

**HALF YEAR ENDED  
DECEMBER 31, 2014**

**Buxly**  
PAINTS

# **Buxly Paints Limited**

## **Contents**

	<b>Page #</b>
<b>1</b> Company Information	<b>2</b>
<b>2</b> Directors' Review Report	<b>3</b>
<b>3</b> Auditors' Review Report to Members	<b>4</b>
<b>4</b> Condensed Interim Balance Sheet	<b>5</b>
<b>5</b> Condensed Interim Profit and Loss Account	<b>6</b>
<b>6</b> Condensed Interim Statement of Comprehensive Income	<b>7</b>
<b>7</b> Condensed Interim Cash Flow Statement	<b>8</b>
<b>8</b> Condensed Interim Statement of Changes in Equity	<b>9</b>
<b>9</b> Notes to the Condensed Interim Financial Statements	<b>10-16</b>

## COMPANY INFORMATION

### Board of Directors:

Mr. Bashir Ahmed	Chairman
Mr. Shamshad Ali	Chief Executive Officer
Mr. Fakhrul 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. Fakhrul Arfin	Member

### Human Resource and Remuneration Committee :

Mr. Hameed Ahmed	Chairman
Mr. Saeed Mohammad Sheikh	Member
Mr. Shamshad Ali	Member

### CFO & Company Secretary:

Mr. Adnan Iqbal

### 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

### 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>

## **Buxly Paints Limited**

### **Directors' Review**

The directors of your Company are submitting the unaudited condensed interim financial statements for the six months ended Dec 31, 2014.

Sales value for the period under review has decreased by 5.83 % from Rs. 69.91 million to Rs.65.83 million from the corresponding period of last year. The decline in sales is primarily due to the unstable economical and political conditions in the country. Selling and distribution expenses have increased by 8% due to induction of sales team for newly initiated project business. Amid lower sales and increased operating cost, the company managed to achieve positive bottom line.

Despite economic issues and law & order challenges in the country, the management is focused to achieve the planned targets.

Chief Executive Officer  
Karachi, February 21, 2015

Director



**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 2014 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity together with the 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. The figures of the condensed interim profit & loss account for the quarter ended 31 December 2014 have not been reviewed as we are required to review only cumulative figures for the half year ended on that date.

**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.

  
**Rahman Sarfaraz Rahim Iqbal Rafiq**  
CHARTERED ACCOUNTANTS  
Engagement partner: A. Rahman Mir.

Lahore: 21 FEB 2015

**Buxly Paints Limited**  
**Condensed Interim Balance Sheet**  
**As at 31 December 2014**

	31 December 2014	30 June 2014	
Note	(Un-audited)	(Audited)	
	(Rupees in '000)		
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	6	62,146	62,189
Investment property	7	4,864	4,986
Long term loans and advances		1,616	1,687
Long term deposits		91	91
Deferred taxation	8	-	-
		<u>68,717</u>	<u>68,953</u>
<b>Current Assets</b>			
Stock in trade	9	27,534	35,810
Trade debts - unsecured	10	33,179	44,953
Current portion of long term loans and advances		236	372
Mark-up receivable		284	340
Advances and deposits	11	9,371	8,760
Prepayments and other receivables		230	162
Taxes recoverable/adjustable		10,337	7,893
Term deposit receipts		1,630	1,630
Cash and bank balances	12	9,919	10,154
		<u>92,720</u>	<u>110,074</u>
<b>Total Assets</b>		<u><u>161,437</u></u>	<u><u>179,027</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Share Capital and Reserves</b>			
<b>Authorised Capital</b>			
5,000,000 (30 June 2014: 5,000,000) ordinary shares of Rs. 10 each		<u>50,000</u>	<u>50,000</u>
<b>Issued, subscribed and paid-up capital</b>			
1,440,000 (30 June 2014: 1,440,000) ordinary shares of Rs. 10 each		14,400	14,400
General Reserve		5,993	5,993
Accumulated losses		<u>(12,867)</u>	<u>(13,278)</u>
		7,526	7,115
Surplus on revaluation of fixed assets	13	60,435	60,435
<b>Current Liabilities</b>			
Advance from related party	14	40,000	40,000
Trade and other payables	15	53,476	71,477
		93,476	111,477
Contingencies and commitments	16		
<b>Total Equity and Liabilities</b>		<u><u>161,437</u></u>	<u><u>179,027</u></u>

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

\_\_\_\_\_  
**Chief Executive**

\_\_\_\_\_  
**Director**

**Buxly Paints Limited**  
**Condensed Interim Profit and Loss Account (Un-audited)**  
**For the six months period ended 31 December 2014**

	Note	<u>Six months period ended</u>		<u>Quarter ended</u>	
		<u>31 December</u>	<u>31 December</u>	<u>31 December</u>	<u>31 December</u>
		<b>2014</b>	2013	<b>2014</b>	2013
------(Rupees in '000)-----					
Sales - net	17	<b>65,831</b>	69,905	<b>31,621</b>	38,604
Cost of sales	18	<b>(54,081)</b>	(57,891)	<b>(26,079)</b>	(32,188)
<b>Gross profit</b>		<b>11,750</b>	12,014	<b>5,542</b>	6,416
Distribution and selling expenses	19	<b>(9,311)</b>	(8,645)	<b>(4,463)</b>	(4,334)
Administrative expenses	20	<b>(2,457)</b>	(2,735)	<b>(1,038)</b>	(1,399)
		<b>(11,768)</b>	(11,380)	<b>(5,501)</b>	(5,733)
		<b>(18)</b>	634	<b>41</b>	683
Other income		<b>1,278</b>	1,213	<b>682</b>	720
		<b>1,260</b>	1,847	<b>723</b>	1,403
Finance cost		<b>(93)</b>	(75)	<b>(56)</b>	(51)
Workers' Profit Participation Fund		<b>(58)</b>	(89)	<b>(33)</b>	(68)
Workers' Welfare Fund		<b>-</b>	(33)	<b>-</b>	(25)
		<b>(151)</b>	(197)	<b>(89)</b>	(144)
<b>Profit before tax</b>		<b>1,109</b>	1,650	<b>634</b>	1,259
Taxation		<b>(698)</b>	(699)	<b>(322)</b>	(386)
<b>Profit for the period</b>		<b>411</b>	951	<b>312</b>	873
Earnings per share - basic and diluted		<b>0.29</b>	0.66	<b>0.22</b>	0.61

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

\_\_\_\_\_  
**Chief Executive**

\_\_\_\_\_  
**Director**

**Buxly Paints Limited**  
**Condensed Interim Statement of Comprehensive Income (Un-audited)**  
**For the six months period ended 31 December 2014**

	<u>Six months period ended</u>		<u>Quarter ended</u>	
	<u>31 December</u> <u>2014</u>	<u>31 December</u> <u>2013</u>	<u>31 December</u> <u>2014</u>	<u>31 December</u> <u>2013</u>
	----- <b>(Rupees in '000)</b> -----			
Profit after taxation	<b>411</b>	951	<b>312</b>	873
Other comprehensive income	-	-	-	-
Total comprehensive Income	<u><b>411</b></u>	<u>951</u>	<u><b>312</b></u>	<u>873</u>

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

\_\_\_\_\_  
**Chief Executive**

\_\_\_\_\_  
**Director**



**Buxly Paints Limited**  
**Condensed Interim Cash Flow Statement (Un-audited)**  
**For the six month period ended 31 December 2014**

	NOTE	31 December 2014	31 December 2013
------(Rupees in '000)-----			
<b>Cash Flows from Operating Activities</b>			
Profit before taxation		1,109	1,650
Adjustments for:			
Depreciation		165	175
Finance Cost		93	75
		258	250
Operating cash flows before working capital changes		1,367	1,900
Working Capital Changes			
<b>(Increase)/Decrease in Current Assets:</b>			
Stock-in-Trade		8,276	(3,853)
Trade Debts		11,774	(2,572)
Mark up receivable		56	(70)
Advances and deposits		(611)	(581)
Prepayments and other receivables		(68)	169
<b>Increase/(Decrease) in Current Liabilities:</b>			
Trade & Other Payables		(18,001)	6,980
Cash generated from operations		1,426	73
		2,793	1,973
Finance Cost paid		(93)	(75)
Taxes paid		(3,142)	(910)
		(3,235)	(985)
Net Cash (Used in)/Generated from Operating Activities		(442)	988
<b>Cash Flows from Investing Activities</b>			
Additions to Property, Plant and Equipments		-	-
(Increase)/Decrease in Investments in Term Deposits		-	-
Long Term Loans and Advances		207	183
Net Cash Used in Investing Activities		207	183
<b>Cash Flows from Financing Activities</b>			
Net Cash generated from Financing Activities		-	-
Net (decrease)/Increase in Cash and Cash Equivalents during the year		(235)	1,171
Cash and Cash Equivalents at the beginning of the year		10,154	6,491
Cash and Cash Equivalents at the end of the year	12	9,919	7,662

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

\_\_\_\_\_  
**Chief Executive**

\_\_\_\_\_  
**Director**

**Buxly Paints Limited**  
**Condensed Interim Statement of Changes in Equity (Un-audited)**  
**For the six months period ended 31 December 2014**

	<b>Issued, subscribed and paid-up capital</b>	<b>General reserve</b>	<b>Accumulated losses</b>	<b>Total</b>
	----- <b>(Rupees in '000)</b> -----			
Balance as at 01 July 2013	14,400	5,993	(13,966)	6,427
<i>Total comprehensive income for the six months period ended 31 December 2013</i>	-	-	951	951
Balance as at 31 December 2013	<u>14,400</u>	<u>5,993</u>	<u>(13,015)</u>	<u>7,378</u>
<i>Total comprehensive income/(loss) for the six months period ended 30 June 2014</i>	-	-	(263)	(263)
Balance as at 30 June 2014	<u>14,400</u>	<u>5,993</u>	<u>(13,278)</u>	<u>7,115</u>
<i>Total comprehensive income for the six months period ended 31 December 2014</i>	-	-	411	411
<b>Balance as at 31 December 2014</b>	<b><u>14,400</u></b>	<b><u>5,993</u></b>	<b><u>(12,867)</u></b>	<b><u>7,526</u></b>

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

\_\_\_\_\_  
**Chief Executive**

\_\_\_\_\_  
**Director**

## **Buxly Paints Limited**

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

**For the six months period ended 31 December 2014**

#### **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 2014 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 2014.

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 2014.

#### **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 2014.

**31 December**                      30 June  
**2014**                                      2014  
**(Un-audited)**                      (Audited)  
**(Rupees in '000)**

**6 PROPERTY, PLANT AND EQUIPMENT**

Opening written down value	<b>62,189</b>	453
Additions during the period-at cost	-	51
Additions during the period-at fair value	-	61,779
Depreciation charged	<b>(43)</b>	(94)
	<b>62,146</b>	<b>62,189</b>

**7 INVESTMENT PROPERTY**

Opening written down value	<b>4,986</b>	6,587
Additions / (Transfers) during the period-at cost	-	(1,344)
Depreciation charged	<b>(122)</b>	(257)
	<b>4,864</b>	<b>4,986</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.10.911 million.

**8 DEFERRED TAXATION**

Deferred tax asset amounting to Rs. 16.004 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	<b>591</b>	1,136
Work-in-process	<b>4,768</b>	5,488
Finished goods	<b>26,053</b>	33,064
	<b>31,412</b>	39,688
Provision against slow moving stocks: - Finished goods	<b>(3,878)</b>	(3,878)
	<b>27,534</b>	<b>35,810</b>

**10 TRADE DEBTS - unsecured**

Considered good	<b>33,179</b>	44,953
Considered doubtful	<b>11,870</b>	11,870
	<b>45,049</b>	56,823
Provision against debts considered doubtful	<b>(11,870)</b>	(11,870)
	<b>33,179</b>	<b>44,953</b>

**31 December**                      30 June  
**2014**                                      2014  
**(Un-audited)**                      (Audited)  
**(Rupees in '000)**

**11 ADVANCES AND DEPOSITS**

**Advances - unsecured, considered good**

Employees 13 45

**Deposits**

Margin against letters of guarantee	11.1	<b>3,235</b>	3,235
Earnest money and tender deposits-net		<b>6,076</b>	5,433
Central Depository Company of Pakistan Limited		<b>10</b>	10
Suppliers		<b>21</b>	21
Others		<b>16</b>	16
		<b>9,358</b>	8,715
		<b>9,371</b>	8,760

**11.1 Earnest money and tender deposits - net**

Earnest money and tender deposits		7,076	6,433
Provision against expired earnest money & tender deposits		(1,000)	(1,000)
		<b>6,076</b>	5,433

**12 CASH AND BANK BALANCES**

In hand		31	31
At banks - in current accounts		9,888	10,123
		<b>9,919</b>	10,154

**13 SURPLUS ON REVALUATION OF FIXED ASSETS**

		<b>60,435</b>	60,435
--	--	---------------	--------

The surplus is in respect of the land located at Plot No. X-3, Manghopir Road, S.I.T.E, Karachi, which was previously held at cost. The said plot was 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**

On 10 July 2012, 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 shall be made on quarterly basis by 15 October, 15 January, 15 April and 15 July for the respective preceding quarters. As the company intends to settle the whole amount within one year, this has been classified as current liability.

		<b>31 December 2014 (Un-audited) (Rupees in '000)</b>	<b>30 June 2014 (Audited)</b>
<b>15 TRADE AND OTHER PAYABLES</b>			
<b>Creditors</b>	15.1	<b>50,795</b>	67,804
<b>Accrued expenses</b>		<b>578</b>	1,482
<b>Unclaimed dividend</b>		<b>319</b>	319
<b>Other liabilities</b>			
Advances from customers		<b>881</b>	879
Unfunded gratuity scheme		<b>-</b>	7
Workers' profit participation fund		<b>67</b>	125
Provision for compensated absences		<b>410</b>	410
Others	15.2	<b>426</b>	451
		<b>1,784</b>	1,872
		<b>53,476</b>	<b>71,477</b>

15.1 This includes payable to following associated undertakings:

Berger Paints Pakistan Limited	<b>42,626</b>	50,038
M.S. Orchids (Pvt.) Limited	<b>2,633</b>	11,691
	<b>45,259</b>	61,729

15.2 These include payables on account of EOBI, employee income tax and income tax on commissions.

## 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 2014. Contingencies amounted to Rs. 7.141 million and commitments amounted to Rs. Nil.

## 17 SALES - net

	<b>Six months ended</b>		<b>Quarter ended</b>	
	<b>31 December 2014</b>	31 December 2013	<b>31 December 2014</b>	31 December 2013
----- <b>(Rupees in '000)</b> -----				
Gross sales	<b>78,792</b>	83,676	37,637	46,641
Sales tax	<b>(12,265)</b>	(12,890)	(5,879)	(7,509)
	<b>66,527</b>	70,786	<b>31,758</b>	39,132
Commission and discount	<b>(696)</b>	(881)	<b>(137)</b>	(528)
	<b>65,831</b>	69,905	<b>31,621</b>	38,604

## 18 COST OF SALES

	<u>Six months ended</u>		<u>Quarter ended</u>	
	<u>31 December</u> <u>2014</u>	<u>31 December</u> <u>2013</u>	<u>31 December</u> <u>2014</u>	<u>31 December</u> <u>2013</u>
------(Rupees in '000)-----				
<b>Opening stock</b>				
Packing material	<b>1,136</b>	<b>681</b>	<b>437</b>	<b>488</b>
	<u>1,136</u>	<u>681</u>	<u>437</u>	<u>488</u>
<b>Add: Purchases</b>				
Raw material	<b>39,663</b>	52,341	<b>23,619</b>	29,434
Packing material	<b>2,882</b>	5,112	<b>1,907</b>	2,992
	<b>42,545</b>	57,453	<b>25,526</b>	32,426
	<u>43,681</u>	<u>58,134</u>	<u>25,963</u>	<u>32,914</u>
<b>Less: Closing stock</b>				
Packing material	<b>(591)</b>	(1,562)	<b>(591)</b>	(1,562)
	<b>(591)</b>	(1,562)	<b>(591)</b>	(1,562)
	<u>43,090</u>	<u>56,572</u>	<u>25,372</u>	<u>31,352</u>
Raw and packing material consumed	<b>43,090</b>	56,572	<b>25,372</b>	31,352
<b>Manufacturing expenses</b>				
Toll manufacturing expenses	<b>3,260</b>	4,291	<b>2,062</b>	2,101
	<b>3,260</b>	4,291	<b>2,062</b>	2,101
	<u>46,350</u>	<u>60,863</u>	<u>27,434</u>	<u>33,453</u>
<b>Work in process</b>				
Opening Stock	<b>5,488</b>	7,843	<b>3,398</b>	8,108
Closing stock	<b>(4,768)</b>	(7,504)	<b>(4,768)</b>	(7,504)
	<b>720</b>	339	<b>(1,370)</b>	604
	<u>47,070</u>	<u>61,202</u>	<u>26,064</u>	<u>34,057</u>
Cost of goods manufactured	<b>47,070</b>	61,202	<b>26,064</b>	34,057
<b>Finished goods:</b>				
Opening stock	<b>33,064</b>	23,485	<b>26,068</b>	24,927
Closing stock	<b>(26,053)</b>	(26,796)	<b>(26,053)</b>	(26,796)
	<b>7,011</b>	(3,311)	<b>15</b>	(1,869)
	<u><b>54,081</b></u>	<u>57,891</u>	<u><b>26,079</b></u>	<u>32,188</u>

## 19 DISTRIBUTION AND SELLING EXPENSES

	Six months ended		Quarter ended	
	31 December	31 December	31 December	31 December
	2014	2013	2014	2013
	------(Rupees in '000)-----			
Salaries, wages and other benefits	5,121	4,273	2,547	1,971
Advertising expenses / sales promotion	117	2	78	-
Carriage outward	773	919	391	480
Depreciation	33	35	17	18
Service charges	2,633	2,796	1,265	1,530
Others	634	620	165	335
	<b>9,311</b>	<b>8,645</b>	<b>4,463</b>	<b>4,334</b>

## 20 ADMINISTRATIVE EXPENSES

Salaries, wages and other benefits	918	1,185	447	519
Depreciation	132	140	66	70
Service charges	120	120	60	60
Others	1,287	1,290	465	750
	<b>2,457</b>	<b>2,735</b>	<b>1,038</b>	<b>1,399</b>

## 21 RELATED PARTY RELATIONSHIP AND TRANSACTIONS

Related parties comprises of Berger Paints Pakistan Limited, M.S.Orchids (Private) Limited, directors of the Company, major share holders and their close family members and key management personnel and employment retirement benefits plans. The Company continues to have a policy whereby all transactions with related parties undertakings are entered into at commercial terms and conditions at agreed rates. Further, contribution to defined contribution plan (provident fund) are made as per the terms of employment. Remuneration of key management personnel are in accordance with their terms of engagements. Details of transactions with related parties and balances receivables & payables, other than those which have been specifically disclosed elsewhere in these financial statements are as follows:

	Six months period ended	
	31 December	31 December
	2014	2013
	(Rupees in'000)	
<b>Associated undertakings:</b>		
<b>Berger Paints Pakistan Limited</b>		
Purchases during the period	<b>39,663</b>	53,614
Rental expense and service charges	<b>1,804</b>	1,804
Toll manufacturing expenses incurred	<b>3,260</b>	4,291
Royalty income (under royalty agreement)	<b>601</b>	404
Rent income (under rent agreement)	<b>600</b>	600



	<b>Six months period ended</b>	
	<b>31 December 2014</b>	<b>31 December 2013</b>
	<b>(Rupees in '000)</b>	
<b>M.S. Orchids Private Limited</b>		
Advance from M.S. Orchids (Private) Limited	<u>40,000</u>	<u>40,000</u>
Service charges for the period	<u>2,633</u>	<u>2,796</u>
<b>Buxly Paints Limited Provident Fund</b>		
Company's contribution	<u>95</u>	<u>93</u>
<b>Remuneration of key management personnel</b>		
Management remuneration	<u>1,605</u>	<u>1,554</u>
House rent and other benefits	<u>536</u>	<u>489</u>
	<b>31 December 2014</b>	<b>30 June 2014</b>
	<b>(Rupees in '000')</b>	
Due to Berger Paints Pakistan Limited.	<u>42,626</u>	<u>50,038</u>
Service charges payable to M.S. Orchids (Pvt.) Ltd	<u>2,633</u>	<u>11,691</u>
Receivable from provident fund	<u>111</u>	<u>7</u>
Loan to executive employees	<u>883</u>	<u>983</u>

## 22 SUBSEQUENT MATERIAL EVENTS


There are no significant activities since 31 December 2014 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 February 21, 2015 by the Board of Directors.

\_\_\_\_\_  
Chief Executive

\_\_\_\_\_  
Director



**Buxly Paints Limited**  
X/3, S.I.T.E Manghopir Road, Karachi