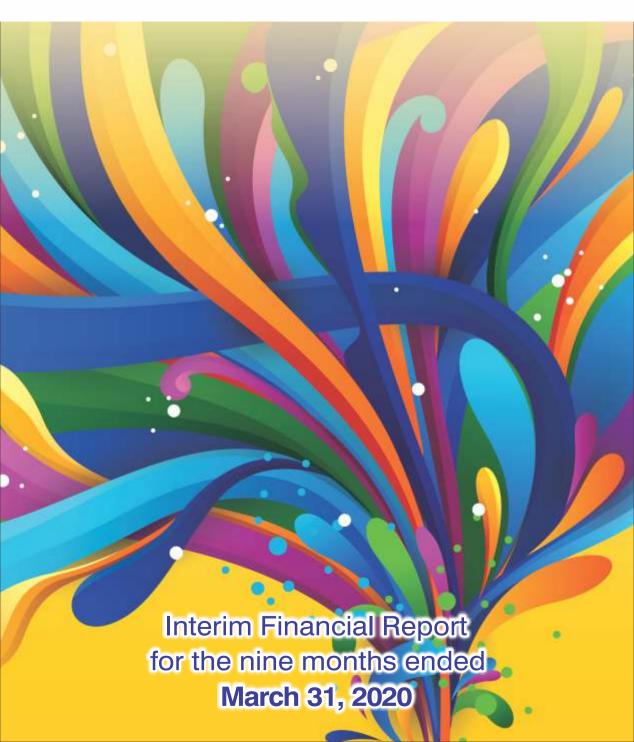
# BERGER PAINTS Trusted Worldwide



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## **Company Information**

#### **Board of Directors**

Mr. Maqbool H.H. Rahimtoola - Chairman

Dr. Mahmood Ahmad - Chief Executive

Mr. Muhammad Naseem

Mr. Shahzad M. Husain

Mr. Zafar A. Osmani

Mr. Mohammad Saeed Mr. Sohail Osman Ali

Mr. Ilvas Sharif

### **Audit Committee**

Mr. Muhammad Naseem - Chairman

Mr. Magbool H.H. Rahimtoola

Mr. Sohail Osman Ali

### Human Resource Committee

Mr. Zafar A. Osmani - Chairman

Dr. Mahmood Ahmad

Mr. Shahzad M. Husain

### **CFO & Company Secretary**

Mr. Abdul Wahid Qureshi

### **Bankers**

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

### Auditors

KPMG Taseer Hadi & Co. Chartered Accountants

### Solicitors

Surridge & Beecheno

### Company Registrar

M/s Corplink link Private Limited

### **Registered Office**

36 Industrial Estate, Kot Lakhpat, Lahore.

Tel: 92 42 111 237 437 Fax: 92 42 35151549

### Factory

28 Km, Multan Road, Lahore.

Tel: 92 42 38102775 Fax: 92 42 37543450

### Web Presence

www.berger.com.pk

## **Directors' Report**

The Directors of the Company are especially pleased to present their review along with the interim financial statements of the Company for the nine months ending on 31 March 2020, in Berger's 70th year in Pakistan.

Pakistan is facing sharp economic recession along with a skyrocketing fiscal deficit as fallout from the prevailing global coronavirus pandemic. Economic challenges of Pakistan have been increased manifold after outbreak of Pandemic Covid-19, including shrinking foreign remittances, Rupee devaluation and low productivity. Further, extended lock down period has created a high level of uncertainty for the overall business environment and planning.

Despite these challenges, however, the Company managed to achieve sales at 3,500 million. Selling and Administrative expenditure remained under control, while marketing activities were carried out in line with marketing plan. Due to increase in State Bank policy rate, financial cost increased by Rs.33.46 million over last year for the same period. Resultantly, the Company achieved profit after tax Rs.47.23 million representing a reasonable increase against the corresponding period of previous year.

The Directors take this opportunity of thanking our shareholders and valued customers for their continued trust as indeed the Company also appreciates the dedication demonstrated by all tiers of the Company's staff, in this its 70th anniversary year of operation.

On behalf of the Board

Dr. Mahmood Ahmad Chief Executive Mr. Maqbool H.H. Rahimtoola Chairman

Lahore:

Dated: 27 April 2020

## مجلس نظما کی رپورٹ

آپ کی کمپنی کے ڈائر میکٹرز خاص طور پر پاکتان میں برجر کے 70 ویں سال میں 31 مارچ، 2020 کو اختقام پذیر ہونے والی نو ماہی پر عبوری فناهل المیٹی شمنٹس بمعداسے تنبرے کے چیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

عالمی وبائی مرض کورونا وائزس کی وجہ سے پاکستان انتہائی معاثی اور مالی خسارے سے درچیش مشکلات سے گزر رہاہے۔ وبائی مرض کررونا وائزس کے پھیلنے کے بعد پاکستان کے معاشی چیلنجز میں ٹی گنا اضافہ ہوا، جس میں غیر ملکی ترسیلات میں کی، روپے کی قدر میں کی اور کم پیداوری شامل ہیں۔ مزید میر کدلاک ڈاؤن پیریڈ میں توسیع نے مجموع طور پر کاروباری ماحل اور دیگر سرگرمیوں کے لئے ایک اعلی سطح کی غیر بیٹینی صورتھال پیدا کردی ہے۔

ان چیلنجز کے باوجود کمپنی 3,500 ملین روپے کی سیلز وبلیوحاصل کرنے میں کامیاب رہی۔انظامی اور دیگر اخراجات پر قابو پایا گیا اور تشہیری سرگرمیوں پر بھی منصوبہ بندی کے مطابق عمل درآ مرہو۔اسٹیٹ بینک کی پالیسی کی شرح میں اضافے کی وجہ سے گذشتہ سال کے دوران اسی مدت کے لئے مالی لاگت میں 33.46 ملین روپے کا اضافہ ہوا ہے۔ نتیجہ کے طور پر کمپنی نے فیکس کے بعد 47.23 ملین روپے کا منافع حاصل کیا ، جو کہ گذشتہ سال کی اسی مدت کے مقابلے میں معقول اضافہ ہے۔

ڈائر کیٹرز کمپنی کی 70 ویں سالگرہ کے اس موقع پراپے شیئر بولڈرز اور معزز کسٹمرز کاان کے مسلسل احتاد کیلیے شکر بیادا کرتے ہیں اور کمپنی اپنے سب ملاز مین کے عزم اوران تھک محنت کی واود بتی ہے۔

منجانب بورڈ

ڈ اکٹر محمود احمد مقبول ان کھا ان کھ ان کھ رحمت اللہ چیف اگر کیا ہو ۔ چیف اگر کیا ہو چین مین

> لا ہور .

بتاریخ:27اپریل،2020

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

### As on 31 March 2020

| Rupees in thousand                                  | 31 March<br>2020                      | 30 June<br>2019   |
|---|---------------------------------------|-------------------|
|   |                                       |                   |
| ASSETS  |                                       |                   |
| NON-CURRENT ASSETS                                  |                                       |                   |
| Property, plant and equipment                       | 1,172,829                             | 1,177,145         |
| Intangibles   | 1,971                                 | 2,696             |
| Goodwill  | 24,000                                | 24,000            |
| Investments - related parties                       | 49,410                                | 54,50             |
| Long term loan to related party - Secured           | 40,000                                | -                 |
| Long-term loans                                     | 42,761                                | 44,62             |
| Long-term deposits                                  | 21,026                                | 21,20             |
| Deferred taxation                                   | 22,011                                | 43,87             |
| CURRENT ASSETS                                      | 1,374,008                             | 1,368,05          |
| Stores  | 19,661                                | 16,90             |
| Stock in trade                                      | 1,127,738                             | 917,36            |
| Trade debts   | 1,413,065                             | 1,461,01          |
| Loans and advances                                  | 178,720                               | 98,78             |
| Long term loan to related party - Secured           | 170,725                               | 40,00             |
| Trade deposits and short-term prepayments           | 38,099                                | 41,20             |
| Other receivables                                   | 28,894                                | 13,89             |
| Taxation - net                                      | 26,694                                | 280,93            |
|   |                                       |                   |
| Short term investments                              | 32,195                                | 32,19             |
| Cash and bank balances                              | 31,717<br>3,138,996                   | 76,62<br>2,978,92 |
|   |                                       |                   |
| TOTAL ASSETS  | 4,513,004                             | 4,346,98          |
| 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                               | 204,59            |
| Reserves  | 322,916                               | 328,01            |
| Accumulated Profit                                  | · · · · · · · · · · · · · · · · · · · | 1                 |
|   | 614,086                               | 575,65            |
| Surplus on Revaluation of Fixed Assets - net of tax | 460,346<br>1,601,945                  | 1,580,26          |
| NON-CURRENT LIABILITIES                             |                                       |                   |
| Long term financing                                 | 83,356                                | 89,63             |
| Staff retirement and other long term benefits       | 170,029                               | 154,04            |
| CURRENT LIABILITIES                                 | 253,385                               | 243,68            |
| Trade and other payables                            | 1,283,675                             | 1,192,51          |
| Unclaimed dividend                                  | 6,697                                 | 5,98              |
| Current maturity of long-term financing             | 48,742                                | 80,35             |
| Accrued finance cost                                | 43,523                                | 39,43             |
| Short term borrowings - secured                     | 1,275,037                             | 1,204,74          |
| Š   | 2,657,674                             | 2,523,02          |
| CONTINGENCIES AND COMMITMENTS                       |                                       |                   |
| TOTAL EQUITY AND LIABILITIES                        | 4,513,004                             | 4,346,98          |
|   | ,                                     |                   |

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

For the period ended 31 March 2020

|                                       | For the nine r | months ended | For the quarter ended |           |  |  |
|---------------------------------------|----------------|--------------|-----------------------|-----------|--|--|
|                                       | 31 March       | 31 March     | 31 March              | 31 March  |  |  |
| Rupees in thousand                    | 2020           | 2019         | 2020                  | 2019      |  |  |
|                                       |                |              |                       |           |  |  |
|                                       |                | 0.754.000    | 4 0== 040             | 4.445.005 |  |  |
| Sales - net                           | 3,499,830      | 3,751,282    | 1,055,043             | 1,115,395 |  |  |
| Cost of sales                         | 2,750,224      | 2,971,135    | 811,390               | 879,811   |  |  |
| Gross Profit                          | 749,606        | 780,147      | 243,653               | 235,584   |  |  |
| Marketing and Distribution expenses   | 448,629        | 518,289      | 152,156               | 171,237   |  |  |
|                                       | ,              |              | ,                     | 1         |  |  |
| Administrative expenses               | 134,885        | 151,104      | 48,324                | 48,418    |  |  |
|                                       | 583,514        | 669,393      | 200,480               | 219,655   |  |  |
| Operating Profit                      | 166,092        | 110,754      | 43,173                | 15,929    |  |  |
| Operating From                        | 100,092        | 110,734      | 43,173                | 13,929    |  |  |
| Other operating income                | 72,841         | 37,287       | 15,093                | 9,418     |  |  |
|                                       | 238,933        | 148,041      | 58,266                | 25,347    |  |  |
|                                       |                |              |                       |           |  |  |
| Finance cost                          | 147,601        | 114,141      | 49,350                | 48,126    |  |  |
| Other Charges                         | 5,995          | 2,217        | 838                   | (1,694)   |  |  |
|                                       | 153,596        | 116,358      | 50,188                | 46,432    |  |  |
|                                       |                |              |                       |           |  |  |
| (Loss) / Profit before taxation       | 85,337         | 31,683       | 8,078                 | (21,085)  |  |  |
|                                       |                |              |                       |           |  |  |
| Taxation                              | 38,107         | 9,188        | 2,343                 | (6,114)   |  |  |
| (Loss) / Profit after taxation        | 47,230         | 22,495       | 5,735                 | (14,971)  |  |  |
| , ,                                   | ,              | , -          | ,                     | , , ,     |  |  |
|                                       |                |              |                       |           |  |  |
| Earning per share - basic and diluted | Rs.2.31        | Rs.1.10      | Rs.0.28               | (Rs.0.73) |  |  |

### **Condensed Interim**

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

For the period ended 31 March 2020

|   | For the nine     | months ended     | For the quarter ended |                  |
|---|------------------|------------------|-----------------------|------------------|
| Rupees in thousand  | 31 March<br>2020 | 31 March<br>2019 | 31 March<br>2020      | 31 March<br>2019 |
| Profit / (Loss) after taxation  | 47,230           | 22,495           | 5,735                 | (14,971)         |
| Other comprehensive income / (loss) Items that may be reclassified to profit and loss |                  |                  |                       |                  |
| Fair value loss on Investment classified as Available for sale                        | -                | (14,049)         | -                     | (1,370)          |
| Items that will not be reclassified to profit or loss                                 |                  |                  |                       |                  |
| Fair value (loss) / profit on investment classified as FVOCI                          | (5,094)          | -                | (4,651)               | -                |
| Total comprehensive income / (loss) for the period                                    | 42,136           | 8,446            | 1,084                 | (16,341)         |

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

For the period ended 31 March 2020

| Rupees in thousand   | 31 March<br>2020                        | 31 March<br>2019   |
|--|---|--------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES   |   |                    |
| Profit before taxation   | 85,337                                  | 31,683             |
| Adjustment for non cash items:   |   |                    |
| Depreciation on propery, plant and equipment   | 52,951                                  | 59,303             |
| Provision against slow moving stock  | 115                                     | (1,353             |
| Provision for doubtful debts   | 16,440                                  | (17,326            |
| Provision for staff retirement and other long term benefits                          | 29,137                                  | 23,229             |
| Amortization on intangibles  | 1,291                                   | 4,231              |
| Gain on disposal of property, plant and equipment                                    | (5,299)                                 | (5,020             |
| Finance costs  | 147,601                                 | 114,141            |
| Operating profit before working capital changes                                      | 242,236<br>327,573                      | 177,205<br>208,888 |
|  | ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,, | ,                  |
| (Increase) / Decrease in Current Assets  |   |                    |
| Stores and spare parts   | (2,755)                                 | (1,345             |
| Stocks in Trade  | (210,485)                               | 47,216             |
| Trade debts  | 31,509                                  | (389,724           |
| Loans and advances   | (79,934)                                | 95,047             |
| Trade deposits short-term prepayments  | 3,107                                   | 3,421              |
| Others receivables   | (15,003)<br>(273,561)                   | (10,513            |
| ncrease / (Decrease) in Current Liabilities  |   | •                  |
| Trade and other payables   | 91,161                                  | (47,296            |
| Cash generated from operations   | 145,173                                 | (94,306            |
| Figure 2 and 2 and 4   | (4.40.540)                              | (00.074            |
| Finance costs paid   | (143,510)                               | (98,274            |
| Taxes paid Staff retirement and other long term benefits paid                        | (4,213)                                 | (45,753            |
| Staff retirement and other long term benefits paid                                   | (13,157)                                | (8,442             |
| Long-term loans - net Long-term deposits - net                                       | 1,867<br>179                            | 9,359<br>1,963     |
| Long-term deposits - net   | (158,834)                               | (141,147           |
| Net cash generated / (used in) from operating activities                             | (13,661)                                | (235,453           |
| CASH FLOWS FROM INVESTING ACTIVITIES   |   |                    |
| Fixed capital expenditure  | (57,755)                                | (60,193            |
| Sales proceeds on disposal of property, plant and equipment                          | 13,853                                  | 16,075             |
| Net cash outflow from investing activities   | (43,902)                                | (44,118            |
|  |   |                    |
| CASH FLOWS FROM FINANCING ACTIVITIES   | (07.000)                                | 44.004             |
| Repayment of long term financing Dividend Paid                                       | (37,893)                                | 44,261             |
|  | (19,743)<br>(100,000)                   | (19,366            |
| Short-term borrowings - net Net cash generated from / (used in) financing activities | (157,636)                               | (275,105           |
| Net increase / (decrease) in cash and cash equivalents                               | (215,198)                               | (554,676           |
| Cash and cash equivalents at beginning of the period                                 | (1,028,122)                             | (716,569           |
| Cash and cash equivalents at end of the period                                       | (1,243,320)                             | (1 071 045         |
| Cash and Cash equivalents at end of the period                                       | (1,243,320)                             | (1,271,245         |

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

Chief Financial Officer Chief Executive Director

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

For the period ended 31 March 2020

|  |               | Capital reserve  |                       | Revenue rese   |                    | reserve               |                                 |
|--|---------------|------------------|-----------------------|--|--------------------|-----------------------|---------------------------------|
| Rupees in thousand   | Share capital | Share<br>premium | Fair value<br>reserve | Surplus on<br>Revaluation of<br>property, plant and<br>equipment | General<br>reserve | Accumulated<br>Profit | Total share capital and reserve |
|  |               |                  |                       |  |                    |                       |                                 |
| 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)   | =             | -                | ē                     | -  | -                  | (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  |               | - 1              | -                     |  | -                  | 22,495                | 22,495                          |
| Other Comprehensive income for the period  |               |                  |                       |  |                    |                       |                                 |
| - Fair value gain on 'Available for sale' investments  | _             | -                | (14,049)              |  |                    | _                     | (14,049)                        |
| Total comprehensive income for the period  | -             | - '              | (14,049)              | - '  | -                  | 22,495                | 8,446                           |
| Surplus on revaluation of property plant and equipment realized through incremental depreciation charged on related assets during the period       | -             | -                | -                     | (13,592)   | -                  | 13,592                | -                               |
| Transaction with owners of the Company   |               |                  |                       |  |                    |                       |                                 |
| Final cash dividend at the rate of 12.5%   |               |                  |                       |  |                    |                       |                                 |
| (i.e. Rs. 1.25 per share ) for the year<br>ended 30 June 2018  |               |                  |                       |  |                    |                       |                                 |
|  | -             | -                | -                     | -  | -                  | (22,733)              | (22,733)                        |
| Issue of Bonus shares at the rate of 12.5% (i.e. Rs. 1.25 shares for every 10 shares held)   | 22,733        | (22,733)         | -                     | -  |                    | -                     |                                 |
| Balance as at 31 March 2019 - unaudited  | 204,597       | 34,086           | 7,658                 | 495,539  | 285,000            | 474.308               | 1,501,188                       |
|  |               |                  |                       |  |                    | ,,,,,                 |                                 |
| 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  | -             | -                | -                     | -  | -                  | 47,230                | 47,230                          |
| Other Comprehensive income for the period  |               |                  |                       |  |                    |                       |                                 |
| Fair value (loss) / profit on investment classified as FVOCI   | -             | -                | (5,094)               | _  | -                  | -                     | (5,094)                         |
| Total comprehensive income for the period  | -             | -                | (5,094)               | -  | -                  | 47,230                | 42,136                          |
| Surplus on revaluation of property plant and equipment<br>realized through incremental depreciation charged on related<br>assets during the period | -             | -                | -                     | (11,666)   | -                  | 11,666                | -                               |
| Transaction with owners of the Company   |               |                  |                       |  |                    |                       |                                 |
| Final cash dividend at the rate of 10.00%  |               |                  |                       |  |                    |                       |                                 |
| (i.e. Rs. 1.00 per share ) for the year  |               |                  |                       |  |                    |                       |                                 |
| ended 30 June 2019   | -             | -                | -                     | -  | -                  | (20,460)              | (20,460)                        |
| Balance as at 31 March 2020 - unaudited  | 204.597       | 34.086           | 3,830                 | 460.346  | 285,000            | 614.086               | 1,601,945                       |

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

### For the period ended 31 March 2020

### 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

|                    | 31 March | 31 March |  |
|--------------------|----------|----------|--|
| Rupees in thousand | 2020     | 2019     |  |
|                    |          |          |  |
| Additions          | 57,755   | 60,193   |  |

### 5. CONTINGENCIES AND COMMITMENTS

### 5.1 Contingencies

There is no material change in the status of contingencies as reported in audited financial statements of the Company for the year ended 30 June 2019 except for the case from tax year 2014. The Deputy Commissioner Inland Revenue(DCIR), Lahore, vide its assessment order dated 31 August 2017, created demand of Rs. 484 million u/s 177/122. The Company had filed an appeal before Commissioner Inland Revenue (CIR-A-1) who remanded back the case to Deputy Commissioner Inland Revenue(DCIR) by deleting demand amounting to Rs. 451.01 million. The management has filed an appeal before Apellate Tribunal Inland Revenue Lahore on 13 December 2019. The management and the Company's legal counsel are of the view that there is very likelihood of final decision of the case to be in favor of the Company.

### 5.2 Commitments

5.2.1 Outstanding letter of credit as at March 31, 2020 amounted to Rs. 302.99 million [June 30, 2019: Rs. 346.84 million].

**5.2.2** Outstanding letter of guarantees as at March 31, 2020 amounted to Rs. 83.32 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 March 31, 2020. All transactions were carried out at arms length price.

| Rupees in thousand   | 31 March<br>2020          | 31 March<br>2019          |
|--|---------------------------|---------------------------|
| SALES  |                           |                           |
| Berger Road Safety (Private) Limited - a subsidiary<br>Buxly Paints Limited - related party<br>Dadex Eternit | 120,290<br>184,932<br>180 | 125,911<br>131,237<br>257 |
| TOLL MANUFACTURING INCOME  |                           |                           |
| Buxly Paints Limited - related party   | 13,565                    | 16,115                    |
| RENTAL INCOME AND OTHER SERVICES CHARGED   |                           |                           |
| Buxly Paints Limited - related party Berger Road Safety (Private) Limited - a subsidiary                     | 900<br>4,083              | 900<br>4,534              |
| INTEREST INCOME  |                           |                           |
| Berger Road Safety (Private) Limited - a subsidiary  | 6,068                     | 6,222                     |
| RENTAL EXPENSES  |                           |                           |
| Buxly Paints Limited - related party   | 1,359                     | 1,359                     |
| ROYALTY  |                           |                           |
| Buxly Paints Limited - related party<br>Slotrapid Limited B.V.I - holding company                            | 48<br>18,592              | 946<br>28,887             |

### BERGER PAINTS

 These interim condensed financial statements were authorized for issue on 27 April 2020 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.



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

### As on 31 March 2020

| Rupees in thousand   | 31 March<br>2020 | 30 June<br>2019 |
|--|------------------|-----------------|
| Non-current assets   |                  |                 |
| Property, plant and equipment  | 1,174,886        | 1,180,493       |
| Intangibles  | 25,971           | 26,696          |
| Investments - related parties  | 46,111           | 51,199          |
| Long term loans  | 42,761           | 44,628          |
| Long term deposits   | 22,011           | 22,190          |
| Deferred taxation  | 30,632           | 52,847          |
| Current assets   | 1,342,372        | 1,378,053       |
|  | 40.004           | 10.000          |
| Stores Charles to a decide to the store of t | 19,661           | 16,906          |
| Stock in trade   | 1,142,774        | 932,717         |
| Trade debts  | 1,420,762        | 1,479,490       |
| Loans and advances   | 187,331          | 105,794         |
| Trade deposits and short term prepayments  | 38,099           | 41,206          |
| Other receivables  | 28,894           | 13,891          |
| Taxation - net   | 328,312          | 332,900         |
| Short term investments   | 32,195           | 32,195          |
| Cash and bank balances   | 32,079           | 79,253          |
|  | 3,230,107        | 3,034,352       |
|  | 4,572,479        | 4,412,405       |
| Share capital and reserves   |                  |                 |
| Authorised share capital   |                  |                 |
| 25,000,000 ordinary shares of Rs.10 each   | 250,000          | 250,000         |
| Share capital  | 204,597          | 204,597         |
| Reserves   | 949,456          | 917,001         |
| Surplus on revaluation of fixed assets   | 460,346          | 472,012         |
| outplus off revaluation of fixed assets  | 1,614,399        | 1,593,610       |
| Non-controlling interest   | 16,456           | 17,335          |
| gg   | 13,133           | 11,000          |
| Non-current liabilities  |                  |                 |
| Long-term financing  | 83,356           | 89,635          |
| Staff retirement and other long term benefits  | 170,029          | 154,049         |
| Liabilities against assets subject to finance lease  | -                | 1,086           |
|  | 253,385          | 244,770         |
| Current liabilities  |                  |                 |
| Trade and other payables   | 1,313,053        | 1,225,162       |
| Unclaimed dividend   | 6,697            | 5,980           |
| Accrued finance cost   | 43,523           | 39,432          |
| Current maturity of long-term financing  | 48,742           | 80,356          |
| Current maturity of liabilities against assets subject to finance lease  | 1,187            | 1,013           |
| Short term borrowings  | 1,275,037        | 1,204,747       |
| Contingencies and commitments  | 2,688,239        | 2,556,690       |
|  | 4,572,479        | 4,412,405       |

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

|                                       | For the nine  | months ended     | For the quarter ended |                  |  |
|---------------------------------------|---------------|------------------|-----------------------|------------------|--|
| Rupees in thousand                    | 31 March 2020 | 31 March<br>2019 | 31 March<br>2020      | 31 March<br>2019 |  |
|                                       |               |                  |                       |                  |  |
| Sales - net                           | 3,612,906     | 3,918,062        | 1,083,266             | 1,165,595        |  |
| Cost of sales                         | 2,828,623     | 3,091,511        | 829,928               | 922,454          |  |
| Gross profit                          | 784,283       | 826,551          | 253,338               | 243,141          |  |
| Marketing and Distribution costs      | 463,685       | 531,536          | 159,658               | 175,158          |  |
| Administrative expenses               | 142,292       | 159,087          | 50,728                | 51,351           |  |
|                                       | 605,977       | 690,623          | 210,386               | 226,509          |  |
| Operating profit                      | 178,306       | 135,928          | 42,952                | 16,632           |  |
|                                       |               |                  |                       |                  |  |
| Other operating income                | 62,813        | 34,273           | 11,974                | 11,252           |  |
|                                       | 241,119       | 170,201          | 54,926                | 27,884           |  |
| Other operating expenses              | 5,995         | 2,217            | 838                   | (1,694)          |  |
| Finance cost                          | 148,059       | 120,732          | 49,516                | 50,688           |  |
|                                       | 154,054       | 122,949          | 50,354                | 48,994           |  |
| Share of profit of associated Company | 6             | (2,560)          | (36)                  | (1,005)          |  |
| Profit before taxation                | 87,071        | 44,692           | 4,536                 | (22,115)         |  |
| Taxation                              | 41,607        | 12,847           | 3,187                 | (5,230)          |  |
| Profit after taxation                 | 45,464        | 31,845           | 1,349                 | (16,885)         |  |
| Attributable to:                      |               |                  |                       |                  |  |
| Equity holders of the parent          | 46,343        | 25,819           | 3,330                 | (16,465)         |  |
| Non-controlling interest              | (879)         | 6,026            | (1,981)               | (420)            |  |
| Non-controlling interest              | (679)         | 0,020            | (1,961)               | (420)            |  |
|                                       |               | Rupees           |                       |                  |  |
| Earning per share - basic and diluted | 2.27          | 1.26             | 0.16                  | (0.80)           |  |

### **Condensed Interim**

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

|  | For the nine months ended |                  | For the quarter ended |                  |
|--|---------------------------|------------------|-----------------------|------------------|
| Rupees in thousand   | 31 March<br>2020          | 31 March<br>2019 | 31 March<br>2020      | 31 March<br>2019 |
|  |                           |                  |                       |                  |
| Profit after taxation  | 45,464                    | 31,845           | 1,349                 | (16,885)         |
| Other comprehensive income / (loss)                            |                           |                  |                       |                  |
| Items that may be reclassified to profit and loss              |                           |                  |                       |                  |
| Fair value loss on Investment classified as Available for sale | -                         | (14,049)         | -                     | (1,370)          |
| Items that will not be reclassified to profit or loss          |                           |                  |                       |                  |
| Fair value (loss) / profit on investment classified as FVOCI   | (5,094)                   | -                | (4,651)               | -                |
|  |                           |                  |                       |                  |
| Total comprehensive income for the period                      | 40,370                    | 17,796           | (3,302)               | (18,255)         |
|  |                           |                  |                       |                  |
| Attributable to:   |                           |                  |                       |                  |
| Equity holder of the parent                                    | 41,249                    | 11,770           | (1,321)               | (17,835)         |
| Non-controlling interest                                       | (879)                     | 6,026            | (1,981)               | (420)            |

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

| Rupees in thousand   | 31 March<br>2020 | 31 March<br>2019 |  |
|--|------------------|------------------|--|
| CASH FLOWS FROM OPERATING ACTIVITIES                       |                  |                  |  |
| Cash generated from operations                             | 154,869          | (76,991)         |  |
| Finance cost paid  | (143,968)        | (104,865)        |  |
| Income taxes - net   | (14,804)         | (58,427)         |  |
| Staff retirement benefits                                  | (13,157)         | (8,442)          |  |
| Long term loans  | 1,867            | 9,359            |  |
| Long term deposits   | 179              | 1,963            |  |
| Net cash inflows / (outflows) from operating activities    | (15,014)         | (237,403)        |  |
| CASH FLOWS FROM INVESTING ACTIVITIES                       |                  |                  |  |
| Capital expenditure  | (57,754)         | (60,192)         |  |
| Sale proceeds on disposal of property, plant and equipment | 13,853           | 16,075           |  |
| Net cash (outflows) / inflows from investing activities    | (43,901)         | (44,117)         |  |
| CASH FLOWS FROM FINANCING ACTIVITIES                       |                  |                  |  |
| Repayment of long term financing                           | (37,893)         | 44,261           |  |
| Dividend paid  | (19,743)         | (18,933)         |  |
| Short term borrowings - net                                | (100,000)        | (300,000)        |  |
| Lease liability  | (912)            | (1,189)          |  |
| Net cash (outflows) from financing activities              | (158,548)        | (275,861)        |  |
| Net increase / (decrease) in cash and cash equivalents     | (217,463)        | (557,381)        |  |
| Cash and cash equivalents at 1 Jul                         | (1,025,495)      | (711,420)        |  |
| Cash and cash equivalents at 31 March                      | (1,242,958)      | (1,268,801)      |  |

## Condensed Interim

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

| Rupees in thousand  |                  | Reserves         |   |                       |                    |                                |   |                             |              |
|---|------------------|------------------|---|-----------------------|--------------------|--------------------------------|---|-----------------------------|--------------|
|   | Share<br>capital | Capital          |   | Rev                   | Revenue            |                                |   |                             |              |
|   |                  | Share<br>premium | Surplus on<br>Revaluation of<br>property, plant<br>and<br>equipment | Fair value<br>reserve | General<br>reserve | Accumulated<br>(Loss) / Profit | Total equity<br>attributable<br>to owners of<br>the parent<br>Company | Non controlling<br>Interest | Total equity |
| 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    |
| Total comprehensive income for the period   |                  |                  |   |                       |                    |                                |   |                             |              |
| Profit for the period   | -                | -                |   | -                     | -                  | 25,819                         | 25,819  | 6,026                       | 31,845       |
| Other Comprehensive income for the period   |                  |                  |   |                       |                    |                                |   |                             |              |
| - Fair value gain on 'Available for sale' investments   | -                | -                | -   | (14,049)              | -                  | -                              | (14,049)  | -                           | (14,049)     |
| Total comprehensive income for the period   | -                |                  |   | (14,049)              |                    | 25,819                         | 11,770  | 6,026                       | 17,796       |
| Surplus on revaluation of property, plant and   |                  |                  |   |                       |                    |                                |   |                             |              |
| equipment realized through incremental depreciation   |                  |                  | (10.500)  |                       |                    |                                |   |                             |              |
| charged on related assets during the period  Transaction with owners of the Parent Company  |                  | -                | (13,592)  |                       |                    | 13,592                         |   | •                           | -            |
| Final cash dividend at the rate of 12.5%<br>(i.e. Rs. 1.25 per share ) for the year<br>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 31 March 2019 - unaudited   | 204,597          | 34,086           | 495,539   | 7,658                 | 285,000            | 491,741                        | 1,518,621   | 26,625                      | 1,545,246    |
| 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    |
| Total comprehensive income for the period   | ,                |                  |   |                       |                    |                                |   |                             |              |
| Profit for the period   | -                | -                | -   | -                     | -                  | 46,343                         | 46,343  | (879)                       | 45,464       |
| Other Comprehensive income for the period - Fair value (loss) / profit on investment classified as FVOCI  | .                |                  | .   | (5,094)               |                    |                                | (5,094)   |                             | (5,094)      |
| Total comprehensive income for the period   | - '              | -                | -   | (5,094)               | -                  | 46,343                         | 41,249  | (879)                       | 40,370       |
| Surplus on revaluation of property, plant and<br>equipment realized through incremental depreciation<br>charged on related assets during the period |                  |                  | (11,666)  | -                     |                    | 11,666                         | -   | -                           | -            |
| Transaction with owners of the Parent Company   |                  |                  |   |                       |                    |                                |   |                             |              |
| Final cash dividend at the rate of 10.00%<br>(i.e. Rs. 1.00 per share) for the year<br>ended 30 June 2019   | -                |                  |   | -                     | -                  | (20,460)                       | (20,460)  |                             | (20,460)     |
| Balance as at 31 March 2020 - unaudited   | 204,597          | 34,086           | 460,346   | 3,830                 | 285,000            | 626,540                        | 1,614,399   | 16,456                      | 1,630,855    |



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