

**Nine Months Ended
March 31, 2015**

Buxly
PAINTS

Buxly Paints Limited Contents

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COMPANY INFORMATION

Board of Directors:

Mr. Bashir Ahmed	Chairman
Mr. Shamshad Ali	Chief Executive Officer
Mr. Fakhru Arfin	
Mr. Hameed Ahmed	
Mr. Saeed Mohammad Sheikh	
Mr. Muhammad Hanif Idrees	
Mr. Sheikh Asim Rafiq	(NIT Nominee)

Audit Committee:

Mr. Muhammad Hanif Idrees	Chairman
Mr. Saeed Mohammad Sheikh	Member
Mr. Fakhru Arfin	Member

Human Resource and

Remuneration Committee :

Mr. Hameed Ahmed	Chairman
Mr. Saeed Mohammad Sheikh	Member
Mr. Shamshad Ali	Member

CFO & Company Secretary:

Mr. Usman Zafar

Auditors:

Rehman Sarfraz Rahim Iqbal Rafiq
Chartered Accountants

Legal Advisor:

Mr. Laiq Ahmed Khan

Bankers:

Habib Metropolitan Bank Limited
Habib Bank Limited
NIB Bank Limited
National Bank of Pakistan

Share Registrar :

THK Associates (Pvt.) Ltd.
Ground Floor, State Life Building No. 3
Dr. Zia Uddin Ahmed Road, P.O. Box No. 8533 Karachi
Ph: (92-21) 111-000-322
FAX: (92-21) 35655595

Registered Office:

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

Web Site Address:

<http://www.buxly.com>

Buxly Paints Limited

Directors' Review:

The directors of your company are pleased to present the unaudited condensed financial statements for the nine months ended March 31, 2015.

Operational Results:

Your company has managed to achieve sales value amounting to Rs. 109.25 million as against Rs. 105.92 million of previous period. The gross margin increased by 2% during the period under review as against same period of last year. Profit after tax for the nine months showed a growth of 100% i.e. Rs. 2.28 million against previous period. The EPS of Rs. 1.58 per share has doubled against the corresponding period.

Future Outlook:

In spite of tough competition, the management of your company is focused to show better and possibly improved results during last quarter of financial year as well.

Chief Executive

Director

Karachi: April 25, 2015

Buxly Paints Limited
Condensed Interim Balance Sheet (Un-audited)
As at 31 March 2015

	<i>Note</i>	Un-audited 31 March 2015	Audited 30 June 2014
(Rupees in '000)			
ASSETS			
Non-Current Assets			
Property, plant and equipment	6	62,158	62,189
Investment property		4,803	4,986
Long term loans and advances		2,686	1,687
Long term deposits		91	91
Deferred taxation	7	-	-
		69,738	68,953
Current Assets			
Stock-in-trade		21,677	35,810
Trade debts - unsecured		46,153	44,953
Current portion of long term loans and advances		175	372
Mark-up receivable		318	340
Advances and deposits		9,219	8,760
Prepayments and other receivables		3,131	3,608
Taxation-net		5,487	4,447
Term deposit receipts		4,292	1,630
Cash and bank balances		5,982	10,154
		96,434	110,074
Total Assets		166,172	179,027
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorised Capital			
5,000,000 (30 June 2014: 5,000,000) Ordinary shares of Rs. 10 each		50,000	50,000
Issued, subscribed and paid-up capital			
1,440,000 (30 June 2014: 1,440,000) ordinary shares of Rs. 10 each		14,400	14,400
Reserves			
Accumulated losses		(10,999)	(13,278)
		9,394	7,115
Surplus on revaluation of fixed assets	8	60,435	60,435
Current Liabilities			
Advance from Related Party	9	40,000	40,000
Trade and other payables		56,343	71,477
		96,343	111,477
Contingencies and commitments	10		
Total Equity and Liabilities		166,172	179,027

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

Chief Executive

Director

Buxly Paints Limited

Condensed Interim Profit and Loss Account (Un-audited)

For the period ended 31 March 2015

	Note	Nine months period ended		Quarter ended	
		31 March 2015	31 March 2014	31 March 2015	31 March 2014
		(Rupees in '000)		(Rupees in '000)	
Sales - net	11	109,247	105,916	43,416	36,011
Cost of sales	12	(87,817)	(87,388)	(33,736)	(29,497)
Gross profit		21,430	18,528	9,680	6,514
Distribution and selling expenses	13	(16,298)	(13,560)	(6,987)	(4,915)
Administrative expenses	14	(3,546)	(4,324)	(1,089)	(1,589)
		(19,844)	(17,884)	(8,076)	(6,504)
Operating profit / (loss)		1,586	644	1,604	10
Other income		2,217	1783	939	570
		3,803	2,427	2,543	580
Financial charges	15	(141)	(94)	(48)	(19)
Workers' Profit Participation Fund		(183)	(117)	(125)	(28)
Workers' Welfare Fund		(68)	(43)	(68)	(10)
		(392)	(254)	(241)	(57)
Profit / (loss) before taxation		3,411	2,173	2,302	523
Taxation-current		(1,132)	(1,059)	(434)	(360)
Profit / (loss) for the period		2,279	1,114	1,868	163
Earnings / (loss) per share - basic and diluted		1.58	0.77	1.30	0.11

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

Chief Executive

Director

Buxly Paints Limited

Condensed Interim Statement of Comprehensive Income (Un-audited)

For the period ended 31 March 2015

	<u>Nine months period ended</u>		<u>Quarter ended</u>	
	<u>31 March</u>	<u>31 March</u>	<u>31 March</u>	<u>31 March</u>
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
	<u>------(Rupees in '000)-----</u>			
Profit / (loss) after taxation	2,279	1,114	1,868	163
Other comprehensive income	-	-	-	-
Total comprehensive income / (loss)	<u>2,279</u>	<u>1,114</u>	<u>1,868</u>	<u>163</u>

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

Chief Executive

Director

Buxly Paints Limited
Condensed Interim Cash Flow Statement (Un-audited)
For the period ended 31 March 2015

	31 March 2015	31 March 2014
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	3,411	2,173
Adjustments for:		
- Depreciation	249	262
- Financial Cost	141	94
	390	356
Operating cash flows before working capital changes	3,801	2,530
Working Capital Changes		
<i>(Increase) / decrease in current assets</i>		
Stock-in-trade	14,133	(5,526)
Trade Debts	(1,200)	(2,366)
Mark-up receivable	22	(104)
Advances and deposits	(459)	(657)
Prepayments and other receivables	477	238
<i>Increase / (Decrease) in current liabilities</i>		
Trade & Other Payables	(15,134)	7,673
Cash generated from operations	(2,160)	(742)
	1,641	1,787
Financial Cost	(141)	(94)
Taxes Paid	(2,172)	(1,587)
	(2,313)	(1,681)
Net Cash (Used in)/ Generated from operating activities	(672)	106
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipments	(35)	-
Investment in Term Deposits	(2,662)	-
Long Term Loans & Advances (Disbursements)/Repayment	(803)	281
Net Cash Used in Investing activities	(3,500)	281
CASH FLOWS FROM FINANCING ACTIVITIES		
Net Cash generated from Financing activities	-	-
Net (decrease)/Increase in Cash and Cash equivalents during the period	(4,172)	387
Cash and Cash Equivalents at beginning of the period	10,154	6,491
Cash and Cash Equivalents at end of the period	5,982	6,878

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

Chief Executive

Director

Buxly Paints Limited
Condensed Interim Statement of Changes in Equity (Un-audited)
For the period ended 31 March 2015

	Issued, subscribed and paid-up capital	General reserve	Accumulated (loss) / unappropriated profit	Surplus on revaluation of fixed assets	Total
	----- (Rupees in '000) -----				
Balance as at 1 July 2013	14,400	5,993	(13,966)		6,427
<i>Transactions with owners, recorded directly in equity</i>	-	-	-	-	-
Total comprehensive profit for the year ended 30 June 2014	-	-	688	60,435	61,123
Balance as at 30 June 2014	<u>14,400</u>	<u>5,993</u>	<u>(13,278)</u>	<u>60,435</u>	<u>67,550</u>
<i>Transactions with owners, recorded directly in equity</i>	-	-	-		-
Total comprehensive profit for the period ended 31 March 2015	-	-	2,279	-	2,279
Balance as at 31 March 2015	<u><u>14,400</u></u>	<u><u>5,993</u></u>	<u><u>(10,999)</u></u>	<u><u>60,435</u></u>	<u><u>69,829</u></u>

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

Chief Executive

Director

Buxly Paints Limited

Notes to the Condensed Interim Financial Statements (Un-audited)

For the period ended 31 March 2015

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, 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.

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 financial information of the Company for the period ended 31 Mar 2015 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 financial information are the same as those applied in the preparation of the financial statements for the year ended 30 June 2014.

4. ESTIMATES

The preparation of 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 2014.

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 2014.

31 March	30 June
2015	2014
(Un-audited)	(Audited)
(Rupees in '000)	

6 PROPERTY, PLANT AND EQUIPMENT

Opening written down value	62,189	453
Additions during the period-at cost	35	51
Additions during the period-at fair value	-	61,779
Depreciation charged	(66)	(94)
	62,158	62,189

7 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.

31 March	30 June
2015	2014
(Un-audited)	(Audited)
(Rupees in '000)	

8 SURPLUS ON REVALUATION OF FIXED ASSETS

60,435	60,435
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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, which was previously held at cost. The said plot was revalued on July 18, 2013 by an independent valuer M/s Iqbal A. Nanjee & Co. (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. 60.435 million. The aforementioned surplus amount has been credited to surplus on revaluation of fixed assets account to comply with the requirements of Section 235 of the Companies Ordinance, 1984.

31 March	30 June
2015	2014
(Un-audited)	(Audited)
(Rupees in '000)	

9 ADVANCE

40,000	40,000
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On 10 July 2012, the company received an advance of Rs. 40 million from M.S. Orchids (Pvt) Ltd, a related party through an agreement dated 30 June 2012. As per the agreement, M.S. Orchids (Pvt) Limited desired to help the company to meet its annual sales targets through dealers network and to facilitate the business requirements of the Company.

The Company shall pay service charges at the rate of 4% on its annual net sales value, to be worked out on the basis of audited annual accounts of the company. The provisional payments shall be made on quarterly basis by 15 October, 15 January, 15 April and 15 July for the respective preceding quarters. As the company intends to settle the whole amount within one year, this has been classified as current liability.

10 CONTINGENCIES AND COMMITMENTS

Contingencies are amounted to Rs. 7.194 million (June 2014, Rs.7.141 million) and commitments are amounted to Rs. Nil (June 2014, Rs. Nil)

11. SALES - net

	Nine months period ended		Quarter ended	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
	------(Rupees in '000)-----			
Gross sales	130,675	127,242	51,703	43,566
Sales tax	(20,515)	(19,914)	(8,250)	(7,024)
	110,160	107,328	43,453	36,542
Commission and discounts	(913)	(1,412)	(217)	(531)
	109,247	105,916	43,236	36,011

12. COST OF SALES**Opening stock**

Container and packing material	1,136	681	591	1,562
	1,136	681	591	1,562

Add: Purchases

Raw material	62,960	79,310	23,297	26,969
Container and packing material	5,231	7,728	2,349	2,616
	68,191	87,038	25,646	29,585
	69,327	87,719	26,237	31,147

Less: Closing stock

Container and packing material	(1,095)	(1,276)	(1,095)	(1,276)
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Raw material, container and packing material consumed	68,232	86,443	25,142	29,871
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Manufacturing expenses

Toll manufacturing expenses	5,493	5,875	2,233	1,584
	73,725	92,318	27,375	31,455

Work in process

Opening stock	5,488	7,843	4,768	7,504
Closing stock	(3,897)	(7,863)	(3,897)	(7,863)
	1,591	(20)	871	(359)

Cost of goods manufactured	75,316	92,298	28,246	31,096
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Opening stock of finished goods	33,064	23,485	26,053	26,796
Closing stock of finished goods	(20,563)	(28,396)	(20,563)	(28,396)
	12,501	(4,911)	5,490	(1,600)

Cost of goods sold	87,817	87,388	33,736	29,497
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13. SELLING AND DISTRIBUTION EXPENSES

	Nine months period ended		Quarter ended	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
	------(Rupees in '000)-----			
Salaries, wages and other benefits	8,233	6,190	3,112	1,917
Advertising expenses/sales promotion	557	144	440	142
Carriage outward	1,156	1,326	383	407
Depreciation	50	52	17	17
Service charges	4,370	4,236	1,737	1,440
Others	1,932	1,612	1,298	992
	16,298	13,560	6,987	4,915

14. ADMINISTRATIVE EXPENSES

Salaries, wages and other benefits	1,380	1,723	462	538
Depreciation	199	210	67	70
Service charges	180	180	60	60
Others	1,787	2,211	500	921
	3,546	4,324	1,089	1,589

15. FINANCIAL CHARGES

Bank charges	141	94	48	19
	141	94	48	19

16. RELATED PARTY RELATIONSHIP AND TRANSACTIONS

Related parties comprises of Berger Paints Pakistan Limited, M.S.Orchids (Private) Limited, directors of the Company, major share holders and their close family members and key management personnel and employment retirement benefits plans. The Company continues to have a policy whereby all transactions with related parties undertakings are entered into at commercial terms and conditions at agreed rates. Further, contribution to defined contribution plan (provident fund) are made as per the terms of employment. Remuneration of key management personnel are in accordance with their terms of engagements. Details of transactions with related parties and balances receivables & payables, other than those which have been specifically disclosed elsewhere in these financial statements are as follows:

	Nine months period ended	
	31 March 2015	31 March 2014
	(Rupees in'000)	
Associated undertakings		
Berger Paints Pakistan Limited		
Purchases during the period	62,960	79,310
Toll manufacturing expenses incurred	5,493	5,875
Royalty income (under royalty agreement)	900	639
Rent income	1,200	900
Rental expense and service charges	2,754	2,754
Sales during the period	1,228	-
Due to Berger Paints Pakistan Limited.	47,467	50,038 *
M.S. Orchids (Private) Limited		
Advance from Related Party	40,000	40,000
Service Charges for the period	4,370	4,236
Service Charges Payable	1,737	11,691 *
Remuneration of Key Management Personnel		
Management remuneration	1,605	1,259
House rent and other benefits	536	734
Buxly Paints Limited Provident Fund		
Company's contribution	157	133

* Comparative figures of payable are as of June 30, 2014.

17. GENERAL

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

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

18. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorized for issue in the Board of Directors meeting held on 25-April-2015.

Chief Executive

Director

Buxly Paints Limited
X/3, S.I.T.E Manghopir Road, Karachi

