

## DIRECTORS' REVIEW

The Directors of the Company are pleased to present their review along with the interim financial statements of the Company for the half-year ending on December 31, 2021.

### Operational Results

The Company posted encouraging results that are in line with the set objectives. During the first half of the year, the Company achieved net sales of Rs. 219.50 million, an increase of 41% as compared to last year on account of increased sales volume and better sales mix. However, global surge in raw material prices kept pressure on gross margins and devaluation of Pak Rupee against USD further increased input costs.

Sales marketing & Administrative expense were at Rs. 25.48 million, while marketing activities were carried out as planned. The Company achieved profit after tax of Rs. 1.198 million. This translated into Earnings per Share (EPS) of Rs. 0.83.

### Future Outlook

Despite tough competition and increasing trend in input costs, we are confident that the growth pattern, witnessed during this period, will continue in remaining part of the year. Gross margin will remain under pressure because of continued rise in global commodity prices, pressure on Rupee parity and domestic inflation.

The Directors take this opportunity of thanking our shareholders and valued customers for their continued trust and appreciate the dedication demonstrated by all tiers of the Company's staff.

On behalf of the Board

  
Chief Executive

Director

Lahore

Dated: February 26, 2022

## BUXLY PAINTS LIMITED

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**BUXLY PAINTS LIMITED**

**Financial Statements for The  
Half Year Ended 31 December 2021**



## INDEPENDENT AUDITORS' 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, 2021 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, 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 these 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 are 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 2021 and 2020 have not been reviewed, as we are required to review only cumulative figures for the half year ended 31 December 2021.

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

**Rahman Sarfaraz Rahim Iqbal Rafiq**  
CHARTERED ACCOUNTANTS  
Lahore:  
UDIN: RR202110146sldu7Y0qx

**Buxly Paints Limited**  
**Condensed Interim Statement of Financial Position**  
**As at 31 December 2021**

	31 December 2021 (Unaudited)	30 June 2021 (Audited)
	(Rupees in '000)	
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property and equipment	6 133,203	131,596
Investment properties	7 3,937	4,022
Long term loans and advances	4,059	1,360
Long term receivable	7,200	6,300
Long term security deposits	141	141
Deferred taxation	8 -	-
	<u>148,540</u>	<u>143,419</u>
<b>Current assets</b>		
Stock-in-trade	9 74,579	100,908
Trade debts	10 134,530	116,453
Advances and deposits	11 12,192	10,926
Prepayments and other receivables	948	1,749
Term deposit receipts	150	150
Markup receivable	2	12
Current portion of long term loans and advances	660	243
Taxation - net	4,788	5,983
Cash and bank balances	12 19,901	20,034
	<u>247,750</u>	<u>256,458</u>
<b>Total assets</b>	<u><u>396,290</u></u>	<u><u>399,877</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Share capital and reserves</b>		
Authorised capital		
5,000,000 (2020: 5,000,000) Ordinary shares of Rs.10 each	<u>50,000</u>	<u>50,000</u>
Issued, subscribed and paid up capital	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	<u>(14,676)</u>	<u>(15,874)</u>
	<u>136,069</u>	<u>134,871</u>
<b>Non-current liabilities</b>		
Long term finance	14 -	1,046
Lease liability	15 1,099	-
	<u>1,099</u>	<u>-</u>
<b>Current liabilities</b>		
Markup accrued	1,063	1,040
Current portion of long term finance	14 2,092	2,092
Current portion of lease liability	15 679	-
Unpaid dividend	217	217
Unclaimed dividend	102	102
Short term borrowing	16 61,137	73,886
Trade and other payables	17 193,832	186,623
	<u>259,122</u>	<u>263,960</u>
Contingencies and commitments	18	
<b>Total equity and liabilities</b>	<u><u>396,290</u></u>	<u><u>399,877</u></u>

The annexed notes 1 to 27 form an integral part of these financial statements.

  
 Chief Executive

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 Director

  
 Chief Financial Officer



**Buxly Paints Limited**  
**Condensed Interim Statement of Profit or Loss (Unaudited)**  
**For the Half Year ended 31 December 2021**

	Note	Half year ended		Quarter ended	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
----- (Rupees in '000') -----					
Sales	19	219,502	155,297	125,735	84,406
Cost of sales	20	(189,192)	(129,241)	(107,810)	(69,729)
Gross profit		30,310	26,056	17,925	14,677
Distribution and selling expenses	21	(18,282)	(13,551)	(9,173)	(7,515)
Administrative expenses	22	(7,203)	(9,063)	(3,689)	(6,746)
		(25,485)	(22,614)	(12,862)	(14,261)
		4,825	3,442	5,063	416
Other income		1,814	1,812	908	906
		6,639	5,254	5,971	1,322
Finance cost		(2,405)	(2,242)	(1,359)	(1,185)
Other charges	23	(292)	(211)	(292)	(10)
		(2,697)	(2,453)	(1,651)	(1,195)
Profit before tax		3,942	2,801	4,320	127
Taxation		(2,744)	(2,329)	(1,572)	(1,266)
Profit/ (loss) for the period		1,198	472	2,748	(1,139)
Earning per share - Basic and diluted		0.83	0.33	1.91	(0.79)

The annexed notes 1 to 27 form an integral part of these financial statements.

  
 Chief Executive Officer

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 Director

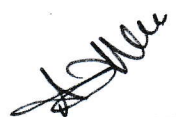
  
 Chief Financial Officer



**Buxly Paints Limited**  
**Condensed Interim Statement of Comprehensive Income (Unaudited)**  
**For the Half Year ended 31 December 2021**

	Half year ended		Quarter ended	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	------(Rupees in '000)-----			
Profit/ (loss) after taxation	1,198	472	2,748	(1,139)
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) for the period	<u>1,198</u>	<u>472</u>	<u>2,748</u>	<u>(1,139)</u>

The annexed notes 1 to 27 form an integral part of these financial statements.



Chief Executive

Director



Chief Financial Officer



**Buxly Paints Limited**  
**Condensed Interim Statement of Changes in Equity (Unaudited)**  
**For the Half Year ended 31 December 2021**

	Capital reserve		Revenue reserves		Total
	Issued, subscribed and paid up capital	Surplus on revaluation of fixed assets	General reserve	Accumulated profit/ (loss)	
----- (Rupees in '000)-----					
Balance as at 01 July 2020	14,400	130,352	5,993	(18,639)	132,106
<i>Total comprehensive income for the half year ended 31 December 2020</i>	-	-	-	472	472
Balance as at 31 December 2020	14,400	130,352	5,993	(18,167)	132,578
<i>Total comprehensive income for the half year ended 30 June 2021</i>	-	-	-	2,293	2,293
Balance as at 30 June 2021	14,400	130,352	5,993	(15,874)	134,871
<i>Total comprehensive income for the half year ended 31 December 2021</i>	-	-	-	1,198	1,198
<b>Balance as at 31 December 2021</b>	<b>14,400</b>	<b>130,352</b>	<b>5,993</b>	<b>(14,676)</b>	<b>136,069</b>

The annexed notes 1 to 27 form an integral part of these financial statements.



Chief Executive

Director



Chief Financial Officer



**Buxly Paints Limited**  
**Condensed Interim Statement of Cash Flows (Unaudited)**  
**For the Half Year ended 31 December 2021**

<i>Note</i>	31 December 2021	31 December 2020
	----- (Rupees in '000) -----	
<b>Cash flows from operating activities</b>		
Profit before taxation	3,942	2,801
Adjustments for:		
Depreciation	570	121
Impairment loss for expected credit loss	963	4,000
Workers' Profit Participation Fund	212	151
Workers' Welfare Fund	80	60
Markup on term deposit receipt	(8)	(6)
Finance cost	2,405	2,242
Rental income	(900)	(900)
	<u>3,322</u>	<u>5,668</u>
Operating cash flows before working capital changes	7,264	8,469
<b>Working capital changes</b>		
<b>(Increase)/ decrease in current assets:</b>		
Stock-in-trade	26,329	(4,867)
Trade debts	(19,040)	(7,903)
Advances and deposits	(1,385)	(602)
Prepayments and other receivables	801	447
<b>Increase/ (decrease) in current liabilities:</b>		
Trade and other payables	6,918	2,634
	<u>13,623</u>	<u>(10,291)</u>
Cash generated from/ (used in) operations	20,887	(1,822)
Finance cost paid	(2,343)	(2,402)
Income tax paid	(1,549)	(268)
	<u>(3,892)</u>	<u>(2,670)</u>
Net cash generated from/ (used in) operating activities	<u>16,995</u>	<u>(4,492)</u>
<b>Cash flows from investing activities</b>		
Additions to property and equipment	(35)	(71)
Markup received on term deposit receipt	18	12
Long term loans and advances	(3,116)	(458)
Net cash used in investing activities	<u>(3,133)</u>	<u>(517)</u>
<b>Cash flows from financing activities</b>		
Long term finance	(1,046)	2,337
Lease liability paid	(200)	-
Short term borrowing - secured	(12,749)	15,567
Net cash (used in)/ generated from financing activities	<u>(13,995)</u>	<u>17,904</u>
Net (decrease)/ increase in cash and cash equivalents during the period	(133)	12,895
Cash and cash equivalents at the beginning of the period	20,034	10,859
Cash and cash equivalents at the end of the period	<u>19,901</u>	<u>23,754</u>

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Chief Executive

Director



Chief Financial Officer

