

BUXLY PAINTS LIMTIED
HALF YEARLY ACCOUNTS
HALF YEAR ENDED DECEMBER 31, 2018

COMPANY INFORMATION

Board of Directors:

Mr. Bashir Ahmed	Chairman
Mr. Shamshad Ali	Chief Executive Officer
Mr. H.P Kotwal	
Mr. Fakhrul Arfin	
Mr. S.T Kureshi	
Mr. Fareed Khan	
Mr. Muhammad Hanif Idrees	
Mr. Sheikh Asim Rafiq	(NIT Nominee)

Audit Committee:

Mr. Muhammad Hanif Idrees	Chairman
Mr. Saeed Mohammad Sheikh	Member
Mr. Fakhrul 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
MIB Bank Limited
National Bank of Pakistan
JS Bank Limited

Share Registrar :

THK Associates (Pvt.) Ltd.
1st Floor, 40-C, Block 6, P.E.C.H.S., Karachi
Ph: 021-111-000-322
Fax: 021-34168271

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 Board of Directors of your company present the condensed interim financial statements of the company for the half year ended December 31, 2018.

Operational Results

Company has achieved a slight increase in the sales value and closed the period with sales revenue of Rs.136.944 million against Rs.135.757 million of the corresponding period of last year. The decrease in gross profit percentage is mainly due to increase in raw material cost and further devaluation of Pak Rupee which led to increase in cost of product. The EPS is Rs. (6.14) as against Earning per share of Rs. 0.20 of the corresponding period last year.

Future Outlook

In the light of stiff competition of the local market, the management of the company is putting its professional efforts to compete in the paint industry. Company is approaching unattended industries and projects to enhance its customer base. Subject to overall economic growth and stability in political situation, your company is focused to improve the results in the remaining half year.

Chief Executive

Director

**Karachi:
February 25, 2019**

مجلسِ نظما کی رپورٹ

آپ کی کمپنی کے ناظمین 31 دسمبر ۲۰۱۸ء کو اختتام ہونے والے نصف سال پر عبوری مالیاتی گوشوارے بمعہ اپنے تبصرے کے

پیش کر رہے ہیں۔

مالیاتی کارکردگی

کمپنی کی سیلز کے حجم میں معمولی اضافہ ہوا ہے اور سال کے اوّلین چھ ماہ کی سیلز 136.944 ملین روپے رہی جبکہ گزشتہ برس اسی مدت میں کمپنی کی سیلز 135.757 ملین روپے تھی۔ کل منافع میں کمی خام مال کی قیمتوں میں اضافہ اور پاکستانی روپیہ کی قدر میں مزید کمی کے باعث ہوئی، جو کم پیداوار کی لاگت میں اضافہ کا باعث بنی۔

مستقبل کا لائحہ عمل

مقامی منڈی پر سخت مقابلہ کے باعث، کمپنی کے عہدیداران رنگ سازی کی صنعت میں اپنی بہترین صلاحیتوں کو بروئے کار لا رہی ہے۔ کمپنی اپنے صارفین کی تعداد کو بڑھانے کے لیے نظر انداز صنعتوں اور پراجیکٹس کے حصول میں کوشاں ہے۔ مجموعی اقتصادی ترقی اور سیاسی صورت حال میں استحکام کے مطابق، آپ کی کمپنی بقیہ نصف سال میں نتائج کو بہتر بنانے کے لیے توجہ مرکوز کر رہی ہے۔

ڈائریکٹر

چیف ایگزیکٹو آفیسر

کراچی: 25 فروری 2019ء



INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of BUXLY PAINTS LIMITED

Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Buxly Paints Limited** as at December 31, 2018 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the financial statements for the half year then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.



Other matter

The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarters ended 31 December 2018 and 2017 have not been reviewed, as we are required to review only the cumulative figures for the half year ended 31 December 2018.

The engagement partner on the review resulting in this independent auditor's report is Mr. Rashid Rahman Mir.

Rahman Sarfaraz Rahim Iqbal Rafiq
CHARTERED ACCOUNTANTS
Lahore:

Buxly Paints Limited
Condensed Interim Statement of Financial Position
As at 31 December 2018

		31 December 2018	30 June 2018
	Note	(Un-audited)	(Audited)
(Rupees in '000')			
ASSETS			
Non-Current Assets			
Property and equipment	6	131,689	131,608
Investment properties	7	4,490	4,589
Long term loans and advances		2,533	2,787
Long term receivable		1,800	900
Long term security deposits		91	91
Deferred taxation	8	-	-
		<u>140,603</u>	<u>139,975</u>
Current Assets			
Stock - in -trade	9	61,314	61,146
Trade debts - unsecured	10	73,506	80,757
Advances and deposits	11	16,637	15,511
Prepayments and other receivables		4,147	6,084
Term deposit receipts / account		7,217	7,217
Mark-up receivable		262	170
Current portion of long term loans and advances		473	375
Tax Adjustable / Recoverable		10,388	8,142
Cash and bank balances	12	1,812	1,139
		<u>175,756</u>	<u>180,541</u>
Total Assets		<u><u>316,359</u></u>	<u><u>320,516</u></u>
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorised Capital			
5,000,000 (30 June 2018: 5,000,000) ordinary shares of Rs. 10 each		<u>50,000</u>	<u>50,000</u>
Issued, subscribed and paid-up capital			
1,440,000 (30 June 2018: 1,440,000) ordinary shares of Rs. 10 each		14,400	14,400
Capital reserves			
Surplus on revaluation of property	13	130,352	130,352
Revenue Reserves			
General Reserve		5,993	5,993
Accumulated loss		(11,844)	(2,996)
		<u>138,901</u>	<u>147,749</u>
Current Liabilities			
Markup Accrued		1,355	987
Unpaid Dividend		217	217
Unclaimed Dividend		102	102
Short term borrowing - secured	14	44,037	43,193
Trade and other payables	15	131,747	128,268
		<u>177,458</u>	<u>172,767</u>
Contingencies and commitments	16	-	-
Total Equity and Liabilities		<u><u>316,359</u></u>	<u><u>320,516</u></u>

The annexed notes 1 to 25 form an integral part of these condensed interim financial information.

Chief Executive

Director

Chief Financial Officer

Buxly Paints Limited
Condensed Interim Statement of Profit or Loss (Un-audited)
For the Half Year ended 31 December 2018

	Note	Half year ended		Quarter ended	
		31 December 2018	31 December 2017	31 December 2018	31 December 2017
------(Rupees in '000')-----					
Sales	17	136,944	135,757	75,040	69,393
Cost of sales	18	(121,865)	(109,344)	(67,966)	(55,988)
Gross profit		15,079	26,413	7,074	13,405
Distribution and selling expenses	19	(16,852)	(19,820)	(8,208)	(11,264)
Administrative expenses	20	(5,377)	(4,644)	(2,939)	(2,264)
		(22,229)	(24,464)	(11,147)	(13,528)
		(7,150)	1,949	(4,073)	(123)
Other income		2,693	2,028	1,329	1,074
		(4,457)	3,977	(2,744)	951
Finance cost		(2,679)	(1,841)	(1,236)	(981)
Other charges	21	-	(150)	-	1
		(2,679)	(1,991)	(1,236)	(980)
Profit/ (Loss) before tax		(7,136)	1,986	(3,980)	(29)
Taxation		(1,712)	(1,697)	(938)	(867)
Profit/ (Loss) for the period		(8,848)	289	(4,918)	(896)
Earnings/ (Loss) per share - basic and diluted		(6.14)	0.20	(3.42)	(0.62)

The annexed notes 1 to 25 form an integral part of these condensed interim financial information.

Chief Executive

Director

Chief Financial Officer

Buxly Paints Limited
Condensed Interim Statement of Comprehensive Income (Un-audited)
For the Half Year ended 31 December 2018

	<u>Half year ended</u>		<u>Quarter ended</u>	
	<u>31 December</u>	<u>31 December</u>	<u>31 December</u>	<u>31 December</u>
	2018	2017	2018	2017
	----- (Rupees in '000) -----			
Profit/ (Loss) after taxation	(8,848)	289	(4,918)	(896)
Other comprehensive income	-	-	-	-
Total comprehensive (Loss) / Income	<u>(8,848)</u>	<u>289</u>	<u>(4,918)</u>	<u>(896)</u>

The annexed notes 1 to 25 form an integral part of these condensed interim financial information.

Chief Executive

Director

Chief Financial Officer

Buxly Paints Limited
Condensed Interim Statement of Cash Flows (Un-audited)
For the Half Year ended 31 December 2018

	NOTE	31 December 2018	31 December 2017
		------(Rupees in '000)-----	
Cash Flows from Operating Activities			
(Loss)/Profit before taxation		(7,136)	1,986
Adjustments for:			
Depreciation		150	154
Mark-up on term deposit receipt		(190)	(183)
Finance cost		2,679	1,841
Rental Income		(900)	-
		<u>1,739</u>	<u>1,812</u>
Operating cash flows before working capital changes		(5,397)	3,798
Working Capital Changes			
(Increase)/Decrease in Current Assets:			
Stock-in-Trade		(168)	(18,427)
Trade Debts		7,251	(2,576)
Advances and deposits		(1,126)	(3,018)
Prepayments and other receivables		1,937	(1,969)
Increase/(Decrease) in Current Liabilities:			
Trade & Other Payables		3,479	5,138
		<u>11,373</u>	<u>(20,852)</u>
Cash (used in)/generated from operations		5,976	(17,054)
Finance Cost paid		(2,311)	(1,762)
Income Tax paid		(3,958)	(4,875)
		<u>(6,269)</u>	<u>(6,637)</u>
Net Cash used in from Operating Activities		<u>(293)</u>	<u>(23,691)</u>
Cash Flows from Investing Activities			
Additions to Property and Equipment		(132)	(32)
Mark up received on term deposit receipts		98	193
Long Term Loans and Advances		156	(1,600)
Net Cash (used in)/generated from Investing Activities		<u>122</u>	<u>(1,439)</u>
Cash Flows from Financing Activities			
Short term borrowing - secured		844	9,118
Net Cash generated from Financing Activities		<u>844</u>	<u>9,118</u>
Net (decrease)/Increase in Cash and Cash Equivalents during the period		673	(16,012)
Cash and Cash Equivalents at the beginning of the period		1,139	18,192
Cash and Cash Equivalents at the end of the period	12	<u><u>1,812</u></u>	<u><u>2,180</u></u>

The annexed notes 1 to 25 form an integral part of these condensed interim financial information.

Chief Executive

Director

Chief Financial Officer

Buxly Paints Limited
Condensed Interim Statement of Changes in Equity (Un-audited)
For the Half Year ended 31 December 2018

	Issued, subscribed and paid-up capital	Revenue Reserve		Capital Reserve	Total
		General reserve	Accumulated Profit/(loss)	Surplus on revaluation of fixed assets	
----- (Rupees in '000) -----					
Balance as at 01 July 2017	14,400	5,993	2,399	60,435	83,227
<i>Total comprehensive income for the half year ended 31 December 2017</i>	-	-	289	-	289
Balance as at 31 December 2017	14,400	5,993	2,688	60,435	83,516
<i>Total comprehensive income/(loss) for the half year ended 30 June 2018</i>	-	-	(5,684)	69,917	64,233
Balance as at 30 June 2018	14,400	5,993	(2,996)	130,352	147,749
<i>Total comprehensive loss for the half year ended 31 December 2018</i>	-	-	(8,848)	-	(8,848)
Balance as at 31 December 2018	14,400	5,993	(11,844)	130,352	138,901

The annexed notes 1 to 25 form an integral part of these condensed interim financial information.

Chief Executive

Director

Chief Financial Officer

Buxly Paints Limited
Notes to the Condensed Interim Financial Statements (Un-audited)
For the Half Year ended 31 December 2018

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 the 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.

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, Kotlukh Pat, Lahore
c	Islamabad Office	Islamabad	The Annexe, Plot No. 201, Street No. 1, Sector 1-10/3, Industrial Area, Islamabad

2 STATEMENT OF COMPLIANCE

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard 34, 'Interim Financial Reporting' (IAS 34), issued by International Accounting Standard Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with requirements of IAS 34, the provision of and directives issued under the Companies Act, 2017 have been followed.

The cumulative figures for the half year ended December 31, 2018 presented in these condensed interim financial statements are unaudited but have been subjected to limited scope review by the auditors of the Company, as required under section 237 of the Companies Act, 2017 ("the Act") and is un-audited as required by the Act and Code of Corporate Governance.

These condensed interim financial statements comprise of the Statement of Financial Position as at December 31, 2018, Statement of Profit or Loss, Statement of Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows together with the selected notes for the half year ended December 31, 2018.

The comparative Statement of Financial Position presented in these condensed interim financial statements as at December 31, 2018 has been extracted from the audited Financial Statements of the Company for the year ended June 30, 2018, whereas the comparative Statement of Profit or Loss, Statement of Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows for the half year ended December 31, 2017 have been subjected to review but not audited.

These interim financial statements do not include all the information and disclosures required in annual financial statements, and should be read in conjunction with the company's annual financial statements for the year ended June 30, 2018.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the financial statements for the year ended June 30, 2018, except for adoption of IFRS 15 "Revenue from contracts with customers". Applicability of IFRS 9 has been deferred by SECP for the time being.

New standards, amendments and interpretation to published approved accounting and reporting standards which are effective during the half year ended December 31, 2018.

There are certain amendments and an interpretation to approved accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 1, 2018. However, these do not have any significant impact on the Company's financial reporting and, therefore, have not been detailed in these condensed interim financial statements.

IFRS 15 have become applicable to the company effective July 1, 2018. Because of this new standard certain changes to the company's accounting policies have been made in light of the following paragraphs:

- IFRS 15 'Revenue from contracts with customers' - IFRS 15 replaces the previous revenue standards: IAS 18 Revenue, IAS 11 Construction Contracts, and the related interpretations on revenue recognition.

IFRS 15 introduces a five-step model for revenue recognition and establishes a comprehensive framework for recognition of revenue from contracts with customers based on a core principle that an entity should recognise revenue representing the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The changes laid down by these standards do not have any significant impact on these condensed interim financial statements of the Company.

Previous period's figures are re-arranged/ re-classified where necessary to facilitate comparison and are rounded off to the nearest thousand of rupee; appropriate disclosure is given in relevant note in case of material rearrangement.

4 ESTIMATES

The preparation of condensed interim 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 2018.

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 2018.

	31 December 2018 (Un-audited)	30 June 2018 (Audited)
	(Rupees in '000)	
6 PROPERTY AND EQUIPMENT		
Opening written down value	131,608	62,218
Additions during the period-at cost	132	93,006
Disposal / Transfer during the period / year	-	(23,514)
Depreciation charged	(51)	(102)
	131,689	131,608
7 INVESTMENT PROPERTY		
Opening written down value	4,589	4,290
Transferred from property and equipment-at cost	-	508
Depreciation charged	(99)	(209)
	4,490	4,589
8 DEFERRED TAXATION		
Deferred tax asset amounting to Rs. 8.116 Million (30 June 2018 : Rs 6.544 Million) has not been recognised in the financial statements as it is not probable that enough taxable profits will be available in the future against which such deductible temporary differences will be utilised.		
9 STOCK-IN-TRADE		
Packing material	2,546	3,059
Work-in-process	3,887	8,817
Finished goods	59,638	54,027
	66,071	65,903
Provision against slow moving stocks:		
- Finished goods	(4,757)	(4,757)
	61,314	61,146

	31 December 2018 (Un-audited)	30 June 2018 (Audited)
	(Rupees in '000)	
10 TRADE DEBTS - unsecured		
Considered good	73,506	80,757
Considered doubtful	12,986	12,986
	<u>86,492</u>	<u>93,743</u>
Provision against debts considered doubtful	(12,986)	(12,986)
	<u><u>73,506</u></u>	<u><u>80,757</u></u>
11 ADVANCES AND DEPOSITS		
Advances - unsecured, considered good		
Employees	301	548
Deposits		
Margin against letters of guarantee, earnest money and security deposits-net	11.1 16,336	14,963
	<u>16,637</u>	<u>15,511</u>
11.1 This represents:		
Margin against letter of guarantees	7,620	6,629
Earnest money and tender deposits	10,948	10,566
Provision against letter of guarantee, expired earnest money & tender deposits	(2,232)	(2,232)
	<u>16,336</u>	<u>14,963</u>
12 CASH AND BANK BALANCES		
Cash in hand	54	32
Cash at banks - in current accounts	1,758	1,107
	<u>1,812</u>	<u>1,139</u>
13 SURPLUS ON REVALUATION OF FIXED ASSETS	<u>130,352</u>	<u>130,352</u>

The surplus is in respect of the land located at Plot No. X-3, Manghopir Road, S.I.T.E, Karachi. The plot is revalued on June 30, 2018 by an independent valuer M/s Harvester Services (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. 130.352 million. The aforementioned surplus amount has been shown as part of equity. Previously, such revaluation was carried out in July 2013 by independent valuer M/S Iqbal A.Nanjee & Co. (Private) Limited.

14 Short term borrowing - secured	<u>44,037</u>	<u>43,193</u>
Company has entered into an agreement with JS Bank Limited for short term running finance facility upto 50 million 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 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 1 month KIBOR + 2%.		

		31 December 2018 (Un-audited) (Rupees in '000)	30 June 2018 (Audited)
15 TRADE AND OTHER PAYABLES			
Creditors	15.1	127,646	124,034
Accrued expenses		1,292	375
Other liabilities		2,809	3,859
		<u>131,747</u>	<u>128,268</u>

15.1 This includes payable to following associated undertakings:

Berger Paints Pakistan Limited	112,635	102,400
	<u>112,635</u>	<u>102,400</u>

16 CONTINGENCIES AND COMMITMENTS

There has been no change in the status of contingencies and commitments as reported in preceding annual financial statements as on 30 June 2018 except the following which is issued after post balance sheet date.

The Deputy Commissioner Inland Revenue has through assessment order under section 122 of the ordinance for the TY 2014 on January 31, 2019 issued income tax demand of Rs. 5,741,025. We contested that selection of the case for audit under section 214C as the name of the Company did not appear in the random ballot list issued by the board. The company has decided to file an appeal before Commissioner Inland Revenue Appeal. The company will also file a stay order at the Sindh High Court after filing an Appeal to Commissioner-IR (Appeals) to stop the recovery measures.

17 SALES

	<u>Half year ended</u>		<u>Quarter ended</u>	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
	------(Rupees in '000)-----			
Gross sales	163,223	161,726	88,792	82,878
Sales tax	(25,985)	(25,785)	(13,631)	(13,431)
	137,238	135,941	75,161	69,447
Commission and discount	(294)	(184)	(121)	(54)
	<u>136,944</u>	<u>135,757</u>	<u>75,040</u>	<u>69,393</u>

18 COST OF SALES

	Half year ended		Quarter ended	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
------(Rupees in '000)-----				
Opening stock				
Packing material	3,059	551	2,827	987
	<u>3,059</u>	<u>551</u>	<u>2,827</u>	<u>987</u>
Add: Purchases				
Raw material	98,437	104,801	57,167	56,951
Packing material	12,073	11,163	7,237	6,299
	110,510	115,964	64,404	63,250
	<u>113,569</u>	<u>116,515</u>	<u>67,231</u>	<u>64,237</u>
Less: Closing stock				
Packing material	(2,546)	(1,590)	(2,546)	(1,590)
	<u>(2,546)</u>	<u>(1,590)</u>	<u>(2,546)</u>	<u>(1,590)</u>
Raw and packing material consumed	111,023	114,925	64,685	62,647
Manufacturing expenses				
Toll manufacturing expenses	11,523	11,807	6,464	7,354
	11,523	11,807	6,464	7,354
	<u>122,546</u>	<u>126,732</u>	<u>71,149</u>	<u>70,001</u>
Work in process				
Opening Stock	8,817	895	6,682	2,180
Closing stock	(3,887)	(6,713)	(3,887)	(6,713)
	4,930	(5,818)	2,795	(4,533)
Cost of goods manufactured	<u>127,476</u>	<u>120,914</u>	<u>73,944</u>	<u>65,468</u>
Finished goods:				
Opening stock	54,027	35,565	53,661	37,655
Closing stock	(59,638)	(47,135)	(59,638)	(47,135)
	(5,611)	(11,570)	(5,977)	(9,480)
	<u>121,865</u>	<u>109,344</u>	<u>67,967</u>	<u>55,988</u>

19 DISTRIBUTION AND SELLING EXPENSES

	Half year ended		Quarter ended	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
	(Rupees in '000)			
Salaries, wages and other benefits	10,040	11,678	4,818	5,503
Advertising expenses / sales promotion	579	861	40	819
Carriage outward	3,854	3,917	1,892	2,306
Depreciation	30	31	15	16
Printing and stationery	129	73	104	18
Rent Rates and Taxes	263	210	135	70
Travelling & conveyance	1,438	2,497	866	2,203
Postage, telephone and fax	83	52	48	33
Others	436	501	290	296
	16,852	19,820	8,208	11,264

20 ADMINISTRATIVE EXPENSES

Salaries, wages and other benefits	2,555	1,691	1,301	843
Depreciation	120	123	61	63
Printing and stationery	251	233	251	208
Postage, telephone and fax	46	54	30	38
Repairs & maintenance	18	399	2	169
Travelling & conveyance	131	157	65	141
Directors' fee	225	213	225	150
Auditors' fee	113	113	113	113
Others	1,918	1,661	891	539
	5,377	4,644	2,939	2,264

21 OTHER CHARGES

Workers' Profit Participation Fund	-	107	-	(1)
Workers' Welfare Fund	-	43	-	-
	-	150	-	(1)

22 RELATED PARTY RELATIONSHIP AND TRANSACTIONS

Related parties comprises of associated undertakings, directors of the company, major shareholders and their close family members and key management personnel and employee retirement benefits plans. 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:

	Half year ended	
	31 December 2018	31 December 2017
	(Rupees in'000)	
Associated undertakings:		
Purchases during the period	98,437	104,801
Rental expense and service charges	600	600
Toll manufacturing expenses incurred	11,523	11,807
Royalty income	697	939
Rent income	1,800	900
License fee	6	6
Remuneration of key management personnel		
Management remuneration	844	1,618
House rent and other benefits	265	523

Following are the related parties with whom the Company had entered into transactions or have arrangements / agreements in place:

S. No.	Company Name	Basis of Relationship	Aggregate % of shareholding
1	Berger Paints Pakistan Limited	Share Holding	19%
			2018 2017 (Rupees in '000')
	Buxly Paints Limited Provident Fund		
	Company's contribution		304 214

23 Fair value measurement of financial instruments.

	Note	Carrying Amount			Fair Value		
		Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3
<u>On-balance sheet financial instruments</u>							
31 December 2018- (Un-audited)							
Financial assets measured at fair value		-	-	-	-	-	
<u>Financial assets not measured at fair value</u>							
Cash and bank balances	23.1	1,812	-	1,812	-	-	
Term deposit receipts / account		7,217	-	7,217	-	-	
Trade debts - unsecured, considered good		73,506	-	73,506	-	-	
Income tax		-	-	-	-	-	
Loans, advances and deposits		19,734	-	19,734	-	-	
Mark-up receivable		262	-	262	-	-	
Prepayments and other receivables		-	-	-	-	-	
		<u>102,531</u>	<u>-</u>	<u>102,531</u>	<u>-</u>	<u>-</u>	
Financial liabilities measured at fair value		-	-	-	-	-	
<u>Financial liabilities not measured at fair value</u>							
Markup Accrued	23.1	-	1,355	1,355	-	-	
Short term borrowing - secured		-	44,037	44,037	-	-	
Trade and other payables		-	129,612	129,612	-	-	
		<u>-</u>	<u>175,004</u>	<u>175,004</u>	<u>-</u>	<u>-</u>	
30 June 2018							
Financial assets measured at fair value		-	-	-	-	-	
<u>Financial assets not measured at fair value</u>							
Cash and bank balances	23.1	1,139	-	1,139	-	-	
Term deposit receipts / account		7,217	-	7,217	-	-	
Trade debts - unsecured, considered good		80,757	-	80,757	-	-	
Loans, advances and deposits		18,764	-	18,764	-	-	
Mark-up receivable		170	-	170	-	-	
Prepayments and other receivables		35	-	35	-	-	
		<u>108,082</u>	<u>-</u>	<u>108,082</u>	<u>-</u>	<u>-</u>	
Financial liabilities measured at fair value		-	-	-	-	-	
<u>Financial liabilities not measured at fair value</u>							
Markup Accrued	23.1	-	987	987	-	-	
Short term borrowing - secured		-	43,193	43,193	-	-	
Trade and other payables		-	90,384	90,384	-	-	
		<u>-</u>	<u>134,564</u>	<u>134,564</u>	<u>-</u>	<u>-</u>	

23.1 The management considers the carrying amount of all financial assets and liabilities not measured according to the fair value hierarchy at the end of the reporting period to approximate their fair value as at the reporting date.

24 SUBSEQUENT MATERIAL EVENTS

There are no significant activities since 31 December 2018 affecting the condensed interim financial information apart from those disclosed in the condensed interim financial information.

25 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial information has been authorized for issue on **25-Feb-2019** by the Board of Directors.

Chief Executive

Director

Chief Financial Officer