

## **DIRECTORS' REVIEW**

The Directors of the Company are presenting their review along with the interim financial statements of the Company for the 1st quarter ending <sup>2022</sup> on September 30, 2022.

### **Operational Results**

During the quarter under review, financial and political ambiguity continued to prevail in the country. Massive flood disaster, increase in Rupee disparity against US dollar and international commodity super cycle had an important bearing on the inflation trajectory of economy and resultantly not only slowed down overall business activities but also badly affected the performance of the companies.

Despite these challenges, your Company achieved sales for the quarter of Rs. 127.76 million as compared to Rs. 93.76 million in corresponding period of last year, up by 36% mainly because of inflationary impact in sale prices. Gross margins were remained under pressure and stood at 10.2%, compared with 13.11% for the same period of the last year.

Administrative and Selling expenditure remained under control due to extensive focus on cost efficiency.

### **Future Outlook**

Despite tough competition and geopolitical challenges in the country, your company is confident that the trend of growth in sales, witnessed in this quarter, will continue and company will try to deliver budgeted figures in remaining part of the year.

On behalf of the Board

Mr. Adnan Iqbal

Chief Executive

Director

Karachi

Dated: 28 October 2022

**Buxly Paints Limited**  
**Condensed Interim Statement of Financial Position (Un-audited)**  
**As at 30 September 2022**

	Un-Audited 30-Sep 2022	Audited 30-June 2022
	(Rupees in thousand)	
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property and equipment	133,185	133,284
Investment properties	3,812	3,852
Long term loans and advances	4,112	4,257
Long term receivable	8,550	8,100
Long term security deposits	361	361
	150,019	149,854
<b>Current assets</b>		
Stock-in-trade	107,125	99,878
Trade debts	170,321	158,846
Advances and deposits	13,009	12,403
Prepayments and other receivables	234	473
Term deposit receipts / account	150	150
Markup receivable	12	4
Current portion of long term loans and advances	489	549
Taxation - net	3,751	3,112
Cash and bank balances	1,956	29,717
	297,047	305,132
<b>Total assets</b>	447,066	454,986
<b>EQUITY AND LIABILITIES</b>		
<b>Share capital and reserves</b>		
Authorised capital 5,000,000 (2021: 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	130,352	130,352
Revenue reserves		
General reserve	5,993	5,993
Accumulated loss	(13,260)	(11,662)
	137,485	139,083
<b>Non-current liabilities</b>		
Long term finance	-	-
Lease liability	1,309	1,309
	1,309	1,309
<b>Current liabilities</b>		
Markup accrued	1,956	1,363
Current portion of long term finance	957	1,046
Current portion of lease liability	186	315
Unpaid dividend	217	217
Unclaimed dividend	102	102
Short term borrowing	43,708	44,456
Trade and other payables	261,145	267,095
	308,271	314,594
Contingencies and commitments	-	-
<b>Total equity and liabilities</b>	447,066	454,986

The annexed notes 1 to 10 form an integral part of these condensed interim financial statements.

  
**Chief Executive Officer**

  
**Director**

  
**Chief Financial Officer**

**Buxly Paints Limited****Condensed Interim Statement of Profit or Loss and Other Comprehensive Income (Un-audited)  
For the Quarter ended 30 September 2022**

		30 September	
	Note	2022	2021
		(Rupees in thousand)	
Sales		127,769	93,767
Cost of sales	7	(114,736)	(81,382)
<b>Gross profit</b>		<b>13,033</b>	<b>12,385</b>
		<b>10%</b>	<b>13%</b>
Distribution and selling expenses		(9,015)	(9,109)
Administrative expenses		(3,069)	(3,654)
		(12,084)	(12,763)
		949	(377)
Other income		910	906
		1,859	529
Finance cost		(1,860)	(1,046)
Other charges		-	-
<b>Loss before tax for the period</b>		<b>(1)</b>	<b>(517)</b>
Taxation		(1,597)	(1,172)
<b>Loss after tax for the period</b>		<b>(1,598)</b>	<b>(1,689)</b>
<b>Earning per share - basic and diluted</b>		<b>(1.11)</b>	<b>(1.17)</b>


The annexed notes 1 to 10 form an integral part of these condensed interim financial statements.


  
Chief Executive Officer  
Director  
Chief Financial Officer


**Buxly Paints Limited**  
**Condensed Interim Statement Comprehensive Income (Un-audited)**  
**For the Quarter ended 30 September 2022**

	30 September	
	2022	2021
	(Rupees in thousand)	
Loss after tax for the period	(1,598)	(1,689)
Other Comprehensive income	-	-
<b>Total comprehensive income</b>	<u><u>(1,598)</u></u>	<u><u>(1,689)</u></u>

The annexed notes 1 to 10 form an integral part of these condensed interim financial statements.

  
Chief Executive Officer

  
Director

  
Chief Financial Officer

**Buxly Paints Limited**  
**Condensed Interim Statement of Cash Flows (Un-audited)**  
**For the Quarter ended 30 September 2022**

	<b>30 September</b>	
	<b>2022</b>	<b>2021</b>
	<b>(Rupees in thousand)</b>	
<b>Cash flows from operating activities</b>		
Loss before tax for the period	(1)	(517)
Adjustments for:		
Depreciation	140	93
Finance cost	1,860	1,046
Markup on term deposit receipts	(7)	(3)
Provision for doubtful debts	(482)	-
Rental income	-	(450)
	1,510	169
<b>(Increase) / decrease in current assets</b>		
Stock-in-trade	(7,247)	17,045
Trade debts	(10,993)	(328)
Advances and deposits	(606)	983
Prepayments and other receivables	239	364
	(18,607)	18,065
<b>(Decrease) / increase in current liabilities</b>		
Trade and other payables	(5,950)	(9,037)
Net cash generated from / (used in) operations	(23,047)	9,197
Income tax paid	(2,236)	(312)
Finance cost paid	(1,267)	(1,040)
Net cash (used in) / generated from operating activities	(26,550)	7,845
<b>Cash flows from investing activities</b>		
Additions to property and equipment	-	(70)
Long term receivable	(450)	-
Long term loans and advances	145	(1,033)
Net cash (used in) investing activities	(305)	(1,103)
<b>Cash flows from financing activities</b>		
Long term finance	-	(523)
Short term borrowing	(748)	(24,448)
Net cash (used in) financing activities	(748)	(24,971)
Net decrease in cash and cash equivalents during the year	(27,603)	(18,230)
<b>Cash and cash equivalents at the beginning of the period</b>	29,717	20,034
<b>Cash and cash equivalents at the end of the period</b>	2,114	1,805

The annexed notes 1 to 10 form an integral part of these condensed interim financial statements.

  
**Chief Executive Officer**

  
**Director**

  
**Chief Financial Officer**

**Buxly Paints Limited****Condensed Interim Statement of Changes in Equity (Un-audited)  
For the Quarter ended 30 September 2022**

		<u>Capital reserve</u>	<u>Revenue reserves</u>		
	Issued subscribed and paid-up capital	Surplus on revaluation of property	General reserve	Accumulated loss	Total
	(Rupees in thousand)				
Balance as at 01 July 2021	14,400	130,352	5,993	(15,874)	134,871
Total comprehensive income for the year	-	-	-	4,212	4,212
Balance as at 30 June 2022	<u>14,400</u>	<u>130,352</u>	<u>5,993</u>	<u>(11,662)</u>	<u>139,083</u>
Total comprehensive income for the year	-	-	-	(1,598)	(1,598)
Balance as at 30 September 2022	<u>14,400</u>	<u>130,352</u>	<u>5,993</u>	<u>(13,260)</u>	<u>137,485</u>

The annexed notes 1 to 10 form an integral part of these condensed interim financial statements.

  
Chief Executive Officer

  
Director

  
Chief Financial Officer

# Buxly Paints Limited

## Condensed Interim Notes to the Financial Statements (Un-audited)

For the Quarter ended 30 September 2022

### 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,
b	Lahore Office	Lahore	The Annexed, 36-Industrial Estate, Kot lakh pat, Lahore
c	Islamaba	Islamabad	The Annexed, Plot No. 201, Street No. I,
d			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 30 June 2022 has been extracted from

### 3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted for the preparation of these financial statements are same as those applied in

4 **LONG TERM FINANCE-SECURED**

A term finance facility under the refinance scheme for payment of wages and salaries to the workers and

5 **SHORT TERM BORROWINGS - SECURED**

Company has entered into an agreement with JS Bank Limited for short term running finance facility

6 **CONTINGENCIES AND COMMITMENTS**

There is no change in Contingencies and Commitments as reported in 30 June 2022.

7 **COST OF SALES**

	30 September 2022	30 September 2021
	(Rupees in thousand)	
Opening Stock of Finished goods	96,869	98,764
Add: Cost of goods manufactured	122,219	63,797
	<u>219,088</u>	<u>162,561</u>
Less: Closing Stock of Finished goods	(104,352)	(81,179)
Cost of Sales	<u>114,736</u>	<u>81,382</u>

8 **TRANSACTIONS WITH RELATED PARTIES**


	30 September 2022	30 September 2021
	(Rupees in thousand)	
<b>Transactions with Berger Paints Pakistan Limited</b>		
Purchases	82,731	45,909
Toll manufacturing expenses incurred	7,570	6,998
Rental expense and service charges	300	300
Carriage outward expenses	2,069	1,648
Rental income	450	450
License fee	<u>3</u>	<u>3</u>
<b>Buxly Paints Limited Provident Fund</b>		
Company's Contribution	<u>201</u>	<u>189</u>

9 **DATE OF AUTHORIZATION FOR ISSUE**

These financial statements were authorized for issue by the Board of Directors on 27<sup>28</sup> October 2022.

10 **GENERAL**

Figures have been rounded off to the nearest thousand rupees.

  
Chief Executive Officer

  
Director Chief Financial Officer