



**Half Year Ended  
December 31, 2019**

## Company Information

### Board of Directors:

Mr. Shamshad Ali	Chairman
Mr. Bashir Ahmed	
Mr. Adnan Iqbal	Chief Executive Officer
Mr. Fakhrul Arfin	
Mr. S.T Kureshi	
Ms. Rubina Rizvi	
Mr. Muhammad Hanif Idrees	
Mr. Sheikh Asim Rafiq	(NIT Nominee)

### Audit Committee:

Mr. Muhammad Hanif Idrees	Chairman
Mr. S.T Kureshi	Member
Mr. Fakhrul Arfin	Member

### Human Resource and Remuneration Committee :

Mr. Bashir Ahmed	Chairman
Ms. Rubina Rizvi	Member
Mr. Shamshad Ali	Member

### Chief Financial Officer

Mr. Asad Ali

### 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>



## **Directors' Review**

The Board of Directors of your company are pleased to present the condensed interim financial statements of the company for the half year ended December 31, 2019.

### **Operational Results**

The company has achieved revenue amounting to Rs.164.289 million as against Rs.136.944 million of the corresponding period of last year which is 20% higher. The gross profit percentage has increased from 11.01% to 19.24% from corresponding period. The increase in gross profit percentage is mainly due to management focus to sale products at good profit margin. The EPS is Rs. 0.33 as against loss per share of Rs. (6.14) of the corresponding period of last year.

### **Future Outlook**

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

**Chief Executive**

**Director**

**Karachi:  
February 26, 2020**

## مجلسِ نظما کی رپورٹ

آپ کی کمپنی کے ناظمین 31 دسمبر 2019ء کو اختتام ہونے والے نصف سال پر عبوری مالیاتی گوشوارے بموجہ اپنے تبصرے کے پیش کر رہے ہیں۔

### مالیاتی کارکردگی

کمپنی کے سیلز حجم میں معمولی اضافہ ہوا ہے اور سال کے اوّلین چھ ماہ کی سیلز 164.289 ملین روپے رہی جبکہ گزشتہ برس اسی مدت میں کمپنی کی سیلز 136.944 ملین روپے تھی؛ جو کہ گزشتہ برس سے 20% زیادہ ہے۔ اس دوران کل منافع 11.01% سے 19.24% تک بڑھا ہے۔ منافع میں اضافہ مینجمنٹ کی خصوصی توجہ اشیائے فروخت پر ہونے کے باعث ہے۔ اس عرصہ کا ہدف آمدنی شیئر -/0.33 Rs. رہی جو کہ گزشتہ عرصہ کے دوران -/6.14 Rs. کے نقصان پر تھی۔

### مستقبل کا لائحہ عمل

مقامی منڈی پر سخت مقابلہ کے باعث کمپنی کے عہدیداران رنگ سازی کی صنعت میں اپنی بہتری 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 نصف سال میں نتائج کو بہتر بنانے کے لیے توجہ مرکوز کر رہی ہے۔

ڈائریکٹر

چیف ایگزیکٹو آفیسر

کراچی:

26 فروری 2020

## Independent Auditors' Review Report

### Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Buxly Paints Limited** as at December 31, 2019 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 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 2019 and 2018 have not been reviewed, as we are required to review only cumulative figures for the half year ended 31 December 2019.

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

**Rahman Sarfaraz Rahim Iqbal Rafiq**

CHARTERED ACCOUNTANTS

Lahore: February 28, 2020

## Statement of Financial Position For the Half Year ended December 31, 2019

	Note	31 December 2019 (Un-audited) (Rupees in '000')	30 June 2019 (Audited)
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property and equipment	6	131,597	131,637
Investment properties	7	4,296	4,390
Long term loans and advances		3,123	2,166
Long term receivable		3,600	2,700
Long term security deposits		141	91
Deferred taxation	8	-	-
		<b>142,757</b>	<b>140,984</b>
<b>Current Assets</b>			
Stock - in -trade	9	67,326	63,546
Trade debts - unsecured	10	91,798	64,284
Advances and deposits	11	12,002	14,985
Prepayments and other receivables		1,880	4,415
Term deposit receipts / account		7,217	7,217
Mark-up receivable		405	188
Current portion of long term loans and advances		597	449
Tax Adjustable / Recoverable		10,091	10,455
Cash and bank balances	12	15,602	18,284
		<b>206,918</b>	<b>183,823</b>
<b>Total Assets</b>		<b>349,675</b>	<b>324,807</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Share Capital and Reserves</b>			
<b>Authorised Capital</b>			
5,000,000 (30 June 2019: 5,000,000) ordinary shares of Rs. 10 each		<b>50,000</b>	50,000
Issued, subscribed and paid-up capital			
1,440,000 (30 June 2019: 1,440,000) ordinary shares of Rs. 10 each		<b>14,400</b>	14,400
Capital reserves			
Surplus on revaluation of property	13	<b>130,352</b>	130,352
<u>Revenue reserve</u>			
General Reserve		<b>5,993</b>	5,993
Accumulated loss		<b>(18,211)</b>	(18,691)
		<b>132,534</b>	132,054
<b>Current Liabilities</b>			
Markup Accrued		<b>1,749</b>	1,407
Unpaid Dividend		<b>217</b>	217
Unclaimed Dividend		<b>102</b>	102
Short term borrowing - secured	14	<b>60,541</b>	62,303
Trade and other payables	15	<b>154,532</b>	128,724
		<b>217,141</b>	192,753
Contingencies and commitments	16	-	-
<b>Total Equity and Liabilities</b>		<b>349,675</b>	<b>324,807</b>

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

**Condensed Interim Statement of Profit and Loss Account (Un-Audited)  
For the Half Year ended December 31, 2019**

	Note	Half year ended		Quarter ended	
		31 December 2019	31 December 2018	31 December 2019	31 December 2018
----- (Rupees in '000') -----					
Sales	17	164,289	136,944	85,307	75,040
Cost of sales	18	(132,675)	(121,865)	(67,714)	(67,966)
<b>Gross profit</b>		<b>31,614</b>	<b>15,079</b>	<b>17,593</b>	<b>7,074</b>
Distribution and selling expenses	19	(21,870)	(16,852)	(12,431)	(8,208)
Administrative expenses	20	(5,103)	(5,377)	(2,966)	(2,939)
		(26,973)	(22,229)	(15,397)	(11,147)
		4,641	(7,150)	2,196	(4,073)
Other income		2,150	2,693	1,152	1,329
		6,791	(4,457)	3,348	(2,744)
Finance cost		(3,692)	(2,679)	(2,014)	(1,236)
Other charges	21	(155)	-	(32)	-
		(3,847)	(2,679)	(2,046)	(1,236)
<b>Profit / (Loss) before tax</b>		<b>2,944</b>	<b>(7,136)</b>	<b>1,302</b>	<b>(3,980)</b>
Taxation		(2,464)	(1,712)	(1,279)	(938)
<b>Profit / (Loss) for the period</b>		<b>480</b>	<b>(8,848)</b>	<b>23</b>	<b>(4,918)</b>
Earnings/(Loss) per share - basic and diluted		<b>0.3</b>	<b>(6.14)</b>	<b>0.02</b>	<b>(3.42)</b>

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

**Condensed Interim Statement of Comprehensive Income (Un-audited)  
For the Half Year ended December 31, 2019**

	<u>Half year ended</u>		<u>Quarter ended</u>	
	<u>31 December</u> <u>2019</u>	<u>31 December</u> <u>2018</u>	<u>31 December</u> <u>2019</u>	<u>31 December</u> <u>2018</u>
	----- <b>(Rupees in '000)</b> -----			
Profit/ (Loss) after taxation	<b>480</b>	(8,848)	<b>23</b>	(4,918)
Other comprehensive income - net of tax	-	-	-	-
Items that will be classified to profit or loss account	-	-	-	-
Items that will never be classified to profit or loss account	-	-	-	-
Total comprehensive (Loss) / Income for the period	<u><b>480</b></u>	<u>(8,848)</u>	<u><b>23</b></u>	<u>(4,918)</u>

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



## Condensed Interim Statement of Cash Flow (Un-audited) For the Half Year ended December 31, 2019

NOTE	31 December 2019	31 December 2018
	------(Rupees in '000)-----	
<b>Cash Flows from Operating Activities</b>		
Profit/(Loss) before taxation	2,944	(7,136)
Adjustments for:		
Depreciation	134	150
Workers' Profit Participation Fund	155	-
Mark-up on term deposit receipt	(344)	(190)
Finance cost	3,692	2,679
Rental Income	(900)	(900)
	<u>2,737</u>	<u>1,739</u>
Operating cash flows before working capital changes	5,681	(5,397)
<b>Working capital changes</b>		
<b>(Increase)/Decrease in Current Assets:</b>		
Stock-in-Trade	(3,780)	(168)
Trade Debts	(27,514)	7,251
Advances and deposits	2,983	(1,126)
Prepayments and other receivables	2,535	1,937
<b>Increase/(Decrease) in Current Liabilities:</b>		
Trade & Other Payables	25,653	3,479
	<u>(123)</u>	<u>11,373</u>
Cash (used in)/generated from operations	5,558	5,976
Finance Cost paid	(3,350)	(2,311)
Income Tax paid	(2,100)	(3,958)
	<u>(5,450)</u>	<u>(6,269)</u>
Net Cash (used in)/generated from Operating Activities	<u>108</u>	<u>(293)</u>
<b>Cash Flows from Investing Activities</b>		
Additions to Property, Plant and Equipments	-	(132)
Mark up received on term deposit receipts	127	98
Long Term Loans and Advances	(1,105)	156
Long term security deposits	(50)	-
	<u>(1,028)</u>	<u>122</u>
Net Cash (used in)/generated from Investing Activities	<u>(1,028)</u>	<u>122</u>
<b>Cash Flows from Financing Activities</b>		
Short term borrowing - secured	(1,762)	844
Net Cash generated from Financing Activities	<u>(1,762)</u>	<u>844</u>
Net (decrease)/Increase in Cash and Cash Equivalents during the period	<u>(2,682)</u>	<u>673</u>
Cash and Cash Equivalents at the beginning of the period	<u>18,284</u>	<u>1,139</u>
Cash and Cash Equivalents at the end of the period	<u>15,602</u>	<u>1,812</u>

Chief Executive Officer

Director

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Chief Financial Officer

**Condensed Interim Statement of Changes in Equity (Un-audited)**  
**For the Half Year ended December 31, 2019**

	Issued, subscribed and paid-up capital	Revenue Reserve		Capital Reserve	Total
		General reserve	Accumulated Profit/(losses)	Surplus on revaluation of fixed assets	
(Rupees in '000)					
Balance as at 01 July 2018	14,400	5,993	(2,996)	130,352	147,749
<i>Total comprehensive income/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
<i>Total comprehensive income/(loss) for the half year ended 30 June 2019</i>	-	-	(6,847)	-	(6,847)
Balance as at 30 June 2019	14,400	5,993	(18,691)	130,352	132,054
<i>Total comprehensive income/loss for the half year ended 31 December 2019</i>	-	-	480	-	480
<b>Balance as at 31 December 2019</b>	<b>14,400</b>	<b>5,993</b>	<b>(18,211)</b>	<b>130,352</b>	<b>132,534</b>

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

## Condensed Interim Statement of Changes in Equity (Un-audited) For the Half Year ended December 31, 2019

### 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	Head Office	Lahore	The Annexe, 36- Industrial Estate, Kotlakh 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 (IAS) 34, Interim Financial Reporting, issued by International Accounting Standard Board (IASB) as notified under the Companies Act, 2017; and
- Provision 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, 2019 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, 2019, 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, 2019 .

The comparative Statement of Financial Position presented in these condensed interim financial statements has been extracted from the audited Financial Statements of the Company for the year ended June 30, 2019, 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, 2018 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, 2019.

### **3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

3.1 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, 2019, except for those stated in note 3.1(a) below:

a) **Standards and amendments to published accounting and reporting standards which were effective during the half year ended December 31, 2019**

IFRS 16 'Leases' - IFRS 16 replaces the previous lease standard: IAS 17: Leases. As the distinction between operating and finance lease is eliminated, it has resulted in leases being recognised on the statement of financial position except for short-term and low-value leases. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised.

However, the application of IFRS 16 does not have any material impact on the Company's books of account.

b) **Standards and amendments to approved accounting and reporting standards that are not yet effective**

There is a new standard and certain amendments and interpretation to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2020. However, these standard, amendments and interpretation will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these condensed interim financial statements.

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 statements 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 2019.

### **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 2019.

**31 December**                      **30 June**  
**2019**                                      **2019**  
**(Un-audited)**                      **(Audited)**  
**(Rupees in '000)**

**6 PROPERTY AND EQUIPMENT**

Opening written down value	131,637	131,608
Additions during the period-at cost	-	132
Disposal/ Transfer during the year/ period	-	-
Depreciation charged	(40)	(103)
	<b>131,597</b>	<b>131,637</b>
	<b>131,597</b>	<b>131,637</b>

**7 INVESTMENT PROPERTY**

Opening written down value	4,390	4,589
Transferred from property and equipment-at cost	-	-
Depreciation charged	(94)	(199)
	<b>4,296</b>	<b>4,390</b>
	<b>4,296</b>	<b>4,390</b>

The company is currently recording investment property at cost. Had the investment property been measured at fair value, the value of property would have been Rs. 107.197/- million and the forced sale value will be Rs. 90.614/- million as per independent valuers' report of June 2018.

- a. Land element has been valued at Rs. 97.142/- million after enquiring market rates of similar sized plots in vicinity from the real estate agents and keeping in view the location, size and availability of the land. The land is situated at Manghopir Road, S.I.T.E, Karachi having area of 17,071 square feet and
- b. The building element has been valued at Rs. 10.055 million after taking into account the type and class of construction. Building is situated on a portion of the same land covering an area of 3,500 square feet.

**8 DEFERRED TAXATION**

Deferred tax asset amounting to Rs. 6.224 Million ( 30 June 2019 : Rs 6.502 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	7,283	5,261
Work-in-process	1,575	1,439
Finished goods	63,225	61,603
	<b>72,083</b>	<b>68,303</b>
Provision against slow moving stocks:		
- Finished goods	(4,757)	(4,757)
	<b>67,326</b>	<b>63,546</b>
	<b>67,326</b>	<b>63,546</b>

**10 TRADE DEBTS - unsecured**

Considered good	91,798	64,284
Considered doubtful	12,853	12,853
	<b>104,651</b>	<b>77,137</b>
Provision against debts considered doubtful	(12,853)	(12,853)
	<b>91,798</b>	<b>64,284</b>
	<b>91,798</b>	<b>64,284</b>

## 11 ADVANCES AND DEPOSITS

### Advances - unsecured, considered good

Employees	428	394
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### Deposits

Margin against letters of guarantee, earnest money and security deposits-net

11.1	11,574	14,591
	<u>12,002</u>	<u>14,985</u>

### 11.1 This represents:

Margin against letter of guarantees	3,931	7,723
Earnest money and tender deposits	9,875	9,100
Provision against letter of guarantee, expired earnest money & tender deposits	(2,232)	(2,232)

<u>11,574</u>	<u>14,591</u>
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<b>31 December 2019 (Un-audited)</b>	<b>30 June 2019 (Audited)</b>
<b>(Rupees in '000)</b>	

## 12 CASH AND BANK BALANCES

Cash in hand	45	54
At banks - in current accounts	15,557	18,230
	<u>15,602</u>	<u>18,284</u>

## 13 SURPLUS ON REVALUATION OF PROPERTY

<u>130,352</u>	<u>130,352</u>
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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 (Pvt) Limited.

## 14 Short term borrowing - secured

<u>60,541</u>	<u>62,303</u>
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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 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 months KIBOR + 2%. Total limit available to the Company amounting to Rs. 50 million (2018: 50 million). The amount in excess is due to issuance of cheques not presented till cut off date.

**31 December**                      30 June  
**2019**                                      2019  
**(Un-audited)**                      (Audited)  
**(Rupees in '000)**

## 15 TRADE AND OTHER PAYABLES

Creditors	15.1	147,412	124,211
Accrued expenses		590	571
Other liabilities		6,530	3,942
		154,532	128,724

15.1 This includes payable to following associated undertakings:

Berger Paints Pakistan Limited		137,791	112,703
		137,791	112,703

## 16 CONTINGENCIES AND COMMITMENTS

There has been no significant change in the status of contingencies and commitments as reported in note 20 to annual audited financial statements of the Company for the year ended 30 June 2019.

## 17 SALES

	Half year ended		Quarter ended	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
	----- (Rupees in '000) -----			
Gross sales	202,496	163,223	106,189	88,792
Sales tax	(30,182)	(25,985)	(13,591)	(13,631)
	172,314	137,238	92,598	75,161
Commission and discount	(8,025)	(294)	(7,291)	(121)
	164,289	136,944	85,307	75,040

## 18 COST OF SALES

	Half year ended		Quarter ended	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
------(Rupees in '000)-----				
<b>Opening stock</b>				
Raw material	-	-	-	-
Packing material	5,261	3,059	8,015	2,827
	<b>5,261</b>	<b>3,059</b>	<b>8,015</b>	<b>2,827</b>
<b>Add: Purchases</b>				
Raw material	115,262	98,437	66,626	57,167
Packing material	9,184	12,073	6,041	7,237
	<b>124,446</b>	<b>110,510</b>	<b>72,667</b>	<b>64,404</b>
	<b>129,707</b>	<b>113,569</b>	<b>80,682</b>	<b>67,231</b>
<b>Less: Closing stock</b>				
Packing material	(7,283)	(2,546)	(7,283)	(2,546)
	<b>(7,283)</b>	<b>(2,546)</b>	<b>(7,283)</b>	<b>(2,546)</b>
Raw and packing material consumed	<b>122,424</b>	<b>111,023</b>	<b>73,399</b>	<b>64,685</b>
<b>Manufacturing expenses</b>				
Toll manufacturing expenses	12,009	11,523	8,283	6,464
	<b>12,009</b>	<b>11,523</b>	<b>8,283</b>	<b>6,464</b>
	<b>134,433</b>	<b>122,546</b>	<b>81,682</b>	<b>71,149</b>
<b>Work in process</b>				
Opening Stock	1,439	8,817	2,238	6,682
Closing stock	(1,575)	(3,887)	(1,575)	(3,887)
	<b>(136)</b>	<b>4,930</b>	<b>663</b>	<b>2,795</b>
Cost of goods manufactured	<b>134,297</b>	<b>127,476</b>	<b>82,345</b>	<b>73,944</b>
<b>Finished goods:</b>				
Opening stock	61,603	54,027	48,594	53,661
Closing stock	(63,225)	(59,638)	(63,225)	(59,638)
	<b>(1,622)</b>	<b>(5,611)</b>	<b>(14,631)</b>	<b>(5,977)</b>
	<b>132,675</b>	<b>121,865</b>	<b>67,714</b>	<b>67,967</b>



## 19 DISTRIBUTION AND SELLING EXPENSES

	Half year ended		Quarter ended	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
	----- (Rupees in '000) -----			
Salaries, wages and other benefits	11,105	10,040	5,776	4,818
Advertising expenses / sales promotion	1,415	579	898	40
Carriage outward	3,806	3,854	2,344	1,892
Depreciation	27	30	13	15
Printing and stationery	76	129	53	104
Rent Rates and Taxes	539	263	425	135
Travelling & conveyance	1,443	1,438	754	866
Postage, telephone and fax	51	83	17	48
Provision for expenses	2,700	-	500	-
Others	708	436	451	290
	<b>21,870</b>	<b>16,852</b>	<b>11,231</b>	<b>8,208</b>

## 20 ADMINISTRATIVE EXPENSES

Salaries, wages and other benefits	2,451	2,555	1,106	1,301
Depreciation	107	120	52	61
Printing and stationery	376	251	348	251
Postage, telephone and fax	-	46	-	30
Repairs & maintenance	76	18	59	2
Travelling & conveyance	111	131	76	65
Directors' fee	263	225	263	225
Auditors' fee	125	113	125	113
Others	1,594	1,918	937	891
	<b>5,103</b>	<b>5,377</b>	<b>2,966</b>	<b>2,939</b>

## 21 OTHER CHARGES

Workers' Profit Participation Fund	155	-	-	-
Workers' Welfare Fund	-	-	-	-
	<b>155</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 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:

	<b>Half year ended</b>	
	<b>31 December 2019</b>	<b>31 December 2018</b>
	<b>(Rupees in'000)</b>	
<b>Associated undertakings:</b>		
Purchases during the period	<u>115,262</u>	<u>98,437</u>
Rental expense and service charges	<u>600</u>	<u>600</u>
Toll manufacturing expenses incurred	<u>12,009</u>	<u>11,523</u>
Royalty income	<u>-</u>	<u>697</u>
Rent income	<u>1,800</u>	<u>1,800</u>
License fee	<u>6</u>	<u>6</u>
<b>Remuneration of key management personnel</b>		
Management remuneration	<u>3,632</u>	<u>844</u>
House rent and other benefits	<u>821</u>	<u>265</u>
Directors' meeting fee	<u>263</u>	<u>225</u>

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%
<b>2019</b>			
<b>2018</b>			
<b>(Rupees in '000')</b>			
<b>Buxly Paints Limited Provident Fund</b>			
Company's contribution		<u>200</u>	<u>304</u>

23 Fair value measurement of financial instruments.

	Carrying Amount			Fair Value		
	Amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
<b><u>On-balance sheet financial instruments</u></b>	----- Rupees -----					
<b>31 December 2019- ( Un-audited)</b>						
Financial assets measured at fair value	-	-	-	-	-	-
	-	-	-	-	-	-
<b><u>Financial assets not measured at fair value</u></b>	23.1					
Long term loans and advances	3,720	-	3,720	-	-	-
Long term security deposits	141	-	141	-	-	-
Trade debts - unsecured	91,798	-	91,798	-	-	-
Advances and deposits	12,002	-	12,002	-	-	-
Term deposit receipts / account	7,217	-	7,217	-	-	-
Mark-up receivable	405	-	405	-	-	-
Cash and bank balances	15,602	-	15,602	-	-	-
	<u>130,885</u>	<u>-</u>	<u>130,885</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities measured at fair value	-	-	-	-	-	-
	-	-	-	-	-	-
<b><u>Financial liabilities not measured at fair value</u></b>	23.1					
Markup Accrued	-	1,749	1,749	-	-	-
Unpaid Dividend	-	217	217	-	-	-
Unclaimed Dividend	-	102	102	-	-	-
Short term borrowing - secured	-	60,541	60,541	-	-	-
Trade and other payables	-	150,737	150,737	-	-	-
	<u>-</u>	<u>213,346</u>	<u>213,346</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>30 June 2019</b>						
Financial assets measured at fair value	-	-	-	-	-	-
	-	-	-	-	-	-

**Financial assets not measured at fair value** 23.1

Long term loans and advances	2,615	-	2,615	-	-	-
Long term security deposits	91	-	91	-	-	-
Trade debts - unsecured	64,284	-	64,284	-	-	-
Advances and deposits	14,985	-	14,985	-	-	-
Term deposit receipts / account	7,217	-	7,217	-	-	-
Mark-up receivable	188	-	188	-	-	-
Cash and bank balances	18,284	-	18,284	-	-	-
	<u>107,664</u>	<u>-</u>	<u>107,664</u>	<u>-</u>	<u>-</u>	<u>-</u>

Financial liabilities measured at fair value	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**Financial liabilities not measured at fair value** 23.1

Markup Accrued	-	1,749	1,749	-	-	-
Unpaid Dividend	-	217	217	-	-	-
Unclaimed Dividend	-	102	102	-	-	-
Short term borrowing - secured	-	60,541	60,541	-	-	-
Trade and other payables	-	150,737	150,737	-	-	-
	<u>-</u>	<u>213,346</u>	<u>213,346</u>	<u>-</u>	<u>-</u>	<u>-</u>

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.

**SUBSEQUENT MATERIAL EVENTS**

There are no significant activities since 31 December 2019 affecting the condensed interim financial statement apart from those disclosed in the condensed interim financial statements.

**DATE OF AUTHORISATION FOR ISSUE**

These condensed interim financial information has been authorized for issue on Feb 26, 2020 by the Board of Directors.