

DIRECTOR'S REVIEW

The Directors of the company are pleased to present their review along with the interim financial statements of the Company for the nine months ended on March 31, 2024.

OPERATIONAL RESULTS

In the face of challenging political and economic situation of the country, the Company achieved sales growth of sales of Rs. 490.153 million during the nine-month period ending on March 31, 2024, representing a 15.35% increase compared to the same period last year. The gross profit in terms of percentage of turnover has improved over the corresponding period of last year from 13.80% to 17.23%. Continued focus on profitable sales is translating into positive results. The improvement in financial performance was achieved by optimizing prices and rationalizing costs.

The Company achieved a profit after tax of Rs. 6.78 million, which translates into an Earnings per Share (EPS) of Rs. 4.71.

FUTURE OUTLOOK

Among high financial and energy costs along with other stringent measures under IMF program, the future economic outlook is much challenging. Shrinking economic activity level in the country is also inviting stiff competition among players to sustain market share. Despite given challenges, the management of the company is putting its best efforts for continues growth while ensuring profitability.

We extend our gratitude to all out stakeholders for their continued support and thank the management and all employees for their dedication and hard work.

On behalf of the Board

Chief Executive

Director

Dated: April 27, 2024

BUXLY PAINTS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT 31 MARCH 2024

	<i>Note</i>	Un-Audited	Audited
		31-MAR 2024	30-June 2023
ASSETS			
Non-current assets			
Property and equipment		171,249	171,457
Investment properties		3,574	3,690
Long term loans and advances		8,798	5,873
Long term receivable		11,250	9,900
Long term security deposits		361	361
		195,232	191,281
Current assets			
Stock-in-trade		88,141	81,599
Trade debts		207,643	160,679
Advances and deposits		2,802	6,261
Prepayments and other receivables		99	69
Term deposit receipts / account		150	150
Markup receivable		-	8
Current portion of long term loans and advances		699	585
Taxation - net		11,033	6,420
Cash and bank balances		45,848	43,261
		356,415	299,032
Total assets		551,647	490,313
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised capital		50,000	50,000
5,000,000 (2023: 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		168,934	168,934
Revenue reserves			
General reserve		5,993	5,993
Accumulated loss		(2,163)	(8,945)
		187,164	180,382
Non-current liabilities			
Long term finance		-	-
Lease liability		708	977
		708	977
Current liabilities			
Markup accrued		2,391	2,414
Current portion of long term finance		-	-
Current portion of lease liability		386	343
Unpaid dividend		217	217
Unclaimed dividend		102	102
Short term borrowing	5	45,494	43,473
Trade and other payables		315,184	262,405
		363,774	308,954
Contingencies and commitments	6	-	-
Total equity and liabilities		551,646	490,313

The annexed notes 1 to 9 form an integral part of these financial statements.

Chief Executive Officer

Director

Chief Financial Officer

BUXLY PAINTS LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE PERIOD ENDED 31 MARCH 2024

	For the Nine Months ended		For the Quarter Ended	
	<i>31, March</i> <i>2024</i>	<i>31, March</i> <i>2023</i>	<i>31, March</i> <i>2024</i>	<i>31, March</i> <i>2023</i>
	(Rupees in '000)			
Sales	490,153	424,924	142,848	132,409
Cost of sales	(405,699)	(366,264)	(117,889)	(114,266)
Gross profit	84,454	58,660	24,959	18,143
Distribution and selling expenses	(44,415)	(32,994)	(13,381)	(7,287)
Administrative expenses	(20,686)	(16,016)	(6,851)	(7,749)
	(65,101)	(49,010)	(20,232)	(15,036)
	19,353	9,650	4,727	3,107
Other income	2,720	2,730	903	919
	22,073	12,380	5,630	4,026
Finance cost	(8,194)	(5,753)	(2,578)	(1,914)
Other charges	(970)	(312)	(223)	-
	(9,164)	(6,065)	(2,801)	(1,914)
Profit/(Loss) before tax	12,909	6,314	2,829	2,111
Taxation	(6,127)	(5,312)	(1,786)	(1,656)
Profit/(Loss) for the period	6,782	1,002	1,043	455
Earning/(Loss) per share - basic and diluted	4.71	0.70	0.72	0.32

The annexed notes 1 to 9 form an integral part of these financial statements.

Chief Executive Officer

Director

Chief Financial Officer

BUXLY PAINTS LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2024

	For the Nine Months ended		Quarter ended	
	31 Mar 2024	31 Mar 2023	31 Mar 2024	31 Mar 2023
	----- (Rupees in '000) -----			
Profit/(Loss) after tax	6,782	1,002	1,043	455
Other comprehensive income - net of tax	-	-	-	-
Items that may be classified subsequently to statement of profit or loss	-	-	-	-
Items that will never be classified to statement of profit or loss	-	-	-	-
Total comprehensive income/(loss)	6,782	1,002	1,043	455

The annexed notes 1 to 9 form an integral part of these financial statements.

Chief Executive Officer

Director

Chief Financial Officer

BUXLY PAINTS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE PERIOD ENDED 31 MARCH 2024

	Issued subscribed and paid-up	Capital Reserves Surplus on revaluation of property	Revenue Reserves General reserve	Accumulated profit/ (loss)	Total
	------(Rupees in '000)-----				
Balance as at 30 June 2022	14,400	130,352	5,993	(11,662)	139,083
Total comprehensive Income for the Year	-	-	-	41,299	41,299
Revaluation Surplus Recoanised durina the period		38.582		(38.582)	
Balance as at 30 June 2023	14,400	168,934	5,993	(8,945)	180,382
Total comprehensive income for the Nine Month Period	-	-	-	6,782	6,782
Balance as at 31 March 2023	14,400	168,934	5,993	(2,163)	187,164

The annexed notes 1 to 9 form an integral part of these financial statements.

Chief Executive Officer

Director

Chief Financial Officer

BUXLY PAINTS LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE PERIOD ENDED 31 MARCH 2024

	31-Mar 2024	31-Mar 2023
	(Rupees in '000)	
Cash flows from operating activities		
Profit/(Loss) before tax	12,909	6,314
Adjustments for:		
Depreciation	366	428
Finance cost	8,194	5,753
Provisions for Doubtful debts/WPPF/WWF	1,358	6,963
Rental Income	(1,350)	(2,411)
	<u>21,477</u>	<u>17,047</u>
(Increase) / decrease in current assets		
Stock-in-trade	(6,542)	17,690
Trade debts	(46,964)	4,765
Advances and deposits	3,459	3,744
Prepayments and other receivables	(30)	240
	<u>(50,077)</u>	<u>26,439</u>
(Decrease) / increase in current liabilities		
Trade and other payables	52,779	(35,788)
Net cash (used in) / generated from operating activities	<u>24,179</u>	<u>7,698</u>
Income tax paid	(10,740)	(8,085)
Finance cost paid	(8,217)	(5,269)
Net cash used in operations	<u>5,222</u>	<u>(5,657)</u>
Cash flows from investing activities		
Additions to property and equipment	(42)	(121)
Long term receivables	(1,350)	(1,350)
Long term loans and advances - given	(3,039)	(1,893)
Net cash (used in) / generated from investing activities	<u>(4,431)</u>	<u>(3,364)</u>
Cash flows from financing activities		
Lease liability	(226)	(475)
Short term borrowing - secured	2,021	(19,939)
Net cash generated from financing activities	<u>1,796</u>	<u>(20,414)</u>
Net increase in cash and cash equivalents during the year	<u>2,587</u>	<u>(29,435)</u>
Cash and cash equivalents at beginning of the year	<u>43,261</u>	<u>29,717</u>
Cash and cash equivalents at end of the year	<u>45,848</u>	<u>282</u>

The annexed notes 1 to 9 form an integral part of these financial statements.

Chief Executive Officer

Director

Chief Financial Officer

BUXLY PAINTS LIMITED
CONDENSED INTERIM NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED 31 MARCH 2024

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,
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, 2023 has been extracted from audited financial statements of the company for the year ended June 30, 2023. 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, 2023.

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, 2023.

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 (2023: Rs. 50 million).

6 CONTINGENCIES AND COMMITMENTS

There has been no significant change in the status of contingencies and commitments as reported in note 21 of the annual audited financial statement of the Company for the year ended June 30, 2023, except a case in which the Company is engaged in a legal proceeding to initiate an arbitration process in response to a demand of Rs. 41.9 million from one of its customers due to challenges faced by the Company in meeting its contractual obligation. The Company's legal counsel is confident about the favourable outcome of this proceeding.

7 TRANSACTIONS WITH RELATED PARTIES

	31-Mar 2024	31-Mar 2023
	(Rupees in '000)	
Transactions with Berger Paints Pakistan Limited		
Purchases	336,486	259,564
Toll manufacturing expenses incurred	28,049	24,019
Rental expense and service charges	900	900
Rental income	2,700	2,700
License fee	9	9

8 DATE OF AUTHORIZATION FOR ISSUE

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

9 GENERAL

Figures have been rounded off to the nearest thousand rupees.