

CONTENTS

Company Information	2
Directors' Review	3-4
Condensed Interim Balance Sheet (Un-audited)	5
Condensed Interim Profit and Loss Account (Un-audited)	6
Condensed Interim Statement of Comprehensive Income (Un-audited)	7
Condensed Interim Cash Flow Statement (Un-audited)	8
Condensed Interim Statement of Changes in Equity (Un-audited)	9
Notes to the Condensed Interim Financial Statement (Un-audited)	10

COMPANY INFORMATION

Board of Directors:

Mr. Bashir Ahmed	Chairman
Mr. Shamshad Ali	Chief Executive Officer
Mr. H.P Kotwal	
Mr. Fakhru Arfin	
Mr. Muhammad Sami Shafi	
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. Bashir Ahmed	Chairman
Mr. H.P Kotwal	Member
Mr. Shamshad Ali	Member

CFO & 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
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>

Directors' Review:

The Board of Directors of your company are pleased to submit the un-audited condensed financial statements of the company for the nine months ended March 31, 2017.

Operational Results:

The company has achieved sales value amounting to Rs.189.622 million as against Rs.145.803 million of the corresponding period of last year. The company has enhanced its customer base resulting in increase in sales value. The gross margin as percentage of net sales has increased by 2.89% during the period under review from corresponding period. The increase in selling expenses is mainly due to increase in sales promotion. The EPS has improved to Rs.4.32 (2016:Rs. 2.32) and is expected to further improve by the end of the year.

Future Outlook:

In the tough competition of local market, the management of your company is continuously focusing on enhancing its customer base and targeting rural and urban areas of the local market. With overall economic growth and stability in Law and Order situation, your company is on an upward trajectory.

Chief Executive

Director

Karachi:
April 26, 2017

ڈائریکٹرز کی رپورٹ

آپ کی کمپنی کے بورڈ آف ڈائریکٹرز ختم ہوا مارچ 31، 2017 نو ماہ کے لئے کمپنی کی غیر آڈٹ مائی بیانات پیش کی جا رہی ہیں۔

آپریشنل نتائج:

کمپنی نے گزشتہ سال کی اسی مدت کے Rs.145.803 ملین کے مقابلے Rs.189.622 ملین کی رقم کی فروخت قدر حاصل کی ہے۔ کمپنی کی فروخت کی قیمت میں اضافہ کے نتیجے میں اس کے کسٹمر بیس میں اضافہ کیا ہے۔ خالص فروخت کا فی صد کے طور پر مجموعی مارجن اسی مدت سے زیر جائزہ مدت کے دوران 2.89 فیصد کی طرف سے اضافہ ہوا ہے۔ سیلز اخراجات میں اضافہ مارکیٹنگ کو فروغ دینے کی بنیادی وجہ ہے۔ EPS Rs.4.32 تک بہتری آئی ہے (2015 روپے 2.32)

مستقبل کے نقطہ نظر:

مقامی مارکیٹ کے سخت مقابلے میں، آپ کی کمپنی کی انتظامیہ کو مسلسل اپنے گاہکوں کو بڑھانے اور مقامی مارکیٹ کے دیہی اور شہری علاقوں کو پدف بنانے پر توجہ مرکوز کر رہا ہے۔ قانون میں مجموعی اقتصادی ترقی اور استحکام و امان کی صورتحال کے ساتھ، آپ کی کمپنی اضافہ رفتار پر ہے۔

ڈائریکٹر

جیٹا گزیکٹو افسر

26 اپریل، 2017

Condensed Interim Balance Sheet (Un-audited)

As at 31 March 2017

	Note	Un-audited 31 March 2017	Audited 30 June 2016
(Rupees in '000)			
ASSETS			
Non-Current Assets			
Property and equipment	6	62,230	62,117
Investment properties		4,345	4,510
Long term loans and advances		2,438	2,278
Long term deposits		91	91
Deferred taxation	7	-	-
		69,104	68,996
Current Assets			
Stock-in-trade		23,845	14,554
Trade debts - unsecured		59,235	43,020
Current portion of long term loans and advances		147	742
Mark-up receivable		430	232
Advances and deposits		10,476	10,188
Prepayments and other receivables		3,144	7,648
Taxation-net		8,238	6,671
Term deposit receipts / accounts		7,217	6,925
Cash and bank balances		20,741	16,632
		133,473	106,612
Total Assets		202,577	175,608
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorised Capital			
5,000,000 (30 June 2016: 5,000,000) Ordinary shares of Rs. 10 each		50,000	50,000
Issued, subscribed and paid-up capital			
1,440,000 (30 June 2016: 1,440,000) ordinary shares of Rs. 10 each		14,400	14,400
General Reserve		5,993	5,993
Accumulated Profit/ (loss)		148	(6,077)
		20,541	14,316
Surplus on revaluation of fixed assets	8	60,435	60,435
Current Liabilities			
Advance from related party	9	-	40,000
Short term borrowings - secured	10	39,705	-
Trade and other payables		81,896	60,857
		121,601	100,857
Contingencies and commitments	11	-	-
Total Equity and Liabilities		202,577	175,608

The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.

Chief Executive

Director

Condensed Interim Profit and Loss Account (Un-audited)

For the period ended 31 March 2017

	Note	Nine months period ended		Quarter ended	
		31 March 2017	31 March 2016	31 March 2017	31 March 2016
		(Rupees in '000)		(Rupees in '000)	
Sales - net	12	189,622	145,803	65,251	52,727
Cost of sales	13	(144,072)	(114,998)	(49,683)	(40,049)
Gross profit		45,550	30,805	15,568	12,678
Distribution and selling expenses	14	(34,410)	(23,820)	(11,257)	(8,583)
Administrative expenses	15	(5,261)	(4,531)	(2,037)	(1,973)
		(39,671)	(28,351)	(13,294)	(10,556)
Operating profit / (loss)		5,879	2,454	2,274	2,122
Other income		3,255	3,014	1,196	947
		9,134	5,468	3,470	3,069
Financial cost	16	(366)	(315)	(227)	(241)
Other charges		(614)	(353)	(227)	(193)
		(980)	(668)	(454)	(434)
Profit before tax		8,154	4,800	3,016	2,635
Taxation		(1,929)	(1,458)	(665)	(524)
Profit for the period		6,225	3,342	2,351	2,111
Earnings per share - basic and diluted		4.32	2.32	1.63	1.47

The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.

Chief Executive

Director

Condensed Interim Statement of Comprehensive Income (Un-audited)*For the period ended 31 March 2017*

	Nine months period ended		Quarter ended	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
	(Rupees in '000)			
Profit after taxation	6,225	3,342	2,351	2,111
Other comprehensive income	-	-	-	-
Total comprehensive income	<u>6,225</u>	<u>3,342</u>	<u>2,351</u>	<u>2,111</u>

The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.

Chief Executive

Director

Condensed Interim Cash Flow Statement (Un-audited)

For the period ended 31 March 2017

	31 March 2017	31 March 2016
	----- (Rupees in '000) -----	
Cash Flows from Operating Activities		
Profit before taxation	8,154	4,800
Adjustments for:		
Depreciation	225	234
Provision against slow moving stocks	-	300
Provision for doubtful debts	-	200
Mark-up on term deposit receipt	(296)	(275)
Finance cost	366	315
	295	774
Operating cash flows before working capital changes	8,449	5,574
Working capital changes		
(Increase)/Decrease in Current Assets:		
Stock-in-trade	(9,291)	7,467
Trade debts	(16,215)	(1,323)
Advances and deposits	307	4,068
Prepayments and other receivables	4,504	(1,860)
Increase/(Decrease) in Current Liabilities:		
Trade & other payables	21,039	(7,404)
Cash generated from operations	344	948
	8,793	6,522
Finance cost paid	(366)	(315)
Income tax paid	(3,496)	(2,535)
	(3,862)	(2,850)
Net Cash Used in Operating Activities	4,931	3,672
Cash Flows from Investing Activities		
Additions to property and equipments	(172)	(13)
Investment in term deposit receipts	(292)	(2,495)
Mark up received on term deposit receipts	98	330
Long term loans and advances	(160)	184
Net Cash Used in Investing Activities	(527)	(1,994)
Cash Flows from Financing Activities		
Repayment of Advance from related party	(40,000)	-
Short term borrowings - secured	39,705	-
Net Cash generated from Financing Activities	(295)	-
Net (decrease)/Increase in Cash and Cash Equivalents during the period	4,110	1,678
Cash and Cash Equivalents at the beginning of the period	16,632	12,221
Cash and Cash Equivalents at the end of the period	20,742	13,899

The annexed notes 1 to 19 form an integral part of these condensed interim financial information.

Chief Executive
Director

Condensed Interim Statement of Changes in Equity (Un-audited)

For the period ended 31 March 2017

	Issued, subscribed and paid-up capital	General reserve	Accumulated losses	Share capital and reserve	Surplus on revaluation of fixed assets	Total
	----- (Rupees in thousand) -----					
Balance as at 01 July 2015	14,400	5,993	(11,212)	9,181	60,435	69,616
<i>Transactions with owners, recorded directly in equity</i>	-	-	-	-	-	-
Total comprehensive profit for the year ended 30 June 2016	-	-	5,135	5,135	-	5,135
Balance as at 30 June 2016	14,400	5,993	(6,077)	14,316	60,435	74,751
<i>Transactions with owners, recorded directly in equity</i>	-	-	-	-	-	-
Total comprehensive profit for the nine months period ended 31 March 2017	-	-	6,225	6,225	-	6,225
Balance as at 31 March 2017	14,400	5,993	148	20,541	60,435	80,976

The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.

Chief Executive

Director

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

For the period ended 31 March 2017

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 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.

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 2017 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 2016.

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 2016.

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 2016.

31 March	30 June
2017	2016
(Un-audited)	(Audited)
(Rupees in '000)	

6 PROPERTY AND EQUIPMENT

Opening written down value	62,117	62,145
Additions during the period-at cost	172	54
Depreciation charged	(59)	(82)
	<u>62,230</u>	<u>62,117</u>

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
2017	2016
(Un-audited)	(Audited)
(Rupees in '000)	

8 SURPLUS ON REVALUATION OF FIXED ASSETS

<u>60,435</u>	<u>60,435</u>
---------------	---------------

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
2017	2016
(Un-audited)	(Audited)
(Rupees in '000)	

9 ADVANCE FROM RELATED PARTY

<u>-</u>	<u>40,000</u>
----------	---------------

On March 28, 2017, the company has repaid an advance of Rs. 40 million to M.S Orchids (Pvt) Ltd by obtaining running finance facility from JS Bank Limited.

10 SHORT TERM BORROWINGS - SECURED

Company entered into an agreement with JS Bank Limited for short term running finance facility under mark-up arrangement. This arrangement is secured against hypothecation charge over stocks and receivables of the company along with additional comfort on equitable mortgage 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 3 months KIBOR + 2%.

11 CONTINGENCIES

Contingencies are amounted to (March 2017, Rs.13.406 million) (June 2016, Rs.14.020 million).

	Nine months period ended		Quarter ended	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016

------(Rupees in '000)-----

12. SALES - net

Gross sales	226,470	173,603	77,772	62,731
Sales tax	(35,679)	(27,676)	(12,111)	(10,004)
	190,791	145,927	65,661	52,727
Commission and discounts	(1,169)	(124)	(410)	-
	<u>189,622</u>	<u>145,803</u>	<u>65,251</u>	<u>52,727</u>

13. COST OF SALES

Opening stock				
Container and packing material	519	1,078	365	773
	<u>519</u>	<u>1,078</u>	<u>365</u>	<u>773</u>
Add: Purchases				
Raw material	129,267	94,952	43,198	27,525
Container and packing material	11,132	10,164	5,005	2,465
	<u>140,399</u>	<u>105,116</u>	<u>48,203</u>	<u>29,990</u>
	140,918	106,194	48,568	30,763
Less: Closing stock				
Container and packing material	(381)	(875)	(381)	(875)
	<u>140,537</u>	<u>105,319</u>	<u>48,187</u>	<u>29,888</u>
Raw material, container and packing material consumed	140,537	105,319	48,187	29,888
Adjustment of stock loss	-	(6,000)	-	(6,000)
Manufacturing expenses				
Toll manufacturing expenses	11,821	8,515	3,948	2,906
	<u>152,358</u>	<u>107,834</u>	<u>52,135</u>	<u>26,794</u>
Work in process				
Opening stock	757	1,309	3,643	1,975
Closing stock	(624)	(1,281)	(624)	(1,281)
	<u>133</u>	<u>28</u>	<u>3,019</u>	<u>694</u>
Cost of goods manufactured	152,491	107,862	55,154	27,488
Opening stock of finished goods	18,035	23,058	22,126	28,483
Stock recovered from damaged stocks	1,143	-	-	-
Closing stock of finished goods	(27,597)	(15,922)	(27,597)	(15,922)
	<u>(8,419)</u>	<u>7,136</u>	<u>(5,471)</u>	<u>12,561</u>
Cost of goods sold	<u>144,072</u>	<u>114,998</u>	<u>49,683</u>	<u>40,049</u>

14. SELLING AND DISTRIBUTION EXPENSES

	Nine months period ended		Quarter ended	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016

------(Rupees in '000)-----

Salaries, wages and other benefits	15,862	12,085	5,501	3,897
Advertising expenses/sales promotion	5,064	763	2,208	508
Carriage outward	2,554	2,934	841	815
Depreciation	45	47	16	16
Service charges	7,074	5,832	2,100	2,109
Printing and Stationery	152	178	37	54
Rent Rates and Taxes	180	180	60	60
Postage, telephone and fax	67	110	5	81
Others	3,412	1,691	490	1,043
	<u>34,410</u>	<u>23,820</u>	<u>11,257</u>	<u>8,583</u>

Nine months period ended		Quarter ended	
31 March 2017	31 March 2016	31 March 2017	31 March 2016
------(Rupees in '000)-----			

15. ADMINISTRATIVE EXPENSES

Salaries, wages and other benefits	1,325	1,355	557	453
Depreciation	179	187	61	67
Service charges	180	180	60	60
Printing and Stationery	297	151	4	25
Postage, telephone and fax	89	52	21	21
Repair & maintenance	372	128	108	12
Travelling & conveyance	71	89	47	75
Directors' fee	376	155	150	25
Auditors' fee	113	75	-	-
Others	2,259	2,159	1,029	1,235
	<u>5,261</u>	<u>4,531</u>	<u>2,037</u>	<u>1,973</u>

16. FINANCIAL CHARGES

Bank charges	366	315	227	241
	<u>366</u>	<u>315</u>	<u>227</u>	<u>241</u>

17. 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 2017	31 March 2016
(Rupees in'000)		
Associated undertakings		
Berger Paints Pakistan Limited		
Purchases during the period	<u>129,267</u>	<u>94,000</u>
Toll manufacturing expenses incurred	<u>11,821</u>	<u>8,515</u>
Royalty income (under royalty agreement)	<u>1,601</u>	<u>1,314</u>
Rent income	<u>1,350</u>	<u>1,350</u>
License fee Income	<u>9</u>	<u>9</u>
Rental expense and service charges	<u>2,754</u>	<u>2,754</u>
Sales during the period	<u>-</u>	<u>3,462</u>
Due to Berger Paints Pakistan Limited.	<u>65,832</u>	<u>47,278</u>

M.S. Orchids (Private) Limited		
Advance from Related Party	-	40,000
Service Charges for the period	<u>7,074</u>	<u>5,832</u>
Service Charges Payable	<u>2,100</u>	<u>1,759</u>
Remuneration of Key Management Personnel		
Management remuneration	<u>2,502</u>	<u>2,459</u>
House rent and other benefits	<u>839</u>	<u>774</u>
Buxly Paints Limited Provident Fund		
Company's contribution	<u>326</u>	<u>291</u>

18. GENERAL

- 18.1 Figures have been rounded off to the nearest thousand rupees.
 18.2 Previous year figures have been re-arranged wherever necessary for the purpose of comparison.

19. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorized for issue in the Board of Directors meeting held on 26-April-2017.

Chief Executive

Director