

# **BERGER**

**P A I N T S**

Trusted Worldwide

# **ANNUAL REPORT 2024**



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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  
Mr. Mohammad Saeed ..... 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. Mohammad Saeed

## COMMITTEE FOR BUSINESS STRATEGIES

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

## CHIEF FINANCIAL OFFICER AND COMPANY SECRETARY

Mr. Nauman Afzal

## BANKERS

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

## AUDITORS

BDO Ebrahim & Co.  
Chartered Accountants

## SOLICITORS

Zafar & Associates LLP.

## COMPANY REGISTRAR

M/s Corplink Private Limited

## REGISTERED OFFICE AND FACTORY

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

## WEBSITE

[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.

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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.

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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.

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

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## 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.



# 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.

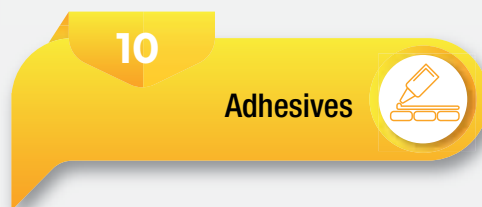
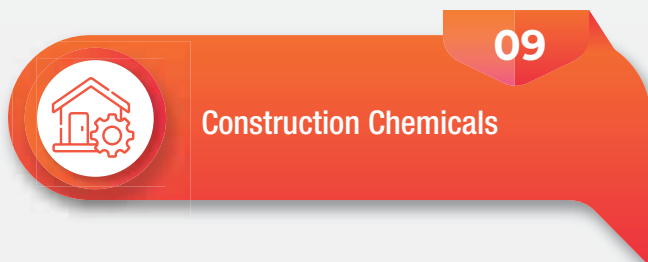
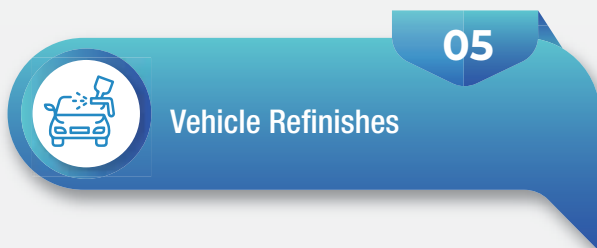
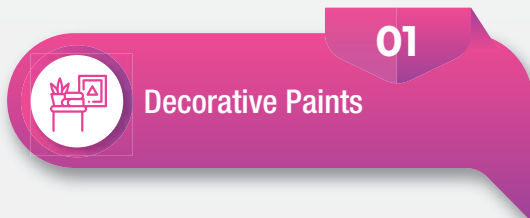
Safety training programs are organized on a regular basis for all personnel, factory workers and vendors to ensure safety of the work environment. Strict safety regulations for PPE's (Personal Protection Equipment) and work procedures are enforced at every step.

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.

“When ordinary people rise above the expectations and seize the opportunity those milestones truly are reached.”



## 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.



# 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.





## 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.



# 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.



**DRIVE  
SAFELY**



## 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



## CSR ACTIVITY AT KHUSHAB – WATER BORING

Berger, a symbol of compassion, has brightened the lives of a struggling community. In a region where clean water was hard to access, Berger undertook the installation of a water bore and the construction of a water tank in Khushab. This initiative has significantly improved access to clean, pure water, positively impacting the local community through their CSR efforts.





## PRODUCT LAUNCH - ELEGANCE DESIRE SILK TOUCH

Berger Paints introduced Berger Elegance Desire, its latest interior product, in Islamabad, drawing over 250+ dealers to the launch event. The attendees received detailed insights into the product's specifications and qualities, emphasizing its features and benefits within the interior paint segment.







## 16TH CRICKET CHAMPIONSHIP

Berger Paints organized a cricket tournament for its employees in Lahore featuring 12 teams. The knockout rounds led to an exciting final between VITON and WEATHERPRO, with VITON emerging as the victorious team. It was a whole-day, fun-filled event embraced by employees and their families. It was surrounded by diverse activities, including lucky draws, gifts for children, and various games, creating a joyous, family-friendly atmosphere throughout the day.



## IQBAL KITAB AWARDS

To promote Allama Iqbal's thoughts and personality, the Allama Iqbal Stamps Society organized the Iqbal Kitab Award 2022-23. The Iqbal Kitab Award was introduced in 2018-19 with the Berger Paints Pakistan Limited sponsorship. This year, three awards were given to the books in three different categories. Abu Junaid Inayat Ali's book "Do Qaumi Nazariya: Allama Iqbal, Quaid-i-Azam and Syed Modoodi" for Urdu, Dr. Rehmat Aziz Chitrali's book "Phophokan Iqbal" for Khwar and Dr. Mahmood Ali Anjum's book "Ummat Da Hakeem" for Punjabi got Iqbal Kitab Award. Certificates and appreciation letters were distributed among all the participants. The competition judges were Dr. Waheed-ur-Rehman Khan, Dr. Baseera Ambreen, Dr. Razia Majeed and Dr. Arooba Masroor Siddiqui. The prize distribution ceremony was held at Dabistan-i-Iqbal, Lahore, on November 25, 2023,

with the collaboration of Berger Paints Pakistan Limited. The event's chief guest was Dr. Abdul Rauf Rafiqui (Director - Iqbal Academy Pakistan). A Special Award was given to Dr. Rafi-ud-Din Hashmi's book, and Three special gifts were also distributed among Iranian Delegation. "Kitabiyat-e-Iqbal" and The other award also introduced by Allama Iqbal Stamps Society is the "Life Time Achievement Award". This award was given to Dr. Abdul Rauf Rafiqui. The event was hosted by Mian Sajid Ali (Executive – MIS) and Arfa Rasheed Aarbi. Muftaba Khalid and Nabeela Fazal recited Kalam-e-Iqbal. Berger Paints Pakistan Limited is proud to be a part of this event and is looking forward to collaborating and participating in such events on the national level in the future. The Marketing Department of Berger Paints Pakistan Limited sponsored the event for the last five years consecutively and designed and developed the shields, medals and certificates.





# 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, 2024 at Rs.4.00 per share i.e., 40%. This is in addition

to interim dividends already paid at Rs. 0 per shares i.e. 0%.

## BOOK CLOSURE DATES

Share Transfer Books will remain closed from October 19, 2024 to October 25, 2024, 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 non deduction.

## 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.

### GENDER PAY GAP STATEMENT

Following is gender pay gap calculated for the year ended June 30, 2024:

- i. Mean Gender Pay Gap: **26.66 %**
- ii. Median Gender Pay Gap: **(6.22) %**

The percentages above indicate the gender pay gap between applicable male and female employees within the organization.

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.

www.jamapunji.pk

**Jama Punji**  
سرمایہ کاری سمجھداری کے ساتھ

**Be aware, Be alert, Be safe**  
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**Key features:**

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- Scam meter\*
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- Tax credit calculator\*
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- Stock trading simulator (based on live feed from KSE)
- Knowledge center
- Risk profiler\*
- Financial calculator
- Subscription to Alerts (event notifications, corporate and regulatory actions)
- Jamapunji application for mobile device
- Online Quizzes

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\*Mobile apps are also available for download for android and ios devices

# FINANCIAL HIGHLIGHTS

Rupees in thousand

Year Ended June 30,

| Year                                    | 2024             | 2023             | 2022             | 2021             | 2020             | 2019             |
|---|------------------|------------------|------------------|------------------|------------------|------------------|
| <b>NET ASSETS</b>                       |                  |                  |                  |                  |                  |                  |
| Fixed Assets                            | 2,264,281        | 2,306,831        | 1,628,184        | 1,635,006        | 1,639,574        | 1,179,841        |
| Goodwill                                | -                | -                | -                | -                | 24,000           | 24,000           |
| Long Term Investments                   | 76,595           | 78,479           | 70,915           | 52,505           | 52,037           | 54,504           |
| Long Term Loans & Deposits              | 60,652           | 59,479           | 76,770           | 70,566           | 81,849           | 65,833           |
| Deferred Taxation                       | -                | -                | -                | 29,093           | -                | 43,878           |
| Net Current Assets                      | 1,669,792        | 1,449,633        | 923,707          | 667,445          | 533,742          | 455,897          |
| <b>Total</b>                            | <b>4,071,320</b> | <b>3,894,422</b> | <b>2,699,576</b> | <b>2,454,615</b> | <b>2,331,202</b> | <b>1,823,953</b> |
| <b>FINANCED BY</b>                      |                  |                  |                  |                  |                  |                  |
| Share Capital                           | 245,516          | 245,516          | 204,597          | 204,597          | 204,597          | 204,597          |
| Reserves                                | 1,764,229        | 1,454,674        | 1,310,842        | 1,171,720        | 973,326          | 903,660          |
| Surplus on Revaluation of Fixed Assets  | 1,437,720        | 1,495,613        | 830,273          | 849,056          | 877,100          | 472,012          |
|   | 3,447,465        | 3,195,803        | 2,345,712        | 2,225,373        | 2,055,023        | 1,580,269        |
| Long Term and Deferred Liabilities      | 623,855          | 698,619          | 353,864          | 229,242          | 276,179          | 243,684          |
| <b>Total</b>                            | <b>4,071,320</b> | <b>3,894,422</b> | <b>2,699,576</b> | <b>2,454,615</b> | <b>2,331,202</b> | <b>1,823,953</b> |
| <b>TURNOVER AND PROFITS</b>             |                  |                  |                  |                  |                  |                  |
| Turnover                                | 8,543,907        | 7,341,165        | 7,073,478        | 5,602,160        | 4,177,951        | 5,120,444        |
| Gross Profit                            | 1,721,282        | 1,483,113        | 1,222,010        | 1,116,560        | 876,334          | 1,116,423        |
|   | 20.15%           | 20.20%           | 17.28%           | 19.93%           | 20.98%           | 21.80%           |
| Profit before tax                       | 421,352          | 331,197          | 247,018          | 267,046          | 114,532          | 112,998          |
| Taxation                                | 158,489          | 91,136           | 45,132           | 71,825           | 40,224           | 12,173           |
| Profit/(Loss) after tax                 | 262,863          | 240,061          | 201,886          | 195,221          | 74,308           | 100,825          |
| <b>EARNING AND DIVIDENDS</b>            |                  |                  |                  |                  |                  |                  |
| Earning per share                       | 10.71            | 9.78             | 9.87             | 9.54             | 3.63             | 4.93             |
| Interim Dividend per share-Cash (Rupee) | -                | -                | -                | -                | -                | -                |
| Final Dividend per share-Cash (Rupee)   | 4.00             | -                | 4.00             | 4.00             | 1.00             | 1.00             |

# CHAIRMAN'S REVIEW

It is my immense pleasure to submit this review report under the requirement of Section 192 of the Companies Act, 2017, for the year ended June 30, 2024, to the stakeholders of Berger Paints Pakistan Limited (the "Company"). This report evaluates the overall performance of the Board of Directors and its effectiveness in achieving the Company's established objectives.

The Board has demonstrated a commitment to building an effective governance model by prioritizing risk management and a strong control environment. To this end, several policies have been implemented in collaboration with the Company's Management, ensuring a structured approach to decision-making and accountability.

A noteworthy aspect of the Board's composition is the representation of non-executive and independent directors, in adherence to the principles laid out in the Code of Corporate Governance 2019. This representation is crucial as it encourages different perspectives and fosters an environment of transparency and integrity, which are essential for effective governance guided by the board's diverse experience.

The Board's proactive initiatives and adherence to regulatory standards have significantly contributed to achieving the Company's strategic objectives while maintaining a robust governance framework. Stakeholders can be reassured of the Board's commitment to upholding best practices in corporate governance.

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

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

The committees established by the Board of Directors have proven to be instrumental in facilitating the execution of their requisite duties. Meeting regularly, these sub-committees provided comprehensive reports to the Board, adhering to the stipulations outlined in the Code of Corporate Governance 2019. Throughout the year, the Board convened multiple times, with the Committees

significantly enhancing the overall efficiency of its operations. An annual evaluation of the Board's performance was conducted in accordance with the aforementioned Code, ensuring alignment with the established comprehensive criteria.

During the review period, the Board effectively helped the Company towards achieving sustainable operational and financial outcomes. Furthermore, the Directors maintained frequent interactions when required with the Management team, engaging with both internal and external auditors, to facilitate timely decision-making during Board and sub-Committee meetings. The Management is tasked with executing daily business activities in alignment with the objectives set forth by the Board, ensuring the implementation of a robust system of internal controls, while also adhering to all regulatory requirements and best practices.

In light of the current challenging environment, the Board is committed to implementing robust business continuity plans aimed at safeguarding the safety and well-being of employees and other stakeholders. The Board of Directors will persist in its pivotal role of setting the strategic direction of the Company, while diligently overseeing the execution of these plans in accordance with the principles of sound corporate governance.

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

Dated:



## چیرمین کا تجزیہ

برجر پینٹس پاکستان لمیٹڈ ("کمپنی") کے اسٹیک ہولڈرز کو 30 جون 2024 کو ختم ہونے والے سال کے ایگزیکیوٹو ایکٹ، 2017 کے سیکشن 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 قائم کردہ مقاصد کے حصول میں اس کی تاثیر کا جائزہ لیتی ہے۔ بورڈ 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 سلبیت 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 چیلنجنگ 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 اسٹریٹجک 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 تہدی سے نگرانی کرے گا۔

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

مقبول ایچ ایچ ریموئل  
چیرمین

# DIRECTORS' REPORT

FOR THE YEAR ENDED JUNE 30, 2024

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, 2024.

## ECONOMY OF PAKISTAN

The recent economic landscape of Pakistan reflects a notable recovery, marked by enhanced stability and growth. The government's policy management has resulting in a GDP growth rate of 2.4% for FY 24, a significant improvement from 0.3% the previous year. This growth was chiefly propelled by robust agricultural output, a favorable current account balance, and dwindling inflationary pressures. Nonetheless, persistent challenges, including elevated debt servicing costs and external repayment obligations, necessitate continued engagement with the International Monetary Fund (IMF) for a proposed three-year financial program. On the external front, strategic policy implementations have curtailed the current account deficit and strengthened exports, while remittances have surged beyond \$30 billion. The agriculture sector, benefiting from conducive weather and effective government initiatives, and achieved production increases in wheat, cotton, and rice. Although large-scale manufacturing faced a marginal decline, positive growth in various sectors indicates potential for recovery. Overall, proactive measures could further stabilize and enhance Pakistan's economic trajectory.

## BUSINESS PERFORMANCE

Given the situation mentioned above, your company achieved net sales of Rs. 8,544 million, reflecting a commendable increase of 16.38% compared to the prior year. The gross profit was reported at Rs. 1,721 million, up from Rs. 1,483 million, attributable to stable exchange rates, advantageous material costs, and an improved product mix. However, sales and marketing expenses inclusive of impairment loss surged by 19.79%, largely due to heightened promotional activities and general inflationary pressures. Similarly, administrative expenses rose by 10.60%, driven primarily by the persistent impacts of inflation. Financial cost slightly increased by the comparative period. The Company's commendable performance can be attributed to its efficient treasury operations, beside by the stability in policy rates.

For the fiscal year, the Company reported a profit before tax of Rs. 421 million, representing a notable increase of 27%. This positive trend culminated in a profit after tax of Rs. 263 million, reflecting an 9.5% rise compared to the previous year.

## FINANCIAL PERFORMANCE

The financial position is summarized as follows

|                        | June 30,<br>2024      | June 30,<br>2023 |
|------------------------|-----------------------|------------------|
|                        | (Rupees in thousands) |                  |
| Operating Profit       | 656,240               | 517,051          |
| Other operating income | 69,708                | 97,619           |
|                        | 725,948               | 614,742          |
| Finance Cost           | (304,596)             | (283,545)        |
| Profit before taxation | 421,352               | 331,197          |
| Taxation               | (158,489)             | (91,136)         |
| Profit after taxation  | 262,863               | 240,061          |

## FUTURE OUTLOOK

The economy, over the years, has shown strong resilience despite unexpected volatility and uncertainty. Moving forward, in the year to come, financial landscape is witnessing a notable enhancement, attributed primarily to the revival of inflows from both multilateral and bilateral partners. The easing of import restrictions, coupled with beneficial spillovers from robust agricultural performance, is anticipated to facilitate a recovery in the industrial sector. Furthermore, a steadfast commitment to fiscal discipline, the execution of essential structural reforms, and the strategic leveraging of external factors will be critical. By prioritizing domestically driven growth initiatives and focusing on high-potential export sectors, Pakistan can expect to reap substantial economic dividends in the years ahead.

The gradual improvement of the macroeconomic environment necessitates the integration of the undocumented or informal business sector into the tax framework across all sectors to enhance tax collection efforts. Additionally, implementing

controls to curb smuggling, both into and out of Pakistan, is essential and long delayed. Emphasizing cost reduction, timely price adjustments, cash flow generation, and effective sales execution are imperative operating priorities. With a motivated sales team, the company is strategically positioned to compete against the unorganized sector, maintain its market share, and continuously add value for its stakeholders.

## HEALTH, SAFETY & ENVIRONMENT (HSE)

Safety, the well-being of workers, and environmental compliance have always been the foremost priorities at Berger Paints. In alignment with the standards upheld by world-class companies, we take pride in maintaining an exemplary safety and compliance record. It is our moral, ethical, and legal responsibility to foster a safer and healthier environment for our employees. To this end, we have implemented multiple initiatives, including the installation of charging cabinets to mitigate exposure to contaminants and subsequently reduce the risk of respiratory damage among workers. Furthermore, we have enhanced our emergency declaration system, which in turn has improved the effectiveness of our firefighting capabilities and provided additional firefighting facilities. With 8.47 million safe hours logged thus far, the Company underscores its unwavering commitment to Health, Safety, and Environment (HSE) standards. Additionally, our sustainability efforts are exemplified by the installation of solar power projects at our all-regional offices across the country, along with a one-megawatt solar power project at our factory, thereby contributing positively to the surrounding community. These initiatives collectively highlight our steadfast resolve to prioritize health and safety as core components of our corporate ethos.

## ENTERPRISE RISK MANAGEMENT -ERM

The Board of Directors has formally approved the Company's risk management policy, which serves as a foundational framework for the organization's approach to identifying and mitigating risks. In addition to this policy, the Board provides essential guidelines concerning strategic matters and overarching organizational objectives. While individual business units are tasked with the management of risks at the operational level, the comprehensive oversight of company-wide risk management resides with the Risk Management Function (RMF).

The RMF is responsible for reporting its findings, observations, and results to the Board Audit Committee, which plays a pivotal role in regularly reviewing business risk profiles, assessing risk management procedures, and formulating counter-strategies while advising on future actions.

Furthermore, the Board of Directors has authorized the Audit Committee to supervise the overall risk management process, thereby ensuring that the company operates within an effective risk governance framework.

## 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 |
| Mr. Mohammad Saeed                              | 1 |
| Ms. Zareen Aziz                                 | 1 |
| 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.

## 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.

The BAC has successfully established an internal control framework, supported by a dedicated in-house Internal Audit function, which is essential for safeguarding the Company's assets and enhancing overall control mechanisms. This system of internal controls is subject to ongoing evaluation to ensure its effectiveness and adequacy.

Furthermore, the BAC has played a pivotal role in achieving the Company's operational, compliance,



and timely financial reporting objectives, thereby enhancing shareholder wealth through robust financial, operational, and compliance controls, as well as comprehensive risk management strategies implemented at all organizational levels. 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.

Notable challenges addressed included the strategic management of employees amidst the hyperinflationary environment affecting the Berger Factory and other offices. The HRC conducted evaluations of high-potential employees across departments, recommending tailored career development paths.

Additionally, the committee reviewed various employee engagement initiatives, such as celebrations for International Women's Day, birthdays, and recognition programs, while also assessing the effectiveness of the dissemination of the company's core values.

The members of HR possess significant acumen related to Human Resources affairs of the Company and in general. Chairman of the HR Committees is an independent Director.

## **COMMITTEE FOR BUSINESS STRATEGY (CBS)**

In response to the unprecedented challenges posed by the current economic landscape, the Board of Directors has established a Business Strategies Committee (BSC). This strategic initiative aims to navigate the complexities of these abnormal times and ensure the continued resilience and growth of the Company a decision that underscores the Board's commitment to impartiality and objective decision-making.

The composition of the BSSC is particularly noteworthy, as it includes members of the Committee who possess substantial economic, financial, and business acumen. With an independent Chairman

and a team of adept advisors, the BSC is tasked with guiding the Company through uncertainty, ensuring that it remains resilient and competitive in a rapidly changing business landscape.

By leveraging the knowledge and experience of its members, the BSC is well-positioned to provide informed advice to the Board on critical business strategies. This collaborative approach not only enhances the Board's decision-making capabilities but also fosters a culture of strategic agility within the Company. As the BSC formulates recommendations, it will consider the evolving market dynamics and the potential implications for the Company's operations and stakeholders.

In conclusion, the establishment of the Business Strategies Sub Committee represents a proactive measure by the Board to adapt to the challenges of these abnormal times.

## **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 Messrs. Slotrapid Limited which is incorporated in the B.V.I.

## **PROFIT PER SHARE**

The Earnings per share for the year is Rs. 10.71 (2023: Rs.9.78)

## **DIVIDEND**

The Board of Directors of the Company has announced 40% final cash dividend i.e Rs. 4 per share for the year ended June 30, 2024 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 on

recommendation of the Board's Audit Committee, the Board of Directors proposed their re-appointment by the Shareholders at the forth coming Annual General Meeting as the auditors of the company for the year ended June 30, 2025.

## 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, 2024 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, 2024 and its disclosure, as required by the Code of Corporate Governance appears on Page 41.

## 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.
- 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, 2024:

### Rupees in Thousand

|  |         |
|--|---------|
| Berger Paints Executive Staff Pension Fund | 91,993  |
| Berger Paints Gratuity Fund                | 30,451  |
| Berger Paints Provident Fund               | 321,674 |

- 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 recognizes and embraces its social responsibilities, thereby reinforcing the connection between the Company and society. Among its initiatives, Berger has developed an environmentally friendly program that repurposes leftover paint waste into usable products, which are then donated to schools in underserved communities, as well as to Mosques and Churches.

Additionally, the "Truck Art - Child Finder" campaign, in collaboration with the Roshni Helpline, aims to locate missing children and has garnered international recognition, securing two silver and three bronze trophies. Acknowledging the pressing

issue of food insecurity, Berger contributes by providing meals prepared at its plant for employees and sharing surplus food with underprivileged children at a nearby Mosque.

In response to the recent devastating floods that impacted the southern region of the country, the company has demonstrated commendable corporate social responsibility by contributing to relief efforts aimed at alleviating the suffering of affected communities. Recognizing the importance of cultural and religious institutions in the recovery process, the organization has taken the initiative to arrange for the comprehensive repainting of a mixed boys and girls madrassa and mosque that were severely damaged by rising waters. This endeavor not only seeks to restore these vital places of worship and learning but also aims to reinstate a sense of hope and normalcy within the community, reflecting the company's commitment to social welfare and community resilience.

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 THE BEHALF OF THE BOARD**

Chief Executive

Director

Lahore:  
Dated: September 25, 2024



# ڈائریکٹرز کی رپورٹ

30 جون 2024 کو ختم ہونے والے سال کے لیے

آپ کی کمپنی کے ڈائریکٹرز 30 جون 2024 کو ختم ہونے والے سال کے لیے کمپنی کے آڈٹ شدہ مالیاتی گوشواروں کے ساتھ اپنی رپورٹ پیش کرتے ہوئے خوش ہیں۔

## پاکستان کی معیشت:

پاکستان کا حالیہ معاشی منظر نامہ قابل ذکر بحالی کی عکاسی کرتا ہے، جس میں استحکام اور ترقی میں اضافہ ہوا ہے۔ حکومت کے پالیسی مینجمنٹ کے نتیجے میں مالی سال 24 کے لیے جی ڈی پی کی شرح نمو 2.4 فیصد رہی، جو پچھلے سال 0.3 فیصد سے نمایاں بہتری ہے۔ اس نمو کو بنیادی طور پر مضبوط زرعی پیداوار، کرنٹ اکاؤنٹ کے سازگار توازن، اور گرتی ہوئی افراط زر کے دباؤ سے آگے بڑھا یا گیا۔ بہر حال، مسلسل چیلنجز، بشمول بلند قرض کی خدمت کے اخراجات اور بیرونی ادائیگی کی ذمہ داریاں، مجوزہ تین سالہ مالیاتی پروگرام کے لیے بین الاقوامی مالیاتی فنڈ (IMF) کے ساتھ مسلسل مشغولیت کی ضرورت ہے۔ بیرونی محاذ پر، سربلجک پالیسی کے نفاذ نے کرنٹ اکاؤنٹ خسارے کو کم کیا ہے اور برآمدات کو مضبوط کیا ہے، جب کہ ترسیلات زر میں 30 ملین ڈالر سے زیادہ کا اضافہ ہوا ہے۔ زرعی شعبہ، سازگار موسم اور موثر حکومتی اقدامات سے مستفید ہو رہا ہے، اور گندم، کپاس اور چاول کی پیداوار میں اضافہ حاصل کر رہا ہے۔ اگرچہ بڑے پیمانے پر مینوفیکچرنگ کے معمولی کمی کا سامنا کرنا پڑا، لیکن مختلف شعبوں میں مثبت نموبحالی کے امکانات کی نشاندہی کرتی ہے۔ مجموعی طور پر، فعال اقدامات پاکستان کی اقتصادی رفتار کو مزید مستحکم اور بڑھا سکتے ہیں۔

## بزنس پر فارمنس:

مذکورہ صورتحال کو دیکھتے ہوئے، آپ کی کمپنی نے روپے کی خالص فروخت حاصل کی۔ 8,544 ملین، پچھلے سال کے مقابلے میں 16.38 فیصد کے قابل ستائش اضافے کی عکاسی کرتا ہے۔ مجموعی منافع روپے پر رپورٹ کیا گیا تھا 1,721 ملین، روپے سے زیادہ 1,483 ملین، مستحکم زرمبادلہ کی شرح، فائدہ مند مادی اخراجات، اور مصنوعات کے ایک بہتر مرکب سے منسوب۔ تاہم، فروخت اور مارکیٹنگ کے اخراجات بشمول خرابی کے نقصان میں 19.79 فیصد اضافہ ہوا، جس کی بڑی وجہ پروموشنل سرگرمیوں میں اضافہ اور عام افراط زر کے دباؤ کی وجہ سے ہے۔ اسی طرح، انتظامی اخراجات میں 10.60 فیصد اضافہ ہوا، جو بنیادی طور پر افراط زر کے مسلسل اثرات کے باعث ہوا۔ تقابلی مدت کے لحاظ سے مالی لاگت میں قدرے اضافہ ہوا۔ پالیسی ریٹ میں استحکام کے علاوہ کمپنی کی قابل ستائش کارکردگی کو اس کے موثر ریٹری آپریشنز سے منسوب کیا جاسکتا ہے۔ مالی سال کے لیے، کمپنی نے ٹیکس سے پہلے روپے کا منافع رپورٹ کیا۔ 421 ملین، جو کہ 27 فیصد کے قابل ذکر اضافے کی نمائندگی کرتا ہے۔ یہ مثبت رجحان روپے کے ٹیکس کے بعد منافع میں اختتام پذیر ہوا۔ 263 ملین، پچھلے سال کے مقابلے میں 9.5 فیصد اضافے کی عکاسی کرتا ہے۔

## مالی کارکردگی:

مالیاتی پوزیشن کا خلاصہ اس طرح ہے

| ہزار روپوں میں     | 30 جون 2024ء | 30 جون 2023ء |
|--------------------|--------------|--------------|
| آپریٹنگ منافع      | 656,240      | 517,051      |
| دیگر آپریٹنگ آمدنی | 69,708       | 97,619       |
| قرضوں پر لاگت      | 725,948      | 614,742      |
| نفع بعد ٹیکسیشن    | (304,596)    | (91,136)     |
| ٹیکسیشن            | 421,352      | 331,197      |
| نفع علاوہ ٹیکسیشن  | (158,489)    | (91,136)     |
|                    | 262,863      | 240,061      |

### مستقبل کا آؤٹ لک:

غیر متوقع اتار چڑھاؤ اور غیر یقینی صورتحال کے باوجود کئی سالوں میں معیشت نے مضبوط چلک دکھائی ہے۔ آگے بڑھتے ہوئے، آنے والے سال میں، مالیاتی منظر نامے میں قابل ذکر اضافہ دیکھنے میں آ رہا ہے، جس کی وجہ بنیادی طور پر کثیر جہتی اور دو طرفہ شراکت داروں کی طرف سے آمدن کی بحالی ہے۔ درآمدی پابندیوں میں نرمی، مضبوط زرعی کارکردگی سے فائدہ مند اسپلور کے ساتھ، صنعتی شعبے میں، بحالی میں سہولت فراہم کرنے کی توقع ہے۔ مزید برآں، مالیاتی نظم و ضبط، ضروری ڈھانچہ جاتی اصلاحات پر عمل درآمد، اور بیرونی عوامل کا اسٹرٹجک فائدہ اٹھانے کے لیے ثابت قدمی اہم ہوگی۔ مقامی طور پر چلنے والے نمونے کے اقدامات کو ترجیح دینے اور اعلیٰ ممکنہ درآمدی شعبوں پر توجہ مرکوز کرنے سے، پاکستان آنے والے سالوں میں خاطر خواہ معاشی منافع حاصل کرنے کی توقع کر سکتا ہے۔

میکرو اکنامک ماحول کی بتدریج بہتری کے لیے ٹیکس وصولی کی کوششوں کو بڑھانے کے لیے تمام شعبوں کے ٹیکس فریم ورک میں غیر دستاویزی یا غیر رسمی کاروباری شعبے کے انضمام کی ضرورت ہے۔ مزید برآں، پاکستان کے اندر اور باہر، اسمگلنگ کو روکنے کے لیے کنٹرول کا نفاذ ضروری اور طویل تاخیر کا شکار ہے۔ لاگت میں کمی، بروقت قیمت کی ایڈجسٹمنٹ، کیش فلو جزیشن، اور سیلز پر مشتمل درآمد پر زور دینا ضروری آپریٹنگ ترجیحات ہیں۔ ایک حوصلہ افزائی سیلز ٹیم کے ساتھ، کمپنی غیر منظم شعبے کے خلاف مقابلہ کرنے، اپنے مارکیٹ شیئر کو برقرار رکھنے، اور اپنے اسٹیک ہولڈرز کے لیے مسلسل قدر میں اضافہ کرنے کے لیے حکمت عملی کے ساتھ پوزیشن میں ہے۔

### صحت، حفاظت اور ماحولیات (HSE):

برج پینٹس کی حفاظت، کارکنوں کی فلاح و بہبود، اور ماحولیات کی تعمیل ہمیشہ سے اولین ترجیحات رہی ہیں۔ عالمی معیار کی کمپنیوں کی طرف سے برقرار رکھنے والے معیارات کے مطابق، ہم ایک مثالی حفاظت اور تعمیل ریکارڈ کو برقرار رکھنے پر فخر محسوس کرتے ہیں۔ یہ ہماری اخلاقی، اخلاقی اور قانونی ذمہ داری ہے کہ ہم اپنے ملازمین کے لیے ایک محفوظ اور صحت مند ماحول کو فروغ دیں۔ اس مقصد کے لیے، ہم نے متعدد اقدامات نافذ کیے ہیں، جن میں چار جنگ کیبنت کی تعینب شامل ہے تاکہ آلودگیوں کی نمائش کو کم کیا جاسکے اور اس کے نتیجے میں کارکنوں میں سانس کے نقصان کے خطرے کو کم کیا جاسکے۔ مزید برآں، ہم نے اپنے ہنگامی اعلان کے نظام کو بڑھایا ہے، جس کے نتیجے میں ہماری آگ بجھانے کی صلاحیتوں کی تاخیر میں بہتری آئی ہے اور آگ بجھانے کی اضافی سہولیات فراہم کی گئی ہیں۔ اب تک 8.47 ملین محفوظ اوقات کے ساتھ، کمپنی صحت، حفاظت، اور ماحولیات (HSE) کے معیارات کے لیے اپنی غیر متزلزل وابستگی کو واضح کرتی ہے۔ مزید برآں، ہماری پائیداری کی کوششوں کی مثال ملک بھر میں ہمارے تمام علاقائی دفاتر میں شمشکی توانائی کے منصوبوں کی تعینب کے ساتھ ہمارے کارخانے میں ایک میگا واٹ کے شمشکی توانائی کے منصوبے کے ساتھ ملتی ہے، جس سے ارد گرد کی کمیونٹی کے لیے مثبت کردار ادا ہوتا ہے۔ یہ اقدامات اجتماعی طور پر ہمارے کارپوریٹ اخلاقیات کے بنیادی اجزاء کے طور پر صحت اور حفاظت کو ترجیح دینے کے ہمارے پختہ عزم کو اجاگر کرتے ہیں۔

### انٹر پرائز رسک مینجمنٹ-ERM:

بورڈ آف ڈائریکٹرز نے کمپنی کی رسک مینجمنٹ پالیسی کو باضابطہ طور پر منظوری دے دی ہے، جو خطرات کی شناخت اور ان کو کم کرنے کے لیے تنظیم کے نقطہ نظر کے لیے ایک بنیادی فریم ورک کے طور پر کام کرتی ہے۔ اس پالیسی کے علاوہ، بورڈ اسٹرٹجک معاملات اور تنظیمی مقاصد سے متعلق ضروری رہنما خطوط فراہم کرتا ہے۔ اگرچہ انفرادی کاروباری اکائیوں کو آپریٹنگ سطح پر خطرات کے انتظام کی ذمہ داری سونپی گئی ہے، لیکن کمپنی بھر میں رسک مینجمنٹ کی جامع نگرانی رسک مینجمنٹ فنکشن (RMF) کے پاس ہے۔

RMF اپنے نتائج، مشاہدات اور نتائج کو بورڈ آؤٹ کمیٹی کو رپورٹ کرنے کے لیے ذمہ دار ہے، جو کاروباری رسک پروفائلز کا باقاعدگی سے جائزہ لینے، رسک مینجمنٹ کے طریقہ کار کا اندازہ لگانے، اور مستقبل کے اقدامات پر مشورہ دیتے ہوئے انسدادی حکمت عملی وضع کرنے میں اہم کردار ادا کرتی ہے۔

مزید برآں، بورڈ آف ڈائریکٹرز نے آؤٹ کمیٹی کو اختیار دیا ہے کہ وہ رسک مینجمنٹ کے مجموعی عمل کی نگرانی کرے، اس طرح یہ یقینی بناتا ہے کہ کمپنی ایک مؤثر رسک گورننس فریم ورک کے اندر کام کرتی ہے۔

### بورڈ آف ڈائریکٹرز:

سال کے دوران بورڈ آف ڈائریکٹرز کے چار اجلاس منعقد ہوئے اور حاضری حسب ذیل رہی۔

|   |  |
|---|--|
| 4 | جناب مقبول ایچ ایچ رحیم ٹولہ               |
| 4 | ڈاکٹر محمود احمد                           |
| 4 | جناب طارق اکرام                            |
| 4 | جناب شہزاد ایم حسین                        |
| 4 | جناب ظفر اے عثمانی                         |
| 1 | جناب محمد سعید                             |
| 1 | محترمہ ذرین عزیز                           |
| 4 | جناب زاہد مجید (جناب الیاس شریف کا متبادل) |

تمام متعلقہ دیگر معلومات پہلے ہی درج کمپنیوں کے ساتھ تفصیل کے بیان (کوڈ آف کارپوریٹ گورننس) کے ضوابط، 2019 اور مالیاتی بیانات کے نوٹ 45 میں ظاہر کر دی گئی ہیں۔

بورڈ آف ڈائریکٹرز کی طرف سے مقرر کردہ آڈٹ کمیٹی آزاد ڈائریکٹرز پر مشتمل ہوتی ہے جس کے چیئرمین ایک آزاد ڈائریکٹر کے طور پر کام کرتے ہیں۔ بورڈ آڈٹ کمیٹی (BAC) کے اراکین کمپنی کے کاموں سے متعلق اقتصادی، مالی اور کاروباری معاملات میں کافی مہارت لاتے ہیں۔

BAC نے کامیابی کے ساتھ ایک داخلی کنٹرول فریم ورک قائم کیا ہے، جس کی مدد سے ایک وقف شدہ اندرون خانہ آڈٹ فنکشن ہے، جو کمپنی کے اثاثوں کی حفاظت اور مجموعی کنٹرول میکانزم کو بڑھانے کے لیے ضروری ہے۔ داخلی کنٹرول کا یہ نظام اس کی تاثیر اور مناسبت کو یقینی بنانے کے لیے جاری تفتیش سے مشروط ہے۔

مزید برآں، BAC نے کمپنی کے آپریشنل، تھیل، اور بروقت مالیاتی رپورٹنگ کے مقاصد کو حاصل کرنے میں ایک اہم کردار ادا کیا ہے، اس طرح مضبوط مالی، آپریشنل، اور تھیل کنٹرولز کے ساتھ ساتھ تمام تنظیمی سطحوں پر لاگو کی جانے والی رسک مینجمنٹ کی جامع حکمت عملیوں کے ذریعے شیئر ہولڈر کی دولت میں اضافہ کیا ہے۔ پچھلے سال کے دوران، آڈٹ کمیٹی نے ان اہم کاموں کی نگرانی کے لیے چار اجلاس بلائے۔

### ہیومن ریسورس کمیٹی:

ہیومن ریسورس کمیٹی (HRC) کمپنی سے متعلقہ HR معاملات میں وسیع مہارت رکھنے والے اراکین پر مشتمل ہے۔ ایک آزاد ڈائریکٹر کی سربراہی میں، کمیٹی نے گزشتہ سال کے دوران دو مواقع پر باضابطہ طور پر اجلاس کیا۔

برجریٹری اور دیگر دفاتر کو متاثر کرنے والے انتہائی افراد کے ماحول کے درمیان جن قابل ذکر چیلنجوں کو حل کیا گیا ان میں ملازمین کا اسٹریٹجک انتظام شامل ہے۔ HRC نے تمام محکموں میں اعلیٰ صلاحیت والے ملازمین کی تفتیش کی، جس میں کیریئر کی ترقی کے موزوں راستوں کی سفارش کی گئی۔

مزید برآں، کمیٹی نے ملازمین کی شمولیت کے مختلف اقدامات کا جائزہ لیا، جیسے کہ خواتین کے عالمی دن کی تقریبات، سالگرہ، اور شناختی پروگرام، جبکہ کمپنی کی بنیادی اقدار کے پھیلاؤ کی تاثیر کا بھی جائزہ لیا۔

HR کے ممبران کے پاس کمپنی کے انسانی وسائل کے امور اور عمومی طور پر اہم ذہانت ہوتی ہے۔ HR کمیٹیوں کا چیئرمین ایک آزاد ڈائریکٹر ہوتا ہے۔



### کاروباری حکمت عملی کے لیے کمیٹی (سی بی ایس):

موجودہ معاشی منظر نامے سے درپیش بے مثال چیلنجوں کے جواب میں، بورڈ آف ڈائریکٹرز نے ایک کاروباری حکمت عملی کمیٹی (BSC) قائم کی ہے۔ اس اسٹریٹجک اقدام کا مقصد ان غیر معمولی اوقات کی پیچیدگیوں کو نیوگیٹ کرنا اور کمپنی کی مسلسل چلک اور ترقی کو یقینی بنانا ہے۔ ایک ایسا فیصلہ جو بورڈ کے غیر جانبداری اور با مقصد فیصلہ سازی کے عزم کو واضح کرتا ہے۔

BSSC کی تشکیل خاص طور پر قابل ذکر ہے، کیونکہ اس میں کمیٹی کے ارکان شامل ہیں جو کافی اقتصادی، مالیاتی اور کاروباری ذہانت کے مالک ہیں۔ ایک آزاد چیئر مین اور ماہر مشیروں کی ایک ٹیم کے ساتھ، BSC کو کمپنی کی غیر یقینی صورتحال میں رہنمائی کرنے کا کام سونپا گیا ہے، اس بات کو یقینی بنانا کہ یہ تیزی سے بدلتے ہوئے کاروباری منظر نامے میں چکدار اور مسابقتی رہے۔

اپنے اراکین کے علم اور تجربے سے فائدہ اٹھاتے ہوئے، BSC اہم کاروباری حکمت عملیوں پر بورڈ کو باخبر مشورے فراہم کرنے کے لیے اچھی پوزیشن میں ہے۔ یہ باہمی تعاون نہ صرف بورڈ کی فیصلہ سازی کی صلاحیتوں کو بڑھاتا ہے بلکہ کمپنی کے اندر اسٹریٹجک جستی کے کلچر کو بھی فروغ دیتا ہے۔ جیسا کہ BSC سفارشات مرتب کرتا ہے، یہ مارکیٹ کی ابھرتی ہوئی حرکیات اور کمپنی کے آپریشنز اور اسٹیک ہولڈرز کے لیے ممکنہ مضمرات پر غور کرے گا۔

آخر میں، کاروباری حکمت عملی ذیلی کمیٹی کا قیام ان غیر معمولی اوقات کے چیلنجوں سے نمٹنے کے لیے بورڈ کے ایک فعال اقدام کی نمائندگی کرتا ہے۔

### مستحکم مالی بیانات:

کمپنی کے مجموعی مالیاتی بیانات میں اس کے ذیلی اداروں، برجرڈی پی آئی (پرائیویٹ) لمیٹڈ، اور برجرڈی سیفٹی (پرائیویٹ) لمیٹڈ کے اکاؤنٹس شامل ہیں۔

### ہولڈنگ کمپنی:

برجر پینٹس پاکستان لمیٹڈ کی ہولڈنگ کمپنی Messrs. Slotrapid Limited ہے جو B.V. میں شامل ہے۔

### منافع فی شیئر:

سال کی فی حصص آمدنی روپے ہے۔ 10.71 (9.78:2023 روپے)۔

### ڈی وی ڈیٹ:

کمپنی کے بورڈ آف ڈائریکٹرز نے 30 جون 2024 کو ختم ہونے والے سال کے لیے حتمی کیش ڈیویڈنڈ یعنی 4 روپے فی شیئر کا اعلان کیا ہے جو سالانہ جنرل میٹنگ میں شیئر ہولڈرز کی منظوری سے مشروط ہے۔

### آڈیٹرز:

موجودہ آڈیٹرز، s BDO/M، ابراہیم اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس آئینڈ سالانہ جنرل میٹنگ کے اختتام پر ریٹائر ہو جائیں گے اور سال 2024-25 کے لیے آڈیٹرز کو ہمارے شیئر ہولڈرز کی طرف سے سالانہ جنرل میٹنگ میں مقرر کیا جاسکتا ہے۔

### متعلقہ پارٹی لین دین:

متعلقہ فریقوں کے ساتھ تمام لین دین کا بورڈ کے ذریعہ جائزہ لیا جاتا ہے اور اس کی منظوری دی جاتی ہے۔ بورڈ نے متعلقہ فریق کے لین دین کے لیے قیمتوں کی پالیسی کی منظوری دے دی۔

### کوڈ آف کارپوریٹ گورننس کے ساتھ قلیل کا بیان:

پاکستان اسٹاک ایکسچینج کی جانب سے 30 جون 2024 کو ختم ہونے والے سال کے لیے متعلقہ فہرست سازی کے ضوابط میں وضع کردہ ضابطہ کارپوریٹ گورننس کی ضرورت کو بخوبی پورا کیا گیا۔ اس حوالے سے ایک بیان رپورٹ کے ساتھ منسلک ہے۔

### شیر ہولڈنگ کا پیرن:

30 جون 2024 تک شیر ہولڈنگ کا پیرن اور اس کا انکشاف، جیسا کہ کوڈ آف کارپوریٹ گورننس کے لیے ضروری ہے صفحہ 45 پر ظاہر ہوتا ہے۔

### کارپوریٹ مالیاتی رپورٹنگ فریم ورک کا بیان:

کمپنی نے کوڈ آف کارپوریٹ گورننس کے تمام تقاضوں کی تعمیل کی ہے جیسا کہ فہرست سازی کے ضوابط کی ضرورت ہے۔ اس کے مطابق، ڈائریکٹرز مندرجہ ذیل کی تصدیق کرتے ہوئے خوش ہیں:

- i مالیاتی گوشواروں کے ساتھ ان نوٹوں کو کمپنیز ایکٹ، 2017 کے مطابق بنایا گیا ہے۔ یہ بیانات کمپنی کی حالت، اس کے کاموں کے نتائج، نقد بہاؤ اور ایکویٹی میں ہونے والی تبدیلیوں کو کافی حد تک پیش کرتے ہیں۔
- ii کمپنی کی بنیادی کاروباری سرگرمی آرٹھی اور صنعتی پینٹس اور دیگر متعلقہ مصنوعات کی تیاری، مارکیٹنگ اور تقسیم ہے۔
- iii کمپنی کی طرف سے کھاتوں کی مناسب کتابیں رکھی گئی ہیں۔
- iv مالیاتی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو مستقل طور پر لاگو کیا گیا ہے جو پاکستان میں لاگو ہونے والے بین الاقوامی اکاؤنٹنگ معیارات کے مطابق ہیں۔
- v حسابی تخمینہ، جہاں بھی ضرورت ہو، معقول اور دانشمندانہ فیصلے پر مبنی ہے۔
- vi بین الاقوامی مالیاتی رپورٹنگ کے معیار، جیسا کہ پاکستان میں لاگو ہوتا ہے، مالی بیانات کی تیاری میں پیروی کی گئی ہے۔
- vii اندرونی کنٹرول کا نظام ڈیزائن میں درست ہے اور اسے مؤثر طریقے سے نافذ کیا گیا ہے۔
- viii جاری تشویش کے طور پر جاری رکھنے کی کمپنی کی صلاحیت پر کوئی خاص شک نہیں ہے۔
- ix کارپوریٹ گورننس کے بہترین طریقوں سے کوئی مادی رخصتی نہیں ہوئی ہے، جیسا کہ فہرست سازی کے ضوابط میں تفصیل ہے۔
- x پچھلے چھ سالوں کا اہم آپریٹنگ اور مالیاتی ڈیٹا منسلک ہے۔
- xi پروویڈنٹ، گریجویٹ اور پنشن فنڈز کی سرمایہ کاری کی قیمت 30 جون 2024 ہے:

روپے (ہزاروں میں)

91,993

برجر پینٹس ایگزیکٹو اسٹاف پنشن فنڈ

30,451

برجر پینٹس گریجویٹ فنڈ

321,674

برجر پینٹس پراویڈنٹ فنڈ

xii ڈائریکٹرز، ای او، ایگزیکٹوز اور ان کی شریک حیات اور نابالغ بچوں نے کمپنی کے شیرز میں کوئی تجارت نہیں کی۔

### کارپوریٹ سماجی ذمہ داری (CSR) - سرگرمیاں:

برجر اپنی سماجی ذمہ داریوں کو پہچانتا اور قبول کرتا ہے، اس طرح کمپنی اور معاشرے کے درمیان تعلق کو مضبوط کرتا ہے۔ اپنے اقدامات میں سے، برجر نے ایک ماحول دوست پروگرام تیار

کیا ہے جو پیٹ کے بچ جانے والے فضلے کو دوبارہ استعمال کے قابل مصنوعات میں تبدیل کرتا ہے، جسے بعد ازاں غیر محفوظ کمیونٹیز کے اسکولوں کے ساتھ ساتھ مساجد اور گر جا گھروں کو عطیہ کیا جاتا ہے۔

مزید برآں، روشنی ہیلپ لائن کے تعاون سے "ٹرک آرٹ-چائلڈ فائنڈر" مہم کا مقصد لاپتہ بچوں کو تلاش کرنا ہے اور اس نے دو چاندی اور تین کانسی کی ٹرافیوں حاصل کرتے ہوئے بین الاقوامی سطح پر پہچان حاصل کی ہے۔ غذائی عدم تحفظ کے اہم مسئلے کو تسلیم کرتے ہوئے، برجر ملازمین کے لیے اپنے پلانٹ میں تیار کردہ کھانا فراہم کر کے اور قریبی مسجد میں غیر مراعات یافتہ بچوں کے ساتھ اضافی کھانا بانٹ کر حصہ ڈالتا ہے۔

ملک کے جنوبی علاقے کو متاثر کرنے والے حالیہ تباہ کن سیلاب کے جواب میں، کمپنی نے متاثرہ کمیونٹیوں کی تکالیف کو کم کرنے کے مقصد سے امدادی کوششوں میں حصہ ڈال کر قابل ستائش کارپوریٹ سماجی ذمہ داری کا مظاہرہ کیا ہے۔ بحالی کے عمل میں ثقافتی اور مذہبی اداروں کی اہمیت کو تسلیم کرتے ہوئے، تنظیم نے لڑکوں اور لڑکیوں کے مخلوط مدرسے اور مسجد کی جامع دوبارہ پینٹنگ کا انتظام کرنے کے لیے پہل کی ہے جو بڑھتے ہوئے پانی سے شدید نقصان پہنچا ہے۔ یہ کوشش نہ صرف ان اہم عبادت گاہوں اور سیکھنے کی جگہوں کو بحال کرنے کی کوشش کرتی ہے بلکہ اس کا مقصد کمیونٹی کے اندر امید اور معمول کے احساس کو بحال کرنا ہے، جو سماجی، بہبود اور کمیونٹی کی چمک کے لیے کمپنی کے عزم کی عکاسی کرتا ہے۔

ڈائریکٹرز کمپنی کے مشن کو آگے بڑھانے کے لیے ٹیم کے تمام اراکین کی لگن پر زور دیتے ہوئے، حصص یافتگان، اسٹیک ہولڈرز، اور قابل قدر صارفین کا ان کی مسلسل حمایت کے لیے تہہ دل سے شکریہ ادا کرتے ہیں۔

بورڈ کی جانب سے

ڈائریکٹر

چیف ایگزیکٹو

لاہور:

بتاریخ: 25 ستمبر 2024



# PATTERN OF SHAREHOLDING

**FORM 34**

|   |                                |
|---|--------------------------------|
| THE COMPANIES ACT 2017  | (Section 227(2)(f))            |
| Name of the Company   | BERGER PAINTS PAKISTAN LIMITED |
| 2.1 Pattern of holding of the shares held by the shareholders as at | 30-06-2024                     |

| 2.2 | No. of Shareholders | Shareholdings From | To         | Total shares held |
|-----|---------------------|--------------------|------------|-------------------|
|     | 454                 | 1                  | 100        | 13,621            |
|     | 392                 | 101                | 500        | 116,170           |
|     | 319                 | 501                | 1,000      | 243,665           |
|     | 496                 | 1,001              | 5,000      | 1,186,553         |
|     | 87                  | 5,001              | 10,000     | 648,476           |
|     | 34                  | 10,001             | 15,000     | 429,655           |
|     | 8                   | 15,001             | 20,000     | 148,070           |
|     | 17                  | 20,001             | 25,000     | 388,610           |
|     | 7                   | 25,001             | 30,000     | 203,157           |
|     | 7                   | 30,001             | 35,000     | 224,641           |
|     | 4                   | 35,001             | 40,000     | 154,773           |
|     | 2                   | 45,001             | 50,000     | 97,550            |
|     | 1                   | 50,001             | 55,000     | 51,300            |
|     | 1                   | 60,001             | 65,000     | 63,314            |
|     | 1                   | 70,001             | 75,000     | 71,000            |
|     | 1                   | 75,001             | 80,000     | 78,600            |
|     | 2                   | 85,001             | 90,000     | 172,810           |
|     | 1                   | 90,001             | 95,000     | 91,900            |
|     | 5                   | 105,001            | 110,000    | 539,094           |
|     | 1                   | 110,001            | 115,000    | 110,348           |
|     | 1                   | 130,001            | 135,000    | 135,000           |
|     | 1                   | 140,001            | 145,000    | 143,500           |
|     | 1                   | 150,001            | 155,000    | 150,560           |
|     | 1                   | 160,001            | 165,000    | 164,948           |
|     | 1                   | 195,001            | 200,000    | 200,000           |
|     | 1                   | 245,001            | 250,000    | 249,067           |
|     | 1                   | 330,001            | 335,000    | 331,000           |
|     | 1                   | 350,001            | 355,000    | 354,424           |
|     | 1                   | 365,001            | 370,000    | 369,718           |
|     | 1                   | 470,001            | 475,000    | 473,112           |
|     | 1                   | 480,001            | 485,000    | 483,728           |
|     | 1                   | 510,001            | 515,000    | 512,041           |
|     | 1                   | 630,001            | 635,000    | 632,362           |
|     | 2                   | 705,001            | 710,000    | 1,417,672         |
|     | 1                   | 1,120,001          | 1,125,000  | 1,122,000         |
|     | 1                   | 12,775,001         | 12,780,000 | 12,779,176        |
|     | <b>1,857</b>        |                    |            | <b>24,551,615</b> |

## CATEGORIES OF SHAREHOLDER AS OF 30-06-2024

| Particulars  | Shares Held       | Percentage     |
|--|-------------------|----------------|
| Directors, CEO and their spouse and minor children                         | 2,129             | 0.01%          |
| Associated Companies, undertakings and related parties<br>(Parent Company) | 12,779,176        | 52.05%         |
| NIT & ICP  | 356,433           | 1.45%          |
| Banks, DFI & NBFC  | 331,210           | 1.35%          |
| Insurance Companies  | 261,908           | 1.07%          |
| Modarbas and Mutual Funds  | 2,500             | 0.01%          |
| General Public (Local)   | 9,684,042         | 39.44%         |
| General Public (Foreign)   | 204,350           | 0.83%          |
| Others   | 929,866           | 3.79%          |
| <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. MOHAMMAD SAEED                 | 1            | 0.00%        |
| MR. SHAHZAD MUMTAZ HUSSAIN         | 1            | 0.00%        |
| MISS ZARINE AZIZ                   | 1            | 0.00%        |
| MR. TARIQ IKRAM                    | 1            | 0.00%        |
|                                    | <b>2,129</b> | <b>0.01%</b> |

#### ASSOCIATED COMPANIES:

|                         |                   |               |
|-------------------------|-------------------|---------------|
| SLOTRAPID 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       | 261,908           | 1.07%         |
| MODARBAS AND MUTUAL FUNDS | 2,500             | 0.01%         |
| GENERAL PUBLIC (LOCAL)    | 9,684,042         | 39.44%        |
| GENERAL PUBLIC (FOREIGN)  | 204,350           | 0.83%         |
| OTHERS                    | 929,866           | 3.79%         |
|                           | <b>11,413,876</b> | <b>46.49%</b> |

**24,551,615 100.00%**

# NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 74th 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 Friday October 25, 2024 at 10:00 am. to transact the following business:

## Ordinary Business:

1. To confirm minutes of Annual General Meeting held on October 24, 2023.
2. To receive, consider and adopt the Audited Accounts of the Company along with consolidated Accounts for the year ended June 30, 2024 together with the Auditors' Report, Chairman's Review and Directors' Report thereon.
3. To appoint Auditors for the year ending June 30, 2025 and fix their remuneration.
4. To approve the announced dividend in cash @40% i.e. Rs. 4.00 per share of Rs. 10 each for the year 2024 as recommended by the Board of Director.
5. To consider any other business, that may be placed before the members with the permission of the chair.

Lahore: October 03, 2024

By Order of the Board

Registered Office  
28-Km Off, Multan Road, Lahore

**Nauman Afzal**  
Company Secretary

## Notes:

- 1) The Share Transfer Books will remain closed from October 19, 2024 to October 25, 2024, both days inclusive and the final dividend will be paid to the Members whose name will appear in the Register of Members on October 18, 2024. 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 18, 2024 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 18, 2024 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:**

- i. 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.
- ii. 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:**

- i. 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.
- ii. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- iii. Attested copies of the CNIC or passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- iv. The proxy shall produce his / her original CNIC or original passport at the time of the 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 2024

- i. In terms of the approval of the members of the Company in their Annual General Meeting held on October 24, 2023 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, 2024 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:



<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 چوتھوں (74واں) سالانہ اجلاس عام مورخہ 25 اکتوبر 2024ء سہ پہر 10:00 بجے KM-28-ملتان روڈ، لاہور اور/یا بذریعہ ویڈیو لنک/زوم کلاؤڈ فاصلاتی طور پر مندرجہ ذیل امور پر بحث کے لئے منعقد ہوگا:

## عمومی امور

1. 24 اکتوبر 2023ء کو منعقدہ سالانہ اجلاس عام کی کارروائی کی توثیق کرنا۔
2. 30 جون 2024ء 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 2025ء کو اختتام پذیر سال کے لئے آڈیٹرز کی تقرری کرنا اور ان کا مشاہیرہ طے کرنا۔
4. بورڈ آف ڈائریکٹرز کی سفارشات پر سال 2024 کے لئے ہر 10 روپے کے حصص پر 4.00 روپے فی حصص یعنی 40 فی صد 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  
نعمان افضل  
کمپنی سیکریٹری

لاہور: 03 اکتوبر 2024  
رجسٹرڈ آفس  
KM-28-ملتان روڈ لاہور

## مندرجات:

1. شیئر ٹرانسفر books مورخہ 19 اکتوبر 2024ء تا 25 اکتوبر 2024ء (بشمول دونوں ایام) بندر ہیں گی۔ 18 اکتوبر 2024ء 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، K-1 کمرشل بلاک K، ماڈل ٹاؤن لاہور پنجاب 54000 کو 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 موثر 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:

## بذریعہ ویڈیو لنک AGM میں شرکت:

18 اکتوبر 2024ء کو کاروبار بند ہونے تک کمپنی کے کھاتوں میں درج اہل شیئر ہولڈرز جو سالانہ اجلاس عام میں بذریعہ آن 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 شئیر ہولڈرز سے مذکورہ بالا معلومات موصول ہونے پر کمپنی لاگ ان کی تفصیلات ان کے ای میل ایڈریس پر بھیجے گی۔ کمپنی ”زوم کلائوڈ میٹنگز“ کے ذریعے اجلاس طلب کرے گی۔ یہ ایپ لوگل پلے یا ایپ سٹور سے ڈاؤن لوڈ کی جاسکتی ہے۔ لہذا ہم اپنے شئیر ہولڈرز سے درخواست کرتے ہیں کہ اجلاس سے قبل یہ ایپلیکیشن ڈاؤن لوڈ کر لیں۔ اجلاس کے دن، شئیر 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۔

18 اکتوبر 2023ء کو کاروبار بند ہونے تک کمپنی کے کھاتوں میں درج اہل شئیر 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 پتے 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 راکین 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 شئیر رجسٹر کارپ لنک (پرائیویٹ) لمیٹڈ کو بذریعہ ای میل درخواست کی ہوگی۔

### اجلاس میں شرکت کے لئے:

- افرد 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:

- افرد 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

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

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

### ڈیوڈنڈ پروڈ ہولڈنگ 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 ڈیوڈنڈ کی رقم پر وہ ہولڈنگ ٹیکس کی کٹوتی کے لیے مختلف شرحیں تجویز کی گئی ہیں۔ ٹیکس کی یہ شرحیں درج ذیل ہیں:

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

شیئرز ہولڈرز، جو فائلرز ہیں، کو مشورہ دیا جاتا ہے کہ وہ اس بات کو یقینی بنائیں کہ ڈیوڈنڈ کی ادائیگی کے وقت ان کے نام ایف بی آر کی ویب سائٹ پر فراہم کردہ تازہ ترین ایکٹو ٹیکس پیئرز 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 ڈیوڈنڈ پروڈ ہولڈنگ ٹیکس:

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

کمپنی فوئیو/سی ڈی ایس کا نام دیں۔ اکاؤنٹ نمبر کل شیئرز پرنسپل شیئرز ہولڈرز جوائنٹ شیئرز ہولڈرز  
نام اور CNIC نمبر شیئرز ہولڈنگ تناسب  
نام اور (حصص کی تعداد)  
CNIC نمبر شیئرز ہولڈنگ تناسب (حصص کی تعداد)

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

### الیکٹرانک موڈ کے ذریعے نقد ڈیوڈنڈ کی ادائیگی (لازمی):

کمپنیز ایکٹ، 2017 ("ACT") کے سیکشن 242 کی دفعات یہ فراہم کرتی ہیں کہ لٹڈ کمپنی کی طرف سے اعلان کردہ کوئی بھی ڈیوڈنڈ صرف الیکٹرانک موڈ کے ذریعے براہ راست حقدار شیئرز ہولڈرز کے نامزد کردہ بینک اکاؤنٹ میں ادا کیا جائے گا۔ ایس ای سی پی نے اپنے سرکل نمبر 18 آف 2017 مورخہ 01 اگست 2017 میں تمام لٹڈ کمپنیوں کو مشورہ دیا ہے کہ وہ 01 نومبر 2017 سے اس بات کو یقینی بنائیں کہ کمپنیز (ڈسٹری بیوشن آف ڈیوڈنڈز) 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 پتہ یا شیئرز رجسٹر ارا۔ وہ شیئرز ہولڈرز جو شرکا/سینٹرز 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، لٹڈ کمپنیاں ڈیوڈنڈ کی ادائیگی روکنے کی حقدار ہیں، اگر شیئرز ہولڈرز کی جانب سے ضروری معلومات فراہم نہیں کی جاتی ہیں۔ شیئرز ہولڈرز کی سہولت کے لیے ای ڈیوڈنڈ مینڈیٹ فارم کمپنی کی ویب سائٹ پر دستیاب ہے۔



### غیر دعویٰ دار ڈیویڈنڈ:

جن شیئرز ہولڈرز نے اپنے ڈیویڈنڈ کا دعویٰ نہیں کیا ہے انہیں مشورہ دیا جاتا ہے کہ وہ ہمارے شیئرز رجسٹر 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 ایکسچینج کمیشن آف پاکستان نے شیئرز 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 شیئرز 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۔ شیئرز 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 ڈوننگ:

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

### ویڈیو کانفرنس:

SECP مراسلہ نمبر 10/2014 مؤرخہ 21 مئی 2014ء کے تحت اگر کمپنی دو دروازہ پر مقیم 10 فی صد یا یا زائد شیئرز 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 شیئرز رجسٹر اریمرز 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 فوئیونمبر ..... 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 2024ء کی ترسیل:

i. 25 اکتوبر 2024ء کو منعقد ہونے والے سالانہ اجلاس عام میں کمپنی کے اراکین کی منظوری سے مشروط اور SECP کے نوٹیفکیشن نمبر 389(1)/2023 کے تحت SRO مؤرخہ 21 مارچ 2023ء کی پیروی میں مالیاتی سال ختمہ 30 جون 2024ء کے لئے کمپنی کی مالیاتی اسٹیٹمنٹس پر مشتمل سالانہ رپورٹ، آڈیٹرز رپورٹ، ڈائریکٹرز اور چیئرمین کی رپورٹ مندرجہ ذیل QR کوڈ اور یب لنک سے ڈاؤن لوڈ اور دیکھی جاسکتی ہے:



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

- ii. سالانہ رپورٹ ان شیئرز ہولڈرز کو بھی ای میل کی جا چکی ہے جنہوں نے اپنے کارآمدی میل آئی ڈی کمپنی کو جمع کرائے ہیں۔
- iii. جو شیئرز 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/ شیئرز رجسٹر کو جمع کرا سکتے ہیں اس کے بعد کمپنی درخواست موصول ہونے کے ایک ہفتہ کے اندر مذکورہ بالا دستاویزات کی کاغذی نقول خواہشمند شیئرز ہولڈرز کو بالکل مفت فراہم کرے گی۔

# 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:

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

- |    |        |     |
|----|--------|-----|
| a. | Male   | Six |
| b. | Female | One |

2. The composition of the board is as follows:

| Category                | Number | Names   |
|-------------------------|--------|---|
| Independent Directors   | 4      | Mr. Tariq Ikram<br>Mr. Zafar Aziz Osmani<br>Mr. Mohammad Saeed<br>Ms. Zareen Aziz (Female Director) |
| Non-Executive Directors | 3      | Mr. Maqbool H. H. Rahimtoola<br>Mr. Shehzad M. Hussain<br>Mr. Ilyas Sharif                          |
| Executive Director      | 1      | Mr. Dr. Mahmood Ahmad   |

- The directors have confirmed that none of them is serving as a director in more than seven listed companies, including this 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. A complete record of particulars of significant policies along with dates on which they are approved or amended has been maintained.
- 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 Board established adequate systems and controls for identification and redress of grievances arising from unethical practices.
- 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.
- All directors have minimum 14 years of education and 15 years' experience on the board of listed Company hence exempt from directors training program (DTP).

11. No new appointment of the CFO, Company Secretary and Head of Internal Audit was made during the year.

12. CFO and CEO duly endorsed the financial statements before approval of the Board.

13. The Board has formed committees comprising 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. Mohammad Saeed  | Member   |

**c) Committee for Business Strategies**

|                       |          |
|-----------------------|----------|
| Mr. Tariq Ikram       | Chairman |
| Mr. Zafar Aziz Osmani | Member   |
| Mr. Zahid Majid       | Member   |

14. The terms of the reference of the aforesaid committees have been developed by the Board, documented and advised to the committee for compliance.

15. The Board has provided adequate resources and authority to enable the Audit Committee to carry out its responsibilities effectively.

16. Secretary of Audit Committee circulated minutes of meetings of the audit committee to all members, directors, and head of internal audit and to chief financial officer, when required, and prior to the next meeting of the Board.

17. The frequency of the meetings of the committees were as per following:

|                               |  |
|-------------------------------|--|
| Audit Committee               | Quarterly  |
| HR and Remuneration Committee | Two meetings during the financial year ended June 30, 2024 |
| Business Strategy Committee   | Two meetings during the financial year ended June 30, 2024 |

18. The Board has set up an effective audit function and the staff is suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company;

19. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP and registered with Audit Oversight Board of



Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP. The Company has appointed external auditor, involved in the audit of a company, who is not a close relative (spouse, parents, dependents and non-dependent children) of the chief executive officer, the chief financial officer, the head of internal audit, the company secretary or a director of the company.

20. The Board has recommended appointment of external auditors for a year and such recommendations included in the Directors' Report.
21. 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.
22. Company has ensured that the statement of compliance is reviewed and certified by statutory auditors as per relevant Regulations specified by Commission.
23. We confirmed that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.
24. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

Regulation 24, which prohibits the dual holding of the positions of Chief Financial Officer (CFO) and Company Secretary within a listed company.

We are in the process of hiring a suitable individual to fulfill the role of Company Secretary. This appointment is a priority, and we are actively seeking candidates who possess the necessary qualifications and experience to enhance our governance framework. We anticipate that this position will be filled shortly, thereby ensuring our compliance with Regulation 24 and reinforcing our commitment to uphold the highest standards of corporate governance.

Mr. Maqbool H. H. Rahimtoola  
Chairman

Dr. Mahmood Ahmad  
Chief Executive



# UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

NEWS

## FINANCIAL REPORT

3,456  
2,569  
1,238  
4,896

3.45 2.58 6.58 12.3



## 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, 2024 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, 2024.

Further we highlight below instance of non-compliance with the requirement of the regulations as reflected in the paragraph reference where it is stated in the statement of Compliance:

| Paragraph | Reference Description   |
|-----------|---|
| 24        | The roles of Chief Financial Officer and Company Secretary are held by the same person. |

Lahore

**Dated:** October 01, 2024

**UDIN:** CR202410131DO1HYir6c

*BDO Ebrahim & Co.*

**BDO EBRAHIM & CO.**

**CHARTERED ACCOUNTANTS**

**Engagement Partner: Muhammad Imran**

# **INDEPENDENT AUDITOR'S REPORT**

## **TO THE MEMBERS OF BERGER PAINTS PAKISTAN LIMITED**

### **REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

#### **Opinion**

We have audited the annexed financial statements of BERGER PAINTS PAKISTAN LIMITED (the Company), which comprise the statement of financial position as at June 30, 2024, and the statement of profit or loss, the statement of comprehensive income, the statement of cash flows, the statement of changes in equity for the year then ended, and notes to the 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 statement of financial position, statement of profit or loss, statement of comprehensive income, the statement of cash flows and the statement of changes in equity 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, 2024 and of the profit and other comprehensive income, its cash flows and the changes in equity 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:



| S.No. | Key audit matter(s)  | How the matter was addressed in our audit  |
|-------|--|--|
| 1     | <p><b>Trade debts &amp; revenue recognition</b></p> <p>(Refer note 34 to the annexed 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> <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 16 to the annexed financial statements)</p> <p>As at June 30, 2024, the Company's gross trade debts were Rs. 2,915 million against which provision of Rs. 67.990 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> | <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> <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> </ul> <p>Our key audit procedures to valuation of trade debts included:</p> <ul style="list-style-type: none"> <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 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> |

|   |  |   |
|---|--|---|
| 2 | Inventory valuation  |   |
|   | <p>As at June 30, 2024, the Company held Rs. 1,396.960 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>Refer to Notes 6.5 &amp; 15 of the financial statements.</p> | <p>Our audit procedures involved assessing the Company's accounting policies over recognizing 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> </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 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 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 Financial Statements**

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

Our objectives are to obtain reasonable assurance about whether the 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 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 statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of cash flows and the 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

DATED: October 01, 2024

UDIN: AR202410131qygr7sTBZ

*BDO Ebrahim*

BDO EBRAHIM & CO.

CHARTERED ACCOUNTANTS



# STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

|   | Note | 2024<br>(Rupees in thousand) | 2023        |
|---|------|------------------------------|-------------|
| <b>ASSETS</b>                             |      |                              |             |
| <b>NON-CURRENT ASSETS</b>                 |      |                              |             |
| Property, plant and equipment             | 8    | 2,264,281                    | 2,306,831   |
| Long term investments                     | 10   | 76,595                       | 78,479      |
| Long term loans                           | 11   | 27,333                       | 37,261      |
| Long term deposits                        | 12   | 33,319                       | 22,218      |
|   |      | <hr/>                        | <hr/>       |
|   |      | 2,401,528                    | 2,444,789   |
| <b>CURRENT ASSETS</b>                     |      |                              |             |
| Stores, spare parts and loose tools       | 14   | 30,925                       | 30,341      |
| Stock in trade                            | 15   | 1,396,960                    | 1,437,793   |
| Trade debts - unsecured                   | 16   | 2,602,977                    | 1,907,525   |
| Loans and advances                        | 17   | 243,947                      | 277,322     |
| Trade deposits and short term prepayments | 18   | 35,526                       | 31,864      |
| Other receivables                         | 19   | 39,251                       | 62,053      |
| Tax refund due from government            | 20   | 211,605                      | 182,994     |
| Short term investment                     | 21   | 121,000                      | 191,000     |
| Cash and bank balances                    | 22   | 66,172                       | 47,078      |
|   |      | <hr/>                        | <hr/>       |
|   |      | 4,748,363                    | 4,167,970   |
|   |      | <hr/>                        | <hr/>       |
|   |      | 7,149,891                    | 6,612,759   |
|   |      | <hr/> <hr/>                  | <hr/> <hr/> |

|  | Note | 2024<br>(Rupees in thousand) | 2023      |
|--|------|------------------------------|-----------|
| <b>EQUITY AND LIABILITIES</b>                        |      |                              |           |
| <b>SHARE CAPITAL AND RESERVES</b>                    |      |                              |           |
| Authorised share capital                             |      | 500,000                      | 250,000   |
| Issued, subscribed and paid-up share capital         | 23   | 245,516                      | 245,516   |
| Capital reserves                                     |      |                              |           |
| Revaluation surplus on property, plant and equipment | 24.3 | 1,437,720                    | 1,495,613 |
| Other reserves                                       | 24   | 47,575                       | 56,205    |
|  |      | 1,485,295                    | 1,551,818 |
| Revenue reserves                                     |      |                              |           |
| General reserve                                      | 24   | 285,000                      | 285,000   |
| Accumulated profits                                  | 24   | 1,431,654                    | 1,113,469 |
|  |      | 1,716,654                    | 1,398,469 |
|  |      | 3,447,465                    | 3,195,803 |
| <b>NON-CURRENT LIABILITIES</b>                       |      |                              |           |
| Long term financing - secured                        | 25   | 106,092                      | 94,221    |
| Long term diminishing musharaka                      | 26   | 208,333                      | 333,333   |
| Deferred grant                                       | 27   | 17,524                       | 21,672    |
| Long term employee benefits                          | 28   | 157,459                      | 144,748   |
| Deferred taxation - net                              | 13   | 134,447                      | 104,645   |
|  |      | 623,855                      | 698,619   |
| <b>CURRENT LIABILITIES</b>                           |      |                              |           |
| Trade and other payables                             | 29   | 2,136,092                    | 2,020,366 |
| Current portion of long term financing               | 30   | 210,342                      | 228,098   |
| Unclaimed dividend                                   |      | 12,478                       | 13,106    |
| Accrued markup                                       | 31   | 50,024                       | 31,459    |
| Short term borrowings - secured                      | 32   | 669,635                      | 425,308   |
|  |      | 3,078,571                    | 2,718,337 |
| <b>TOTAL LIABILITIES</b>                             |      | 3,702,426                    | 3,416,956 |
| <b>TOTAL EQUITY AND LIABILITIES</b>                  |      | 7,149,891                    | 6,612,759 |
| <b>CONTINGENCIES AND COMMITMENTS</b>                 | 33   |                              |           |

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

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

# STATEMENT OF PROFIT OR LOSS

For the year ended 30 June 2024

|   | Note | 2024<br>(Rupees in thousand) | 2023        |
|---|------|------------------------------|-------------|
| Revenue from contract with customers - net      | 34   | 8,543,907                    | 7,341,165   |
| Cost of sales                                   | 35   | (6,822,625)                  | (5,858,052) |
| Gross profit                                    |      | 1,721,282                    | 1,483,113   |
| Selling and distribution expenses               | 36   | (717,442)                    | (582,571)   |
| Administrative and general expenses             | 37   | (231,145)                    | (208,993)   |
| Impairment loss charged during the year         | 16.3 | (67,990)                     | (73,084)    |
| Other operating expenses                        | 38   | (48,465)                     | (101,414)   |
|   |      | (1,065,042)                  | (966,062)   |
| Profit from operations                          |      | 656,240                      | 517,051     |
| Other income                                    | 39   | 69,708                       | 97,691      |
|   |      | 725,948                      | 614,742     |
| Finance cost                                    | 40   | (304,596)                    | (283,545)   |
| Profit before income tax and final taxes        |      | 421,352                      | 331,197     |
| Minimum/ final taxes                            | 41   | 6,215                        | 19,031      |
| Profit before income tax                        |      | 427,567                      | 350,228     |
| Taxation  | 41   | (164,704)                    | (110,167)   |
| Profit after taxation                           |      | 262,863                      | 240,061     |
| Earnings per share - basic and diluted (Rupees) | 42   | 10.71                        | 9.78        |

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

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

# STATEMENT OF COMPREHENSIVE INCOME

## For the year ended 30 June 2024

|  | Note   | 2024<br>(Rupees in thousand) | 2023      |
|--|--------|------------------------------|-----------|
| Profit after taxation for the year   |        | 262,863                      | 240,061   |
| 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              |        |                              |           |
| Net fair value gain / (loss) on investment classified as FVOCI                               | 10.2   | 4,928                        | (13,212)  |
| Related deferred tax liability on fair value gain / (loss) on investment classified as FVOCI |        | (13,558)                     | 11,400    |
|  |        | (8,630)                      | (1,812)   |
| Actuarial (loss)/gain on staff retirement benefits   | 28.1.3 | (2,571)                      | 13,127    |
| Revaluation surplus on property, plant and equipment   | 24.3   | -                            | 811,763   |
| Related deferred tax liability on revaluation surplus  |        | -                            | (131,209) |
|  |        | -                            | 680,554   |
| Total comprehensive income for the year  |        | 251,662                      | 931,930   |

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

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER



# STATEMENT OF CHANGES IN EQUITY

## For the year ended 30 June 2024

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

|   | 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, 2022   | 204,597                                      | 830,273  | 34,086        | 23,931             | 285,000         | 967,825             | 2,141,115      | 2,345,712 |  |
| Total comprehensive income for the year ended June 30, 2023   | -  | -  | -             | -                  | -               | 240,061             | 240,061        | 240,061   |  |
| Profit after taxation for the year  | -  | -  | -             | -                  | -               | -                   | -              | -         |  |
| Other comprehensive income for the year   | -  | -  | -             | -                  | -               | -                   | -              | -         |  |
| - Revaluation surplus on property, plant and equipment  | -  | 680,554  | -             | -                  | -               | -                   | 680,554        | 680,554   |  |
| - Fair value gain on Investment classified as FVOCI   | -  | -  | -             | (1,812)            | -               | -                   | (1,812)        | (1,812)   |  |
| - Actuarial loss on staff retirement benefits   | -  | -  | -             | -                  | -               | 13,127              | 13,127         | 13,127    |  |
| Total comprehensive income for the year   | -  | 680,554  | -             | (1,812)            | -               | 253,188             | 931,930        | 931,930   |  |
| Transfer of incremental depreciation from revaluation surplus on property, plant and machinery - net of tax | -  | -  | -             | -                  | -               | -                   | -              | -         |  |
| Transactions with the owners of the Company   |  |  |               |                    |                 |                     |                |           |  |
| Bonus issue during the year 1 bonus shares for every 5 shares held  | 40,919                                       | (15,214)   | -             | -                  | -               | 15,214              | -              | -         |  |
| Final cash dividend for the year ended June 30, 2022 @ Rs. 4 share  | -  | -  | -             | -                  | -               | (40,919)            | -              | -         |  |
|   | -  | -  | -             | -                  | -               | (81,839)            | (81,839)       | (81,839)  |  |
| Balance as at June 30, 2023   | 40,919                                       | (15,214)   | -             | -                  | -               | (107,544)           | (81,839)       | (81,839)  |  |
| Total comprehensive income for the year ended June 30, 2024   | 245,516                                      | 1,495,613  | 34,086        | 22,119             | 285,000         | 1,113,469           | 2,991,206      | 3,195,803 |  |
| Profit after taxation for the year  | -  | -  | -             | -                  | -               | 262,863             | 262,863        | 262,863   |  |
| Other comprehensive income for the year   | -  | -  | -             | -                  | -               | -                   | -              | -         |  |
| - Fair value loss on investment classified as FVOCI   | -  | -  | -             | (8,630)            | -               | -                   | (8,630)        | (8,630)   |  |
| - Actuarial gain 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 | -  | -  | -             | -                  | -               | -                   | -              | -         |  |
| Balance as at June 30, 2024   | 245,516                                      | 1,437,720  | 34,086        | 13,489             | 285,000         | 1,431,654           | 3,242,868      | 3,447,465 |  |

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

# STATEMENT OF CASH FLOWS

For the year ended 30 June 2024

|   | Note | 2024<br>(Rupees in thousand) | 2023      |
|---|------|------------------------------|-----------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                             |      |                              |           |
| Net cash flows from operating activities before working capital changes | 44   | 1,032,688                    | 872,347   |
| <b>(Increase) / decrease in current assets:</b>                         |      |                              |           |
| Stores, spare parts and loose tools                                     | 14   | (584)                        | (7,606)   |
| Stock-in-trade  | 15   | 59,387                       | 199,364   |
| Trade debts - unsecured   | 16   | (763,442)                    | (279,223) |
| Loans and advances  | 17   | 14,147                       | (45,217)  |
| Trade deposits and short term prepayments                               | 18   | (3,662)                      | (5,043)   |
| Other receivables   | 19   | 22,802                       | 51,580    |
|   |      | (671,352)                    | (86,145)  |
| <b>Increase in current liabilities:</b>                                 |      |                              |           |
| Trade and other payables  | 29   | 108,110                      | 209,144   |
| <b>Cash generated from operations</b>                                   |      | 469,446                      | 995,346   |
| Finance cost paid   |      | (290,643)                    | (296,440) |
| Tax paid  | 20.1 | (170,856)                    | (87,189)  |
| Long term employee benefit paid   |      | (32,129)                     | (31,600)  |
| Worker's Profit Participation Fund paid                                 |      | (16,711)                     | (13,248)  |
| Workers' Welfare Fund paid  |      | (7,954)                      | (4,137)   |
| Long term loans - net   |      | 18,207                       | 3,457     |
| Long term deposits (realised)/ paid                                     |      | (4,586)                      | 3,678     |
|   |      | (504,672)                    | (425,479) |
| <b>Net cash (used in)/generated from operating activities</b>           |      | (35,226)                     | 569,867   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                             |      |                              |           |
| Capital expenditure incurred  |      | (174,826)                    | (25,655)  |
| Proceeds from disposal of property, plant and equipment                 |      | 12,426                       | 14,408    |
| Mark-up received on term deposit and long term loan                     |      | 38,054                       | 23,708    |
| Short term investments made during the year                             |      | (40,000)                     | (81,000)  |
| Long term investment during the year                                    |      | -                            | (29,399)  |
| <b>Net cash used in investing activities</b>                            |      | (164,346)                    | (97,938)  |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                             |      |                              |           |
| Repayment of long term financing - net                                  |      | (10,033)                     | (108,332) |
| (Payment) / proceeds from long term diminishing musharaka               |      | (125,000)                    | 484,000   |
| Dividend paid   |      | (628)                        | (75,559)  |
| (Repayments)/proceeds of/from short term borrowings - net               |      | -                            | (255,552) |
| <b>Net cash (used in)/generated from financing activities</b>           |      | (135,661)                    | 44,557    |
| <b>Net (decrease)/increase in cash and cash equivalents</b>             |      | (335,233)                    | 516,486   |
| Cash and cash equivalents at beginning of the year                      |      | (268,230)                    | (784,716) |
| Cash and cash equivalents at end of the year                            | 43   | (603,463)                    | (268,230) |

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

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

## 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 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%.

## 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 36-Industrial Estate, Kot-Lakhpur, Lahore and its only manufacturing facility is located at 28-KM Multan Road, Lahore. The Company is in the process of filing for change of its registered office, which is now located at 28-KM Multan Road, Lahore.

| 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 financial statements are the separate financial statements of the Company in which investments in subsidiary and associates are accounted for on the basis of direct 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                 | 51.00%                     | Execution of countries relating to application of road marking paints and installation of road safety equipment |
| <b>Associate</b>                     |                          |                            |   |
| 3S Pharmaceuticals (Private) Limited | Pakistan                 | 49.00%                     | Manufacturing of medicines  |

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

## 4. CHANGE IN ACCOUNTING POLICY

During the year, the Company changed its accounting policy of recognizing the portion of income tax paid or payable for the year under the Ordinance, not based on the taxable profits of the Company, as a Levy under IFRIC-21/IAS-37 instead of the current income tax for the year under IAS-12.

The management believes that the new policy provides reliable and more relevant information to the users of the financial statements.

The change in accounting policy has been implemented, and last year's figures have been reclassified. However, the change has not been applied retrospectively because its impact on the prior year financial statements is immaterial.

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

### 5.1 New accounting standards, amendments and IFRS interpretations that are effective for the period ended June 30, 2024

The following standards, amendments and interpretations are effective for the period ended June 30, 2024. These standards, amendments and interpretations are either not relevant to the



Company's operations or did not have significant impact on the financial statements other than certain additional disclosures.

|  | Effective date<br>(annual periods<br>beginning on or after) |
|--|---|
| Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice Statement 2 Making Materiality Judgements- Disclosure of Accounting Policies      | January 01, 2023  |
| Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of Accounting Estimates                                     | January 01, 2023  |
| Amendments to IAS 12 'Income Taxes' - Deferred Tax related to Assets and Liabilities arising from a single transaction   | January 01, 2023  |
| Amendments to IAS 12 'Income Taxes' - Temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes | January 01, 2023  |

The Company adopted the narrow-scope amendments to the International Accounting Standard (IAS) 1, Presentation of Financial Statements which have been effective for annual reporting periods beginning on or after January 01, 2023. Although the amendments did not result in any changes to accounting policy themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material' rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting the Company to provide useful entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and updates to the information disclosed in Note 6 Material accounting policies (June 30, 2023: Significant accounting policies) in certain instances in line with the amendments and concluded that all its accounting policies are material for disclosure.

## 5.2 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.

|  | Effective date<br>(annual periods<br>beginning on or after) |
|--|---|
| Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements  | January 01, 2024  |
| 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 |
|---|------------------|

|  |                  |
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| Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions | January 01, 2024 |
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| 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 |
|---|------------------|

|   |                  |
|---|------------------|
| Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability | January 01, 2025 |
|---|------------------|

|                             |                  |
|-----------------------------|------------------|
| IFRS 17 Insurance Contracts | January 01, 2026 |
|-----------------------------|------------------|

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 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 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, 2026.

## 6. 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 financial statements except as mentioned in note 4 to these financial statements.

### 6.1 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.

## **6.2. 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.

### **6.2.1. 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 9.

### **6.2.2 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.

## **6.3 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.

#### 6.4 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.

#### 6.5 Stock of 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 financial statements whenever necessary.

#### 6.6 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 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.

#### 6.7 Cash and Cash equivalent

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.

## 6.8 Financial instruments

### 6.8.1 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
- 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.

## 6.8.2 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 48.1.3 of the financial statements.

## 6.8.3 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.

#### **6.8.4 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.

#### **6.9 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.

#### **6.10 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.

#### **6.11 Contingent assetss**

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.

#### **6.12 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.

### 6.13 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 the significant risks and rewards of ownership have been transferred to the customer (i.e. after obtaining customer acknowledgment at the time of delivery of goods). Although the transfer of risks and rewards is not the only criterion to be considered to determine whether control over the goods has transferred, it is in most situations 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.

**6.14. 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 on interest free loans given to staff.

**6.15. 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.

**6.16. 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.

**a) 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.

**b) 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.

### **6.17 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.

### **6.18 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".

### **6.19 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.

### **6.20 Employee benefits**

#### **6.2.1 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.

#### **6.2.2 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 valuation 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.

## **6.2.3 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.

## **6.2.4 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.

### 6.2.5 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.

### 6.21 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 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.

### 6.22 Dividends and appropriations to general reserve

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

### 6.23 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.

### 6.24 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.

### 6.25 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.

### 6.26 Related party transactions

Transactions with related parties are based at arm's length that normal commercial rates on the same terms and conditions as applicable to third party transactions.

### 6.27. 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.

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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.

## **6.28 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.

## **6.29. 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.

## **6.30 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.

## **6.31 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

## **7. USE OF JUDGMENTS AND ESTIMATES**

The preparation of these 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 Company's financial statements are:

|   | <b>Note</b> |
|---|-------------|
| - Property, plant and equipment         | 6.1         |
| - Stores, spare parts and loose tools   | 6.4         |
| - Stock in trade                        | 6.5         |
| - Trade debts - unsecured               | 6.6         |
| - Impairment of cash generating unit    | 6.9         |
| - Recoverability of deferred tax assets | 6.16        |
| - Taxation                              | 6.16        |
| - Long Term employee benefits           | 6.20        |
| - Contingencies                         | 6.31        |

**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 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 8 to these 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 corresponding effect 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.

| 8. PROPERTY, PLANT AND EQUIPMENT | Note | 2024                 | 2023             |
|----------------------------------|------|----------------------|------------------|
|                                  |      | (Rupees in thousand) |                  |
| Considered good:                 |      |                      |                  |
| Operating fixed assets           | 8.1  | 2,013,240            | 2,088,301        |
| Capital work in progress         | 8.2  | 40,366               | 1,864            |
| Right-of-use-asset               | 8.3  | 210,675              | 216,666          |
|                                  |      | <u>2,264,281</u>     | <u>2,306,831</u> |

## 8.1 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 | Motor vehicles | Total     |
|--|---------------|----------------------------|-----------------------------|---------------------|----------------------|-------------------|----------------------------------|------------------|------------------------|----------------|-----------|
| ----- Rupees in thousand -----                 |               |                            |                             |                     |                      |                   |                                  |                  |                        |                |           |
| <b>Net carrying value basis</b>                |               |                            |                             |                     |                      |                   |                                  |                  |                        |                |           |
| <b>At June 30, 2024</b>                        |               |                            |                             |                     |                      |                   |                                  |                  |                        |                |           |
| 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              | -                      | 73,798         | 136,325   |
| 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)                | (25,875)       | (203,856) |
| Closing net book value                         | 1,064,285     | 381,003                    | 23,642                      | 306,158             | 18,785               | 93,315            | 5,432                            | 13,358           | 5,840                  | 101,421        | 2,013,239 |
| <b>Gross carrying value basis</b>              |               |                            |                             |                     |                      |                   |                                  |                  |                        |                |           |
| <b>Year ended June 30, 2024</b>                |               |                            |                             |                     |                      |                   |                                  |                  |                        |                |           |
| Cost / revalued amount                         | 1,064,285     | 501,220                    | 47,941                      | 575,886             | 60,134               | 186,574           | 41,638                           | 34,247           | 31,907                 | 184,672        | 2,728,504 |
| Accumulated depreciation and impairment losses | -             | (120,216)                  | (24,299)                    | (269,728)           | (41,350)             | (93,258)          | (36,206)                         | (20,889)         | (26,067)               | (83,250)       | (715,264) |
| Net book value (NBV)                           | 1,064,285     | 381,004                    | 23,642                      | 306,158             | 18,785               | 93,315            | 5,432                            | 13,358           | 5,840                  | 101,421        | 2,013,240 |
| <b>Net carrying value basis</b>                |               |                            |                             |                     |                      |                   |                                  |                  |                        |                |           |
| <b>At June 30, 2023</b>                        |               |                            |                             |                     |                      |                   |                                  |                  |                        |                |           |
| Opening net book value (NBV)                   | 661,921       | 235,386                    | 50,661                      | 244,495             | 19,226               | 120,882           | 5,186                            | 17,925           | 9,503                  | 58,723         | 1,423,908 |
| Additions (at cost)                            | -             | -                          | 449                         | 2,919               | 6,707                | 779               | 1,294                            | 184              | 786                    | 24,852         | 37,970    |
| Disposals (at NBV)                             | -             | -                          | -                           | (456)               | -                    | -                 | -                                | -                | -                      | (2,617)        | (3,073)   |
| Depreciation charge for the year               | -             | (23,595)                   | (6,825)                     | (55,248)            | (5,069)              | (16,280)          | (2,036)                          | (2,857)          | (2,333)                | (19,930)       | (134,173) |
| Revaluation / (impairment) during the year     | 402,364       | 166,263                    | (16,374)                    | 211,416             | -                    | -                 | -                                | -                | -                      | -              | 763,669   |
| Closing net book value                         | 1,064,285     | 378,054                    | 27,911                      | 403,126             | 20,864               | 105,381           | 4,444                            | 15,252           | 7,956                  | 61,028         | 2,088,301 |
| <b>Gross carrying value basis</b>              |               |                            |                             |                     |                      |                   |                                  |                  |                        |                |           |
| <b>Year ended June 30, 2023</b>                |               |                            |                             |                     |                      |                   |                                  |                  |                        |                |           |
| Cost / revalued amount                         | 1,064,285     | 456,220                    | 47,941                      | 568,899             | 57,713               | 182,547           | 38,459                           | 33,335           | 31,907                 | 118,403        | 2,599,709 |
| Accumulated depreciation and impairment losses | -             | (78,166)                   | (20,030)                    | (165,773)           | (36,849)             | (77,166)          | (34,015)                         | (18,083)         | (23,951)               | (57,375)       | (511,408) |
| 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 |
| <b>Useful life</b>                             | -             | 20.00                      | 10 - 20                     | 2.8 - 12.5          | 10                   | 4 - 10            | 4                                | 4 - 10           | 10                     | 5              |           |

### 8.1.1 Disposal of operating assets

| Particulars of assets        | Sold to                   |  | Relationship with the Company | Cost   | Accumulated depreciation | (Rupees in thousand) |               |               | Mode of disposal |
|------------------------------|---------------------------|--|-------------------------------|--------|--------------------------|----------------------|---------------|---------------|------------------|
|                              | Name                      |  |                               |        |                          | Book value           | Sale proceeds | Gain / (loss) |                  |
| 2024                         |                           |  |                               |        |                          |                      |               |               |                  |
| Motor vehicles               |                           |  |                               |        |                          |                      |               |               |                  |
| Toyota Fortuner Bh-3512      | 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   |
| Honda City Lef-18            | 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         |                  |
| 2023                         |                           |  |                               |        |                          |                      |               |               |                  |
| Plant and machinery          |                           |  |                               |        |                          |                      |               |               |                  |
| Attritor                     | Akram Trading             |  | Third-party                   | 169    | 76                       | 93                   | 255           | 162           | Bid              |
| Dust collectors              | Akram Trading             |  | Third-party                   | 22     | 10                       | 12                   | -             | (12)          | Bid              |
| Brighton Pot, 700Kg          | Akram Trading             |  | Third-party                   | 75     | 34                       | 41                   | 147           | 106           | Bid              |
| Karcher Pump 13 - 14         | Akram Trading             |  | Third-party                   | 163    | 83                       | 80                   | 247           | 167           | Bid              |
| Donkey Pump 1"               | Akram Trading             |  | Third-party                   | 5      | 3                        | 2                    | 8             | 6             | Bid              |
| Ms Pot#88 - Of-P-88 - 800 Kg | Akram Trading             |  | Third-party                   | 24     | 12                       | 12                   | 36            | 24            | Bid              |
| Ms Pot#89 - Of-P-89 - 800 Kg | Akram Trading             |  | Third-party                   | 24     | 12                       | 12                   | 36            | 24            | Bid              |
| Ms Pot#90 - Of-P-90 - 800 Kg | Akram Trading             |  | Third-party                   | 24     | 12                       | 12                   | 36            | 24            | Bid              |
| Tom Lifter 4 (Rms-331)       | U.F. Farat Traders        |  | Third-party                   | 400    | 211                      | 189                  | 700           | 511           | Bid              |
| Motor vehicles               |                           |  |                               |        |                          |                      |               |               |                  |
| Toyota Corolla Lec-16-8682   | Mr. Abdul Wahid Qureshi   |  | Employee                      | 160    | -                        | 160                  | 1,147         | 987           | Company policy   |
| Suzuki Wagon-R Lea-18-7312   | Mr. Asad Ali              |  | Third party                   | 1,109  | 942                      | 167                  | 1,912         | 1,745         | Auction          |
| Suzuki Wagon-R Lec-18-7419   | Mr. Hassan Ali            |  | Third party                   | 141    | 30                       | 111                  | 2,013         | 1,902         | Auction          |
| Honda City 1.3Mt             | Mr. Wajid Gohar           |  | Employee                      | 1,537  | 1,537                    | -                    | 506           | 506           | Company policy   |
| Toyota Altis Aku-830         | Mr. Pervaiz Khan          |  | Employee                      | 1,995  | 964                      | 1,031                | 1,746         | 715           | Company policy   |
| Toyota Prado Leb-16-245      | Mr. Abdul Wahid Qureshi   |  | Employee                      | 3,555  | 3,022                    | 533                  | 2,888         | 2,355         | Company policy   |
| Suzuki Wagon-R Lec-18-896    | Mr. Shahid Butt           |  | Employee                      | 106    | 23                       | 83                   | 264           | 181           | Company policy   |
| Honda City Lef-16-5796       | Mr. Ali Asghar Qureshi    |  | Employee                      | 135    | 16                       | 119                  | 337           | 218           | Company policy   |
| Honda City Le-18A-7638       | Mr. Zafar Iqbal           |  | Employee                      | 174    | 20                       | 154                  | 1,812         | 1,658         | Company policy   |
| Suzuki Cultus Lef-18-5265    | Mr. Sohail Qayum          |  | Employee                      | 296    | 34                       | 262                  | 318           | 56            | Company policy   |
|                              |                           |  |                               | 10,114 | 7,041                    | 3,073                | 14,408        | 11,335        |                  |



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

|                             | <b>2024</b><br><b>(Rupees in thousand)</b> | <b>2023</b>    |
|-----------------------------|--|----------------|
| Freehold land               | 207,183                                    | 207,183        |
| Leasehold land              | 3,287                                      | 3,381          |
| Buildings on freehold land  | 148,023                                    | 109,490        |
| Buildings on leasehold land | 33,184                                     | 40,655         |
| Plant and machinery         | 62,759                                     | 88,883         |
|                             | <b>454,436</b>                             | <b>449,592</b> |

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

| <b>Particulars</b>         | <b>Date of revaluation</b> | <b>(Rupees in thousand)</b> |
|----------------------------|----------------------------|-----------------------------|
| 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                     |

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

#### **8.1.5 Particulars of immovable fixed assets**

Freehold lands of the Company are located at 28-Km, Multan Road, Lahore, measuring 92.80 Kanals and 36.10 kanals and Quaid-e-Azam Industrial Estate, Kot-Lakhpat, 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.

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

|                                     |              | <b>2024</b><br><b>(Rupees in thousand)</b> | <b>2023</b>    |
|-------------------------------------|--------------|--|----------------|
| Cost of sales                       | 35           | 165,929                                    | 101,265        |
| Selling and distribution expenses   | 36           | 30,510                                     | 24,275         |
| Administrative and general expenses | 37           | 13,407                                     | 13,761         |
|                                     | <b>8.1.7</b> | <b>209,846</b>                             | <b>139,301</b> |

**8.1.7** This includes depreciation on lease hold land amounting to Rs. 5.99 million (2023: Rs. 5.12 million) charged to selling and distribution expenses.

**8.1.8** The cost of fully depreciated assets which are still in use is Rs. 106.347 million (2023: Rs. 106.60 million).

**8.1.9** Fair value measurement level and valuation techniques used to determine fair value has been disclosed in the notes 48.4 to these financial statements.

## 8.2 Capital work in progress

|                          | Note  | 2024<br>(Rupees in thousand) | 2023<br>(Rupees in thousand) |
|--------------------------|-------|------------------------------|------------------------------|
| This comprises of:       |       |                              |                              |
| Civil works              |       | 13,695                       | -                            |
| Plant and machinery      |       | 8,488                        | -                            |
| Electrical installations | 7.2.2 | -                            | 1,864                        |
| Advances to suppliers    |       | 7,003                        | -                            |
| Motor vehicles           |       | 10,980                       | -                            |
| Furniture and fixtures   |       | 91                           | -                            |
| Office equipment         |       | 109                          | -                            |
|                          | 8.2.1 | 40,366                       | 1,864                        |

### 8.2.1 Movement of carrying value is as follows:

| Description                           | Civil works | Plant and machinery | Electrical installations | Advances to suppliers | Furnitures & fixtures | Vehicles | Office equipments | Computers & related accessories | Laboratory equipment | Total     |
|---------------------------------------|-------------|---------------------|--------------------------|-----------------------|-----------------------|----------|-------------------|---------------------------------|----------------------|-----------|
| (Rupees in thousand)                  |             |                     |                          |                       |                       |          |                   |                                 |                      |           |
| Year ended June 30, 2024              |             |                     |                          |                       |                       |          |                   |                                 |                      |           |
| Opening balance                       | -           | -                   | 1,864                    | -                     | -                     | -        | -                 | -                               | -                    | 1,864     |
| Additions (at cost)                   | 58,695      | 15,475              | 2,163                    | 7,003                 | 91                    | 84,778   | 1,021             | 3,179                           | 2,421                | 174,826   |
| Transferred to operating fixed assets | (45,000)    | (6,987)             | (4,027)                  | -                     | -                     | (73,798) | (912)             | (3,179)                         | (2,421)              | (136,324) |
| Closing balance                       | 13,695      | 8,488               | -                        | 7,003                 | 91                    | 10,980   | 109               | -                               | -                    | 40,366    |
| Year ended June 30, 2023              |             |                     |                          |                       |                       |          |                   |                                 |                      |           |
| Opening balance                       | 228         | 399                 | 555                      | 13,000                | -                     | -        | -                 | -                               | -                    | 14,182    |
| Additions (at cost)                   | -           | 2,721               | 2,088                    | 24,852                | -                     | -        | -                 | -                               | -                    | 29,661    |
| Adjustment                            | (228)       | (201)               | -                        | (13,000)              | -                     | -        | -                 | -                               | -                    | (13,429)  |
| Transferred to operating fixed assets | -           | (2,919)             | (779)                    | (24,852)              | -                     | -        | -                 | -                               | -                    | (28,550)  |
| Closing balance                       | -           | -                   | 1,864                    | -                     | -                     | -        | -                 | -                               | -                    | 1,864     |

8.2.2 This represents solar panels project completed during the year.

**8.3 Right-of-use-asset**

|                                  |    | <b>2024</b><br><b>(Rupees in thousand)</b> | <b>2023</b>    |
|----------------------------------|----|--|----------------|
| Opening net book value           |    | 216,666                                    | 190,071        |
| Additions during the year        |    | -  | -              |
| Depreciation charge for the year |    | (5,991)                                    | (5,125)        |
| Revaluation surplus for the year | 24 | -  | 31,720         |
| Closing net book value           |    | <u>210,675</u>                             | <u>216,666</u> |

**8.3.1** 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.

**9. INTANGIBLE ASSETS**

|                   |     | <b>2024</b><br><b>(Rupees in thousand)</b> | <b>2023</b> |
|-------------------|-----|--|-------------|
| Computer software | 9.1 | <u>-</u>                                   | <u>-</u>    |

**9.1 Computer Software**

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

|                                 |       | <b>2024</b><br><b>(Rupees in thousand)</b> | <b>2023</b>   |
|---------------------------------|-------|--|---------------|
| <b>Cost</b>                     |       |  |               |
| As at July 01                   |       | 33,410                                     | 33,410        |
| Additions during the year       |       | -  | -             |
| As at June 30                   |       | <u>33,410</u>                              | <u>33,410</u> |
| <b>Accumulated amortization</b> |       |  |               |
| As at July 01                   |       | 33,410                                     | 33,387        |
| Amortization during the year    | 9.1.1 | -  | 23            |
| As at June 30                   |       | <u>33,410</u>                              | <u>33,410</u> |
| Balance as at June 30           |       | <u>-</u>                                   | <u>-</u>      |
| Rate of amortization            |       | 33.33%                                     | 33.33%        |

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

|                                     |  |          |           |
|-------------------------------------|--|----------|-----------|
| Administrative and general expenses |  | <u>-</u> | <u>23</u> |
|-------------------------------------|--|----------|-----------|

## 10. LONG TERM INVESTMENTS

|   |      | 2024<br>(Rupees in thousand) | 2023          |
|---|------|------------------------------|---------------|
| In equity instruments - at cost                     | 10.1 | 51,421                       | 58,233        |
| Investment in equity instrument classified as FVOCI | 10.2 | 25,174                       | 20,246        |
|   |      | <u>76,595</u>                | <u>78,479</u> |

### 10.1 In equity instruments - at cost

| No. of shares - Ordinary                      | Name of Company | Percentage                          |        |                 |
|---|-----------------|-------------------------------------|--------|-----------------|
| (i) Subsidiary Company - unlisted             |                 |                                     |        |                 |
| 2024  | 2023            |                                     |        |                 |
| 765,000                                       | 765,000         | Berger DPI (Private) Limited        | 51.00% | 2,550           |
| The face value of these shares is Rs. 10 each |                 |                                     |        |                 |
| (ii) Associated Company - unlisted            |                 |                                     |        |                 |
| 392,000                                       | 98,000          | 3S Pharmaceutical (Private) Limited | 49%    | 68,599          |
|   |                 | Add: Right issued during the year   |        | -               |
|   |                 | Less: Impairment loss               | 10.1.1 | (19,728)        |
|   |                 |                                     |        | <u>48,871</u>   |
|   |                 |                                     |        | <u>51,421</u>   |
|   |                 |                                     |        | <u>39,200</u>   |
|   |                 |                                     |        | <u>29,399</u>   |
|   |                 |                                     |        | <u>(12,916)</u> |
|   |                 |                                     |        | <u>55,683</u>   |
|   |                 |                                     |        | <u>58,233</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.

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

|                            |                  | 2024<br>(Rupees in thousand) | 2023          |
|----------------------------|------------------|------------------------------|---------------|
| As at July 01              |                  | 12,916                       | 4,293         |
| Impairment During the year | As at June 30 38 | 6,812                        | 8,623         |
|                            |                  | <u>19,728</u>                | <u>12,916</u> |

### 10.2 Investment in equity instrument classified as FVOCI

#### Buxly Paints Limited - listed

|                       |        |               |               |
|-----------------------|--------|---------------|---------------|
| Cost                  |        | 3,830         | 3,830         |
| Fair value adjustment | 10.2.2 | 21,344        | 16,416        |
|                       |        | <u>25,174</u> | <u>20,246</u> |

**10.2.1** The Company owns 273,600 (2023: 273,600) fully paid ordinary shares of Rs. 10 each representing 19.00% (2023: 19.00%) investment of total shares in Buxly Paints Limited. As at year end, the market value of each share was Rs. 92.01 (2023: Rs. 74).

**10.2.2 Fair value adjustment**

|                          | <b>2024</b><br><b>(Rupees in thousand)</b> | <b>2023</b> |
|--------------------------|--|-------------|
| As at July 01            | 16,416                                     | 29,628      |
| Fair value gain / (loss) | 4,928                                      | (13,212)    |
| As at June 30            | 21,344                                     | 16,416      |

**11. LONG TERM LOANS**

|  |    |          |          |
|--|----|----------|----------|
| Opening balance  |    | 66,244   | 69,701   |
| Disbursements during the year  |    | 4,904    | 23,755   |
| Repayments during the year   |    | (23,111) | (27,212) |
|  |    | 48,037   | 66,244   |
| Discounting adjustment for recognition at fair value<br>- deferred employee benefits | 12 | (16,085) | (5,135)  |
| Closing balance  |    | 31,952   | 61,109   |
| Current portion shown under current assets   | 17 | (4,619)  | (23,847) |
|  |    | 27,333   | 37,262   |

**11.1** 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.

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

**12. LONG TERM DEPOSITS**

|                                       |      | <b>2024</b><br><b>(Rupees in thousand)</b> | <b>2023</b> |
|---------------------------------------|------|--|-------------|
| Deposits - unsecured                  |      |  |             |
| - Considered good                     |      | 17,233                                     | 17,083      |
| - Considered doubtful                 | 12   | 5,287                                      | 852         |
|                                       |      | 22,520                                     | 17,935      |
| Prepaid employee benefits             | 11   | 16,085                                     | 5,135       |
| Less: Allowance for doubtful deposits | 12.1 | (5,287)                                    | (852)       |
|                                       | 12.2 | 33,319                                     | 22,218      |

**12.1. Movement in allowance for doubtful deposits is as follows:**

|                           |       |     |
|---------------------------|-------|-----|
| Balance as at July 01     | 852   | 852 |
| Provision during the year | 4,435 | -   |
| Reversal during the year  | -     | -   |
| Balance as at June 30     | 5,287 | 852 |

**12.2** These include deposits given to utility companies, deposits against lease and tender deposits.



**13. DEFERRED TAXATION - NET**

Deferred tax liability on taxable temporary differences arising in respect of

- Accelerated tax depreciation
- Surplus on revaluation of fixed assets

- Fair value gain on investment classified as FVOCI

Deferred tax asset on deductible temporary differences arising in respect of:

- Impairment allowance on financial assets
- Investment in related parties
- Fair value loss on investment classified as FVOCI
- Provision for slow moving stock

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

2023

|           |           |
|-----------|-----------|
| 47,765    | 78,846    |
| (234,997) | (272,713) |
| (187,232) | (193,867) |
| -         | -         |
| 51,506    | 71,448    |
| 4,754     | 1,491     |
| (7,855)   | 5,703     |
| 4,380     | 10,580    |
| 52,785    | 89,222    |
| (134,447) | (104,645) |

**13.1 Movement in deferred tax balances is as follows:**

As at July 01

Recognized in profit or loss:

- Accelerated tax depreciation including surplus on revaluation of fixed assets
- Charge / (reversal) of impairment allowance on financial assets
- Minimum turnover tax
- Investment in related parties
- Provision for slow moving stock

Recognized in other comprehensive income:

- Fair value gain on investment classified as FVOCI
- Surplus on revaluation of fixed assets

As at June 30

|           |           |
|-----------|-----------|
| (104,645) | (8,379)   |
| 6,635     | 39,266    |
| (19,942)  | 10,022    |
| -         | (23,328)  |
| 3,263     | 163       |
| (6,200)   | (2,580)   |
| (16,244)  | 23,543    |
| (13,558)  | 11,400    |
| -         | (131,209) |
| (134,447) | (104,645) |

**14. STORES, SPARE PARTS AND LOOSE TOOLS**

Stores in hand

Stationery store

Less: Provision for slow moving and obsolete stores and spares - net

14.1

|        |         |
|--------|---------|
| 30,925 | 30,945  |
| -      | 1,773   |
| 30,925 | 32,718  |
| -      | (2,377) |
| 30,925 | 30,341  |

**14.1 Provision for slow moving and obsolete stores, spare parts and loose tools**

|                                      | <b>2024</b><br>(Rupees in thousand) | 2023  |
|--------------------------------------|-------------------------------------|-------|
| Balance at beginning of the year     | 2,377                               | 2,339 |
| Provision charged during the year    | 1,773                               | 38    |
| Stores written-off against provision | (4,150)                             | -     |
| Balance at end of the year           | -                                   | 2,377 |

**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.

**15. STOCK IN TRADE****Raw and packing materials**

|              |         |         |
|--------------|---------|---------|
| - in hand    | 496,612 | 589,530 |
| - in transit | 171,249 | 206,607 |

**Semi processed goods**

|                |           |           |
|----------------|-----------|-----------|
| Finished goods | 667,861   | 796,137   |
| - Manufactured | 168,032   | 164,124   |
| - Trading      | 576,086   | 500,787   |
|                | 81,209    | 91,527    |
|                | 657,295   | 592,314   |
|                | 1,493,188 | 1,552,575 |

**Provision for slow moving and obsolete stocks**

|                        |           |           |
|------------------------|-----------|-----------|
| - Raw material         | (18,271)  | (23,665)  |
| - Semi processed goods | (4,401)   | (5,900)   |
| - Finished goods       | (73,556)  | (85,217)  |
|                        | (96,228)  | (114,782) |
|                        | 1,396,960 | 1,437,793 |

**15.1** Aggregate stocks with a cost of Rs. 13.81 million (2023: Rs. 13.43 million) are being valued at net realizable value of Rs. 9.79 million (2023: Rs. 9.24 million).

**15.2. Provision for slow moving and obsolete stocks**

|                                | <b>2024</b><br>(Rupees in thousand) | 2023     |
|--------------------------------|-------------------------------------|----------|
| As at the beginning of year    | 114,782                             | 126,528  |
| Provision made during the year | 4,997                               | 24,258   |
| Reversal during the year       | -                                   | (3,072)  |
| Write off during the year      | (23,551)                            | (32,932) |
| As at year end                 | 96,228                              | 114,782  |

**15.3** The cost of stock in trade recognised as an expense amounted to Rs. 5,681 million (2023: Rs. 4,718 million).

**15.4** Stock-in-trade up to a maximum amount of Rs. 4,206 million (2023: Rs. 3,939 million) are under hypothecation of commercial banks as security for short term borrowings.

| 16 . TRADE DEBTS - UNSECURED  | Note        | 2024<br>(Rupees in thousand)         | 2023        |
|---|-------------|--------------------------------------|-------------|
| Considered good   |             |                                      |             |
| Related parties   | 16.1 & 16.2 | 275,778                              | 241,351     |
| Others  |             | 2,544,034                            | 1,860,458   |
|   |             | 2,819,812                            | 2,101,809   |
| Considered doubtful   |             |                                      |             |
| Related parties   |             | 9,314                                | 7,608       |
| Others  |             | 86,850                               | 145,785     |
|   |             | 96,164                               | 153,393     |
| Impairment allowance on trade debts   | 16.3        | (96,164)                             | (153,393)   |
| Provision for discounts   | 16.4        | (216,835)                            | (194,284)   |
|   |             | 2,602,977                            | 1,907,525   |
| <b>16.1 Trade debts include the following amounts due from the following related parties:</b>   |             |                                      |             |
| Buxly Paints Pakistan Limited - related party   | 16.1.1      | 285,092                              | 248,959     |
| <b>16.1</b> Maximum aggregate balance due from the related party at the end of any month during the year was Rs. 285.092 million (2023: Rs. 248.959 million). |             |                                      |             |
| <b>16.1.2</b> The Company has recognized impairment allowance on these balances as at June 30, 2024 amounting to Rs. 9.31 million (2023: Rs. 7.61 million).   |             |                                      |             |
| <b>16.2 Aging of related party balances</b>   |             | <b>2024<br/>(Rupees in thousand)</b> | <b>2023</b> |
| Considered good   |             |                                      |             |
| 0 - 30 days   |             | 153,654                              | 96,602      |
| Considered doubtful   |             |                                      |             |
| 31 - 60 days  |             | 31,906                               | -           |
| 61 - 90 days  |             | 27,626                               | 29,214      |
| 91 - 120 days   |             | 31,107                               | 36,304      |
| 121 - 180 days  |             | 40,799                               | 86,839      |
|   |             | 285,092                              | 248,959     |
| <b>16.2 Movement in impairment allowance</b>  |             |                                      |             |
| Balance as at July 01   |             | 153,393                              | 154,952     |
| Provision for the year  |             | 67,990                               | 73,084      |
| Bad debts written off   |             | (125,219)                            | (74,643)    |
| Balance as at June 30   |             | 96,164                               | 153,393     |
| <b>16.4 Provision for discounts</b>   |             |                                      |             |
| Balance at beginning of the year  |             | 194,284                              | 138,588     |
| Charge for the year - net   | 34          | 2,675,017                            | 2,196,122   |
| Discounts paid during the year  |             | (2,652,466)                          | (2,140,426) |
| Balance at end of the year  |             | 216,835                              | 194,284     |

| 17. LOANS AND ADVANCES  | Note   | 2024<br>(Rupees in thousand) | 2023     |
|---|--------|------------------------------|----------|
| Current portion of long term loans:   |        |                              |          |
| Due from employees  |        |                              |          |
| - secured, considered good  |        | 3,086                        | 22,314   |
| - considered doubtful   |        | 1,533                        | 1,533    |
|   | 11     | 4,619                        | 23,847   |
| Less: Impairment allowance  | 17.1   | (1,533)                      | (1,533)  |
|   |        | 3,086                        | 22,314   |
| Loan to related party   | 17.2   | -                            | -        |
| Advances - unsecured, considered good:  |        |                              |          |
| - employees   |        | 5,335                        | 1,341    |
| - suppliers   |        | 235,526                      | 253,667  |
|   |        | 240,861                      | 255,008  |
|   |        | 243,946                      | 277,322  |
| <b>17.1 Movement in impairment allowance is as follows:</b>   |        |                              |          |
| Balance as at July 01   |        | 1,533                        | 1,250    |
| Charged during the year   |        | -                            | 283      |
| Balance as at June 30   |        | 1,533                        | 1,533    |
| <b>17.2 Movement in loan to related party is as follows:</b>  |        |                              |          |
| Balance as at July 01   |        | -                            | 40,000   |
| Additions during the year   |        | -                            | -        |
| Adjusted during the year  | 17.2.1 | -                            | (40,000) |
| Balance as at June 30   |        | -                            | -        |
| <b>17.1.2</b> This represents loan given to Berger Road Safety (Private) Limited, a related party at a markup of average borrowing rate of the Company plus 2% per annum. The loan was repayable in October 2022 and is secured by charge over stock in trade and trade debts of the borrower and personal guarantee of director. |        |                              |          |
| 18. TRADE DEPOSITS AND SHORT TERM PREPAYMENTS   | Note   | 2024<br>(Rupees in thousand) | 2023     |
| Trade deposits  |        |                              |          |
| - considered good   |        | 22,209                       | 18,536   |
| - considered doubtful   |        | 11,390                       | 11,390   |
|   |        | 33,599                       | 29,926   |
| Less: Impairment allowance  | 18.1   | (11,390)                     | (11,390) |
|   |        | 22,209                       | 18,536   |
| Short term prepayments  |        | 13,317                       | 13,328   |
|   |        | 35,526                       | 31,864   |
| <b>18.1 Movement in impairment allowance is as follows:</b>   |        |                              |          |
| Balance as at July 01   |        | 11,390                       | 10,515   |
| Provision made during the year  |        | -                            | 875      |
| Balance as at June 30   |        | 11,390                       | 11,390   |

|                                 |      | 2024<br>(Rupees in thousand) | 2023    |
|---------------------------------|------|------------------------------|---------|
| <b>19. OTHER RECEIVABLES</b>    |      |                              |         |
| LC margin                       |      | 22,848                       | 20,363  |
| Receivable from related parties | 19.1 | 2,512                        | -       |
| Export rebate                   |      | 10,565                       | 10,536  |
| Provision against export rebate | 19.5 | (9,736)                      | (9,736) |
|                                 |      | 828                          | 800     |
| Accrued interest                |      | 10,760                       | 14,010  |
| Insurance claim receivable      |      |                              |         |
| - considered good               |      | 681                          | 1,608   |
| - considered doubtful           |      | 911                          | -       |
|                                 |      | 1,592                        | 1,608   |
| Less: Impairment allowance      | 19.2 | (911)                        | -       |
|                                 |      | 681                          | 1,608   |
| Others                          |      | 1,621                        | 3,206   |
| Due from provident fund         | 19.6 | -                            | 22,066  |
|                                 |      | 39,251                       | 62,053  |

**19.1 Other receivables include the following amounts due from the following related parties:**

|   |        |          |          |
|---|--------|----------|----------|
| Buxly Paints Pakistan Limited - related party                                     | 19.1.1 | -        | 1,338    |
| Berger Road Safety (Private) Limited - subsidiary of Berger DPI (Private) Limited | 19.1.2 |          |          |
|   |        | 12,526   | 10,621   |
| 3S Pharmaceutical (Private) Limited - related party                               | 19.1.3 | 5,824    | 3,879    |
|   | 19.1.4 | 18,350   | 15,838   |
| Less: Impairment allowance  | 19.4   | (15,838) | (15,838) |
|   |        | 2,512    | -        |

**19.1.1** Maximum aggregate balance due from the related party at the end of any month during the year was Rs. 1.33 million (2023: Rs. 77.87 million).

**19.1.2** Maximum aggregate balance due from the related party at the end of any month during the year was Rs. 22.62 million (2023: Rs. 73.79 million).

**19.1.3** Maximum aggregate balance due from the related party at the end of any month during the year was Rs. 5.82 million. (2023: Rs. 3.43 million).

**19.1.4** This represents receivables related to sharing of common expenses under normal trade as per agreed terms.

|   |  | 2024<br>(Rupees in thousand) | 2023 |
|---|--|------------------------------|------|
| <b>19.2 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                          | -    |



**19.3 Aging of related party balances**

|                         |               |               |
|-------------------------|---------------|---------------|
| Past due 0 - 30 days    | 1,834         | 8,358         |
| Past due 31 - 60 days   | -             | 440           |
| Past due 61 - 90 days   | 4,393         | 551           |
| Past due 91 - 120 days  | 1,235         | 3,817         |
| Past due 121 - 180 days | 934           | 222           |
| Past due 181 - 364 days | -             | 465           |
| Past due over one year  | 9,954         | 1,985         |
|                         | <u>18,350</u> | <u>15,838</u> |

**19.4 Movement in impairment allowance is as follows:**

|  |               |               |
|--|---------------|---------------|
| Balance as at July 01                        | 15,838        | 19,101        |
| Provision (reversed)/charged during the year | -             | (3,263)       |
| Balance as at June 30                        | <u>15,838</u> | <u>15,838</u> |

**19.5 Movement in provision against export rebate is as follows:**

|                             |              |              |
|-----------------------------|--------------|--------------|
| Balance as at July 01       | 9,736        | 11,824       |
| Provision for the year      | -            | -            |
| Written off during the year | -            | (2,088)      |
| Balance as at June 30       | <u>9,736</u> | <u>9,736</u> |

**19.6** This represents excess contribution to the provident fund due to the payment to ex employees on behalf on provident fund.

|  | Note | 2024<br>(Rupees in thousand) | 2023            |
|--|------|------------------------------|-----------------|
| <b>20. TAX REFUND DUE FROM GOVERNMENT</b>  |      |                              |                 |
| Tax refund due from Government             | 20.2 | 189,951                      | 207,054         |
| Taxation net                               | 20.1 | 21,654                       | (24,060)        |
|  |      | <u>211,604</u>               | <u>182,994</u>  |
| <b>20.1 Taxation net</b>                   |      |                              |                 |
| Addition: advance taxes and taxes withheld |      | 189,923                      | 87,189          |
| Adjustments during the year                |      | -                            | 3,430           |
| Provision for the year                     | 41   | (168,269)                    | (114,679)       |
| Closing balance                            |      | <u>21,654</u>                | <u>(24,060)</u> |

**20.2** During the 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.

| 21. SHORT TERM INVESTMENT         | Note | 2024<br>(Rupees in thousand) | 2023           |
|-----------------------------------|------|------------------------------|----------------|
| At amortised cost                 |      |                              |                |
| Term deposit receipts (TDRs)      |      |                              |                |
| JS Bank Limited                   | 21.1 | 71,000                       | 31,000         |
| National Bank of Pakistan Limited |      | -                            | 110,000        |
| Bank Islami Pakistan Limited      | 21.3 | 50,000                       | 50,000         |
|                                   |      | <u>121,000</u>               | <u>191,000</u> |

**21.1** This represents, investment in Term Deposit Receipts (TDRs) with the JS Bank Limited, having a maturity periods of one year and maturing between July 21, 2024 to April 18, 2025. These carry mark-up ranging from 15.00% to 22.00% (2023: 7% to 20%) per annum.

**21.2** This represents, investment in Term Deposit Receipts (TDRs) with the National Bank of Pakistan, having a maturity period of three months and maturing on July 19, 2023. These carry mark-up ranging from Nil (2023: 10.75% to 20.10%) per annum.

**21.3** This represents, investment in Term Deposit Receipts (TDRs) with the Bank Islami Pakistan Limited, having a maturity period of one year and maturing on April 02, 2025. This carries mark-up of 18% per annum.

**21.4** The balance includes Nil (2023: Rs. 110 million) which has been included in cash and cash equivalents in note 43 to these financial statements.

| 22. CASH AND BANK BALANCES | 2024<br>(Rupees in thousand) | 2023          |
|----------------------------|------------------------------|---------------|
| Cash at bank:              |                              |               |
| Local currency             |                              |               |
| - current accounts         | 65,522                       | 46,470        |
| Cash in hand               | 650                          | 608           |
|                            | <u>66,172</u>                | <u>47,078</u> |

## 23. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

|  | 2024<br>(Number of shares) | 2023              | 2024<br>(Rupees in thousand) | 2023           |
|--|----------------------------|-------------------|------------------------------|----------------|
| <b>Authorised share capital</b>                              |                            |                   |                              |                |
| Ordinary shares of Rs. 10 each                               | <u>25,000,000</u>          | <u>25,000,000</u> | <u>250,000</u>               | <u>250,000</u> |
| Issued, subscribed and paid-up share capital                 |                            |                   |                              |                |
| 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> |

**23.1** As at June 30, 2024, Slotrapid Limited, the Holding Company, and their nominees hold 12,779,176 (2023: 12,779,176) voting ordinary shares of Rs. 10 each representing 52.05% (2023: 52.05%) of the ordinary paid up capital of the Company.

|  | Note | 2024<br>(Rupees in thousand) | 2023    |
|--|------|------------------------------|---------|
| <b>23.2 Movement of share capital is as follows:</b> |      |                              |         |
| Opening balance                                      |      | 245,516                      | 204,597 |
| Bonus shares issued during the year                  | 23.3 | -                            | 40,919  |
| Closing balance                                      |      | 245,516                      | 245,516 |

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

|   | Note   | 2024<br>(Rupees in thousand) | 2023      |
|---|--------|------------------------------|-----------|
| <b>24. RESERVES</b>   |        |                              |           |
| <b>Capital reserves</b>   |        |                              |           |
| Share premium reserve   | 24.1   | 34,086                       | 34,086    |
| Fair value reserve - net of tax                                   | 24.2   | 13,489                       | 22,119    |
|   |        | 47,575                       | 56,205    |
| Revaluation surplus on property, plant and machinery - net of tax | 24.3   | 1,437,720                    | 1,495,613 |
|   |        | 1,485,295                    | 1,551,818 |
| <b>Revenue reserves</b>   |        |                              |           |
| General reserve   | 24.3.3 | 285,000                      | 285,000   |
| Accumulated profits   |        | 1,431,654                    | 1,113,469 |
|   |        | 1,716,654                    | 1,398,469 |
|   |        | 3,201,949                    | 2,950,287 |

**24.1** This reserve can be utilized by the Company 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 | 2024<br>(Rupees in thousand) | 2023      |
|---|------|------------------------------|-----------|
| <b>24.3 Revaluation surplus on property, plant and machinery - net of tax</b> |      |                              |           |
| As at beginning of the year   |      | 1,495,613                    | 830,273   |
| Surplus arising on revaluation:   |      |                              |           |
| Freehold and leasehold land   | 8.1  | -                            | 434,084   |
| Building on freehold  | 8.1  | -                            | 108,502   |
| Plant and machinery   | 8.1  | -                            | 137,968   |
|   |      | -                            | 680,554   |
|   |      | 1,495,613                    | 1,510,827 |
| Incremental depreciation - net of tax   |      | (57,893)                     | (15,214)  |
|   |      | 1,437,720                    | 1,495,613 |

**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.

| 25. LONG TERM FINANCING - SECURED                       | Note    | 2024<br>(Rupees in thousand) | 2023     |
|---|---------|------------------------------|----------|
| <b>Secured</b>  |         |                              |          |
| Mark-up based financing from conventional banks:        |         |                              |          |
| JS Bank Limited   | 25.1    | 27,873                       | 35,998   |
| National Bank of Pakistan Limited                       | 25.2    | 58,974                       | 65,018   |
|   |         | 86,847                       | 101,016  |
| <b>Islamic mode of financing:</b>                       |         |                              |          |
| First Habib Modaraba                                    | 25.3    | 55,739                       | 20,823   |
| Bank Islami Pakistan Limited                            | 25.3.10 | 2,083                        | 27,083   |
|   |         | 57,822                       | 47,906   |
|   |         | 144,668                      | 148,922  |
| <b>Mark-up based financing from conventional banks:</b> |         |                              |          |
| Current portion shown under current liabilities         | 30      | (20,781)                     | (23,518) |
| Islamic mode of financing:                              |         |                              |          |
| Current portion shown under current liabilities         | 30      | (17,796)                     | (31,183) |
|   |         | (38,577)                     | (54,701) |
|   |         | 106,092                      | 94,221   |

**25.1** 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.

**25.1** 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 5% 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    | 2024<br>(Rupees in thousand) | 2023          |
|--------------------------------------|---------|------------------------------|---------------|
| <b>25.3 First Habib Modaraba</b>     |         |                              |               |
| - First Habib Modaraba - facility 1  | 25.3.1  | 1,135                        | 1,767         |
| - First Habib Modaraba - facility 2  | 25.3.2  | 2,376                        | 3,212         |
| - First Habib Modaraba - facility 3  | 25.3.3  | 793                          | 1,099         |
| - First Habib Modaraba - facility 4  | 25.3.4  | 2,732                        | 3,748         |
| - First Habib Modaraba - facility 5  | 25.3.5  | 1,229                        | 1,704         |
| - First Habib Modaraba - facility 6  | 25.3.6  | 4,832                        | 6,225         |
| - First Habib Modaraba - facility 7  | 25.3.7  | 2,499                        | 3,068         |
| - First Habib Modaraba - facility 8  | 25.3.8  | 17,735                       | -             |
| - First Habib Modaraba - facility 9  | 25.3.9  | 4,130                        | -             |
| - First Habib Modaraba - facility 10 | 25.3.10 | 18,278                       | -             |
|                                      |         | <u>55,739</u>                | <u>20,823</u> |

**25.3.1** 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's KIBOR plus 1.5% 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.

**25.3.2** 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'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..

**25.3.3** 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.

**25.3.4** 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.

**25.3.5** 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.

**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** The Company has total credit facilities of Rs. 363 million (2023: Rs. 363 million) at the year end. Whereas the Company has availed credit facilities of Rs. 363 million (2023: Rs. 363 million) and unavailed credit facilities of Nil (2023: Nil) at the year end.

|   |      | 2024                 | 2023      |
|---|------|----------------------|-----------|
|   |      | (Rupees in thousand) |           |
| 26. LONG TERM DIMINISHING MUSHARAKA             |      |                      |           |
| Secured   |      |                      |           |
| Berger Paints Pakistan Limited (BPPL) -         |      |                      |           |
| Sukuk of Rs. 500 million                        | 26.1 | 375,000              | 500,000   |
| Current portion shown under current liabilities | 30   | (166,667)            | (166,667) |
|   |      | 208,333              | 333,333   |

**26.1** During the year ended June 30, 2024, the Company issued Rs. Nil (2023: Rs. 484 million) BPPL Sukuk certificates, having face value of Rs. 1 million each aggregating to Rs. Nil (2023: 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. Nil (2023: 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.

|  | Note | 2024<br>(Rupees in thousand) | 2023    |
|--|------|------------------------------|---------|
| <b>27. DEFERRED GRANT</b>                |      |                              |         |
| Balance as at July 01                    |      | 28,402                       | 3,630   |
| Recognised during the year               |      |                              | 31,073  |
| Reversed during the year                 |      | -                            | -       |
| Amortization of grant during the year    | 39   | (5,780)                      | (6,301) |
|  |      | 22,622                       | 28,402  |
| Less: current portion of deferred grants | 30   | (5,098)                      | (6,730) |
| Balance as at June 30                    |      | 17,525                       | 21,672  |

**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. 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'.

|  | Note | 2024<br>(Rupees in thousand) | 2023    |
|--|------|------------------------------|---------|
| <b>28. LONG TERM EMPLOYEE BENEFITS</b>   |      |                              |         |
| <b>Defined benefit plan</b>              |      |                              |         |
| Staff pension fund                       | 28.1 | 7,255                        | 24,616  |
| Staff gratuity fund                      | 28.1 | 122,133                      | 95,404  |
|  |      | 129,388                      | 120,020 |
| <b>Other long term employee benefits</b> |      |                              |         |
| Accumulating compensated absences        | 28.2 | 28,071                       | 24,728  |
|  |      | 157,459                      | 144,748 |

As mentioned in note 6.20 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, 2024. Projected Unit Credit method based on the following assumptions was used for these valuations:.

|                                       | 2024                        | 2023                        |
|---------------------------------------|-----------------------------|-----------------------------|
| Valuation discount rate               | 14.00%                      | 15.75%                      |
| Expected rate of increase in salaries | 13.00%                      | 14.75%                      |
| Withdrawal rates                      | Age-Based<br>(per appendix) | Age-Based<br>(per appendix) |
| Expected mortality rate               | SLIC (2001-05)              | SLIC (2001-05)              |
| Retirement age                        | 60 years                    | 60 years                    |

**28.1 Statement of financial position reconciliation**

|   | 2024                             |                | 2023          |                |
|---|----------------------------------|----------------|---------------|----------------|
|   | Pension                          | Gratuity       | Pension       | Gratuity       |
|   | ..... (Rupees in thousand) ..... |                |               |                |
| Present value of defined benefit obligation   | 99,249                           | 152,584        | 86,770        | 126,579        |
| Fair value of plan assets   | (91,993)                         | (30,451)       | (62,154)      | (31,175)       |
|   | <u>7,256</u>                     | <u>122,133</u> | <u>24,616</u> | <u>95,404</u>  |
| <b>28.1.1 Movement in defined benefit obligation is as follows:</b>                           |                                  |                |               |                |
| Obligation as at July 01  | 86,770                           | 126,579        | 101,260       | 110,999        |
| Employees' contribution not paid to the fund by the Company                                   | 1,627                            | -              | 1,573         | -              |
| Service cost  | 2,333                            | 16,435         | 2,215         | 15,091         |
| Interest cost   | 13,444                           | 19,532         | 13,866        | 13,321         |
| Benefits paid   | (2,818)                          | (5,129)        | (4,435)       | (20,934)       |
| Remeasurement loss / (gain)   | (2,108)                          | (4,833)        | (27,709)      | 8,102          |
| Obligation as at June 30  | <u>99,249</u>                    | <u>152,584</u> | <u>86,770</u> | <u>126,579</u> |
| <b>28.1.2 Movement in the fair value of plan assets is as follows:</b>                        |                                  |                |               |                |
| Fair value as at July 01  | 62,154                           | 31,175         | 59,471        | 28,267         |
| Expected return on plan assets  | 11,536                           | 4,910          | 8,326         | 3,745          |
| Remeasurement loss  | (3,879)                          | (5,634)        | (5,643)       | (837)          |
| Company's contribution  | 25,000                           | 5,129          | 4,435         | 20,934         |
| Fund transferred back to the Company during the year  | -                                | -              | -             | -              |
| Benefits paid   | (2,818)                          | (5,129)        | (4,435)       | (20,934)       |
| Fair value as at June 30  | <u>91,993</u>                    | <u>30,451</u>  | <u>62,154</u> | <u>31,175</u>  |
| <b>28.1.3 Movement in net liability in the statement of financial position is as follows:</b> |                                  |                |               |                |
| Net liability as at July 01   | 24,616                           | 95,405         | 41,790        | 82,733         |
| Charge for the year   | 4,241                            | 31,057         | 7,755         | 24,667         |
| Charge to other comprehensive income during the year  | 1,771                            | 800            | (22,067)      | 8,939          |
| Company's contribution  | (25,000)                         | (5,129)        | (4,435)       | (20,934)       |
| Fund transferred back to the Company during the year  | -                                | -              | -             | -              |
| Employees' contribution deducted but not paid to the fund                                     | 1,627                            | -              | 1,573         | -              |
| Net liability as at June 30   | <u>7,255</u>                     | <u>122,133</u> | <u>24,616</u> | <u>95,405</u>  |
| <b>28.1.4 Charge for the year - net</b>   |                                  |                |               |                |
| Current service cost  | 2,333                            | 16,435         | 2,215         | 15,091         |
| Interest cost   | 13,444                           | 19,532         | 13,866        | 13,321         |
| Expected return on plan assets  | (11,536)                         | (4,910)        | (8,326)       | (3,745)        |
| Loss on settlements   | -                                | -              | -             | -              |
|   | <u>4,241</u>                     | <u>31,057</u>  | <u>7,755</u>  | <u>24,667</u>  |

|  | 2024                             |          | 2023    |          |
|--|----------------------------------|----------|---------|----------|
|  | Pension                          | Gratuity | Pension | Gratuity |
|  | ..... (Rupees in thousand) ..... |          |         |          |
| <b>28.1.5</b> Actual return on plan assets                           | 7,657                            | (724)    | 2,683   | 2,908    |
| <b>28.1.6</b> The charge for the year has been allocated as follows: |                                  |          |         |          |
| Cost of sales  | 1,884                            | 14,138   | 3,354   | 11,206   |
| Selling and distribution expenses                                    | 1,894                            | 11,563   | 3,518   | 9,195    |
| Administrative and general expenses                                  | 463                              | 5,356    | 883     | 4,266    |
|  | 4,241                            | 31,058   | 7,755   | 24,667   |
| <b>28.1.7</b> The charge for the year has been                       |                                  |          |         |          |
| Collective investment schemes  | 60,000                           | 25,000   | 60,000  | 25,000   |
| Cash at bank   | 31,993                           | 5,451    | 2,154   | 6,175    |
|  | 91,993                           | 30,451   | 62,154  | 31,175   |

**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,                              | 2024                             | 2023     | 2022     | 2021      | 2020     |
|   | ..... (Rupees in thousand) ..... |          |          |           |          |
| Present value of defined benefit obligation |                                  |          |          |           |          |
| Fair value of plan assets                   | 252,832                          | 21,349   | 212,260  | 187,505   | 164,016  |
| Fecit                                       | (122,444)                        | (93,329) | (87,735) | (133,147) | (54,064) |
|   | 129,388                          | 120,020  | 124,525  | 54,358    | 109,952  |
| Experience adjustment:                      |                                  |          |          |           |          |
| Loss / (gain) on obligations                | (6,941)                          | (19,607) | 6,195    | 5,746     | (4,810)  |
| Gain on plan assets                         | 16,446                           | 12,071   | 10,814   | 7,783     | 6,317    |

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 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.

**28.1.10 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, 2024 would have been as follows:

#### Impact on present value of defined benefit obligation as at June 30, 2024

|               |      | Pension                          |             | Gratuity    |             |
|---------------|------|----------------------------------|-------------|-------------|-------------|
| Change        |      | Increase to                      | Decrease to | Increase to | Decrease to |
|               |      | ..... (Rupees in thousand) ..... |             |             |             |
| Discount rate | + 1% | 82,152                           | 119,903     | 138,135     | 168,550     |
| Future salary | + 1% | 109,635                          | 89,849      | 168,546     | 138,133     |

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 | 2024<br>(Rupees in thousand) | 2023    |
|--|--------|------|------------------------------|---------|
| <b>28.2 Other long term employee benefits</b>              |        |      |                              |         |
| <b>Movement in accumulated compensated absences</b>        |        |      |                              |         |
| Balance as at July 01                                      |        |      | 24,728                       | 19,488  |
| Provision during the year                                  | 28.2.2 |      | 6,970                        | 13,041  |
| Payments made during the year                              |        |      | (3,627)                      | (7,801) |
| Balance as at June 30                                      |        |      | 28,071                       | 24,728  |
| <b>28.2.1 Reconciliation of present value of liability</b> |        |      |                              |         |
| Present value of liability as at July 01                   |        |      | 24,728                       | 19,488  |
| Service cost   |        |      | 3,098                        | 2,271   |
| Interest on defined benefit liability                      |        |      | 3,609                        | 2,065   |
| Benefits paid  |        |      | (3,627)                      | (7,801) |
| Remeasurement gain   |        |      | 263                          | 8,705   |
| Present value of liability as at June 30                   |        |      | 28,071                       | 24,728  |



**28.2.2 Charge for the year**

|                                       | <b>2024</b><br><b>(Rupees in thousand)</b> | <b>2023</b>   |
|---------------------------------------|--|---------------|
| Service cost                          | 3,098                                      | 2,271         |
| Interest on defined benefit liability | 3,609                                      | 2,065         |
| Remeasurement gain                    | 263  | 8,705         |
|                                       | <b>6,969</b>                               | <b>13,041</b> |

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

|                                     |              |               |
|-------------------------------------|--------------|---------------|
| Cost of sales                       | 1,081        | 1,994         |
| Selling and distribution expenses   | 3,567        | 6,683         |
| Administrative and general expenses | 2,322        | 4,364         |
|                                     | <b>6,969</b> | <b>13,041</b> |

**28.2.4 Expected expense for next year**

The expected expense pertaining to accumulated compensated absences for the year ending June 30, 2024 works out to Rs. 7.10 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, 2024 would have been as follows:

**Impact on present value of defined benefit obligation as at June 30, 2024**

|               |   |               | <b>Defined benefit obligation</b> |                    |
|---------------|---|---------------|-----------------------------------|--------------------|
|               |   | <b>Change</b> | <b>Increase to</b>                | <b>Decrease to</b> |
| Discount rate | ± | 1%            | 25,412                            | 31,007             |
| Future salary | ± | 1%            | 31,008                            | 25,412             |

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.**

|   | Note | 2024<br>(Rupees in thousand) | 2023             |
|---|------|------------------------------|------------------|
| <b>29. TRADE AND OTHER PAYABLES</b>           |      |                              |                  |
| Trade and other creditors                     |      | 1,431,131                    | 1,173,882        |
| Import bills payable                          |      | 183,532                      | 316,196          |
| Contract liabilities                          | 34.4 | 137,526                      | 80,111           |
| Accrued expenses                              |      | 75,978                       | 129,831          |
| Provision for infrastructure cess             | 29.1 | 96,087                       | 96,087           |
| Royalty payable to related parties            | 29.3 | 40,158                       | 40,158           |
| Technical fee payable                         |      | 40,090                       | 40,090           |
| Workers' Profits Participation Fund           | 29.4 | 28,449                       | 22,478           |
| Workers' Welfare Fund                         | 29.5 | 9,699                        | 8,038            |
| Due to statutory authorities                  |      | 5,621                        | 9,634            |
| Others  | 29.6 | 54,220                       | 41,682           |
| Sales tax payable                             |      | 32,906                       | 62,179           |
| Due to provident fund                         |      | 695                          | -                |
|   |      | <u>2,136,091</u>             | <u>2,020,366</u> |
| <b>29.1 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>    |

**29.2** 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.

|  | 2024<br>(Rupees in thousand) | 2023          |
|--|------------------------------|---------------|
| <b>29.3 This includes amount due to the following related parties:</b> |                              |               |
| Slotrapid Limited - Holding Company                                    | 40,126                       | 40,126        |
| Buxly Paints Limited - Associated Company                              | 32                           | 32            |
|  | <u>40,158</u>                | <u>40,158</u> |
| <b>29.4 Workers' Profits Participation Fund</b>                        |                              |               |
| Balance as at July 01  | 22,478                       | 17,920        |
| Allocation for the year  | 22,682                       | 17,806        |
| Interest on funds utilized in the Company's business                   | 1,168                        | 944           |
|  | <u>46,328</u>                | <u>36,670</u> |
| Payments during the year   | (17,879)                     | (14,192)      |
| Balance as at June 30  | <u>28,449</u>                | <u>22,478</u> |

**29.4.1** Interest on outstanding liability towards Workers' Profit Participation Fund is charged at bank rate plus 2% per annum as required under the Companies Profits (Workers' Participation) Act, 1968.

|  | Note   | 2024<br>(Rupees in thousand) | 2023     |
|--|--------|------------------------------|----------|
| <b>29.5 Workers' Welfare Fund</b>  |        |                              |          |
| Balance as at July 01  |        | 8,038                        | 19,020   |
| Allocation for the year  |        | 9,615                        | 7,123    |
| Interest on funds utilized in the Company's business   |        | -                            | -        |
|  |        | 17,653                       | 26,143   |
| Payments/adjustments during the year   |        | (7,954)                      | (18,105) |
| Balance as at June 30  |        | 9,699                        | 8,038    |
| <b>29.6 Advance against sale of vehicle from employee</b>  |        |                              |          |
| Deduction from salaries  | 28.6.1 | 22,582                       | 12,742   |
| <b>29.6.1</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. |        |                              |          |
|  | Note   | 2024<br>(Rupees in thousand) | 2023     |
| <b>30. CURRENT PORTION OF LONG TERM FINANCING</b>  |        |                              |          |
| Current portion of long term financing   | 25     | 38,577                       | 54,701   |
| Current portion of long term diminishing musharaka   | 26     | 166,667                      | 166,667  |
| Current portion of deferred income   | 27     | 5,098                        | 6,730    |
|  |        | 210,342                      | 228,098  |
| <b>31. ACCRUED MARKUP</b>  |        |                              |          |
| Mark-up based borrowings from conventional banks   |        |                              |          |
| Long term financing - secured  |        | 1,411                        | 396      |
| Short term running finances - secured  |        | 47,728                       | 24,991   |
|  |        | 49,139                       | 25,387   |
| Mark-up based borrowings from Islamic banks  |        |                              |          |
| Long term financing - secured  |        | -                            | 1,724    |
| Long term diminishing musharaka - secured  |        | 885                          | 1,293    |
| Short term financing - secured   |        | -                            | 1,605    |
| Short term running finances - secured  |        | -                            | 1,450    |
|  |        | 50,024                       | 31,459   |
| <b>32. ACCRUED MARKUP</b>  |        |                              |          |
| Mark-up based borrowings from conventional banks   |        |                              |          |
| Short term running finance - secured   | 32.1   | 585,716                      | 268,720  |
| Mark-up based borrowings from Islamic banks  |        |                              |          |
| Short term running finance - secured   | 32.2   | 83,919                       | 156,588  |
|  |        | 669,635                      | 425,308  |
| <b>32.1 Short term running finances - Conventional banks</b>   |        |                              |          |

This represents utilized amount of short term running finance facilities under mark-up arrangements available from commercial banks aggregating to Rs. 1,150 million (2023: Rs. 1,019 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 22.92% and 23.80% (2023: 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. 200 million (2023: 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 23.27% and 23.78% (2023: 15.56% and 22.95%) per annum, payable quarterly.

**32.2** The Company has total credit facilities of Rs. 1,550 million (2023: 1,450 million) at the year end. Whereas the Company has availed credit facilities of Rs. 1,550 million (2023: Rs. 1,450 million) and unavailed credit facilities of Nil (2023: Nil) at the year end.

## 33. 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 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. 48.94 million for tax years 2014, 2015, and 2016 vide various assessment orders. The Company through its legal counsel filed appeals to Commissioner Inland Revenue Appeals (CIR - A) against the said orders, the CIR-A provided relief amounting to Rs. 7.4 million and 2.7 million for tax year 2014 and 2015 respectively and upheld the demand of tax year 2016. Being aggrieved from the CIR-A orders, the Company through its legal counsel filed appeals before ATIR which are still 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 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 ACIR which is pending adjudication. 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 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 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 April 16, 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 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 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 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 April 11, 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 March 01, 2024. No judgment has been released as of yet. The Company is expecting a favorable outcome, accordingly no provision has been recorded in the books of accounts.
- l) The Company is facing claims, launched in the labor courts, pertaining to staff retirement benefits, salaries and others related matters. The claims amount cannot be quantified due to nature of the claims.

**33.2** Outstanding letters of guarantee as at June 30, 2024 amounts to Rs. 138 million (2023: Rs. 125.14 million).

### 33.3 Commitments

Outstanding letters of credit as at June 30, 2024 amounts to Rs. 636 million (2023: Rs. 804.83 million) of Purchase of raw and packing material.

|   | Note | 2024<br>(Rupees in thousand) | 2023        |
|---|------|------------------------------|-------------|
| <b>34. REVENUE FROM CONTRACT WITH CUSTOMERS</b> |      |                              |             |
| Local   | 34.6 | 13,188,341                   | 11,141,904  |
| Export  |      | 56,586                       | 55,288      |
|   |      | 13,244,927                   | 11,197,192  |
| Less:   |      |                              |             |
| Discounts                                       |      | (2,675,017)                  | (2,196,122) |
| Sales tax                                       |      | (2,026,003)                  | (1,659,905) |
|   |      | (4,701,020)                  | (3,856,027) |
|   |      | 8,543,907                    | 7,341,165   |

**34.1** 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.

|   |      | 2024<br>(Rupees in thousand) | 2023      |
|---|------|------------------------------|-----------|
| <b>34.2 Timing of revenue recognition - net</b>   |      |                              |           |
| Goods and services transferred at a point in time |      | 8,543,907                    | 7,341,165 |
| <b>34.3. Geographical market</b>                  |      |                              |           |
| Pakistan  | 34.6 | 8,487,321                    | 7,285,877 |
| Afghanistan                                       |      | 56,586                       | 55,288    |
|   |      | 8,543,907                    | 7,341,165 |

### 34.4. 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. 137.52 million (2023: Rs. 80.11 million). Revenue recognized during the reporting period which was included in the contract liabilities at the beginning of the period amounted to Rs. 80.11 million (2023: Rs. 45.16 million).

|   | 2024<br>(Rupees in thousand) | 2023     |
|---|------------------------------|----------|
| <b>34.5 Movement of contract liabilities is as follows:</b> |                              |          |
| Opening balance   | 80,111                       | 45,164   |
| Advance received  | 137,526                      | 80,111   |
| Income recongised   | (80,111)                     | (45,164) |
| Closing balance   | 137,526                      | 80,111   |

**34.6** This includes an amount of Rs. 414.703 million and Rs. 35.556 million (2023: Rs. 331.079 million and Rs. 31.839 million) charged to Buxly Paints Limited, a related party of the Company for material and toll manufacturing, respectively.



|   | Note  | 2024<br>(Rupees in thousand) | 2023             |
|---|-------|------------------------------|------------------|
| <b>35. COST OF SALES</b>                          |       |                              |                  |
| Finished goods as at July 01                      |       | 500,787                      | 501,776          |
| Cost of goods manufactured                        | 35.1  | 6,881,164                    | 5,818,915        |
| (Reversal) / provision slow moving finished goods |       | (11,661)                     | 10,676           |
| Less: Finished goods as at June 30                | 15    | (576,086)                    | (500,787)        |
| Consumption of finished goods purchased           | 35.4  | 28,421                       | 27,472           |
| Cost of sales                                     |       | <u>6,822,625</u>             | <u>5,858,052</u> |
| <b>35.1 Cost of goods manufactured</b>            |       |                              |                  |
| Raw and packing materials consumed                | 35.2  | 5,798,296                    | 4,904,449        |
| Freight and handling                              | 35.6  | 340,580                      | 283,220          |
| Stores and spare parts consumed                   |       | 9,047                        | 9,425            |
| Salaries, wages and other benefits                | 35.3  | 133,943                      | 124,086          |
| Contracted services                               | 35.5  | 168,733                      | 193,031          |
| Travelling and conveyance                         |       | 17,375                       | 16,780           |
| Fuel, water and power                             |       | 154,236                      | 90,713           |
| Legal and professional                            |       | 1,049                        | 1,589            |
| Rent, rates and taxes                             |       | 177                          | 20               |
| Insurance   |       | 8,550                        | 9,479            |
| Repairs and maintenance                           |       | 35,343                       | 41,987           |
| Depreciation                                      | 8.1.6 | 165,929                      | 101,265          |
| Ijarah lease rentals                              |       | -                            | 347              |
| Toll manufacturing cost                           |       | 33,863                       | 25,839           |
| Printing and stationery                           |       | 2,150                        | 1,909            |
| Communication                                     |       | 1,343                        | 1,225            |
| Others  |       | 15,957                       | 13,721           |
|   |       | <u>6,886,571</u>             | <u>5,819,085</u> |
| Opening stock of semi-processed goods             |       | 164,124                      | 162,191          |
| Closing stock of semi-processed goods             | 15    | (168,032)                    | (164,124)        |
| Provision reversed during the year                |       | (1,499)                      | 1,763            |
| Cost of goods manufactured                        |       | <u>6,881,164</u>             | <u>5,818,915</u> |
| <b>35.2 Raw and packing materials consumed</b>    |       |                              |                  |
| Raw and packing material as at July 01            |       | 796,137                      | 1,030,573        |
| Purchases of raw and packing material             |       | 5,675,414                    | 4,694,198        |
| Provision /(reversal) slow moving finished goods  |       | (5,394)                      | (24,185)         |
| Less: Raw and packing material as at June 30      | 15    | (667,861)                    | (796,137)        |
| Raw and packing materials consumed                |       | <u>5,798,296</u>             | <u>4,904,449</u> |

**35.3** Salaries, wages and benefits include Rs. 14.14 million (2023: Rs. 11.21 million) in respect of gratuity fund, Rs. 1.88 million (2023: Rs. 3.35 million) in respect of pension fund, Rs. 1.08 million (2023: Rs. 1.99 million) in respect of compensated absences and Rs. 5.22 million (2023: Rs. 3.66 million) in respect of provident fund contribution.

|   | Note | 2024<br>(Rupees in thousand) | 2023     |
|---|------|------------------------------|----------|
| <b>35.4. The movement of finished goods purchased for resale is as follows:</b> |      |                              |          |
| Finished goods as at July 01  |      | 91,527                       | 57,399   |
| Add: Finished goods purchased for resale during the year                        |      | 18,103                       | 61,600   |
| Less: Finished goods as at June 30  |      | (81,209)                     | (91,527) |
| Consumption of finished goods during the year                                   |      | 28,421                       | 27,472   |

**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.

|  | Note  | 2024<br>(Rupees in thousand) | 2023    |
|--|-------|------------------------------|---------|
| <b>36. SELLING AND DISTRIBUTION EXPENSES</b> |       |                              |         |
| Salaries and other benefits                  | 36.1  | 353,562                      | 346,588 |
| Contracted services                          | 36.4  | 38,548                       | 34,092  |
| Travelling and conveyance                    |       | 6,252                        | 2,911   |
| Rent, rates and taxes                        |       | 6,796                        | 7,132   |
| Insurance                                    |       | 9,645                        | 11,573  |
| Fuel, water and power                        |       | 3,332                        | 3,822   |
| Advertising and sales promotion              |       | 248,545                      | 127,000 |
| Technical services and royalty fee           | 36.2  | -                            | 4,494   |
| Repairs and maintenance                      |       | 3,473                        | 2,487   |
| Depreciation                                 | 8.1.6 | 30,510                       | 24,275  |
| Ijarah lease rentals                         |       | -                            | 413     |
| Printing and stationery                      |       | 1,455                        | 2,131   |
| Legal and professional                       |       | 980                          | 1,879   |
| Communication                                |       | 5,797                        | 8,149   |
| Others                                       |       | 8,547                        | 5,625   |
|  |       | 717,443                      | 582,571 |

**36.1** Salaries, wages and benefits include Rs.11.56 million (2023: Rs. 9.2 million) in respect of gratuity fund, Rs. 1.89 million (2023: Rs. 3.52 million) in respect of pension fund, Rs. 3.57 million (2023: Rs. 6.68 million) in respect of compensated absences and Rs. 8.66 million (2023: Rs. 9.12 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 | 2024<br>(Rupees in thousand) | 2023  |
|---|--------------------------------|------|------------------------------|-------|
| Slotrapid Limited<br>(Suit# 1 Akara Building, 24 De-Cantro Street, Wickham Cay 1, Road Town, Tortola, British Virgin Island.) | Licensor (the Holding Company) | 36.3 | -                            | -     |
| Oxyplast Belgium N.V.<br>(Hulsdonk 35-B 9042/Gent – Mendonk, Belgium.)  | Licensor                       |      | -                            | 4,494 |
|   |                                |      | -                            | 4,494 |

**36.3** During the year the parent entity has waived off its right to receive for royalty, accordingly no provision has been made against this head.

**36.4** This represents amounts relates to outsourced staff from FSC Integrated Services (Private) Limited.

|  | Note  | 2024<br>(Rupees in thousand) | 2023    |
|--|-------|------------------------------|---------|
| <b>37. ADMINISTRATIVE AND GENERAL EXPENSES</b> |       |                              |         |
| Salaries and other benefits                    | 37.1  | 143,435                      | 127,359 |
| Contracted services                            | 37.2  | 1,780                        | 4,071   |
| Directors' meeting fee                         |       | 3,900                        | 4,900   |
| Travelling and conveyance                      |       | 21,384                       | 16,989  |
| Rent, rates and taxes                          |       | 2,249                        | 2,384   |
| Insurance                                      |       | 4,502                        | 3,011   |
| Auditors' remuneration                         | 37.3  | 3,792                        | 3,453   |
| Fuel, water and power                          |       | 1,809                        | 2,479   |
| Repairs and maintenance                        |       | 3,570                        | 2,676   |
| Depreciation                                   | 8.1.6 | 13,407                       | 13,761  |
| Amortization of computer software              | 9     | -                            | 23      |
| Ijarah lease rentals                           |       | -                            | 558     |
| Printing and stationery                        |       | 3,916                        | 1,573   |
| Legal and professional                         |       | 15,324                       | 13,371  |
| Communication                                  |       | 3,452                        | 1,738   |
| Others   |       | 8,625                        | 10,647  |
|  |       | 231,145                      | 208,993 |

**37.1** Salaries, wages and benefits include Rs. 5.36 million (2023: Rs. 4.27 million) in respect of gratuity fund, Rs. 0.46 million (2023: Rs. 0.88 million) in respect of pension fund, Rs. 2.32 million (2023: Rs. 4.36 million) in respect of compensated absences and Rs. 5.93 million (2023: Rs. 5.66 million) in respect of provident fund contribution.

**37.2** This represents amounts relates to outsourced staff from FSC Integrated Services (Private) Limited.

|  | Note  | 2024<br>(Rupees in thousand) | 2023           |
|--|-------|------------------------------|----------------|
| <b>37.3 Auditors' remuneration</b>                             |       |                              |                |
| Audit fee  |       | 2,100                        | 2,100          |
| Consolidation and half yearly review                           |       | 900                          | 900            |
| Out of pocket expenses   |       | 178                          | 178            |
| Statutory certifications                                       |       | 268                          | 275            |
|  |       | <u>3,446</u>                 | <u>3,453</u>   |
| <b>38. OTHER OPERATING EXPENSES</b>                            |       |                              |                |
| Workers' Welfare Fund  | 29.5  | 9,615                        | 7,123          |
| Workers' Profit Participation fund                             | 29.4  | 22,682                       | 17,806         |
| Exchange loss - net  |       | 4,921                        | 34,896         |
| Written off advance income tax (1996)                          |       | -                            | 8,905          |
| Sales tax on royalty   |       | -                            | 7,511          |
| Others   |       | -                            | 176            |
| Impairment on investment in associate                          | 10.1  | 6,812                        | 8,623          |
| Impairment on revaluation of building                          | 8.1   | -                            | 16,374         |
| Impairment on other receivables and deposits                   |       | 4,435                        | -              |
|  |       | <u>48,464</u>                | <u>101,414</u> |
| <b>39. OTHER INCOME</b>  |       |                              |                |
| Income from financial assets                                   |       |                              |                |
| Mark-up on term deposit receipts<br>and long term loan         | 39.1  | 34,804                       | 33,412         |
| Income from non-financial assets                               |       |                              |                |
| Sale of scrap  |       | 15,927                       | 28,406         |
| Gain on disposal of property,<br>plant and equipment - net     | 8.1.1 | 4,896                        | 11,335         |
| Rental income and other services<br>charged to related parties |       | 1,200                        | 5,319          |
| Export rebate  |       | 899                          | 720            |
| Insurance claim  |       | 4,491                        | 3,087          |
| Amortization of deferred grant                                 | 27    | 5,780                        | 6,301          |
| Others   |       | 1,711                        | 5,848          |
| Impairment loss reversed during the year                       | 19.4  | -                            | 3,263          |
|  |       | <u>69,708</u>                | <u>97,691</u>  |

**39.1** This includes interest income of Rs. 1.350 million (2023: Rs. 5.799 million) charged on receivable balance from Berger Road Safety (Private) Limited and 3S Pharmaceutical (Private) Limited, related parties.

| <b>40. FINANCE COST</b>                                     | <b>Note</b> | <b>2024<br/>(Rupees in thousand)</b> | <b>2023</b> |
|---|-------------|--------------------------------------|-------------|
| Islamic mode of financing:                                  |             |                                      |             |
| - Long term financing - secured                             |             | 9,625                                | 11,518      |
| - Long term diminishing musharaka - secured                 |             | 109,882                              | 90,036      |
| - Short term financing - secured                            |             | 858                                  | 1,188       |
| - Short term running finances - secured                     |             | 31,153                               | 31,183      |
|   |             | 151,518                              | 133,925     |
| Mark-up based borrowings from conventional banks:           |             |                                      |             |
| - Long term financing - secured                             |             | 11,965                               | 18,314      |
| - Short term financing - secured                            |             | -                                    | 23,138      |
| - Short term running finances - secured                     |             | 131,356                              | 100,686     |
|   |             | 143,321                              | 142,138     |
| Interest on WPPF  |             | 1,168                                | 944         |
| Bank charges  |             | 8,589                                | 6,538       |
|   |             | 304,596                              | 283,545     |
| <b>41. TAXATION</b>   |             |                                      |             |
| Final   | 41.3        | 566                                  | 438         |
| Minimum claimed   |             | (6,781)                              | (19,469)    |
|   |             | (6,215)                              | (19,031)    |
| Current   |             |                                      |             |
| - for the year  | 41.1        | 174,484                              | 134,015     |
| - prior year  | 41.2        | (26,024)                             | (305)       |
|   |             | 148,460                              | 133,710     |
| Deferred  |             |                                      |             |
| - current year  | 13.1        | 16,244                               | (23,543)    |
| - prior year  | -           | -                                    | -           |
|   |             | 158,489                              | 91,136      |
| <b>41.1</b> Current year tax includes super tax as follows: |             |                                      |             |
| - for the year  |             | 37,489                               | 22,974      |

**41.2** 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.

**41.3** This represents final taxes paid under Section 154A of Income Tax Ordinance, 2001 representing levy in terms of requirements of IFRIC 21/IAS 37.

#### **41.3.1 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:

|  | <b>2024<br/>(Rupees in thousand)</b> | <b>2023</b> |
|--|--------------------------------------|-------------|
| Current tax liability for the year as per applicable tax laws  | 142,245                              | 114,679     |
| Portion of current tax liability as per tax laws, representing income tax under IAS 12                         | (148,460)                            | (133,709)   |
| Portion of current tax computed as per tax laws, representing levy in terms of requirements of IFRIC 21/IAS 37 | 6215                                 | 19,031      |
| Difference   | -                                    | -           |

**41.3.2** 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.

**41.4** The numerical reconciliation between the average tax rate and the applicable tax rate is as follows:

|  | 2024   | 2023   |
|--|--------|--------|
| Applicable tax rate                                  | 29.00% | 29.00% |
| Tax effect of:                                       |        |        |
| - income under Final Tax Regime                      | 0.13%  | 0.13%  |
| - prior year adjustment                              | -6.15% | -0.09% |
| - permanent difference                               | 0.01%  | 0.01%  |
| - others   | 1.00%  | -7.44% |
| - effect of super tax                                | 8.77%  | 6.78%  |
| Average effective tax rate charged to profit or loss | 33%    | 28.39% |

#### 41.5 Comparison of tax provision against tax assessments

| Years   | Excess/<br>(Short) | Tax provision | Tax assessment/<br>tax return |
|---------|--------------------|---------------|-------------------------------|
|         |                    | (Rupees)      |                               |
| 2022-23 | (406,436)          | 114,984,017   | 115,390,453                   |
| 2021-22 | 305,289            | 93,291,025    | 92,985,736                    |
| 2019-20 | 79,911,491         | 121,277,078   | 41,365,587                    |

**41.6** As at June 30, 2024, 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.

#### 42. EARNINGS PER SHARE - BASIC AND DILUTED

##### 42.1 Earning per share - basic and diluted

|  | 2024       | 2023       |
|--|------------|------------|
| Profit attributable to ordinary shareholders (Rupees in thousand)                | 262,863    | 240,061    |
| Weighted average number of shares outstanding during the year (Number of shares) | 24,551,614 | 24,551,614 |
| Earning per share - basic (Restated) (Rupees)                                    | 10.71      | 9.78       |

**42.2** No figure for diluted earnings per share has been presented as the Company has not issued any instruments carrying options as at June 30, 2024, which would have an impact on earnings per share when exercised.

**42.3** EPS of last year has been restated based on bonus element for bonus share issued during the year.



|  | Note  | 2024<br>(Rupees in thousand) | 2023             |
|--|-------|------------------------------|------------------|
| <b>43. CASH AND CASH EQUIVALENTS</b>                         |       |                              |                  |
| Cash and bank balances                                       | 22    | 66,172                       | 47,078           |
| Short term investment  | 21    | -                            | 110,000          |
| Short term running finance - secured                         | 32    | (669,635)                    | (425,308)        |
|  |       | <u>(603,463)</u>             | <u>(268,230)</u> |
| <b>44. CASH FLOWS FROM OPERATING ACTIVITIES</b>              |       |                              |                  |
| Profit before taxation                                       |       | 421,352                      | 331,197          |
| Adjustments for non-cash and other items:                    |       |                              |                  |
| Depreciation on property, plant and equipment                | 8.1.6 | 209,846                      | 139,301          |
| Amortization on intangible assets                            | 9.1.1 | -                            | 23               |
| Gain on disposal of property, plant and equipment            | 39    | (4,896)                      | (11,335)         |
| Provision (reversed)/charged against slow moving stock - net |       | (18,554)                     | (11,746)         |
| Impairment loss (reversed) / recorded during the year        |       | 67,990                       | 73,084           |
| Provision for long term employee benefit                     |       | 42,269                       | 45,463           |
| Finance cost   | 40    | 304,596                      | 283,545          |
| Provision for Workers' Profit Participation Fund             | 38    | 22,682                       | 17,806           |
| Provision for Workers' Welfare Fund                          | 38    | 9,615                        | 7,123            |
| Amortization of deferred grant                               | 27    | 5,780                        | 6,301            |
| Impairment on revaluation of building                        |       | -                            | 16,374           |
| Impairment on investment in associate                        |       | 6,812                        | 8,623            |
| Mark-up on term deposit receipts and long term loan          | 39    | (34,804)                     | (33,412)         |
| Net cash flow before working capital changes                 |       | <u>1,032,688</u>             | <u>872,347</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)                     |                    |                                 |                     |                      |                  |
| As at June 30, 2023                      | 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>               | <b>12,478</b>      | <b>375,000</b>                  | <b>144,669</b>      | <b>669,635</b>       | <b>1,201,782</b> |
| As at June 30, 2022                      | 6,826              | 16,000                          | 250,953             | 1,373,939            | 1,647,718        |
| <b>Changes from financing cash flows</b> |                    |                                 |                     |                      |                  |
| Dividend paid                            | (75,559)           | -                               | -                   | -                    | (75,559)         |
| Short term borrowings - net              | -                  | -                               | -                   | (255,552)            | (255,552)        |
| Long term financing                      | -                  | -                               | (108,332)           | -                    | (108,332)        |
| Long term diminishing musharka           | -                  | 484,000                         | -                   | -                    | 484,000          |
| Total changes from financing cash flows  | (75,559)           | 484,000                         | (108,332)           | (255,552)            | 44,557           |
| <b>Other changes</b>                     |                    |                                 |                     |                      |                  |
| Adjustment of Government grant           | -                  | -                               | 6,301               | -                    | 6,301            |
| Change in borrowings                     | -                  | -                               | -                   | (693,079)            | (693,079)        |
| Dividend declared                        | 81,839             | -                               | -                   | -                    | 81,839           |
| Total liability related other changes    | 81,839             | -                               | 6,301               | (693,079)            | (604,939)        |
| <b>As at June 30, 2023</b>               | <b>13,106</b>      | <b>500,000</b>                  | <b>148,922</b>      | <b>425,308</b>       | <b>1,087,336</b> |

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

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

|   | 2024            |            |                         | 2023            |            |                         |
|---|-----------------|------------|-------------------------|-----------------|------------|-------------------------|
|   | Chief Executive | Executives | Non-Executive Directors | Chief Executive | Executives | Non-Executive Directors |
| (Rupees in thousand)                      |                 |            |                         |                 |            |                         |
| Fees                                      | -               | -          | 3,700                   | -               | -          | 4,900                   |
| Managerial remuneration (including bonus) | 22,000          | 83,132     | -                       | 19,000          | 64,995     | -                       |
| Retirement and other long term benefits   | 4,182           | 60,414     | -                       | 6,818           | 45,553     | -                       |
| House rent allowance                      | -               | 28,608     | -                       | -               | 22,456     | -                       |
| Utilities                                 | -               | 6,357      | -                       | -               | 4,990      | -                       |
| Medical expenses                          | -               | 7,947      | -                       | -               | 6,238      | -                       |
| Provident fund                            | 2,000           | 5,951      | -                       | 1,727           | 4,535      | -                       |
|   | 28,182          | 192,409    | 3,700                   | 27,545          | 148,767    | 4,900                   |
| Number of persons                         | 1               | 32         | 7                       | 1               | 22         | 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 Group are provided with free use of Company cars. The approximate value of the benefit amounts to Rs. 36.73 million (2023: Rs. 21.93 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, 2024                    |                 | June 30, 2023                |                 |
|--|---|--|------|----------------------------------|-----------------|------------------------------|-----------------|
|  |   |  |      | Transactions during the period   | Closing balance | Transactions during the year | Closing balance |
|  |   |  |      | ----- (Rupees in thousand) ----- |                 |                              |                 |
| Slotrapid Limited  | Holding Company   | Royalty expense                          |      | -                                | -               | -                            | -               |
|  |   | Royalty payable                          |      | -                                | 40,126          | -                            | 40,126          |
|  |   | Royalty waiver                           |      | 60,120                           | -               | 39,640                       | -               |
|  |   | Payment                                  |      | -                                | -               | -                            | -               |
|  |   | Dividend paid                            |      | -                                | -               | 30,600                       | -               |
| Berger Road Safety (Private) Limited                     | (Wholly owned subsidiary of Berger DPI (Private) Limited) | Sales                                    |      | -                                | -               | -                            | -               |
|  |   | Rental income and other services charged |      | -                                | -               | -                            | -               |
|  |   | Receipts / adjustments                   |      | -                                | -               | 175                          | -               |
|  |   | Loss on adjustment                       |      | -                                | -               | 136,215                      | -               |
|  |   | Trade and other receivables taken        |      | -                                | -               | 174                          | -               |
|  |   | Common expenditures incurred             |      | -                                | -               | 136,041                      | -               |
|  |   | Royalty payable                          |      | -                                | -               | 2,868                        | -               |
|  |   | Other receivable                         |      | -                                | -               | -                            | 32              |
|  |   | Interest income                          |      | -                                | 12,526          | -                            | 10,621          |
|  |   |  |      | 1,144                            | -               | 5,352                        | -               |
|  |   | Common expenditures incurred             |      | 1,740                            | -               | 1,459                        | -               |
|  |   | Impairment allowance                     |      | 6,812                            | -               | 8,623                        | -               |
|  |   | Other receivable                         |      | -                                | 5,824           | -                            | 3,879           |
| Buxly Paints Limited ("BPL")                             | Associated Company  | Interest income                          |      | 206                              | -               | 448                          | -               |
|  |   | Sales                                    |      | 449,811                          | -               | 362,918                      | -               |
|  |   | Rental expense                           |      | 1,800                            | -               | 1,812                        | -               |
|  |   | Rental income and other services         |      | 1,200                            | -               | 1,200                        | -               |
|  |   | Common expenditures incurred             |      | 34,178                           | -               | 19,255                       | -               |
|  |   | Receipts / adjustments                   |      | -                                | -               | 1,933                        | -               |
|  |   | Trade debt                               |      | -                                | 285,092         | -                            | 248,959         |
|  |   | Other receivable                         |      | -                                | -               | -                            | 1,338           |
|  |   | Royalty payable                          |      | -                                | 32              | -                            | 32              |
|  |   | Toll manufacturing - cost                |      | 33,863                           | -               | 27,131                       | -               |
| Post employment benefit plans (Key Management Personnel) |   | Contribution to gratuity fund            |      | 5,129                            | -               | 20,934                       | -               |
|  |   | Contribution to pension fund             |      | 25,000                           | -               | 4,435                        | -               |
|  |   | Provident fund contribution              |      | 39,633                           | -               | 36,872                       | -               |
|  |   | Provident fund receivable /(payable)     |      | -                                | (695)           | -                            | 22,066          |

#### 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  | 2024                 |               | 2023                 |               |
|--------------------------------------|---------------------------------|---|----------------------|---------------|----------------------|---------------|
|                                      |                                 |   | Basis of Association | Shareholdings | Basis of Association | Shareholdings |
| 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                        | Associated  | 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 45)". 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:

|  | 2024                        | 2023 |
|--|-----------------------------|------|
| <b>Statement of financial position items</b> | <b>(Amount in thousand)</b> |      |
| <b>Trade and other payables</b>              |                             |      |
| - Euro                                       | -                           | -    |
| - USD  | 456                         | 888  |
| - AED  | 397                         | -    |
| - RMB  | -                           | 475  |
| - JPY -                                      | -                           | -    |

Off statement of financial position items

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

|         |       |       |
|---------|-------|-------|
| - Euro  | -     | -     |
| - USD   | 2,271 | 2,498 |
| - RMB   | -     | -     |
| - JPY - | -     | -     |

The following significant exchange rates were applied during the year:

|                           | 2024               | 2023   |
|---------------------------|--------------------|--------|
|                           | <b>(In rupees)</b> |        |
| <b>Rupees per Euro</b>    |                    |        |
| Average rate for the year | 305.67             | 263.37 |
| Reporting date rate       | 298.41             | 312.93 |
| <b>Rupees per USD</b>     |                    |        |
| Average rate for the year | 282.40             | 245.42 |
| Reporting date rate       | 278.80             | 285.99 |
| <b>Rupees per RMB</b>     |                    |        |
| Average rate for the year | 39.10              | 35.14  |
| Reporting date rate       | 38.53              | 39.67  |
| <b>Rupees per JPY</b>     |                    |        |
| Average rate for the year | 1.86               | 1.75   |
| Reporting date rate       | 1.73               | 1.99   |

### 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.

|                                 | 2024                        | 2023 |
|---------------------------------|-----------------------------|------|
| <b>Effect on profit or loss</b> | <b>(Amount in thousand)</b> |      |
| - Euro                          | -                           | -    |
| - USD                           | 324                         | 630  |
| - RMB                           | 262                         | 337  |
| - JPY                           | -                           | -    |

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     |       |
|----------------------|----------------------|-------|
|                      | 2024                 | 2023  |
|                      | (Rupees in thousand) |       |
| Buxly Paints Limited | 2,517                | 2,025 |

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

#### 48.1.2.3 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       |         |
|--------------------------------------|----------------|-------|-----------------------|---------|
|                                      | 2024           | 2023  | 2024                  | 2023    |
|                                      | (Percentage)   |       | (Rupees in thousands) |         |
| Financial assets                     |                |       |                       |         |
| Fixed rate instruments               |                |       |                       |         |
| Short term investment                | 19%            | 11%   | 121,000               | 191,000 |
| Financial liabilities                |                |       |                       |         |
| Fixed rate instruments               |                |       |                       |         |
| Long term financing - secured        | 5.5%           | 5.5%  | 86,847                | 101,016 |
| Floating rate instruments            |                |       |                       |         |
| Long term financing - secured        | 23.1%          | 19.8% | 57,822                | 47,906  |
| Long term diminishing musharaka      | 22.9%          | 17.6% | 375,000               | 500,000 |
| Short term running finance - secured | 23.5%          | 18.2% | 669,635               | 425,308 |
|                                      |                |       | 1,102,457             | 973,214 |

### 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 2023.

|                     | 100 bps  |          |
|---------------------|----------|----------|
|                     | Decrease | Increase |
| As at June 30, 2024 | 11,025   | (11,025) |
| As at June 30, 2023 | 9,732    | (9,732)  |

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. 3,017 million (2023: Rs. 2,387.39 million) financial assets which are subject to credit risk amount to Rs. 3,017 million (2023: Rs. 2,387.39 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.

|                                   | 2024<br>(Rupees in thousand) | 2023      |
|-----------------------------------|------------------------------|-----------|
| Long term loans - secured         | 31,952                       | 61,109    |
| Long term deposits                | 33,319                       | 22,218    |
| Trade debts - unsecured           | 2,602,977                    | 1,907,525 |
| Long term investments             | 76,595                       | 78,479    |
| Trade deposits                    | 22,209                       | 18,536    |
| Other receivables                 |                              |           |
| - Receivable from related parties | 2,512                        | -         |
| - LC Margin                       | 22,848                       | 20,363    |
| - Others                          | 13,891                       | 41,690    |
|                                   | 39,251                       | 62,053    |
| Short term investment - secured   | 121,000                      | 191,000   |
| Bank balances                     | 65,522                       | 46,470    |
|                                   | 2,992,825                    | 2,387,390 |

### 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:

|  | <b>2024</b><br><b>(Rupees in thousand)</b> | 2023             |
|--|--|------------------|
| Trade debts                                  | 2,602,977                                  | 1,907,525        |
| Banking companies and financial institutions | 209,370                                    | 257,833          |
| Others                                       | 180,478                                    | 222,032          |
|  | <u>2,992,825</u>                           | <u>2,387,390</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 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.

#### 48.1.3.5 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.

|                         | <b>Weighted<br/>average<br/>loss rate</b> | <b>Gross<br/>carrying<br/>amount</b> | <b>Loss<br/>allowance</b> |
|-------------------------|---|--------------------------------------|---------------------------|
| <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>             |

| June 30, 2023           | Weighted average<br>loss rate | Gross carrying<br>amount | Loss<br>allowance |
|-------------------------|-------------------------------|--------------------------|-------------------|
| Past due 0 - 30 days    | 0.00%                         | 1,129,668                | -                 |
| Past due 31 - 60 days   | 0.88%                         | 409,754                  | 5,938             |
| Past due 61 - 90 days   | 1.13%                         | 191,924                  | 3,672             |
| Past due 91 - 120 days  | 2.91%                         | 123,768                  | 5,103             |
| Past due 121 - 180 days | 5.58%                         | 181,209                  | 13,194            |
| Past due 181 - 364 days | 24.60%                        | 141,571                  | 48,178            |
| Past due over one year  | 100.00%                       | 77,308                   | 77,308            |
|                         |                               | <u>2,255,202</u>         | <u>153,393</u>    |

#### 48.1.3.6 Balances with banking companies

The Company held balances with banks, short term investments and LC margin amounting to Rs. 209.37 million as at June 30, 2024. 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.

|                       |    | <b>2024</b><br><b>(Rupees in thousand)</b> | 2023           |
|-----------------------|----|--|----------------|
| Bank balances         | 22 | 65,522                                     | 46,470         |
| Short term investment | 21 | 121,000                                    | 191,000        |
| Other receivables     | 19 | 22,848                                     | 20,363         |
|                       |    | <u>209,370</u>                             | <u>257,833</u> |

#### 48.1.3.7 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<br>Agency | 2024<br>(Rupees in thousand) | 2023           |
|----------------------------------|------------|-----------|------------------|------------------------------|----------------|
|                                  | Short term | Long term |                  |                              |                |
| <b>Balances with bank:</b>       |            |           |                  |                              |                |
| Bank Al Habib Limited            | A-1+       | AAA       | PACRA            | 23,585                       | 18,817         |
| Habib Metropolitan Bank Limited  | A-1        | AA+       | PACRA            | 8,438                        | 23,349         |
| Habib Bank Limited               | A-1+       | AAA       | VIS              | 34                           | 35             |
| JS Bank Limited                  | A-1+       | AA-       | PACRA            | -                            | 31,000         |
| Al-Baraka Bank Pakistan Limited  | A-1        | A+        | VIS              | 6                            | 6              |
| United Bank Limited              | A-1+       | AA+       | PACRA            | -                            | 20             |
| National Bank of Pakistan        | A-1+       | AAA       | PACRA            | 11,918                       | 114,131        |
| Bank Islami Pakistan Limited     | A-1        | A+        | PACRA            | 20,732                       | 60,240         |
| Samba Bank Limited               | AA         | A-1       | VIS              | -                            | -              |
| Faysal Bank Limited              | A-1+       | AA        | PACRA            | 809                          | 10,235         |
|                                  |            |           |                  | <u>65,522</u>                | <u>257,833</u> |
| <b>Deposits with bank/ TDRs:</b> |            |           |                  |                              |                |
| JS Bank Limited                  | A-1+       | AA-       | PACRA            | 71,000                       | 31,000         |
| National Bank of Pakistan        | A-1+       | AAA       | PACRA            | -                            | 110,000        |
| Bank Islami Pakistan Limited     | A-1        | A+        | VIS              | 50,000                       | 50,000         |
|                                  |            |           |                  | <u>121,000</u>               | <u>191,000</u> |

The Company has not recognised an impairment allowance on bank balances during the year ended June 30, 2024, 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, 2024

|   | Carrying amount | Contractual cash flow | Less than one year | Two to five years | More than five years |
|---|-----------------|-----------------------|--------------------|-------------------|----------------------|
| <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            | -                 | -                    |
|   | 3,064,570       | 2,923,973             | 2,586,027          | 325,391           | 13,688               |

The following are the contractual maturities of financial liabilities as at June 30, 2023;

|   | Carrying amount | Contractual cash flow | Less than one year | Two to five years | More than five years |
|---|-----------------|-----------------------|--------------------|-------------------|----------------------|
| <b>Non derivative financial liabilities</b> |                 |                       |                    |                   |                      |
| Long term financing - secured               | 148,922         | 212,705               | 66,324             | 108,192           | 38,189               |
| Long term diminishing musharaka             | 500,000         | 642,938               | 243,790            | 399,148           | -                    |
| Trade and other payables                    | 1,741,839       | 1,741,839             | 1,741,839          | -                 | -                    |
| Interest / mark-up accrued on borrowings    | 31,459          | 31,459                | 31,459             | -                 | -                    |
| Short term borrowings - secured             | 425,308         | 495,399               | 495,399            | -                 | -                    |
|   | 2,847,528       | 3,124,340             | 2,578,811          | 507,340           | 38,189               |

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 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.

|  | Carrying amount                    |                            |                       | Fair value |         |         |         |
|--|------------------------------------|----------------------------|-----------------------|------------|---------|---------|---------|
|  | Financial assets at amortised cost | FVOCI - equity instruments | Financial liabilities | Total      | Level 1 | Level 2 | Level 3 |
| As at June 30, 2024                              | Rupees in thousand                 |                            |                       |            |         |         |         |
| <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     | -       | -       | -       |
| Financial assets - at amortised cost             |                                    |                            |                       |            |         |         |         |
| Long term loans - 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  | -       | -       | -       |



|   | Carrying amount                       |                               |                          | Fair value |         |         |         |        |
|---|---------------------------------------|-------------------------------|--------------------------|------------|---------|---------|---------|--------|
|   | Financial assets at<br>amortised cost | FVOCI - equity<br>instruments | Financial<br>liabilities | Total      | Level 1 | Level 2 | Level 3 | Total  |
| As at June 30, 2023                       | Rupees in thousand                    |                               |                          |            |         |         |         |        |
| Financial assets - measured at fair value |                                       |                               |                          |            |         |         |         |        |
| Investment classified as FVOCI            | -                                     | 20,246                        | -                        | 20,246     | 20,246  | -       | -       | 20,246 |
| Financial assets - at cost                |                                       |                               |                          |            |         |         |         |        |
| Long term investments                     | 58,233                                | -                             | -                        | 58,233     | -       | -       | -       | -      |
| Financial assets - at amortised cost      |                                       |                               |                          |            |         |         |         |        |
| Loan to related party - secured           | 61,109                                | -                             | -                        | 61,109     | -       | -       | -       | -      |
| Long term deposits                        | 22,218                                | -                             | -                        | 22,218     | -       | -       | -       | -      |
| Trade debts                               | 1,907,525                             | -                             | -                        | 1,907,525  | -       | -       | -       | -      |
| Trade deposits                            | 18,536                                | -                             | -                        | 18,536     | -       | -       | -       | -      |
| Other receivables                         | 62,053                                | -                             | -                        | 62,053     | -       | -       | -       | -      |
| Short term investment - secured           | 191,000                               | -                             | -                        | 191,000    | -       | -       | -       | -      |
| Cash and bank balances                    | 46,470                                | -                             | -                        | 46,470     | -       | -       | -       | -      |
|   | 2,367,144                             | 20,246                        | -                        | 2,387,390  | 20,246  | -       | -       | 20,246 |
| Financial liabilities - at amortised cost |                                       |                               |                          |            |         |         |         |        |
| Long term financing - secured             | -                                     | -                             | 148,922                  | 148,922    | -       | -       | -       | -      |
| Long term diminishing musharaka           | -                                     | -                             | 500,000                  | 500,000    | -       | -       | -       | -      |
| Trade and other payables                  | -                                     | -                             | 1,741,839                | 1,741,839  | -       | -       | -       | -      |
| Accrued markup                            | -                                     | -                             | 31,459                   | 31,459     | -       | -       | -       | -      |
| Short term borrowings - secured           | -                                     | -                             | 425,308                  | 425,308    | -       | -       | -       | -      |
|   | -                                     | -                             | 2,847,528                | 2,847,528  | -       | -       | -       | -      |

### 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 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:

|                       | <b>2024</b><br><b>(Rupees in thousand)</b> | <b>2023</b> |
|-----------------------|--|-------------|
| Long term loans       | 519,669                                    | 648,922     |
| Short term borrowings | 669,635                                    | 425,308     |
| Total debt            | 1,189,304                                  | 1,074,230   |
| Total equity          | 3,447,465                                  | 3,195,803   |
| Total equity and debt | 4,636,769                                  | 4,270,033   |
| Gearing ratio         | 26:74                                      | 25:75       |

#### 50. RESTRICTION ON TITLE AND ASSETS PLEDGED AS SECURITY

##### Mortgages and charges

##### First

|  |           |           |
|--|-----------|-----------|
| Hypothecation of all present and future current assets | 2,070,000 | 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 | 1,869,000 |
| Mortgage over land and building                        | -         | -         |

#### 51. NUMBER OF EMPLOYEES

|   | <b>2024</b><br><b>(Number of persons)</b> | <b>2023</b> |
|---|---|-------------|
| The Company has employed following number of persons: |   |             |
| - Factory employees                                   | 79  | 74          |
| - Salaried employee                                   | 262                                       | 250         |
|   | 341                                       | 324         |
| - Average number of employees                         | 374                                       | 246         |
| - Average number of factory employees                 | 87  | 83          |

#### 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:

|   | <b>(Unaudited)<br/>June 30, 2024<br/>(Rupees in thousands)</b> | <b>(Unaudited)<br/>June 30, 2023</b> |
|---|--|--------------------------------------|
| Size of the fund                                |  |                                      |
| Cost of investments made                        | 324,133  | 314,630                              |
| Percentage of investments - (% of total assets) | 190,468  | 247,697                              |
| Fair value of investments                       | 59%  | 79%                                  |
|   | 321,676  | 296,981                              |

52.1 The break-up of investments is as follows:

|   | 2024               |      | 2023               |      |
|---|--------------------|------|--------------------|------|
|   | Rupees in thousand | %    | Rupees in thousand | %    |
| Investment in debt collective investment scheme   | -                  | 0%   | -                  | 0%   |
| Investment in money market collective investment  | 54,737             | 16%  | 37,966             | 13%  |
| Investment in equity collective investment scheme | -                  | 0%   | -                  | 0%   |
| Bank balances                                     | 69,424             | 22%  | 27,290             | 9%   |
| Certificate of deposits                           | 111,797            | 35%  | 111,725            | 38%  |
| Term deposit receipts                             | 85,716             | 27%  | 120,000            | 40%  |
|   | 321,674            | 100% | 296,981            | 100% |

The investments out of provident fund as at June 30, 2024 have been made in accordance with the requirements of section 218 of the Companies Act, 2017.

### 53. PRODUCTION CAPACITY

|                   | <b>2024<br/>(Liters in thousand)</b> | <b>2023</b> |
|-------------------|--------------------------------------|-------------|
| Actual production | 40,771                               | 40,217      |

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 15.43 million liters (2023: 15.55 million liters) which is used in the manufacture of the final product.

### 54. OPERATING SEGMENTS

54.1 These financial statements have been prepared on the basis of single reportable segment.

54.2 Revenue from sale of paints and allied represents 100% (2023: 100%) of the total revenue of the Company.

54.3 99.57% (2023: 99.51%) sales of the Company relates to customers in Pakistan.

54.4 All non-current assets of the Company as at June 30, 2024 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  | 2024<br>(Rupees in thousand) | 2023    |
|--|------------------------------|---------|
| <b>55.1 Statement of financial position - Liability side</b>                     |                              |         |
| Financing obtained as per Islamic mode:  |                              |         |
| Long term financing  | 57,822                       | 47,906  |
| Long term diminishing musharaka  | 208,333                      | 333,333 |
| Short term financing   | 83,919                       | 156,588 |
| Markup accrued on conventional loans:  |                              |         |
| Long term financing  | 49,139                       | 25,387  |
| <b>55.2 Statement of financial position - Asset side</b>                         |                              |         |
| Shariah compliant investments:   | -                            | -       |
| Long term investments  | -                            | -       |
| Short term investments   | -                            | -       |
| Shariah compliant bank deposit, bank balance and TDRs                            | 50,000                       | 50,000  |
| <b>55.3 Statement of financial position - Statement of comprehensive income:</b> |                              |         |
| Revenue earned from a shariah compliant business segment:                        | -                            | -       |
| Late payment or liquidated damages:  | -                            | -       |
| Gain/ loss or dividend earned on shariah compliant investments:                  | -                            | -       |
| Profit earned from Shariah compliant bank deposit, bank balances or TDRs:        | -                            | -       |
| Exchange gain earned from actual currency:                                       | -                            | -       |
| Exchange gain earned using conventional derivative financial instruments:        | -                            | -       |
| Profit paid on Islamic mode of financing:  | -                            | -       |
| Total interest earned on any conventional loan or advance:                       | -                            | -       |
| Shariah compliant/ Non-shariah compliant portion of other income:                | -                            | -       |

### 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) |
|--|------|----------|-------------------------|-----------------------|
| Reclassification of income tax expense to levy | 41   | Taxation | Minimum/<br>final taxes | (19,031)              |

**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 financial statements.

**58. NON ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE**

The Board of Directors of the Company in its meeting held on 25 September 2024 has proposed a final cash dividend of Rs.4 per share, for the year ended June 30, 2024 for approval of the members in the Annual General Meeting to be held on 25 October 2024.

**59. DATE OF AUTHORIZATION FOR ISSUE**

These financial statements were authorized for issue on 25 September 2024 by the Board of Directors of the Company.

**60. GENERAL**

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

**CHIEF EXECUTIVE****DIRECTOR****CHIEF FINANCIAL OFFICER**





# CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024





# **INDEPENDENT AUDITOR'S REPORT**

## **TO THE MEMBERS OF BERGER PAINTS PAKISTAN LIMITED**

### **REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS**

#### 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, 2024, 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 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, 2024, 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 matter(s)   | How the matter was addressed in our audit  |
|-------|---|--|
| 1     | <p><b>Trade debts &amp; revenue recognition</b></p> <p>(Refer note 34 to the annexed financial statements)</p> <p>The Group is principally engaged in the production and sale of paints, varnishes and other related items in the local and export markets.</p> <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 financial statements)</p> <p>As at June 30, 2024, the Group's gross trade debts were Rs. 2,915.976 million against which provision of Rs. 67.990 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> | <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> <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 financial statements related to revenue.</li> </ul> <p>Our key audit procedures to 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>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> |

|   |  |  |
|---|--|--|
| 2 | Inventory valuation  |  |
|   | <p>As at June 30, 2024, the Group held Rs. 1,396.960 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 5.5, 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> <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>Refer to Notes 5.5 &amp; 15 of the financial statements.</p> | <p>Our audit procedures involved assessing the Group's accounting policies over recognizing 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>• Obtained an understanding of the Group's processes and design and implementation</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> |

### 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 Unconsolidated 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.



**BDO EBRAHIM & CO.**  
**CHARTERED ACCOUNTANTS**  
**Engagement Partner: Muhammad Imran**

**Lahore**

**Dated:** October 01, 2024

**UDIN:** AR202410131NflaJtPu7

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

|   | Note | 2024<br>(Rupees in thousand) | 2023      |
|---|------|------------------------------|-----------|
| <b>ASSETS</b>                             |      |                              |           |
| <b>NON-CURRENT ASSETS</b>                 |      |                              |           |
| Property, plant and equipment             | 7    | 2,264,640                    | 2,307,469 |
| Equity - accounted investee - unlisted    | 9    | 48,871                       | 48,013    |
| Long term investment - FVOCI              | 10   | 25,174                       | 20,246    |
| Long term loans                           | 11   | 27,333                       | 37,262    |
| Long term deposits and prepayments        | 12   | 33,319                       | 22,218    |
|   |      | 2,399,337                    | 2,435,208 |
| <b>CURRENT ASSETS</b>                     |      |                              |           |
| Stores, spare parts and loose tools       | 14   | 30,925                       | 30,341    |
| Stock in trade                            | 15   | 1,396,960                    | 1,437,793 |
| Trade debts - unsecured                   | 16   | 2,602,977                    | 1,917,825 |
| Loans and advances                        | 17   | 243,947                      | 277,322   |
| Trade deposits and short term prepayments | 18   | 35,526                       | 31,864    |
| Other receivables                         | 19   | 39,251                       | 65,549    |
| Tax refund due from government            | 20   | 238,515                      | 209,904   |
| Short term investment                     | 21   | 121,000                      | 191,000   |
| Cash and bank balances                    | 22   | 66,960                       | 47,824    |
|   |      | 4,776,061                    | 4,209,422 |
| <b>TOTAL ASSETS</b>                       |      |                              |           |
|   |      | 7,175,398                    | 6,644,630 |

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER



|   | Note | 2024<br>(Rupees in thousand) | 2023      |
|---|------|------------------------------|-----------|
| <b>EQUITY AND LIABILITIES</b>                           |      |                              |           |
| <b>SHARE CAPITAL AND RESERVES</b>                       |      |                              |           |
| Authorised share capital                                | 23   | 500,000                      | 250,000   |
| Issued, subscribed and paid-up share capital            | 23   | 245,516                      | 245,516   |
| Capital reserves  |      |                              |           |
| Revaluation surplus on property, plant and equipment    | 24.3 | 1,437,720                    | 1,495,613 |
| Other reserves  | 24   | 47,575                       | 56,205    |
|   |      | 1,485,295                    | 1,551,818 |
| Revenue reserves  |      |                              |           |
| General reserve   | 24   | 285,000                      | 285,000   |
| Accumulated profits                                     | 24   | 1,444,487                    | 1,128,397 |
|   |      | 1,729,487                    | 1,413,397 |
| <b>EQUITY ATTRIBUTABLE TO THE OWNERS OF THE COMPANY</b> |      |                              |           |
|   |      | 3,460,298                    | 3,210,731 |
| <b>NON-CONTROLLING INTERESTS</b>                        |      |                              |           |
|   |      | 7,749                        | 8,101     |
| <b>TOTAL EQUITY</b>                                     |      |                              |           |
|   |      | 3,468,047                    | 3,218,832 |
| <b>NON-CURRENT LIABILITIES</b>                          |      |                              |           |
| Long term financing - secured                           | 25   | 106,092                      | 94,221    |
| Long term diminishing musharaka                         | 26   | 208,333                      | 333,333   |
| Deferred grant  | 27   | 17,524                       | 21,672    |
| Long term employee benefits                             | 28   | 157,459                      | 144,748   |
| Deferred taxation - net                                 | 13   | 134,447                      | 104,450   |
|   |      | 623,855                      | 698,424   |
| <b>CURRENT LIABILITIES</b>                              |      |                              |           |
| Trade and other payables                                | 29   | 2,141,017                    | 2,029,403 |
| Current portion of long term financing                  | 30   | 210,342                      | 228,098   |
| Unclaimed dividend                                      |      | 12,478                       | 13,106    |
| Accrued markup  | 31   | 50,024                       | 31,459    |
| Short term borrowings - secured                         | 32   | 669,635                      | 425,308   |
|   |      | 3,083,496                    | 2,727,374 |
| <b>TOTAL LIABILITIES</b>                                |      |                              |           |
|   |      | 3,707,351                    | 3,425,798 |
| <b>TOTAL EQUITY AND LIABILITIES</b>                     |      |                              |           |
|   |      | 7,175,398                    | 6,644,630 |
| <b>CONTINGENCIES AND COMMITMENTS</b>                    |      |                              |           |
|   | 33   |                              |           |

The annexed notes from 1 to 59 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED JUNE 30, 2024

|   | Note | 2024<br>(Rupees in thousand) | 2023        |
|---|------|------------------------------|-------------|
| Revenue from contract with customers - net      | 34   | 8,543,907                    | 7,347,337   |
| Cost of sales                                   | 35   | (6,822,579)                  | (5,864,417) |
| Gross profit                                    |      | 1,721,328                    | 1,482,920   |
| Selling and distribution expenses               | 36   | (717,442)                    | (583,554)   |
| Administrative and general expenses             | 37   | (231,499)                    | (209,669)   |
| Impairment loss charged during the year         | 16.3 | (67,990)                     | (73,084)    |
| Other operating expenses                        | 38   | (42,553)                     | (129,272)   |
|   |      | (1,059,484)                  | (995,579)   |
| Profit from operations                          |      | 661,844                      | 487,341     |
| Other income                                    | 39   | 68,694                       | 139,960     |
|   |      | 730,538                      | 627,301     |
| Finance cost                                    | 40   | (304,626)                    | (283,632)   |
| Share of loss of equity - accounted investee    | 9    | (6,812)                      | (7,937)     |
| Profit before income tax and final taxes        |      | 419,100                      | 335,732     |
| Minimum/ final taxes                            | 41   | 6,215                        | 19,031      |
| Profit before income tax                        |      | 425,315                      | 354,763     |
| Taxation  | 41   | (164,899)                    | (121,735)   |
| Profit after taxation                           |      | 260,416                      | 233,028     |
| Attributable to:                                |      |                              |             |
| Owners of the Company                           |      | 260,768                      | 232,652     |
| Non-controlling interests                       |      | (352)                        | 376         |
|   |      | 260,416                      | 233,028     |
| Earnings per share - basic and diluted (Rupees) | 42   | 10.62                        | 9.48        |

The annexed notes from 1 to 59 form an integral part of these financial state ments.

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2024

|  | Note   | 2024<br>(Rupees in thousand) | 2023      |
|--|--------|------------------------------|-----------|
| Profit after taxation for the year   |        | 260,416                      | 233,028   |
| 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 (loss)/gain on investment classified as FVOCI                                   | 10.2   | 4,928                        | (13,212)  |
| Related deferred tax liability on fair value (loss)/gain on investment classified as FVOCI |        | (13,558)                     | 11,400    |
|  |        | (8,630)                      | (1,812)   |
| Actuarial (loss)/gain on staff retirement benefits   | 28.1.3 | (2,571)                      | 13,127    |
| Revaluation surplus on property, plant and equipment                                       | 24.3   | -                            | 811,763   |
| Related deferred tax liability on revaluation surplus                                      | 13.2   | -                            | (131,209) |
|  |        | -                            | 680,554   |
| Total comprehensive income for the year  |        | 249,215                      | 924,897   |
| Attributable to:   |        |                              |           |
| Owners of the Company  |        | 249,567                      | 924,521   |
| Non-controlling interests  |        | (352)                        | 376       |
|  |        | 249,215                      | 924,897   |

The annexed notes from 1 to 59 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

# CONSOLIDATED STATEMENT OF CASH FLOWS

## FOR THE YEAR ENDED JUNE 30, 2024

|   | Note | 2024<br>(Rupees in thousand) | 2023           |
|---|------|------------------------------|----------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                             |      |                              |                |
| Net cash flows from operating activities before working capital changes |      |                              |                |
|   | 44   | 1,032,789                    | 839,840        |
| <b>(Increase) / decrease in current assets:</b>                         |      |                              |                |
| Stores, spare parts and loose tools                                     | 14   | (584)                        | (7,606)        |
| Stock-in-trade  | 15   | 59,387                       | 202,105        |
| Trade debts - unsecured   | 16   | (753,142)                    | (216,731)      |
| Loans and advances  | 17   | 14,147                       | (85,217)       |
| Trade deposits and short term prepayments                               | 18   | (3,662)                      | (4,888)        |
| Other receivables   | 19   | 23,048                       | (1,131)        |
|   |      | (660,806)                    | (113,468)      |
| <b>Increase in current liabilities:</b>                                 |      |                              |                |
| Trade and other payables  | 29   | 101,015                      | 205,359        |
| <b>Cash generated from operations</b>                                   |      | <b>472,998</b>               | <b>931,731</b> |
| Finance cost paid   |      | (291,841)                    | (296,675)      |
| Taxation - net  | 20.1 | (170,856)                    | (88,395)       |
| Long term employee benefit paid   |      | (32,129)                     | (31,600)       |
| Workers' Profit Participation Fund paid                                 |      | (17,879)                     | (13,248)       |
| Workers' Welfare Fund paid  |      | (7,954)                      | (4,137)        |
| Long term loans - net   |      | 18,207                       | 3,457          |
| Long term deposits (realised)/paid                                      |      | (4,586)                      | 3,678          |
|   |      | (507,038)                    | (426,920)      |
| Net cash (used in)/generated from operating activities                  |      | (34,040)                     | 504,811        |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                             |      |                              |                |
| Capital expenditure incurred  |      | (174,826)                    | (25,664)       |
| Proceeds from disposal of property, plant and equipment                 |      | 12,426                       | 22,656         |
| Mark-up received on term deposit and long term loan                     |      | 36,910                       | 21,852         |
| Short term investments made during the year                             |      | (40,000)                     | (81,000)       |
| Right shares purchased during the year                                  |      | -                            | 29,399         |
| Net cash used in investing activities                                   |      | (165,490)                    | (32,757)       |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                             |      |                              |                |
| Repayment of long term financing - net                                  |      | (10,033)                     | (108,332)      |
| (Payments)/ proceeds from long term diminishing musharaka               |      | (125,000)                    | 484,000        |
| Dividend paid   |      | (628)                        | (75,559)       |
| Repayments of short term borrowings - net                               |      | -                            | (255,552)      |
| Net cash (used in)/generated from financing activities                  |      | (135,661)                    | 44,557         |
| Net (decrease)/increase in cash and cash equivalents                    |      | (335,191)                    | 516,611        |
| Cash and cash equivalents at beginning of the year                      |      | (267,484)                    | (784,095)      |
| Cash and cash equivalents at end of the year                            | 43   | (602,675)                    | (267,484)      |

The annexed notes from 1 to 59 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## FOR THE YEAR ENDED JUNE 30, 2024

|   | Issued, subscribed and paid-up share capital | Reserves   |                  |                    |                 | Total equity attributable to owners of the Parent Company | Non controlling Interests | Total     |
|---|--|--|------------------|--------------------|-----------------|---|---------------------------|-----------|
|   |  | Revaluation surplus on property, plant and equipment | Capital reserves | Fair value reserve | General reserve | Accumulated profits                                       |                           |           |
|   |  |  |                  |                    |                 |   |                           |           |
| Balance as at July 01, 2022   | 204,597                                      | 830,273  | 34,086           | 23,931             | 285,000         | 990,162   | 7,725                     | 2,375,774 |
| Total comprehensive income for the year ended June 30, 2023   | -  | -  | -                | -                  | -               | 232,652   | 376                       | 233,028   |
| Profit after taxation for the year  | -  | -  | -                | -                  | -               | -   | -                         | (1,812)   |
| Other comprehensive income for the year   | -  | -  | -                | (1,812)            | -               | 13,127  | -                         | 13,127    |
| - Fair value gain on Investment classified as FVOCI   | -  | -  | -                | -                  | -               | -   | -                         | -         |
| - Actuarial loss on staff retirement benefits   | -  | -  | -                | -                  | -               | -   | -                         | -         |
| - Revaluation surplus on property, plant and equipment  | -  | 680,554  | -                | -                  | -               | 680,554   | -                         | 680,554   |
| Total comprehensive income for the year   | -  | 680,554  | -                | (1,812)            | -               | 245,779   | 376                       | 924,897   |
| Transfer of incremental depreciation from revaluation surplus on property, plant and machinery - net of tax | -  | -  | -                | -                  | -               | -   | -                         | -         |
| Transactions with the owners of the Company   | -  | (15,214)   | -                | -                  | -               | 15,214  | -                         | -         |
| Bonus issue during the year 1 bonus shares for every 5 shares held  | 40,919                                       | -  | -                | -                  | -               | (40,919)  | -                         | -         |
| Final cash dividend for the year ended June 30, 2022 @ Rs. 4 share  | -  | -  | -                | -                  | -               | (81,839)  | -                         | (81,839)  |
|   | 40,919                                       | (15,214)   | -                | -                  | -               | (107,544)   | -                         | (81,839)  |
| Balance as at June 30, 2023   | 245,516                                      | 1,495,613  | 34,086           | 22,119             | 285,000         | 1,128,397   | 8,101                     | 3,218,832 |
| Total comprehensive income for the year ended June 30, 2024   | -  | -  | -                | -                  | -               | 260,768   | (352)                     | 260,416   |
| Profit after taxation for the year  | -  | -  | -                | -                  | -               | -   | -                         | -         |
| Other comprehensive income for the year   | -  | -  | -                | (8,630)            | -               | (8,630)   | -                         | (8,630)   |
| - Fair value loss on Investment classified as FVOCI   | -  | -  | -                | -                  | -               | (2,571)   | -                         | (2,571)   |
| - Actuarial gain on staff retirement benefits   | -  | -  | -                | (8,630)            | -               | 258,197   | (352)                     | 249,215   |
| Total comprehensive income for the year   | -  | -  | -                | (8,630)            | -               | 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   | 7,749                     | 3,468,047 |

The annexed notes from 1 to 59 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

## 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

- 1.1** 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 is situated at 36-Industrial Estate, Kot-Lakhat, Lahore 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. |
| 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.

## 2. BASIS OF PREPARATION

### 2.1 Consolidated financial statements

These consolidated financial statements comprise the financial statements of the Parent Company and its subsidiary companies as at June 30, 2024.



**(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.

**2.2 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.

## 2.3 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.

## 2.4 Functional and presentation currency

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

## 3. CHANGE IN ACCOUNTING POLICY

During the year, the Group changed its accounting policy of recognizing the portion of income tax paid or payable for the year under the Ordinance, not based on the taxable profits of the Group, as a Levy under IFRIC-21/IAS-37 instead of the current income tax for the year under IAS-12.

The management believes that the new policy provides reliable and more relevant information to the users of the financial statements.

The change in accounting policy has been implemented, and last year's figures have been reclassified. However, the change has not been applied retrospectively because its impact on the prior year financial statements is immaterial.

## 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, 2024

The following standards, amendments and interpretations are effective for the period ended June 30, 2024. 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.

|  | Effective date<br>(annual periods<br>beginning on or after) |
|--|---|
| Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice Statement 2 Making Materiality Judgements- Disclosure of Accounting Policies      | January 01, 2023  |
| Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of Accounting Estimates                                     | January 01, 2023  |
| Amendments to IAS 12 'Income Taxes' - Deferred Tax related to Assets and Liabilities arising from a single transaction   | January 01, 2023  |
| Amendments to IAS 12 'Income Taxes' - Temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes | January 01, 2023  |

The Group adopted the narrow-scope amendments to the International Accounting Standard (IAS) 1, Presentation of Financial Statements which have been effective for annual reporting periods beginning on or after January 01, 2023. Although the amendments did not result in any changes to accounting policy themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material' rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting the Group to provide useful entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and updates to the information disclosed in Note 5 Material accounting policies (June 30, 2023: Significant accounting policies) in certain instances in line with the amendments and concluded that all its accounting policies are material for disclosure.

#### 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<br>(annual periods<br>beginning on or after) |
|--|---|
| Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements  | January 01, 2024  |
| 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 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 |
| Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability                                | January 01, 2025 |
| IFRS 17 Insurance Contracts  | January 01, 2026 |

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 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 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, 2026.

## 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 financial statements except as mentioned in note 3 to these 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 past 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 the significant risks and rewards of ownership have been transferred to the customer (i.e. after obtaining customer acknowledgment at the time of delivery of goods). Although the transfer of risks and rewards is not the only criterion to be considered to determine whether control over the goods has transferred, it is in most situations 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 on interest free loans given to staff.



### 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 to its 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 valuation 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 with related parties are based at arm's length that normal commercial rates on the same terms and conditions as applicable to third party transactions.

#### **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        |

**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>2024</b><br><b>(Number of shares)</b> | <b>2023</b>      |
|--------------------------|-----|--|------------------|
| Operating fixed assets   | 7.1 | 2,013,599                                | 2,088,939        |
| Capital work in progress | 7.2 | 40,366                                   | 1,864            |
| Right-of-use-asset       | 7.3 | 210,675                                  | 216,666          |
|                          |     | <b>2,264,640</b>                         | <b>2,307,469</b> |

## 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 | Motor vehicles | Total     |
|--|---------------|----------------------------|-----------------------------|---------------------|----------------------|-------------------|----------------------------------|------------------|------------------------|----------------|-----------|
| 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              | -                      | 73,798         | 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)                | (25,875)       | (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                  | 101,421        | 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                 | 199,977        | 2,757,172 |
| Accumulated depreciation and impairment losses | -             | (120,216)                  | (24,299)                    | (282,414)           | (41,350)             | (93,258)          | (36,494)                         | (20,889)         | (26,097)               | (98,556)       | (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                  | 101,421        | 2,013,599 |
| Net carrying value basis                       |               |                            |                             |                     |                      |                   |                                  |                  |                        |                |           |
| Year ended June 30, 2023                       |               |                            |                             |                     |                      |                   |                                  |                  |                        |                |           |
| Opening net book value (NBV)                   | 661,921       | 235,386                    | 50,661                      | 245,399             | 19,226               | 120,882           | 5,199                            | 17,925           | 9,545                  | 58,723         | 1,424,867 |
| Additions (at cost)                            | -             | -                          | 449                         | 2,919               | 6,707                | 779               | 1,294                            | 184              | 786                    | 24,852.00      | 37,970    |
| Disposals (at NBV)                             | -             | -                          | -                           | (456)               | -                    | -                 | -                                | -                | -                      | -2,617.00      | (3,073)   |
| Depreciation charge for the year               | -             | (23,595)                   | (6,825)                     | (55,560)            | (5,069)              | (16,280)          | (2,039)                          | (2,857)          | (2,339)                | (19,930)       | (134,494) |
| Revaluation /(impairment) during the year      | 402,364.00    | 166,263                    | (16,374)                    | 211,416             | -                    | -                 | -                                | -                | -                      | -              | 763,669   |
| Closing net book value                         | 1,064,285     | 378,054                    | 27,911                      | 403,718             | 20,864               | 105,381           | 4,454                            | 15,252           | 7,992                  | 61,028         | 2,088,939 |
| Gross carrying value basis                     |               |                            |                             |                     |                      |                   |                                  |                  |                        |                |           |
| Year ended June 30, 2023                       |               |                            |                             |                     |                      |                   |                                  |                  |                        |                |           |
| Cost / revalued amount                         | 1,064,285     | 456,220                    | 47,941                      | 581,907             | 57,713               | 182,547           | 38,754                           | 33,335           | 31,967                 | 133,709        | 2,628,378 |
| Accumulated depreciation and impairment losses | -             | (78,166)                   | (20,030)                    | (178,189)           | (36,849)             | (77,166)          | (34,300)                         | (18,083)         | (23,975)               | (72,681)       | (539,439) |
| 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 |
| Useful life                                    | -             | 20                         | 10 - 20                     | 2.8 - 12.5          | 10                   | 4 - 10            | 4                                | 4 - 10           | 10                     | 5              |           |

### 7.1.1 Disposal of operating assets

| Particulars of assets        | Sold to                   | Relationship with the Company | Cost   | Accumulated depreciation | Book value | Sale proceeds | Gain / (loss) | Mode of disposa |
|------------------------------|---------------------------|-------------------------------|--------|--------------------------|------------|---------------|---------------|-----------------|
|                              | Name                      |                               |        |                          |            |               |               |                 |
|                              | (Rupees in thousand)      |                               |        |                          |            |               |               |                 |
| 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         |                 |
| 2023                         |                           |                               |        |                          |            |               |               |                 |
| Plant and machinery          |                           |                               |        |                          |            |               |               |                 |
| Attritor                     | Akram Trading             | Third-party                   | 169    | 76                       | 93         | 255           | 162           | Bid             |
| Dust collectors              | Akram Trading             | Third-party                   | 22     | 10                       | 12         | -             | (12)          | Bid             |
| Brighton Pot, 700Kg          | Akram Trading             | Third-party                   | 75     | 34                       | 41         | 147           | 106           | Bid             |
| Karcher Pump 13 - 14         | Akram Trading             | Third-party                   | 163    | 83                       | 80         | 247           | 167           | Bid             |
| Donkey Pump 1"               | Akram Trading             | Third-party                   | 5      | 3                        | 2          | 8             | 6             | Bid             |
| Ms Pot#88 - Of-P-88 - 800 Kg | Akram Trading             | Third-party                   | 24     | 12                       | 12         | 36            | 24            | Bid             |
| Ms Pot#89 - Of-P-89 - 800 Kg | Akram Trading             | Third-party                   | 24     | 12                       | 12         | 36            | 24            | Bid             |
| Ms Pot#90 - Of-P-90 - 800 Kg | Akram Trading             | Third-party                   | 24     | 12                       | 12         | 36            | 24            | Bid             |
| Tom Lifter 4 (Rms-331)       | U.F. Farat Traders        | Third-party                   | 400    | 211                      | 189        | 700           | 511           | Bid             |
| Motor vehicles               |                           |                               |        |                          |            |               |               |                 |
| Toyota Corolla Lec-16-8682   | Mr. Abdul Wahid Qureshi   | Employee                      | 160    | -                        | 160        | 1,147         | 987           | Company policy  |
| Suzuki Wagon-R Lea-18-7312   | Mr. Asad Ali              | Third party                   | 1,109  | 942                      | 167        | 1,912         | 1,745         | Auction         |
| Suzuki Wagon-R Lec-18-7419   | Mr. Hassan Ali            | Third party                   | 141    | 30                       | 111        | 2,013         | 1,902         | Auction         |
| Honda City 1.3Mt             | Mr. Wajid Gohar           | Employee                      | 1,537  | 1,537                    | -          | 506           | 506           | Company policy  |
| Toyota Altis Aku-830         | Mr. Pervaiz Khan          | Employee                      | 1,995  | 964                      | 1,031      | 1,746         | 715           | Company policy  |
| Toyota Prado Leb-16-245      | Mr. Abdul Wahid Qureshi   | Employee                      | 3,555  | 3,022                    | 533        | 2,888         | 2,355         | Company policy  |
| Suzuki Wagon-R Lec-18-896    | Mr. Shahid Butt           | Employee                      | 106    | 23                       | 83         | 264           | 181           | Company policy  |
| Honda City Lef-16-5796       | Mr. Ali Asghar Qureshi    | Employee                      | 135    | 16                       | 119        | 337           | 218           | Company policy  |
| Honda City Le-18A-7638       | Mr. Zafar Iqbal           | Employee                      | 174    | 20                       | 154        | 1,812         | 1,658         | Company policy  |
| Suzuki Cultus Lef-18-5265    | Mr. Sohail Qayum          | Employee                      | 296    | 34                       | 262        | 318           | 56            | Company policy  |
| Truck Isuzu Les-6783         | Mr. Mehmood Ali           | Third-party                   | 487    | 487                      | -          | 850           | 850           | Bid             |
| Truck Isuzu Ju-4888          | Mr. Mehmood Ali           | Third-party                   | 487    | 487                      | -          | 850           | 850           | Bid             |
| Truck Isuzu Ris-1798         | Mr. Mehmood Ali           | Third-party                   | 2,250  | 2,250                    | -          | 3,274         | 3,274         | Bid             |
| Truck Isuzu Ris-1677         | Mr. Mehmood Ali           | Third-party                   | 2,250  | 2,250                    | -          | 3,274         | 3,274         | Bid             |
|                              |                           |                               | 15,588 | 12,515                   | 3,073      | 22,656        | 19,583        |                 |

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

|                             | <b>2024</b><br><b>(Rupees in thousand)</b> | 2023           |
|-----------------------------|--|----------------|
| Freehold land               | 207,183                                    | 207,183        |
| Leasehold land              | 3,287                                      | 3,381          |
| Buildings on freehold land  | 148,023                                    | 109,490        |
| Buildings on leasehold land | 33,184                                     | 40,655         |
| Plant and machinery         | 62,759                                     | 88,883         |
|                             | <b>454,436</b>                             | <b>449,592</b> |

**7.1.3** 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              |

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

**7.1.5 Particulars of immovable fixed assets**

Freehold lands of the Group are located at 28-Km, Multan Road, Lahore, measuring 92.80 Kanals and 36.10 kanals and Quaid-e-Azam Industrial Estate, Kot-Lakhpat, Lahore, measuring 4.04 Kanals and Lodhi colony Multan measuring 2.56 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.

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

|                                     |              | <b>2024</b><br><b>(Rupees in thousand)</b> | 2023           |
|-------------------------------------|--------------|--|----------------|
| Cost of sales                       | 35           | 166,199                                    | 101,577        |
| Selling and distribution expenses   | 36           | 30,510                                     | 24,275         |
| Administrative and general expenses | 37           | 13,416                                     | 13,779         |
|                                     | <b>7.1.7</b> | <b>210,125</b>                             | <b>139,631</b> |

**7.1.7** This includes depreciation on lease hold land amounting to Rs. 5.99 million (2023: Rs. 5.12 million) charged to selling and distribution expenses.

**7.1.8** The cost of fully depreciated assets which are still in use is Rs. 128.747 million (2023: Rs. 129 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 financial statements.



|                                  | Note | 2024<br>(Rupees in thousand) | 2023    |
|----------------------------------|------|------------------------------|---------|
| <b>7.3 Right-of-use-asset</b>    |      |                              |         |
| Opening net book value           |      | 216,666                      | 190,071 |
| Additions during the year        |      | -                            | -       |
| Depreciation charge for the year |      | (5,991)                      | (5,125) |
| Revaluation surplus for the year | 24   | -                            | 31,720  |
| Closing net book value           |      | 210,675                      | 216,666 |

**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.

|                             | Note | 2024<br>(Rupees in thousand) | 2023 |
|-----------------------------|------|------------------------------|------|
| <b>8. INTANGIBLE ASSETS</b> |      |                              |      |
| Computer software           | 8.1  | -                            | -    |

#### 8.1 Computer software

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

|  | Note  | 2024<br>(Rupees in thousand) | 2023   |
|--|-------|------------------------------|--------|
| <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                       | 33,387 |
| Amortization during the year   | 8.1.1 | -                            | 23     |
| As at June 30  |       | 33,410                       | 33,410 |
| Balance as at June 30  |       | -                            | -      |
| Rate of amortization   |       | 33.33%                       | 33.33% |
| <b>8.1.1</b> The amortization charge for the year has been allocated as follows: |       |                              |        |
| Administrative and general expenses  |       | -                            | 23     |

**9. EQUITY - ACCOUNTED INVESTEE - UNLISTED****Cost of investment - 3S Pharmaceutical (Private) Limited**

392,000 (2023: 98,000) fully paid ordinary  
shares of Rs. 100 each  
Add: Right shares issued during the year

**Share of loss/ (profit)**

As at July 01

**Share of loss for the year**

Share of other comprehensive income

As at July 01

Share of OCI for the year

Less: Accumulated impairment

Carrying value of investment as at June 30

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

2023

68,599

-

(6,542)

(6,812)

(13,354)

9,540

-

9,540

(15,914)

48,871

39,200

29,399

1,395

(7,937)

(6,542)

9,540

-

9,540

(23,584)

48,013

**9.1** 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.

**9.2** Summarised financial information in respect of equity - accounted investee on the basis of its separate financial statements for the year ended June 30, 2024 and June 30, 2023 are set out below:

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

2023

Non current assets

Current assets

Non current liabilities

Current liabilities

Net assets - 100%

Percentage ownership interest

Group's share of net assets

Goodwill

Other adjustment

Accumulated impairment of the investment

Revenue

Loss for the year from operations

Other comprehensive income

Group's share of income - post acquisition

75,428

36,561

(9,719)

(2,533)

99,737

49.00%

48,871

9,860

844

59,575

(15,914)

43,661

4,211

(13,902)

-

(3,814)

77,504

52,968

(1,664)

(4,535)

124,273

49.00%

60,893

9,860

844

71,597

(23,584)

48,013

18,022

(16,198)

-

2,998



|  | Note | 2024<br>(Rupees in thousand) | 2023          |
|--|------|------------------------------|---------------|
| <b>10. LONG TERM INVESTMENT - FVOCI</b>                    |      |                              |               |
| <b>Investment in equity instrument classified as FVOCI</b> |      | 25,174                       | 20,246        |
| <b>Buxly Paints Limited - listed</b>                       |      |                              |               |
| Cost   |      | 3,830                        | 3,830         |
| Fair value adjustment                                      | 10.2 | 21,344                       | 16,416        |
|  |      | <u>25,174</u>                | <u>20,246</u> |

**10.1** The Company owns 273,600 (2023: 273,600) fully paid ordinary shares of Rs. 10 each representing 19.00% (2023: 19.00%) investment of total shares in Buxly Paints Limited. As at year end, the market value of each share was Rs. 92.01 (2023: Rs. 74).

|  | Note | 2024<br>(Rupees in thousand) | 2023          |
|--|------|------------------------------|---------------|
| <b>10.2 Fair value adjustment</b>  |      |                              |               |
| As at July 01  |      | 16,416                       | 29,628        |
| Fair value (loss) / gain   |      | 4,928                        | (13,212)      |
|  |      | <u>21,344</u>                | <u>16,416</u> |
| <b>11. LONG TERM LOANS</b>   |      |                              |               |
| Opening balance  |      | 66,244                       | 69,701        |
| Disbursements during the year  |      | 4,904                        | 23,755        |
| Repayments during the year   |      | (23,111)                     | (27,212)      |
|  |      | <u>48,037</u>                | <u>66,244</u> |
| Discounting adjustment for recognition at fair value<br>- deferred employee benefits | 12   | (16,085)                     | (5,135)       |
|  |      | <u>31,952</u>                | <u>61,109</u> |
| Closing balance  |      | 31,952                       | 61,109        |
| Current portion shown under current assets   | 17   | (4,619)                      | (23,847)      |
|  |      | <u>27,333</u>                | <u>37,262</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.

**12. LONG TERM DEPOSITS AND PREPAYMENTS**

|  | Note | 2024<br>(Rupees in thousand) | 2023        |
|--|------|------------------------------|-------------|
| Deposits - unsecured   |      |                              |             |
| - Considered good  |      | 17,234                       | 17,083      |
| - Considered doubtful  | 12.1 | 5,287                        | 852         |
|  |      | <hr/>                        | <hr/>       |
|  |      | 22,521                       | 17,935      |
| Prepaid employee benefits  | 11   | 16,085                       | 5,135       |
| Less: Allowance for doubtful deposits                                  | 12.1 | (5,287)                      | (852)       |
|  |      | <hr/>                        | <hr/>       |
|  | 12.2 | 33,319                       | 22,218      |
|  |      | <hr/> <hr/>                  | <hr/> <hr/> |
| <b>12.1 Movement in allowance for doubtful deposits is as follows:</b> |      |                              |             |
| Balance as at July 01  |      | 852                          | 852         |
| Provision during the year  |      | 4,435                        | -           |
| Reversal during the year   |      | -                            | -           |
|  |      | <hr/>                        | <hr/>       |
| Balance as at June 30  |      | 5,287                        | 852         |
|  |      | <hr/> <hr/>                  | <hr/> <hr/> |

**12.2** These include deposits given to utility companies, deposits against lease and tender deposits.

**13. DEFERRED TAXATION - NET**

|   | Note | 2024<br>(Rupees in thousand) | 2023        |
|---|------|------------------------------|-------------|
| Deferred tax liability on taxable temporary differences arising in respect of |      |                              |             |
| - Accelerated tax depreciation  |      | 47,765                       | 79,041      |
| - Surplus on revaluation of fixed assets                                      |      | (234,997)                    | (272,713)   |
|   |      | <hr/>                        | <hr/>       |
|   |      | (187,232)                    | (193,672)   |
| - Fair value gain on investment classified as FVOCI                           |      | -                            | -           |
| Deferred tax asset on deductible temporary differences arising in respect of: |      |                              |             |
| - Impairment allowance on financial assets                                    |      | 51,506                       | 71,448      |
| - Investment in related parties   |      | 4,754                        | 1,491       |
| - Fair value loss on investment classified as FVOCI                           |      | (7,855)                      | 5,703       |
| - Provision for slow moving stock   |      | 4,380                        | 10,580      |
|   |      | <hr/>                        | <hr/>       |
|   |      | 52,785                       | 89,222      |
|   |      | <hr/>                        | <hr/>       |
|   |      | (134,447)                    | (104,450)   |
|   |      | <hr/> <hr/>                  | <hr/> <hr/> |

**13.1** The subsidiaries have not recognised deferred tax asset amounting to Rs. Nil (2023: Rs. 0.042) in respect of deductible temporary differences.

|   | Note | 2024<br>(Rupees in thousand) | 2023      |
|---|------|------------------------------|-----------|
| <b>13.2 Movement in deferred tax balances is as follows:</b>  |      |                              |           |
| As at July 01   |      | (104,450)                    | (1,477)   |
| Recognized in profit or loss:   |      |                              |           |
| - Accelerated tax depreciation including surplus on revaluation of fixed assets   |      | 6,440                        | 16,275    |
| - (Reversal) / charge of impairment allowance on financial assets   |      | (19,942)                     | 2,983     |
| - Minimum turnover tax  |      | -                            | (1,328)   |
| - Investment in related parties   |      | 3,263                        | 1,486     |
| - Provision for slow moving stock   |      | (6,200)                      | (2,580)   |
|   |      | (16,439)                     | 16,836    |
| Recognized in other comprehensive income:   |      |                              |           |
| - Fair value gain on investment classified as FVOCI   |      | (13,558)                     | (131,209) |
| - Surplus on revaluation of fixed assets  |      | -                            | 11,400    |
| As at June 30   |      | (134,447)                    | (104,450) |
| <b>14. STORES, SPARE PARTS AND LOOSE TOOLS</b>  |      |                              |           |
| Stores in hand  |      | 30,925                       | 30,945    |
| Stationery store  |      | -                            | 1,773     |
|   |      | 30,925                       | 32,718    |
| Less: Provision for slow moving and obsolete stores and spares - net  | 14.1 | -                            | (2,377)   |
|   |      | 30,925                       | 30,341    |
| <b>14.1 Provision for slow moving and obsolete stores, spare parts and loose tools</b>  |      |                              |           |
| Balance at beginning of the year  |      | 2,377                        | 2,339     |
| Provision charged during the year   |      | 1,773                        | 38        |
| Stores written-off against provision  |      | (4,150)                      | -         |
| Balance at end of the year  |      | -                            | 2,377     |
| <b>14.2</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. |      |                              |           |

|   | Note | 2024<br>(Rupees in thousand) | 2023      |
|---|------|------------------------------|-----------|
| <b>15. STOCK IN TRADE</b>                     |      |                              |           |
| Raw and packing materials                     |      |                              |           |
| - in hand                                     |      | 496,612                      | 589,530   |
| - in transit                                  |      | 171,249                      | 206,607   |
|   |      | 667,861                      | 796,137   |
| Semi processed goods                          |      | 168,032                      | 164,124   |
| Finished goods                                |      |                              |           |
| - Manufactured                                | 15.1 | 576,086                      | 500,924   |
| - Trading                                     |      | 81,209                       | 91,390    |
|   |      | 657,295                      | 592,314   |
|   |      | 1,493,188                    | 1,552,575 |
| Provision for slow moving and obsolete stocks | 15.2 |                              |           |
| - Raw material                                |      | (18,271)                     | (23,665)  |
| - Semi processed goods                        |      | (4,401)                      | (5,900)   |
| - Finished goods                              |      | (73,556)                     | (85,217)  |
|   |      | (96,228)                     | (114,782) |
|   |      | 1,396,960                    | 1,437,793 |

**15.1** Aggregate stocks with a cost of Rs. 13.81 million (2023: Rs. 13.43 million) are being valued at net realizable value of Rs. 9.79 million (2023: Rs. 9.24 million).

|   | Note | 2024<br>(Rupees in thousand) | 2023     |
|---|------|------------------------------|----------|
| <b>15.2 Provision for slow moving and obsolete stocks</b> |      |                              |          |
| As at the beginning of year                               |      | 114,782                      | 126,528  |
| Provision made during the year                            |      | 4,997                        | 24,258   |
| Reversal during the year                                  |      | -                            | (3,072)  |
| Write off during the year                                 |      | (23,551)                     | (32,932) |
| As at year end  |      | 96,228                       | 114,782  |

**15.3** The cost of stock in trade recognised as an expense amounted to Rs. 5,681 million (2023: Rs. 4,718 million).

**15.4** Stock-in-trade up to a maximum amount of Rs. 4,206 million (2023: Rs. 3,939 million) are under hypothecation of commercial banks as security for short term borrowings.

|   | Note      | 2024<br>(Rupees in thousand) | 2023      |
|---|-----------|------------------------------|-----------|
| <b>16. TRADE DEBTS - UNSECURED</b>  |           |                              |           |
| Considered good   |           |                              |           |
| Related parties   | 16.1&16.2 | 275,778                      | 241,351   |
| Others  |           | 2,544,034                    | 1,870,758 |
|   |           | 2,819,812                    | 2,112,109 |
| Considered doubtful   |           |                              |           |
| Related parties   | 16.1&16.2 | 9,314                        | 7,608     |
| Others  |           | 86,850                       | 135,485   |
|   |           | 96,164                       | 143,093   |
| Allowance for expected credit losses  | 16.3      | (96,164)                     | (143,093) |
| Provision for discounts   | 16.4      | (216,835)                    | (194,284) |
|   |           | (312,999)                    | (337,377) |
| Contract assets   |           | -                            | -         |
|   |           | 2,602,977                    | 1,917,825 |
| <b>16.1 Trade debts include the following amounts due from the following related parties:</b> |           |                              |           |
| Buxly Paints Pakistan Limited - related party   | 16.1.1    | 285,092                      | 248,959   |

**16.1.1** Maximum aggregate balance due from the related party at the end of any month during the year was Rs. 285.092 million (2023: Rs. 248.959 million).

**16.1.2** The Group has recognized impairment allowance on these balances as at June 30, 2024 amounting to Rs. 9.31 million (2023: Rs. 7.61 million).

|   | Note | 2024<br>(Rupees in thousand) | 2023    |
|---|------|------------------------------|---------|
| <b>16.2 Aging of related party balances</b> |      |                              |         |
| Considered good                             |      |                              |         |
| 0 - 30 days                                 |      | 153,654                      | 96,602  |
| Considered doubtful                         |      |                              |         |
| 31 - 60 days                                |      | 31,906                       | -       |
| 61 - 90 days                                |      | 27,626                       | 29,214  |
| 91 - 120 days                               |      | 31,107                       | 36,304  |
| 121 - 180 days                              |      | 40,799                       | 86,839  |
|   |      | 285,092                      | 248,959 |

|  | Note | 2024<br>(Rupees in thousand) | 2023        |
|--|------|------------------------------|-------------|
| <b>16.3 Movement in allowance for expected credit losses</b> |      |                              |             |
| Balance as at July 01  |      | 143,093                      | 177,831     |
| Provision for the year                                       |      | 67,990                       | 73,084      |
| Bad debts written off  |      | (114,919)                    | (74,643)    |
| Provision written back                                       |      | -                            | (33,179)    |
| Balance as at June 30  |      | 96,164                       | 143,093     |
| <b>16.4 Provision for discounts</b>                          |      |                              |             |
| Balance at beginning of the year                             |      | 194,284                      | 138,588     |
| Charge for the year - net                                    | 34   | 2,675,017                    | 2,196,122   |
| Discounts paid during the year                               |      | (2,652,466)                  | (2,140,426) |
| Balance at end of the year                                   |      | 216,835                      | 194,284     |
| <b>17. LOANS AND ADVANCES</b>                                |      |                              |             |
| Current portion of long term loans:                          |      |                              |             |
| Due from employees   |      |                              |             |
| - secured, considered good                                   |      | 3,086                        | 22,314      |
| - considered doubtful  |      | 1,533                        | 1,533       |
|  | 11   | 4,619                        | 23,847      |
| Less: Impairment allowance                                   | 17.1 | (1,533)                      | (1,533)     |
|  |      | 3,086                        | 22,314      |
| Advances - unsecured, considered good:                       |      |                              |             |
| - employees  |      | 5,335                        | 1,341       |
| - suppliers  |      | 235,526                      | 253,667     |
|  |      | 240,861                      | 255,008     |
|  |      | 243,947                      | 277,322     |
| <b>17.1 Movement in impairment allowance is as follows:</b>  |      |                              |             |
| Balance as at July 01  |      | 1,533                        | 1,250       |
| Charged/(reversed) during the year                           |      | -                            | 283         |
| Balance as at June 30  |      | 1,533                        | 1,533       |
| <b>18. TRADE DEPOSITS AND SHORT TERM PREPAYMENTS</b>         |      |                              |             |
| Trade deposits   |      |                              |             |
| - considered good  |      | 22,209                       | 18,536      |
| - considered doubtful  |      | 11,390                       | 11,390      |
|  |      | 33,599                       | 29,926      |
| Less: Impairment allowance                                   | 18.1 | (11,390)                     | (11,390)    |
|  |      | 22,209                       | 18,536      |
| Short term prepayments                                       |      | 13,317                       | 13,328      |
|  |      | 35,526                       | 31,864      |

|   | Note | 2024<br>(Rupees in thousand) | 2023            |
|---|------|------------------------------|-----------------|
| <b>18.1 Movement in impairment allowance is as follows:</b> |      |                              |                 |
| Balance as at July 01                                       |      | 11,390                       | 10,515          |
| Provision made during the year                              |      | -                            | 875             |
| Balance as at June 30                                       |      | 11,390                       | 11,390          |
| <b>19. OTHER RECEIVABLES</b>                                |      |                              |                 |
| LC margin   |      | 22,848                       | 20,363          |
| Receivable from related parties                             | 19.1 | 2,512                        | -               |
| Export rebate   |      | 10,565                       | 10,536          |
| Provision against export rebate                             | 19.5 | (9,736)                      | (9,736)         |
| Accrued interest  |      | 829                          | 800             |
| Insurance claim receivable                                  |      | 10,760                       | 14,010          |
| - considered good   |      | 681                          | 1,608           |
| - considered doubtful                                       |      | 911                          | -               |
| Less: Impairment allowance                                  | 19.2 | 1,592<br>(911)               | 1,608<br>-      |
| Others  |      | 681                          | 1,608           |
| Due from provident fund                                     | 19.6 | 1,621<br>-                   | 6,702<br>22,066 |
|   |      | 39,251                       | 65,549          |

**19.1 Other receivables include the following amounts due from the following related parties:**

|   | Note           | 2024<br>(Rupees in thousand) | 2023             |
|---|----------------|------------------------------|------------------|
| Buxly Paints Pakistan Limited - related party       | 19.1.1         | -                            | 1,338            |
| 3S Pharmaceutical (Private) Limited - related party | 19.1.2         | 5,824                        | 3,879            |
| Less: Impairment allowance                          | 19.1.3<br>19.4 | 5,824<br>(3,312)             | 5,217<br>(5,217) |
|   |                | 2,512                        | -                |

**19.1.1** Maximum aggregate balance due from the related party at the end of any month during the year was Rs. 1.33 million (2023: Rs. 77.87 million).

**19.1.2** Maximum aggregate balance due from the related party at the end of any month during the year was Rs. 5.82 million. (2023: Rs. 3.43 million).

**19.1.3** This represents receivables related to sharing of common expenses under normal trade as per agreed terms.



|   | Note | 2024<br>(Rupees in thousand) | 2023      |
|---|------|------------------------------|-----------|
| <b>19.2 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>19.3 Aging of related party balances</b>   |      |                              |           |
| Past due 0 - 30 days  |      | 582                          | -         |
| Past due 31 - 60 days   |      | -                            | 440       |
| Past due 61 - 90 days   |      | 1,398                        | 551       |
| Past due 91 - 120 days  |      | 408                          | 1,554     |
| Past due 121 - 180 days   |      | 291                          | 222       |
| Past due 181 - 364 days   |      | -                            | 465       |
| Past due over one year  |      | 3,145                        | 1,985     |
|   |      | 5,824                        | 5,217     |
| <b>19.4 Movement in impairment allowance is as follows:</b>   |      |                              |           |
| Balance as at July 01   |      | 5,217                        | 5,380     |
| Charged/(reversed) during the year  |      | (1,905)                      | (163)     |
| Balance as at June 30   |      | 3,312                        | 5,217     |
| <b>19.5 Movement in provision against export rebate is as follows:</b>  |      |                              |           |
| Balance as at July 01   |      | 9,736                        | 11,824    |
| Provision for the year  |      | -                            | -         |
| Written off during the year   |      | -                            | (2,088)   |
| Balance as at June 30   |      | 9,736                        | 9,736     |
| <b>19.6</b>   |      |                              |           |
| This represents excess contribution to the provident fund due to the payment to ex employees on behalf on provident fund.   |      |                              |           |
| <b>20. TAX REFUND DUE FROM GOVERNMENT</b>   | Note | 2024<br>(Rupees in thousand) | 2023      |
| Tax refund due from Government  | 20.2 | 216,861                      | 259,518   |
| Taxation net  | 20.1 | 21,654                       | (49,614)  |
|   |      | 238,515                      | 209,904   |
| <b>20.1 Taxation net</b>  |      |                              |           |
| Addition: advance taxes and taxes withheld  |      | 189,923                      | 88,395    |
| Adjustments during the year   |      | -                            | (22,570)  |
| Provision for the year  | 41   | (168,269)                    | (115,439) |
| Closing balance   |      | 21,654                       | (49,614)  |
| <b>20.2</b>   |      |                              |           |
| During the 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. |      |                              |           |

|                                   | Note | 2024<br>(Rupees in thousand) | 2023           |
|-----------------------------------|------|------------------------------|----------------|
| <b>21. SHORT TERM INVESTMENT</b>  |      |                              |                |
| At amortised cost                 |      |                              |                |
| Term deposit receipts (TDRs)      |      |                              |                |
| JS Bank Limited                   | 21.1 | 71,000                       | 31,000         |
| National Bank of Pakistan Limited | 21.2 | -                            | 110,000        |
| Bank Islami Pakistan Limited      | 21.3 | 50,000                       | 50,000         |
|                                   |      | <u>121,000</u>               | <u>191,000</u> |

**21.1** This represents, investment in Term Deposit Receipts (TDRs) with the JS Bank Limited, having a maturity periods of one year and maturing between July 21, 2024 to April 18, 2025. These carry mark-up ranging from 15.00% to 22.00% (2023: 7% to 20%) per annum.

**21.2** This represents, investment in Term Deposit Receipts (TDRs) with the National Bank of Pakistan, having a maturity period of three months and maturing on July 19, 2023. These carry mark-up ranging from Nil (2023: 10.75% to 20.10%) per annum.

**21.3** This represents, investment in Term Deposit Receipts (TDRs) with the Bank Islami Pakistan Limited, having a maturity period of one year and maturing on April 02, 2025. This carries mark-up of 18% per annum.

**21.4** The balance includes Nil (2023: Rs. 110 million) which has been included in cash and cash equivalents in note 43 to these financial statements.

|                                   | Note | 2024<br>(Rupees in thousand) | 2023          |
|-----------------------------------|------|------------------------------|---------------|
| <b>22. CASH AND BANK BALANCES</b> |      |                              |               |
| Cash at bank:                     |      |                              |               |
| Local currency                    |      |                              |               |
| - current accounts                |      | 65,902                       | 46,808        |
| - deposit accounts                | 22.1 | 408                          | 408           |
| Cash in hand                      |      | 650                          | 608           |
|                                   |      | <u>66,960</u>                | <u>47,824</u> |

**22.1** The balances in deposit accounts bear mark up which ranges from 2% to 6% per annum (2023: 2% to 6% per annum).

## 23. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

|  | 2024<br>(Number of shares) | 2023              | 2024<br>(Rupees in thousand) | 2023           |
|--|----------------------------|-------------------|------------------------------|----------------|
| <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 | 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> |

**23.1** As at June 30, 2024, Slotrapid Limited, the Holding Company, and their nominees hold 12,779,176 (2023: 12,779,176) voting ordinary shares of Rs. 10 each representing 52.05% (2023: 52.05%) of the ordinary paid up capital of the Company.

|  | Note | 2024<br>(Rupees in thousand) | 2023    |
|--|------|------------------------------|---------|
| <b>23.2 Movement of share capital is as follows:</b> |      |                              |         |
| Opening balance                                      |      | 245,516                      | 204,597 |
| Bonus shares issued during the year                  | 23.3 | -                            | 40,919  |
| Closing balance                                      |      | 245,516                      | 245,516 |

**23.3** The Parent Company has issued bonus shares in the proportion of 1 for every 5 shares held having face value of Rs. 10 each as approved by the Board of Directors of the Parent Company vide its resolution dated June 13, 2023.

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

|   | Note   | 2024<br>(Rupees in thousand) | 2023      |
|---|--------|------------------------------|-----------|
| <b>24. RESERVES</b>   |        |                              |           |
| <b>Capital reserves</b>   |        |                              |           |
| Share premium reserve   | 24.1   | 34,086                       | 34,086    |
| Fair value reserve - net of tax                                   | 24.2   | 13,489                       | 22,119    |
|   |        | 47,575                       | 56,205    |
| Revaluation surplus on property, plant and machinery - net of tax | 24.3   | 1,437,720                    | 1,495,613 |
|   |        | 1,485,295                    | 1,551,818 |
| <b>Revenue reserves</b>   |        |                              |           |
| General reserve   | 24.3.3 | 285,000                      | 285,000   |
| Accumulated profits   |        | 1,444,487                    | 1,128,397 |
|   |        | 1,729,487                    | 1,413,397 |
|   |        | 3,214,782                    | 2,965,215 |

**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 | 2024<br>(Rupees in thousand) | 2023      |
|---|------|------------------------------|-----------|
| <b>24.3 Revaluation surplus on property, plant and machinery - net of tax</b> |      |                              |           |
| As at beginning of the year   |      | 1,495,613                    | 830,273   |
| Surplus arising on revaluation:   |      |                              |           |
| Freehold and leasehold land   | 7.1  | -                            | 434,084   |
| Building on freehold  | 7.1  | -                            | 108,502   |
| Plant and machinery   | 7.1  | -                            | 137,968   |
|   |      | -                            | 680,554   |
|   |      | 1,495,613                    | 1,510,827 |
| Incremental depreciation - net of tax   |      | (57,893)                     | (15,214)  |
|   |      | 1,437,720                    | 1,495,613 |

**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.

|  | Note | 2024<br>(Rupees in thousand) | 2023     |
|--|------|------------------------------|----------|
| <b>25. LONG TERM FINANCING - SECURED</b>         |      |                              |          |
| Secured  |      |                              |          |
| Mark-up based financing from conventional banks: |      |                              |          |
| JS Bank Limited                                  | 25.1 | 27,873                       | 35,998   |
| National Bank of Pakistan Limited                | 25.2 | 58,974                       | 65,018   |
|  |      | 86,847                       | 101,016  |
| Islamic mode of financing:                       |      |                              |          |
| First Habib Modaraba                             | 25.3 | 55,739                       | 20,823   |
| Bank Islami Pakistan Limited                     |      | 2,083                        | 27,083   |
|  |      | 57,822                       | 47,906   |
|  |      | 144,669                      | 148,922  |
| Mark-up based financing from conventional banks: |      |                              |          |
| Current portion shown under current liabilities  | 30   | (20,781)                     | (23,518) |
| Islamic mode of financing:                       |      |                              |          |
| Current portion shown under current liabilities  | 30   | (17,796)                     | (31,183) |
|  |      | (38,577)                     | (54,701) |
|  |      | 106,092                      | 94,221   |

**25.1** 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 Islamabad factory of the Parent Company.

**25.2** 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 5% per annum. This facility was secured against exclusive charge amounting to Rs. 134 million over all fixed assets of the Company.

|                                      | Note    | 2024<br>(Rupees in thousand) | 2023          |
|--------------------------------------|---------|------------------------------|---------------|
| <b>25.3 First Habib Modaraba</b>     |         |                              |               |
| - First Habib Modaraba - facility 1  | 25.3.1  | 1,135                        | 1,767         |
| - First Habib Modaraba - facility 2  | 25.3.2  | 2,376                        | 3,212         |
| - First Habib Modaraba - facility 3  | 25.3.3  | 793                          | 1,099         |
| - First Habib Modaraba - facility 4  | 25.3.4  | 2,732                        | 3,748         |
| - First Habib Modaraba - facility 5  | 25.3.5  | 1,229                        | 1,704         |
| - First Habib Modaraba - facility 6  | 25.3.6  | 4,832                        | 6,225         |
| - First Habib Modaraba - facility 7  | 25.3.7  | 2,499                        | 3,068         |
| - First Habib Modaraba - facility 8  | 25.3.8  | 17,735                       | -             |
| - First Habib Modaraba - facility 9  | 25.3.9  | 4,130                        | -             |
| - First Habib Modaraba - facility 10 | 25.3.10 | 18,278                       | -             |
|                                      |         | <b>55,739</b>                | <b>20,823</b> |

**25.3.1** 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's KIBOR plus 1.5% 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.

**25.3.2** 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'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.

**25.3.3** 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.

**25.3.4** 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.

**25.3.5** 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.

**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.

**25.4** The Company has total credit facilities of Rs. 363 million (2023: Rs. 363 million) at the year end. Whereas the Company has availed credit facilities of Rs. 363 million (2023: Rs. 363 million) and unavailed credit facilities of Nil (2023: Nil) at the year end.

|   | Note | 2024<br>(Rupees in thousand) | 2023           |
|---|------|------------------------------|----------------|
| <b>26. LONG TERM DIMINISHING MUSHARAKA</b>      |      |                              |                |
| Secured   |      |                              |                |
| Berger Paints Pakistan Limited (BPPL) -         |      |                              |                |
| Sukuk of Rs. 500 million                        | 26.1 | 375,000                      | 500,000        |
| Current portion shown under current liabilities | 30   | (166,667)                    | (166,667)      |
|   |      | <u>208,333</u>               | <u>333,333</u> |

**26.1** During the year ended June 30, 2024, the Parent Company issued Rs. Nil (2023: Rs. 484 million) BPPL Sukuk certificates, having face value of Rs. 1 million each aggregating to Rs. Nil (2023: 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. Nil (2023: 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>27. DEFERRED GRANT</b>                | <b>Note</b> | <b>2024<br/>(Rupees in thousand)</b> | <b>2023</b> |
|--|-------------|--------------------------------------|-------------|
| Balance as at July 01                    |             | 28,402                               | 3,630       |
| Recognised during the year               |             | 31,073                               |             |
| Reversed during the year                 |             | -                                    | -           |
| Amortization of grant during the year    | 39          | (5,780)                              | (6,301)     |
|  |             | 22,622                               | 28,402      |
| Less: current portion of deferred grants | 30          | (5,098)                              | (6,730)     |
| Balance as at June 30                    |             | 17,524                               | 21,672      |

**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>28. LONG TERM EMPLOYEE BENEFITS</b>   | <b>Note</b> | <b>2024<br/>(Rupees in thousand)</b> | <b>2023</b> |
|--|-------------|--------------------------------------|-------------|
| <b>Defined benefit plan</b>              |             |                                      |             |
| Staff pension fund                       | 28.1        | 7,255                                | 24,616      |
| Staff gratuity fund                      | 28.1        | 122,133                              | 95,404      |
|  |             | 129,388                              | 120,020     |
| <b>Other long term employee benefits</b> |             |                                      |             |
| Accumulating compensated absences        | 28.2        | 28,071                               | 24,728      |
|  |             | 157,459                              | 144,748     |

**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, 2024. Projected Unit Credit method based on the following assumptions was used for these valuations:

|                                       | <b>2024</b>                 | <b>2023</b>                 |
|---------------------------------------|-----------------------------|-----------------------------|
| Valuation discount rate               | 14.00%                      | 15.75%                      |
| Expected rate of increase in salaries | 13.00%                      | 14.75%                      |
| Withdrawal rates                      | Age-Based<br>(per appendix) | Age-Based<br>(per appendix) |
| Expected mortality rate               | SLIC (2001-05)              | SLIC (2001-05)              |
| Retirement age                        | 60 years                    | 60 years                    |



## 28.1 Statement of financial position reconciliation

|   | 2024                             |                | 2023          |               |
|---|----------------------------------|----------------|---------------|---------------|
|   | Pension                          | Gratuity       | Pension       | Gratuity      |
|   | ..... (Rupees in thousand) ..... |                |               |               |
| Present value of defined benefit obligation | 99,248                           | 152,584        | 86,770        | 126,579       |
| Fair value of plan assets                   | (91,993)                         | (30,451)       | (62,154)      | (31,175)      |
|   | <u>7,255</u>                     | <u>122,133</u> | <u>24,616</u> | <u>95,404</u> |

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

|   |               |                |               |                |
|---|---------------|----------------|---------------|----------------|
| Obligation as at July 01                                  | 86,770        | 126,579        | 101,260       | 110,999        |
| Employees' contribution not paid to the fund by the Group | 1,627         | -              | 1,573         | -              |
| Service cost  | 2,333         | 16,435         | 2,215         | 15,091         |
| Interest cost   | 13,444        | 19,532         | 13,866        | 13,321         |
| Benefits paid   | (2,818)       | (5,129)        | (4,435)       | (20,934)       |
| Remeasurement loss / (gain)                               | (2,108)       | (4,833)        | (27,709)      | 8,102          |
| Obligation as at June 30                                  | <u>99,248</u> | <u>152,584</u> | <u>86,770</u> | <u>126,579</u> |

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

|  |               |               |               |               |
|--|---------------|---------------|---------------|---------------|
| Fair value as at July 01                           | 62,154        | 31,175        | 59,471        | 28,267        |
| Expected return on plan assets                     | 11,536        | 4,910         | 8,326         | 3,745         |
| Remeasurement loss                                 | (3,879)       | (5,634)       | (5,643)       | (837)         |
| Group's contribution                               | 25,000        | 5,129         | 4,435         | 20,934        |
| Fund transferred back to the Group during the year | -             | -             | -             | -             |
| Benefits paid                                      | (2,818)       | (5,129)       | (4,435)       | (20,934)      |
| Fair value as at June 30                           | <u>91,993</u> | <u>30,451</u> | <u>62,154</u> | <u>31,175</u> |

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

|   |              |                |               |               |
|---|--------------|----------------|---------------|---------------|
| Net liability as at July 01                               | 24,616       | 95,405         | 41,790        | 82,733        |
| Charge for the year                                       | 4,241        | 31,057         | 7,755         | 24,667        |
| Charge to other comprehensive income during the year      | 1,771        | 800            | (22,067)      | 8,939         |
| Group's contribution                                      | (25,000)     | (5,129)        | (4,435)       | (20,934)      |
| Fund transferred back to the Group during the year        | -            | -              | -             | -             |
| Employees' contribution deducted but not paid to the fund | 1,627        | -              | 1,573         | -             |
| Net liability as at June 30                               | <u>7,255</u> | <u>122,133</u> | <u>24,616</u> | <u>95,405</u> |

### 28.1.4 Charge for the year - net

|                                |              |               |              |               |
|--------------------------------|--------------|---------------|--------------|---------------|
| Current service cost           | 2,333        | 16,435        | 2,215        | 15,091        |
| Interest cost                  | 13,444       | 19,532        | 13,866       | 13,321        |
| Expected return on plan assets | (11,536)     | (4,910)       | (8,326)      | (3,745)       |
| Loss on settlements            | -            | -             | -            | -             |
|                                | <u>4,241</u> | <u>31,057</u> | <u>7,755</u> | <u>24,667</u> |

|  | 2024                             |          | 2023    |          |
|--|----------------------------------|----------|---------|----------|
|  | Pension                          | Gratuity | Pension | Gratuity |
|  | ..... (Rupees in thousand) ..... |          |         |          |
| <b>28.1.5 Actual return on plan assets</b>                           | 7,657                            | (724)    | 2,683   | 2,908    |
| <b>28.1.6 The charge for the year has been allocated as follows:</b> |                                  |          |         |          |
| Cost of sales  | 121                              | 3        | 3,354   | 11,206   |
| Selling and distribution expenses                                    | 229,660                          | 67,990   | 3,518   | 9,195    |
| Administrative and general expenses                                  | 1,375                            | 855      | 883     | 4,266    |
|  | 231,156                          | 68,848   | 7,755   | 24,667   |
| <b>28.1.7 Plan assets comprise of the following:</b>                 |                                  |          |         |          |
| Collective investment schemes  | 60,000                           | 25,000   | 60,000  | 25,000   |
| Cash at bank   | 31,993                           | 5,451    | 2,154   | 6,175    |
|  | 91,993                           | 30,451   | 62,154  | 31,175   |

**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,                              | 2024                             | 2023     | 2022     | 2021      | 2020     |
|---|----------------------------------|----------|----------|-----------|----------|
|   | ..... (Rupees in thousand) ..... |          |          |           |          |
| Present value of defined benefit obligation |                                  |          |          |           |          |
| Fair value of plan assets                   | 251,832                          | 213,349  | 212,260  | 187,505   | 164,016  |
| Deficit                                     | (122,444)                        | (93,329) | (87,735) | (133,147) | (54,064) |
|   | 129,388                          | 120,020  | 124,525  | 54,358    | 109,952  |
| Experience adjustment:                      |                                  |          |          |           |          |
| Loss / (gain) on obligations                |                                  |          |          |           |          |
| Gain on plan assets                         | (6,941)                          | (19,607) | 6,195    | 5,746     | (4,810)  |
|   | 16,446                           | 12,071   | 10,814   | 7,783     | 6,317    |

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, 2025 works out to Rs. 3.97 million and Rs. 36.07 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, 2024 would have been as follows:

#### Impact on present value of defined benefit obligation as at June 30, 2024

|               |      | Pension                          |             | Gratuity    |             |
|---------------|------|----------------------------------|-------------|-------------|-------------|
| Change        |      | Increase to                      | Decrease to | Increase to | Decrease to |
|               |      | ..... (Rupees in thousand) ..... |             |             |             |
| Discount rate | + 1% | 82,152                           | 119,903     | 138,135     | 168,550     |
| Future salary | + 1% | 109,635                          | 89,849      | 168,546     | 138,133     |

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   | 2024<br>(Rupees in thousand) | 2023    |
|--|--------|------------------------------|---------|
| <b>28.2 Other long term employee benefits</b>              |        |                              |         |
| <b>Movement in accumulated compensated absences</b>        |        |                              |         |
| Balance as at July 01                                      |        | 24,728                       | 19,488  |
| Provision during the year                                  | 28.2.2 | 6,970                        | 13,041  |
| Payments made during the year                              |        | (3,627)                      | (7,801) |
| Balance as at June 30                                      |        | 28,071                       | 24,728  |
| <b>28.2.1 Reconciliation of present value of liability</b> |        |                              |         |
| Present value of liability as at July 01                   |        | 24,728                       | 19,488  |
| Service cost   |        | 3,098                        | 2,271   |
| Interest on defined benefit liability                      |        | 3,609                        | 2,065   |
| Benefits paid  |        | (3,627)                      | (7,801) |
| Remeasurement gain   |        | 263                          | 8,705   |
| Present value of liability as at June 30                   |        | 28,071                       | 24,728  |



|   | Note | 2024<br>(Rupees in thousand) | 2023             |
|---|------|------------------------------|------------------|
| <b>29. TRADE AND OTHER PAYABLES</b>           |      |                              |                  |
| Trade and other creditors                     |      | 1,431,742                    | 1,178,134        |
| Import bills payable                          |      | 183,532                      | 316,196          |
| Contract liabilities                          | 34.4 | 137,526                      | 80,111           |
| Accrued expenses                              |      | 76,483                       | 131,707          |
| Provision for infrastructure cess             | 29.1 | 96,087                       | 96,087           |
| Royalty payable to related parties            | 29.3 | 40,158                       | 40,158           |
| Technical fee payable                         |      | 40,090                       | 40,090           |
| Workers' Profits Participation Fund           | 29.4 | 29,199                       | 22,478           |
| Workers' Welfare Fund                         | 29.5 | 10,628                       | 8,817            |
| Due to statutory authorities                  |      | 5,621                        | 9,634            |
| Others  | 29.6 | 54,237                       | 41,699           |
| Sales tax payable                             |      | 35,019                       | 64,292           |
| Due to provident fund                         |      | 695                          | -                |
|   |      | <b>2,141,017</b>             | <b>2,029,403</b> |
| <b>29.1 Provision for infrastructure cess</b> |      |                              |                  |
| Balance as at July 01                         |      | 96,087                       | 96,087           |
| Provision for the year                        |      | -                            | -                |
| Balance as at June 30                         |      | <b>96,087</b>                | <b>96,087</b>    |

**29.2** 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.

|  | 2024<br>(Rupees in thousand) | 2023          |
|--|------------------------------|---------------|
| <b>29.3 This includes amount due to the following related parties:</b> |                              |               |
| Slotrapid Limited - Holding Company                                    | 40,126                       | 40,126        |
| Buxly Paints Limited - Associated Company                              | 32                           | 32            |
|  | <b>40,158</b>                | <b>40,158</b> |
| <b>29.4 Workers' Profits Participation Fund</b>                        |                              |               |
| Balance as at July 01  | 22,478                       | 17,920        |
| Allocation for the year  | 23,432                       | 17,806        |
| Interest on funds utilized in the Company's business                   | 1,168                        | 944           |
|  | <b>47,078</b>                | <b>31,390</b> |
| Payments during the year   | (17,879)                     | (14,192)      |
| Balance as at June 30  | <b>29,199</b>                | <b>17,198</b> |

**29.4.1** Interest on outstanding liability towards Workers' Profit Participation Fund is charged at bank rate plus 2% per annum as required under the Companies Profits (Workers' Participation) Act, 1968.

|  | Note   | 2024<br>(Rupees in thousand) | 2023     |
|--|--------|------------------------------|----------|
| <b>29.5 Workers' welfare Fund</b>  |        |                              |          |
| Balance as at July 01  |        | 8,817                        | 19,470   |
| Allocation for the year  |        | 9,765                        | 7,370    |
| Interest on funds utilized in the Company's business   |        | -                            | 82       |
|  |        | 18,582                       | 26,922   |
| Payments/adjustments during the year   |        | (7,954)                      | (18,105) |
| Balance as at June 30  |        | 10,628                       | 8,817    |
| <b>29.6 Advance against sale of vehicle from</b>   |        |                              |          |
| Deduction from salaries  | 29.6.1 | 22,582                       | 12,742   |
| <b>29.6.1</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. |        |                              |          |
|  | Note   | 2024<br>(Rupees in thousand) | 2023     |
| <b>30. CURRENT PORTION OF LONG TERM FINANCING</b>  |        |                              |          |
| Current portion of long term financing   | 25     | 38,577                       | 54,701   |
| Current portion of long term diminishing musharaka   | 26     | 166,667                      | 166,667  |
| Current portion of deferred income   | 27     | 5,098                        | 6,730    |
|  |        | 210,342                      | 228,098  |
| <b>31. ACCRUED MARKUP</b>  |        |                              |          |
| Mark-up based borrowings from conventional banks   |        |                              |          |
| Long term financing - secured  |        | 1,411                        | 396      |
| Short term running finances - secured  |        | 47,728                       | 24,991   |
|  |        | 49,139                       | 25,387   |
| Mark-up based borrowings from Islamic banks  |        |                              |          |
| Long term financing - secured  |        | -                            | 1,724    |
| Long term diminishing musharaka - secured  |        | 885                          | 1,293    |
| Short term financing - secured   |        | -                            | 1,605    |
| Short term running finances - secured  |        | -                            | 1,450    |
|  |        | 50,024                       | 31,459   |
| <b>32. SHORT TERM BORROWINGS - SECURED</b>   |        |                              |          |
| Mark-up based borrowings from conventional banks   |        |                              |          |
| Short term running finance - secured   | 32.1   | 585,716                      | 268,720  |
| Mark-up based borrowings from Islamic banks  |        |                              |          |
| Short term running finance - secured   | 32.2   | 83,919                       | 156,588  |
|  |        | 669,635                      | 425,308  |

**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. 1,150 million (2023: Rs. 1,019 million). These facilities are secured against joint pari passu charge over all the present and future current assets of the Parent Company and carry mark-up at rates ranging between 22.92% and 23.80% (2023: 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. 200 million (2023: Rs. 200 million). These facilities are secured against registered charge over the current assets of the Parent Company and carry mark-up at rates ranging between 23.27% and 23.78% (2023: 15.56% and 22.95%) per annum, payable quarterly.

**32.3** The Group has total credit facilities of Rs. 1,550 million (2023: 1,450 million) at the year end. Whereas the Parent Company has availed credit facilities of Rs. 1,550 million (2023: Rs. 1,450 million) and unavailed credit facilities of Nil (2023: 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 Parent 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 Parent 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 Parent 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 Parent 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 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. 48.94 million for tax years 2014, 2015, and 2016 vide various assessment orders. The Parent Company through its legal counsel filed appeals to Commissioner Inland Revenue Appeals (CIR - A) against the said orders, the CIR-A provided relief amounting to Rs. 7.4 million and 2.7 million for tax year 2014 and 2015 respectively and upheld the demand of tax year 2016. Being aggrieved from the CIR-A orders, the Parent Company through its legal counsel filed appeals before ATIR which are still 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 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 Parent 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 Parent Company through its legal counsel had filed an appeal before ACIR which is pending adjudication. The management believes that it has a strong arguable case and matter will be decided in favor of the Parent 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 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 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 April 16, 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 Parent 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 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 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 Parent Company filed an appeal before Commissioner IR Appeals-1(CIR-A) Lahore. The CIR-A through order dated April 11, 2023 decided appeal partially in favor of the Parent Company. The Parent Company filed appeal against CIR-A order before ATIR, the appeal has been heard on March 01, 2024. No judgment has been released as of yet. The Parent Company is expecting a favorable outcome, accordingly no provision has been recorded in the books of accounts.
- l) The Company is facing claims, launched in the labor courts, pertaining to staff retirement benefits, salaries and others related matters. The claims amount cannot be quantified due to nature of the claims.

**33.2** Outstanding letters of guarantee as at June 30, 2024 amounts to Rs. 138 million (2023: Rs. 125.14 million).

### 33.3 Commitments

Outstanding letters of credit as at June 30, 2024 amounts to Rs. 636 million (2023: Rs. 804.83 million) for purchase of raw and packing materials.

|   | Note | 2024<br>(Rupees in thousand) | 2023               |
|---|------|------------------------------|--------------------|
| <b>34. REVENUE FROM CONTRACT WITH CUSTOMERS</b> |      |                              |                    |
| Local   | 34.6 | 13,188,341                   | 11,148,076         |
| Export  |      | 56,586                       | 55,288             |
|   |      | <u>13,244,927</u>            | <u>11,203,364</u>  |
| Less:   |      |                              |                    |
| Discounts                                       |      | (2,675,017)                  | (2,196,122)        |
| Sales tax                                       |      | (2,026,003)                  | (1,659,905)        |
|   |      | <u>(4,701,020)</u>           | <u>(3,856,027)</u> |
|   |      | <u>8,543,907</u>             | <u>7,347,337</u>   |

**34.1** 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.

|   | 2024<br>(Rupees in thousand) | 2023             |
|---|------------------------------|------------------|
| <b>34.2 Timing of revenue recognition - net</b>   |                              |                  |
| Goods and services transferred at a point in time | <u>8,543,907</u>             | <u>7,347,337</u> |
| <b>34.3 Geographical market</b>                   |                              |                  |
| Pakistan  | 8,487,321                    | 7,292,049        |
| Afghanistan                                       | 56,586                       | 55,288           |
|   | <u>8,543,907</u>             | <u>7,347,337</u> |

### 34.4 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. 137.52 million (2023: Rs. 80.11 million). Revenue recognized during the reporting period which was included in the contract liabilities at the beginning of the period amounted to Rs. 80.11 million (2023: Rs. 45.16 million).

|   | 2024<br>(Rupees in thousand) | 2023          |
|---|------------------------------|---------------|
| <b>34.5 Movement of contract liabilities is as follows:</b> |                              |               |
| Opening balance   | 80,111                       | 50,240        |
| Advance received  | 137,526                      | 80,111        |
| Income recongised   | (80,111)                     | (50,240)      |
| Closing balance   | <u>137,526</u>               | <u>80,111</u> |

**34.6** This includes an amount of Rs. 414.703 million and Rs. 35.556 million (2023: Rs. 331.079 million and Rs. 31.839 million) charged to Buxly Paints Limited, a related party of the Group for material and toll manufacturing, respectively.

|  | Note  | 2024<br>(Rupees in thousand) | 2023             |
|--|-------|------------------------------|------------------|
| <b>35. COST OF SALES</b>                           |       |                              |                  |
| Finished goods as at July 01                       |       | 500,924                      | 501,776          |
| Cost of goods manufactured                         | 35.1  | 6,881,118                    | 5,822,539        |
| Provision /(reversal) slow moving finished goods   |       | (11,661)                     | 10,676           |
| Less: Finished goods as at June 30                 | 15    | (576,086)                    | (500,924)        |
| Consumption of finished goods purchased for resale | 35.4  | 28,284                       | 30,350           |
| Cost of sales                                      |       | <u>6,822,579</u>             | <u>5,864,417</u> |
| <b>35.1 Cost of goods manufactured</b>             |       |                              |                  |
| Raw and packing materials consumed                 | 35.2  | 5,798,296                    | 4,904,449        |
| Freight and handling                               | 35.6  | 340,580                      | 283,259          |
| Stores and spare parts consumed                    |       | 9,047                        | 9,575            |
| Salaries, wages and other benefits                 | 35.3  | 133,943                      | 124,086          |
| Contracted services                                | 35.5  | 168,733                      | 193,118          |
| Travelling and conveyance                          |       | 17,375                       | 16,824           |
| Fuel, water and power                              |       | 154,236                      | 92,809           |
| Legal and professional                             |       | 1,049                        | 1,589            |
| Rent, rates and taxes                              |       | 177                          | 439              |
| Insurance  |       | 8,550                        | 9,479            |
| Repairs and maintenance                            |       | 35,027                       | 42,427           |
| Depreciation                                       | 7.1.6 | 166,199                      | 101,577          |
| Ijarah lease rentals                               |       | -                            | 347              |
| Toll manufacturing cost                            |       | 33,863                       | 25,839           |
| Printing and stationery                            |       | 2,150                        | 1,910            |
| Communication                                      |       | 1,343                        | 1,225            |
| Others   |       | 15,957                       | 13,757           |
|  |       | <u>6,886,525</u>             | <u>5,822,709</u> |
| Opening stock of semi-processed goods              |       | 164,124                      | 162,191          |
| Closing stock of semi-processed goods              | 15    | (168,032)                    | (164,124)        |
| Provision reversed during the year                 |       | (1,499)                      | 1,763            |
| Cost of goods manufactured                         |       | <u>6,881,118</u>             | <u>5,822,539</u> |
| <b>35.2 Raw and packing materials consumed</b>     |       |                              |                  |
| Raw and packing material as at July 01             |       | 796,137                      | 1,030,573        |
| Purchases of raw and packing material              |       | 5,675,414                    | 4,694,198        |
| Provision /(reversal) slow moving finished goods   |       | (5,394)                      | (24,185)         |
| Less: Raw and packing material as at June 30       | 15    | (667,861)                    | (796,137)        |
| Raw and packing materials consumed                 |       | <u>5,798,296</u>             | <u>4,904,449</u> |

**35.3** Salaries, wages and benefits include Rs. 14.14 million (2023: Rs. 11.21 million) in respect of gratuity fund, Rs. 1.88 million (2023: Rs. 3.35 million) in respect of pension fund, Rs. 1.08 million (2023: Rs. 1.99 million) in respect of compensated absences and Rs. 5.22 million (2023: Rs. 3.66 million) in respect of provident fund contribution.

**35.4** The movement of finished goods purchased for resale is as follows:

|  | <b>2024</b><br><b>(Rupees in thousand)</b> | <b>2023</b>   |
|--|--|---------------|
| Finished goods as at July 01                             | 91,390                                     | 60,140        |
| Add: Finished goods purchased for resale during the year | 18,103                                     | 61,600        |
| Less: Consumption of finished goods during the year      | (28,284)                                   | (30,350)      |
| Finished goods as at June 30                             | <u>81,209</u>                              | <u>91,390</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.

### **36. SELLING AND DISTRIBUTION EXPENSES**

|                                    | <b>Note</b> | <b>2024</b><br><b>(Rupees in thousand)</b> | <b>2023</b>    |
|------------------------------------|-------------|--|----------------|
| Salaries and other benefits        | 36.1        | 353,562                                    | 346,737        |
| Contracted services                | 36.4        | 38,548                                     | 34,092         |
| Travelling and conveyance          |             | 6,252                                      | 2,945          |
| Rent, rates and taxes              |             | 6,796                                      | 7,132          |
| Insurance                          |             | 9,645                                      | 12,011         |
| Fuel, water and power              |             | 3,332                                      | 3,822          |
| Advertising and sales promotion    |             | 248,545                                    | 127,124        |
| Technical services and royalty fee | 36.2        | -  | 4,494          |
| Repairs and maintenance            |             | 3,473                                      | 2,488          |
| Depreciation                       | 7.1.6       | 30,510                                     | 24,275         |
| Ijarah lease rentals               |             | -  | 413            |
| Printing and stationery            |             | 1,455                                      | 2,144          |
| Legal and professional             |             | 980  | 1,879          |
| Communication                      |             | 5,797                                      | 8,162          |
| Others                             |             | 8,547                                      | 5,836          |
|                                    |             | <u>717,442</u>                             | <u>583,554</u> |

**36.1** Salaries, wages and benefits include Rs.11.56 million (2023: Rs. 9.2 million) in respect of gratuity fund, Rs. 1.89 million (2023: Rs. 3.52 million) in respect of pension fund, Rs. 3.57 million (2023: Rs. 6.68 million) in respect of compensated absences and Rs. 8.66 million (2023: Rs. 9.12 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 | 2024<br>(Rupees in thousand) | 2023  |
|---|--------------------------------|------|------------------------------|-------|
| Slotrapid Limited<br>(Suit# 1 Akara Building, 24 De-Cantro Street, Wickham Cay 1, Road Town, Tortola, British Virgin Island.) | Licensor (the Holding Company) | 36.3 | -                            | -     |
| Oxyplast Belgium N.V.<br>(Hulsdonk 35-B 9042/Gent – Mendonk, Belgium.)  | Licensor                       |      | -                            | 4,494 |
|   |                                |      | -                            | 4,494 |

**36.3** During the year the parent entity has waived off its right to receive for royalty, accordingly no provision has been made against this head.

**36.4** This represents amounts relates to outsourced staff from FSC Integrated Services (Private) Limited.

|  | Note  | 2024<br>(Rupees in thousand) | 2023    |
|--|-------|------------------------------|---------|
| <b>37. ADMINISTRATIVE AND GENERAL EXPENSES</b> |       |                              |         |
| Salaries and other benefits                    | 37.1  | 143,435                      | 127,359 |
| Contracted services                            | 37.2  | 1,780                        | 4,071   |
| Directors' meeting fee                         |       | 3,900                        | 4,900   |
| Travelling and conveyance                      |       | 21,384                       | 17,020  |
| Rent, rates and taxes                          |       | 2,249                        | 2,435   |
| Insurance                                      |       | 4,502                        | 3,011   |
| Auditors' remuneration                         | 37.3  | 3,791                        | 3,798   |
| Fuel, water and power                          |       | 1,809                        | 2,479   |
| Repairs and maintenance                        |       | 3,570                        | 2,676   |
| Depreciation                                   | 7.1.6 | 13,416                       | 13,770  |
| Amortization of computer software              | 8     | -                            | 23      |
| Ijarah lease rentals                           |       | -                            | 558     |
| Printing and stationery                        |       | 3,916                        | 1,592   |
| Legal and professional                         |       | 15,324                       | 13,584  |
| Communication                                  |       | 3,452                        | 1,738   |
| Others   |       | 8,971                        | 10,655  |
|  |       | 231,499                      | 209,669 |

**37.1** Salaries, wages and benefits include Rs. 5.36 million (2023: Rs. 4.27 million) in respect of gratuity fund, Rs. 0.46 million (2023: Rs. 0.88 million) in respect of pension fund, Rs. 2.32 million (2023: Rs. 4.36 million) in respect of compensated absences and Rs. 5.93 million (2023: Rs. 5.66 million) in respect of provident fund contribution.

**37.2** This represents amounts relates to outsourced staff from FSC Integrated Services (Private) Limited.

|  | Note | 2024<br>(Rupees in thousand) | 2023    |
|--|------|------------------------------|---------|
| <b>37.3 Auditors' remuneration</b>                               |      |                              |         |
| <b>37.3.1 Auditors' remuneration of the Parent Company</b>       |      |                              |         |
| Audit fee  |      | 2,100                        | 2,100   |
| Consolidation and half yearly review                             |      | 900                          | 900     |
| Out of pocket expenses   |      | 178                          | 178     |
| Statutory certifications   |      | 268                          | 275     |
|  |      | 3,446                        | 3,453   |
| <b>37.3.2 Auditors' remuneration of the Subsidiaries Company</b> |      |                              |         |
| Audit fee  |      | 345                          | 345     |
|  |      | 3,791                        | 3,798   |
| <b>38. OTHER OPERATING EXPENSES</b>                              |      |                              |         |
| Workers' Welfare Fund  | 29.5 | 9,765                        | 7,370   |
| Workers' Profit Participation fund                               | 29.4 | 23,432                       | 17,806  |
| Exchange loss - net  |      | 4,921                        | 34,896  |
| Written of advance income tax (1996)                             | 38.1 | -                            | 8,905   |
| Sales tax on royalty   | -    | 7,511                        |         |
| Others   | -    | 176                          |         |
| Impairment on investment in associate                            | -    | 8,623                        |         |
| Impairment on revaluation of building                            | 7.1  | -                            | 16,374  |
| Debit balances written off directly                              |      | -                            | 27,611  |
| Impairment on other receivables and deposits                     |      | 4,435                        | -       |
|  |      | 42,553                       | 129,272 |

**38.1** The Parent Company has written of advance income tax which was taken in the year 1996 and the Parent Company believes that this will not be adjustable and on prudence basis has written off.

|   | Note | 2024<br>(Rupees in thousand) | 2023    |
|---|------|------------------------------|---------|
| <b>39. OTHER INCOME</b>                                     |      |                              |         |
| Income from financial assets                                |      |                              |         |
| Mark-up on term deposit receipts and long term loan         | 21   | 33,660                       | 31,556  |
| Income from non-financial assets                            |      |                              |         |
| Sale of scrap   |      | 15,927                       | 28,406  |
| Gain on disposal of property, plant and equipment - net     |      | 4,896                        | 19,583  |
| Rental income and other services charged to related parties |      | 1,200                        | 5,144   |
| Export rebate   |      | 899                          | 720     |
| Insurance claim   |      | 4,491                        | 3,087   |
| Amortization of deferred grant                              | 27   | 5,780                        | 6,301   |
| Others  |      | 1,841                        | 5,912   |
| Impairment loss reversed during the year                    |      | -                            | 36,442  |
| Credit Balances written back                                |      | -                            | 2,809   |
|   |      | 68,694                       | 139,960 |

| 40. FINANCE COST                                     | Note | 2024<br>(Rupees in thousand) | 2023     |
|--|------|------------------------------|----------|
| Islamic mode of financing:                           |      |                              |          |
| - Long term financing - secured                      |      | 9,625                        | 11,518   |
| - Long term diminishing musharaka - secured          |      | 109,882                      | 90,036   |
| - Short term financing - secured                     |      | 858                          | 1,188    |
| - Short term running finances - secured              |      | 31,153                       | 31,183   |
|  |      | 151,518                      | 133,925  |
| Mark-up based borrowings from conventional banks:    |      |                              |          |
| - Long term financing - secured                      |      | 11,965                       | 18,314   |
| - Short term financing - secured                     |      | -                            | 23,138   |
| - Short term running finances - secured              |      | 131,356                      | 100,686  |
|  |      | 143,321                      | 142,138  |
| Interest on WPPF                                     |      | 1,168                        | 1,026    |
| Bank charges   |      | 8,619                        | 6,543    |
|  |      | 304,626                      | 283,632  |
| 41. TAXATION   |      |                              |          |
| Final  | 41.3 | 566                          | 438      |
| Minimum claimed                                      |      | (6,781)                      | (19,469) |
|  |      | (6,215)                      | (19,031) |
| Current  |      |                              |          |
| - for the year                                       | 41.1 | 174,484                      | 136,112  |
| - prior year   | 41.2 | (26,024)                     | (1,642)  |
|  |      | 148,460                      | 134,470  |
| Deferred   |      |                              |          |
| - current year                                       | 13.2 | 16,439                       | (12,735) |
| - prior year   |      | -                            | -        |
|  |      | 158,684                      | 102,704  |
| 41.1 Current year tax includes super tax as follows: |      |                              |          |
| - for the year                                       |      | 37,489                       | 22,974   |

**41.2** 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.

**41.3** This represents final taxes paid under Section 154A of Income Tax Ordinance, 2001 representing levy in terms of requirements of IFRIC 21/IAS 37.

#### 41.3.1 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:

|  | 2024<br>(Rupees in thousand) | 2023      |
|--|------------------------------|-----------|
| Current tax liability for the year as per applicable tax laws  | 142,245                      | 115,439   |
| Portion of current tax liability as per tax laws, representing income tax under IAS 12                         | (148,460)                    | (134,470) |
| Portion of current tax computed as per tax laws, representing levy in terms of requirements of IFRIC 21/IAS 37 | 6,215                        | 19,091    |
| Difference   | -                            | -         |



**41.3.2** The aggregate of final tax and income tax amounting to Rs. 142.245 million (2023: Rs. 115.439 million) represents tax liability of the Company calculated under the relevant provisions of the Income Tax Ordinance, 2001.

**41.4** The numerical reconciliation between the average tax rate and the applicable tax rate is as follows:

|  | 2024   | 2023   |
|--|--------|--------|
| Applicable tax rate                                  | 29.00% | 29.00% |
| Tax effect of:                                       |        |        |
| - income under Final Tax Regime                      | 0.13%  | 0.13%  |
| - prior year adjustment                              | -6.15% | -0.09% |
| - permanent difference                               | 0.01%  | 0.01%  |
| - others   | 1.00%  | -7.44% |
| - effect of super tax                                | 8.77%  | 6.78%  |
| Average effective tax rate charged to profit or loss | 33%    | 28.39% |

#### 41.5 Comparison of tax provision against tax assessments

| Years   | Excess/<br>(Short) | Tax provision | Tax assessment/<br>tax return |
|---------|--------------------|---------------|-------------------------------|
|         |                    | (Rupees)      |                               |
| 2022-23 | (406,436)          | 114,984,017   | 115,390,453                   |
| 2021-22 | 305,289            | 93,291,025    | 92,985,736                    |
| 2019-20 | 79,911,491         | 121,277,078   | 41,365,587                    |

**41.6** As at June 30, 2024, 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.

## 42. EARNINGS PER SHARE - BASIC AND DILUTED

### 42.1 Earning per share - basic and diluted

|  | 2024       | 2023       |
|--|------------|------------|
| Profit attributable to ordinary shareholders (Rupees in thousand)                | 260,768    | 232,652    |
| Weighted average number of shares outstanding during the year (Number of shares) | 24,551,614 | 24,551,614 |
| Earning per share - basic (Rupees)   | 10.62      | 9.48       |

**42.2** No figure for diluted earnings per share has been presented as the Group has not issued any instruments carrying options as at June 30, 2024, which would have an impact on earnings per share when exercised.

|  | Note  | 2024<br>(Rupees in thousand) | 2023             |
|--|-------|------------------------------|------------------|
| <b>43. CASH AND CASH EQUIVALENTS</b>                         |       |                              |                  |
| Cash and bank balances                                       | 22    | 66,960                       | 47,824           |
| Short term investment  | 21    | -                            | 110,000          |
| Short term running finance - secured                         | 32    | (669,635)                    | (425,308)        |
|  |       | <u>(602,675)</u>             | <u>(267,484)</u> |
| <b>44. CASH FLOWS FROM OPERATING ACTIVITIES</b>              |       |                              |                  |
| Profit before taxation                                       |       | 419,100                      | 335,732          |
| Adjustments for non-cash and other items:                    |       |                              |                  |
| Depreciation on property, plant and equipment                | 7.1.6 | 210,125                      | 139,631          |
| Amortization on intangible assets                            | 8.1.1 | -                            | 23               |
| Gain on disposal of property, plant and equipment            | 39    | (4,896)                      | (19,583)         |
| Provision (reversed)/charged against slow moving stock - net |       | (18,554)                     | (11,746)         |
| Impairment loss (reversed) / recorded during the year        |       | 67,990                       | 73,084           |
| Provision for long term employee benefit                     |       | 42,269                       | 45,463           |
| Finance cost   | 40    | 304,626                      | 283,632          |
| Provision for Workers' Profit Participation Fund             | 38    | 23,432                       | 17,806           |
| Provision for Workers' Welfare Fund                          | 38    | 9,765                        | 7,370            |
| Amortization of deferred grant                               | 39    | 5,780                        | 6,301            |
| Impairment on revaluation of building                        |       | -                            | 16,374           |
| Share of profit of equity - accounted investee               |       | 6,812                        | 7,937            |
| Impairment on investment in associate                        |       | -                            | 8,623            |
| Impairment loss reversed during the year                     |       | -                            | (36,442)         |
| Mark-up on term deposit receipts and long term loan          |       | (33,660)                     | (31,556)         |
| Credit Balances written back                                 | 39    | -                            | (2,809)          |
|  |       | <u>1,032,789</u>             | <u>839,840</u>   |
| Net cash flow before working capital changes                 |       |                              |                  |

#### 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)                     |                    |                                 |                     |                      |                  |
| As at June 30, 2023                      | 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>               | <b>12,478</b>      | <b>375,000</b>                  | <b>144,669</b>      | <b>669,635</b>       | <b>1,201,782</b> |
| As at June 30, 2022                      | 6,826              | 16,000                          | 250,953             | 1,373,939            | 1,647,718        |
| <b>Changes from financing cash flows</b> |                    |                                 |                     |                      |                  |
| Dividend paid                            | (75,559)           | -                               | -                   | -                    | (75,559)         |
| Short term borrowings - net              | -                  | -                               | -                   | (255,552)            | (255,552)        |
| Long term financing                      | -                  | -                               | (108,332)           | -                    | (108,332)        |
| Long term diminishing musharka           | -                  | 484,000                         | -                   | -                    | 484,000          |
| Total changes from financing cash flows  | (75,559)           | 484,000                         | (108,332)           | (255,552)            | 44,557           |
| <b>Other changes</b>                     |                    |                                 |                     |                      |                  |
| Adjustment of Government grant           | -                  | -                               | 6,301               | -                    | 6,301            |
| Change in borrowings                     | -                  | -                               | -                   | (693,079)            | (693,079)        |
| Dividend declared                        | 81,839             | -                               | -                   | -                    | 81,839           |
| Total liability related other changes    | 81,839             | -                               | 6,301               | (693,079)            | (604,939)        |
| <b>As at June 30, 2023</b>               | <b>13,106</b>      | <b>500,000</b>                  | <b>148,922</b>      | <b>425,308</b>       | <b>1,087,336</b> |

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

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

|   | 2024            |            |                         | 2023            |            |                         |
|---|-----------------|------------|-------------------------|-----------------|------------|-------------------------|
|   | Chief Executive | Executives | Non-Executive Directors | Chief Executive | Executives | Non-Executive Directors |
| (Rupees in thousand)                      |                 |            |                         |                 |            |                         |
| Fees                                      | -               | -          | 3,700                   | -               | -          | 4,900                   |
| Managerial remuneration (including bonus) | 22,000          | 83,132     | -                       | 19,000          | 64,995     | -                       |
| Retirement and other long term benefits   | 4,182           | 60,414     | -                       | 6,818           | 45,553     | -                       |
| House rent allowance                      | -               | 28,608     | -                       | -               | 22,456     | -                       |
| Utilities                                 | -               | 6,357      | -                       | -               | 4,990      | -                       |
| Medical expenses                          | -               | 7,947      | -                       | -               | 6,238      | -                       |
| Provident fund                            | 2,000           | 5,951      | -                       | 1,727           | 4,535      | -                       |
|   | 28,182          | 192,409    | 3,700                   | 27,545          | 148,767    | 4,900                   |
| Number of persons                         | 1               | 32         | 7                       | 1               | 22         | 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 Group are provided with free use of Company cars. The approximate value of the benefit amounts to Rs. 36.73 million (2023: Rs. 21.93 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, 2024                    |                 | June 30, 2023                |                 |
|--|------------------------|--------------------------------------|---------|----------------------------------|-----------------|------------------------------|-----------------|
|  |                        |                                      |         | Transactions during the period   | Closing balance | Transactions during the year | Closing balance |
|  |                        |                                      |         | ----- (Rupees in thousand) ----- |                 |                              |                 |
| Slotrapid Limited  | Holding Company        | Royalty expense                      | -       | -                                | -               | -                            |                 |
|  |                        | Royalty payable                      | -       | 40,126                           | -               | 40,126                       |                 |
|  |                        | Royalty waiver                       | 60,120  | -                                | 39,640          | -                            |                 |
|  |                        | Payment                              | -       | -                                | -               | -                            |                 |
|  |                        | Dividend paid                        | -       | -                                | 30,600          | -                            |                 |
| 3S Pharmaceutical (Private) Limited                        | Associated Company     | Common expenditures incurred         | 1,740   | -                                | 1,459           | -                            |                 |
|  |                        | Impairment allowance                 | 6,812   | -                                | 8,623           | -                            |                 |
|  |                        | Other receivable                     | -       | 5,824                            | -               | 3,879                        |                 |
|  |                        | Interest income                      | 206     | -                                | 448             | -                            |                 |
| Buxly Paints Limited ("BPL")                               | Associated Company     | Sales                                | 449,811 | -                                | 362,918         | -                            |                 |
|  |                        | Rental expense                       | 1,800   | -                                | 1,812           | -                            |                 |
|  |                        | Rental income and other services     | 1,200   | -                                | 1,200           | -                            |                 |
|  |                        | Common expenditures incurred         | 34,178  | -                                | 19,255          | -                            |                 |
|  |                        | Receipts / adjustments               | -       | -                                | 1,933           | -                            |                 |
|  |                        | Trade debt                           | -       | 285,092                          | -               | 248,959                      |                 |
|  |                        | Other receivable                     | -       | -                                | -               | 1,338                        |                 |
|  |                        | Royalty payable                      | -       | 32                               | -               | 32                           |                 |
|  |                        | Toll manufacturing - cost            | 33,863  | -                                | 27,131          | -                            |                 |
| Post employment benefit plans<br>Key Management Personnel) |                        | Contribution to gratuity fund        | 5,129   | -                                | 20,934          | -                            |                 |
|  |                        | Contribution to pension fund         | 25,000  | -                                | 4,435           | -                            |                 |
|  |                        | Provident fund contribution          | 39,633  | -                                | 36,872          | -                            |                 |
|  |                        | Provident fund receivable /(payable) | -       | (695)                            | -               | 22,066                       |                 |

#### 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  | 2024                 |               | 2023                 |               |
|--------------------------------------|---------------------------------|---|----------------------|---------------|----------------------|---------------|
|                                      |                                 |   | Basis of Association | Shareholdings | Basis of Association | Shareholdings |
| 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                        | Associated  | 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 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.

#### 48.1.1 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.

#### 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 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.

##### 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 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:

|   | <b>2024</b>                 | <b>2023</b> |
|---|-----------------------------|-------------|
| <b>Statement of financial position items</b>                                  | <b>(Amount in thousand)</b> |             |
| <b>Trade and other payables</b>   |                             |             |
| - Euro  | -                           | -           |
| - USD   | 456                         | 888         |
| - RMB   | 397                         | -           |
| - JPY   | -                           | 475         |
|   | -                           | -           |
| <b>Off statement of financial position items</b>                              |                             |             |
| Outstanding letters of credit as at the year end are as follows:              |                             |             |
| - Euro  | -                           | -           |
| - USD   | 2,271                       | 2,498       |
| - RMB   | -                           | -           |
| - JPY -   | -                           | -           |
|   |                             |             |
| <b>The following significant exchange rates were applied during the year:</b> | <b>2024</b>                 | <b>2023</b> |
|   | <b>(In rupees)</b>          |             |
| <b>Rupees per Euro</b>  |                             |             |
| Average rate for the year   | 305.67                      | 263.37      |
| Reporting date rate   | 298.41                      | 312.93      |
| <b>Rupees per USD</b>   |                             |             |
| Average rate for the year   | 282.40                      | 245.42      |
| Reporting date rate   | 278.80                      | 285.99      |
| <b>Rupees per RMB</b>   |                             |             |
| Average rate for the year   | 39.10                       | 35.14       |
| Reporting date rate   | 38.53                       | 39.67       |
| <b>Rupees per JPY</b>   |                             |             |
| Average rate for the year   | 1.86                        | 1.75        |
| Reporting date rate   | 1.73                        | 1.99        |

### 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.

|                                 | <b>2024</b>                 | <b>2023</b> |
|---------------------------------|-----------------------------|-------------|
| <b>Effect on profit or loss</b> | <b>(Amount in thousand)</b> |             |
| - Euro                          | -                           | -           |
| - USD                           | 324                         | 630         |
| - RMB                           | 282                         | 337         |
| - JPY                           | -                           | -           |

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.



#### 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 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     |       |
|----------------------|----------------------|-------|
|                      | 2024                 | 2023  |
|                      | (Rupees in thousand) |       |
| Buxly Paints Limited | 2,517                | 2,025 |

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

#### 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       |         |
|--------------------------------------|----------------|-------|-----------------------|---------|
|                                      | 2024           | 2023  | 2024                  | 2023    |
|                                      | (Percentage)   |       | (Rupees in thousands) |         |
| Financial assets                     |                |       |                       |         |
| Fixed rate instruments               |                |       |                       |         |
| Short term investment                | 19%            | 11%   | 121,000               | 191,000 |
| Financial liabilities                |                |       |                       |         |
| Fixed rate instruments               |                |       |                       |         |
| Long term financing - secured        | 5.5%           | 5.5%  | 86,847                | 101,016 |
| Floating rate instruments            |                |       |                       |         |
| Long term financing - secured        | 23.1%          | 19.8% | 57,822                | 47,906  |
| Long term diminishing musharaka      | 22.9%          | 17.6% | 375,000               | 500,000 |
| Short term running finance - secured | 23.5%          | 18.2% | 669,635               | 425,308 |
|                                      |                |       | 1,102,457             | 973,214 |

### 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 2023.

|                     | 100 bps  |          |
|---------------------|----------|----------|
|                     | Decrease | Increase |
| As at June 30, 2024 | 11,025   | (11,025) |
| As at June 30, 2023 | 9,732    | (9,732)  |

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

### 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. 2,942 million (2023: Rs. 2,343 million) financial assets which are subject to credit risk amount to Rs. 2,942 million (2023: Rs. 2,343 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.

|                                   | 2024<br>(Rupees in thousand) | 2023      |
|-----------------------------------|------------------------------|-----------|
| Long term loans - secured         | 31,952                       | 61,109    |
| Long term deposits                | 33,319                       | 22,218    |
| Trade debts - unsecured           | 2,602,977                    | 1,917,825 |
| Long term investment - FVOCI      | 25,174                       | 20,246    |
| Trade deposits                    | 22,209                       | 18,536    |
| Other receivables                 |                              |           |
| - Receivable from related parties | 2,512                        | -         |
| - LC Margin                       | 22,848                       | 20,363    |
| - Others                          | 13,891                       | 45,186    |
|                                   | 39,251                       | 65,549    |
| Short term investment - secured   | 121,000                      | 191,000   |
| Bank balances                     | 66,310                       | 47,216    |
|                                   | 2,942,192                    | 2,343,699 |

### 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>2024</b><br><b>(Rupees in thousand)</b> | <b>2023</b>      |
|--|--|------------------|
| Trade debts                                  | 2,602,977                                  | 1,917,825        |
| Banking companies and financial institutions | 210,158                                    | 258,579          |
| Others                                       | 129,057                                    | 167,295          |
|  | <u>2,942,192</u>                           | <u>2,343,699</u> |

#### 48.1.3.1 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.

#### 48.1.3.2 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.

#### 48.1.3.3 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.

#### 48.1.3.4 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<br/>average<br/>loss rate</b> | <b>Gross<br/>carrying<br/>amount</b> | <b>Loss<br/>allowance</b> |
|-------------------------|---|--------------------------------------|---------------------------|
| <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>             |

| June 30, 2023           | Weighted average<br>loss rate | Gross carrying<br>amount | Loss<br>allowance |
|-------------------------|-------------------------------|--------------------------|-------------------|
| Past due 0 - 30 days    | 0.00%                         | 1,129,668                | -                 |
| Past due 31 - 60 days   | 1.45%                         | 409,754                  | 5,938             |
| Past due 61 - 90 days   | 1.91%                         | 191,924                  | 3,672             |
| Past due 91 - 120 days  | 4.12%                         | 123,768                  | 5,103             |
| Past due 121 - 180 days | 1.60%                         | 181,209                  | 2,894             |
| Past due 181 - 364 days | 34.03%                        | 141,571                  | 48,178            |
| Past due over one year  | 100.00%                       | 77,308                   | 77,308            |
|                         |                               | <u>2,255,202</u>         | <u>143,093</u>    |

#### 48.1.3.5 Balances with banking companies

The Group held balances with banks, short term investments and LC margin amounting to Rs. 210.158 million as at June 30, 2024. 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.

|                       | 2024<br>(Rupees in thousand) | 2023           |
|-----------------------|------------------------------|----------------|
| Bank balances         | 66,310                       | 47,216         |
| Short term investment | 121,000                      | 191,000        |
| Other receivables     | 22,848                       | 20,363         |
|                       | <u>210,158</u>               | <u>258,579</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<br>Agency | 2024<br>(Rupees in thousand) | 2023           |
|----------------------------------|------------|-----------|------------------|------------------------------|----------------|
|                                  | Short term | Long term |                  |                              |                |
| <b>Balances with bank:</b>       |            |           |                  |                              |                |
| Bank Al Habib Limited            | A-1+       | AAA       | PACRA            | 23,585                       | 18,817         |
| Habib Metropolitan Bank Limited  | A-1        | AA+       | PACRA            | 9,226                        | 24,095         |
| Habib Bank Limited               | A-1+       | AAA       | VIS              | 34                           | 35             |
| JS Bank Limited                  | A-1+       | AA-       | PACRA            | -                            | 31,000         |
| Al-Baraka Bank Pakistan Limited  | A-1        | A+        | VIS              | 6                            | 6              |
| United Bank Limited              | A-1+       | AA+       | PACRA            | -                            | 20             |
| National Bank of Pakistan        | A-1+       | AAA       | PACRA            | 11,918                       | 114,131        |
| Bank Islami Pakistan Limited     | A-1        | A+        | PACRA            | 20,732                       | 60,240         |
| Samba Bank Limited               | AA         | A-1       | VIS              | -                            | -              |
| Faysal Bank Limited              | A-1+       | AA        | PACRA            | 809                          | 10,235         |
|                                  |            |           |                  | <u>66,310</u>                | <u>258,579</u> |
| <b>Deposits with bank/ TDRs:</b> |            |           |                  |                              |                |
| JS Bank Limited                  | A-1+       | AA-       | PACRA            | 71,000                       | 31,000         |
| National Bank of Pakistan        | A-1+       | AAA       | PACRA            | -                            | 110,000        |
| Bank Islami Pakistan Limited     | A-1        | A+        | VIS              | 50,000                       | 50,000         |
|                                  |            |           |                  | <u>121,000</u>               | <u>191,000</u> |

The Group has not recognised an impairment allowance on bank balances during the year ended June 30, 2024, as the impact was immaterial.

#### 48.1.4 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, 2024;

|   | Carrying amount | Contractual cash flow | Less than one year          | Two to five years | More than five years |
|---|-----------------|-----------------------|-----------------------------|-------------------|----------------------|
| <b>Non derivative financial liabilities</b> |                 |                       | <b>(Rupees in thousand)</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                    | 1,826,242       | 1,826,242             | 1,826,242                   | -                 | -                    |
| Interest / mark-up accrued on borrowings    | 50,024          | 50,024                | 50,024                      | -                 | -                    |
| Short term borrowings - secured             | 669,635         | 495,399               | 495,399                     | -                 | -                    |
|   | 3,065,570       | 2,925,106             | 2,586,027                   | 325,391           | 13,688               |

The following are the contractual maturities of financial liabilities as at June 30, 2023;

|   | Carrying amount | Contractual cash flow | Less than one year          | Two to five years | More than five years |
|---|-----------------|-----------------------|-----------------------------|-------------------|----------------------|
| <b>Non derivative financial liabilities</b> |                 |                       | <b>(Rupees in thousand)</b> |                   |                      |
| Long term financing - secured               | 148,922         | 212,705               | 66,324                      | 108,192           | 38,189               |
| Long term diminishing musharaka             | 500,000         | 642,938               | 243,790                     | 399,148           | -                    |
| Trade and other payables                    | 1,747,984       | 1,747,984             | 1,747,984                   | -                 | -                    |
| Interest / mark-up accrued on borrowings    | 31,459          | 31,459                | 31,459                      | -                 | -                    |
| Short term borrowings - secured             | 425,308         | 495,399               | 495,399                     | -                 | -                    |
|   | 2,853,673       | 3,130,485             | 2,584,956                   | 507,340           | 38,189               |

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 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.

|   | Carrying amount                       |                               |                          | Fair value |         |         |         |        |
|---|---------------------------------------|-------------------------------|--------------------------|------------|---------|---------|---------|--------|
|   | Financial assets at<br>amortised cost | FVOCI - equity<br>instruments | Financial<br>liabilities | Total      | Level 1 | Level 2 | Level 3 | Total  |
| As at June 30, 2024                       |                                       |                               |                          |            |         |         |         |        |
| Financial assets - measured at fair value |                                       |                               |                          |            |         |         |         |        |
| Investment classified as FVOCI            | -                                     | 25,174                        | -                        | 25,174     | 25,174  | -       | -       | 25,174 |
| Financial assets - at amortised cost      |                                       |                               |                          |            |         |         |         |        |
| Long term loans - 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                    | 66,310                                | -                             | -                        | 66,310     | -       | -       | -       | -      |
|   | 2,917,018                             | 25,174                        | -                        | 2,942,192  | 25,174  | -       | -       | 25,174 |
| Financial liabilities - at amortised cost |                                       |                               |                          |            |         |         |         |        |
| Long term financing - secured             | -                                     | -                             | 144,669                  | 144,669    | -       | -       | -       | -      |
| Long term diminishing musharaka           | -                                     | -                             | 375,000                  | 375,000    | -       | -       | -       | -      |
| Trade and other payables                  | -                                     | -                             | 1,826,242                | 1,826,242  | -       | -       | -       | -      |
| Accrued markup                            | -                                     | -                             | 50,024                   | 50,024     | -       | -       | -       | -      |
| Short term borrowings - secured           | -                                     | -                             | 669,635                  | 669,635    | -       | -       | -       | -      |
|   | -                                     | -                             | 3,065,570                | 3,065,570  | -       | -       | -       | -      |

As at June 30, 2024

### Financial assets - measured at fair value

Investment classified as FVOCI

### Financial assets - at amortised cost

Long term loans - secured

Long term deposits

Trade debts

Trade deposits

Other receivables

Short term investment - secured

Cash and bank balances

### Financial liabilities - at amortised cost

Long term financing - secured

Long term diminishing musharaka

Trade and other payables

Accrued markup

Short term borrowings - secured

|  | Carrying amount                    |                            |                       | Fair value |         |         |         |
|--|------------------------------------|----------------------------|-----------------------|------------|---------|---------|---------|
|  | Financial assets at amortised cost | FVOCI - equity instruments | Financial liabilities | Total      | Level 1 | Level 2 | Level 3 |
| As at June 30, 2023                              |                                    |                            |                       |            |         |         |         |
| <b>Financial assets - measured at fair value</b> |                                    |                            |                       |            |         |         |         |
| Investment classified as FVOCI                   | -                                  | 20,246                     | -                     | 20,246     | 20,246  | -       | -       |
| <b>Financial assets - at amortised cost</b>      |                                    |                            |                       |            |         |         |         |
| Long term loans - secured                        | 61,109                             | -                          | -                     | 61,109     | -       | -       | -       |
| Long term deposits                               | 22,218                             | -                          | -                     | 22,218     | -       | -       | -       |
| Trade debts                                      | 1,917,825                          | -                          | -                     | 1,917,825  | -       | -       | -       |
| Trade deposits                                   | 18,536                             | -                          | -                     | 18,536     | -       | -       | -       |
| Other receivables                                | 65,549                             | -                          | -                     | 65,549     | -       | -       | -       |
| Short term investment - secured                  | 191,000                            | -                          | -                     | 191,000    | -       | -       | -       |
| Cash and bank balances                           | 47,216                             | -                          | -                     | 47,216     | -       | -       | -       |
|  | 2,323,453                          | 20,246                     | -                     | 2,343,699  | 20,246  | -       | -       |
| <b>Financial liabilities - at amortised cost</b> |                                    |                            |                       |            |         |         |         |
| Long term financing - secured                    | -                                  | -                          | 148,922               | 148,922    | -       | -       | -       |
| Long term diminishing musharaka                  | -                                  | -                          | 500,000               | 500,000    | -       | -       | -       |
| Trade and other payables                         | -                                  | -                          | 1,747,984             | 1,747,984  | -       | -       | -       |
| Accrued markup                                   | -                                  | -                          | 31,459                | 31,459     | -       | -       | -       |
| Short term borrowings - secured                  | -                                  | -                          | 425,308               | 425,308    | -       | -       | -       |
|  | -                                  | -                          | 2,853,673             | 2,853,673  | -       | -       | -       |

### 48.3 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.

### 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 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.



#### 49. 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>2024</b><br><b>(Rupees in thousand)</b> | <b>2023</b> |
|-----------------------|--|-------------|
| Long term loans       | 519,669                                    | 648,922     |
| Short term borrowings | 669,635                                    | 425,308     |
| Total debt            | 1,189,304                                  | 1,074,230   |
| Total equity          | 3,468,047                                  | 3,218,832   |
| Total equity and debt | 4,657,351                                  | 4,293,062   |
| Gearing ratio         | 26:74                                      | 25:75       |

#### 50. RESTRICTION ON TITLE AND ASSETS PLEDGED AS SECURITY

##### Mortgages and charges

##### First

|  |           |           |
|--|-----------|-----------|
| Hypothecation of all present and future current assets | 2,070,000 | 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 | 1,869,000 |
| Mortgage over land and building                        | -         | -         |

#### 51. NUMBER OF EMPLOYEES

The Group has employed following number of persons:

|                                       | <b>2024</b><br><b>(Number of persons)</b> | <b>2023</b> |
|---------------------------------------|---|-------------|
| - Factory employees                   | 79  | 74          |
| - Salaried employee                   | 262                                       | 250         |
|                                       | 341                                       | 324         |
| - Average number of employees         | 374                                       | 246         |
| - Average number of factory employees | 87  | 83          |

#### 52. 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:

|   | <b>(Unaudited)<br/>June 30, 2024<br/>(Rupees in thousands)</b> | (Unaudited)<br>June 30, 2023 |
|---|--|------------------------------|
| Size of the fund                                |  |                              |
| Cost of investments made                        | 324,133  | 314,630                      |
| Percentage of investments - (% of total assets) | 190,468  | 247,697                      |
| Fair value of investments                       | 59%  | 79%                          |
|   | 321,676  | 296,981                      |

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

|   | 2024                  |      | 2023                  |      |
|---|-----------------------|------|-----------------------|------|
|   | Rupees in<br>thousand | %    | Rupees in<br>thousand | %    |
| Investment in debt collective investment scheme   | -                     | 0%   | -                     | 0%   |
| Investment in money market collective investment  | 54,737                | 16%  | 37,966                | 13%  |
| Investment in equity collective investment scheme | -                     | 0%   | -                     | 0%   |
| Bank balances                                     | 69,424                | 22%  | 27,290                | 9%   |
| Certificate of deposits                           | 111,797               | 35%  | 111,725               | 38%  |
| Term deposit receipts                             | 85,716                | 27%  | 120,000               | 40%  |
|   | 321,674               | 100% | 296,981               | 100% |

The investments out of provident fund as at June 30, 2024 have been made in accordance with the requirements of section 218 of the Companies Act, 2017.

|                                | <b>2024<br/>(Liters in thousand)</b> | 2023   |
|--------------------------------|--------------------------------------|--------|
| <b>53. PRODUCTION CAPACITY</b> |                                      |        |
| Actual production              | 40,771                               | 40,217 |

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 15.43 million liters (2023: 15.55 million liters) which is used in the manufacture of the final product.

**54. OPERATING SEGMENTS**

**54.1** These financial statements have been prepared on the basis of single reportable segment.

**54.2** Revenue from sale of paints and allied represents 100% (2023: 100%) of the total revenue of the Group.

**54.3** 99.57% (2023: 99.51%) sales of the Group relates to customers in Pakistan.

**54.4** All non-current assets of the Group as at June 30, 2024 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   | 2024<br>(Rupees in thousand) | 2023    |
|---|------------------------------|---------|
| 55.1 Statement of financial position - Liability side                     |                              |         |
| Financing obtained as per Islamic mode:                                   |                              |         |
| Long term financing   | 57,822                       | 47,906  |
| Long term diminishing musharaka   | 208,333                      | 333,333 |
| Short term financing  | 83,919                       | 156,588 |
| Markup accrued on conventional loans:                                     |                              |         |
| Long term financing   | 49,139                       | 25,387  |
| 55.2 Statement of financial position - Asset side                         |                              |         |
| Shariah compliant investments:  | -                            | -       |
| Long term investments   | -                            | -       |
| Short term investments  | -                            | -       |
| Shariah compliant bank deposit, bank balance and TDRs                     | 50,000                       | 50,000  |
| 55.3 Statement of financial position - Statement of comprehensive income: |                              |         |
| Revenue earned from a shariah compliant business segment:                 | -                            | -       |
| Late payment or liquidated damages:                                       | -                            | -       |
| Gain/ loss or dividend earned on shariah compliant investments:           | -                            | -       |
| Profit earned from Shariah compliant bank deposit, bank balances or TDRs: | -                            | -       |
| Exchange gain earned from actual currency:                                | -                            | -       |
| Exchange gain earned using conventional derivative financial instruments: | -                            | -       |
| Profit paid on Islamic mode of financing:                                 | -                            | -       |
| Total interest earned on any conventional loan or advance:                | -                            | -       |
| Shariah compliant/ Non-shariah compliant portion of other income:         | -                            | -       |

### 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. 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.

**57. NON ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE**

The Board of Directors of the Group in its meeting held on 25 September 2024 has proposed a final cash dividend of Rs. 4 per share, for the year ended June 30, 2024 for approval of the members in the Annual General Meeting to be held on 25 October 2024.

**58. DATE OF AUTHORIZATION FOR ISSUE**

These financial statements were authorized for issue on 25 September 2024 by the Board of Directors of the Group.

**59. GENERAL**

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

**CHIEF EXECUTIVE**

**DIRECTOR**

**CHIEF FINANCIAL OFFICER**



# 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 Friday October 25, 2024 at 10:00 am via video link and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2024.

Signature on  
Rs. 50.00  
Revenue  
Stamp

## Notes:

1. The share transfer book will remain closed from October 19, 2024 to October 25, 2024 (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.

AFFIX  
CORRECT  
POSTAGE

The Company Secretary  
**Berger Paints Pakistan Limited**  
28 KM, Multan Road, Lahore.



# پراکسی کا فارم

یکریٹری،

برجر پینٹس پاکستان لمیٹڈ

28-KM - مٹان روڈ، لاہور

میں/ہم.....

ساکن.....

بطور رکن برجر پینٹس پاکستان لمیٹڈ

اور..... عمومی حصص کے مالک برطابق فوئیو نمبر..... یہاں باضابطہ طور پر

ساکن.....

کو 25 اکتوبر، 2024 بروز جمعہ صبح 10:00 بجے کو منعقد ہونے والے سالانہ اجلاس عام یا بعد نشست میں اپنی جگہ بذریعہ ویڈیو لنک شرکت کے لئے اپنا پراکسی مقرر کرتا/کرتے ہوں/ہیں۔

دستخط:.....

مؤرخہ.....

50.00 روپے کی ریونیو

شامپ پر دستخط کریں

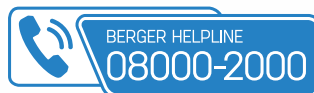
نوٹس:

1. شیئر ٹرانسفر بکس مؤرخہ 19 اکتوبر 2024ء تا 25 اکتوبر 2024ء (بشمول دونوں ایام) بند رہیں گی۔
2. 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۔
3. اس اجلاس میں ووٹ کرنے کے اہل CDC کے مستفید ہونے والے مالکان کو اپنی شناخت ثابت کرنے کے لئے اپنا اصلی شناختی کارڈ پیش کرنا ہوگا۔ پراکسی کی صورت میں، شیئر ہولڈرز کے شناختی کارڈ کی مصدقہ نقل پراکسی فارم کے ساتھ منسلک کی جائے۔ کاروباری ادارے نمائندگان اس مقصد کے لئے تمام معمول کے دستاویزات ہمراہ لائیں گے۔

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The Company Secretary  
**Berger Paints Pakistan Limited**  
28 KM, Multan Road, Lahore.

For Free Color Advisory



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