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COMPANY INFORMATION

Board of Directors:

Mr. Bashir Ahmed	Chairman
Mr. Shamshad Ali	Chief Executive Officer
Mr. H.P Kotwal	
Mr. Fakhru Arfin	
Mr. Muhammad Sami Shafi	
Mr. Saeed Mohammad Sheikh	
Mr. Muhammad Hanif Idrees	
Mr. Sheikh Asim Rafiq	(NIT Nominee)

Audit Committee:

Mr. Muhammad Hanif Idrees	Chairman
Mr. Saeed Mohammad Sheikh	Member
Mr. Fakhru 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
NIB 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 are pleased to submit the un-audited condensed interim financial statements of the company for the first quarter ended September 30, 2017.

Operational Results:

The company has achieved revenue amounting to Rs.66.364 million as against Rs.54.264 million of the corresponding period of last year. The gross margin as percentage of net sales has decreased by 3.47% during the period under review from corresponding period. The decrease in gross profit percentage is mainly due to surge in raw material cost along with increase in manufacturing expenses. The EPS has decreased to Rs.0.82 (2016:Rs. 1.12) and is expected to improve in coming quarters of the year by controlling the operational expenses.

Future Outlook:

Despite inflationary trends, the management of your company is continuously concentrating on enhancing its sales by capturing untapped areas of the market. The company plans to remain focused on fulfilling customer needs and strengthening relationship with existing customers along with exploring new avenues for improving the overall results of the company.

Chief Executive

Director

Karachi:
October 26, 2017

Buxly Paints Limited

ڈائریکٹرز روپوٹ

آپ کی کمپنی کے بورڈ آف ڈائریکٹرز ستمبر 30، 2017 کو ختم ہونے والی پہلی سہ ماہی کے لئے کمپنی کے غیر آڈٹ شدہ مالیاتی نتائج کو پیش کرنے پر خوش ہیں۔

آپریشنل نتائج:

کمپنی نے گزشتہ سال اسی عرصے سے 55.264 ملین روپے کے مقابلے میں 63.364 ملین روپے کی سیلز حاصل کیں ہیں۔ مجموعی طور پر گروس مارجن سیلز کے فیصد کے مطابق اسی عرصے کے مقابلے میں 3.47 فیصد کم ہوا ہے۔ مجموعی منافع کی شرح میں کمی بنیادی طور پر مینوفیکچرنگ کے اخراجات میں اضافہ کے ساتھ ساتھ خام مال کی قیمت میں اضافے کی وجہ سے ہے۔ فی سٹرن منافع 0.82 روپے ریکارڈ کیا گیا (2016: 1.12 روپے) جو کے آپریشنل اخراجات کو کنٹرول کر کے بقایا سال کے آنے والی سہ ماہیوں میں بہتر ہونے کی توقع ہے۔

مستقبل کے توقعات:

افراط زر کے رجحانات کے باوجود، آپ کی کمپنی کی انتظامیہ مسلسل سیلز کرنے پر توجہ مرکوز کر رہی ہے، کمپنی نے مارکیٹ کے غیر متوجہ حصوں پر سیلز کو فوکس کیا ہے۔ کمپنی گاہکوں کی ضروریات کو پورا کرنے اور موجودہ گاہکوں کے ساتھ تعلقات کو مضبوط بنانے کے ساتھ ساتھ مجموعی نتائج کو بہتر بنانے کے لئے نئے مواقع کو تلاش کرنے کی منصوبہ بندی کرتی رہے گی۔

ڈائریکٹر

چیف ایگزیکٹو آفیسر

کراچی:

26 اکتوبر، 2017

Buxly Paints Limited
Condensed Interim Balance Sheet (Un-audited)

As at 30 September 2017

	Note	Un-audited 30 September 2017	(Audited) 30 June 2017
ASSETS			
Non-current assets			
Property and equipment		62,227	62,218
Investment properties		4,238	4,290
Long term loans and advances		3,046	1,703
Long term deposits		91	91
Deferred taxation		-	-
		69,602	68,302
Current Assets			
Stock-in-trade		36,065	32,254
Trade debts - unsecured		60,504	65,477
Advances and deposits		13,671	15,412
Prepayments and other receivables		2,991	2,505
Term deposit receipts / account		7,217	7,217
Mark up receivable		248	234
Current portion of long term loans and advances		1,015	530
Taxation - net		8,548	5,692
Cash and bank balances		11,650	18,192
		141,909	147,513
Total assets		211,511	215,815
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized capital			
5,000,000 (30 June 2017: 5,000,000) Ordinary shares of Rs. 10 each		50,000	50,000
Issued, subscribed and paid-up capital		14,400	14,400
General reserves		5,993	5,993
Accumulated Profit		3,584	2,399
		23,977	22,792
Surplus on revaluation of fixed assets		60,435	60,435
Current liabilities			
Markup Accrued		833	805
Short term borrowing - secured	4	40,639	39,834
Trade and other payables		85,627	91,949
		127,099	132,588
Contingencies and commitments	5	-	-
Total equity and liabilities		211,511	215,815

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

Chief Executive Officer

Chief Financial Officer

Director

Buxly Paints Limited

Condensed Interim Profit and Loss Account (Un-audited)

For the First Quarter Ended 30 September 2017

	Note	30 September 2017	30 September 2016
		(Rupees in '000)	
Sales		66,364	54,264
Cost of sales	6	(53,356)	(41,743)
Gross profit		13,008	12,521
Distribution and selling expenses		(8,556)	(9,938)
Administrative expenses		(2,380)	(1,211)
		(10,936)	(11,149)
Operating profit / (loss)		2,072	1,372
Other income		954	1,057
		3,026	2,429
Financial cost		(860)	(106)
Other Charges		(151)	(162)
		(1,011)	(268)
Profit / (loss) before taxation		2,015	2,161
Taxation		(830)	(543)
Profit/(Loss) for the period		1,185	1,618
Earning per share - basic and diluted		0.82	1.12

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

Chief Executive Officer

Chief Financial Officer

Director

Buxly Paints Limited

Condensed Interim Statement of Comprehensive Income (Un-audited)
For the First Quarter Ended 30 September 2017

	30 September 2017	30 September 2016
Profit after taxation	1,185	1,618
Other comprehensive income	-	-
Total comprehensive income	<u>1,185</u>	<u>1,618</u>

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

Chief Executive Officer

Chief Financial Officer

Director

For the First Quarter Ended
Sep 30, 2017

Buxly Paints Limited

Condensed Interim Cash Flow Statement (Un-audited)
For the First Quarter Ended 30 September 2017

30 September 30 September
2017 2016
(Rupees in '000)

Cash flows from operating activities

Cash generated from operations	(1,964)	4,369
Long term loans and advances	-	-
Income tax paid	(3,686)	(616)
Finance cost paid	(860)	(106)
Net cash generated from operating activities	(6,510)	3,647

Cash flows from investing activities

Addition to fixed assets	(32)	-
Term deposit receipts	-	-
	(32)	-

Cash flows from financing activities

Net decrease in cash and cash equivalents	(6,542)	3,647
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Cash and cash equivalents at 1-July

18,192 16,632

Cash and cash equivalents at 30-September

11,650 20,279

2017 2016
(Rupees in '000)

Cash and cash equivalents:

Cash and bank balances	11,650	20,279
	<u>11,650</u>	<u>20,279</u>

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

Chief Executive Officer

Chief Financial Officer

Director

Buxly Paints Limited

Condensed Interim Statement of changes in Equity (Un-audited)
For the First Quarter Ended 30 September 2017

	Issued subscribed and paid-up capital	General reserve	Accumulated (loss) / profit	Share capital and reserve	Surplus on revaluation of fixed assets	Total
	------(Rupees in '000)-----					
Balance as at 01 July 2016	14,400	5,993	(6,077)	14,316	60,435	74,751
Total comprehensive income for the year	-	-	8,476	8,476	-	8,476
Balance as at 30 June 2017	<u>14,400</u>	<u>5,993</u>	<u>2,399</u>	<u>22,792</u>	<u>60,435</u>	<u>83,227</u>
Total comprehensive income for the quarter ended 30 September 2017	-	-	1,185	1,185	-	1,185
Balance as at 30 September 2017	<u>14,400</u>	<u>5,993</u>	<u>3,584</u>	<u>23,977</u>	<u>60,435</u>	<u>84,412</u>

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

Chief Executive Officer

Chief Financial Officer

Director

Buxly Paints Limited

Note to the Condensed Interim Financial Statement (Un-audited)
For the First Quarter Ended 30 September 2017

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 provide the materials, packing and 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. The registered office of the Company is situated at X-3, Manghopir Road, S.I.T.E. Karachi, Sindh, Pakistan.

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 under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions of, or directives issued under the Companies Ordinance, 1984 shall prevail.

The company's balance sheet presented in these financial statements as at June 30, 2017 has been extracted from audited financial statements of the company for the year ended June 30, 2017. 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, 2017.

3. ACCOUNTING POLICES

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, 2017.

4. 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. 67 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 3 months KIBOR + 2%.

5. Contingencies and Commitments

Un-audited	(Audited)
30 September	30 June
2017	2017

Contingencies

(Rupees in '000)

Claim not acknowledged by the company	<u>3,860</u>	3,860
	<u>3,860</u>	<u>3,860</u>

30 September	30 September
2017	2016

(Rupees in '000)

6. Cost of Sales

Opening Stock of Finished goods	35,565	18,035
Add: Cost of goods manufactured	<u>55,446</u>	<u>44,023</u>
	91,011	62,058
Less: Closing Stock of Finished goods	<u>(37,655)</u>	<u>(20,315)</u>
Cost of Sales	<u>53,356</u>	<u>41,743</u>

7. Transactions with related parties

30 September	30 September
2017	2016

(Rupees in '000)

Transactions with Berger Paints Pakistan Limited

Purchases	47,850	38,098
Toll manufacturing expenses incurred	4,453	3,153
Rental expense and service charges	2,439	527
Carriage outward expenses	1,142	375
Royalty income	409	508
Rental Income	450	450
License fee	<u>3</u>	<u>3</u>

Transactions with M.S.Orchids (Private) Limited

Service Charges	-	2,171
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Buxly Paints Limited Provident Fund

Company's Contribution	<u>100</u>	<u>96</u>
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8. Date of authorization for issue

These financial statements were authorized for issue by the Board of Directors on **October 26, 2017**,

9. General

Figures have been rounded off to the nearest thousand rupees.

Chief Executive Officer

Chief Financial Officer

Director