of Rs. 3,492 million (2024: Rs. 2,992 million) financial assets which are subject to credit risk amount to Rs. 3,492 million (2024: Rs. 2,992 million).

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

	<b>2025</b>	<b>2024</b>
	<b>(Rupees in thousand)</b>	
Long term loans - secured	15,392	31,952
Long term deposits	42,975	33,319
Trade debts - unsecured	2,785,490	2,602,977
Long term investments	99,393	25,174
Trade deposits	35,171	22,209
Other receivables		
- Receivable from related parties	35,881	2,512
- LC Margin	18,236	22,848
- Others	85,235	13,891
	139,352	39,251
Short term investment - secured	91,000	121,000
Bank balances	294,854	66,310
	<u>3,503,627</u>	<u>2,942,192</u>

### 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:

	2025	2024
	(Rupees in thousand)	
Trade debts	2,785,490	2,602,977
Banking companies and financial institutions	404,090	209,370
Others	314,047	180,478
	<u>3,503,627</u>	<u>2,992,825</u>

#### 48.1.3.1 Trade deposits and other receivables

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

#### 48.1.3.2 Receivable from related party

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

#### 48.1.3.3 Long term loans

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

#### 48.1.3.4 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
<b>June 30, 2025</b>			
Past due 0 - 30 days	0.00%	1,000,998	-
Past due 31 - 60 days	0.55%	687,572	3,767
Past due 61 - 90 days	0.62%	501,639	3,120
Past due 91 - 120 days	0.99%	284,978	2,826
Past due 121 - 180 days	2.57%	278,464	7,144
Past due 181 - 364 days	8.92%	281,043	25,075
Past due over one year	100.00%	81,585	81,585
		<u>3,116,279</u>	<u>123,517</u>

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

#### 48.1.3.5 Balances with banking companies

The Company held balances with banks, short term investments and LC margin amounting to Rs. 379.804 million as at June 30, 2025. These are held with banks and financial institutions counterparties, which are rated A1 to AAA, based on credit ratings from rating agencies.

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

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

	Notes	2025 (Rupees in thousand)	2024
Bank balances	21	270,568	65,522
Short term investment	20	91,000	121,000
Other receivables	18	18,236	22,848
		<u>379,804</u>	<u>209,370</u>

#### 48.1.3.6 Credit quality of financial assets

The credit quality of bank balances that are neither past due nor impaired can be assessed by reference to external credit ratings or to historical information about counterparty default rate:

Banks	Rating		Rating Agency	2025	2024
	Short term	Long term		(Rupees in thousand)	
Bank Al Habib Limited	A-1+	AAA	PACRA	24,286	23,585
Habib Metropolitan Bank Limited	A-1	AA+	PACRA	187,635	9,226
Habib Bank Limited	A-1+	AAA	VIS	34	34
Al-Baraka Bank Pakistan Limited	A-1	A+	VIS	6	6
National Bank of Pakistan	A-1+	AAA	PACRA	247	11,918
Bank Islami Pakistan Limited	A-1	A+	PACRA	2,218	20,732
Samba Bank Limited	A-1	A+	PACRA	80,382	-
Faysal Bank Limited	A-1+	AA	PACRA	46	809
				<u>294,854</u>	<u>65,522</u>
<b>Deposits with bank/ TDRs:</b>					
JS Bank Limited	AA-	AA-	PACRA	41,000	71,000
Bank Islami Pakistan Limited	A+	A+	VIS	50,000	50,000
				<u>91,000</u>	<u>121,000</u>

The Company has not recognised an impairment allowance on bank balances during the year ended June 30, 2025, as the impact was immaterial.

#### 48.1.4 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities, that are settled by delivering cash or other financial asset, or that such obligation will have to be settled in a manner unfavorable to Company. The Company's approach to managing liquidity is to ensure, as far as possible that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions. The Company finances its operations through equity, borrowings and working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk. The management aims to maintain flexibility in funding by keeping regular committed credit limits.

The following are the contractual maturities of financial liabilities as at June 30, 2025

	Carrying amount	Contractual cash flow	Less than one year	Two to five years	More than five years
(Rupees in thousand)					
<b>Non derivative financial liabilities</b>					
Long term financing - secured	208,403	208,403	50,944	143,372	14,087
Long term diminishing musharaka	208,333	208,334	166,667	41,667	-
Trade and other payables	2,091,901	2,091,901	2,091,901	-	-
Interest / mark-up accrued on borrowings	34,650	34,650	34,650	-	-
Short term borrowings - secured	1,201,471	825,499	825,499	-	-
	<u>3,744,758</u>	<u>3,368,787</u>	<u>3,169,661</u>	<u>185,039</u>	<u>14,087</u>

The following are the contractual maturities of financial liabilities as at June 30, 2024

	Carrying amount	Contractual cash flow	Less than one year	Two to five years	More than five years
(Rupees in thousand)					
<b>Non derivative financial liabilities</b>					
Long term financing - secured	144,669	178,441	47,695	117,058	13,688
Long term diminishing musharaka	375,000	375,000	166,667	208,333	-
Trade and other payables	1,825,109	1,825,109	1,825,109	-	-
Interest / mark-up accrued on borrowings	50,024	50,024	50,024	-	-
Short term borrowings - secured	669,635	495,399	495,399	-	-
	<u>3,064,437</u>	<u>2,923,973</u>	<u>2,584,894</u>	<u>325,391</u>	<u>13,688</u>

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

## 48.2 Fair value measurement of financial instruments

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

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

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

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

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that entity can access at measurement date (Level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2)
- Inputs for the asset or liability that are not based on observable market data (i.e. unobservable) inputs (Level 3)

Transfer between levels of the fair value hierarchy are recognised at the end of the reporting period during which the changes have occurred.

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

Note	Carrying amount				Fair value			
	Financial assets at amortised cost	FVOCI - equity instruments	Financial liabilities	Total	Level 1	Level 2	Level 3	Total
As at June 30, 2025								
Rupees in thousand								
<b>Financial assets - measured at fair value</b>								
Investment classified as FVOCI	-	51,437	-	51,437	51,437	-	-	51,437
<b>Financial assets - at cost</b>								
Long term investments	47,956	-	-	47,956	-	-	-	-
<b>Financial assets - at amortised cost</b>								
Long term loans - secured	15,392	-	-	15,392	-	-	-	-
Long term deposits	42,975	-	-	42,975	-	-	-	-
Trade debts	2,785,490	-	-	2,785,490	-	-	-	-
Trade deposits	35,171	-	-	35,171	-	-	-	-
Other receivables	139,352	-	-	139,352	-	-	-	-
Short term investment - secured	91,000	-	-	91,000	-	-	-	-
Cash and bank balances	294,854	-	-	294,854	-	-	-	-
	<b>3,452,190</b>	<b>51,437</b>	<b>-</b>	<b>3,503,627</b>	<b>51,437</b>	<b>-</b>	<b>-</b>	<b>51,437</b>
<b>Financial liabilities - at amortised cost</b>								
Long term financing - secured	-	-	208,403	208,403	-	-	-	-
Long term diminishing musharaka	-	-	208,333	208,333	-	-	-	-
Trade and other payables	-	-	2,091,901	2,091,901	-	-	-	-
Accrued markup	-	-	34,650	34,650	-	-	-	-
Short term borrowings - secured	-	-	1,201,471	1,201,471	-	-	-	-
	<b>-</b>	<b>-</b>	<b>3,744,758</b>	<b>3,744,758</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

	Carrying amount			Fair value			
	Financial assets at amortised cost	FVOCI - equity instruments	Financial liabilities	Total	Level 1	Level 2	Level 3
	Rupees in thousand						
As at June 30, 2024							
<b>Financial assets - measured at fair value</b>							
Investment classified as FVOCI	-	25,174	-	25,174	25,174	-	-
<b>Financial assets - at cost</b>							
Long term investments	51,421	-	-	51,421	-	-	-
<b>Financial assets - at amortised cost</b>							
Loan to related party - secured	31,952	-	-	31,952	-	-	-
Long term deposits	33,319	-	-	33,319	-	-	-
Trade debts	2,602,977	-	-	2,602,977	-	-	-
Trade deposits	22,209	-	-	22,209	-	-	-
Other receivables	39,251	-	-	39,251	-	-	-
Short term investment - secured	121,000	-	-	121,000	-	-	-
Cash and bank balances	65,522	-	-	65,522	-	-	-
	2,967,651	25,174	-	2,992,825	25,174	-	-
<b>Financial liabilities - at amortised cost</b>							
Long term financing - secured	-	-	144,669	144,669	-	-	-
Long term diminishing musharaka	-	-	375,000	375,000	-	-	-
Trade and other payables	-	-	1,825,109	1,825,109	-	-	-
Accrued markup	-	-	50,024	50,024	-	-	-
Short term borrowings - secured	-	-	669,635	669,635	-	-	-
	-	-	3,064,437	3,064,437	-	-	-

### 48.3 Fair value versus carrying amounts

The Company has not disclosed the fair values of financial assets and liabilities which are for short term or repriced over short term. Therefore, their carrying amounts are reasonable approximation of fair value.

**48.4** Freehold land, leasehold land, building on freehold land, building on leasehold land and plant and machinery have been carried at revalued amounts determined by professional valuers (level 3 measurement) based on their assessment of the values as disclosed. The valuations are conducted by an independent valuation expert appointed by the Company. The valuation expert used a market based approach to arrive at the fair value of the Company's land and building. The valuation was determined by reference to current market value of the similar properties / assets. The most significant input into this valuation approach is price per acre for land, price per square foot for buildings and present operational condition and age of plant and machinery respectively. The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty, accordingly a qualitative disclosure of sensitivity has not been presented in these unconsolidated financial statements. Reconciliation of level three has been disclosed in relevant note and there is no transfer between fair value hierarchy.

## 49 CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders through repurchase of shares, issue new shares or sell assets to reduce debt. Consistent with others in the industry and the requirements of the lenders, the Company monitors the capital structure on the basis of gearing ratio.

This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings including current and non-current borrowings. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt. The gearing ratios as at year end are as follows:

	2025	2024
	(Rupees in thousand)	
Long term loans	416,736	519,669
Short term borrowings	1,201,471	669,635
Total debt	1,618,207	1,189,304
Total equity	3,681,207	3,447,465
Total equity and debt	5,299,414	4,636,769
Gearing ratio	31:69	26:74

**2025                      2024**  
**(Rupees in thousand)**

**50                      RESTRICTION ON TITLE AND ASSETS PLEDGED AS SECURITY**

**Mortgages and charges**

**First**

Hypothecation of all present and future current assets	2,337,000	2,070,000
Mortgage over land and building	1,268,171	1,268,171

**Ranking**

Hypothecation of all present and future current assets	2,136,000	2,136,000
--	-----------	-----------

**2025                      2024**  
**(Number of persons)**

**51                      NUMBER OF EMPLOYEES**

The Company has employed following number of persons:

- Factory employees	80	79
- Head office and regional employees	278	262
	<u>358</u>	<u>341</u>
 - Average number of employees	 233	 374
- Average number of factory employees	80	87

**52                      PROVIDENT FUND RELATED DISCLOSURES**

The Company operates funded contributory provident fund scheme for all its permanent and eligible employees. The following information is based on the un-audited financial statements of the provident fund:

**(Unaudited)                      (Unaudited)**  
**June 30,                      June 30,**  
**2025                      2024**  
**(Rupees in thousands)**

Size of the fund	339,893	324,133
Cost of investments made	232,380	190,468
Percentage of investments - (% of total assets)	68%	59%
Fair value of investments	334,650	321,676

**52.1                      The break-up of investments is as follows:**

	<b>2025</b>		<b>2024</b>	
	<b>Rupees in thousands</b>	<b>%age</b>	<b>Rupees in thousands</b>	<b>%age</b>
Investment in debt collective investment scheme	-	0%	-	0%
Investment in money market collective investment scheme	66,274	20%	54,739	16%
Investment in equity collective investment scheme	-	0%	-	0%
Bank balances	70,688	21%	69,424	22%
Certificate of deposits	106,557	32%	111,797	35%
Term deposit receipts	91,131	27%	85,716	27%
	<u>334,650</u>	<u>100%</u>	<u>321,676</u>	<u>100%</u>

The investments out of provident fund as at June 30, 2025 have been made in accordance with the requirements of section 218 of the Companies Act, 2017.

		2025 (Liters in thousand)	2024
<b>53</b>	<b>PRODUCTION CAPACITY</b>		
	Actual production	43,195	40,771

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 17.28 million liters (2024: 15.43 million liters) which is used in the manufacture of the final product.

**54 OPERATING SEGMENTS**

- 54.1** These unconsolidated financial statements have been prepared on the basis of single reportable segment.
- 54.2** Revenue from sale of paints and allied represents 100% (2024: 100%) of the total revenue of the Company.
- 54.3** 98.87% (2024: 99.57%) sales of the Company relates to customers in Pakistan.
- 54.4** All non-current assets of the Company as at June 30, 2025 are located in Pakistan.

**55 SHARIAH COMPLIANCE DISCLOSURE**

Following information has been disclosed with the reference to disclosure requirements of fourth schedule of the Companies Act, 2017 relating to all shares Islamic Index.

	Description	Explanation	2025 (Rupees in thousands)	2024
<b>55.1</b>	Statement of financial position			
	Assets:			
	Short term investments	Shariah Compliant	50,000	50,000
	Bank balances	Shariah Compliant	2,264	21,541
<b>55.2</b>	Statement of financial position			
	Liabilities:			
	Long term financing	Shariah Compliant	135,726	57,822
	Long term diminishing musharaka	Shariah Compliant	41,666	208,333
	Short term financing		240,128	83,919
<b>55.3</b>	Statement of profit or loss			
	Revenue	Shariah Compliant	8,944,694	8,543,907
<b>55.4</b>	Sources and detailed breakup of other income			
	Profit earned from Shariah compliant, bank deposit, bank balances or TDRs:	Shariah Compliant	7,666	9,551



	Description	Explanation	2025	2024
			(Rupees in thousands)	
55.5	Sources and detailed breakup of finance cost			
	Finance cost paid	Shariah Compliant	71,894	151,518

#### Relationship with banks having Islamic windows

Bank Name	Region	Nature of transactions
Pak Oman Investment Company Limited	Pakistan	Sukuk
Bank Islami Pakistan Limited	Pakistan	TDR
Bank Islami Pakistan Limited	Pakistan	Long term financing
First Habib Modaraba	Pakistan	Long term financing
Meezan Bank Limited	Pakistan	Short term borrowing

#### 56 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison and better presentation. However, no significant reclassification has been made during the period except the following for appropriate presentation:

Description	Note	From	To	(Rupees in thousands)
Advances to suppliers	7.2	Capital work in progress	Long term advances	7,003
Advance against vehicles	7.2	Capital work in progress	Long term advances	10,980

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

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

#### 58 NON ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE

The Board of Directors of the Company in its meeting held on September 24, 2025 has proposed a final cash dividend of Rs. 5 per share, for the year ended June 30, 2025 for approval of the members in the Annual General Meeting to be held on October 27, 2025.

#### 59 DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated financial statements were authorized for issue on September 24, 2025 by the Board of Directors of the Company.

#### 60 GENERAL

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



# Berger Paints Pakistan Limited

## Consolidated Financial Statements

for the year ended June 30, 2025

# Consolidated Financial Highlights

Rupees in thousand

	Year Ended June 30,				
	2025	2024	2023	2022	2021
<b>NET ASSETS</b>					
Fixed Assets	<b>2,293,081</b>	2,246,657	2,307,469	1,629,143	1,636,252
Goodwill	-	-	-	-	-
Long Term Investments	<b>102,676</b>	74,045	68,259	68,632	49,955
Long Term Loans & Deposits	<b>88,521</b>	78,635	59,480	76,770	70,566
Deferred Taxation	-	-	-	-	24,700
Net Current Assets	<b>1,700,268</b>	1,692,565	1,482,048	948,191	707,871
Total	<b>4,184,546</b>	4,109,902	3,917,256	2,722,736	2,489,344
<b>FINANCED BY</b>					
Share Capital	<b>245,516</b>	245,516	245,516	204,597	204,597
Reserves	<b>2,066,589</b>	1,784,811	1,477,703	1,340,904	1,206,449
Surplus on Revaluation of Fixed Assets	<b>1,393,090</b>	1,437,720	1,495,613	830,273	849,056
	<b>3,705,195</b>	3,468,047	3,218,832	2,375,774	2,260,102
Long Term and Deferred Liabilities	<b>479,351</b>	623,855	698,424	346,962	229,242
Total	<b>4,184,546</b>	4,091,902	3,917,256	2,722,736	2,489,344
<b>TURNOVER AND PROFITS</b>					
Turnover	<b>8,944,694</b>	8,543,907	7,347,337	7,125,276	5,659,620
Gross Profit	<b>1,854,005</b>	1,721,328	1,482,920	1,243,061	1,142,355
	<b>20.73%</b>	20.15%	20.18%	17.45%	20.18%
Profit before tax	<b>461,489</b>	419,100	335,732	251,551	298,313
Taxation	<b>165,393</b>	158,684	102,704	55,874	(101,750)
Profit/(Loss) after tax	<b>296,096</b>	260,416	233,028	195,677	196,563
<b>EARNING AND DIVIDENDS</b>					
Earning per share	<b>12.11</b>	10.62	9.48	7.91	9.54
Interim Dividend per share-Cash (Rupee)	-	-	-	-	-
Final Dividend per share-Cash (Rupee)	<b>5.00</b>	4.00	-	4.00	4.00

# Directors' Report

For the year ended 30 June 2025

The Directors of the Holding Company present their report together with the audited consolidated financial statements for the year ended June 30, 2025.

## ECONOMY OF PAKISTAN

Throughout the year in question, the macroeconomic conditions of the nation indicated signs of improvement, with real GDP growth projected at 2.7%, driven predominantly by private consumption and remittances. Inflation exhibited a decrease, attaining a rate of 3.2% in June 2025, thereby enhancing household purchasing power, although persistent cost pressures maintained high levels of core inflation. The contemporary current account balance experienced improvement, propelled by substantial remittance inflows and strong export performance, which in turn aided in the stabilization of exchange rates. Monetary policy continued to be accommodative as the State Bank of Pakistan upheld a policy rate of 11.0%. Although the agricultural sector underwent contraction, Large-Scale Manufacturing exhibited a varied recovery, with the majority of sectors indicating growth. The decrease in electricity tariffs and specific initiatives by the Special Investment Facilitation Council are expected to provide additional support to the manufacturing sector. For the paints and coatings industry, which includes Berger Paints Pakistan Ltd., the enhanced macroeconomic conditions facilitated a recovery in demand; however, dependence on raw materials priced in US dollars requires sustained emphasis on rigorous procurement practices and operational effectiveness.

## BUSINESS PERFORMANCE

In the fiscal year under review, the company exhibited a slight improvement in net sales, reaching Rs. 8,945 million, which represents a 4.69% increase compared to the previous year. Gross profit increased to Rs. 1,854 million from Rs. 1,721 million, attributable to advantageous exchange rates, decreased material expenses, and a more lucrative product composition. Nevertheless, heightened promotional efforts and inflationary pressures resulted in a significant increase of 22.26% in sales and marketing expenditures, while administrative costs also experienced an 8.80% rise attributable to inflationary influences. Effective treasury operations and lowered policy rates resulted in a notable reduction in financial expenses. As a result, the company disclosed a profit before tax of Rs. 461.49 million, representing a 10.11% increase, which culminated in a profit after tax of Rs. 296.096 million, indicating a significant increase of 13.7% relative to the previous year.

### Rupees in Thousand

Profit before taxation	461,489
Taxation	(165,393)
Profit after taxation	296,096
Minority interest	1,193
Net profit for the year attributable to the Holding Company	297,289

The audited accounts of the Holding Company for the year ended June 30, 2025 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.

## PROFIT PER SHARE

The profit per share for the year is Rs. 12.11 [2024: Rs. 10.62].

## AUDITORS

The present auditors, M/s BDO Ebrahim & Co. Chartered Accountants will retire at the conclusion of the upcoming Annual General Meeting and Auditors for the year 2025-26 will be appointed in Annual General Meeting.

## CORORATE GOVERNANCE

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

## OTHER INFORMATION

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

## ON THE BEHALF OF THE BOARD

Chief Executive

Director

Lahore

Date: September 24, 2025

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BERGER PAINTS PAKISTAN LIMITED

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the annexed consolidated financial statements of **BERGER PAINTS PAKISTAN LIMITED** and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at June 30, 2025, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at June 30, 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

#### Basis for Opinion

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

#### Key Audit Matters

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

Following are the key audit matters:

S. No	Key audit matters	How the matter was addressed in our audit
1.	<b>Trade debts &amp; revenue recognition</b> (Refer note 34 to the annexed consolidated financial statements)  The Group is principally engaged in the production and sale of paints, varnishes and other related items in the local and export markets.	Our audit procedures in relation to the revenue, included the following:  <ul style="list-style-type: none"> <li>Understood and evaluated management controls over revenue and checked their validation;</li> </ul>



S. No	Key audit matters	How the matter was addressed in our audit
	<ul style="list-style-type: none"> <li>Revenue from sale of goods is recognised when the performance obligation is satisfied by transferring control of promised goods to the customers.</li> <li>We consider revenue recognition as a key audit matter due to revenue being one of the key performance indicators of the Group. In addition, revenue was also considered as an area of an inherent risk of material misstatement and significant audit risk as part of the audit process.</li> </ul> <p>(Refer note 16 to the annexed consolidated financial statements)</p> <p>As at June 30, 2025, the Group's gross trade debts were Rs. 3,116.279 million against which provision of Rs. 123.517 million has been recognized.</p> <p>We identified recoverability of trade receivables as key audit matter as it involves significant management judgement in determining the expected credit loss.</p>	<ul style="list-style-type: none"> <li>Performed verification of sales with underlying documentation including dispatch documents and sales invoices;</li> <li>Tested on a sample basis, specific revenue transactions recorded before and after the reporting date with underlying documentation to assess whether revenue has been recognized in the correct period;</li> <li>Verified that sales prices are approved by the appropriate authority;</li> <li>Tested on a sample basis, specific discounts as per Group's policy;</li> <li>Performed analytical procedures to analyse variation in the price and quantity sold during the year;</li> <li>Tested journal entries relating to revenue recognised during the year based on identified risk criteria; and</li> <li>Assessed the adequacy of disclosures made in the consolidated financial statements related to revenue.</li> </ul> <p>Our key audit procedures to existence and valuation of trade receivables included:</p> <ul style="list-style-type: none"> <li>Obtained an understanding of the Group's processes and design and implementation of internal controls relating to credit control processes (credit limits), debt collection process and making expected credit loss for doubtful receivables.</li> <li>Testing the accuracy of aging report, on sample basis, by comparing individual balances in the report with underlying documentation.</li> <li>Assessing the appropriateness of assumptions and estimates made by management for the expected credit loss by comparing on sample basis, historic</li> </ul>

S. No	Key audit matters	How the matter was addressed in our audit
		<p>cash collection, actual write offs and cash receipts from customers subsequent to reporting date.</p> <ul style="list-style-type: none"> <li>• Circulated external confirmations and performed alternative audit procedures in the absence of receipts of external confirmations.</li> </ul>
<b>2.</b>	<b>Inventories</b>	
	<p>(Refer note 5.5 &amp; 15 to the annexed consolidated financial statements)</p> <p>As at June 30, 2025, the Group held Rs. 1,540.911 million in inventories. Given the size of the inventory balance relative to the total assets of the Group and the estimates and judgements described below, the valuation of inventory required significant audit attention.</p> <p>As disclosed in Note 4.5, inventory is held at the lower of cost and net realizable value determined using the moving average cost method / average cost-plus production overheads. At year end, the valuation of inventory is reviewed by management and the cost of inventory is reduced where inventory is forecast to be sold below cost.</p> <p>The determination of whether inventory will be realized for a value less than cost requires management to exercise judgement and apply assumptions. Management undertake the following procedures for determining the level of write down required:</p> <ul style="list-style-type: none"> <li>• Use inventory aging reports together with historical trends to estimate the likely future salability of slow-moving and older inventory items;</li> <li>• The Group reviews the carrying amount of inventories on a regular basis and provision is made for obsolescence if there is any change in usage pattern and physical form of related inventories.</li> </ul>	<p>Our audit procedures involved assessing the Group's accounting policies over existence and valuation of inventory in compliance with applicable accounting standards.</p> <ul style="list-style-type: none"> <li>• We tested the costing of the inventory and performed net realizable value testing to assess whether the cost of the inventory exceeds net realizable value.</li> <li>• We performed an analytical review of the inventory to compare and investigate any unexpected or unusual variation between current year and prior year and discuss these with management and also corroborate with underlying record.</li> <li>• We checked final stock valuation sheet to physical stock taking sheet to ensure that all items are included.</li> <li>• We reconciled final stock valuation sheet to general ledger and stock ledger and checked amount to appropriate sources and investigate unusual items.</li> <li>• We assessed the Group disclosures in the consolidated financial statements in respect of inventory.</li> <li>• We checked that the provision made is appropriate in the circumstances.</li> <li>• We assessed the Group's disclosures in the consolidated financial statements in respect of inventory.</li> </ul>



S. No	Key audit matters	How the matter was addressed in our audit
	<ul style="list-style-type: none"> <li>Perform a line-by-line analysis of remaining inventory to ensure it is stated at the lower of cost and net realizable value and a specific write down is recognized if required.</li> </ul>	<ul style="list-style-type: none"> <li>We checked that the provision made is appropriate in the circumstances.</li> <li>Attended the physical inventory count conducted by the Group, observed the count procedures, performed test counts on a sample basis, and assessed the appropriateness and reasonableness of management's process for ensuring completeness and accuracy of inventory records.</li> </ul>

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

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

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

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

### Responsibilities of Management and Board of Directors for the 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 is responsible for overseeing the Group's financial reporting process.

### Auditor's Responsibilities for the Audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

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

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

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

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

LAHORE

DATED: 03 OCT 2025

UDIN: AR202510131THImQJGR

*BDO Ebrahim & Co.*

BDO EBRAHIM & CO.  
CHARTERED ACCOUNTANTS



# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## AS AT JUNE 30, 2025

<b>ASSETS</b>	<b>Note</b>	<b>2025 (Rupees in thousand)</b>	<b>2024</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7	2,293,081	2,246,657
Equity - accounted investee - unlisted	9	51,239	48,871
Long term investment - FVOCI	10	51,437	25,174
Long term loans and advances	11	45,546	45,316
Long term deposits and prepayments	12	42,975	33,319
		<u>2,484,278</u>	<u>2,399,337</u>
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools	14	35,456	30,925
Stock in trade	15	1,540,911	1,396,960
Trade debts - unsecured	16	2,785,490	2,602,977
Loans and advances	17	255,044	243,947
Trade deposits and short term prepayments	18	54,552	35,526
Other receivables	19	136,767	39,251
Tax refund due from government	20	277,339	238,515
Short term investment	21	91,000	121,000
Cash and bank balances	22	296,659	66,960
		<u>5,473,218</u>	<u>4,776,061</u>
<b>TOTAL ASSETS</b>		<u>7,957,496</u>	<u>7,175,398</u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorised share capital	23	500,000	500,000
Issued, subscribed and paid-up share capital	23	245,516	245,516
Capital reserves			
Revaluation surplus on property, plant and equipment	24.3	1,393,090	1,437,720
Other reserves	24	63,126	47,575
		<u>1,456,216</u>	<u>1,485,295</u>
Revenue reserves			
General reserve	24	285,000	285,000
Accumulated profits	24	1,711,907	1,444,487
		<u>1,996,907</u>	<u>1,729,487</u>
<b>EQUITY ATTRIBUTABLE TO THE OWNERS OF THE COMPANY</b>		<u>3,698,639</u>	<u>3,460,298</u>
<b>NON-CONTROLLING INTERESTS</b>		6,556	7,749
<b>TOTAL EQUITY</b>		<u>3,705,195</u>	<u>3,468,047</u>
<b>NON-CURRENT LIABILITIES</b>			
Long term financing - secured	25	157,459	106,092
Long term diminishing musharaka	26	41,666	208,333
Deferred grant	27	12,058	17,524
Long term employee benefits	28	172,513	157,459
Deferred taxation - net	13	95,655	134,447
		<u>479,351</u>	<u>623,855</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	29	2,300,895	2,141,017
Current portion of long term financing	30	222,395	210,342
Unclaimed dividend		13,539	12,478
Accrued markup	31	34,650	50,024
Short term borrowings - secured	32	1,201,471	669,635
		<u>3,772,950</u>	<u>3,083,496</u>
<b>TOTAL LIABILITIES</b>		<u>4,252,301</u>	<u>3,707,351</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>7,957,496</u>	<u>7,175,398</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	33		

The annexed notes from 1 to 61 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 JUNE 30, 2025

	Note	2025 (Rupees in thousand)	2024
Revenue from contract with customers - net	34	8,944,694	8,543,907
Cost of sales	35	(7,090,689)	(6,822,579)
Gross profit		1,854,005	1,721,328
Selling and distribution expenses	36	(932,946)	(717,442)
Administrative and general expenses	37	(251,877)	(231,499)
Impairment loss charged during the year	16.3	(27,353)	(67,990)
Other operating expenses	38	(45,227)	(42,553)
		(1,257,403)	(1,059,484)
Profit from operations		596,602	661,844
Other income	39	92,388	68,694
		688,990	730,538
Finance cost	40	(224,036)	(304,626)
Share of loss of equity - accounted investee	9	(3,465)	(6,812)
Profit before income tax and levy		461,489	419,100
Levy	41	(3)	6,215
Profit before income tax		461,486	425,315
Taxation	42	(165,390)	(164,899)
Profit after taxation		296,096	260,416
Attributable to:			
Owners of the Company		297,289	260,768
Non-controlling interests		(1,193)	(352)
		296,096	260,416
Earnings per share - basic and diluted (Rupees)	43	12.11	10.62

The annexed notes from 1 to 61 form an integral part of these consolidated financial statements.

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

## FOR THE YEAR ENDED JUNE 30, 2025

	<b>Note</b>	<b>2025</b> <b>(Rupees in thousand)</b>	<b>2024</b>
Profit after taxation for the year		296,096	260,416
Other comprehensive income			
Items that will be reclassified subsequently to profit or loss		-	-
Items that will not be reclassified subsequently to statement of profit or loss			
Fair value gain on investment classified as FVOCI	10.2	26,263	4,928
Related deferred tax liability on fair value gain on investment classified as FVOCI		(10,712)	(13,558)
		15,551	(8,630)
Actuarial gain / (loss) on staff retirement benefits	28.1.3	17,874	(2,571)
Total comprehensive income for the year		<u>329,521</u>	<u>249,215</u>
Attributable to:			
Owners of the Company		330,714	249,567
Non-controlling interests		(1,193)	(352)
		<u>329,521</u>	<u>249,215</u>

The annexed notes from 1 to 61 form an integral part of these consolidated financial statements.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## FOR THE YEAR ENDED JUNE 30, 2025

Issued, subscribed and paid-up share capital	Reserves					Total equity attributable to owners of the Parent Company	Non controlling Interests	Total	
	Capital reserves		Revenue reserves						
	Revaluation surplus on property, plant and equipment	Share premium	Fair value reserve	General reserve	Accumulated profits				
(Rupees in thousand)									
Balance as at June 30, 2024	245,516	1,495,613	34,086	22,119	285,000	1,128,397	3,210,731	8,101	3,218,832
Total comprehensive income for the year ended June 30, 2024	-	-	-	-	-	260,768	260,768	(352)	260,416
Profit after taxation for the year	-	-	-	-	-	-	-	-	-
Other comprehensive income for the year	-	-	-	-	-	-	-	-	-
- Fair value loss on investment classified as FVOCI	-	-	-	(8,630)	-	-	(8,630)	-	(8,630)
- Actuarial loss on staff retirement benefits	-	-	-	-	-	(2,571)	(2,571)	-	(2,571)
Total comprehensive income for the year	-	-	-	(8,630)	-	258,197	249,567	(352)	249,215
Transfer of incremental depreciation from revaluation surplus on property, plant and machinery - net of tax	-	(57,893)	-	-	-	57,893	-	-	-
Balance as at June 30, 2024	245,516	1,437,720	34,086	13,489	285,000	1,444,487	3,460,298	7,749	3,468,047
Total comprehensive income for the year ended June 30, 2024	-	-	-	-	-	297,289	297,289	(1,193)	296,096
Profit after taxation for the year	-	-	-	-	-	-	-	-	-
Other comprehensive income for the year	-	-	-	-	-	-	-	-	-
- Fair value gain on investment classified as FVOCI	-	-	-	15,551	-	-	15,551	-	15,551
- Actuarial gain on staff retirement benefits	-	-	-	-	-	17,874	17,874	-	17,874
Total comprehensive income for the year	-	-	-	15,551	-	315,163	330,714	(1,193)	329,521
Transfer of incremental depreciation from revaluation surplus on property, plant and machinery - net of tax	-	(50,463)	-	-	-	50,463	-	-	-
Share of revaluation surplus of associated company	-	5,833	-	-	-	-	5,833	-	5,833
Transactions with the owners of the Company	-	-	-	-	-	-	-	-	-
Final cash dividend for the year ended June 30, 2024 @ Rs. 4 per share	-	-	-	-	-	(98,206)	(98,206)	-	(98,206)
	-	(44,630)	-	-	-	(47,743)	-	-	(92,373)
Balance as at June 30, 2025	245,516	1,393,090	34,086	29,040	285,000	1,711,907	3,698,639	6,556	3,705,195

The annexed notes from 1 to 61 form an integral part of these consolidated financial statements.

Chief Financial Officer

Chief Executive

Director

# CONSOLIDATED STATEMENT OF CASH FLOWS

## FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 (Rupees in thousand)	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net cash flows from operating activities before working capital changes	45	902,934	1,032,789
<b>Increase in current assets:</b>			
Stores, spare parts and loose tools		(4,531)	(584)
Stock-in-trade		(75,367)	59,387
Trade debts - unsecured		(209,866)	(753,142)
Loans and advances		(11,097)	14,147
Trade deposits and short term prepayments		(19,026)	(3,662)
Other receivables		(97,516)	23,048
		(417,403)	(660,806)
<b>Increase in current liabilities:</b>			
Trade and other payables		165,484	101,015
<b>Cash generated from operations</b>		651,015	472,998
Finance cost paid		(240,474)	(291,841)
Taxation - net		(253,718)	(170,856)
Long term employee benefit paid		(13,238)	(32,129)
Workers' Profit Participation Fund paid		(24,533)	(17,879)
Workers' Welfare Fund paid		(7,504)	(7,954)
Long term loans - net		(230)	18,207
Long term deposits - net		(9,656)	(4,586)
		(549,353)	(507,038)
Net cash generated from / (used in) operating activities		101,662	(34,040)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure incurred		(252,252)	(174,826)
Proceeds from disposal of property, plant and equipment		8,707	12,426
Mark-up received on term deposit and long term loan		21,698	36,910
Proceeds from / (investment made) short term investments		30,000	(40,000)
Net cash used in investing activities		(191,847)	(165,490)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of long term financing - net		51,860	(10,033)
Payments of long term diminishing musharaka		(166,667)	(125,000)
Dividend paid		(97,145)	(628)
Net cash used in financing activities		(211,952)	(135,661)
Net decrease in cash and cash equivalents		(302,137)	(335,191)
Cash and cash equivalents at beginning of the year		(602,675)	(267,484)
Cash and cash equivalents at end of the year	44	(904,812)	(602,675)

The annexed notes from 1 to 61 form an integral part of these consolidated financial statements.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED JUNE 30, 2025

### 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

### 2 GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS UNITS

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

The registered office of the Parent Company is situated at 28-KM Multan Road, Lahore which is its only manufacturing facility.

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

**2.1** Berger Paints Pakistan Limited (the Parent Company) was incorporated in Pakistan on 25 March 1950 as a Private Limited Company under the Companies Act 1913 (now Companies Act, 2017) and was subsequently converted into a Public Limited Company. The Parent Company is listed on the Pakistan Stock Exchange (PSX). The principle business activity of the Company is manufacturing and trading of paints, varnishes and other related items. Slotrapid Limited, based in British Virgin Island is the Holding Company. The aggregate percentage of holding is 52.05%. The registered office of the Parent Company and its only manufacturing facility is located at 28-KM Multan Road, Lahore.

The Parent Company owns 51 percent of the share capital of Berger DPI (Private) Limited who in turn holds 100 percent share capital of the Berger Road Safety (Private) Limited. The Group is a subsidiary of Slotrapid Limited British Virgin Islands (the Holding Company).

Following is the pertinent information related to the Holding Company:

Particulars	Related information
Registered address	Suit # 1 Akara Building, 24 De-Cantro Street, Wickham Cay 1, Road Town, Tortola, British Virgin Island.



Particulars	Related information
Principle officer - President / Director	Vernon Emmanuel Salazar Zurita
Aggregate Percentage of holding	52%
Operational status	Active

Auditor's opinion on latest financial statements of the Holding Company is not available as the country of incorporation does not have any such statutory requirement.

### 3 BASIS OF PREPARATION

#### 3.1 Consolidated financial statements

These consolidated financial statements comprise the financial statements of the Parent Company and its subsidiary companies as at June 30, 2025.

##### (a) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which the control ceases.

The financial statements of the subsidiary companies have been consolidated on a line-by-line basis and the carrying values of the investments held by the Group have been eliminated against the shareholders' equity in the subsidiary companies.

The financial statements of the subsidiaries are prepared for the same reporting year as the Parent Company, using consistent accounting policies.

All intragroup balances, transactions, income and expenses and profits or losses resulting from intragroup transactions that are recognised in assets, are eliminated in full.

The subsidiaries are fully consolidated from the date of acquisition, being the date on which the group obtains control, and continue to be consolidated until the date that such control ceases.

##### (b) Non-controlling interest

Non-controlling interest is that part of net results of operations and of net assets of the subsidiaries which are not owned by the Group. Non-controlling interest is presented as a separate item in the consolidated financial statements.

NCI are measured initially at their proportionate share of acquiree's identifiable net assets at the date of acquisition. The Group applies a policy of treating transactions with non-controlling interests as transactions with parties external to the Group. Disposals to non-controlling interests result in gains and losses for the Group and are recorded in the consolidated statement of profit or loss.

##### (c) Interests in equity - accounted investees

The Group's interests in equity- accounted investees comprise interests in associates.

Associates are all entities over which the Group has significant influence but not control, or joint control over the financial and operating policies. The Group's share of its associate's post-acquisition profit or loss is recognised in the consolidated statement of profit or loss, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

### 3.2 Statement of compliance

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

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

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

### 3.3 Basis of measurement

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

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

### 3.4 Functional and presentation currency

These consolidated financial statements are presented in Pakistan Rupees (Rs.), which is the Group's functional and presentation currency.

## 4 APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS

### 4.1 New accounting standards, amendments and IFRS interpretations that are effective for the period ended June 30, 2025

The following standards, amendments and interpretations are effective for the period ended June 30, 2025. These standards, amendments and interpretations are either not relevant to the Group's operations or did not have significant impact on the financial statements other than certain additional disclosures.

	<b>Effective date (annual periods beginning on or after)</b>
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2024

**Effective date  
(annual periods  
beginning on or  
after)**

Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements January 01, 2024

Certain annual improvements have also been made to a number of IFRSs.

## **4.2 New accounting standards, amendments and interpretations that are not yet effective**

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

**Effective date  
(annual periods  
beginning on or  
after)**

Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding the classification and measurement of financial instruments January 01, 2026

Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments January 01, 2026

Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability January 01, 2026

Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs) January 01, 2026

Amendments to IFRS 9 'Financial Instruments' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs) January 01, 2026

Amendments to IFRS 9 'Financial Instruments' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs) January 01, 2026

IFRS 17 Insurance Contracts January 01, 2027

Certain annual improvements have also been made to a number of IFRSs and IASs.

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

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

IFRS 19 'Subsidiaries without Public Accountability: Disclosures' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)

IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023. However SECP has notified the timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2027.

## 5 MATERIAL ACCOUNTING POLICIES

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

### 5.1 Property, plant and equipment

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

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

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

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

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

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

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

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

#### Right-of-use asset and Lease liability

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

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

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

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

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

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

#### **Short-term leases and leases of low-value assets**

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

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

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

#### **Capital work in progress**

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

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

## 5.2 Intangible assets

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

### 5.2.1 Computer software

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

Amortization on assets with finite useful life is charged to consolidated statement of profit or loss on straight line basis so as to write off the cost of an asset over its estimated useful life. Amortization on addition is charged from the month in which the asset is acquired or capitalized while no amortization is charged for the month in which the asset is disposed off. Amortization is being charged at annual rates as specified in note 8.

### 5.2.2 Goodwill acquired in business combinations

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

## 5.3 Impairment

Goodwill and intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

## 5.4 Stores, spare parts and loose tools

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

## 5.5 Stock in trade

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

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

Raw materials, packing materials and semi-

processed goods	Moving weighted average cost
Finished goods	Moving weighted average manufacturing cost
Finished goods purchased for resale	Moving weighted average cost
Stock in transit	Invoice value plus other charges paid thereon up to the reporting date

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

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

## **5.6 Trade debts and other receivables**

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

## **5.7 Cash and cash equivalents**

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

## **5.8 Financial instruments**

### **5.8.1 Classification and measurement of financial assets and financial liabilities**

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

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

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

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

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

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

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

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

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

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

**i) Financial assets at FVTPL**

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

**ii) Financial assets at amortised cost**

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

**iii) Debt investments at FVOCI**

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

**iv) Equity investments at FVOCI**

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

**5.8.2 Impairment**

The Group recognizes loss allowances for ECLs on:

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

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

Additional information about how the Group measures allowance for impairment is detailed in note 48.1.3.4 of the consolidated financial statements.



### 5.8.3 Derecognition

#### Financial assets

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

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

#### Financial liabilities

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

### 5.8.4 Offsetting

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

### 5.9 Impairment of non-financial assets

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

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

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

## 5.10 Provisions

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

## 5.11 Contingent assets

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

## 5.12 Contingent liabilities

A contingent liability is disclosed when:

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

## 5.13 Revenue recognition

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

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

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

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

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

**a) Sale of goods**

Revenue is recognized when (or as) the entity satisfies performance obligation by transferring control of a promised goods or services to the customer (i.e. after obtaining customer acknowledgment at the time of delivery of goods). Transfer of control over goods and services to customer in most situations is considered to be the main indicator of the customer's ability to direct the use of and obtain the benefits from the asset and largely also coincides with the physical transfer of the goods and the obligation of the customer to pay. In case of expected returns, no revenue is recognized for such products.

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

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

**b) Other**

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

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

**5.14 Financial expenses**

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

**5.15 Contract liabilities**

A contract liability is the obligation of the Group to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs under the contract.

**5.16 Taxation**

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

**Current tax**

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

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

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

## **Deferred tax**

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

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

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

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

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

### **5.17 Levy**

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

### **5.18 Borrowings**

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

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

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

### **5.19 Trade and other payables**

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

### **5.20 Employee benefits**

**5.20.1 Short term employee benefits**

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

**5.20.2 Defined benefit plan**

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

- a) An approved and funded pension scheme for all executives; and
- b) An approved and funded gratuity scheme for all its permanent employees.

**Pension scheme**

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

**Gratuity scheme**

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

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

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

**5.20.3 Defined contribution plan****Provident fund**

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

**5.20.4 Other long term benefits - Accumulated compensated absences**

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

The Group uses the actuarial valuations carried out using the projected unit credit method for valuation of its accumulated compensated absences. Provisions are made annually to cover the obligation for accumulating compensated absences based on actuarial valuation and are charged to profit or loss. The amount recognised

in the consolidated statement of financial position represents the present value of the defined benefit obligation. Actuarial gains and losses are charged to the profit or loss immediately in the year when these occur.

#### **5.20.5 Other employee benefits**

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

#### **5.21 Foreign currency transactions and translation**

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

#### **5.22 Dividends and appropriations to general reserve**

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

#### **5.23 Share capital**

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

#### **5.24 Earnings per share (EPS)**

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

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

#### **5.25 Capital reserves - Share premium**

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

#### **5.26 Related party transactions**

Transactions and contracts with the related parties are based on the policy approved by the Board.

#### **5.27 Borrowing costs**

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

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

## 5.28 Government grants

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

## 5.29 Segment reporting

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

## 5.30 Loans, advances, deposits, prepayments and other receivables

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

## 6 USE OF JUDGMENTS AND ESTIMATES

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

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

	Note
- Property, plant and equipment	5.1
- Stores, spare parts and loose tools	5.4
- Stock in trade	5.5
- Trade debts - unsecured	5.6
- Impairment of cash generating unit	5.9
- Contingencies	5.11 & 5.12
- Recoverability of deferred tax assets	5.16
- Taxation	5.16
- Long term employee benefits	5.20
- Provisions	5.10

**a) Income taxes**

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

**b) Defined benefit plan**

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

**c) Property, plant and equipment**

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

Any change in the estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding effect on the depreciation charge and impairment. As explained in note 7 to these consolidated financial statements, the Group has revalued its free hold land as on June 30, 2023.

**d) Stores and spares**

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

**e) Financial instrument**

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

**f) Provision for doubtful receivables**

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

**g) Fair value measurement**

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

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

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



**h) Provision and contingencies**

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

**i) Impairment of assets**

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

**j) Stock-in-trade**

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

**7 PROPERTY, PLANT AND EQUIPMENT**

		<b>2025</b>	<b>2024</b>
	<b>Note</b>	<b>(Rupees in thousand)</b>	
Operating fixed assets	7.1	2,017,341	2,013,599
Capital work in progress	7.2	71,056	22,383
Right-of-use-asset	7.3	204,684	210,675
		<u>2,293,081</u>	<u>2,246,657</u>

## 7.1 Operating fixed assets

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

Description	Freehold land	Buildings on freehold land	Buildings on leasehold land	Plant and machinery	Laboratory equipment	Electric fittings	Computer and related accessories	Office equipment	Furniture and fixtures	Vehicles		Total
										Owned	Diminishing musharaka	
(Rupees in thousand)												
Net carrying value basis												
Year ended June 30, 2025												
Opening net book value (NBV)	1,064,285	381,004	23,642	306,480	18,784	93,316	5,439	13,358	5,870	97,116	4,305	2,013,599
Additions (at cost)	-	33,890	-	59,406	2,747	1,043	4,081	2,159	-	29,691	70,545	203,562
Disposals (at NBV)	-	-	-	-	-	-	-	-	-	(951)	-	(951)
Impairment	-	-	-	(173)	-	-	-	-	(27)	-	-	(201)
Depreciation charge for the year	-	(44,994)	(4,266)	(80,818)	(4,409)	(15,771)	(2,831)	(2,947)	(1,811)	(31,325)	(9,496)	(198,668)
Closing net book value	1,064,285	369,900	19,376	284,895	17,122	78,588	6,688	12,570	4,032	94,531	65,354	2,017,341
Gross carrying value basis												
Year ended June 30, 2025												
Cost / revalued amount	1,064,285	535,110	47,941	648,300	62,881	187,617	46,014	36,406	31,967	224,264	74,998	2,959,783
Accumulated depreciation and impairment losses	-	(165,210)	(28,565)	(363,405)	(45,759)	(109,029)	(39,326)	(23,836)	(27,935)	(129,693)	(9,644)	(942,402)
Net book value (NBV)	1,064,285	369,900	19,376	284,895	17,122	78,588	6,688	12,570	4,032	94,571	65,354	2,017,381
Net carrying value basis												
Year ended June 30, 2024												
Opening net book value (NBV)	1,064,285	378,054	27,911	403,718	20,864	105,381	4,454	15,252	7,992	61,028	-	2,088,939
Additions (at cost)	-	45,000	-	6,987	2,421	4,027	3,179	912	-	69,345	4,453	136,324
Disposals (at NBV)	-	-	-	-	-	-	-	-	-	(7,530)	-	(7,530)
Depreciation charge for the year	-	(42,050)	(4,269)	(104,225)	(4,501)	(16,092)	(2,194)	(2,806)	(2,122)	(25,727)	(148)	(204,134)
Closing net book value	1,064,285	381,004	23,642	306,480	18,784	93,316	5,439	13,358	5,870	97,116	4,305	2,013,599
Gross carrying value basis												
Year ended June 30, 2024												
Cost / revalued amount	1,064,285	501,220	47,941	588,894	60,134	186,574	41,933	34,247	31,967	195,524	4,453	2,757,172
Accumulated depreciation and impairment losses	-	(120,216)	(24,299)	(282,414)	(41,350)	(93,258)	(36,494)	(20,889)	(26,097)	(98,408)	(148)	(743,573)
Net book value (NBV)	1,064,285	381,004	23,642	306,480	18,784	93,316	5,439	13,358	5,870	97,116	4,305	2,013,599
Useful life	-	20	10 - 20	2 - 13	10	4 - 10	4	4 - 10	10	5	5	

**7.1.1** Plant and machinery includes a 750-KVA generator which has been obtained under diminishing musharakah facility from the First Habib Modaraba amounting to Rs. 31.5 million.

## 7.1.2 Disposal of operating assets:

Particulars of assets	Sold to		Relationship with the Company	Cost	Accumulated depreciation	Book value	Sale proceeds	Gain / (loss)	Mode of disposal
	Name								
2025									
Motor vehicles									
Toyota Yaris-ADE-587	Waleed Minhas		Employee	2,853	1,902	951	2,557	1,606	Company policy
Suzuki Cultus-LEC-14-694	Rana M. Saleem		3rd Party	1,056	1,056	-	1,212	1,212	Auction
Toyota Altis AGJ-17-075	Usman Adeel		Employee	2,533	2,533	-	633	633	Company policy
Toyota Altis-LEF-19-8261	Shahid Nizami		Employee	2,706	2,706	-	625	625	Company policy
Plant and machinery									
Generator	Ammer Co International		3rd Party	6,661	6,661	-	3,680	3,680	Auction
				15,809	14,858	951	8,707	7,756	
2024									
Motor vehicles									
Toyota Fortuner BK-4927	Jubilee General Insurance		Insurance claim	10,437	3,479	6,958	11,000	4,042	Insurance claim
Suzuki Swift LEA-16A-6971	Mr. Babar Altaf		Employee	1,025	1,025	-	265	265	Company policy
Honda City LEB-16-9186	Mr. Nauman Afzal		Employee	183	125	58	455	397	Company policy
Toyota Yaris AAR-895	Mr. Riaz		Employee	155	65	91	269	178	Company policy
Toyota Altis AKD-707	Mr. Tahir Ali Bangash		Employee	619	196	423	437	14	Company policy
				12,419	4,890	7,530	12,426	4,896	

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

	Notes	2025 (Rupees in thousand)	2024
Freehold land		207,183	207,183
Leasehold land		3,193	3,287
Buildings on freehold land		172,515	148,023
Buildings on leasehold land		25,713	33,184
Plant and machinery		81,644	62,759
		<u>490,248</u>	<u>454,436</u>

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

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

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

**7.1.6 Particulars of immovable fixed assets**

Freehold lands of the Group are located at 28-Km, Multan Road, Lahore, measuring 128.9 Kanals, Quaid-e-Azam Industrial Estate, Kot-Lakhat, Lahore, measuring 4.04 Kanals and Lodhi Colony, Multan measuring 2.65 Kanals.

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

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

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

Cost of sales	35	142,575	166,199
Selling and distribution expenses	36	39,246	30,510
Administrative and general expenses	37	22,855	13,416
	7.1.9	<u>204,676</u>	<u>210,125</u>

**7.1.8** The cost of fully depreciated assets which are still in use is Rs. 147.76 million (2024: Rs. 128.747 million).

**7.1.9** This includes depreciation on lease hold land amounting to Rs. 5.99 million (2024: Rs. 5.99 million) charged to selling and distribution expenses.

- 7.1.9** Fair value measurement level and valuation techniques used to determine fair value has been disclosed in the note 48.2 to these consolidated financial statements.

	Note	2025 (Rupees in thousand)	2024
<b>7.2 Capital work in progress</b>			
This comprises of:			
Civil works		43,520	13,695
Plant and machinery		25,034	8,488
Electrical installations		239	-
Furnitures and fixtures		91	91
Office equipments		556	109
Computers and related accessories		133	-
Laboratory equipment		1,483	-
	7.2.1	<u>71,056</u>	<u>22,383</u>

**7.2.1 Movement of carrying value is as follows:**

Description	Civil works	Plant and machinery	Electrical installations	Furnitures and fixtures	Office equipments	Computers and related accessories	Laboratory equipment	Total
(Rupees in thousand)								
<b>Year ended June 30, 2025</b>								
Opening balance	13,695	8,488	-	91	109	-	-	22,383
Additions (at cost)	63,715	75,952	1,282	-	2,606	4,124	4,230	151,909
Transferred to operating fixed assets	(33,890)	(59,406)	(1,043)	-	(2,159)	(3,991)	(2,747)	(103,236)
Closing balance	<u>43,520</u>	<u>25,034</u>	<u>239</u>	<u>91</u>	<u>556</u>	<u>133</u>	<u>1,483</u>	<u>71,056</u>
<b>Year ended June 30, 2024</b>								
Opening balance	-	-	1,864	-	-	-	-	1,864
Additions (at cost)	58,695	15,475	2,163	91	1,021	3,179	2,421	83,045
Transferred to operating fixed assets	(45,000)	(6,987)	(4,027)	-	(912)	(3,179)	(2,421)	(62,526)
Closing balance	<u>13,695</u>	<u>8,488</u>	<u>-</u>	<u>91</u>	<u>109</u>	<u>-</u>	<u>-</u>	<u>22,383</u>

	Note	2025 (Rupees in thousand)	2024
<b>7.3 Right-of-use-asset</b>			
Opening net book value		210,675	216,666
Depreciation charge for the year		<u>(5,991)</u>	<u>(5,991)</u>
Closing net book value		<u>204,684</u>	<u>210,675</u>

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

**8 INTANGIBLE ASSETS**

Computer software	8.1	<u>-</u>	<u>-</u>
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**8.1 Computer software**

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

	Note	2025 (Rupees in thousand)	2024
<b>Cost</b>			
As at July 01		33,410	33,410
Additions during the year		-	-
As at June 30		33,410	33,410
<b>Accumulated amortization</b>			
As at July 01		33,410	33,410
Amortization during the year		-	-
As at June 30		33,410	33,410
Balance as at June 30		-	-
Rate of amortization		33.33%	33.33%

## 9 EQUITY - ACCOUNTED INVESTEE - UNLISTED

### Cost of investment - 3S Pharmaceutical (Private) Limited

392,000 (2024: 392,000) fully paid ordinary shares of Rs. 100 each	68,599	68,599
Add: Right shares issued during the year	-	-

### Share of loss

As at July 01	(13,354)	(6,542)
Share of loss for the year	(3,465)	(6,812)
	(16,819)	(13,354)

### Share of other comprehensive income

As at July 01	9,540	9,540
Share of OCI	5,833	-
	15,373	9,540
Less: Accumulated impairment	(15,914)	(15,914)
Carrying value of investment as at June 30	51,239	48,871

**9.1** This represents the Parent Company's share of the revaluation surplus of the associated company as at June 30, 2025.

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

**9.3** Summarised financial information in respect of equity - accounted investee on the basis of its separate financial statements for the year ended June 30, 2025 and June 30, 2024 are set out below:

	Note	2025 (Rupees in thousand)	2024
Non current assets		96,004	75,428
Current assets		26,267	36,561
Non current liabilities		(6,949)	(9,719)
Current liabilities		(120)	(2,533)
Net assets - 100%		115,202	99,737
Percentage ownership interest		49.00%	49.00%
Group's share of net assets		56,449	48,871
Goodwill		9,860	9,860
Other adjustment		844	844
		67,153	59,575
Accumulated impairment of the investment		(15,914)	(15,914)
		<u>51,239</u>	<u>43,661</u>
Revenue		<u>712</u>	<u>4,211</u>
Loss for the year from operations		<u>(7,151)</u>	<u>(13,902)</u>
Group's share of income - post acquisition		<u>(1,446)</u>	<u>(3,814)</u>

	Note	2025 (Rupees in thousand)	2024
<b>10 LONG TERM INVESTMENT - FVOCI</b>			
Investment in equity instrument classified as FVOCI		<u>51,437</u>	<u>25,174</u>
<b>Buxly Paints Limited - listed</b>			
Cost		3,830	3,830
Fair value adjustment	10.2	<u>47,607</u>	<u>21,344</u>
		<u>51,437</u>	<u>25,174</u>

- 10.1** The Company owns 273,600 (2024: 273,600) fully paid ordinary shares of Rs. 10 each representing 19.00% (2024: 19.00%) investment of total shares in Buxly Paints Limited. As at year end, the market value of each share was Rs. 188 (2024: Rs. 92.01).

**10.2 Fair value adjustment**

As at July 01	21,344	16,416
Fair value gain	<u>26,263</u>	<u>4,928</u>
As at June 30	<u>47,607</u>	<u>21,344</u>

			2025 (Rupees in thousand)	2024
	Note			
<b>11</b>	<b>LONG TERM LOANS AND ADVANCES</b>			
Unsecured				
Considered good				
Loans to employees	11.1	12,850	27,333	
Long term advances	11.2	32,696	17,983	
		<u>45,546</u>	<u>45,316</u>	
Opening balance		48,037	66,244	
Disbursements during the year		3,890	4,904	
Repayments during the year		<u>(21,975)</u>	<u>(23,111)</u>	
		29,952	48,037	
Discounting adjustment for recognition at fair value				
- deferred employee benefits	12	<u>(14,560)</u>	<u>(16,085)</u>	
Closing balance		15,392	31,952	
Current portion shown under current assets	17	<u>(2,542)</u>	<u>(4,619)</u>	
		<u>12,850</u>	<u>27,333</u>	

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

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

**11.3** This represents advances given to various suppliers for capital expenditure.

			2025 (Rupees in thousand)	2024
	Note			
<b>12</b>	<b>LONG TERM DEPOSITS AND PREPAYMENTS</b>			
Deposits - unsecured				
- Considered good		28,415	17,234	
- Considered doubtful	12.1	<u>5,287</u>	<u>5,287</u>	
		33,702	22,521	
Prepaid employee benefits	11	14,560	16,085	
Less: Allowance for doubtful deposits	12.1	<u>(5,287)</u>	<u>(5,287)</u>	
	12.2	<u>42,975</u>	<u>33,319</u>	
<b>12.1</b>	<b>Movement in allowance for doubtful deposits is as follows:</b>			
Balance as at July 01		5,287	852	
Charged during the year		-	4,435	
Balance as at June 30		<u>5,287</u>	<u>5,287</u>	

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



		2025 (Rupees in thousand)	2024 (Rupees in thousand)
<b>13</b>	<b>DEFERRED TAXATION - NET</b>		
	Deferred tax liability on taxable temporary differences arising in respect of		
	- Accelerated tax depreciation	44,012	47,765
	- Surplus on revaluation of fixed assets	(206,760)	(234,997)
		(162,748)	(187,232)
	- Fair value gain on investment classified as FVOCI	-	-
	Deferred tax asset on deductible temporary differences arising in respect of:		
	- Impairment allowance on financial assets	65,834	51,506
	- Investment in related parties	9,045	4,754
	- Fair value loss on investment classified as FVOCI	(18,567)	(7,855)
	- Provision for slow moving stock	10,781	4,380
		67,093	52,785
		(95,655)	(134,447)
		<b>2025</b>	<b>2024</b>
		<b>(Rupees in thousand)</b>	
	<b>Note</b>		
<b>13.1</b>	<b>Movement in deferred tax balances is as follows:</b>		
	As at July 01	(134,447)	(104,450)
	Recognized in profit or loss:		
	- Accelerated tax depreciation including surplus on revaluation of fixed assets	24,484	6,440
	- (Reversal) / charge of impairment allowance on financial assets	14,328	(19,942)
	- Investment in related parties	4,291	3,263
	- Provision for slow moving stock	6,401	(6,200)
		49,504	(16,439)
	Recognized in other comprehensive income:		
	- Fair value gain on investment classified as FVOCI	(10,712)	(13,558)
	As at June 30	(95,655)	(134,447)
<b>14</b>	<b>STORES, SPARE PARTS AND LOOSE TOOLS</b>		
	Stores in hand	35,456	30,925
	Less: Provision for slow moving and obsolete stores and spares - net	14.1	
		-	-
		35,456	30,925
<b>14.1</b>	<b>Provision for slow moving and obsolete stores, spare parts and loose tools</b>		
	Balance at beginning of the year	-	2,377
	Provision charged during the year	-	1,773
	Stores written-off against provision	-	(4,150)
	Balance at end of the year	-	-

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

		<b>2025</b>	<b>2024</b>
	<b>Note</b>	<b>(Rupees in thousand)</b>	
<b>15</b>	<b>STOCK IN TRADE</b>		
Raw and packing materials			
- in hand		568,796	496,612
- in transit		260,981	171,249
		<u>829,777</u>	<u>667,861</u>
Semi processed goods		156,317	168,032
Finished goods			
- Manufactured	15.1	544,250	576,086
- Trading		38,211	81,209
		<u>582,461</u>	<u>657,295</u>
		<u>1,568,555</u>	<u>1,493,188</u>
Provision for slow moving and obsolete stocks	15.2		
		(15,174)	(18,271)
- Semi processed goods		(3,358)	(4,401)
- Finished goods		(9,112)	(73,556)
		<u>(27,644)</u>	<u>(96,228)</u>
		<u>1,540,911</u>	<u>1,396,960</u>
<b>15.1</b>	Aggregate stocks with a cost of Rs. 35.20 million (2024: Rs. 13.81 million) are being valued at net realizable value of Rs. 32.21 million (2024: Rs. 9.79 million).		
<b>15.2</b>	<b>Provision for slow moving and obsolete stocks</b>		
As at the beginning of year		96,228	114,782
Provision made during the year		18,130	4,997
Reversal during the year		(4,140)	-
Write off during the year		(82,574)	(23,551)
As at year end		<u>27,644</u>	<u>96,228</u>
<b>15.3</b>	The cost of stock in trade recognised as an expense amounted to Rs. 5,948 million (2024: Rs. 5,681 million).		
<b>15.4</b>	Stock-in-trade up to a maximum amount of Rs. 4,474 million (2024: Rs. 4,206 million) are under hypothecation of commercial banks as security for short term borrowings.		

			2025 (Rupees in thousand)	2024 (Rupees in thousand)
16	TRADE DEBTS - UNSECURED	Note		
	Considered good			
	Related parties	16.1 & 16.2	354,445	275,778
	Others		2,650,300	2,544,034
			<u>3,004,745</u>	<u>2,819,812</u>
	Considered doubtful			
	Related parties	16.1 & 16.2	7,608	9,314
	Others		103,926	86,850
			<u>111,534</u>	<u>96,164</u>
	Allowance for expected credit losses	16.3	(123,517)	(96,164)
	Provision for discounts	16.4	(207,272)	(216,835)
			<u>(330,789)</u>	<u>(312,999)</u>
			<u>2,785,490</u>	<u>2,602,977</u>
16.1	Trade debts include the following amounts due from the following related parties:			
	Buxly Paints Pakistan Limited - related party	16.1.1	<u>362,053</u>	<u>285,092</u>
16.1.1	Maximum aggregate balance due from the related party at the end of any month during the year was Rs. 362.05 million (2024: Rs. 285.092 million).			
16.1.2	The Group has recognized impairment allowance on these balances as at June 30, 2025 amounting to Rs. 7.61 million (2024: Rs. 9.31 million).			
			2025 (Rupees in thousand)	2024 (Rupees in thousand)
16.2	Aging of related party balances	Note		
	Considered good			
	0 - 30 days		43,867	153,654
	Considered doubtful			
	31 - 60 days		55,837	31,906
	61 - 90 days		14,091	27,626
	91 - 120 days		67,646	31,107
	121 - 180 days		85,251	40,799
	181 - 364 days		95,361	-
			<u>362,053</u>	<u>285,092</u>
16.3	Movement in allowance for expected credit losses			
	Balance as at July 01		96,164	153,393
	Provision for the year		27,353	67,990
	Bad debts written off		-	(125,219)
	Balance as at June 30		<u>123,517</u>	<u>96,164</u>

			2025 (Rupees in thousand)	2024 (Rupees in thousand)
	Note			
<b>16.4</b>	<b>Provision for discounts</b>			
		Balance at beginning of the year	216,835	138,588
	34	Charge for the year - net	2,642,903	2,218,673
		Discounts paid during the year	(2,652,466)	(2,140,426)
		Balance at end of the year	<u>207,272</u>	<u>216,835</u>
<b>17</b>	<b>LOANS AND ADVANCES</b>			
		Current portion of long term loans:		
		Due from employees		
		- secured, considered good	1,009	3,086
		- considered doubtful	1,533	1,533
	11		<u>2,542</u>	<u>4,619</u>
	17.1	Less: Impairment allowance	<u>(1,533)</u>	<u>(1,533)</u>
			1,009	3,086
		Advances - unsecured, considered good:		
		- employees	1,242	5,335
		- suppliers	252,793	235,526
			<u>254,035</u>	<u>240,861</u>
			<u>255,044</u>	<u>243,947</u>
	Note		2025 (Rupees in thousand)	2024 (Rupees in thousand)
<b>17.1</b>	<b>Movement in impairment allowance is as follows:</b>			
		Balance as at July 01	1,533	1,533
		Charged during the year	-	-
		Balance as at June 30	<u>1,533</u>	<u>1,533</u>
<b>18</b>	<b>TRADE DEPOSITS AND SHORT TERM PREPAYMENTS</b>			
		Trade deposits		
		- considered good	35,171	22,209
		- considered doubtful	10,515	11,390
			<u>45,686</u>	<u>33,599</u>
	18.1	Less: Impairment allowance	<u>(10,515)</u>	<u>(11,390)</u>
			35,171	22,209
		Short term prepayments	19,381	13,317
			<u>54,552</u>	<u>35,526</u>
<b>18.1</b>	<b>Movement in impairment allowance is as follows:</b>			
		Balance as at July 01	11,390	11,390
		Provision made during the year	(875)	-
		Balance as at June 30	<u>10,515</u>	<u>11,390</u>

		2025	2024
	Note	(Rupees in thousand)	
<b>19 OTHER RECEIVABLES</b>			
LC margin		18,236	22,848
Sales tax		74,652	-
Receivable from related parties	19.1	33,296	2,512
Export rebate		12,665	10,565
Provision against export rebate	19.5	(9,736)	(9,736)
		2,929	829
Accrued interest		5,600	10,760
Insurance claim receivable			
- considered good		681	681
- considered doubtful		-	911
		681	1,592
Less: Impairment allowance	19.2	-	(911)
		681	681
Others		740	1,621
Due from provident fund	19.6	633	-
		<u>136,767</u>	<u>39,251</u>

		2025	2024
	Note	(Rupees in thousand)	
<b>19.1 Other receivables include the following amounts due from the following related parties:</b>			
Buxly Paints Pakistan Limited	19.1.1	31,697	-
3S Pharmaceutical (Private) Limited - related party	19.1.2	7,288	5,824
	19.1.3	38,985	5,824
Less: Impairment allowance	19.4	(5,689)	(3,312)
		<u>33,296</u>	<u>2,512</u>

**19.1.1** Maximum aggregate balance due from the related party at the end of any month during the year was Rs. 31.69 million (2024: Nil).

**19.1.2** Maximum aggregate balance due from the related party at the end of any month during the year was Rs. 7.54 million. (2024: Rs. 5.82 million).

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

**19.2 Movement in impairment allowance is as follows:**

Balance as at July 01	-	-
Provision made during the year	-	911
Balance as at June 30	<u>-</u>	<u>911</u>

			2025	2024
	Note		(Rupees in thousand)	
<b>19.3</b>	<b>Aging of related party balances</b>			
		Past due 0 - 30 days	3,838	582
		Past due 31 - 60 days	3,779	-
		Past due 61 - 90 days	2,519	1,398
		Past due 91 - 120 days	3,970	408
		Past due 121 - 180 days	7,241	291
		Past due 181 - 364 days	15,776	-
		Past due over one year	1,862	3,145
			<u>38,985</u>	<u>5,824</u>
<b>19.4</b>	<b>Movement in impairment allowance is as follows:</b>			
		Balance as at July 01	3,312	5,217
		Charged / (recovered) during the year	2,377	(1,905)
		Balance as at June 30	<u>5,689</u>	<u>3,312</u>
<b>19.5</b>	<b>Movement in provision against export rebate is as follows:</b>			
		Balance as at July 01	9,736	9,736
		Provision for the year	-	-
		Balance as at June 30	<u>9,736</u>	<u>9,736</u>
<b>19.6</b>	This represents excess contribution to the provident fund due to the payment to ex employees on behalf on provident fund.			
			2025	2024
	Note		(Rupees in thousand)	
<b>20</b>	<b>TAX REFUND DUE FROM GOVERNMENT</b>			
		Tax refund due from Government	216,861	216,861
		Taxation - net	20.1 <u>60,478</u>	<u>21,654</u>
			<u>277,339</u>	<u>238,515</u>
<b>20.1</b>	<b>Taxation - net</b>			
		Addition: advance taxes and taxes withheld	280,203	189,923
		Provision for the year	42 <u>(219,725)</u>	<u>(168,269)</u>
		Closing balance	<u>60,478</u>	<u>21,654</u>
<b>20.2</b>	In the prior year, the Commissioner Inland Revenue has passed an order and adjusted the income tax refund for the tax year 2018 and 2019 amounting to Rs. 9.381 million and Rs. 9.686 million, respectively against the advance tax liability under section 147 of the Income Tax Ordinance, 2001.			
<b>21</b>	<b>SHORT TERM INVESTMENT</b>			
		At amortised cost		
		Term deposit receipts (TDRs)		
		JS Bank Limited	21.1 <u>41,000</u>	<u>71,000</u>
		Bank Islami Pakistan Limited	21.2 <u>50,000</u>	<u>50,000</u>
			<u>91,000</u>	<u>121,000</u>

**21.1** This represents investment in Term Deposit Receipts (TDRs) with JS Bank Limited, having maturity periods of one year and maturing between July 21, 2025 to April 18, 2026. These carry mark-up ranging from 8.92% to 22.00% (2024: 15% to 22.00%) per annum.

**21.2** This represents, investment in Term Deposit Receipts (TDRs) with the Bank Islami Pakistan Limited, having a maturity period of one year and maturing on March 13, 2026. This carries mark-up of 18.5% per annum.

**21.3** In the prior year, this balance includes Rs. 50 million which has been included in cash and cash equivalents in note 43 to these consolidated financial statements.

	<b>Note</b>	<b>2025 (Rupees in thousand)</b>	<b>2024</b>
<b>22 CASH AND BANK BALANCES</b>			
Cash at bank:			
Local currency			
- current accounts		270,568	43,793
- saving accounts	22.1	25,239	22,517
Cash in hand		852	650
		<u>296,659</u>	<u>66,960</u>

**22.1** Balances in deposit accounts carry interest ranging from 9.25% to 19% (2024: 20.25% from 21.25%) per annum.

## **23 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL**

	<b>2025 (Number of shares)</b>	<b>2024 (Number of shares)</b>	<b>2025 (Rupees in thousand)</b>	<b>2024 (Rupees in thousand)</b>
<b>Authorised share capital</b>				
Ordinary shares of Rs. 10 each	<u>50,000,000</u>	<u>25,000,000</u>	<u>500,000</u>	<u>250,000</u>
<b>Issued, subscribed and paid-up share 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	<u>12,415,817</u>	<u>12,415,817</u>	<u>124,158</u>	<u>124,158</u>
	<u>24,551,615</u>	<u>24,551,615</u>	<u>245,516</u>	<u>245,516</u>

**23.1** As at June 30, 2025, Slotrapid Limited, the Holding Company, and their nominees hold 12,779,176 (2024: 12,779,176) voting ordinary shares of Rs. 10 each representing 52.05% (2024: 52.05%) of the ordinary paid up capital of the Company.

	Note	2025 (Rupees in thousand)	2024
<b>23.2</b>	<b>Movement of share capital is as follows:</b>		
	Opening balance	245,156	245,156
	Shares issued during the year	-	-
	Closing balance	<u>245,156</u>	<u>245,156</u>

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

## **24 RESERVES**

### **Capital reserves**

Share premium reserve	24.1	34,086	34,086
Fair value reserve - net of tax	24.2	29,040	13,489
		63,126	47,575
Revaluation surplus on property, plant and machinery - net of tax	24.3	1,393,090	1,437,720
		<u>1,456,216</u>	<u>1,485,295</u>

### **Revenue reserves**

General reserve	24.3.3	285,000	285,000
Accumulated profits		1,711,907	1,444,487
		1,996,907	1,729,487
		<u>3,453,123</u>	<u>3,214,782</u>

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

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

	Note	2025 (Rupees in thousand)	2024
<b>24.3</b>	<b>Revaluation surplus on property, plant and machinery - net of tax</b>		
	As at beginning of the year	1,437,720	1,495,613
	Incremental depreciation - net of tax	(50,463)	(57,893)
	Share of revaluation surplus of associated company	5,833	-
		<u>1,393,090</u>	<u>1,437,720</u>

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

**24.3.2** The latest valuation of freehold land, leasehold land, building on freehold land, building on leasehold land and plant and machinery was carried out by M/s. Harvester Services (Private) Limited, an independent valuer on June 30, 2023. The valuation was determined by reference to current market value of the similar properties / assets. The most significant input into this valuation approach is price per acre for land, price per square foot for buildings and present operational condition and age of plant and machinery respectively.

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



			2025	2024
	Note		(Rupees in thousand)	
<b>25</b>	<b>LONG TERM FINANCING - SECURED</b>			
Secured				
Mark-up based financing from conventional banks:				
JS Bank Limited	25.1		19,549	27,873
National Bank of Pakistan Limited	25.2		53,128	58,974
			<u>72,677</u>	<u>86,847</u>
Islamic mode of financing:				
First Habib Modaraba	25.3		135,726	55,739
Bank Islami Pakistan Limited			-	2,083
			<u>135,726</u>	<u>57,822</u>
			<u>208,403</u>	<u>144,669</u>
Mark-up based financing from conventional banks:				
Current portion shown under current liabilities	30		(20,781)	(20,781)
Islamic mode of financing:				
Current portion shown under current liabilities	30		(30,163)	(17,796)
			<u>(50,944)</u>	<u>(38,577)</u>
			<u>157,459</u>	<u>106,092</u>
<b>25.1</b>	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.			
<b>25.2</b>	This represents long term loan facility amounting to Rs. 100 million. The loan was obtained under SBP refinancing scheme for Temporary Economic Refinance. The facility is repayable in quarterly instalments of Rs. 2.8 million each ending in September 2031. Markup is payable quarterly and is charged at 3 month KIBOR plus 5% spread per annum. This facility was secured against first pari passu charge amounting to Rs. 134 million over all present and future current assets of the Company.			

		2025	2024
	Note	(Rupees in thousand)	
<b>25.3</b>	<b>First Habib Modaraba</b>		
- First Habib Modaraba - facility 1	25.3.1	-	1,135
- First Habib Modaraba - facility 2	25.3.2	1,329	2,376
- First Habib Modaraba - facility 3	25.3.3	400	793
- First Habib Modaraba - facility 4	25.3.4	1,440	2,732
- First Habib Modaraba - facility 5	25.3.5	629	1,229
- First Habib Modaraba - facility 6	25.3.6	2,055	4,832
- First Habib Modaraba - facility 7	25.3.7	1,627	2,499
- First Habib Modaraba - facility 8	25.3.8	12,583	17,735
- First Habib Modaraba - facility 9	25.3.9	3,564	4,130
- First Habib Modaraba - facility 10	25.3.10	9,171	18,278
- First Habib Modaraba - facility 11	25.3.11	11,317	-
- First Habib Modaraba - facility 12	25.3.12	12,779	-
- First Habib Modaraba - facility 13	25.3.13	32,120	-
- First Habib Modaraba - facility 14	25.3.14	6,408	-
- First Habib Modaraba - facility 15	25.3.15	5,909	-
- First Habib Modaraba - facility 16	25.3.16	14,699	-
- First Habib Modaraba - facility 17	25.3.17	8,011	-
- First Habib Modaraba - facility 18	25.3.18	11,685	-
		<u>135,726</u>	<u>55,739</u>
<b>25.3.1</b>	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 KIBOR plus 1.5% per annum, subject to a floor of 7% and ceiling of 22%. 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.		
<b>25.3.2</b>	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 KIBOR plus 1.00% 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.		
<b>25.3.3</b>	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.		
<b>25.3.4</b>	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.		
<b>25.3.5</b>	This represents diminishing musharika facility amounting to Rs. 4.81 million for purchase of vehicles. The facility is repayable in 20 quarterly installments ending in September 2025. Profit is payable quarterly and charged at the rate of six month's KIBOR plus 1% per annum. The facility is secured against charge over present and future current and fixed assets of the Company. The title of asset is held jointly by the Company and the lender till the facility is fully repaid.		

- 25.3.6** This represents diminishing musharika facility amounting to Rs. 8.91 million for purchase of vehicles. The facility is repayable in 20 quarterly installments ending in April 2026. Profit is payable quarterly and charged at the rate of six month's KIBOR plus 1% per annum. The facility is secured against charge over present and future current and fixed assets of the Company. The title of asset is held jointly by the Company and the lender till the facility is fully repaid.
- 25.3.7** This represents diminishing musharika facility amounting to Rs. 3.94 million for purchase of vehicles. The facility is repayable in 20 quarterly installments ending in October 2025. Profit is payable quarterly and charged at the rate of six month's KIBOR plus 1% per annum. The facility is secured against charge over present and future current and fixed assets of the Company. The title of asset is held jointly by the Company and the lender till the facility is fully repaid.
- 25.3.8** This represents diminishing musharika facility amounting to Rs. 22.8 million for purchase of vehicles. The facility was repayable in 16 quarterly installments ending in April 2027. Profit was payable quarterly and charged at the rate of three month's KIBOR plus 1% per annum. The facility was secured against charge over present and future current and fixed assets of the Company. The title of asset was held jointly by the Company and the lender till the facility was fully repaid.
- 25.3.9** This represents diminishing musharika facility amounting to Rs. 4.4 million for purchase of vehicles. The facility was repayable in 20 quarterly installments ending in January 2029. Profit was payable quarterly and charged at the rate of three month's KIBOR plus 1% per annum. The facility was secured against charge over present and future current and fixed assets of the Company. The title of asset was held jointly by the Company and the lender till the facility was fully repaid.
- 25.3.10** This represents diminishing musharika facility amounting to Rs. 19.5 million for purchase of vehicles. The facility was repayable in 20 quarterly installments ending in March 2029. Profit was payable quarterly and charged at the rate of three month's KIBOR plus 1% per annum. The facility was secured against charge over present and future current and fixed assets of the Company. The title of asset was held jointly by the Company and the lender till the facility was fully repaid.
- 25.3.11** This represents diminishing musharika facility amounting to Rs. 13.80 million for purchase of vehicles. The facility is repayable in 20 quarterly installments ending in June 2029. Profit is payable quarterly and charged at the rate of three-month KIBOR plus 1.00% per annum. The facility is secured against charge over present and future current and fixed assets of the Company. The title of asset is held jointly by the Company and the lender till the facility is fully repaid.
- 25.3.12** This represents diminishing musharika facility amounting to Rs. 14.77 million for purchase of vehicles. The facility is repayable in 20 quarterly installments ending in August 2029. Profit is payable quarterly and charged at the rate of three-month KIBOR plus 1.00% per annum. The facility is secured against charge over present and future current and fixed assets of the Company. The title of asset is held jointly by the Company and the lender till the facility is fully repaid.
- 25.3.13** This represents diminishing musharika facility amounting to Rs. 36.50 million for purchase of generator. The facility is repayable in 20 quarterly installments over a five-year period. Profit is payable quarterly and charged at the rate of three-month KIBOR plus 1.25% per annum, with periodic review. The facility is secured against charge registered with SECP over the asset value. The title of asset is held jointly by the Company and the lender till the facility is fully repaid.
- 25.3.14** This represents diminishing musharika facility amounting to Rs. 7.36 million for purchase of vehicles. The facility is repayable in 20 quarterly installments ending in August 2029. Profit is payable quarterly and charged at the rate of three-month KIBOR plus 1.00% per annum. The facility is secured against charge over present and future current and fixed assets of the Company. The title of asset is held jointly by the Company and the lender till the facility is fully repaid.

- 25.3.15** This represents diminishing musharika facility amounting to Rs. 19.89 million for purchase of vehicles. The facility is repayable in 20 quarterly installments ending in September 2029. Profit is payable quarterly and charged at the rate of three-month KIBOR plus 1.00% per annum. The facility is secured against charge over present and future current and fixed assets of the Company. The title of asset is held jointly by the Company and the lender till the facility is fully repaid.
- 25.3.16** This represents diminishing musharika facility amounting to Rs. 16.21 million for purchase of vehicles. The facility is repayable in 20 quarterly installments ending in December 2029. Profit is payable quarterly and charged at the rate of three-month KIBOR plus 1.00% per annum. The facility is secured against charge over present and future current and fixed assets of the Company. The title of asset is held jointly by the Company and the lender till the facility is fully repaid.
- 25.3.17** This represents diminishing musharika facility amounting to Rs. 8.52 million for purchase of vehicles. The facility is repayable in 20 quarterly installments ending in January 2030. Profit is payable quarterly and charged at the rate of three-month KIBOR plus 1.00% per annum. The facility is secured against charge over present and future current and fixed assets of the Company. The title of asset is held jointly by the Company and the lender till the facility is fully repaid.
- 25.3.18** This represents diminishing musharika facility amounting to Rs. 12.42 million for purchase of vehicles. The facility is repayable in 20 quarterly installments ending in February 2030. Profit is payable quarterly and charged at the rate of three-month KIBOR plus 1.00% per annum. The facility is secured against charge over present and future current and fixed assets of the Company. The title of asset is held jointly by the Company and the lender till the facility is fully repaid.
- 25.4** The Company has total credit facilities of Rs. 163 million (2024: Rs. 363 million) at the year end. Whereas the Company has availed credit facilities of Rs. 163 million (2024: Rs. 363 million) and unavailed credit facilities of Nil (2024: Nil) at the year end.

	Note	2025	2024
		(Rupees in thousand)	
<b>26</b>	<b>LONG TERM DIMINISHING MUSHARAKA</b>		
Secured:			
Islamic mode of financing:			
Berger Paints Pakistan Limited (BPPL) - Sukuk of			
Rs. 500 million	26.1	208,333	375,000
Current portion shown under current liabilities	30	(166,667)	(166,667)
		<u>41,666</u>	<u>208,333</u>

- 26.1** In 2023, the Parent Company issued Rs. 484 million BPPL Sukuk certificates, having face value of Rs. 1 million each aggregating to Rs. 484 million and entered into a diminishing musharaka agreement with the investment agent, Pak Oman Investment Company (trustee on behalf of the Sukuk holders) as a co-owner of the musharaka assets. The issue resulted in cash receipt of subscription money of Rs. Rs. 484 million. The Sukuk certificates carry profit at the rate of 3 months KIBOR + 1.5% with quarterly rental payments. These certificates are issued for a tenure of four years and are structured in such a way that first quarterly principal repayment installment commenced from the quarter ended September 2023. Under this arrangement the Parent Company sold the beneficial ownership of the musharaka assets, its freehold land and building on freehold land, to the investment agent (for the benefit of Sukuk holders) although legal title remains with the Parent Company. The overall arrangement has been accounted for in these financial statements on the basis of substance of the transaction.

	<b>Note</b>	<b>2025</b>	<b>2024</b>
		<b>(Rupees in thousand)</b>	
<b>27</b>	<b>DEFERRED GRANT</b>		
Balance as at July 01		22,622	28,402
Amortization of grant during the year	39	(5,780)	(5,780)
		16,842	22,622
Less: current portion of deferred grants	30	(4,784)	(5,098)
Balance as at June 30		12,058	17,524

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

	<b>Note</b>	<b>2025</b>	<b>2024</b>
		<b>(Rupees in thousand)</b>	
<b>28</b>	<b>LONG TERM EMPLOYEE BENEFITS</b>		
<b>Defined benefit plan</b>			
Staff pension fund	28.1	1,371	7,255
Staff gratuity fund	28.1	139,967	122,133
		141,338	129,388
<b>Other long term employee benefits</b>			
Accumulating compensated absences	28.2	31,175	28,071
		172,513	157,459

#### Defined benefit plan

As mentioned in note 5.20.2 the Parent Company operates an approved funded gratuity and pension schemes for all its permanent employees. Actuarial valuation of the scheme is carried out every year and the latest actuarial valuation was carried out at June 30, 2025. Projected Unit Credit method based on the following assumptions was used for these valuations:

	<b>2025</b>	<b>2024</b>
Valuation discount rate	15.75%	14.00%
Expected rate of increase in salaries	14.75%	13.00%
Withdrawal rates	Age-Based (per appendix)	Age-Based (per appendix)
Expected mortality rate	SLIC (2001-05)	SLIC (2001-05)
Retirement age	60 years	60 years

**28.1 Statement of financial position reconciliation**

	2025		2024	
	Pension	Gratuity (Rupees in thousand)	Pension	Gratuity
Present value of defined benefit obligation	116,062	175,716	99,248	152,584
Fair value of plan assets	(114,691)	(35,749)	(91,993)	(30,451)
	<u>1,371</u>	<u>139,967</u>	<u>7,255</u>	<u>122,133</u>

**28.1.1 Movement in defined benefit obligation is as follows:**

Obligation as at July 01	99,250	152,584	86,770	126,579
Employees' contribution not paid to the fund by the Group	1,693	-	1,625	-
Service cost	2,822	16,652	2,333	16,435
Interest cost	13,702	20,743	13,445	19,532
Benefits paid	(2,760)	(8,842)	(2,817)	(5,129)
Remeasurement loss / (gain)	1,355	(5,421)	(2,108)	(4,833)
Obligation as at June 30	<u>116,062</u>	<u>175,716</u>	<u>99,248</u>	<u>152,584</u>

	2025		2024	
	Pension	Gratuity (Rupees in thousand)	Pension	Gratuity
Fair value as at July 01	91,993	30,451	62,154	31,175
Expected return on plan assets	12,686	4,263	11,536	4,910
Remeasurement loss	12,772	1,035	(3,879)	(5,634)
Group's contribution	-	8,842	25,000	5,129
Benefits paid	(2,760)	(8,842)	(2,818)	(5,129)
Fair value as at June 30	<u>114,691</u>	<u>35,749</u>	<u>91,993</u>	<u>30,451</u>

**28.1.2 Movement in the fair value of plan assets is as follows:**
**28.1.3 Movement in net liability in the statement of financial position is as follows:**

Net liability as at July 01	7,257	122,133	24,616	95,405
Charge for the year	3,838	33,132	4,241	31,057
Charge to other comprehensive income during the year	(11,417)	(6,457)	1,771	800
Group's contribution	-	(8,841)	(25,000)	(5,129)
Employees' contribution deducted but not paid to the fund	1,693	-	1,627	-
Net liability as at June 30	<u>1,371</u>	<u>139,967</u>	<u>7,255</u>	<u>122,133</u>

		2025		2024	
		Pension	Gratuity	Pension	Gratuity
		(Rupees in thousand)			
<b>28.1.4</b>	<b>Charge for the year - net</b>				
	Current service cost	2,822	16,652	2,333	16,435
	Interest cost	13,702	20,743	13,444	19,532
	Expected return on plan assets	(12,686)	(4,263)	(11,536)	(4,910)
		<u>3,838</u>	<u>33,132</u>	<u>4,241</u>	<u>31,057</u>
<b>28.1.5</b>	Actual return on plan assets	<u>25,458</u>	<u>5,298</u>	<u>7,657</u>	<u>(724)</u>
<b>28.1.6</b>	<b>The charge for the year has been allocated as follows:</b>				
	Cost of sales	1,647	13,669	1,884	14,138
	Selling and distribution expenses	1,746	13,724	1,894	11,563
	Administrative and general expenses	445	5,739	463	5,356
		<u>3,838</u>	<u>33,132</u>	<u>4,241</u>	<u>31,057</u>
<b>28.1.7</b>	<b>Plan assets comprise of the following:</b>				
	Collective investment schemes	60,000	25,000	60,000	25,000
	Cash at bank	32,861	5,451	31,993	5,451
		<u>92,861</u>	<u>30,451</u>	<u>91,993</u>	<u>30,451</u>

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

As at June 30,

	2025	2024	2023	2022	2021
	(Rupees in thousand)				
Present value of defined benefit obligation	291,776	251,832	213,349	212,260	187,505
Fair value of plan assets Deficit	(150,438)	(122,444)	(93,329)	(87,735)	(133,147)
	<u>141,338</u>	<u>129,388</u>	<u>120,020</u>	<u>124,525</u>	<u>54,358</u>
Experience adjustment:					
Loss / (gain) on obligations	(4,066)	(6,941)	(19,607)	6,195	5,746
Gain on plan assets	16,949	16,446	12,071	10,814	7,783

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

**28.1.9 Expected expense for next year**

The expected expense to the pension and gratuity schemes for the year ending June 30, 2026 works out to Rs. 3.19 million and Rs. 36.36 million respectively.

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

**Salary risks**

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

### Mortality / withdrawal risks

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

### Interest rate risks

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

#### 28.1.11 Actuarial assumptions sensitivity analysis

If the significant actuarial assumptions used to estimate the defined benefit obligation at the reporting date, had fluctuated by 1% with all other variables held constant, the impact on the present value of the defined benefit obligation as at June 30, 2025 would have been as follows:

#### Impact on present value of defined benefit obligation as at June 30, 2025

	Change	Pension		Gratuity	
		Increase to	Decrease to	Increase to	Decrease to
(Rupees in thousand)					
Discount rate	± 1%	97,825	137,451	159,076	194,102
Future salary	+ 1%	128,417	104,871	194,098	159,074

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

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

	Note	2025	2024
		(Rupees in thousand)	
<b>28.2 Other long term employee benefits</b>			
<b>Movement in accumulated compensated absences</b>			
Balance as at July 01		28,071	24,728
Provision during the year	28.2.2	9,196	6,970
Payments made during the year		(6,092)	(3,627)
Balance as at June 30		<u>31,175</u>	<u>28,071</u>

#### 28.2.1 Reconciliation of present value of liability

Present value of liability as at July 01	28,071	24,728
Service cost	3,169	3,098
Interest on defined benefit liability	3,503	3,609
Benefits paid	(6,092)	(3,627)
Remeasurement gain	2,524	263
Present value of liability as at June 30	<u>31,175</u>	<u>28,071</u>



	Note	2025 (Rupees in thousand)	2024
<b>28.2.2 Charge for the year</b>			
Service cost		3,169	3,098
Interest on defined benefit liability		3,503	3,609
Remeasurement gain		2,524	263
		<u>9,196</u>	<u>6,970</u>
<b>28.2.3 The charge for the year has been allocated as follows:</b>			
Cost of sales		1,614	1,081
Selling and distribution expenses		5,317	3,567
Administrative and general expenses		2,265	2,322
		<u>9,196</u>	<u>6,970</u>

**28.2.4 Expected expense for next year**

The expected expense pertaining to accumulated compensated absences for the year ending June 30, 2026 works out to Rs. 7.47 million.

**28.2.5 Actuarial assumptions sensitivity analysis**

If the significant actuarial assumptions used to estimate the defined benefit obligation at the reporting date, had fluctuated by 1% with all other variables held constant, the impact on the present value of the defined benefit obligation as at June 30, 2025 would have been as follows:

**Impact on present value of defined benefit obligation as at June 30, 2025**

			Defined benefit obligation	
		Change	Increase to	Decrease to
Discount rate	±	1%	28,172	34,437
Future salary	±	1%	34,494	28,170

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

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

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

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

			2025	2024
		Note	(Rupees in thousand)	
<b>29</b>	<b>TRADE AND OTHER PAYABLES</b>			
	Trade and other creditors		1,361,972	1,431,742
	Import bills payable		473,962	183,532
	Contract liabilities	34.4	70,008	137,526
	Accrued expenses		79,461	76,483
	Provision for infrastructure cess	29.1	96,087	96,087
	Royalty payable to related parties	29.3	61,656	40,158
	Technical fee payable		40,090	40,090
	Workers' Profits Participation Fund	29.4	25,879	29,199
	Workers' Welfare Fund	29.5	13,219	10,628
	Due to statutory authorities		-	5,621
	Others	29.6	76,448	54,237
	Sales tax payable		2,113	35,019
	Due to provident fund		-	695
			<u>2,300,895</u>	<u>2,141,017</u>
			<b>2025</b>	<b>2024</b>
		Note	(Rupees in thousand)	
<b>29.1</b>	<b>Provision for infrastructure cess</b>			
	Balance as at July 01		96,087	96,087
	Provision for the year		-	-
	Balance as at June 30		<u>96,087</u>	<u>96,087</u>
<b>29.2</b>	Pursuant to Honorable Supreme Court order in September 2021, during the year, the Company is paying this Cess as per the Sindh Development and Maintenance of Infrastructure Cess Act, 2017. However, in the said order, interim relief was provided to the companies, and recovery of the Cess payable was suspended till any further order.			
<b>29.3</b>	<b>This includes amount due to the following related parties:</b>			
	Slotrapid Limited - Holding Company		61,624	40,126
	Buxly Paints Limited - Associated Company		32	32
			<u>61,656</u>	<u>40,158</u>
<b>29.4</b>	<b>Workers' Profits Participation Fund</b>			
	Balance as at July 01		28,449	22,478
	Allocation for the year		21,278	23,432
	Interest on funds utilized in the Company's business		685	1,168
			<u>50,412</u>	<u>47,078</u>
	Payments during the year		(24,533)	(17,879)
	Balance as at June 30		<u>25,879</u>	<u>29,199</u>
<b>29.4.1</b>	Interest on outstanding liability towards Workers' Profit Participation Fund is charged at bank rate plus 2.5% per annum as required under the Companies Profits (Workers' Participation) Act, 1968.			

		2025	2024	
	Note	(Rupees in thousand)		
29.5	Workers' Welfare Fund			
	Balance as at July 01	9,699	8,817	
	Allocation for the year	11,803	9,765	
		21,502	18,582	
	Payments made during the year	(8,283)	(7,954)	
	Balance as at June 30	13,219	10,628	
29.6	Advance against sale of vehicle from employee			
	Deduction from salaries	29.6.1	39,314	22,582

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

			2025	2024	
	Note		(Rupees in thousand)		
30	CURRENT PORTION OF LONG TERM FINANCING				
		Current portion of long term financing	25	50,944	38,577
		Current portion of long term diminishing musharaka	26	166,667	166,667
		Current portion of deferred income	27	4,784	5,098
				222,395	210,342
31	ACCRUED MARKUP				
		Mark-up based borrowings from conventional banks			
		Long term financing - secured		1,068	1,411
		Short term running finances - secured		33,220	47,728
				34,288	49,139
		Mark-up based borrowings from Islamic banks			
		Long term diminishing musharaka - secured		362	885
				34,650	50,024
32	SHORT TERM BORROWINGS - SECURED				
		Secured			
		From financial institution:			
		Mark-up based borrowings from conventional banks			
		Short term running finance - secured	32.1	961,343	585,716
		Mark-up based borrowings from Islamic banks			
		Short term running finance - secured	32.2	240,128	83,919
				1,201,471	669,635

**32.1 Short term financing - Conventional banks**

This represents utilized amount of short term running finance facilities under mark-up arrangements available from commercial banks aggregating to Rs. 1,350 million (2024: Rs. 1,150 million). These facilities are secured against joint pari passu charge over all the present and future current assets of the Company and carry mark-up at rates ranging between 20.24% and 11.33% (2024: 12.89% and 23.58%) per annum, payable quarterly.

## 32.2 Short term running finances - Islamic banks

This represents utilized amount of short term running finance facilities under mark-up arrangements available from commercial banks aggregating to Rs. 300 million (2024: Rs. 200 million). These facilities are secured against registered charge over the current assets of the Company and carry mark-up at rates ranging between 22.02% and 11.33% (2024: 23.27% and 23.78%) per annum, payable quarterly.

**32.3** The Group has total credit facilities of Rs. 1,650 million (2024: 1,550 million) at the year end. Whereas the Group has availed credit facilities of Rs. 1,650 million (2024: Rs. 1,550 million) and unavailed credit facilities of Nil (2024: Nil) at the year end.

## 33 CONTINGENCIES AND COMMITMENTS

### 33.1 Contingencies

- a) The Parent Company contracted Allied Engineering for installation of solar panels and solar systems at the factory. The process was to be completed in different phases. After the completion of initial phase, issues were identified in the solar systems installed. The Company opted to get the solar systems installed from another vendor while inviting Allied Engineering to reach a settlement. However, Allied Engineering wanted full execution of the contract and full payment of the agreed amount, out of which Rs. 4 million is unpaid at the reporting date. The management on the basis of legal advice, believes that it has a strong case and no further financial obligation is expected to arise.
- b) The Sindh Revenue Board (SRB) through an assessment raised sales tax demand amounting to Rs. 39.34 million along-with penalty. Department (SRB) had inadvertently added all royalty figures appearing in accounts including royalty receivable, royalty payable, royalty expense and related party transfers for the calculation of tax on royalties. The Company, through its legal counsel, filed an appeal before the Commissioner (Appeals) SRB on the grounds that amount of sales tax is not correctly calculated and the provisions of Sindh Sales Tax on Services Act, 2011 are not applicable for the reason that the Company is managing its affairs from the province of Punjab. The Commissioner (Appeals) had reduced the demand to Rs. 8.18 million, against which the Company had filed an appeal before Appellate Tribunal SRB which is pending adjudication. The management on the basis of opinion of the tax advisor is hopeful of a favorable outcome, hence no provision has been recorded in these consolidated financial statements.
- c) During 2018, the Deputy Commissioner Inland Revenue (DCIR) issued show cause notices for collection of income tax under section 236G / 236H of the Income Tax Ordinance 2001. In this regard, the taxation officer raised demand of Rs. 19.1 million for tax years 2016 vide order dated 30-08-2017. The Company through its legal counsel filed appeals to Commissioner Inland Revenue Appeals (CIR - A) against the said order, partial relief was granted by CIR-A. Being aggrieved from the CIR-A order, the Company through its legal counsel filed appeal before ATIR which has been heard on 10-01-2024 but no judgment has been announced as of yet. 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.
- d) The Additional Commissioner Inland Revenue (ACIR) and Deputy Commissioner Inland Revenue (DCIR), while proceeding U/S 122 of the Income Tax Ordinance, 2001 created income tax demands amounting to Rs. 484.38 million and Rs. 213.12 million for the tax years 2014 and 2016 respectively vide two separate orders. The Company filed an appeal before Commissioner Inland Revenue (Appeals), the Commissioner Inland Revenue (Appeals) remanded the case on some issues and confirmed additions to the tune of Rs. 32.99 million and Rs. 9.2 million for the tax year 2014 and 2016 respectively. The Company through its legal counsel had filed an appeal before ATIR for both cases. For Tax year 2014, the ATIR has remanded back the case to CIR-A again, no date of hearing has been fixed as of yet. And for Tax year 2016 the ATIR remanded the case back to CIR-A. The Company through application dated 27-03-2025 has filled for rectification of the remand back order. 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 consolidated financial statements.

- e) The Commissioner Appeals - I, Lahore, vide its order for tax year 2016, deleted certain additions while remanding the case on certain issues and upheld the case on issue of contractor services which involves revenue amounting to Rs. 10.67 million. Appeal against this order has been filed which is pending adjudication. The management on the basis of opinion of the tax advisor is hopeful of a favorable outcome, hence no provision has been recorded in these consolidated financial statements.
- f) During the year 2016, a notice from Punjab Revenue Authority involving an amount of Rs. 11.45 million as royalty fee and technical services for the period October 2012 to March 2015 was issued which is under investigation / adjudication proceedings and no demand is raised. The management on the basis of opinion of the tax advisor is hopeful of a favorable outcome, hence no provision has been recorded in these consolidated financial statements.
- g) Additional Commissioner Enforcement of Punjab Revenue Authority issued assessment order creating demand of Rs. 132 million under various section of Punjab Sales Tax on Services Act 2012. However, the Company through its legal counsel filed appeal before Commissioner Appeals PRA against the order of Additional Commissioner. The Commissioner Appeals through order dated 16-04-2024 has remanded back the case to the Additional Commissioner for further assessment, no hearing has been called by Additional Commissioner till date.
- h) DCIR raised a demand amounting to Rs. 10.5 million in relation to sales tax on sales of scrap stock burnt in fire in 2008 which was upheld by Commissioner Appeals. This demand was later reduced by Appellate Tribunal up to the demand pertaining to sales tax on fixed assets. The Company being aggrieved by the order of ATIR, filed an appeal before honorable Lahore high court which was remanded back to the ATIR and is pending adjudication. The management on the basis of opinion of the tax advisor is hopeful of a favorable outcome, hence no provision has been recorded in these consolidated financial statements.
- i) The DCIR passed order under section 161(1) for tax year 2014 and raised a demand amounting to Rs. 33.5 million. The Parent Company filed an appeal before the Commissioner Inland Revenue (Appeals). The Appeals remanded back the case to the department for further assessment. Currently, no demand is in field against the Parent Company.
- j) Various cases on account of income tax and sales tax matters involving an amount Rs. 11.401 million are also pending. The management on the basis of opinion of the tax advisor is hopeful of a favorable outcome in all these cases, hence no provision has been recorded in these consolidated financial statements.
- k) The Additional Commissioner IR issued a show cause notice dated April, 23, 2022 for tax year 2021 and subsequently passed order under section 122 (5A) to the Income Tax Ordinance, 2001 dated September 02, 2022 amounting to Rs. 455 million. The Company filed an appeal before Commissioner IR Appeals-1(CIR-A) Lahore. The CIR-A through order dated 11-04-2023 decided appeal partially in favor of the Company. The Company filled appeal against CIR-A order before ATIR, the appeal has been heard on 01-03-2024. The ATIR deleted the additions and upheld the decision of CIR-A of remanding back certain additions through order dated 04-02-2025. The Company through its legal counsel had filed an application for rectification of the said order, which has not been fixed as of yet. The Company is expecting a favorable outcome, accordingly no provision has been recorded in the books of accounts.
- l) The DCIR issued a show cause notice dated 26 June 2023 on various matters. In response, the Parent Company submitted replies through letters dated 02 August 2023, 10 October 2023, 07 November 2023, 15 December 2023, and 15 May 2023. Subsequently, the Deputy Commissioner Inland Revenue passed an order raising sales tax demand of Rs. 112.73 million along with penalty of Rs. 4.05 million. Being aggrieved, the Parent Company filed an appeal before the Commissioner Inland Revenue Appeals, who, vide order No. 1/A-V dated 13 May 2024, upheld the demand. The Parent Company then preferred an appeal before the Appellate Tribunal Inland Revenue. The Tribunal, vide order No. 1056/L8/2024 dated 29 July 2024, remanded the case back to the assessing officer for reconsideration. Pursuant to this, the assessing officer initiated fresh proceedings through Notice No. C.No./S.Tax/U-10/1579 dated 20 August 2024, to which the Parent Company submitted its reply via letter No. LT/0757/24 dated 04 November 2024. The case is currently pending adjudication. The Parent Company is expecting a favorable outcome, accordingly no provision has been recorded in the books of accounts.

**m)** The Parent Company is facing claims, launched in the labor and civil courts, pertaining to salaries, staff retirement benefits and customer matters. The claims amount cannot be quantified due to nature of the claims.

**33.2** Outstanding letters of guarantee as at June 30, 2025 amounts to Rs. 138.28 million (2024: Rs. 138 million).

**33.3 Commitments**

Outstanding letters of credit as at June 30, 2025 amounts to Rs. 649 million (2024: Rs. 636 million) for purchase of raw and packing materials.

	Note	2025 (Rupees in thousand)	2024
<b>34 REVENUE FROM CONTRACT WITH CUSTOMERS</b>			
Local	34.6	12,976,766	13,188,341
Export		147,908	56,586
		<u>13,124,674</u>	<u>13,244,927</u>
Less:			
Discounts		(2,057,452)	(2,675,017)
Sales tax		(2,122,528)	(2,026,003)
		<u>(4,179,980)</u>	<u>(4,701,020)</u>
		<u><u>8,944,694</u></u>	<u><u>8,543,907</u></u>
<b>34.1</b>	The Group is involved in trading of paints, varnishes and other related items. The performance obligation is satisfied upon delivery of goods. The Group makes sales against advances as well as on credit terms. In case of credit sales, payment is generally due within 60 to 90 days from the date of delivery of goods.		
<b>34.2 Timing of revenue recognition - net</b>			
Goods and services transferred at a point in time		<u><u>8,944,694</u></u>	<u><u>8,543,907</u></u>
<b>34.3 Geographical market</b>			
Pakistan		8,796,786	8,487,321
Afghanistan		147,908	56,586
		<u><u>8,944,694</u></u>	<u><u>8,543,907</u></u>
<b>34.4 Contract balances</b>			
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. 70 million (2024: Rs. 137.52 million). Revenue recognized during the reporting period which was included in the contract liabilities at the beginning of the period amounted to Rs. 137.526 million (2024: Rs. 80.11 million).			
<b>34.5 Movement of contract liabilities is as follows:</b>			
Opening balance		137,526	80,111
Advance received		70,008	137,526
Income recongised		(137,526)	(80,111)
Closing balance		<u><u>70,008</u></u>	<u><u>137,526</u></u>

**34.6** This includes an amount of Rs. 363.91 million and Rs. 44.65 million (2024: Rs. 414.703 million and Rs. 35.556 million) charged to Buxly Paints Limited, a related party of the Company for material and toll manufacturing, respectively.

		<b>2025</b>	<b>2024</b>
	<b>Note</b>	<b>(Rupees in thousand)</b>	
<b>35</b>	<b>COST OF SALES</b>		
Finished goods as at July 01		576,086	500,924
Cost of goods manufactured	35.1	7,080,299	6,881,118
Provision for slow moving finished goods		(64,444)	(11,661)
Less: Finished goods as at June 30	15	(544,250)	(576,086)
Consumption of finished goods purchased for resale	35.4	42,998	28,284
Cost of sales		<u>7,090,689</u>	<u>6,822,579</u>
<b>35.1</b>	<b>Cost of goods manufactured</b>		
Raw and packing materials consumed	35.2	5,929,496	5,798,296
Freight and handling	35.6	342,227	340,580
Stores and spare parts consumed		15,049	9,047
Salaries, wages and other benefits	35.3	127,830	133,943
Contracted services	35.5	206,109	168,733
Travelling and conveyance		14,975	17,375
Fuel, water and power		118,685	101,795
Legal and professional		472	1,049
Rent, rates and taxes		-	177
Project application cost	35.7	47,515	52,441
Insurance		9,229	8,550
Repairs and maintenance		45,344	35,027
Depreciation	7.1.7	142,575	166,199
Toll manufacturing cost		42,519	33,863
Printing and stationery		2,389	2,150
Communication		1,781	1,343
Others		23,432	15,957
		<u>7,069,627</u>	<u>6,886,525</u>
Opening stock of semi-processed goods		168,032	164,124
Closing stock of semi-processed goods	15	(156,317)	(168,032)
Provision reversed during the year		(1,043)	(1,499)
Cost of goods manufactured		<u>7,080,299</u>	<u>6,881,118</u>

		<b>2025</b>	<b>2024</b>
	<b>Note</b>	<b>(Rupees in thousand)</b>	
<b>35.2</b>	<b>Raw and packing materials consumed</b>		
Raw and packing material as at July 01		667,861	796,137
Purchases of raw and packing material		6,094,509	5,675,414
Provision of slow moving raw material		(3,097)	(5,394)
Less: Raw and packing material as at June 30	15	(829,777)	(667,861)
Raw and packing materials consumed		<u>5,929,496</u>	<u>5,798,296</u>

**35.3** Salaries, wages and benefits include Rs. 13.68 million (2024: Rs. 14.14 million) in respect of gratuity fund, Rs. 1.64 million (2024: Rs. 1.88 million) in respect of pension fund, Rs. 1.61 million (2024: Rs. 1.08 million) in respect of compensated absences and Rs. 4.80 million (2024: Rs. 5.22 million) in respect of provident fund contribution.

	Note	2025 (Rupees in thousand)	2024
<b>35.4</b>	<b>The movement of finished goods purchased for resale is as follows:</b>		
Finished goods as at July 01		81,209	91,390
Add: Finished goods purchased for resale during the year		-	18,103
Less: Consumption of finished goods during the year		(42,998)	(28,284)
Finished goods as at June 30		<u>38,211</u>	<u>81,209</u>

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

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

**35.7** This represents amount related to project undertaken for road marking and related services.

## **36 SELLING AND DISTRIBUTION EXPENSES**

Salaries and other benefits	36.1	447,923	353,562
Contracted services	36.4	32,665	38,548
Travelling and conveyance		3,140	6,252
Rent, rates and taxes		3,862	6,796
Insurance		8,139	9,645
Fuel, water and power		3,374	3,332
Advertising and sales promotion		250,291	248,545
Technical services and royalty fee	36.2	125,148	-
Repairs and maintenance		4,379	3,473
Depreciation	7.1.7	39,246	30,510
Printing and stationery		1,976	1,455
Legal and professional		699	980
Communication		4,476	5,797
Others		7,628	8,547
		<u>932,946</u>	<u>717,442</u>

**36.1** Salaries, wages and benefits include Rs. 13.72 million (2024: Rs. 11.56 million) in respect of gratuity fund, Rs. 1.75 million (2024: Rs. 1.89 million) in respect of pension fund, Rs. 5.26 million (2024: Rs. 3.57 million) in respect of compensated absences and Rs. 10.57 million (2024: Rs. 8.66 million) in respect of provident fund contribution.



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

Name and address of the party	Relationship with Company	Note	2025	2024
			(Rupees in thousand)	
Slotrapid Limited (Suit# 1 Akara Building, 24 De-Cantro Street, Wickham Cay 1, Road Town, Tortola, British Virgin Island.)	Licensor (the Holding Company)	36.3	125,148	-
Oxyplast Belgium N.V. (Hulsdonk 35-B 9042/Gent – Mendonk, Belgium.)	Licensor		-	-
			<u>125,148</u>	<u>-</u>

**36.3** During the year, the Parent Company paid royalty fee amounting to Rs. 103.65 million (2024: Nil million).

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

### **37 ADMINISTRATIVE AND GENERAL EXPENSES**

Salaries and other benefits	37.1	155,893	143,435
Contracted services	37.2	2,392	1,780
Impairment on plant property and equipment	7.1	201	-
Directors' meeting fee		3,400	3,900
Travelling and conveyance		21,906	21,384
Rent, rates and taxes		7,298	2,249
Insurance		4,538	4,502
Auditors' remuneration	37.3	3,926	3,791
Fuel, water and power		961	1,809
Repairs and maintenance		2,678	3,570
Depreciation	7.1.7	22,855	13,416
Printing and stationery		2,420	3,916
Legal and professional		19,006	15,324
Communication		3,380	3,452
Others		1,023	8,971
		<u>251,877</u>	<u>231,499</u>

**37.1** Salaries, wages and benefits include Rs. 5.74 million (2024: Rs. 5.36 million) in respect of gratuity fund, Rs. 0.45 million (2024: Rs. 0.46 million) in respect of pension fund, Rs. 2.24 million (2024: Rs. 2.32 million) in respect of compensated absences and Rs. 6.39 million (2024: Rs. 5.93 million) in respect of provident fund contribution.

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

			2025	2024
		Note	(Rupees in thousand)	
<b>37.3</b>	<b>Auditors' remuneration</b>			
<b>37.3.1</b>	Auditors' remuneration of the Parent Company			
	Audit fee		2,100	2,100
	Consolidation and half yearly review		900	900
	Out of pocket expenses		200	178
	Statutory certifications		333	268
			<u>3,533</u>	<u>3,446</u>
<b>37.3.2</b>	Auditors' remuneration of the Subsidiaries Company			
	Audit fee		393	345
			<u>3,926</u>	<u>3,791</u>
<b>38</b>	<b>OTHER OPERATING EXPENSES</b>			
	Workers' Welfare Fund	29.5	11,024	9,765
	Workers' Profit Participation fund	29.4	21,278	23,432
	Exchange loss - net		10,548	4,921
	Impairment on other receivables and deposits		2,377	4,435
			<u>45,227</u>	<u>42,553</u>
<b>39</b>	<b>OTHER INCOME</b>			
	Income from financial assets			
	Mark-up on term deposit receipts and long term loan	21	19,949	33,660
	Income from non-financial assets			
	Sale of scrap		31,918	15,927
	Gain on disposal of property, plant and equipment - net		7,756	4,896
	Rental income and other services charged to related parties		1,200	1,200
	Export rebate		2,100	899
	Insurance claim		417	4,491
	Amortization of deferred grant	27	5,440	5,780
	Others		23,608	1,841
			<u>92,388</u>	<u>68,694</u>

		2025 (Rupees in thousand)	2024 (Rupees in thousand)
<b>40</b>	<b>FINANCE COST</b>		
	Islamic mode of financing:		
	- Long term financing - secured	8,859	9,625
	- Long term diminishing musharaka - secured	53,523	109,882
	- Short term financing - secured	-	858
	- Short term running finances - secured	9,512	31,153
		<u>71,894</u>	<u>151,518</u>
	Mark-up based borrowings from conventional banks:		
	- Long term financing - secured	10,507	11,965
	- Short term financing - secured	15,396	-
	- Short term running finances - secured	116,237	131,356
		<u>142,140</u>	<u>143,321</u>
	Interest on WPPF	685	1,168
	Bank charges	9,317	8,619
		<u>224,036</u>	<u>304,626</u>
<b>41</b>	<b>LEVY</b>		
	Final tax	40.1	
	- for the year	-	566
	- prior year	3	-
	Minimum tax	-	(6,781)
		<u>3</u>	<u>(6,215)</u>
<b>41.1</b>	This represents final taxes paid under Section 154A of Income Tax Ordinance, 2001 representing levy in terms of requirements of IFRIC 21/IAS 37.		
<b>42</b>	<b>TAXATION</b>		
	Current		
	- for the year	42.1	213,623
	- prior year	42.2	1,271
		<u>214,894</u>	<u>174,484</u>
	Deferred		
	- current year	13.1	(49,504)
		<u>165,390</u>	<u>16,439</u>
<b>42.1</b>	Current year tax includes super tax as follows:		
	- for the year	54,019	37,489
	- prior year	(410)	-
		<u>53,609</u>	<u>37,489</u>
<b>42.2</b>	This represents a difference between net taxation charged in the financial and the income tax return filed in the last year due to advance tax not taken into account.		
<b>42.3</b>	This represents final taxes paid under Section 154A of Income Tax Ordinance, 2001 representing levy in terms of requirements of IFRIC 21/IAS 37.		

#### 42.3.1 Reconciliation of tax charge

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

	2025	2024
	(Rupees in thousand)	
Current tax liability for the year as per applicable tax laws	214,897	142,245
Portion of current tax liability as per tax laws, representing income tax under IAS 12	(214,894)	(148,460)
Portion of current tax computed as per tax laws, representing levy in terms of requirements of IFRIC 21/IAS 37	(3)	6,215
Difference	-	-

**41.3.2** The aggregate of final tax and income tax amounting to Rs. 214.897 million (2024: Rs. 142.245 million) represents tax liability of the Company calculated under the relevant provisions of the Income Tax Ordinance, 2001.

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

	2025	2024
Applicable tax rate	29.00%	29.00%
Tax effect of:		
- income under Final Tax Regime	0.00%	0.13%
- prior year adjustment	0.27%	-0.09%
- permanent difference	0.01%	0.01%
- others	-11.00%	-7.44%
- effect of super tax	11.60%	6.78%
Average effective tax rate charged to profit or loss	29.88%	28.39%

#### 42.5 Comparison of tax provision against tax assessments

Years	Excess/ (Short)	Tax provision	Tax assessment/ tax return
(Rupees)			
2023-24	3,557,269	168,268,956	164,711,687
2022-23	(406,436)	114,984,017	115,390,453
2021-22	305,289	93,291,025	92,985,736

**42.6** As at June 30, 2025, as per the treatments adopted in tax returns filed that are based on the applicable tax laws and decisions of appellate authorities on similar matters, the provision in the financial statements for income tax is sufficient as there are strong grounds that the said treatments are likely to be accepted by the tax authorities.

		2025 (Rupees in thousand)	2024
	Note		
<b>43</b>	<b>EARNINGS PER SHARE - BASIC AND DILUTED</b>		
<b>43.1</b>	<b>Earning per share - basic and diluted</b>		
Profit attributable to ordinary shareholders (Rupees in thousand)		297,289	260,768
Weighted average number of shares outstanding during the year (Number of shares)		24,551,615	24,551,615
Earning per share - basic (Rupees)		12.11	10.62
<b>43.2</b>	No figure for diluted earnings per share has been presented as the Group has not issued any instruments carrying options as at June 30, 2025, which would have an impact on earnings per share when exercised.		
	Note	2025 (Rupees in thousand)	2024
<b>44</b>	<b>CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	22	296,659	66,960
Short term running finance - secured	32	(1,201,471)	(669,635)
		(904,812)	(602,675)
<b>45</b>	<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation		461,489	419,100
Adjustments for non-cash and other items:			
Depreciation on property, plant and equipment	7.1.7	204,518	210,125
Gain on disposal of property, plant and equipment	39	(7,756)	(4,896)
Provision reversed against slow moving stock - net		(68,584)	(18,554)
Impairment loss recorded during the year		15,370	67,990
Provision for long term employee benefit		46,166	42,269
Finance cost		225,785	304,626
Provision for Workers' Profit Participation Fund		21,963	23,432
Provision for Workers' Welfare Fund		11,024	9,765
Amortization of deferred grant		6,120	5,780
Impairment on Plant, property and equipment		201	-
Share of profit of equity - accounted investee		3,465	6,812
Mark-up on term deposit receipts and long term loan		(16,827)	(33,660)
Net cash flow before working capital changes		902,934	1,032,789

#### 46 RECONCILIATION OF MOVEMENT OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

	Unclaimed dividend	Long term diminishing musharaka	Long term financing	Short term borrowing	Total
	(Rupees in thousand)				
<b>As at June 30, 2024</b>	12,478	375,000	144,669	669,635	1,201,782
<b>Changes from financing cash flows</b>					
Dividend paid	(97,145)	-	-	-	-
Short term borrowings - net	-	-	-	-	-
Long term financing - net	-	-	(51,860)	-	-
Long term diminishing musharaka - net	-	(166,667)	-	-	-
Total changes from financing cash flows	(97,145)	(166,667)	(51,860)	-	(315,672)
<b>Other changes</b>					
Adjustment of Government grant	-	-	5,780	-	-
Change in borrowings- net	-	-	-	531,836	-
Dividend declared	98,206	-	-	-	-
Total liability related other changes	98,206	-	5,780	531,836	635,822
<b>As at June 30, 2025</b>	13,539	208,332	98,589	1,201,471	1,521,932
<b>As at June 30, 2023</b>	13,106	500,000	148,922	425,308	1,087,336
<b>Changes from financing cash flows</b>					
Dividend paid	(628)	-	-	-	(628)
Long term financing - net	-	-	(10,033)	-	(10,033)
Long term diminishing musharaka - net	-	(125,000)	-	-	(125,000)
Total changes from financing cash flows	(628)	(125,000)	(10,033)	-	(135,661)
<b>Other changes</b>					
Adjustment of Government grant	-	-	5,780	-	5,780
Change in borrowings- net	-	-	-	244,327	244,327
Total liability related other changes	-	-	5,780	244,327	250,107
<b>As at June 30, 2024</b>	12,478	375,000	144,669	669,635	1,201,782

#### 47 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

	2025			2024		
	Chief Executive	Executives	Non-Executive Directors	Chief Executive	Executives	Non-Executive Directors
	(Rupees in thousand)					
Fees	-	-	4,600	-	-	3,700
Managerial remuneration (including bonus)	22,000	93,741	-	22,000	83,132	-
Retirement and other long term benefits	2,000	68,525	-	4,182	60,414	-
House rent allowance	-	29,992	-	-	28,608	-
Utilities	-	6,665	-	-	6,357	-
Medical expenses	-	8,331	-	-	7,947	-
Provident fund	2,000	6,316	-	2,000	5,951	-
	26,000	213,570	4,600	28,182	192,409	3,700
Number of persons	1	35	7	1	32	7

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

**47.2** The Chief Executive and certain other executives of the Company are provided with free use of Company cars. The approximate value of the benefit amounts to Rs. 36.73 million (2024: Rs. 36.73 million).

**TRANSACTIONS AND BALANCES WITH RELATED PARTIES**

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

Name of parties	Nature of relationship	Nature of transactions	Note	June 30, 2025		June 30, 2024	
				Transactions during the period	Closing balance	Transactions during the year	Closing balance
				----- (Rupees in thousand) -----			
Slotrapid Limited	Holding Company	Royalty expense		125,148	-	-	-
		Royalty payable		-	61,624	-	40,126
		Royalty waiver		-	-	60,120	-
		Royalty payment		103,650	-	-	-
		Dividend paid		43,287	-	-	-
3S Pharmaceutical (Private) Limited	Associated Company	Receipts / adjustments		1,215	-	-	-
		Impairment allowance		3,465	-	6,812	-
		Common expenditures incurred		1,732	-	1,740	-
		Other receivable		-	7,288	-	5,824
		Interest income		947	-	206	-
Buxly Paints Limited ("BPL")	Related Party	Sales		408,557	-	449,811	-
		Rental expense		1,800	-	1,800	-
		Rental income and other services		1,200	-	1,200	-
		Common expenditures incurred		35,200	-	34,178	-
		Receipts / adjustments		4,103	-	-	-
		Markup		2,176	-	-	-
		Trade debt		-	362,053	-	248,959
		Royalty payable		-	32	-	32
		Other receivable		-	31,697	-	-
		Toll manufacturing - cost		42,519	-	33,863	-
		Post employment benefit plans (Key Management Personnel)		Contribution to gratuity fund		8,842	-
Contribution to pension fund				-	-	25,000	-
Provident fund contribution				43,525	-	39,633	-
Provident fund receivable / payable				-	633	-	(695)

**48.1**

**Basis of relationship with the company**

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

Name of related party	Country of Incorporation /origin	Relationship	2025				2024			
			Basis of Association		Shareholdings		Basis of Association		Shareholdings	
Slotropid Limited	British Virgin Island	Holding	Shareholding		52.05%		Shareholding		52.05%	
Berger DPI (Private) Limited	Pakistan	Subsidiary	Shareholding		51%		Shareholding		51%	
Berger Road Safety (Private) Limited	Pakistan	(Wholly owned subsidiary of Berger DPI (Private) Limited)	Shareholding		-		Shareholding		-	
3S Pharmaceutical (Private) Limited	Pakistan	Associated	Shareholding		49%		Shareholding		49%	
Buxly Paints Limited	Pakistan	Related Party	Common management		19%		Common management		19%	
Dadex Externit Limited	Pakistan	Associated	Common management		-		Common management		-	

**48.2**

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

**48.3**

The details of compensation paid to key management personnel are shown under the heading of "Remuneration of Chief Executive, Directors and Executive (note 46)". There are no transactions with key management personnel other than under their terms of employment except otherwise stated.

**48.4**

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



## 49 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

### 49.1 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.

#### 49.1.1 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.

#### 49.1.2 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.

##### 49.1.2.1 Currency risk

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

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

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

	2025	2024
Statement of financial position items	(Amount in thousand)	
<b>Trade and other payables</b>		
- USD	810	456
- RMB	256	397

#### Off statement of financial position items

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

- CNY	2,516	2,498
- EUR	6,386	-
- USD	1,370	-

The following significant exchange rates were applied during the year:

	2025	2024
	(In rupees)	
<b>Rupees per Euro</b>		
Average rate for the year	315.62	305.67
Reporting date rate	332.83	298.41
<b>Rupees per USD</b>		
Average rate for the year	281.45	282.40
Reporting date rate	284.10	278.80
<b>Rupees per RMB</b>		
Average rate for the year	39.10	39.10
Reporting date rate	39.66	38.53
<b>Rupees per JPY</b>		
Average rate for the year	1.98	1.86
Reporting date rate	1.97	1.73

#### Sensitivity analysis

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

	2025	2024
Effect on profit or loss	(Amount in thousand)	
- USD	575	324
- RMB	182	337

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.

#### 49.1.2.2 Price risk

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

#### Sensitivity analysis

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

	Impact on equity	
	2025	2024
	(Rupees in thousands)	
Buxly Paints Limited	5,144	2,517

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

#### 49.1.2.3 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	
	2025	2024	2025	2024
	(Percentage)		(Rupees in thousands)	
<b>Financial assets</b>				
<b>Fixed rate instruments</b>				
Short term investment	11%	19%	91,000	121,000
Saving account	9.25-19%	20.25-21.25%	25,239	22,517
	Effective rate		Carrying amount	
	2025	2024	2025	2024
	(Percentage)		(Rupees in thousands)	
<b>Financial liabilities</b>				
Fixed rate instruments				
Long term financing - secured	5% to 6%	5% to 6%	72,677	86,847
<b>Floating rate instruments</b>	16.25% to	8.65% to		
Long term financing - secured	23.20%	16.25%	135,726	57,822
Long term diminishing musharaka	17.58%	17.58%	208,333	375,000
	12.89%	8.70% to		
Short term running finance - secured	to 23.58%	12.89%	1,201,471	669,635
			1,545,530	1,102,457

### 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 2024.

	100 bps	
	Decrease	Increase
As at June 30, 2025	15,455	(15,455)
As at June 30, 2024	11,025	(11,025)

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

#### 49.1.3 Credit risk

Credit risk is the risk of financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Out of the total financial assets of Rs. 3,492 million (2024: Rs. 2,942 million) financial assets which are subject to credit risk amount to Rs. 3,492 million (2024: Rs. 2,942 million).

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

	2025	2024
	(Rupees in thousand)	
Long term loans - secured	15,392	31,952
Long term deposits	42,975	33,319
Trade debts - unsecured	2,785,490	2,602,977
Long term investment - FVOCI	51,437	25,174
Trade deposits	35,171	22,209
Other receivables		
- Receivable from related parties	33,296	2,512
- LC Margin	18,236	22,848
- Others	85,235	13,891
	136,767	39,251
Short term investment - secured	91,000	121,000
Bank balances	295,807	66,310
	3,454,039	2,942,192

**Concentration of credit risk**

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

	<b>2025</b>	<b>2024</b>
	<b>(Rupees in thousand)</b>	
Trade debts	2,785,490	2,602,977
Banking companies and financial institutions	405,043	210,158
Others	263,506	129,057
	<u>3,454,039</u>	<u>2,942,192</u>

**49.1.3.1 Trade deposits and other receivables**

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

**49.1.3.2 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.

**49.1.3.3 Long term loans**

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

**49.1.3.4 Trade debts**

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

	<b>Weighted average loss rate</b>	<b>Gross carrying amount</b>	<b>Loss allowance</b>
<b>June 30, 2025</b>			
Past due 0 - 30 days	0.00%	1,000,998	-
Past due 31 - 60 days	0.45%	687,572	3,098
Past due 61 - 90 days	1.28%	501,639	6,417
Past due 91 - 120 days	3.07%	284,978	8,752
Past due 121 - 180 days	3.94%	278,464	10,961
Past due 181 - 364 days	4.52%	281,043	12,704
Past due over one year	100.00%	81,585	81,585
		<u>3,116,279</u>	<u>123,517</u>

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

#### 49.1.3.5 Balances with banking companies

The Group held balances with banks, short term investments and LC margin amounting to Rs. 405.043 million as at June 30, 2025. These are held with banks and financial institutions counterparties, which are rated A1 to AAA, based on credit ratings from rating agencies.

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

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

	2025 (Rupees in thousand)	2024
Bank balances	295,807	66,310
Short term investment	91,000	121,000
Other receivables	18,236	22,848
	<u>405,043</u>	<u>210,158</u>

**49.1.3.6 Credit quality of financial assets**

The credit quality of bank balances that are neither past due nor impaired can be assessed by reference to external credit ratings or to historical information about counterparty default rate:

Banks	Rating		Rating Agency	2025	2024
	Short term	Long term		(Rupees in thousand)	
Balances with bank:					
Bank Al Habib Limited	A-1+	AAA	PACRA	24,286	23,585
Habib Metropolitan Bank Limited	A-1	AA+	PACRA	188,588	9,226
Habib Bank Limited	A-1+	AAA	VIS	34	34
Al-Baraka Bank Pakistan Limited	A-1	A+	VIS	6	6
National Bank of Pakistan	A-1+	AAA	PACRA	247	11,918
Bank Islami Pakistan Limited	A-1	A+	PACRA	2,218	20,732
Samba Bank Limited	A-1	A+	PACRA	80,382	-
Faysal Bank Limited	A-1+	AA	PACRA	46	809
				295,807	66,310
Deposits with bank/ TDRs:					
JS Bank Limited	A-1+	AA-	PACRA	41,000	71,000
Bank Islami Pakistan Limited	A-1	A+	VIS	50,000	50,000
				91,000	121,000

The Group has not recognised an impairment allowance on bank balances during the year ended June 30, 2025, as the impact was immaterial.

#### 49.1.4

#### Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities, that are settled by delivering cash or other financial asset, or that such obligation will have to be settled in a manner unfavorable to Group. The Group's approach to managing liquidity is to ensure, as far as possible that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions. The Group finances its operations through equity, borrowings and working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk. The management aims to maintain flexibility in funding by keeping regular committed credit limits.

The following are the contractual maturities of financial liabilities as at June 30, 2025;

Non derivative financial liabilities	Carrying amount	Contractual cash flow	(Rupees in thousand)		
			Less than one year	Two to five years	More than five years
Long term financing - secured	208,403	208,403	50,944	143,372	14,087
Long term diminishing musharaka	208,333	208,334	166,667	41,667	-
Trade and other payables	2,091,901	2,091,901	2,091,901	-	-
Interest / mark-up accrued on borrowings	34,650	34,650	34,650	-	-
Short term borrowings - secured	1,201,471	825,499	825,499	-	-
	3,744,758	3,368,787	3,169,661	185,039	14,087

The following are the contractual maturities of financial liabilities as at June 30, 2024

Non derivative financial liabilities	Carrying amount	Contractual cash flow	(Rupees in thousand)		
			Less than one year	Two to five years	More than five years
Long term financing - secured	144,669	178,441	47,695	117,058	13,688
Long term diminishing musharaka	375,000	375,000	166,667	208,333	-
Trade and other payables	1,825,109	1,825,109	1,825,109	-	-
Interest / mark-up accrued on borrowings	50,024	50,024	50,024	-	-
Short term borrowings - secured	669,635	495,399	495,399	-	-
	3,064,437	2,923,973	2,584,894	325,391	13,688

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



**49.2 Fair value measurement of financial instruments**

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

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

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

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

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that entity can access at measurement date (Level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2)
- Inputs for the asset or liability that are not based on observable market data (i.e. unobservable) inputs (Level 3)

Transfer between levels of the fair value hierarchy are recognised at the end of the reporting period during which the changes have occurred.

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

Note	Carrying amount			Fair value		
	Financial assets at amortised cost	FVOCI - equity instruments	Financial liabilities	Total	Level 1	Level 2
	Rupees in thousand					
As at June 30, 2025 <b>Financial assets - measured at fair value</b> Investment classified as FVOCI <b>Financial assets - at amortised cost</b> Long term loans - secured Long term deposits Trade debts Trade deposits Other receivables Short term investment - secured Cash and bank balances	-	51,437	-	51,437	51,437	-
	15,392	-	-	15,392	-	-
	42,975	-	-	42,975	-	-
	2,785,490	-	-	2,785,490	-	-
	35,171	-	-	35,171	-	-
	136,767	-	-	136,767	-	-
	91,000	-	-	91,000	-	-
	295,807	-	-	295,807	-	-
	3,402,602	51,437	-	3,454,039	51,437	-
						51,437
As at June 30, 2024 <b>Financial assets - measured at fair value</b> Investment classified as FVOCI <b>Financial assets - at amortised cost</b> Long term loans - secured Long term deposits Trade debts Trade deposits Other receivables Short term investment - secured Cash and bank balances	-	-	208,403	208,403	-	-
	-	-	208,333	208,333	-	-
	-	-	2,091,901	2,091,901	-	-
	-	-	34,650	34,650	-	-
	-	-	1,201,471	1,201,471	-	-
	-	-	3,744,758	3,744,758	-	-
As at June 30, 2024 <b>Financial assets - measured at fair value</b> Investment classified as FVOCI <b>Financial assets - at amortised cost</b> Long term loans - secured Long term deposits Trade debts Trade deposits Other receivables Short term investment - secured Cash and bank balances	-	25,174	-	25,174	25,174	-
	31,952	-	-	31,952	-	-
	33,319	-	-	33,319	-	-
	2,602,977	-	-	2,602,977	-	-
	22,209	-	-	22,209	-	-
	39,251	-	-	39,251	-	-
	121,000	-	-	121,000	-	-
	66,310	-	-	66,310	-	-
	2,917,018	25,174	-	2,942,192	25,174	-
						25,174
As at June 30, 2024 <b>Financial liabilities - at amortised cost</b> Long term financing - secured Long term diminishing musharaka Trade and other payables Accrued markup Short term borrowings - secured	-	-	144,669	144,669	-	-
	-	-	375,000	375,000	-	-
	-	-	1,826,242	1,826,242	-	-
	-	-	50,024	50,024	-	-
	-	-	669,635	669,635	-	-
	-	-	3,065,570	3,065,570	-	-

**49.3 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.

**49.4** Freehold land, leasehold land, building on freehold land, building on leasehold land and plant and machinery have been carried at revalued amounts determined by professional valuers (level 3 measurement) based on their assessment of the values as disclosed. The valuations are conducted by an independent valuation expert appointed by the Group. The valuation expert used a market based approach to arrive at the fair value of the Group's land and building. The valuation was determined by reference to current market value of the similar properties / assets. The most significant input into this valuation approach is price per acre for land, price per square foot for buildings and present operational condition and age of plant and machinery respectively. The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty, accordingly a qualitative disclosure of sensitivity has not been presented in these financial statements.

**50 CAPITAL RISK MANAGEMENT**

The Group's objectives when managing capital is to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders through repurchase of shares, issue new shares or sell assets to reduce debt. Consistent with others in the industry and the requirements of the lenders, the Group monitors the capital structure on the basis of gearing ratio.

This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings including current and non-current borrowings. Total capital is calculated as 'equity' as shown in the consolidated statement of financial position plus net debt. The gearing ratios as at year end are as follows:

	<b>2025</b>	<b>2024</b>
	<b>(Rupees in thousand)</b>	
Long term loans	416,736	519,669
Short term borrowings	1,201,471	669,635
Total debt	1,618,207	1,189,304
Total equity	3,705,195	3,468,047
Total equity and debt	5,323,402	4,657,351
Gearing ratio	30:70	26:74

**51 RESTRICTION ON TITLE AND ASSETS PLEDGED AS SECURITY****Mortgages and charges****First**

Hypothecation of all present and future current assets	2,337,000	2,070,000
Mortgage over land and building	1,268,171	1,268,171

**Ranking**

Hypothecation of all present and future current assets	2,136,000	2,136,000
Mortgage over land and building	-	-

**52 NUMBER OF EMPLOYEES**

The Group has employed following number of persons:

	2025	2024
	(Number of persons)	
- Factory employees	80	79
- Head office and regional employees	278	262
	<u>358</u>	<u>341</u>
- Average number of employees	233	374
- Average number of factory employees	80	87

**53 PROVIDENT FUND RELATED DISCLOSURES**

The Parent Company operates funded contributory provident fund scheme for all its permanent and eligible employees. The following information is based on the un-audited financial statements of the provident fund:

	(Unaudited) June 30, 2025	(Unaudited) June 30, 2024
	(Rupees in thousands)	
Size of the fund	339,893	324,133
Cost of investments made	232,380	190,468
Percentage of investments - (% of total assets)	68%	59%
Fair value of investments	334,650	321,676

**53.1 The break-up of investments is as follows:**

	2025		2024	
	Rupees in thousands	%age	Rupees in thousands	%age
Investment in debt collective investment scheme	-	0%	-	0%
Investment in money market collective investment scheme	66,274	20%	54,739	16%
Investment in equity collective investment scheme	-	0%	-	0%
Bank balances	70,688	21%	69,424	22%
Certificate of deposits	106,557	32%	111,797	35%
Term deposit receipts	91,131	27%	85,716	27%
	<u>334,650</u>	<u>100%</u>	<u>321,676</u>	<u>100%</u>

The investments out of provident fund as at June 30, 2025 have been made in accordance with the requirements of section 218 of the Companies Act, 2017.

**54 PRODUCTION CAPACITY**

	2025	2024
	(Liters in thousand)	
Actual production	43,195	40,771

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 17.28 million liters (2024: 15.43 million liters) which is used in the manufacture of the final product.

**55 OPERATING SEGMENTS**

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

**55.2** Revenue from sale of paints and allied represents 100% (2024: 100%) of the total revenue of the Group.

**55.3** 98.87% (2024: 99.57%) sales of the Group relates to customers in Pakistan.

**55.4** All non-current assets of the Group as at June 30, 2025 are located in Pakistan.

**56 SHARIAH COMPLIANCE DISCLOSURE**

Following information has been disclosed with the reference to disclosure requirements of fourth schedule of the Companies Act, 2017 relating to all shares Islamic Index.

	Description	Explanation	2025	2024
			(Rupees in thousands)	
<b>56.1</b>	Statement of financial position			
	Assets:			
	Short term investments	Shariah Compliant	50,000	50,000
	Bank balances	Shariah Compliant	2,264	21,541
<b>56.2</b>	Statement of financial position			
	Liabilities:			
	Long term financing	Shariah Compliant	135,726	57,822
	Long term diminishing musharaka	Shariah Compliant	41,666	208,333
	Short term financing		240,128	83,919
<b>56.3</b>	Statement of profit or loss			
	Revenue	Shariah Compliant	8,944,694	8,543,907
<b>56.4</b>	Sources and detailed breakup of other income			
	Profit earned from Shariah compliant, bank deposit, bank balances or TDRs:	Shariah Compliant	7,673	9,681
<b>56.5</b>	Sources and detailed breakup of finance cost			
	Finance cost paid	Shariah Compliant	71,894	151,518

**Relationship with banks having Islamic windows**

Bank Name	Region	Nature of transactions
Pak Oman Investment Company Limited	Pakistan	Sukuk
Bank Islami Pakistan Limited	Pakistan	TDR
Bank Islami Pakistan Limited	Pakistan	Long term financing
First Habib Modaraba	Pakistan	Long term financing
Meezan Bank Limited	Pakistan	Short term borrowing

## 57 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison and better presentation. However, no significant reclassification has been made during the period except the following for appropriate presentation:

Description	Note	From	To	(Rupees in thousands)
Advances to suppliers		Capital work in progress	Long term advances	7,003
Advance against vehicles		Capital work in progress	Long term advances	10,980

## 58 SUMMARY OF SIGNIFICANT TRANSACTIONS AND EVENTS AFFECTING THE GROUPS FINANCIAL POSITION AND PERFORMANCE

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

## 59 NON ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE

The Board of Directors of the Company in its meeting held on September 24, 2025 has proposed a final cash dividend of Rs. 5 per share, for the year ended June 30, 2025 for approval of the members in the Annual General Meeting to be held on October 27, 2025.

## 60 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on September 24, 2025 by the Board of Directors of the Group.

## 61 GENERAL

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



# Form of Proxy

The Secretary  
Berger Paints Pakistan Limited  
28 – KM, Multan Road, Lahore.

I/We \_\_\_\_\_

\_\_\_\_\_

r/o \_\_\_\_\_

\_\_\_\_\_

Being a member of Berger Pakistan Limited and a holder of \_\_\_\_\_

(No. of shares) \_\_\_\_\_

Ordinary shares as per folio number \_\_\_\_\_

\_\_\_\_\_

hereby appoint \_\_\_\_\_

\_\_\_\_\_

r/o \_\_\_\_\_

\_\_\_\_\_

On my/our behalf at the Annual General Meeting of the Company to be held on Monday October 27, 2025 at 10:00 am via video link / zoom at 28-KM Multan Road, Lahore and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2025.

**Signature on  
Rs. 50  
Revenue  
Stamp**

## Notes:

1. The share transfer book will remain closed from October 21, 2025 to October 27, 2025 (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.





# پراکسی کا فارم

دی سیکٹری

برجر پینٹس پاکستان لمیٹڈ

28-KM - ملتان روڈ، لاہور

میں / ہم

ساکن

بطور ممبر برجر پینٹس پاکستان لمیٹڈ اور ہولڈر

(شیرز کی تعداد)

فولیو نمبر کے مطابق آرڈری شیرز

تقرر کرتا / کرتے ہیں

ساکن

میری ہماری طرف سے کمپنی کے سالانہ اجلاس عام کیلئے جو 27 اکتوبر، 2025 صبح 10:00 بجے، ملتان روڈ سے 28 کلومیٹر لاہور میں منعقد کیا جائے گا یا التواء کی صورت میں کسی بھی دیگر وقت مقررہ پر منعقد ہوگا۔

آج بتاریخ 2025 کو دستخط کیا۔

50 روپے کا رسیدی

ٹکٹ چسپاں کر

کے دستخط کریں۔

نوٹس:

☆ شیرٹرانسفر تک 21 اکتوبر، 2025 سے 27 اکتوبر، 2025 تک بند رہے گی (بشمول دونوں دن)۔

☆ کمپنی کا وہ ممبر جو میٹنگ میں شمولیت، بولنے اور ووٹ دینے کا اہل ہے، اپنی جگہ کسی اور ممبر کو بطور پراکسی شامل ہونے، بولنے اور ووٹ کا حق دے سکتا ہے۔ میٹنگ سے 48 گھنٹے قبل پراکسی کا یہ فارم جو ہر لحاظ سے مکمل ہو کمپنی کے رجسٹرڈ آفس میں جمع کر دیا جائے۔

☆ سی ڈی سی (CDC) کا کوئی بھی انفرادی مالک انتفاعی جو اس میٹنگ میں ووٹ دینے کا اہل ہے اصلی قومی شناختی کارڈ ہمراہ لائے تاکہ شناخت ہو سکے اور پراکسی کی صورت میں پراکسی فارم کے ساتھ شیرٹ ہولڈر کے تصدیق شدہ قومی شناختی کارڈ کی کاپی لگانا لازم ہے۔ کارپوریٹ ممبران کے نمائندگان بھی اس مقصد کیلئے حسب معمول دستاویزات ہمراہ لائیں۔



# Electronic Dividend Mandate Form

## Berger Paints Pakistan Limited

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



## الیکٹرونک ڈیوڈنڈ مینڈیٹ فارم برجر پینٹس پاکستان لمیٹڈ

تاریخ: .....

کمپنیز ایکٹ 2017ء کے سیکشن 242 کے قواعد کی روشنی میں نقد کی صورت میں واجب الادا منافع منقسمہ صرف الیکٹرونک ذرائع سے اہل شیئر ہولڈرز کے مقررہ بینک اکاؤنٹ میں براہ راست منتقل کیا جائے گا۔ SECP نے مورخہ 01 اگست، 2017ء کے سرکلر نمبر 18/2017 کے ذریعے وقتی طور پر 31 اکتوبر 2017ء تک اس شرط سے استثنیٰ دے دیا ہے۔ مقررہ تاریخ کے بعد واجب الادا منافع منقسمہ صرف طے شدہ طریقہ کار کے مطابق ہی ادا کیا جائے گا۔ شیئر ہولڈرز سے درخواست ہے کہ وہ طے شدہ طریقہ کار کے مطابق باقاعدہ دستخط و پرشدہ اپنی الیکٹرونک ڈیوڈنڈ مینڈیٹ معلومات بمعہ مصدقہ نقل شناختی کارڈ کمپنی کے شیئر رجسٹرار میسرز کارپوریشن پرائیویٹ لمیٹڈ، ونگز آرکیڈ، K-1، کمرشل بلاک K ماڈل ٹاؤن لاہور پنجاب 54000 کو جمع کرائیں۔ CDC شیئر ہولڈرز سے درخواست ہے کہ وہ اپنے ڈیوڈنڈ مینڈیٹ فارم اور شناختی کارڈ کی مصدقہ نقل اپنے بروکر (شریک)/ CDC کو براہ راست جمع کرائیں۔

میں/ہم..... یہاں برجر پینٹس پاکستان لمیٹڈ کو اعلان کردہ منافع منقسمہ کو مندرجہ ذیل بینک اکاؤنٹ میں براہ راست کریڈٹ کرنے کا مجاز ٹھہراتے ہیں۔

نام شیئر ہولڈر: .....

فولیو نمبر/ CDC اکاؤنٹ نمبر ..... برجر پینٹس پاکستان لمیٹڈ

شیئر ہولڈر کا رابطہ نمبر .....  
عنوان اکاؤنٹ: .....

IBAN (\*): .....

بینک برانچ: .....

برانچ کا ڈاک کا پتہ: .....

شناختی کارڈ نمبر (نقل لف کریں): .....

NTN نمبر (کاروباری ادارے کی صورت میں): .....

میں/ہم اپنے بھرپور علم اور یقین کے مطابق بیان کرتا/کرتے ہیں کہ مذکورہ بالا تفصیلات میرے/ہمارے یقین کے مطابق بالکل درست اور صحیح ہیں؛ اور میں/ہم برجر پینٹس پاکستان لمیٹڈ اور اس کے شیئر رجسٹرار کو اپنی مذکورہ بالا تفصیلات کے مطابق آئندہ مطلع کرتا/کرتے رہوں/رہیں گے۔

تاریخ

دستخط شیئر ہولڈر

نوٹس: \* براہ کرم اپنی متعلقہ بینک اکاؤنٹ برانچ سے چیک کرنے کے بعد اپنا مکمل IBAN (انٹرنیشنل بینک اکاؤنٹ نمبر) فراہم کریں تاکہ آپ کے بینک اکاؤنٹ میں براہ راست الیکٹرونک کریڈٹ کیا جاسکے۔

\*\* ایسے شیئر ہولڈرز جو فزیکل فارم میں شیئرز کے مالک ہیں انہیں درخواست کی جاتی ہے کہ وہ مذکورہ بالا ای-ڈیوڈنڈ بینک مینڈیٹ فارم پر کریں اور اسے کمپنی کے شیئر رجسٹرار میسرز کارپوریشن پرائیویٹ لمیٹڈ ونگز آرکیڈ، K-1، کمرشل بلاک K، ماڈل ٹاؤن، لاہور پنجاب، 54000، رابطہ 35916714 42 +92 ای میل ایڈریس: corplink786@gmail.com کو بھیجیں۔

