

BUXLY PAINTS LIMITED
FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED
31 DECEMBER 2023

DIRECTOR'S REVIEW

The Directors of the company are pleased to present their review along with the interim financial statements of the Company for the half-year ending on December 31, 2023.

OPERATIONAL RESULTS

The Company achieved promising results in accordance with established objectives. During the first half of the year, the Company achieved net sales of Rs. 347.305 million, an increase of 19% as compared to last year of corresponding period on account of better sales mix and research & development. Company's gross profit ratio for the period was 17.13%, which is an increase of 24% over the previous year for same period. This reflects our ability to optimize our production costs and maintain our margins. However, we also faced some challenges in the form of currency devaluation and rising raw material prices, which increased our input costs.

Sales marketing & Administrative expense were at Rs. 44.87 million, while marketing activities were carried out as planned. Moreover, financial cost increased by 46% in comparison with the same period of last year due to the increase in KIBOR. Nevertheless, we have managed to achieve a profit after tax of Rs. 5.73 million and an Earnings per Share (EPS) of Rs. 3.99. This is a commendable performance considering the tough market conditions and competitive environment.

FUTURE OUTLOOK

In light of the prevailing economic conditions and their implications for the business landscape, the Company's management proactively looking to seize the potential growth opportunities within the paint industry. The rising urbanization and population growth are expected to boost the demand for the paints not only in the decorative sector but also in industry and automotive. Company's management is fully aware of these opportunities and looking to capitalize of them. Despite the challenging economic conditions in Pakistan, the Company is determined to pursue and achieve the best possible outcomes for growth and success.

The Directors take this opportunity of thanking our shareholders, customers, suppliers, and employees for their continued support and trust in our company.

On behalf of the Board

Chief Executive

Director

Lahore

Dated: February 24, 2024

ڈائریکٹرز کا تجزیہ

کمپنی کے ڈائریکٹرز اپنے جائزہ کے ہمراہ 31 دسمبر 2023ء کو اختتام پذیر نصف سال کے لئے کمپنی کی عبوری مالیاتی اسٹیٹمنٹس ازراہ مسرت پیش کرتے ہیں۔

آپریشنل نتائج

کمپنی نے طے شدہ اہداف کے عین مطابق قابل ستائش نتائج حاصل کئے ہیں۔ سال کے پہلے نصف حصے کے دوران، کمپنی نے گزشتہ برس کی اسی مدت کے مقابلے میں 19% اضافے کے ساتھ 347.305 کی نیٹ سیلز حاصل کی جسے بہتر سیل مکس اور ریسرچ اینڈ ڈیولپمنٹ سے منسوب کیا جاتا ہے۔ مذکورہ مدت کے لئے کمپنی کی کل منافع کی شرح 17.13% رہی جو گزشتہ برس کی اسی مدت کے مقابلے میں 24% زائد ہے۔ اس سے لاگت پر ہمارے رد و بدل اور منافع کو برقرار رکھنے کی بہتر صلاحیت کی عکاسی ہوتی ہے۔ البتہ، روپے کی قدر میں کمی اور خام مال کی قیمتوں میں اضافے کے باعث ہمیں کئی مشکلات کا سامنا رہا جس سے ہماری پیداواری لاگت میں اضافہ ہوا۔

سیلز، مارکیٹنگ اور سیلنگ اخراجات 44.87 ملین روپے جب کہ تشہیری سرگرمیاں منصوبے کے عین مطابق سرانجام دی گئیں۔ مزید برآں، KIBOR میں اضافے کے باعث قرضوں پر لاگت میں گزشتہ برس کی اسی مدت کے مقابلے میں 46% تک اضافہ ہوا۔ اس کے باوجود ہم 5.73 ملین روپے منافع علاوہ ٹیکس اور 3.99 روپے کی فی حصص آمدنی (EPS) حاصل کرنے کے میں کامیاب ہوئے۔ منڈی کے مشکل ترین حالات اور مسابقتی ماحول کو مد نظر رکھتے ہوئے یہ نمایاں کامیابی ہے۔

مستقبل کا منظر نامہ

حالیہ معاشی حالت اور کاروباری دھارے پر اس کے اثرات کی روشنی میں، کمپنی کی انتظامیہ پیٹ انڈسٹری میں ترقی کے ممکنہ مواقع حاصل کرنے کے لئے ہر وقت تیار ہے۔ شہری آباد کاری اور آبادی میں اضافے سے نہ صرف ڈیکوریٹو شعبہ بلکہ انڈسٹری اور آٹوموٹیو میں پیٹ کی طلب میں اضافہ متوقع ہے۔ کمپنی کی انتظامیہ ان مواقع سے فائدہ اٹھانے کے لئے ہر وقت تیار ہے۔ پاکستان کے ابتر معاشی حالات کے باوجود کمپنی ترقی اور کامیابی کے لئے تمام ممکنہ نتائج حاصل کرنے کے لئے پرعزم ہے۔ ڈائریکٹرز اس موقع پر اپنے شیئر ہولڈرز، صارفین، سپلائرز اور ملازمین کی مسلسل سپورٹ اور کمپنی پر بھروسے کے لئے شکر یہ ادا کرنا چاہتے ہیں۔

چیف ایگزیکٹو

لاہور

ڈائریکٹر

مؤرخہ: 24 فروری، 2024ء



Independent Auditors' Review Report

To the Members of Buxly Paints Limited

Report on Review of Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Buxly Paints Limited** (the Company) as at December 31, 2023 and the related condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows, and notes to the financial statements for the half year then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other matter

The figures of the condensed interim statement of profit or loss and other comprehensive income for the quarters ended 31 December have not been reviewed, as we are required to review only cumulative figures for the half year ended 31 December.

The engagement partner on the review resulting in this independent auditors' report is Mr. Adnan Rasheed.

Rahman Sarfaraz Rahim Iqbal Rafiq
CHARTERED ACCOUNTANTS
Lahore:
UDIN: RR202310701RpmGHZoku

Buxly Paints Limited
Condensed Interim Statement of Financial Position
As at December 31, 2023

		December 31, 2023 (Unaudited)	June 30, 2023 (Audited)
		(Rupees in '000)	
PROPERTY AND ASSETS			
Non-current assets			
Property and equipment	6	171,335	171,457
Investment properties	7	3,613	3,690
Long term loans and advances		8,973	5,873
Long term receivable		10,800	9,900
Long term security deposits		361	361
Deferred taxation	8	-	-
		<u>195,082</u>	<u>191,281</u>
Current assets			
Stock-in-trade	9	99,170	81,599
Trade debts	10	212,890	160,679
Advances and deposits	11	2,884	6,261
Prepayments and other receivables		99	69
Term deposit receipts		150	150
Markup receivable		-	8
Current portion of long term loans and advances		699	585
Taxes recoverable/ adjustable		9,259	6,420
Cash and bank balances	12	52,973	43,261
		<u>378,124</u>	<u>299,032</u>
Total property and assets		<u><u>573,206</u></u>	<u><u>490,313</u></u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital		14,400	14,400
Capital reserve			
Surplus on revaluation of property and equipment	13	168,934	168,934
Revenue reserves			
General reserve		5,993	5,993
Accumulated loss		(3,206)	(8,945)
		<u>186,121</u>	<u>180,382</u>
Non-current liabilities			
Lease liability	14	773	977
		<u>773</u>	<u>977</u>
Current liabilities			
Markup accrued		2,585	2,414
Current portion of lease liability	14	386	343
Unpaid dividend		217	217
Unclaimed dividend		102	102
Short term borrowings-secured	15	44,834	43,473
Trade and other payables	16	338,188	262,405
		<u>386,312</u>	<u>308,954</u>
Contingencies and commitments	17	-	-
Total equity and liabilities		<u><u>573,206</u></u>	<u><u>490,313</u></u>

The annexed notes 1 to 25 form an integral part of these financial statements.

Chief Executive Officer

Director

Chief Financial Officer



Buxly Paints Limited**Condensed Interim Statement of Profit or Loss and Other Comprehensive Income (Unaudited)****For the half year ended December 31, 2023**

	Note	Half year ended		Quarter ended	
		December 31,	December 31,	December 31,	December 31,
		2023	2022	2023	2022
(Rupees in '000')					
Sales - net	18	347,305	292,515	176,500	164,746
Cost of sales	19	(287,810)	(251,998)	(145,162)	(137,262)
Gross profit		59,495	40,517	31,338	27,484
Distribution and selling expenses	20	(31,034)	(21,807)	(16,405)	(12,792)
Administrative expenses	21	(13,835)	(12,167)	(7,744)	(9,098)
		(44,869)	(33,974)	(24,149)	(21,890)
		14,626	6,543	7,189	5,594
Other income		1,817	1,811	908	901
		16,443	8,354	8,097	6,495
Finance cost		(5,616)	(3,839)	(2,709)	(1,979)
Other expenses	22	(747)	(312)	(372)	(312)
		(6,363)	(4,151)	(3,081)	(2,291)
Profit before tax		10,080	4,203	5,016	4,204
Taxation		(4,341)	(3,656)	(2,206)	(2,059)
Profit after taxation		5,739	547	2,810	2,145
<u>Other comprehensive income-net of tax</u>					
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		5,739	547	2,810	2,145
Earning per share - Basic and diluted		3.99	0.38	1.95	1.49

The annexed notes 1 to 25 form an integral part of these financial statements.

Chief Executive Officer_____
Director_____
Chief Financial Officer

Buxly Paints Limited
Condensed Interim Statement of Changes in Equity (Unaudited)
For the half year ended December 31, 2023

	Share capital	Capital reserve	Revenue reserves		Total
		Surplus on revaluation of property and equipment	General reserve	Accumulated loss	
(Rupees in '000)					
Balance as at 01 July 2022	14,400	130,352	5,993	(11,662)	139,083
Total comprehensive income for the period	-	-	-	547	547
Balance as at 31 December 2022	14,400	130,352	5,993	(11,115)	139,630
Total comprehensive income for the period	-	38,582	-	2,170	40,752
Balance as at 30 June 2023	14,400	168,934	5,993	(8,945)	180,382
Total comprehensive income for the period	-	-	-	5,739	5,739
Balance as at 31 December 2023	14,400	168,934	5,993	(3,206)	186,121

The annexed notes 1 to 25 form an integral part of these financial statements.

Chief Executive Officer

Director

Chief Financial Officer



Buxly Paints Limited
Condensed Interim Statement of Cash Flows (Unaudited)
For the half year ended December 31, 2023

	December 31, 2023	December 31, 2022
Note	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	10,080	4,203
Adjustments for:		
Depreciation	243	285
Impairment loss for:		
- trade debts	-	1,962
- expired letters of guarantee, earnest money and tender deposits	3,500	4,000
Workers' Profit Participation Fund (WPPF)	541	226
Workers' Welfare Fund (WWF)	206	86
Markup on term deposit receipt	(11)	(5)
Finance cost	5,616	3,839
Rental income	(900)	(900)
	<u>9,195</u>	<u>9,493</u>
Operating cash flows before working capital changes	19,275	13,696
(Increase)/ decrease in current assets:		
Stock-in-trade	(17,571)	14,732
Trade debts	(52,211)	(31,558)
Advances and deposits	3,377	(416)
Prepayments and other receivables	(30)	283
Increase in current liabilities:		
Trade and other payables	71,689	7,019
	<u>5,254</u>	<u>(9,940)</u>
Cash generated from operations	24,529	3,756
Finance cost paid	(5,445)	(3,290)
Income tax paid	(7,180)	(5,580)
	<u>(12,625)</u>	<u>(8,870)</u>
Net cash generated from/ (used in) operating activities	<u>11,904</u>	<u>(5,114)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property and equipment	(44)	-
Markup received on term deposit receipt	19	6
Long term loans and advances - net	(3,214)	(2,068)
Net cash used in investing activities	<u>(3,239)</u>	<u>(2,062)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term borrowings - net	-	(1,046)
Lease liability paid	(314)	(279)
Short term borrowings - net	1,361	(20,195)
Net cash generated from/ (used in) financing activities	<u>1,047</u>	<u>(21,520)</u>
Net increase/ (decrease) in cash and cash equivalents during the period	9,712	(28,696)
Cash and cash equivalents at the beginning of the period	43,261	29,717
Cash and cash equivalents at the end of the period	<u>52,973</u>	<u>1,021</u>

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The annexed notes 1 to 25 form an integral part of these financial statements.

Chief Executive Officer

Director

Chief Financial Officer



Buxly Paints Limited
Notes to the Condensed Interim Financial Statements (Unaudited)
For the half year ended December 31, 2023

1 STATUS AND NATURE OF BUSINESS

Buxly Paints Limited (the Company) was incorporated in Pakistan in April 1954 as a private limited company under the Companies Act, 1913 (now the Companies Act, 2017) and subsequently converted into a public limited company in May 1985. Its shares are listed on the Pakistan Stock Exchange. The principal activity of the Company is manufacturing and sale of paints, pigments, protective surface coating, varnishes and other related products under a toll manufacturing agreement with Berger Paints Pakistan Limited, at a specified toll manufacturing fees. As per the agreement, the Company will deliver the materials, packing, filling and other bulk components, together with other ingredients to Berger Paints Pakistan Limited, who will process the ingredients, pack the products and deliver the products to the Company or designated party in Pakistan indicated by the Company.

Geographical locations and addresses of business units/ plants of the Company are as follows:

	Purpose	Location	Address
a	Registered office	Karachi	X-3, Manghopir Road, S.I.T.E. Karachi, Sindh, Pakistan
b	Head office	Lahore	The Annexe, 36- Industrial Estate, Kotlakhpat, Lahore
c	Islamabad office	Islamabad	The Annexe, Plot No. 201, Street No. 1, Sector 1-10/3, Industrial Area, Islamabad

2 STATEMENT OF COMPLIANCE

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standard Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

The cumulative figures for the half year ended December 31, 2023 presented in these condensed interim financial statements are unaudited but have been subjected to limited scope review by the auditors of the Company, as required under section 237 of the Companies Act, 2017 (the Act) and Code of Corporate Governance. Quarterly figures are unaudited/ unreviewed.

The comparative statement of financial position presented in these condensed interim financial statements have been extracted from the audited financial statements of the Company for the year ended June 30, 2023, whereas the comparative condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows for the half year ended December 31, 2022 have been subjected to review but not audited.

These condensed interim financial statements do not include all the information and disclosures required in annual financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2023.

3 MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the financial statements for the year ended June 30, 2023.

3.1 Standards and amendments to published accounting and reporting standards which were effective during the half year ended December 31, 2023

There are other new standards which are effective from July 01, 2023 but they do not have a material effect on the Company's condensed interim financial statements.

3.1.1 Standards and amendments to approved accounting and reporting standards that are not yet effective:

There are other new standards and certain amendments and interpretations to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 01, 2023. However, these standards, amendments and interpretations will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these condensed interim financial statements.



3.1.2 These condensed interim financial statements are presented in Pak Rupees which is also the Company's functional and presentation currency. All financial information presented in Pak Rupees has been rounded to the nearest thousand of Rupees. Figures for previous year/ period are rearranged wherever necessary to facilitate comparison. Appropriate disclosure is given in relevant note in case of material rearrangement.

4 ESTIMATES

The preparation of condensed interim financial information requires management to make judgments, estimates and assumptions that effect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to financial statements for the year ended June 30, 2023.

5 RISK MANAGEMENT

The Company's risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2023.

December 31, 2023 (Unaudited)	June 30, 2023 (Audited)
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(Rupees in '000)

6 PROPERTY AND EQUIPMENT

Opening written down value	171,457	133,284
Add: Additions during the period/ year-at cost	44	-
Surplus on revaluation of property and equipment	-	38,582
Less: Depreciation charged during the period/ year	(166)	(409)
	<u>171,335</u>	<u>171,457</u>

7 INVESTMENT PROPERTIES

Opening written down value	3,690	3,852
Less: Depreciation charged during the period/ year	(77)	(162)
	<u>3,613</u>	<u>3,690</u>

The Company is currently recording investment property at cost. Had the investment property been measured at fair value, the value of property would have been Rs. 125.712 million and the forced sale value will be Rs. 106.855 million as per independent valuers' report of June 2023.

a. The land element has been valued at Rs. 104.323 million after enquiring market rates of similar sized plots in near vicinity from the real estate agents and keeping in view the location, size and availability of the land. The land is situated at Manghopir Road, S.I.T.E, Karachi having area of 17,071 square feet; and

b. The building element has been valued at Rs. 21.389 million after taking into account the type and class of construction. The building is situated on a portion of the same land covering an area of 3,500 square feet.

The fair value of the property has been assessed under 'fair value hierarchy: level 3'.

8 DEFERRED TAXATION

Deferred tax asset amounting to Rs. 24.258 million (June 30, 2023 : Rs 21.446 million) has not been recognised in these condensed interim financial statements as it is not probable that enough taxable profits will be available in the future against which such deductible temporary differences will be utilised.

9 STOCK-IN-TRADE

Packing material	3,569	2,695
Work-in-process	1,907	2,750
Finished goods	<u>98,451</u>	<u>80,911</u>
	103,927	86,356
Less: Provision against slow moving stocks:		
- Finished goods	(4,757)	(4,757)
	<u>99,170</u>	<u>81,599</u>

10 TRADE DEBTS

- Unsecured	212,890	160,679
Considered good	<u>24,422</u>	<u>24,422</u>
Considered doubtful	237,312	185,101
	<u>(24,422)</u>	<u>(24,422)</u>
Less: Provision against expected credit loss	<u>212,890</u>	<u>160,679</u>



11 ADVANCES AND DEPOSITS

	December 31, 2023 (Unaudited)	June 30, 2023 (Audited)
	(Rupees in '000)	
Advances - unsecured, considered good		
Advances to employees	723	392
Deposits		
Margin against expired letters of guarantee		3,298
Earnest money and tender deposits	3,198	9,802
	9,695	
Provision against letters of expired guarantee, earnest money and tender deposits	12,893	13,101
	(10,732)	(7,232)
11.1	2,884	6,261
11.1 Opening balance	7,232	2,232
Add: Charge for the period/ year	3,500	5,000
Closing balance	10,732	7,232

12 CASH AND BANK BALANCES

Cash in hand	58	58
Cheques in hand	30,612	-
Cash at banks - current accounts	22,303	43,203
	52,973	43,261

13 SURPLUS ON REVALUATION OF PROPERTY AND EQUIPMENT

	168,934	168,934
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The surplus is in respect of the land located at Plot No. X-3, Manghopir Road, S.I.T.E, Karachi. The plot was revalued on June 22, 2023 by an independent valuer M/s Professional Associates (Regd.) Karachi. The valuation of land has been made on the basis of fair market value. The valuation resulted in net surplus of Rs. 38.582 million. The aforementioned surplus on revaluation of property has been shown as part of equity. Previously such revaluation was carried out in June 30, 2018 by an other independent valuer M/s Harvester Services (Private) Limited, Karachi.

14 LEASE LIABILITY

Opening balance	1,320	1,624
Add: Interest accrued on lease liability	152	275
Less: Payments during the period/ year	(314)	(579)
	1,159	1,320
Less: Current portion	(386)	(343)
	773	977

The reconciliation between gross minimum lease payments, future financial charges and present value of minimum lease payments is as under:

	Minimum lease payments (MLP)	Future finance cost	Present value of MLP
	(Rupees in '000)		
As on December 31, 2023	627	(242)	386
Not later than one year	941	(168)	773
Later than one year but not later than five years	1,568	(410)	1,159
As on June 30, 2023	629	(286)	343
Not later than one year	1,258	(281)	977
Later than one year but not later than five years	1,887	(567)	1,320

The lease finance has been obtained from First Habib Modaraba. The obligation represents the present value of minimum lease payments discounted at the rate of 3 months KIBOR + 1% and are payable in equal quarterly installments.

Purchase options are available to the Company after payments of last installment and on surrender of deposit at the end of lease period. The Company intends to exercise its option to purchase leased assets at its salvage value upon completion of respective leased period. The cost of operating and maintaining the leased assets is to be borne by the Company.



	December 31, 2023 (Unaudited)	June 30, 2023 (Audited)
15 SHORT TERM BORROWINGS-SECURED	(Rupees in '000)	
	44,834	43,473

The Company has entered into an agreement with JS Bank Limited for short term running finance facility under markup arrangement. This arrangement is secured against first hypothecation charge of Rs. 107 million over stocks and receivables of the Company and additional comfort of first equitable mortgage charge of Rs. 67 million on industrial property of the Company situated at Plot # X-3, Manghopir Road, S.I.T.E., Karachi. The running finance facility carries markup of 3 months KIBOR + 2%. Total limit available to the Company amounts to Rs. 50 million (June 30, 2023: 50 million).

16 TRADE AND OTHER PAYABLES

Creditors	16.1	325,003	251,800
Accrued expenses		664	831
Other liabilities		12,521	9,774
		338,188	262,405

16.1 This includes payable to Berger Paints Pakistan Limited, an associated undertaking amounting to Rs. 277.694 million (June 30, 2023: Rs. 217.524 million)

17 CONTINGENCIES AND COMMITMENTS

There has been no significant change in the status of contingencies and commitments as reported in note 21 to the annual audited financial statements of the Company for the year ended June 30, 2023, except a case in which the Company is engaged in a legal proceeding to initiate an arbitration process in response to a demand of Rs. 41.9 million from one of its customers due to challenges faced by the Company in meeting its contractual obligation. The Company's legal counsel is confident about the favourable outcome of this proceeding.



18 SALES - net

Gross sales
Less: Sales tax

Less: Commission and discount

	Half year ended (Unaudited)		Quarter ended (Unaudited)	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	(Rupees in '000)			
	487,234	403,806	248,764	230,000
	(76,039)	(59,356)	(38,361)	(33,656)
	411,195	344,450	210,403	196,344
	(63,890)	(51,935)	(33,903)	(31,598)
	<u>347,305</u>	<u>292,515</u>	<u>176,500</u>	<u>164,746</u>

19 COST OF SALES

Opening stock
Packing material

Add: Purchases
Raw material
Packing material

Less: Closing stock
Packing material

Raw and packing material consumed

Manufacturing expenses
Toll manufacturing charges

Work-in-process
Opening stock
Closing stock

Cost of goods manufactured

Finished goods
Opening stock
Closing stock

	2,695	3,973	4,816	3,532
	249,232	187,004	132,007	91,672
	35,399	32,105	18,077	14,311
	284,631	219,109	150,084	105,983
	287,326	223,082	154,900	109,515
	(3,569)	(3,861)	(3,569)	(3,861)
	283,757	219,221	151,331	105,654
	20,750	18,157	11,736	9,300
	304,507	237,378	163,067	114,954
	2,750	3,793	3,545	3,998
	(1,907)	(292)	(1,907)	(292)
	843	3,501	1,638	3,706
	305,350	240,879	164,705	118,660
	80,911	96,869	78,908	104,352
	(98,451)	(85,750)	(98,451)	(85,750)
	(17,540)	11,119	(19,543)	18,602
	287,810	251,998	145,162	137,262



20 DISTRIBUTION AND SELLING EXPENSES

	Half year ended (Unaudited)		Quarter ended (Unaudited)	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	(Rupees in '000)			
Salaries, wages and other benefits	10,825	10,485	5,554	6,391
Advertising expenses/ sales promotion	58	38	58	38
Carriage outward	10,142	5,030	6,259	2,961
Depreciation	48	57	24	28
Printing and stationery	13	158	13	128
Rent, rates and taxes	5	236	5	131
Travelling and conveyance	5,946	2,714	3,587	1,323
Postage, telephone and fax	91	143	61	104
Provision for expenses	3,493	2,500	706	1,457
Others	413	446	137	231
	<u>31,034</u>	<u>21,807</u>	<u>16,405</u>	<u>12,792</u>

21 ADMINISTRATIVE EXPENSES

Salaries, wages and other benefits	6,141	3,543	3,798	1,963
Depreciation	195	228	99	114
Printing and stationery	52	16	35	16
Repairs and maintenance	24	7	18	-
Travelling and conveyance	452	56	411	56
Directors' fee	356	325	212	325
Audit fee	118	118	13	118
Impairment loss for:				
- trade debts	-	1,962	-	1,480
- expired letters of guarantee, earnest money and tender deposits	3,500	4,000	1,000	4,000
Others	2,997	1,912	2,158	1,026
	<u>13,835</u>	<u>12,167</u>	<u>7,744</u>	<u>9,098</u>

22 OTHER EXPENSES

Workers' Profit Participation Fund	541	226	269	226
Workers' Welfare Fund	206	86	103	86
	<u>747</u>	<u>312</u>	<u>372</u>	<u>312</u>



4 RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

Related parties comprises of associated undertakings, directors of the Company, major shareholders and their close family members, key management personnel and employee retirement benefits plans. The transactions with related parties are entered into at commercial/ agreed terms and conditions. Transactions with key management personnel are made as per the terms of employment.

Details of transactions with related parties, other than those which have been specifically disclosed elsewhere in these condensed interim financial information are as follows:

	Half year ended (Unaudited)	
	December 31, 2023	December 31, 2022
	(Rupees in '000)	
Associated undertakings:		
Purchases during the period	249,232	187,004
Rental expense and service charges	600	600
Toll manufacturing charges incurred	20,750	18,157
Rent income	1,800	1,800
License fee income	6	6
Buxly Paints Limited Provident Fund:		
The Company's contribution	1,272	807
Remuneration of key management personnel		
Management remuneration	2,303	1,835
House rent and other benefits	1,557	1,309
Directors' meeting fee	356	325

Following are the related parties with whom the Company had entered into transactions or have arrangements/ agreements in place:

S. No.	Company Name	Basis of relationship	Aggregate % of shareholding
1	Berger Paints Pakistan Limited	Shareholding	19%
2	Buxly Paints Limited Provident Fund	Control	-

5 SUBSEQUENT MATERIAL EVENTS

There are no other significant activities since December 31, 2023 affecting the condensed interim financial statements apart from those disclosed in the condensed interim financial statements.

5 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements have been authorized for issue on _____ by the Board of Directors.

Chief Executive Officer

Director

Chief Financial Officer

