



**September 2019**  
**Quarterly Accounts**



## Directors' Review

The Directors of your company are pleased to present the un-audited condensed interim financial statements of the company for the first quarter ended September 30, 2019.

### **Operational Results:**

The company has achieved revenue amounting to Rs.78.982 million as against Rs.61.904 million of the corresponding period of last year which is 27% higher. The gross margin as percentage of net sales has increased from 12.9% to 17.8% by 5% during the period under review from corresponding period. The company has taken corrective actions to make profitable supplies. The company has achieved profit after tax Rs 0.457m as against loss of Rs 3.93 m of the corresponding period.

### **Future Outlook:**

Despite inflationary trends, the management of your company is continuously concentrating on enhancing its margins by capturing sales that is profitable. The company plans to remain focused on fulfilling customer needs and strengthening relationship with existing customers along with exploring new avenues for improving the overall results of the company.

**Chief Executive Officer**

**Director**

**Karachi:  
October 28, 2019**

## ڈائریکٹر کی رائے۔

آپ کی کمپنی کے بورڈ آف ڈائریکٹرز نے ۰۳ ستمبر ۲۰۱۰ کو ختم ہونے والے پہلے سہ ماہی کی غیر تصدیق شدہ مالیاتی رپورٹ شائع کی ہے۔  
عملی نتیجہ۔

آپ کی کمپنی کی اس سہ ماہی پر 78.982 ملین روپے کی سیلز حاصل کرنے میں کامیاب رہی ہے جو کہ گزشتہ سال کے اسی دورانیہ میں 61.904 ملین روپے تھی جو کہ 27 فیصد زیادہ ہے۔ اس مدت کے دوران سیلز کے فیصد کے مطابق مجموعی مارجنز %12.90 سے بڑھ کر %17.80 ہو گیا۔ کمپنی نے منافع بخش سپلائی کے لیے اصلاحی اقدامات اٹھائے ہیں۔ کمپنی نے ٹیکس کے بعد 0.457 ملین منافع حاصل کیا ہے جبکہ اسی مدت میں گزشتہ سال 3.93 ملین نقصان ہوا تھا۔

کمپنی کے حصص میں گزشتہ سال کے اسی دورانیہ میں 0.82 روپے فی حصص منافع کے برعکس 2.73 روپے فی حصص نقصان ریکارڈ کیا گیا۔

## مستقبل کی نظر میں۔

افراط زر کے رجحان کے باوجود آپ کی کمپنی کی انتظامیہ منافع بخش سیلز اور مارجنز کو بڑھانے پر مستقل توجہ دے رہی ہے۔ کمپنی کا مقصد صارفین کی ضروریات کو پورا کرنے اور موجودہ کسٹمرز کے ساتھ تعلقات کو مضبوط بنانے کے ساتھ ساتھ کمپنی کے مجموعی نتائج کو بہتر بنانا ہے۔

ڈائریکٹر

چیف ایگزیکٹو آفیسر

کراچی:

اکتوبر 28، 2019

## Statement of Financial Position

### For the period ended September 30, 2019

	<i>Note</i>	<b>Un-audited 30 September 2019</b>	<b>(Audited ) 30 June 2019</b>
<b>(Rupees in '000)</b>			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment		131,615	131,637
Investment properties		4,343	4,390
Long term loans and advances		3,488	2,166
Long term receivable		3,150	2,700
Long term security deposits		91	91
Deferred taxation		-	-
		<b>142,687</b>	<b>140,984</b>
<b>Current Assets</b>			
Stock-in-trade		54,090	63,546
Trade debts - unsecured		74,801	64,284
Advances and deposits		16,641	14,985
Prepayments and other receivables		894	4,415
Term deposit receipts / account		7,217	7,217
Mark up receivable		195	188
Current portion of long term loans and advances		439	449
Taxation - net		9,495	10,455
Cash and bank balances		4,546	18,284
		<b>168,318</b>	<b>183,823</b>
<b>Total assets</b>		<b>311,005</b>	<b>324,807</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Authorized capital			
5,000,000 (30 June 2019: 5,000,000) Ordinary shares of Rs. 10 each		<b>50,000</b>	50,000
Issued, subscribed and paid-up capital		<b>14,400</b>	14,400
Capital reserves			
Surplus on revaluation of property		<b>130,352</b>	130,352
Revenue reserves			
General reserves		<b>5,993</b>	5,993
Accumulated (Loss) / Profit		<b>(18,234)</b>	(18,691)
		<b>132,511</b>	132,054
<b>Current liabilities</b>			
Markup Accrued		1,678	1,407
Unpaid Dividend		217	217
Unclaimed Dividend		102	102
Short term borrowing - secured	4	45,571	62,303
Trade and other payables		<b>130,926</b>	128,724
		<b>178,494</b>	192,753
Contingencies and commitments	5	-	-
<b>Total equity and liabilities</b>		<b>311,005</b>	<b>324,807</b>

The annexed notes 1 to 9 form an integral part of these condensed financial statements.

**Condensed Interim Statement of Profit and Loss Account (Un-Audited)**  
**For the period ended September 30, 2019**

	Note	30 September 2019 (Rupees in '000)	30 September 2018
Sales		78,982	61,904
Cost of sales	6	(64,961)	(53,899)
<b>Gross profit</b>		<b>14,021</b>	<b>8,005</b>
Distribution and selling expenses		(9,439)	(8,644)
Administrative expenses		(2,137)	(2,439)
Operating profit / (Loss)		2,445	(3,078)
Other income		998	1,364
		3,443	(1,714)
Financial cost		(1,678)	(1,443)
Other charges		(123)	-
<b>Profit / (Loss) before taxation</b>		<b>1,642</b>	<b>(3,157)</b>
<b>Taxation</b>		<b>(1,185)</b>	<b>(774)</b>
<b>Profit / (Loss) for the period</b>		<b>457</b>	<b>(3,931)</b>
Profit Earning per share - basic and diluted		0.32	(2.73)

The annexed notes 1 to 9 form an integral part of these condensed financial statements.



**Condensed Interim Statement of Comprehensive Income (Un-audited)**  
**For the period ended September 30, 2019**

	<b>30 September 2019</b>	<b>30 September 2018</b>
	<b>(Rupees in '000)</b>	
Profit/(Loss) after taxation	<b>457</b>	<b>(3,931)</b>
Other comprehensive income	-	-
<b>Total comprehensive income</b>	<b><u>457</u></b>	<b><u>(3,931)</u></b>

The annexed notes 1 to 9 form an integral part of these condensed financial statements.

**Condensed Interim Statement of Cash Flow (Un-audited)**  
**For the period ended September 30, 2019**

	<b>30 September</b> <b>2019</b>	<b>30 September</b> <b>2018</b>
	<b>(Rupees in '000)</b>	
<b>Cash flows from operating activities</b>		
Cash generated from operations	<b>(11,835)</b>	16,822
Income tax paid	<b>(225)</b>	(2,859)
Finance cost paid	<b>(1,678)</b>	(1,443)
Net cash generated from operating activities	<b>(13,738)</b>	12,519
<b>Cash flows from investing activities</b>		
Addition to fixed assets	-	(99)
	-	<b>(99)</b>
<b>Cash flows from financing activities</b>		
	-	-
Net Increase/(decrease) in cash and cash equivalents	<b>(13,738)</b>	<b>12,421</b>
<b>Cash and cash equivalents at 1-July</b>	<b>18,284</b>	1,139
<b>Cash and cash equivalents at 30-September</b>	<b>4,546</b>	<b>13,560</b>

	<b>2019</b>	<b>2018</b>
	<b>(Rupees in '000)</b>	
<b>Cash and cash equivalents:</b>		
Cash and bank balances	<b>4,546</b>	13,560
	<b>4,546</b>	13,560

The annexed notes 1 to 9 form an integral part of these condensed financial statements.

## Condensed Interim Statement of Changes in Equity (Un-audited) For the period ended September 30, 2019

	Issued subscribed and paid-up capital	<u>Capital Reserve</u> Surplus on revaluation of Property	General reserve	<u>Revenue Reserve</u> Accumulated profit / (loss)	Total
	----- (Rupees in '000) -----				
Balance as at 01 July 2018	14,400	130,352	5,993	(2,996)	147,749
Total comprehensive income/(Loss) for the year	-	-	-	(15,695)	(15,695)
Balance as at 30 June 2019	<u>14,400</u>	<u>130,352</u>	<u>5,993</u>	<u>(18,691)</u>	<u>132,054</u>
Total comprehensive income/(Loss) for the quarter ended 30 September 2019	-	-		457	457
Balance as at 30 September 2019	<u><u>14,400</u></u>	<u><u>130,352</u></u>	<u><u>5,993</u></u>	<u><u>(18,234)</u></u>	<u><u>132,511</u></u>

The annexed notes 1 to 9 form an integral part of these condensed financial statements.



## Condensed Interim Statement of Changes in Equity (Un-audited) For the period ended September 30, 2019

### 1. STATUS AND NATURE OF BUSINESS

The Company was incorporated in Pakistan in April 1954 as a private limited company under the Companies Ordinance, 1984 (now the Companies Act, 2017) and subsequently converted into a public limited company in May 1985. Its shares are listed on 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 pack the products and deliver the products to the Company or designated party in Pakistan indicated by the Company. The registered office of the Company is situated at X-3, Manghopir Road, S.I.T.E. Karachi, Sindh, Pakistan.

### 2. BASIS OF PREPARATION

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise such International Financial Reporting Standards (IFRSs) issued by the International Standards Board as are notified, provisions of and directives issued under the Companies Act, 2017. In case requirements differ, the provisions of, or directives issued under the Companies Act, 2017 shall prevail.

The company's balance sheet presented in these financial statements as at June 30, 2019 has been extracted from audited financial statements of the company for the year ended June 30, 2019. The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements as at June 30, 2019.

### 3. ACCOUNTING POLICES

The accounting policies adopted for the preparation of these financial statements are same as those applied in preparation of the annual audited accounts of the company for the year ended June 30, 2019.

### 4. 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 on industry 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%.

## 5 CONTINGENCIES AND COMMITMENTS

There is no change in Contingencies and Commitments as reported in June 30, 2019

## 6 COST OF SALES

	30 September 2019	30 September 2018
Opening Stock of Finished goods	61,603	54,027
Add: Cost of goods manufactured	51,952	53,533
	113,555	107,560
Less: Closing Stock of Finished goods	(48,594)	(53,661)
Cost of Sales	64,961	53,899

## 7 TRANSACTIONS WITH RELATED PARTIES

	30 September 2019	30 September 2018
	(Rupees in '000)	
<b>Transactions with Berger Paints Pakistan Limited</b>		
Purchases	48,636	41,270
Toll manufacturing expenses incurred	3,726	5,059
Rental expense and service charges	2,209	2,209
Carriage outward expenses	1,462	1,449
Royalty income	-	367
Rental income	900	900
License fee	3	3
	3	3
<b>Buxly Paints Limited Provident Fund</b>		
Company's Contribution	207	133
	207	133

## 8 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by the Board of Directors on **October 28, 2019**

## 9 GENERAL

Figures have been rounded off to the nearest thousand rupees.