

BUXIY



NINE MONTHS ENDED

March 31, 2013



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COMPANY INFORMATION

Board of Directors:

Mr. Bashir Ahmed	Chairman
Mr. Shamshad Ali	Chief Executive Officer
Mr. H.P. Kotwal	
Mr. Sheikh Ajaz Majid	
Mr. Fakhru Arfin	
Mr. Salman Tarik Kureshi	
Mr. Saeed Mohammad Sheikh	
Mr. Sheikh Asim Rafiq	(NIT Nominee)
Mr. Muhammad Hanif Idrees	(Alternate Director to Mr. Sheikh Ajaz Majid)

Audit Committee:

Mr. H.P. Kotwal	Chairman
Mr. Salman Tarik Kureshi	Member
Mr. Muhammad Hanif Idrees	Member

Human Resource and Remuneration Committee:

Mr. Saeed Mohammad Sheikh	Chairman
Mr. Fakhru Arfin	Member
Mr. Shamshad Ali	Member

Company Secretary:

Mr. Shayam Mufti

Auditors:

KPMG- Taseer Hadi & Co.
Chartered Accountants

Legal Advisor:

Mr. Laiq Ahmed Khan

Bankers:

Habib Metro Bank Limited
Habib Bank Limited
NIB Bank Limited
National Bank of Pakistan
MCB Bank Limited
Bank Alfalah

Share Registrar:

THK Associates (Pvt.) Limited
Ground Floor, State Life Building No.3,
Dr. Ziauddin Ahmed Road,
Karachi, 75530, P.O. Box no. 8533,
UAN : +92 (21) 111-000-3222
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Registered Office:

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

Web Site Address:

<http://www.buxly.com>



DIRECTORS' REVIEW

The directors of your company are submitting the unaudited condensed interim financial statements for the nine months ended March 31, 2013.

Sales value for the period under review has increased by 26% from the same period of the last year. Gross margins had been under pressure and low by 1.6% of the sales value as compared to the corresponding period of the previous year. Company ended up with net loss after tax of Rs. 0.7M as against net profit after tax of Rs. 1.4M in the corresponding period.

The last quarter is expected to close with improved results.

CHIEF EXECUTIVE OFFICER

DIRECTOR

Date: 26 April 2013
Karachi.



**CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
AS AT 31 MARCH 2013**

	Note	(Un-Audited) 31 March 2013	(Audited) 30 June 2012
(Rupees in '000)			
ASSETS			
Non-Current Assets			
Property plant and equipment	6	5,869	491
Investment property	7	1,449	1,449
Long term loans and advances		934	889
Long term deposits		91	91
Deferred tax asset	8	-	-
		8,343	2,920
Current Assets			
Stock in trade		27,399	26,118
Trade debts - unsecured		37,319	35,089
Current portion of long term loans and advances		419	354
Mark-up receivable		116	77
Advances and deposits		6,889	8,168
Prepayments and other receivables		3,637	5,643
Taxation - net		4,125	4,471
Term deposit receipts		1,630	150
Cash and bank balances		3,142	10,847
		84,676	90,917
Total Assets		93,019	93,837
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorised Capital			
5,000,000 (30 June 2012: 5,000,000) Ordinary shares of Rs. 10 each		50,000	50,000
Issued, subscribed and paid-up capital			
1,440,000 (30 June 2012: 1,440,000) ordinary shares of Rs. 10 each		14,400	14,400
Reserves		5,993	5,993
Accumulated loss		(14,777)	(14,098)
		5,616	6,295
Current Liabilities			
Short term running finance - secured		-	1,836
Advance	9	40,000	-
Trade and other payables		47,403	85,626
Interest and mark-up accrued		-	80
		87,403	87,542
Contingencies and commitments	10		
Total Equity and Liabilities		93,019	93,837

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

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**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2013**

	Notes	Nine months period ended		Quarter ended	
		31 March 2013 (Rupees in '000)	31 March 2012	31 March 2013 (Rupees in '000)	31 March 2012
Sales - net	11	100,860	79,639	37,585	26,050
Cost of sales	12	(83,378)	(64,620)	(31,037)	(21,555)
Gross profit		17,482	15,019	6,548	4,495
Distribution and selling expenses	13	(13,674)	(7,982)	(5,077)	(2,534)
Administrative expenses	14	(4,761)	(4,780)	(1,786)	(1,358)
		(18,435)	(12,762)	(6,863)	(3,892)
Operating (loss)/ profit		(953)	2,257	(315)	603
Other income		999	476	351	120
		46	2,733	36	723
Financial charges	15	(221)	(421)	(47)	(172)
Workers' Profit Participation Fund		-	(116)	-	(28)
Workers' Welfare Fund		-	(43)	-	(10)
		(221)	(580)	(47)	(210)
(loss)/Profit before taxation		(175)	2,153	(11)	513
Taxation					
Current		(504)	(796)	(188)	(260)
(loss)/Profit for the period		(679)	1,357	(199)	253
(loss) / Earnings per share - basic and diluted		(0.47)	0.94	(0.14)	0.18

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2013**

	<u>Nine months period ended</u>		<u>Quarter ended</u>	
	<u>31 March</u> <u>2013</u>	<u>31 March</u> <u>2012</u>	<u>31 March</u> <u>2013</u>	<u>31 March</u> <u>2012</u>
	(Rupees in '000)		(Rupees in '000)	
(Loss) / profit after taxation	(679)	1,357	(199)	253
Other comprehensive income	-	-	-	-
Total comprehensive (loss) / income	<u>(679)</u>	<u>1,357</u>	<u>(199)</u>	<u>253</u>

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR



**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2013**

	31 March 2013	31 March 2012
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / profit before taxation	(175)	2,153
Adjustments for:		
- Depreciation	91	83
- Stock Provision	-	393
- Provision for doubtful debts	-	317
- Financial charges	221	421
	312	1,214
	137	3,367
Working capital changes		
(Increase) / decrease in current assets		
Stock in trade	(1,281)	(3,241)
Trade debts	(2,230)	(1,885)
Advances and deposits	1,279	(226)
Prepayments and other receivables	2,006	217
	(226)	(5,135)
(Decrease) / increase in current liabilities		
Advance	40,000	-
Creditors, accrued and other liabilities	(38,223)	2,614
Cash generated from operations	1,688	846
Financial charges paid	(301)	(436)
Long term loans and advances paid	(152)	(391)
Income tax paid	(158)	(724)
	(611)	(1,551)
Net cash flow from operating activities	1,077	(705)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment in term deposit	(1,480)	-
Renovation of Building	(5,408)	-
Addition to Fixed Assets	(58)	(153)
Net cash flow from investing activities	(6,946)	(153)
CASH FLOWS FROM FINANCING ACTIVITIES	-	-
Net cash flow from financing activities	-	-
Net increase / (decrease) in cash and cash equivalents	(5,869)	(858)
Cash and cash equivalents at beginning of the period	9,011	1,148
Cash and cash equivalents at end of the period	3,142	290
Cash and cash equivalent comprises		
Cash and bank balances	3,142	2,571
Short-term running finance	-	(2,281)
	3,142	290

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

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**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2013**

	Issued, subscribed and paid-up capital	General reserve	Accumulated (loss)/ unappropriated profit	Total
(Rs in '000).....			
Balance as at 1 July 2011	14,400	5,993	(15,751)	4,642
Transactions with owners, recorded directly in equity	-	-	-	-
Total comprehensive profit for the year ended 30 June 2012	-	-	1,653	1,653
Balance as at 30 June 2012	<u>14,400</u>	<u>5,993</u>	<u>(14,098)</u>	<u>6,295</u>
Transactions with owners, recorded directly in equity	-	-	-	-
Total comprehensive loss for the nine month period ended 31 March 2013	-	-	(679)	(679)
Balance as at 31 March 2013	<u><u>14,400</u></u>	<u><u>5,993</u></u>	<u><u>(14,777)</u></u>	<u><u>5,616</u></u>

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2013****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 Ordinance, 1984) with registered office in Karachi, Sindh and subsequently converted into a public limited company in May 1985. Its shares are listed on the Karachi and Lahore Stock Exchanges. 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 dated 06 January 2003, 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 product 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, Pakistan.

2. STATEMENT OF COMPLIANCE

This condensed interim financial information of the Company for the nine months period ended 31 March 2013 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

This condensed interim financial information is un-audited and is being submitted as required by Section 245 of the Companies Ordinance, 1984.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the financial statements for the year ended 30 June 2012.

4. ESTIMATES

The preparation of condensed interim financial information requires management to make judgements, 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 end for the year ended 30 June 2012.

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 2012.



6. PROPERTY, PLANT AND EQUIPMENT

6.1 The following additions were made at cost during the period:

	31 March 2013 (Un-audited) (Rupees in '000)	30 June 2012 (Audited) (Rupees in '000)
Computers	<u>58</u>	<u>157</u>

7. INVESTMENT PROPERTY

On 18 April 2012, the Company rented out portion of the land to Berger Paints Pakistan Limited as approved by the Board of Directors and shareholders of the Company. Further, the remaining land is currently held for an undetermined future use, accordingly, the land has been classified as investment property in accordance with the requirements of International Accounting Standard 40 - Investment property.

8. DEFERRED TAXATION

Deferred tax asset has not been recognised on account of taxable losses and deductible temporary differences (net of taxable temporary differences) as it is not probable that the offset will be available in future.

9. ADVANCE

	31 March 2013 (Un-audited) (Rupees in '000)	30 June 2012 (Audited) (Rupees in '000)
	<u>40,000</u>	<u>-</u>

The advance is received from a related party for business purposes as disclosed in note no. 16

10. CONTINGENCIES AND COMMITMENTS

Letter of guarantees	<u>3,371</u>	<u>2,636</u>
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11. SALES -net

	<u>Nine months period ended</u>		<u>Quarter ended</u>	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012
(Rs in '000).....			
Gross sales	<u>118,574</u>	93,207	<u>44,293</u>	30,408
Sales tax	<u>(16,340)</u>	(12,852)	<u>(6,094)</u>	(4,211)
	<u>102,234</u>	80,355	<u>38,199</u>	26,197
Commission and discounts	<u>(1,374)</u>	(716)	<u>(614)</u>	(147)
	<u>100,860</u>	<u>79,639</u>	<u>37,585</u>	<u>26,050</u>



	Nine months period ended		Quarter ended	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012
.....(Rs in '000).....				
12. COST OF SALES				
Opening stock				
Container and packing material	<u>1,097</u>	<u>597</u>	<u>1,243</u>	<u>854</u>
	1,097	597	1,243	854
Add: Purchases				
Raw material	<u>74,658</u>	<u>60,559</u>	<u>28,841</u>	<u>19,121</u>
Container and packing material	<u>5,804</u>	<u>4,660</u>	<u>2,513</u>	<u>1,083</u>
	<u>80,462</u>	<u>65,219</u>	<u>31,354</u>	<u>20,204</u>
	81,559	65,816	32,597	21,058
Less: Closing stock				
Container and packing material	<u>(1,550)</u>	<u>(1,430)</u>	<u>(1,550)</u>	<u>(1,430)</u>
Raw material, container and packing material consumed	<u>80,009</u>	<u>64,386</u>	<u>31,047</u>	<u>19,628</u>
Manufacturing expenses				
Toll manufacturing expenses	<u>4,196</u>	<u>2,685</u>	<u>1,643</u>	<u>849</u>
	84,205	67,071	32,690	20,477
Work in process				
Opening stock	<u>6,401</u>	<u>3,060</u>	<u>7,046</u>	<u>7,957</u>
Closing stock	<u>(6,834)</u>	<u>(9,806)</u>	<u>(6,885)</u>	<u>(9,806)</u>
	<u>(433)</u>	<u>(6,746)</u>	<u>161</u>	<u>(1,849)</u>
Cost of goods manufactured	<u>83,772</u>	<u>60,325</u>	<u>32,851</u>	<u>18,628</u>
Opening stock of finished goods	<u>21,398</u>	<u>17,716</u>	<u>19,978</u>	<u>16,348</u>
Closing stock of finished goods	<u>(21,792)</u>	<u>(13,421)</u>	<u>(21,792)</u>	<u>(13,421)</u>
	<u>(394)</u>	<u>4,295</u>	<u>(1,814)</u>	<u>2,927</u>
Cost of goods sold	<u>83,378</u>	<u>64,620</u>	<u>31,037</u>	<u>21,555</u>
13. SELLING AND DISTRIBUTION EXPENSES				
Salaries, wages and other benefits	<u>10,849</u>	<u>5,763</u>	<u>3,987</u>	<u>1,918</u>
Advertising expenses / sales promotion	<u>85</u>	<u>92</u>	<u>28</u>	<u>28</u>
Carriage outward	<u>2,039</u>	<u>1,515</u>	<u>745</u>	<u>507</u>
Depreciation	<u>68</u>	<u>41</u>	<u>22</u>	<u>16</u>
Others	<u>633</u>	<u>571</u>	<u>295</u>	<u>65</u>
	<u>13,674</u>	<u>7,982</u>	<u>5,077</u>	<u>2,534</u>
14. ADMINISTRATIVE EXPENSES				
Salaries, wages and other benefits	<u>2,052</u>	<u>1,855</u>	<u>823</u>	<u>620</u>
Depreciation	<u>23</u>	<u>42</u>	<u>8</u>	<u>17</u>
Provision for doubtful debts	<u>-</u>	<u>317</u>	<u>-</u>	<u>-</u>
Bad debts written off	<u>-</u>	<u>393</u>	<u>-</u>	<u>-</u>
Others	<u>2,686</u>	<u>2,173</u>	<u>956</u>	<u>721</u>
	<u>4,761</u>	<u>4,780</u>	<u>1,786</u>	<u>1,358</u>
15. FINANCIAL CHARGES				
Interest cost	<u>-</u>	<u>314</u>	<u>-</u>	<u>123</u>
Bank charges	<u>221</u>	<u>107</u>	<u>47</u>	<u>49</u>
	<u>221</u>	<u>421</u>	<u>47</u>	<u>172</u>



16. RELATED PARTY RELATIONSHIP AND TRANSACTIONS

The related parties comprise Berger Paints Pakistan Limited, associated companies with or without common directors, other companies with common directors, key management personnel, directors and their close family members. 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>Nine months period ended</u>	
	<u>31 March</u> <u>2013</u>	<u>31 March</u> <u>2012</u>
	<u>.....(Rupees in '000).....</u>	
Associated undertakings		
Berger Paints Pakistan Limited		
Purchases	<u>74,658</u>	<u>60,559</u>
Toll manufacturing expenses incurred	<u>4,196</u>	<u>2,685</u>
Royalty income	<u>452</u>	<u>470</u>
Due to Berger Paints Pakistan Limited.	<u>27,794</u>	<u>39,964</u>
Due from Berger Paints Pakistan Limited		
- Royalty income	<u>452</u>	<u>470</u>
Transactions with M.S. Orchid (Private) Limited		
Advance from Related Party	<u>40,000</u>	<u>-</u>
Service Charges	<u>4,011</u>	<u>-</u>
National Bank of Pakistan - bank deposit	<u>8</u>	<u>16</u>
Remuneration of key management personnel		
Management remuneration	<u>1,764</u>	<u>1,577</u>
House rent and other benefits	<u>1,681</u>	<u>1,047</u>
Buxly Paints Limited Provident Fund		
Company's contribution	<u>139</u>	<u>111</u>

17. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized for issue in the Board of Directors meeting held on April 26, 2013.

18. GENERAL

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

Adding Value & Protection

Buxly has been manufacturing superior quality paints since 1933. The company's focus on quality and durability through constant research and development have kept the Buxly's name synonymous with customer's trust, generation after generation.

Today, Buxly offers a comprehensive range of products. From preparatory materials to finishing products for regular painting needs for buildings, industries and for extreme conditions and very specialized applications.

When you buy Buxly, you buy excellence in protective and decorative finishes.

Buxly's - commitment to excellence in quality

- ✉ Extensive product Research & Development.
- ✉ Trained and dedicated professional staff.
- ✉ Emphasis on modern Quality Control techniques.