



**Nine Months Ended
March 31, 2020**

Company Information

Board of Directors:

Mr. Shamshad Ali	Chairman
Mr. Bashir Ahmed	
Mr. Adnan Iqbal	Chief Executive Officer
Mr. Fakhrul Arfin	
Mr. S.T Kureshi	
Ms. Rubina Rizvi	
Mr. Muhammad Hanif Idrees	
Mr. Sheikh Asim Rafiq	(NIT Nominee)

Audit Committee:

Mr. Muhammad Hanif Idrees	Chairman
Mr. S.T Kureshi	Member
Mr. Fakhrul Arfin	Member

Human Resource and Remuneration Committee :

Mr. Bashir Ahmed	Chairman
Ms. Rubina Rizvi	Member
Mr. Shamshad Ali	Member

Chief Financial Officer

Mr. Asad Ali

Company Secretary

Mr. Asad Ali

Auditors:

Rehman Sarfraz Rahim Iqbal Rafiq
Chartered Accountants

Legal Advisor:

Mr. Laiq Ahmed Khan

Bankers:

Habib Metropolitan Bank Limited
Habib Bank Limited
MIB Bank Limited
National Bank of Pakistan
JS Bank Limited

Share Registrar :

THK Associates (Pvt.) Ltd.
1st Floor, 40-C, Block 6, P.E.C.H.S., Karachi
Ph: 021-111-000-322
Fax: 021-34168271

Registered Office:

X-3, Manghopir Road, S.I.T.E., Karachi-75700

Web Site Address:

<http://www.buxly.com>



Directors' Review

The Board of Directors of your company is pleased to present the condensed interim financial statements of the Company for the nine months ended March 31, 2020.

Operational Results

During the period under review, Company achieved revenue growth of 11.1% over corresponding period of last year and recorded topline of Rs.225.797 million (2019:Rs.203.222 million). The gross profit in terms of percentage of turnover has improved over the corresponding period of last year from 11.53% to 19.81%. Continued focus on profitable sales is translating into results. However, the global pandemic of COVID19 is posing challenges of uncertainty and economic slowdown. Due to economic slowdown, particularly in the month of March 2020, Company could not achieve its targeted sales. The revenue growth and gross profit improvement has yielded EPS of Rs. 0.11 as against loss per share of Rs. (7.97) for the corresponding period of last year.

Future Outlook

Global and domestic economy is going through a situation of unprecedented uncertainty and slow down due to pandemic of COVID19 and prevailing lockdown situation across the country has put the operations of most of businesses at halt. In wake of such challenges sales targets for the last quarter of the year appear to be not materializing. Under the prevailing situation management of your company is putting its all efforts on cash conservation, supply chain management and cost containment. We are hopeful that as soon as the normal situation starts restoring, your Company is prepared to revive operations for driving value for our stakeholders.

Chief Executive

Director

**Karachi:
April 28, 2020**

مجلسِ نظما کی رپورٹ

آپ کی کمپنی کے ناظمین 31 مارچ 2020ء کو اختتام ہونے والی نو ماہی پر عبوری مالیاتی گوشوارے بعد اپنے تبصرے کے پیش کر رہے ہیں۔

آپریشنل نتائج

کمپنی نے گذشتہ سال کی اسی مدت کے 203.222 ملین روپے کے مقابلے میں 225.797 ملین روپے کی آمدنی حاصل کی ہے جو 11.10 فیصد زیادہ ہے۔ مجموعی منافع کی شرح اسی مدت سے 11.53 فیصد سے بڑھ کر 19.81 فیصد ہو گئی ہے۔ مجموعی منافع کی فیصد میں اضافہ بنیادی طور پر اچھے منافع کے مارجن پر مصنوعات فروخت کرنے کے انتظام کی وجہ سے ہے۔ تیسری سہ ماہی کے دوران، کورونا وائرس وبائی مرض نے پاکستان سمیت پوری دنیا کو بری طرح متاثر کیا۔ معاشی سست روی کی وجہ سے، خاص طور پر مارچ 2020 کے مہینے میں کمپنی اپنی ٹارگٹ سیلز حاصل نہیں کر سکی۔ ای پی ایس 0.11 روپے کے حصص کے نقصان کے مقابلے میں پچھلے سال کے اسی عرصے میں (7.97) روپے رہی۔

مستقبل کا نظریہ

موجودہ وبائی صورتحال کی وجہ سے پاکستان کی معیشت غیر یقینی مرحلے سے گذر رہی ہے کیونکہ ملک بھر میں لاک ڈاؤن کی موجودہ صورتحال نے بیشتر کاروباری اداروں کا کام بند کر دیا ہے۔ غیر یقینی معاشی صورتحال کی وجہ سے کمپنی کی فروخت کے اہداف سال کے آخری سہ ماہی میں حاصل کرنا مشکل ہے۔ آپ کی کمپنی کا نظم و نسق اپنے آپریشنل اخراجات کو کم کرنے اور اپنی صورتحال کو موجودہ صورتحال سے ہم آہنگ کرنے کے لئے پوری کوشش کر رہا ہے۔ لاک ڈاؤن ختم ہونے کے بعد کمپنی اپنی کارروائیاں شروع کرے گی اور کمپنی کے نتائج کو بہتر بنانے پر توجہ دے گی۔

حنیف ادریس
ڈائریکٹر

عدنان اقبال
چیف ایگزیکٹو

کراچی:

28 اپریل، 2020

Statement of Financial Position For the Quarter ended March 31, 2020

	Note	Un-audited 31 March 2020	Audited 30 June 2019
----- (Rupees in '000) -----			
ASSETS			
Non-Current Assets			
Property and equipment	6	131,576	131,637
Investment properties		4,248	4,390
Long term loans and advances		2,533	2,166
Long term receivable		4,050	2,700
Long term security deposits		141	91
		142,548	140,984
Current Assets			
Stock-in-trade		80,931	63,546
Trade debts - unsecured		94,882	64,284
Advances and deposits		8,638	14,985
Prepayments and other receivables		3,155	4,415
Term deposit receipts / accounts		7,217	7,217
Mark-up receivable		607	188
Current portion of long term loans and advances		448	449
Taxation - net		9,259	10,455
Cash and bank balances		9,245	18,284
		214,383	183,823
Total assets		356,931	324,807
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised capital			
5,000,000 (30 June 2019: 5,000,000) Ordinary shares of Rs. 10 each		50,000	50,000
Issued, subscribed and paid-up capital			
1,440,000 (30 June 2019: 1,440,000) ordinary shares of Rs. 10 each		14,400	14,400
Capital reserves			
Surplus on revaluation of property	7	130,352	130,352
Revenue reserves			
General Reserve		5,993	5,993
Accumulated loss		(18,536)	(18,691)
		132,209	132,054
Current liabilities			
Markup Accrued		1,755	1,407
Unpaid Dividend		217	217
Unclaimed Dividend		102	102
Short term borrowings - secured	8	50,962	62,303
Trade and other payables		171,686	128,724
		224,722	192,753
Contingencies and commitments	9	-	-
Total Equity and Liabilities		356,931	324,807

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

Condensed Interim Statement of Profit and Loss Account (Un-Audited) For the Quarter ended March 31, 2020

	Note	For the nine months ended		For the quarter ended	
		31 March 2020	31 March 2019	31 March 2020	31 March 2019
----- (Rupees in '000) -----					
Sales - net	10	225,797	203,222	61,508	66,278
Cost of sales		(181,077)	(179,903)	(48,402)	(58,038)
Gross profit		44,720	23,319	13,106	8,240
Distribution and selling expenses		(30,555)	(24,580)	(8,685)	(7,728)
Administrative expenses		(8,114)	(7,339)	(3,011)	(1,962)
		(38,670)	(31,919)	(11,697)	(9,690)
		6,051	(8,600)	1,409	(1,450)
Other Income		3,283	3,734	1,133	1,041
		9,334	(4,866)	2,542	(409)
Financial cost		(5,606)	(4,077)	(1,914)	(1,398)
Other charges		(186)	-	(31)	-
		(5,792)	(4,077)	(1,945)	(1,398)
Profit / (Loss) before tax		3,542	(8,943)	598	(1,807)
Taxation		(3,387)	(2,540)	(923)	(828)
Profit / (Loss) for the period		155	(11,483)	(325)	(2,636)
Earning / (Loss) per share - basic and diluted		0.11	(7.97)	(0.23)	(1.83)

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

**Condensed Interim Statement of Comprehensive Income (Un-audited)
For the Quarter ended March 31, 2020**

	<u>For the nine months ended</u>		<u>For the quarter ended</u>	
	<u>31 March</u> <u>2020</u>	<u>31 March</u> <u>2019</u>	<u>31 March</u> <u>2020</u>	<u>31 March</u> <u>2019</u>
	----- (Rupees in '000) -----			
Profit / (Loss) after taxation	155	(11,483)	(325)	(2,636)
Other comprehensive income - net of tax	-	-	-	-
Items that will be classified to profit or loss account	-	-	-	-
Items that will never be classified to profit or loss account	-	-	-	-
Total comprehensive (Loss) / Income for the period	<u>155</u>	<u>(11,483)</u>	<u>(325)</u>	<u>(2,636)</u>

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

Condensed Interim Statement of Cash Flow (Un-audited) For the Quarter ended March 31, 2020

	31 March 2020	31 March 2019
	----- (Rupees in '000) -----	
<u>Cash Flows from Operating Activities</u>		
Profit/(Loss)/Profit before taxation	3,542	(8,943)
Adjustments for:		
Depreciation	203	226
Mark-up on term deposit receipt	(546)	(283)
Finance cost	5,606	4,077
Rental Income	(1,350)	(1,350)
	<u>3,913</u>	<u>2,670</u>
Operating cash flows before working capital changes	7,455	(6,273)
Working capital changes		
(Increase)/Decrease in Current Assets:		
Stock-in-Trade	(17,385)	11,458
Trade Debts	(30,598)	10,819
Advances and deposits	6,347	(420)
Prepayments and other receivables	1,260	1,356
Increase/(Decrease) in Current Liabilities:		
Trade & other payables	42,962	496
	<u>2,586</u>	<u>23,709</u>
Cash (used in)/ generated from operations	<u>10,040</u>	<u>17,436</u>
Finance Cost paid	(5,258)	(3,698)
Income Tax paid	(2,191)	(5,274)
Long term security deposits	(50)	-
	<u>(7,499)</u>	<u>(8,972)</u>
Net Cash used in from Operating Activities	<u>2,541</u>	<u>8,464</u>
<u>Cash Flows from Investing Activities</u>		
Additions to Property and Equipments	-	(132)
Mark up received on term deposit receipts	127	358
Long term loans and advances	(366)	272
Net Cash (used in)/ generated from Investing Activities	<u>(239)</u>	<u>497</u>
<u>Cash Flows from Financing Activities</u>		
Short term borrowings - secured	(11,341)	(7,169)
Net Cash generated from Financing Activities	<u>(11,341)</u>	<u>(7,169)</u>
Net (decrease)/Increase in Cash and Cash Equivalents during the period	<u>(9,039)</u>	<u>1,791</u>
Cash and Cash Equivalents at the beginning of the period	<u>18,284</u>	<u>1,139</u>
Cash and Cash Equivalents at the end of the period	<u><u>9,245</u></u>	<u><u>2,929</u></u>

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

Condensed Interim Statement of Changes in Equity (Un-audited) For the Quarter ended March 31, 2020

	Issued, subscribed and paid-up capital	Revenue Reserve		Capital Reserve	Total
		General reserve	Accumulated profit/(loss)	Surplus on revaluation of fixed assets	
----- (Rupees in '000) -----					
Balance as at 01 July 2018	14,400	5,993	(2,996)	130,352	147,749
Total comprehensive income/loss for the nine months period ended 31 March 2019	-	-	(11,483)	-	(11,483)
Balance as at 31 March 2019	14,400	5,993	(14,479)	130,352	136,266
Total comprehensive income/loss for the period year 30-June-2019	-	-	(4,212)	-	(4,212)
Balance as at 30- June 2019	14,400	5,993	(18,691)	130,352	132,054
Total comprehensive income/loss for the nine months period ended 31 March 2020	-	-	155	-	155
Balance as at 31 March 2020	14,400	5,993	(18,536)	130,352	132,209

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

Notes to the Condensed Interim Financial Statements (Un-audited) For the Quarter ended March 31, 2020

1. STATUS AND NATURE OF BUSINESS

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 and packs the products and delivers the products to the Company or designated party in Pakistan indicated by the Company.

Geographical location and address of business units/plants

Purpose	Location	Address
a Registered Office	Karachi	X-3, Manghopir Road, S.I.T.E. Karachi, Sindh, Pakistan.
b Lahore Office	Lahore	The Annexe, 36- Industrial Estate, Kotlukh Pat, 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 International Accounting Standard Board (IASB) as notified under the Companies Act, 2017; and
- Provision 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 provision of and directives issued under the Companies Act, 2017 have been followed.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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, 2019.

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 as at the year ended 30 June 2019.

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 30 June 2019.

31 March 2020 (Un-audited)	30 June 2019 (Audited)
---	---------------------------------------

(Rupees in '000)

6. PROPERTY AND EQUIPMENT

Opening written down value	131,637	131,608
Additions during the period-at cost	-	132
Disposal/transfer during the year/period	-	-
Depreciation charged	(61)	(103)
	131,576	131,637

31 March 2020 (Un-audited)	30 June 2019 (Audited)
---	---------------------------------------

(Rupees in '000)

7. SURPLUS ON REVALUATION OF FIXED ASSETS

<u>130,352</u>	<u>130,352</u>
----------------	----------------

The surplus is in respect of the land located at Plot No. X-3, Manghopir Road, S.I.T.E, Karachi. The plot is revalued on June 30, 2018 by an independent valuer M/s Harvester Services (Private) Limited, Karachi. The valuation of land has been made on the basis of fair market value. The valuation resulted in net surplus of Rs. 130.352 million. The aforementioned surplus amount has been shown as part of equity. Previously such revaluation was carried out in July 2013 by independent valuer M/S Iqbal A. Nanjee & Co (Pvt) Limited.

8. SHORT TERM BORROWINGS - SECURED

Company has entered into an agreement with JS Bank Limited for short term running finance facility under mark-up 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 mark-up of 1 months KIBOR + 2%. Total limit available to the Company amounting to Rs. 50 million (2019: 50 million). The amount in excess is due to issuance of cheques no presented till cut off date.

9. CONTINGENCIES AND COMMITMENTS

There has been no significant change in the status of contingencies and commitments as reported in note 20 to annual audited financial statements of the Company for the year ended 30 June 2019.

<u>For the nine months ended</u>		<u>For the quarter ended</u>	
<u>31 March</u>	<u>31 March</u>	<u>31 March</u>	<u>31 March</u>
<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
------(Rupees in '000)-----			

10. SALES - net

Gross sales	280,954	242,850	78,458	79,627
Sales tax	(41,858)	(39,277)	(11,676)	(13,292)
	239,096	203,573	66,782	66,335
Commission and discounts	(13,299)	(351)	(5,274)	(57)
	225,797	203,222	61,508	66,278

11. RELATED PARTY RELATIONSHIP AND TRANSACTIONS

Related parties comprises of associated undertakings, directors of the company, major shareholders and their close family members and 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 term 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:

<u>For the nine months ended</u>	
<u>31 March</u>	<u>31 March</u>
<u>2020</u>	<u>2019</u>
------(Rupees in'000)-----	

Associated undertakings:

Berger Paints Pakistan Limited

Purchases during the period	168,194	135,493
Toll manufacturing expenses incurred	16,631	16,115
Royalty income (under royalty agreement)	27	742
Rent income	2,699	2,700
License fee Income	9	9
Rental expense and service charges	900	900
Due to Berger Paints Pakistan Limited.	157,336	102,773

Remuneration of Key Management Personnel

Management remuneration	5,448	1,266
House rent and other benefits	1,231	398

Buxly Paints Limited Provident Fund

Company's contribution	349	448
------------------------	------------	-----



12. GENERAL

12.1 Figures have been rounded off to the nearest thousand rupees.

12.2 Previous year figures have been re-arranged wherever necessary for the purpose of comparison.

13. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial information has been authorized for issue on April 28, 2020 by the Board of Directors.