

Buxly



**1st Quarter Ended
September 30, 2013**

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COMPANY INFORMATION

Board of Directors:

Mr. Bashir Ahmed	Chairman
Mr. Shamshad Ali	Chief Executive Officer
Mr. Fakhru Arfin	
Mr. Hameed Ahmed	
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. Hameed Ahmed	Chairman
Mr. Saeed Mohammad Sheikh	Member
Mr. Shamshad Ali	Member

Company Secretary:

Mr. Adnan Iqbal

Auditors:

Rehman Sarfaraz Rahim Iqbal Rafiq
Chartered Accountants

Legal Advisor:

Mr. Laiq Ahmed Khan

Bankers:

Habib Metro Bank Limited
Habib Bank Limited
NIB Bank Limited
National Bank Limited

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
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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 submitting the un-audited condensed interim financial statements for the quarter ended September 30, 2013.

Despite various economic challenges and law & order situation in the country, sales value for the period under review has increased by 14% from Rs.26.8 Million to 31.3 Million from the corresponding period of last year.

Gross margin remained under pressure and decreased from 19.2% to 17.9% from the same period of last year.

Despite increasing challenges, we will strive for improved results in the remaining quarters of the year.

Chief Executive Officer

Director

Date: October 30, 2013
Karachi.



Condensed Interim Balance Sheet (Unaudited)
As at 30 September, 2013

	Notes	(Unaudited) 30 September 2013	(Audited) 30 June 2013
ASSETS			
(Rupees in '000)			
Non-current assets			
Property, plant and equipment	4	65,581	453
Investment Property		6,524	6,587
Long term loans and advances		754	847
Long term deposits		91	91
		72,950	7,978
Current Assets			
Stock-in-trade		30,146	28,631
Trade debts-unsecured, considered good		34,310	39,453
Current portion of long term loans and advances		431	431
Mark up receivable		237	202
Advances and deposits		6,182	6,382
Prepayments and other receivables		2,798	3,113
Tax refund due from Government		4,087	3,948
Term deposit receipts		1,630	1,630
Cash and bank balances		9,516	6,491
		89,337	90,281
Total assets		162,287	98,259
Share capital and reserves			
Authorised capital 5,000,000 (30 June 2012: 5,000,000)		50,000	50,000
Ordinary shares of Rs. 10 each		50,000	50,000
Issued, subscribed and paid-up capital 1,440,000 (30 June 2012: 1,440,000)		14,400	14,400
ordinary shares of Rs. 10 each		5,993	5,993
Reserves		(13,888)	(13,966)
Unappropriated profit / (loss)		6,505	6,427
Surplus on revaluation of fixed assets	4	65,151	-
Current liabilities			
Advance from related party	6.1	40,000	40,000
Trade and other payables		50,631	51,832
		90,631	91,832
Contingencies and commitments	5	162,287	98,259
Total equity and liabilities		162,287	98,259

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

Chief Executive Officer

Director



**Condensed Interim Profit and Loss Account (Unaudited)
For the quarter ended 30 September 2013**

	Notes	Quarter ended	
		30 September 2013	30 September 2012
		(Rupees in '000)	
Sales - net		31,301	26,797
Cost of sales	7	<u>(25,703)</u>	<u>(21,652)</u>
Gross profit		5,598	5,145
Distribution and selling expenses	6.1	<u>(4,311)</u>	<u>(3,804)</u>
Administrative expenses		<u>(1,336)</u>	<u>(1,305)</u>
		<u>(5,647)</u>	<u>(5,109)</u>
Operating profit / (loss)		(49)	36
Other income		<u>493</u>	286
		444	322
Financial charges		<u>(24)</u>	<u>(63)</u>
Workers' profit participation fund		<u>(21)</u>	<u>(13)</u>
Workers' welfare fund		<u>(8)</u>	<u>(5)</u>
		<u>(53)</u>	<u>(81)</u>
Profit / (loss) before taxation		391	241
Taxation		(313)	(134)
Net Profit/(Loss) for the period		<u>78</u>	<u>107</u>
Profit/(Loss) per share - basic and diluted		<u>0.05</u>	<u>0.07</u>

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

Chief Executive Officer

Director



**Condensed Interim Statement of Comprehensive Income (Unaudited)
For the quarter ended 30 September 2013**

	<u>Quarter ended</u>	
	30 September 2013	30 September 2012
	(Rupees in '000)	
Profit/(Loss) after taxation	78	107
Other comprehensive income	-	-
Total comprehensive income	<u>78</u>	<u>107</u>

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

Chief Executive Officer

Director



**Condensed Interim Cash Flow Statement (Unaudited)
For the quarter ended 30 September 2013**

	<u>Quarter ended</u>	
	30 September 2013	30 September 2012
	(Rupees in '000)	
Cash flows from operating activities		
Cash generated from operations	3,409	966
Long term loans and advances	93	74
Income tax paid	(453)	(13)
Finance cost paid	(24)	(143)
Net cash generated from operating activities	3,025	884
Cash flows from investing activities		
Addition to fixed assets	-	-
Term deposit receipts	-	(1,480)
	-	(1,480)
Cash flows from financing activities		
	-	-
Net decrease in cash and cash equivalents	3,025	(596)
Cash and cash equivalents at beginning of the year	6,491	9,011
Cash and cash equivalents at end of the year	9,516	8,415
 CASH AND CASH EQUIVALENTS		
Cash and cash equivalents comprise:		
Cash and bank balances	9,516	8,415
	9,516	8,415

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

Chief Executive Officer

Director



**Condensed Interim Statement of Changes in Equity (Unaudited)
For the quarter ended 30 September 2013**

	Issued, subscribed and paid-up capital	General reserve	Accumulated (loss) / Profit	Total
(Rupees in '000).....			
Balance as at 01 July 2012	14,400	5,993	(14,098)	6,295
Total comprehensive income for the year ended 30 June 2013	-	-	132	132
Balance as at 30 June 2013	<u>14,400</u>	<u>5,993</u>	<u>(13,966)</u>	<u>6,427</u>
Total comprehensive income for the quarter ended 30 September 2013	-	-	78	78
Balance as at 30 September 2013	<u><u>14,400</u></u>	<u><u>5,993</u></u>	<u><u>(13,888)</u></u>	<u><u>6,505</u></u>

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

Chief Executive Officer

Director

**Notes to the Condensed Interim Financial Statements (Unaudited)
For the quarter ended 30 September 2013**

1. NATURE AND STATUS OF THE 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 dated 06 January 2003, 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 packing the products and deliver the product to the Company or designated party in Pakistan indicated by the Company.

2. BASIS OF PREPARATION

These condensed financial statements are prepared in accordance with requirements of the International accounting standards 34, 'Interim Financial Reporting' and are being submitted to the shareholders as required under section 245 of the Companies Ordinance, 1984 and the listing regulations of the Karachi and Lahore Stock Exchanges.

The company's balance sheet presented in these financial statements as at June 30, 2013 has been extracted from audited financial statements of the company for the year ended June 30, 2013, whereas the comparative profit and loss accounts, cash flow statements and statement of changes in equity are un-audited.

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, 2013.

4. FIXED ASSETS

There is no addition/disposal during the period. However the fair value of land (representing 1.11 acre), according to the valuation carried out by an independent valuer, has been incorporated in the accounts. Consequently, revaluation surplus reserve have been created in Balance Sheet.

5. CONTINGENCIES AND COMMITMENTS

	Un-audited 30 September 2013	(Audited) 30 June 2012
	(Rupees in '000)	
Contingencies		
Letter of guarantees	<u><u>1,887</u></u>	<u><u>1,887</u></u>



6. TRANSACTIONS WITH RELATED PARTIES

	Quarter ended	
	30 September 2013	30 September 2012
	(Rupees in '000)	
Transactions with Berger Paints Pakistan Limited		
Purchases	22,907	22,923
Toll manufacturing expenses incurred	2,191	1,181
Rental expense and service charges	902	670
Royalty income	158	133
Rental Income	300	150
Transactions with M.S.Orchid (Private) Limited		
Service Charges	1,266	1,017
Buxly Paints Limited Provident Fund		
Company's Contribution	44	47

6.1. Advance From Ms. Orchid (Pvt) Ltd

The amount of Rs. 40 million from Ms. Orchid (Pvt) Ltd has been classified as advance and the related service charges have been classified in operating expenses.

7. Cost of Sales

Opening Stock of Finished goods	23,485	21,398
Add: Cost of goods manufactured	27,145	27,245
	<u>50,630</u>	<u>48,643</u>
Less: Closing Stock of Finished goods	<u>(24,927)</u>	<u>(26,991)</u>
Cost of Sales	<u><u>25,703</u></u>	<u><u>21,652</u></u>

8. Date of Authorization for issue

These financial statements were authorized for issue by the Board of Directors on October 30, 2013

9. General

Figures have been rounded off to the nearest thousand rupees.

Chief Executive Officer

Director

Adding Value & Protection

Buxly has been manufacturing superior quality paints since 1933. The company's focus on quality and durability through constant research and development have kept the Buxly's name synonymous with customer's trust, generation after generation.

Today, Buxly offers a comprehensive range of products. From preparatory materials to finishing products for regular painting needs for buildings, industries and for extreme conditions and very specialized applications.

When you buy Buxly, you buy excellence in protective and decorative finishes.

Buxly's - commitment to excellence in quality

-  **Extensive product Research & Development.**
-  **Trained and dedicated professional staff.**
-  **Emphasis on modern Quality Control techniques.**