



CONTENTS

Company Information	2
Directors' Review	3
Auditor's Report to the Members on Review of Interim Financial Information	4
Condensed Interim Balance Sheet	5
Condensed Interim Profit and Loss Account	6
Condensed Interim Statement of Comprehensive Income	7
Condensed Interim Cash Flow Statement	8
Condensed Interim Statement of Changes in Equity	9
Notes to the Condensed Interim Financial Statements	10

Company Information

Board of Directors:

Bashir Ahmed	Chairman
Shamshad Ali	Chief Executive Officer
Fakhrul Arfin	
Hameed Ahmed	
Saeed Mohammad Sheikh •	
Muhammad Hanif Idrees	
Sheikh Asim Rafiq	(NIT Nominee)

Audit Committee:

Muhammad Hanif Idrees	Chairman
Saeed Mohammad Sheikh	Member
Fakhrul Arfin	Member

Human Resource and Remuneration Committee :

Hameed Ahmed	Chairman
Saeed Mohammad Sheikh	Member
Shamshad Ali	Member

CFO & Company Secretary:

Usman Zafar

Auditors:

Rehman Sarfraz Rahim Iqbal Rafiq
Chartered Accountants

Legal Advisor:

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 directors of your company are pleased to submit the un-audited condensed financial statements for the half year ended December 31, 2015.

Operational Results:

The company has achieved sales value amounting Rs.93.076 million as against Rs.65.831 million of corresponding period of last year. The gross margin rate has improved by 1.63% during the period under review as against the same period of last year. The EPS i.e. Rs.0.85 per share has increased by Rs.0.56 per share in comparison to the corresponding period of last year.

Future Outlook:

Despite the increasing challenges, your Company is committed to improve the results in the remaining half year.

Chief Executive Officer

Director

Karachi:
23 February 2016

Auditors' Report to the Members on Review of Interim Financial Information

Introduction

We have reviewed the accompanying condensed interim balance sheet of Buxly Paints Limited as at 31 December 2015 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the accounts for the six months period then ended (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information 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 information 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 information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Other Matter

The figures of the condensed interim profit & loss account for the quarter ended 31 December 2015 have not been reviewed as we are required to review only cumulative figures for the half year ended on that date.

Rahman Sarfaraz Rahim Iqbal Rafiq
Chartered Accountants

Lahore:
23 February 2016



Condensed Interim Balance Sheet

As on 31 December 2015

	Note	(Un-audited) 31 December 2015 (Rupees in thousand)	(Audited) 30 June 2015
ASSETS			
Non-Current Assets			
Property and equipment	6	62,118	62,145
Investment properties	7	4,626	4,742
Long term loans and advances		2,203	2,045
Long term deposits		91	91
Deferred taxation	8	-	-
		69,038	69,023
Current Assets			
Stock in trade	9	26,674	20,988
Trade debts - unsecured	10	43,361	40,898
Current portion of long term loans and advances		321	642
Mark-up receivable		322	273
Advances and deposits	11	10,352	12,443
Prepayments and other receivables		3,322	4,695
Taxation - net		6,853	5,830
Term deposit receipts / account		4,430	4,430
Cash and bank balances	12	12,870	12,221
		108,505	102,420
Total Assets		177,543	171,443
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised capital			
5,000,000 (30 June 2015: 5,000,000) ordinary shares of Rs. 10 each		50,000	50,000
Issued, subscribed and paid-up capital			
1,440,000 (30 June 2015: 1,440,000) ordinary shares of Rs. 10 each		14,400	14,400
General reserve		5,993	5,993
Accumulated loss		(9,981)	(11,212)
		10,412	9,181
Surplus on revaluation of fixed assets	13	60,435	60,435
Current Liabilities			
Advance from related party	14	40,000	40,000
Trade and other payables	15	66,696	61,827
		106,696	101,827
Contingencies and commitments	16	-	-
Total equity and liabilities		177,543	171,443

The annexed notes 1 to 23 form an integral part of these condensed interim financial information.

Chief Executive Officer

Director

Condensed Interim Profit and Loss Account (Un-audited)

For the Six Months Period Ended 31 December 2015

Note	Six months period ended		For the quarter ended		
	31 December 2015	31 December 2014	31 December 2015	31 December 2014	
----- (Rupees in thousand) -----					
Sales	17	93,076	65,831	47,289	31,621
Cost of sales	18	(74,948)	(54,081)	(38,022)	(26,079)
Gross profit		18,128	11,750	9,267	5,542
Distribution and selling expenses	19	(15,237)	(9,311)	(7,936)	(4,463)
Administrative expenses	20	(2,558)	(2,457)	(1,366)	(1,038)
		(17,795)	(11,768)	(9,302)	(5,501)
		333	(18)	(35)	41
Other income		2,067	1,278	1,054	682
		2,400	1,260	1,019	723
Finance cost		(74)	(93)	(36)	(56)
Workers' Profit Participation Fund		(116)	(58)	(49)	(33)
Workers' Welfare Fund		(44)	-	(17)	-
		(234)	(151)	(102)	(89)
Profit before tax		2,166	1,109	917	634
Taxation		(935)	(698)	(477)	(322)
Profit for the period		1,231	411	440	312
Earnings per share - basic and diluted		0.85	0.29	0.31	0.22

The annexed notes 1 to 23 form an integral part of these condensed interim financial information.

Chief Executive Officer

Director



Condensed Interim Statement of Comprehensive Income (Un-audited)

For the Six Months Period Ended 31 December 2015

	Six months period ended		For the quarter ended	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
	----- (Rupees in thousand) -----			
Profit after taxation	1,231	411	440	312
Other comprehensive income	-	-	-	-
Total comprehensive Income	1,231	411	440	312

The annexed notes 1 to 23 form an integral part of these condensed interim financial information.

Chief Executive Officer

Director

Condensed Interim Cash Flow Statement (Un-audited)

For the Six Months Period Ended 31 December 2015

Note	31 December 2015	31 December 2014
	(Rupees in thousand)	
Cash Flows from Operating Activities		
Profit before taxation	2,166	1,109
Adjustments for:		
Depreciation	156	165
Provision against slow moving stocks	100	-
Provision for doubtful debts	50	-
Mark-up on term deposit receipt	(174)	(69)
Finance cost	74	93
	206	189
Operating cash flows before working capital changes	2,372	1,298
Working capital changes		
(Increase)/Decrease in Current Assets:		
Stock-in-trade	(5,786)	8,276
Trade debts	(2,513)	11,774
Advances and deposits	2,412	(611)
Prepayments and other receivables	1,373	(68)
Increase/(Decrease) in Current Liabilities:		
Trade & other payables	4,869	(18,001)
Cash generated from operations	355	1,370
	2,727	2,668
Finance cost paid	(74)	(93)
Income tax paid	(1,958)	(3,142)
	(2,032)	(3,235)
Net Cash Used in Operating Activities	695	(567)
Cash Flows from Investing Activities		
Additions to property and equipments	(13)	-
Mark up received on term deposit receipts	125	125
Long term loans and advances	(158)	207
Net Cash Used in Investing Activities	(46)	332
Cash Flows from Financing Activities		
Net Cash generated from Financing Activities	-	-
Net (decrease)/Increase in Cash and Cash Equivalents during the period	649	(235)
Cash and Cash Equivalents at the beginning of the period	12,221	10,154
Cash and Cash Equivalents at the end of the period	12,870	9,919

The annexed notes 1 to 23 form an integral part of these condensed interim financial information.

Chief Executive Officer

Director



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

For the Six Months Ended 31 December 2015

	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 2014	14,400	5,993	(13,278)	7,115	60,435	67,550
Total comprehensive income for the six months period ended 31 December 2014	-	-	411	411	-	411
Balance as at 31 December 2014	14,400	5,993	(12,867)	7,526	60,435	67,961
Total comprehensive income/(loss) for the six months period ended 30 June 2015	-	-	1,655	1,655	-	1,655
Balance as at 30 June 2015	14,400	5,993	(11,212)	9,181	60,435	69,616
Total comprehensive income for the six months period ended 31 December 2015	-	-	1,231	1,231	-	1,231
Balance as at 31 December 2015	14,400	5,993	(9,981)	10,412	60,435	70,847

The annexed notes 1 to 23 form an integral part of these condensed interim financial information.

Chief Executive Officer

Director

Notes to the Condensed Interim Financial Information

For the Six Months Ended 31 December 2015

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 the Karachi and Lahore Stock Exchanges. 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 interim financial information of the Company for the six months period ended 31 December 2015 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 condensed interim financial information are the same as those applied in the preparation of the financial statements for the year ended 30 June 2015.

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 2015.

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 2015.



	(Un-audited) 31 December 2015 (Rupees in thousand)	(Audited) 30 June 2015
6. PROPERTY AND EQUIPMENT		
Opening written down value	62,145	62,189
Additions during the period-at cost	13	46
Depreciation charged	(40)	(90)
	62,118	62,145
7. INVESTMENT PROPERTIES		
Opening written down value	4,742	4,986
Depreciation charged	(116)	(244)
	4,626	4,742
8. DEFERRED TAXATION		
Deferred tax asset amounting to Rs. 15.454 million (30 June 2015: 14.171 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	773	1,078
Work-in-process	1,975	1,309
Finished goods	28,483	23,058
	31,231	25,445
Provision against slow moving stocks: - Finished goods	(4,557)	(4,457)
	26,674	20,988
10. TRADE DEBTS - unsecured		
Considered good	43,361	40,898
Considered doubtful	13,036	12,986
	56,397	53,884
Provision against debts considered doubtful	(13,036)	(12,986)
	43,361	40,898

	Note	(Un-audited) 31 December 2015 (Rupees in thousand)	(Audited) 30 June 2015
11. ADVANCES AND DEPOSITS			
Advances - unsecured, considered good			
Employees		118	3
Deposits			
Margin against letters of guarantee, earnest money and security deposits-net	11.1	10,187	12,393
Suppliers		21	21
Others		26	26
		10,234	12,440
		10,352	12,443
11.1 This represents:			
Margin against letter of guarantees		3,235	3,235
Earnest money and tender deposits		8,002	10,208
Provision against expired earnest money & tender deposits		(1,050)	(1,050)
		10,187	12,393
12. CASH AND BANK BALANCES			
In hand		34	32
At banks - in current accounts		12,836	12,189
		12,870	12,221
13. SURPLUS ON REVALUATION OF FIXED ASSETS		60,435	60,435

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 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.

14. ADVANCE FROM RELATED PARTY

The company received an advance of Rs. 40 million from M.S. Orchids (Pvt) Ltd, a related party through an agreement dated 30 June 2012. As per the agreement, M.S. Orchids (Pvt) Limited desired to help the company to meet its annual sales targets through dealers network and to facilitate the business requirements of the Company.

The Company shall pay service charges at the rate of 4% on its annual net sales value, to be worked out on the basis of audited annual accounts of the company. The provisional payments on account of service charges shall be made on quarterly basis by 18 October, 18 January, 18 April and 18 July for the respective preceding quarters. The company has right to repay this amount at its discretion after giving 15 days notice. Presently the company has no intention to repay this amount until the end of next fiscal year therefore this has been classified as current liability.



	Note	(Un-audited) 31 December 2015 (Rupees in thousand)	(Audited) 30 June 2015
15. TRADE AND OTHER PAYABLES			
Creditors	15.1	62,357	57,692
Accrued expenses		1,435	1,330
Unclaimed dividend		319	319
Other liabilities		2,585	2,486
		<u>66,696</u>	<u>61,827</u>
15.1 This includes payable to following associated undertakings:			
Berger Paints Pakistan Limited		47,808	45,805
M.S. Orchids (Pvt.) Limited		1,891	2,422
		<u>49,699</u>	<u>48,227</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 2015.

	(Un-audited)			
	Six months ended		Quarter ended	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
	----- (Rupees in thousand) -----			
17. SALES				
Gross sales	110,872	78,792	56,459	37,637
Sales tax	(17,672)	(12,265)	(9,061)	(5,879)
	<u>93,200</u>	<u>66,527</u>	<u>47,398</u>	<u>31,758</u>
Commission and discount	(124)	(696)	(109)	(137)
	<u>93,076</u>	<u>65,831</u>	<u>47,289</u>	<u>31,621</u>

	(Un-audited)			
	Six months ended		Quarter ended	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
----- (Rupees in thousand) -----				
18. COST OF SALES				
Opening stock				
Packing material	1,078	1,136	1,277	437
	1,078	1,136	1,277	437
Add: Purchases				
Raw material	67,427	39,663	38,651	23,619
Packing material	7,698	2,882	3,356	1,907
	75,125	42,545	42,007	25,526
	76,203	43,681	43,284	25,963
Less: Closing stock				
Packing material	(773)	(591)	(773)	(591)
	(773)	(591)	(773)	(591)
Raw and packing material consumed	75,430	43,090	42,511	25,372
Manufacturing expenses				
Toll manufacturing expenses	5,609	3,260	2,996	2,062
	5,609	3,260	2,996	2,062
	81,039	46,350	45,507	27,434
Work in process				
Opening Stock	1,309	5,488	1,616	3,398
Closing stock	(1,975)	(4,768)	(1,975)	(4,768)
	(666)	720	(359)	(1,370)
Cost of goods manufactured	80,373	47,070	45,148	26,064
Finished goods:				
Opening stock	23,058	33,064	21,357	26,068
Closing stock	(28,483)	(26,053)	(28,483)	(26,053)
	(5,425)	7,011	(7,126)	15
	74,948	54,081	38,022	26,079



	(Un-audited)			
	Six months ended		Quarter ended	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
	(Rupees in thousand)			
19. DISTRIBUTION AND SELLING EXPENSES				
Salaries, wages and other benefits	8,188	5,121	4,299	2,547
Advertising expenses/sales promotion	255	117	111	78
Carriage outward	2,119	773	884	391
Depreciation	31	33	15	17
Service charges	3,723	2,633	1,891	1,265
Others	921	634	736	165
	<u>15,237</u>	<u>9,311</u>	<u>7,936</u>	<u>4,463</u>
20. ADMINISTRATIVE EXPENSES				
Salaries, wages and other benefits	902	918	438	447
Depreciation	125	132	62	66
Service charges	120	120	60	60
Others	1,411	1,287	806	465
	<u>2,558</u>	<u>2,457</u>	<u>1,366</u>	<u>1,038</u>

21. 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:

	--- (Un-audited) ---	
	Six months period ended 31 December 2015	31 December 2014
	(Rupees in thousand)	
Associated undertakings:		
Purchases during the period	67,427	39,663
Rental expense and service charges	1,804	1,804
Toll manufacturing expenses incurred	5,609	3,260
Royalty income	957	601
Rent income	900	600
Service charges on advance for the period	3,723	2,633

---- (Un-audited) ----
Six months period ended
31 December 2015 **31 December 2014**
(Rupees in thousand)

Buxly Paints Limited Provident Fund

Company's contribution

144	95
-----	----

Remuneration of key management personnel

Management remuneration

1,683	1,605
-------	-------

House rent and other benefits

516	536
-----	-----

22. SUBSEQUENT MATERIAL EVENTS

There are no significant activities since 31 December 2015 affecting the condensed interim financial information apart from those disclosed in the condensed interim financial information.

23. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial information has been authorized for issue on 23 February 2016 by the Board of Directors.

Chief Executive Officer

Director