

DIRECTORS' REVIEW

The directors of your Company are presenting their review along with the interim financial statements of the Company for the quarter ending on September 30, 2021.

Operational Results

During the first quarter ended on September 30, 2021, the Company achieved net Sales Rs.93.76 million as compared to Rs. 70.89 million in the same period of last year resulting an increase of 32%, while Gross margin remained under pressure because of substantial increase in raw material prices, inflation in oil and utility prices as well as due to uncertainty of exchange rate.

Future Outlook

Despite tough competition and economic challenges in the country, your company is confident that the trend of growth in sales witnessed this quarter, will continue and company will strive to deliver reasonable profits in remaining part of the year.

On behalf of the Board

Mr. Adnan Iqbal

Chief Executive

Director

Lahore

Dated: 28 October 2021

Buxly Paints Limited

Condensed Interim Statement of Financial Position (Un-audited)

As at September 30, 2021

		Un-audited 30 September 2021	(Audited) 30 June 2021
		(Rupees in '000)	
ASSETS	<i>Note</i>		
Non-current assets			
Property and equipment		131,599	131,596
Investment properties		3,996	4,022
Long term loans and advances		2,182	1,360
Long term receivable		6,750	6,300
Long term security deposits		141	141
Deferred taxation		-	-
		144,668	143,419
Current assets			
Stock-in-trade		83,863	100,908
Trade debts - unsecured		116,781	116,453
Advances and deposits		9,943	10,926
Prepayments and other receivables		1,385	1,749
Term deposit receipts / account		150	150
Mark up receivable		15	12
Current portion of long term loans and advances		454	243
Taxation - net		5,123	5,983
Cash and bank balances		1,805	20,034
		219,519	256,458
Total assets		364,187	399,877
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized capital			
5,000,000 (30 June 2021: 5,000,000) Ordinary shares of Rs. 10 each		50,000	50,000
Issued, subscribed and paid-up capital		14,400	14,400
Capital reserves			
Surplus on revaluation of property		130,352	130,352
Revenue reserves			
General reserves		5,993	5,993
Accumulated (Loss)		(17,563)	(15,874)
		133,182	134,871
Non Current liabilities			
Long Term Finance	4	1,046	1,046
Current liabilities			
Markup Accrued		1,046	1,040
Current portion of long term Finance		1,569	2,092
Unpaid Dividend		217	217
Unclaimed Dividend		102	102
Short term borrowing - secured	5	49,439	73,886
Trade and other payables		177,586	186,623
		229,959	263,960
Contingencies and commitments	6	-	-
Total equity and liabilities		364,187	399,877

The annexed notes 1 to 10 form an integral part of these condensed financial statements.

Buxly Paints Limited

Condensed Interim Statement of Profit or Loss Account (Un-audited)

For the Quarter ended September 30, 2021

		30 September 2021	30 September 2020
	Note	(Rupees in '000)	
Sales		93,767	70,891
Cost of sales	7	(81,382)	(59,512)
Gross profit		12,385	11,379
Distribution and selling expenses		(9,109)	(6,036)
Administrative expenses		(3,654)	(2,317)
		(12,763)	(8,353)
		(377)	3,026
Other income		906	906
		529	3,932
Financial cost		(1,046)	(1,057)
Other charges		-	(201)
		(1,046)	(1,258)
Profit before tax		(517)	2,673
Taxation		(1,172)	(1,063)
Profit for the period		(1,689)	1,610
Earning per share - basic and diluted		(1.17)	1.12

The annexed notes 1 to 10 form an integral part of these condensed financial statements.

Chief Executive Officer

Director

Chief Financial Officer

Buxly Paints Limited

Condensed Interim Statement of Comprehensive Income (Un-audited)

For the Quarter ended September 30, 2021

	30 September 2021	30 September 2020
	(Rupees in '000)	
Profit after tax	(1,689)	1,610
Other comprehensive income	-	-
Total comprehensive income	<u>(1,689)</u>	<u>1,610</u>

The annexed notes 1 to 10 form an integral part of these condensed financial statements.

Buxly Paints Limited

Condensed Interim Statement of Cash Flows (Un-audited)

For the Quarter ended September 30, 2021

	30 September 2020	30 September 2020
<i>Note</i>	(Rupees in '000)	
Cash flows from operating activities		
Profit/(Loss) before tax	(517)	2,673
Adjustments for:		
Depreciation	93	61
Finance cost	1,046	1,057
Mark-up on term deposit receipts	(3)	(3)
Rental Income	(450)	(450)
	<u>169</u>	<u>3,338</u>
(Increase) / decrease in current assets		
Stock-in-trade	17,045	8,178
Trade debts	(328)	8,328
Advances and deposits	983	(3,247)
Prepayments and other receivables	364	193
	<u>18,065</u>	<u>13,453</u>
(Decrease) / increase in current liabilities		
Trade and other payables	(9,037)	(6,515)
Net cash (used in) / generated from operating activities	<u>9,197</u>	<u>10,276</u>
Income tax paid	(312)	(68)
Finance cost paid	(1,040)	(1,287)
Net cash used in operations	<u>7,845</u>	<u>8,921</u>
Cash flows from investing activities		
Additions to property and equipment	(70)	1
Proceeds from term deposit receipts	-	-
Long term security deposits	-	-
Mark up received on term deposit receipts	-	-
Long term loans and advances - given	(1,033)	90
Net cash (used in) / generated from investing activities	<u>(1,103)</u>	<u>91</u>
Cash flows from financing activities		
Long term Finance	(523)	-
Short term borrowing - secured	(24,448)	2,564
Net cash generated from financing activities	<u>(24,971)</u>	<u>2,564</u>
Net increase in cash and cash equivalents during the period	<u>(18,229)</u>	<u>11,576</u>
Cash and cash equivalents at beginning of the period	<u>20,034</u>	<u>10,859</u>
Cash and cash equivalents at end of the period	<u>1,805</u>	<u>22,435</u>

The annexed notes 1 to 10 form an integral part of these condensed financial statements.

Chief Executive Officer

Director

Chief Financial Officer

Buxly Paints Limited

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

For the Quarter ended September 30, 2021

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 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.

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, Kot lakh pat, Lahore
c	Islamabad	Islamabad	The Annexe, Plot No. 201, Street No. I, Sector I-10/3, Industrial Area, Islamabad

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, 2021 has been extracted from audited financial statements of the company for the year ended June 30, 2021. 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, 2021.

3. SIGNIFICANT ACCOUNTING POLICIES

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, 2021.

4. LONG TERM FINANCE-SECURED

A term finance facility under the refinance scheme for payment of wages and salaries to the workers and employees of business concerns of State Bank of Pakistan has been obtained for an amount up to Rs. 6 Million for a term of 2.5 years with grace period of 6 months. This facility is sanctioned to finance wages and salaries of permanent ,contractual ,outsourced ,daily wagers. 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 industry property of the company situated at Plot # X-3, Manghopir Road, S.I.T.E., Karachi. This facility is being repaid in 8 equal quarterly instalments ending on October 2022. It carries markup @ SBP + 3% p.a. The aforementioned facility has been obtained from JS Bank Limited.

5. 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 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%. Total limit available to the Company is amounting to Rs. 50 million (2020: Rs. 50 million).

6. CONTINGENCIES AND COMMITMENTS

There is no change in Contingencies and Commitments as reported in June 30, 2021

	30 September 2021	30 September 2020
7. COST OF SALES		
Opening Stock of Finished goods	98,764	72,798
Add: Cost of goods manufactured	63,797	51,367
	162,561	124,165
Less: Closing Stock of Finished goods	(81,179)	(64,652)
Cost of Sales	81,382	59,512

8 . TRANSACTIONS WITH RELATED PARTIES

	30 September 2021	30 September 2020
(Rupees in '000)		
Transactions with Berger Paints Pakistan Limited		
Purchases	45,909	44,345
Toll manufacturing expenses incurred	6,998	4,470
Rental expense and service charges	300	2,209
Carriage outward expenses	2,248	1,240
Royalty income	-	-
Rental income	900	900
License fee	3	3
	<u> </u>	<u> </u>
Buxly Paints Limited Provident Fund		
Company's Contribution	189	140
	<u> </u>	<u> </u>

9 . DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by the Board of Directors on -----

10 . GENERAL

Figures have been rounded off to the nearest thousand rupees.

Chief Executive Officer

Director

Chief Financial Officer