

BUXly
PAINTS

BUXly

Interim Financial Report



for the Quarter ended
September 30, 2020



CONTENTS

Company Information	1
Directors' Review	2
Statement of Financial Position	3
Statement of Profit or Loss	4
Statement of Comprehensive Income	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Notes to the Financial Statements	8



Company Information

Board of Directors:

Mr. Bashir Ahmed	Director
Mr. Shamshad Ali	Chairman
Mr. Adnan Iqbal	Chief Executive Officer
Mr. Fakhr-ul- Arfin	Director
Ms. Rubina Rizvi	Director
Mr. S.T. Kureshi	Director
Mr. Muhammad Hanif Idrees	Director
Mr. Sheikh Asim Rafiq	Director

Audit Committee:

Mr. Muhammad Hanif Idrees	Chairman
Mr. Fakhr-ul- Arfin	Director
Mr. S.T. Kureshi	Director

Human Resource and Remuneration Committee:

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

Chief Financial Officer

Mr. Nauman Afzal

Company Secretary

Ms. Aneela Naz

Auditors:

Rahman Sarfaraz Rahim Iqbal Rafiq
Chartered Accountants

Legal Advisor:

Mr. Laiq Ahmed Khan

Bankers:

Habib Metropolitan Bank Limited
Habib Bank Limited
MCB Islamic Bank Limited
National Bank of Pakistan Limited
JS Bank Limited

Share Registrar:

THK Associates (Pvt.) Ltd,
1st Floor, 40-C Block 6, P.E.CH.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 directors of the Company are pleased to present the interim financial statements of the Company for the quarter ended September 30, 2020.

Operational Results

During the first quarter ended September 30, 2020, the Company witnessed yet another challenging period of post COVID-19 effects. Due to these challenges, your company could achieve net Sales Rs. 70.89 million as compared to Rs. 78.89 million in the same period of last year.

Selling and Administrative expenditures were curtailed significantly to offset adverse financial impact of pandemic. Reduction in discount rates by SBA also contributed in profitability.

Future Outlook

Despite tough competition and geopolitical challenges, your company will try to sustain the trend of profitability, witnessed this quarter.

On behalf of the Board

Chief Executive Officer

Director

Lahore

Dated: 24 October 2020

BUXIY PAINTS

کمپنی کے ڈائریکٹرز 30 ستمبر 2020ء کو ختم ہونے والی سہ ماہی میں کمپنی کے عبوری مالی گوشوارے پیش کرنے پر خوش ہیں۔

آپریشنل نتائج

30 ستمبر 2020ء کو ختم ہونے والی پہلی سہ ماہی کے دوران کمپنی نے کرونا وائرس کی وبا (COVID-19) کے بعد کے اثرات کے بعد ایک اور مشکل دور کا مشاہدہ کیا۔ ان چیلنجوں کی وجہ سے آپ کی کمپنی مجموعی طور پر سیلز -/Rs.70.89 ملین روپے کے مقابلے میں گذشتہ سال کی اسی مدت میں 78.89 ملین کی ہے۔

وبائی امراض کے منفی مالی اثرات کو دور کرنے کے لیے فروخت اور انتظامی اخراجات میں نمایاں کمی لائی گئی۔ ایس بی اے کے ذریعہ رعایت کی شرحوں میں کمی نے بھی منافع میں اہم کردار ادا کیا۔

مستقبل کا نظریہ

سخت مقابلہ اور جیو پالیٹیکل چیلنجوں کے باوجود آپ کی کمپنی منافع کے رجحان کو برقرار رکھنے کی کوشش کرے گی۔

بورڈ کی جانب سے

ڈائریکٹر

چیف ایگزیکٹو آفیسر



Buxly Paints Limited

Condensed Interim Statement of Financial Position (Un-audited)

As at September 30, 2020

ASSETS	Note	Un-audited 30 September 2020	(Audited) 30 June 2020
(Rupees in '000)			
Non-current assets			
Property and equipment		131,537	131,554
Investment properties		4,156	4,201
Long term loans and advances		2,511	2,315
Long term receivable		4,950	4,500
Long term security deposits		141	141
Deferred taxation		-	-
		143,295	142,711
Current assets			
Stock-in-trade		64,065	72,243
Trade debts - unsecured		70,916	79,244
Advances and deposits		13,465	10,218
Prepayments and other receivables		420	613
Term deposit receipts / account		150	150
Mark up receivable		14	11
Current portion of long term loans and advances		96	382
Taxation - net		7,196	8,191
Cash and bank balances		22,435	10,859
		178,757	181,911
Total assets		322,052	324,622
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized capital			
5,000,000 (30 June 2020: 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 reserves		5,993	5,993
Accumulated (Loss)		(17,029)	(18,639)
		133,716	132,106
Non Current liabilities			
Long Term Finance	4	1,731	1,385
Current liabilities			
Markup Accrued		995	1,225
Current portion of long term Finance		116	462
Unpaid Dividend		217	217
Unclaimed Dividend		102	102
Short term borrowing - secured	5	48,446	45,882
Trade and other payables		136,728	143,243
		186,604	191,131
Contingencies and commitments	6	-	-
Total equity and liabilities		322,052	324,622

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



Buxly Paints Limited
 Condensed Interim Statement Note
 For the Quarter ended September 30, 2020

	30 September 2020	30 September 2019
	(Rupees in '000)	
Sales	70,891	78,982
Cost of sales	(59,512)	(64,961)
Gross profit	<u>11,379</u>	<u>14,021</u>
Distribution and selling expenses	(6,036)	(9,439)
Administrative expenses	(2,317)	(2,137)
	<u>(8,353)</u>	<u>(11,576)</u>
	3,026	2,445
Other income	906	998
	<u>3,932</u>	<u>3,443</u>
Financial cost	(1,057)	(1,678)
Other charges	(201)	(123)
	<u>(1,258)</u>	<u>(1,801)</u>
Profit before tax	<u>2,673</u>	<u>1,642</u>
Taxation	(1,063)	(1,185)
Profit for the period	<u><u>1,610</u></u>	<u><u>457</u></u>
Earning per share - basic and diluted	<u><u>1.12</u></u>	<u><u>0.32</u></u>

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

Chief Executive Officer

Director

Chief Financial Officer



Buxly Paints Limited

Condensed Interim Statement of Comprehensive Income (Un-audited)

For the Quarter ended September 30, 2020

	30 September 2020	30 September 2019
	(Rupees in '000)	
Profit after tax	1,610	457
Other comprehensive income	-	-
Total comprehensive income	<u><u>1,610</u></u>	<u><u>457</u></u>

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



Buxly Paints Limited

Condensed Interim Statement of Changes in Equity (Un-audited)

For the Quarter ended September 30, 2020

	Issued subscribed and paid-up capital	Capital Reserve Surplus on revaluation of Property	General reserve	Revenue Reserve Accumulated profit / (loss)	Total
	----- (Rupees in '000) -----				
Balance as at 01 July 2019	14,400	130,352	5,993	(18,691)	132,054
Total comprehensive Income for the year	-	-	-	52	52
Balance as at 30 June 2020	<u>14,400</u>	<u>130,352</u>	<u>5,993</u>	<u>(18,639)</u>	<u>132,105</u>
Total comprehensive income for the period ended September 30, 2020	-	-		1,610	1,610
Balance as at September 30, 2020	<u><u>14,400</u></u>	<u><u>130,352</u></u>	<u><u>5,993</u></u>	<u><u>(17,029)</u></u>	<u><u>133,716</u></u>

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

Chief Executive Officer

Director

Chief Financial Officer



Buxly Paints Limited

Condensed Interim Statement of Cash Flows (Un-audited)
For the Quarter ended September 30, 2020

	30 September 2020	30 September 2019
<i>Note</i>	(Rupees in '000)	
Cash flows from operating activities		
Profit/(Loss) before tax	2,673	1,642
Adjustments for:		
Depreciation	61	69
Finance cost	1,057	1,678
Mark-up on term deposit receipts	(3)	(7)
Rental Income	(450)	(450)
	3,338	2,932
(Increase) / decrease in current assets		
Stock-in-trade	8,178	9,456
Trade debts	8,328	(10,517)
Advances and deposits	(3,247)	(1,656)
Prepayments and other receivables	193	3,521
	13,453	804
(Decrease) / increase in current liabilities		
Trade and other payables	(6,515)	2,202
Net cash (used in) / generated from operating activities	10,276	5,938
Income tax paid	(68)	(225)
Finance cost paid	(1,287)	(1,678)
Net cash used in operations	8,921	4,035
Cash flows from investing activities		
Additions to property and equipment	1	-
Proceeds from term deposit receipts	-	-
Long term security deposits	-	-
Mark up received on term deposit receipts	-	(1,312)
Long term loans and advances - given	90	-
Net cash (used in) / generated from investing activities	91	(1,312)
Cash flows from financing activities		
Long term Finance	-	-
Short term borrowing - secured	2,564	(16,460)
Net cash generated from financing activities	2,564	(16,460)
Net increase in cash and cash equivalents during the period	11,576	(13,738)
Cash and cash equivalents at beginning of the period	10,859	18,284
Cash and cash equivalents at end of the period	14 22,435	4,546

The annexed notes 1 to 10 form an integral part of these condensed 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 September 30, 2020

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, Sindh, Pakistan
b	Lahore Office	Lahore	The Annexe, 36-Industrial Estate, Kot lakh pat, Lahore
c	Islamabad	Islamabad	The Annexe, Plot No. 201, Street No. I, 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 June 30, 2020 has been extracted from audited financial statements of the company for the year ended June 30, 2019. 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, 2020.

3. SIGNIFICANT ACCOUNTING POLICIES

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, 2020.



4. LONG TERM FINANCE-SECURED

A term finance facility under the refinance scheme for payment of wages and salaries to the workers and employees of business concerns of State Bank of Pakistan has been obtained for an amount up to Rs. 6 Million for a term of 2.5 years with grace period of 6 months. This facility is sanctioned to finance wages and salaries of permanent ,contractual ,outsourced ,daily wagers.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 industry property of the company situated at Plot # X-3, Manghopir Road, S.I.T.E., Karachi. This facility is being repaid in 8 equal quarterly instalments ending on October 2022. It carries markup @ SBP + 3% p.a.The aforementioned facility has been obtained from JS Bank Limited.

5. 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. 107 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 1 months KIBOR + 2%. Total limit available to the Company is amounting to Rs. 50 million (2019: Rs. 50 million).

6. CONTINGENCIES AND COMMITMENTS

There is no change in Contingencies and Commitments as reported in June 30, 2020

	30 September 2020	30 September 2019
7. COST OF SALES		
Opening Stock of Finished goods	72,798	61,603
Add: Cost of goods manufactured	51,367	51,952
	<u>124,165</u>	<u>113,555</u>
Less: Closing Stock of Finished goods	(64,652)	(48,594)
Cost of Sales	<u>59,512</u>	<u>64,961</u>

Chief Executive Officer

Director

Chief Financial Officer



8. TRANSACTIONS WITH RELATED PARTIES

	30 September 2020	30 September 2019
(Rupees in '000)		
Transactions with Berger Paints Pakistan Limited		
Purchases	44,345	48,636
Toll manufacturing expenses incurred	4,470	3,726
Rental expense and service charges	2,209	2,209
Carriage outward expenses	1,240	1,462
Royalty income	-	-
Rental income	900	900
License fee	3	3
	3	3
Buxly Paints Limited Provident Fund		
Company's Contribution	140	207
	140	207

9. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by the Board of Directors on October 24, 2020

10. GENERAL

Figures have been rounded off to the nearest thousand rupees.

Chief Executive Officer

Director

Chief Financial Officer

Buxly
PAINTS

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Manghopir Road,
Karachi - Pakistan.
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