

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

As on 30 September 2019

Rupees in thousand	30 September 2019	30 June 2019
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	1,162,620	1,177,145
Intangibles	2,652	2,696
Goodwill	24,000	24,000
Investments - related parties	53,591	54,504
Long term loan to related party - Secured	40,000	-
Long-term loans	40,455	44,628
Long-term deposits	18,964	21,205
Deferred taxation	43,878	43,878
	1,386,160	1,368,056
CURRENT ASSETS		
Stores	17,248	16,906
Stock in trade	1,065,630	917,368
Trade debts	1,430,169	1,461,014
Loans and advances	168,378	98,786
Long term loan to related party - Secured	-	40,000
Trade deposits and short-term prepayments	40,950	41,206
Other receivables	11,602	13,891
Taxation - net	241,679	280,934
Short term investments	32,195	32,195
Cash and bank balances	25,331	76,625
	3,033,182	2,978,925
TOTAL ASSETS	4,419,342	4,346,981
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorised share capital 25,000,000 ordinary shares of Rs.10 each	250,000	250,000
Issued, Subscribed and paid-up capital	204,597	204,597
Reserves	327,096	328,010
Accumulated Profit	561,232	575,650
Surplus on Revaluation of Fixed Assets - net of tax	468,306	472,012
	1,561,231	1,580,269
NON-CURRENT LIABILITIES		
Long term financing	73,144	89,635
Staff retirement and other long term benefits	157,626	154,049
Deferred taxation	-	-
	230,770	243,684
CURRENT LIABILITIES		
Trade and other payables	1,322,810	1,192,513
Unclaimed dividend	5,980	5,980
Current maturity of long-term financing	80,356	80,356
Accrued finance cost	39,206	39,432
Short term borrowings - secured	1,178,989	1,204,747
	2,627,341	2,523,028
CONTINGENCIES AND COMMITMENTS		
TOTAL EQUITY AND LIABILITIES	4,419,342	4,346,981

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

Chief Financial Officer

Chief Executive

Director

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

For the period ended 30 September 2019

Rupees in thousand	30 September 2019	30 September 2018
Sales - net	1,130,170	1,162,548
Cost of sales	921,792	928,171
Gross Profit	208,378	234,377
Marketing and Distribution expenses	153,848	174,790
Administrative expenses	42,790	52,638
	196,638	227,428
Operating Profit	11,740	6,949
Other operating income	30,158	15,673
	41,898	22,622
Finance cost	47,069	29,174
Other Charges	-	-
	47,069	29,174
(Loss) / Profit before taxation	(5,171)	(6,552)
Taxation	12,953	4,532
(Loss) / Profit after taxation	(18,124)	(11,084)
Earning per share - basic and diluted	(Rs.0.89)	Re-stated (Rs.0.54)

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

Chief Financial Officer

Chief Executive

Director

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

For the period ended 30 September 2019

Rupees in thousand	30 September 2019	30 September 2018
Loss after taxation	(18,124)	(11,084)
<u>Other comprehensive income</u>		
<u>Items that may be reclassified to profit and loss</u>		
Fair value (loss) / profit on 'Available for sale' investments	(914)	(9,439)
Total comprehensive loss for the period	(19,038)	(20,523)

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

Chief Financial Officer

Chief Executive

Director

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

For the period ended 30 September 2019

Rupees in thousand	30 September 2019	30 September 2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before taxation	(5,171)	(6,552)
Adjustment for non cash items:		
Depreciation on property, plant and equipment	19,237	20,661
Provision against slow moving stock	992	(1,587)
Provision for staff retirement and other long term benefits	9,712	7,743
Amortization on intangibles	444	1,444
Gain on disposal of property, plant and equipment	(3,897)	-
Finance costs	47,069	29,174
	73,557	57,435
Operating profit before working capital changes	68,386	50,883
(Increase) / Decrease in Current Assets		
Stores	(342)	(826)
Stocks in Trade	(149,254)	(31,943)
Trade debts	30,845	(210,412)
Loans and advances	(69,592)	(40,996)
Trade deposits short-term prepayments	256	2,911
Others receivables	2,289	(2,932)
	(185,798)	(284,198)
Increase / (Decrease) in Current Liabilities		
Trade and other payables	130,297	22,911
Cash generated from operations	12,885	(210,404)
Finance costs paid	(47,295)	(25,144)
Taxes paid	26,301	(10,269)
Staff retirement and other long term benefits paid	(6,135)	(3,926)
Long-term loans - net	4,173	495
Long-term deposits - net	2,241	-
	(20,715)	(38,844)
Net cash generated / (used in) from operating activities	(7,830)	(249,248)
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(11,552)	(18,036)
Sales proceeds on disposal of property, plant and equipment	10,337	-
Net cash outflow from investing activities	(1,215)	(18,036)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long term financing	(16,491)	(17,028)
Short-term borrowings - net	(100,000)	-
Net cash generated from / (used in) financing activities	(116,491)	(17,028)
Net increase / (decrease) in cash and cash equivalents	(125,536)	(284,312)
Cash and cash equivalents at beginning of the period	(1,028,122)	(716,569)
Cash and cash equivalents at end of the period	(1,153,658)	(1,000,881)

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

Chief Financial Officer

Chief Executive

Director

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

For the period ended 30 September 2019

Rupees in thousand

	Capital reserve				Revenue reserve		Total share capital and reserve
	Share capital	Share premium	Fair value reserve	Surplus on Revaluation of property, plant and equipment	General reserve	Accumulated Profit	
Balance as at 30 June 2018 - audited	181,864	56,819	21,707	509,131	285,000	465,141	1,519,662
Adjustment on initial application of IFRS 9 (net of tax)	-	-	-	-	-	(4,187)	(4,187)
Balance as at 1 July 2018 - audited	181,864	56,819	21,707	509,131	285,000	460,954	1,515,475
Total comprehensive income for the period							
- Profit for the period	-	-	-	-	-	(11,084)	(11,084)
Other Comprehensive income for the period							
Fair value gain on 'Available for sale' investments	-	-	(9,439)	-	-	-	(9,439)
Total comprehensive income for the period	-	-	(9,439)	-	-	(11,084)	(20,523)
Surplus on revaluation of property plant and equipment realized through incremental depreciation charged on related assets during the period	-	-	-	(4,849)	-	4,849	-
Balance as at 30 September 2018 - unaudited	181,864	56,819	12,268	504,282	285,000	454,719	1,494,952
Total comprehensive income for the period							
- Profit for the period	-	-	-	-	-	111,909	111,909
Other Comprehensive income for the period							
Fair value loss on 'Available for sale' investments	-	-	(3,344)	-	-	-	(3,344)
Remeasurement of defined benefit obligation	-	-	-	-	-	3,391	3,391
Total comprehensive income for the period	-	-	(3,344)	-	-	115,300	111,956
Surplus on revaluation of property plant and equipment realized through incremental depreciation charged on related assets during the period	-	-	-	(28,364)	-	28,364	-
Reversal of deferred tax due to change of rate	-	-	-	(3,906)	-	-	(3,906)
Transaction with owners of the Company	-	-	-	(32,270)	-	28,364	(3,906)
Final cash dividend at the rate of 12.5% (i.e. Rs. 1.25 per share) for the year ended 30 June 2018	-	-	-	-	-	(22,733)	(22,733)
Issue of Bonus shares at the rate of 12.5% (i.e. Rs. 1.25 shares for every 10 shares held)	22,733	(22,733)	-	-	-	-	-
Balance as at 30 June 2019 - audited	204,597	34,086	8,924	472,012	285,000	575,650	1,580,269
Total comprehensive income for the period							
- Profit for the period	-	-	-	-	-	(18,124)	(18,124)
Other Comprehensive income for the period							
Fair value loss on 'Available for sale' investments	-	-	(914)	-	-	-	(914)
Total comprehensive income for the period	-	-	(914)	-	-	(18,124)	(19,038)
Surplus on revaluation of property plant and equipment realized through incremental depreciation charged on related assets during the period	-	-	-	(3,706)	-	3,706	-
Balance as at 30 September 2019 - unaudited	204,597	34,086	8,010	468,306	285,000	561,232	1,561,231

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

Chief Financial Officer

Chief Executive

Director

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

For the period ended 30 September 2019

1. THE COMPANY AND ITS OPERATIONS

The company was incorporated in Pakistan on 25 March 1950 as a Private Limited Company under the Companies Act 1913 (now Companies Act, 2017) and was subsequently converted into a Public Limited Company. The Company is listed on the Pakistan Stock Exchange ("PSX"). The principle business activity of the Company is manufacturing and trading of paints, varnishes and other related items.

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

2. BASIS OF PREPARATION

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

The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements as at June 30, 2019.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation followed in the preparation of interim condensed financial statements are same as those published in the annual financial statements for the year ended June 30, 2019.

4. PROPERTY, PLANT AND EQUIPMENT

Rupees in thousand	30 September 2019	30 September 2018
Additions	11,552	18,036

5. CONTINGENCIES AND COMMITMENTS

5.1 Contingencies

There is no change in the status of contingency, set out in note 28 to the annual financial statements of the company for the year ended 30 June 2019.

5.2 Commitments

5.2.1 Outstanding letter of credit as at September 30, 2019 amounted to Rs. 293.19 million [June 30, 2019: Rs. 346.84 million].

5.2.2 Outstanding letter of guarantees as at September 30, 2019 amounted to Rs. 105.79 million [June 30, 2019: Rs. 112.68 million].

6. TRANSACTION WITH RELATED PARTIES

The following table provides details in respect of transactions entered into with related parties during the quarter ended on September 30, 2019. All transactions were carried out at arms length price.

Rupees in thousand	30 September 2019	30 September 2018
SALES		
Berger Road Safety (Private) Limited - a subsidiary	42,793	61,303
Buxly Paints Limited - related party	55,754	41,499
3S Pharmaceutical (Private) Limited - related party	-	-
Dadex Eternit	-	44
TOLL MANUFACTURING INCOME		
Buxly Paints Limited - related party	2,904	5,059
RENTAL INCOME AND OTHER SERVICES CHARGED		
Buxly Paints Limited - related party	300	300
Berger Road Safety (Private) Limited - a subsidiary	1,361	1,511
INTEREST INCOME		
Berger Road Safety (Private) Limited - a subsidiary	2,307	1,687
RENTAL EXPENSES		
Buxly Paints Limited - related party	(453)	(453)
ROYALTY		
Buxly Paints Limited - related party	(8)	(403)
Slotrapid Limited B.V.I - holding company	(9,706)	(9,629)

7. These interim condensed financial statements were authorized for issue on 24 October 2019 by the Board of Directors of the Company.

8. GENERAL

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

Chief Financial Officer

Chief Executive

Director

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Berger Paints Pakistan Limited Consolidated Financial Statements

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

As on 30 September 2019

Rupees in thousand	30 September 2019	30 June 2019
<u>Non-current assets</u>		
Property, plant and equipment	1,165,537	1,180,493
Intangibles	26,652	26,696
Investments - related parties	48,222	51,199
Long term loans	40,455	44,628
Long term deposits	19,949	22,190
Deferred taxation	52,499	52,847
	1,353,314	1,378,053
<u>Current assets</u>		
Stores	17,248	16,906
Stock in trade	1,082,323	932,717
Trade debts	1,505,049	1,479,490
Loans and advances	173,584	105,794
Trade deposits and short term prepayments	40,950	41,206
Other receivables	11,602	13,891
Taxation - net	293,778	332,900
Short term investments	32,195	32,195
Cash and bank balances	26,575	79,253
	3,183,304	3,034,352
	4,536,618	4,412,405
<u>Share capital and reserves</u>		
Authorised share capital 25,000,000 ordinary shares of Rs.10 each	250,000	250,000
Share capital	204,597	204,597
Reserves	899,824	917,001
Surplus on revaluation of fixed assets	468,306	472,012
	1,572,727	1,593,610
Non-controlling interest	17,635	17,335
<u>Non-current liabilities</u>		
Long-term financing	73,144	89,635
Staff retirement and other long term benefits	157,626	154,049
Liabilities against assets subject to finance lease	1,086	1,086
Deferred taxation	-	-
	231,856	244,770
<u>Current liabilities</u>		
Trade and other payables	1,409,160	1,225,162
Unclaimed dividend	5,980	5,980
Accrued finance cost	39,206	39,432
Current maturity of long-term financing	80,356	80,356
Current maturity of liabilities against assets subject to finance lease	709	1,013
Short term borrowings	1,178,989	1,204,747
	2,714,400	2,556,690
	2,946,256	2,801,460
Contingencies and commitments	4,536,618	4,412,405

Chief Financial Officer

Chief Executive

Director

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

For the period ended 30 September 2019

Rupees in thousand	30 September 2019	30 September 2018
Sales - net	1,167,538	1,228,376
Cost of sales	948,301	935,987
Gross profit	219,237	292,389
Marketing and Distribution costs	157,145	209,398
Administrative expenses	45,135	55,178
	202,280	264,576
Operating profit	16,957	27,813
Other operating income	26,513	12,496
	43,470	40,309
Other operating expenses	-	-
Finance cost	47,120	31,014
	47,120	31,014
Share of profit from associated Company	(2,063)	(1,954)
Profit before taxation	(5,713)	7,341
Taxation	13,955	7,237
Profit after taxation	(19,668)	104
<u>Attributable to:</u>		
Equity holders of the parent	(19,968)	(6,367)
Non-controlling interest	300	6,471
		Re-Stated
	----- Rupees -----	
Earning per share - basic and diluted	(0.98)	(0.31)

Chief Financial Officer

Chief Executive

Director

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

For the period ended 30 September 2019

Rupees in thousand	30 September 2019	30 September 2018
(Loss) / Profit after taxation	(19,668)	104
Other comprehensive income for the period		
<i>Items that may be reclassified to profit and loss</i>		
Fair value (loss) / gain on 'Available for sale' investments	(914)	(9,439)
Total comprehensive income/(loss) for the period	(20,582)	(9,335)
Attributable to :		
Equity holder of the parent	(20,882)	(15,806)
Non-controlling interest	300	6,471

Chief Financial Officer

Chief Executive

Director

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

For the period ended 30 September 2019

Rupees in thousand	30 September 2019	30 September 2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash generated from operations	12,643	(198,957)
Finance cost paid	(47,346)	(26,984)
Income taxes - net	25,515	(16,556)
Staff retirement benefits	(6,135)	(3,926)
Long term loans	4,173	495
Long term deposits	2,241	-
Net cash inflows / (outflows) from operating activities	(8,909)	(245,928)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(11,552)	(18,035)
Sale proceeds on disposal of property, plant and equipment	10,337	-
Net cash (outflows) / inflows from investing activities	(1,215)	(18,035)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long term financing	(16,491)	(17,028)
Short term borrowings - net	(100,000)	-
Lease liability	(304)	(443)
Net cash (outflows) from financing activities	(116,795)	(17,471)
Net increase / (decrease) in cash and cash equivalents	(126,919)	(281,434)
Cash and cash equivalents at 1 Jul	(1,025,495)	(711,420)
Cash and cash equivalents at 30 September	(1,152,414)	(992,854)

Chief Financial Officer

Chief Executive

Director

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

For the period ended 30 September 2019

Rupees in thousand

	Reserves						Total equity attributable to owners of the parent Company	Non controlling Interest	Total equity
	Capital			Revenue					
	Share capital	Share premium	Surplus on Revaluation of property, plant and equipment	Fair value reserve	General reserve	Accumulated (Loss) / Profit			
Balance as at 30 June 2018 - audited	181,864	56,819	509,131	21,707	285,000	480,102	1,534,623	20,599	1,555,222
Adjustment on initial application of IFRS 9 (net of tax)						(5,039)	(5,039)	-	(5,039)
Balance as at 1 July 2018 - audited	181,864	56,819	509,131	21,707	285,000	475,063	1,529,584	20,599	1,550,183
<u>Total comprehensive income for the period</u>									
Profit for the period	-	-	-	-	-	(6,367)	(6,367)	6,471	104
Other Comprehensive income for the period									
- Fair value gain on 'Available for sale' investments	-	-	-	(9,439)	-	-	(9,439)	-	(9,439)
Total comprehensive income for the period	-	-	-	(9,439)	-	(6,367)	(15,806)	6,471	(9,335)
Surplus on revaluation of property, plant and equipment realized through incremental depreciation charged on related assets during the period	-	-	(4,849)	-	-	4,849	-	-	-
Balance as at 30 September 2018 - unaudited	181,864	56,819	504,282	12,268	285,000	473,545	1,513,778	27,070	1,540,848
<u>Total comprehensive income for the period</u>									
Profit for the period	-	-	-	-	-	106,424	106,424	(9,735)	96,689
Other Comprehensive income for the period									
- Fair value loss on 'Available for sale' investments	-	-	-	(3,344)	-	-	(3,344)	-	(3,344)
- Remeasurement of defined benefit obligation	-	-	-	-	-	3,391	3,391	-	3,391
Total comprehensive income for the period	-	-	-	(3,344)	-	109,815	106,471	(9,735)	96,736
Surplus on revaluation of property, plant and equipment realized through incremental depreciation charged on related assets during the period	-	-	(28,364)	-	-	28,364	-	-	-
Reversal of deferred tax due to change of rate	-	-	(3,906)	-	-	-	(3,906)	-	(3,906)
<u>Transaction with owners of the Parent Company</u>									
Final cash dividend at the rate of 12.5% (i.e. Rs. 1.25 per share) for the year ended 30 June 2018	-	-	-	-	-	(22,733)	(22,733)	-	(22,733)
Issue of Bonus shares at the rate of 12.5% (i.e. Rs. 1.25 shares for every 10 shares held)	22,733	(22,733)	-	-	-	-	-	-	-
Balance as at 30 June 2019 - audited	204,597	34,086	472,012	8,924	285,000	588,991	1,593,610	17,335	1,610,945
<u>Total comprehensive income for the period</u>									
Profit for the period	-	-	-	-	-	(19,968)	(19,968)	300	(19,668)
Other Comprehensive income for the period									
- Fair value loss on 'Available for sale' investments	-	-	-	(914)	-	-	(914)	-	(914)
Total comprehensive income for the period	-	-	-	(914)	-	(19,968)	(20,883)	300	(20,583)
Surplus on revaluation of property, plant and equipment realized through incremental depreciation charged on related assets during the period	-	-	(3,706)	-	-	3,706	-	-	-
Balance as at 30 September 2019 - unaudited	204,597	34,086	468,306	8,010	285,000	572,729	1,572,727	17,635	1,590,362

Chief Financial Officer

Chief Executive

Director

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