



ANNUAL REPORT 2025

Company Information

Board of Directors:

Mr. Shamshad Ali	Chairman
Mr. Bashir Ahmed	Chief Executive Officer
Mr. Adnan Iqbal	Executive Director
Mr. Fakhru Arfin	Director
Mr. Muhammad Hanif Idrees	Director
Mr. Major (R) Naseer Ahmed	Director
Ms. Rubina Rizvi	Director
Mr. Sheikh Asim Rafiq (NIT Nominee)	Director

Audit Committee:

Mr. Muhammad Hanif Idrees	Chairman
Ms. Rubina Rizvi	Member
Mr. Fakhru Arfin	Member

Human Resource and Remuneration Committee:

Mr. Major (R) Naseer Ahmed	Chairman
Mr. Sheikh Asim Rafiq	Member
Mr. Shamshad Ali	Member

Chief Financial Officer:

Mr. Muhammad Jawad Rafique

Company Secretary:

Mr. Hassnat Basit Baig

Auditors:

Rehman Sarfraz Rahim Iqbal Rafiq Chartered Accountants

Legal Advisor:

Zafar & Associates.

Bankers:

JS Bank Limited
Bank Al Habib Limited
MCB Islamic Bank Limited

Share Registrar:

THK Associates (Pvt.) Ltd.

Registered Office:

X-3, Manghopir Road, S.I.T.E., Karachi-75700

Web Site Address:

<http://www.buxly.com>

CHAIRMAN'S REVIEW

It is my privilege to present this review report, prepared in accordance with Section 192 of the Companies Act, 2017, for the financial year ended June 30, 2025, to the valued stakeholders of **Buxly Paints Limited** (the "Company"). This report reflects the performance of the Board of Directors in fulfilling its governance responsibilities and guiding the Company toward its strategic objectives.

The Board of Directors remains committed to a sound governance framework, effective risk management, and strong internal controls. In line with the Code of Corporate Governance, 2019, the Board ensured adequate representation of non-executive and independent directors, strengthening transparency and accountability across decision-making.

The Board is supported by two committees:

1. **Audit Committee**
2. **Human Resources Committee**

Both committees, operating under defined terms of reference, actively supported the Board and reported regularly in compliance with governance requirements.

An annual evaluation of the Board was conducted and confirmed that the Board continued to perform effectively, providing strategic oversight and achieving satisfactory operational and financial outcomes despite macroeconomic and political challenges.

The Board has institutionalized regular reviews of the Company's objectives, strategies, and performance, working with management, auditors, and consultants to ensure timely guidance and oversight. Management, under the supervision of the Board, remained responsible for day-to-day operations and demonstrated resilience by ensuring business continuity and safeguarding employees and stakeholders in a volatile environment.

Looking ahead, the Board reaffirms its commitment to providing direction, supporting management, and adhering to the principles of good corporate governance to drive sustainable growth and long-term value creation.

On behalf of the Board of Directors, I extend sincere appreciation to the management team, employees, creditors, vendors, and our valued shareholders for their trust and continued support.


Mr. Shamshad Ali

Chairman

September 25, 2025

BUXLY PAINTS LIMITED

Karachi : X-3 Manghopir Road, S.I.T.E., Karachi-7500 Pakistan. P.O. Box No. 3630 Tel: (92-21) 32577702, 32578255 Fax: (92-21) 32560468

Lahore : The Annexe, 36-Industrial Estate, Kotlakh Pat, Lahore-Pakistan Ph: 042-38101017, Fax: 042-35151549, E-mail: info@buxly.com

Islamabad : The Annexe, Plot No. 201, Street No. 1, Sector 1-10/3, Industrial Area Islamabad. Ph: 051-4440803 Fax: 051-440803 E-mail: buxlyrwp@buxly.com

DIRECTORS' REPORT

The Directors of the company submit the Annual Report of the Company along with the Audited Accounts for the year ended 30 June 2025. Financial Results are as follows:

	2025
Financial Results:	(Rs.000's)
Profit before taxation	3,280 ✓
Taxation	(7,339) ✓
Loss after taxation	(4,059) ✓
Loss per share	(2.82) ✓

MACROECONOMIC REVIEW

The economic environment in FY2025 remained challenging. Persistent inflationary pressures, rising energy costs, and political uncertainties impacted business confidence. While the fiscal deficit narrowed and some improvements were observed in external account indicators, economic volatility continued to affect the industrial and consumer sectors.

BUSINESS PERFORMANCE REVIEW

During the year under review, the Company recorded net sales of Rs. 587.14 million compared to Rs. 622.99 million last year, reflecting a decline due to weaker demand and competitive market conditions. Despite this, gross profit increased by 4% to Rs. 111.88 million on account of improved product mix and price rationalization. Sales, marketing, and administrative expenses totaled Rs. 107.07 million, compared to Rs. 84.21 million in the previous year. Despite a notable 27% reduction in financial costs, the Company reported a net loss after tax of Rs. 4.06 million, equivalent to a loss per share of Rs. (2.82).

FUTURE OUTLOOK

Despite continuing macroeconomic challenges, certain positive signs have emerged. The current account deficit narrowed to 0.12% of GDP, the State Bank reduced its policy rate to 11%, and the rupee showed signs of stability. These trends, if sustained, may support industrial recovery. The management is focused on strengthening operational efficiency, enhancing market penetration, and pursuing strategies for a return to profitability in FY2026.

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BOARD OF DIRECTORS

The Board of Directors currently comprises of a non-executive Chairman, one executive Director, three independent Directors and three non-executive Directors.

BOARD OF DIRECTORS' MEETINGS

During the year, 4 meetings of the Board of Directors were held and attendance was as follows:

Name of Directors	Attendance
Mr. Shamshad Ali	4
Ms. Rubina Rizvi	3
Mr. Fakhrul Arfin	4
Mr. Muhammad Hanif Idrees	4
Mr. Sheikh Asim Rafiq (NIT Nominee)	2
Mr. Major (R) Naseer Ahmed	2
Mr. Adnan Iqbal	4

Leaves of absence was granted to the Directors who were unable to attend the meetings.

AUDIT COMMITTEE

During the year, 4 meetings of Audit Committee were held.

HUMAN RESOURCE COMMITTEE

The Human Resource Committee consist of one independent director and two non-executive directors. During the year, one meeting of Human Resource Committee was held.

PATTERN OF SHAREHOLDING

A statement showing the pattern of shareholding is provided hereafter.

EARNING PER SHARE

Earnings / (Loss) Per share is Rs. (2.82) [2024: Rs. 4.86]

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AUDITORS

The retiring auditors, M/s Rehman Sarfraz Rahim Iqbal Rafiq, Chartered Accountants, will conclude their term at the upcoming Annual General Meeting. Being eligible, they have offered themselves for re-appointment. The Board of Directors has reviewed and recommended their re-appointment as the Company's auditors for the financial year ending June 30, 2026.

REASONS FOR NON-DECLARATION OF DIVIDEND

As the Company has incurred a loss after tax, the Board of Directors has not recommended any dividend for the financial year ended June 30, 2025.

HEALTH, SAFETY & ENVIRONMENT

The Company, being customer-centric, remains committed to conducting operations in a safe, sustainable, and environmentally responsible manner. The Company holds ISO 9001:2015 certification and continues to promote a culture of quality, safety, and responsibility across its workforce. Regular training programs are conducted to enhance employees' awareness and preparedness regarding health, safety, and security matters.

PRINCIPAL RISKS AND UNCERTAINTIES

The Company is subject to inherent risks and uncertainties, including operational, market, compliance, and financial risks. Management actively engages with internal and external stakeholders to identify, assess, and mitigate these risks, ensuring they remain within acceptable levels.

INTERNAL FINANCIAL CONTROLS

The Board of Directors acknowledges its responsibility for maintaining effective internal financial controls. After due consultation with Management and external auditors, the Directors confirm that adequate systems and controls have been implemented to ensure sound financial management and reporting.

COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

A Statement of Compliance with the Code of Corporate Governance forms part of this Report and is annexed hereto.

MATERIAL CHANGES

There have been no material changes in the Company's financial or operational position since June 30, 2025, up to the date of this Report. Furthermore, the Company has not entered into any commitments during this period that could adversely affect its financial standing.

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CORPORATE AND FINANCIAL REPORTING FRAMEWORK

In accordance with the requirements of the Code of Corporate Governance incorporated in the Listing Regulations of the Stock Exchanges in Pakistan, the Board of Directors is pleased to confirm the following:

- i. The financial statements, along with the accompanying notes, have been prepared in conformity with the Companies Act, 2017. These statements, prepared by the management, present fairly the Company's financial position, performance, cash flows, and changes in equity.
- ii. Proper books of account of the Company have been duly maintained.
- iii. Appropriate accounting policies have been consistently applied in the preparation of the financial statements. Accounting estimates have been made on the basis of reasonable and prudent judgment.
- iv. International Financial Reporting Standards, as applicable in Pakistan, have been followed in the preparation of the financial statements.
- v. The system of internal control is considered sound and has been effectively implemented.
- vi. Information relating to taxes and levies is disclosed in the notes to and forming part of the financial statements.
- vii. There are no material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern.
- viii. There has been no material departure from the best practices of corporate governance, as prescribed in the Listing Regulations, except for those matters highlighted by the auditors in their report. The management remains committed to achieving full compliance with these requirements.
- ix. Key operating and financial data for the past six years is provided in the subsequent section of this Report.
- x. The value of investments in the employees' provident fund as of June 30, 2025, stood at Rs. 5.228 million (2024: Rs. 6.499 million).



Chief Executive

Dated: September 25, 2025



Director

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FINANCIAL HIGHLIGHTS

	Rupees in thousand Year Ended June 30,					
	2025	2024	2023	2022	2021	2020
NET ASSETS						
Fixed Assets	171,260	171,287	171,457	133,284	131,596	131,554
Long Term Investments	3,390	3,536	3,690	3,852	4,022	4,201
Long Term Loans & Deposits	22,134	20,604	16,134	12,718	7,801	141
Net Current Assets	(13,458)	(7,503)	(9,922)	(9,462)	(7,502)	(9,220)
Total	183,326	187,924	165,586	128,035	128,257	126,676
FINANCED BY						
Share Capital	14,400	14,400	14,400	14,400	14,400	14,400
Reserves	5,993	5,993	-	-	(9,881)	(12,646)
Surplus on Revaluation of Fixed Assets	168,934	168,934	168,934	130,352	130,352	130,352
	189,327	189,327	183,334	144,752	134,871	132,106
Long Term and Deferred Liabilities	-	538	977	1,309	1,046	1,385
Total	189,327	189,865	184,311	146,061	135,917	133,491
TURNOVER AND PROFITS						
Turnover	587,141	622,985	577,076	516,473	354,573	275,216
Gross Profit	111,884	107,323	89,500	67,681	57,944	53,099
	0	0	0	0	0	0
Profit before tax	3,280	14,790	9,930	10,676	8,084	4,180
Taxation	(7,339)	(7,787)	(7,213)	(6,464)	(5,319)	(4,128)
Profit/(Loss) after tax	(4,059)	7,003	2,717	4,212	2,765	52
EARNING AND DIVIDENDS						
Earnings per share	(3)	5	2	3	2	0
Interim Dividend per share-Cash (Rupee)	-	-	-	-	-	-
Final Dividend per share-Cash (Rupee)	-	-	-	-	-	-

PATTERN OF SHAREHOLDING

The Companies Act 2017	Section 227(2)(f)
Name of the Company	Buxly Paints Limited
Pattern of holding of the shares held by the shareholders as at	30-06-2025

No. of Shareholders	Having Shares		Total shares held	Percentage
	From	To		
479	1	100	21124	1%
235	101	500	62563	4%
71	501	1000	60383	4%
56	1001	5000	124615	9%
10	5001	10000	74963	5%
2	10001	15000	24005	2%
4	15001	20000	68359	5%
1	25001	30000	28600	2%
1	30001	35000	32500	2%
1	45001	50000	47218	3%
1	80001	85000	80080	6%
1	270001	275000	273600	19%
1	540001	545000	541990	38%
863	Company	Total	1440000	100%

CATEGORIES OF SHARE HOLDERS
AS ON 30-06-2025

Particulars	No of Folio	Balance Share	Percentage
SPONSORS, DIRECTORS, CEO AND CHILDREN	1	500	0.0347%
ASSOCIATED COMPANIES	2	815590	56.6382%
NIT AND ICP	1	100	0.0069%
BANKS, DFI AND NBFI	1	98	0.0068%
MUTUTAL FUNDS	1	47218	3.2790%
GENERAL PUBLIC (LOCAL)	804	400987	27.8463%
GENERAL PUBLIC (FOREIGN)	45	149468	10.3797%
OTHERS	7	25539	1.7735%
MODARABAS	1	500	0.0347%
Company Total	863	1440000	100%

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that **the 71st Annual General Meeting of Buxly Paints Limited** will be held at Registered Office, X-3, Manghopir Road, S.I.T.E, Karachi, and / or virtually via video-link/Zoom Cloud meetings Tuesday, October 28, 2025 at 10:30 am. to transact the following business:

Ordinary Business:

1. To confirm minutes of Annual General Meeting held on Monday, October 28, 2024.
2. To receive, consider and adopt the Audited Accounts of the Company for the year ended June 30, 2025 together with the Auditors' Report, Chairman's Review and Directors' Report thereon.
3. To appoint Auditors for the year ending June 30, 2026 and fix their remuneration. The present Auditors – M/s Rahman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants, being eligible offer themselves for re-appointment.
4. Subject to the approval of shareholders to elect 7 directors of the Company, for a term of three years, in accordance with section 159 of the Companies Act 2017. The names of the retiring directors are as follows;
 - Mr. Shamshad Ali
 - Mr. Adnan Iqbal
 - Ms. Rubina Rizvi
 - Mr. Muhammad Hanif Idrees
 - Mr. Sheikh Asim Rafique
 - Mr. Fakhru Arfin
 - Mr. Naseer Ahmed
5. To consider any other business, that may be placed before the members with the permission of the chair.

Lahore: October 06, 2025

By Order of the Board

Registered Office
X-3, Manghopir Road, S.I.T.E, Karachi.

Hassnat Basit Baig
Company Secretary

Notes:

- 1) The Share Transfer Books will remain closed from **October 22, 2025 to October 28, 2025**, both days inclusive. Members (Non-CDC) are requested to promptly notify the Company's Registrar on any change in their addresses and submit, if applicable to them, the non-deduction of Zakat Form CZ-50 with Registrar of the Company M/s THK Associates (Pvt.) Limited, 32-C, Jami Commercial Street 2, D.H.A Phase VII, Karachi, 75500, Pakistan. All Members holding the shares through the CDC are requested to please update their addresses and Zakat status with their Participations.
- 2) A member entitled to attend and vote at this meeting may appoint another member as his / her proxy to attend and vote for him / her. Proxies in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the time of holding the meeting. A proxy must be a member of the Company
- 3) CDC Accounts Holders will further have to follow the guidelines as laid down in Circular 1, dated the January 26, 2000 issued by the Securities & Exchange Commission of Pakistan.
- 4) CDC Account Holders will further have to follow the under-mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan.

Attendance of AGM Through Video-Link

The entitled shareholders whose name appear in the Books of Company by the close of business in October 21, 2025 who are interested to attend AGM through online platform are hereby requested to get themselves registered with the Company Secretary office by providing the following details at the earliest but not later than 48 hours before the time of AGM at corporate@buxly.com.

Name of Shareholders	CNIC No.	Folio No./ CDS No.	Cell Number	Email Address

Upon the receipt of above information from interested shareholders, the Company will send the login details at their email addresses. The Company will convene the meeting through "Zoom Cloud Meetings" which can be downloaded from Google Play or App Store. Our shareholders are therefore requested to download the application ahead of the meeting. On the AGM Day, shareholders will be able to login and participate in the AGM proceedings through smart phones or Computer devices from any convenient location.

The login facility will be opened 30 minutes before the meeting time to enable the participants to join meeting after identification and verification process.

The entitled shareholders (whose name appeared in the books of Company by the close of Business on October 21, 2025 along with the details mentioned above may send their comments/suggestions for the proposed agenda items at the above email address at least 48 hours before the meeting.

Electronic Notice of AGM

The company has been dispatching the notice of AGM to all the members through post to their registered address. In addition, the Notice along with the proxy form is available on Company website www.buxly.com and has been sent to the PSX via the PUCARS system. In the event of any difficulty in accessing the Notice or proxy form, members can contact the Company via email at corporate@buxly.com. the Company will send a copy of the Notice and proxy form via e-mail only to those members who place a request in writing and have provided their e-mail addresses to the Share Registrar of the Company, THK Associates (Pvt.) Limited (Private) Limited.

For Attending the Meeting:

- i. In case of individuals, the account holder or sub-account holder and / or the person whose securities are in group account and their registration detail is uploaded as per the Regulations, shall authenticate their identity by showing his/her original Computerized National Identity Card(“CNIC”) or original passport at the time of attending the meeting through video-link.
- ii. In case of corporate entity, Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be produced (unless provided earlier) at the time of the meeting.

For Appointing proxies:

- i. In case of individuals, the account holder or sub-account holder is and / or the person whose securities are in group account and their registration detail is uploaded as per the CDC Regulations shall submit the proxy form as per the above requirement.
- ii. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- iii. Attested copies of the CNIC or passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- iv. The proxy shall produce his / her original CNIC or original passport at the time of the meeting.
- v. In case of corporate entities, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be submitted (unless provided earlier) along with the proxy form to Company.

Submission of copies of CNIC and NTN Certificate (Mandatory).

Pursuant to the directives of the SECP, the dividend of shareholders whose CNIC / SNIC or NTN (in case of corporate entities), are not available with the Share Registrar shall be withheld. Shareholders are therefore, requested to submit a copy

of their valid CNIC/SNIC (if not already provided) to the Company's Share Registrar, M/s THK Associates (Pvt.) Limited, 32-C, Jami Commercial Street 2, D.H.A Phase VII, Karachi.

Video Conference

Pursuant to SECP Circular No.10 of 2014 dated May 21, 2014, if the Company receives consent from members holding in aggregate 10% or more shareholding residing in a geographical location to participate in the meeting through video conference at least 10 days prior to the date of Annual General Meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city. To avail this facility please provide the following information to the Share Registrar, M/s THK Associates (Pvt.) 32-C, Jami Commercial Street 2, D.H.A Phase VII, Karachi.

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I/We, of being a member of Buxly Paints Limited holder of Ordinary Share(s) as per Register Folio No. _____ hereby opt for video conference facility at (Please insert name of the City).

Unclaimed Dividend

Shareholders who have not claimed their dividend are advised to contact our Share Registrar to collect /enquire about their unclaimed dividend, if any. As per the provisions of Section 244 of the Act, any shares issued or dividend declared by the Company which have remained unclaimed/unpaid for a period of three years from the date on which it was due and payable, are required to be deposited with Securities and Exchange Commission of Pakistan for the credit of Federal Government after issuance of notices to the Shareholders to file their claim. The details of the shares issued and dividend declared by the Company which have remained due for more than three years are available on the Company's website <http://www.buxly.com>. Shareholders are requested to ensure that their claims for unclaimed dividend and shares are lodged promptly. In case no claim is lodged, the Company shall proceed to deposit the unclaimed/unpaid amount and shares with the Federal Government pursuant to the provision of Section 244(2) of the Act.

Transmission of Annual Report 2025

i. In terms of the approval of the members of the Company in their Annual General Meeting held on October 24, 2023 and pursuant to the SECP's Notification No. SRO 389 (1)/2023 dated March 21, 2023, the Annual Report for the financial year ended on June 30, 2025 of the Company containing inter alia the audited financial statements, auditors report, directors' and Chairman's reports thereon may be viewed and downloaded by following the QR Code and web-link as given

hereunder:



<https://buxly.com.pk>

ii. Annual Report has also been e-mailed to those shareholders who have provided their valid e-mail IDs to the Company.

iii. The shareholders who wish to receive hard copy of the aforesaid documents may send to the Company Secretary / Share Registrar, the Standard Request Form provided in the annual report and also available on the website of the Company and the Company will supply hard copies of the aforesaid document to the shareholders on demand, free of cost, within one week of such demand.

نوٹس برائے سالانہ اجلاس عام

نوٹس ہذا سے مطلع کیا جاتا ہے کہ کبسلے پینٹنس لمیٹڈ کا اکہترواں (71واں) سالانہ اجلاس عام بروز منگل مؤرخہ 28 اکتوبر 2025ء کو صبح 10:30 بجے X-3، منگھو پیر روڈ، S.I.T.E. کراچی اور/یا پڈریوڈ یونٹ/زوم کلاؤڈ فاصلاتی طور پر مندرجہ ذیل امور پر بحث کے لئے منعقد ہوگا:

عمومی امور

1. 28 اکتوبر 2024ء بروز سوموار کو منعقدہ سالانہ اجلاس عام کی کارروائی کی توثیق کرنا۔
2. 30 جون 2025ء کو اختتام پذیر سال کے لئے کمپنی کی سالانہ پڑتال شدہ مالیاتی اسٹیٹمنٹس بمعہ چیئرمین کا تجزیہ، آڈیٹر ز اور ڈائریکٹرز رپورٹ کو وصول کرنا، زیر غور لانا اور اپنانا۔
3. 30 جون 2026ء کو اختتام پذیر سال کے لئے آڈیٹر ز مقرر کرنا اور ان کا معاوضہ طے کرنا۔ حالیہ آڈیٹر ز میسرز رحمن سرفراز رحیم اقبال رفیق، چارڈا کاؤنٹنس اہلیت کی بنا پر اپنی دوبارہ تقرری کی پیشکش کرتے ہیں۔
4. حصص یافتگان کی منظوری سے کمپنی کے سات (7) ڈائریکٹرز کا انتخاب، تین سالہ مدت کے لئے بمطابق سیکشن 159 کمپنیز ایکٹ 2017ء سبکدوش ہونے والے ڈائریکٹرز کے نام یہ ہیں:

جناب شمشاد علی۔

جناب عدنان اقبال۔

محترمہ روبینہ رضوی۔

جناب محمد حنیف ادریس۔

جناب شیخ عاصم رفیق۔

جناب فخر العارفین۔

جناب نصیر احمد۔

4 دیگر امور کو زیر غور لانا جنہیں چیئرمین کی اجازت سے اراکین کے سامنے رکھا گیا ہو۔

محکم پورڈ

حسانت باسط بیگ

کمپنی سیکریٹری

لاہور 06 اکتوبر 2025ء

رجسٹرڈ آفس۔

X-3، منگھو پیر روڈ، S.I.T.E. کراچی۔

مندرجات:

1. شیئر ٹرانسفر books مورخہ 22 اکتوبر 2025ء تا 28 اکتوبر 2025ء (بشمول دونوں ایام) بند رہیں گی۔ کمپنی کے رجسٹرڈ پتے X-3، مگھو پیر روڈ، S.I.T.E۔ کراچی۔ (نان CDC) اراکین سے درخواست ہے کہ وہ اپنے پتہ میں تبدیلی کی بابت کمپنی رجسٹرار کو فوراً آگاہ کریں اور، اگر ان پر لاگو ہو، رکوٹہ کی عدم کثوتی کا فارم CZ-50 کمپنی رجسٹرار میسرز THK ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، 32-C، جامی کمرشل اسٹریٹ 2، ڈی ایچ اے، فیز VII، کراچی کو جمع کرائیں۔ CDC کے ذریعے حصص کے مالک تمام اراکین کو درخواست کی جاتی ہے اپنے پتہ اور اپنی شرکت کے ساتھ رکوٹہ کی حیثیت کو اپ ڈیٹ کریں۔
- (2) اس اجلاس میں شرکت اور ووٹ کرنے کا/کی اہل رکن کسی دوسرے/دوسری رکن کو اپنی جگہ شرکت اور ووٹ کرنے کے لئے اپنا پراسی مقرر کر سکتا/سکتی ہے۔ پراسی کو موثر کرنے کی غرض سے پراسی فارم کمپنی کے رجسٹرڈ آفس میں اجلاس کے انعقاد سے کم از کم 48 گھنٹے قبل پہنچ جانا چاہئے۔ پراسی کو لازمی کمپنی کا رکن ہونا چاہئے۔
- (3) CDC کا وٹس ہولڈر کو مورخہ 26 جنوری 2000ء کو جاری کردہ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے سرکلر نمبر 1 میں بیان ہدایات پر عمل کرنا ہوگا۔
- (4) CDC کا وٹس ہولڈرز کو مذکورہ زیر سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی ہدایات پر بھی عمل کرنا ہوگا:

بذریعہ وڈیولک AGM میں شرکت

21 اکتوبر 2025ء کو کاروبار بند ہونے تک کمپنی کے کھاتوں میں درج اہل شیئر ہولڈرز جو سالانہ اجلاس عام میں بذریعہ آن لائن پلیٹ فارم شرکت کرنا چاہتے ہیں انہیں سالانہ اجلاس عام کے آغاز سے کم از کم 48 گھنٹے قبل کمپنی سیکریٹری کو corporate@buxly.com پر مندرجہ ذیل تفصیلات فراہم کرنے کی درخواست کی جاتی ہے۔

نام شیئر ہولڈر	شناختی کارڈ نمبر	فولیو/ CDS نمبر	تعداد حصص	میل نمبر	ای میل ایڈریس

خواہشمند شیئر ہولڈرز سے مذکورہ بالا معلومات موصول ہونے پر کمپنی لاگ ان کی تفصیلات ان کے ای میل ایڈریس پر بھیجے گی۔ کمپنی ’’زوم کلاؤڈ میٹنگز‘‘ کے ذریعے اجلاس کا انعقاد کرے گی، جو کہ گوگل پلے یا ایپ سٹور سے ڈاؤن لوڈ کیا جاسکتا ہے۔ ہم اپنے شیئر ہولڈرز سے متمس ہیں کہ وہ اس مجوزہ اجلاس سے قبل اس ایپ کو ڈاؤن لوڈ کر لیں۔ سالانہ اجلاس عام کے روز شیئر ہولڈرز اس قابل ہو پائیں گے کہ وہ اپنے سمارٹ فون یا کمپیوٹر سے کسی بھی جگہ سے اجلاس میں شرکت کر سکتے ہیں۔

لاگ ان کی سہولت اجلاس کے انعقاد سے 30 منٹ قبل شروع کر دی جائے گی تاکہ شرکا اپنی شناخت اور تصدیق کے عمل سے گزر کر اجلاس میں شامل ہو سکیں۔ شیئر ہولڈرز (جن کے نام 21 اکتوبر 2025ء تک کمپنی کی کتابوں میں درج ہیں) اجلاس سے 48 گھنٹے قبل مجوزہ امور کے لیے اپنی آراء و مشاورت درج بالا ای میل ایڈریس پر ارسال کر سکتے ہیں۔

سالانہ اجلاس عام کا برقی نوٹس

کمپنی نے سالانہ اجلاس عام کا نوٹس اپنے تمام ممبران کو ان کے رجسٹرڈ پتہ پر ارسال کر دیا ہے۔ اس کے علاوہ نوٹس پراسی فارم کے ہمراہ کمپنی کی ویب سائٹ www.buxly.com پر دستیاب ہے جو کہ پاکستان شاہک ایکسچینج (PSX) کے سسٹم PUCARS کو بھجوا یا چنکا

ہے۔ نوٹس یا پراکسی فارم میں کسی بھی قسم کی دشواری کی صورت میں ممبران کمپنی کے اس ای میل corporate@buxly.com پر رابطہ کر سکتے ہیں۔ کمپنی نوٹس اور پراکسی فارم کی ایک نقل ای میل کے ذریعے اپنے اُن ممبران کو ارسال کرے گی جو تحریری طور پر اُس کی درخواست کریں گے اور اپنا ای میل ایڈریس کمپنی کے شیئر رجسٹرار ڈی ایچ کے (THK) ایسوسی ایٹس (پرائیویٹ) لمیٹڈ کو فراہم کریں گے۔

اجلاس میں شرکت کے لئے

- i. فرد واحد کی صورت میں، اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور/یا ایسے افراد جن کی سکیورٹیز گروپ اکاؤنٹ میں موجود ہیں اور ان کی رجسٹریشن تفصیلات ضوابط کے تحت شائع کی گئی ہیں کو بذریعہ ویڈیو لنک اجلاس میں شرکت کی بات اپنی شناخت ثابت کرنے کے لئے اپنا اصل شناختی کارڈ نمبر یا اصل پاسپورٹ پیش کرنا ہوگا۔
- ii. کاروباری ادارے کی صورت میں بوڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ بمعہ نامزد فرد کے نمونہ کے دستخط اجلاس کے موقع پر پیش کرنا ہوں گے (اگر پہلے جمع نہیں کرائے گئے ہیں)۔

پراکسی کی تقرری کے لئے

- i. فرد واحد کی صورت میں، اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور/یا ایسے افراد جن کی سکیورٹیز گروپ اکاؤنٹ میں موجود ہیں اور ان کی رجسٹریشن تفصیلات CDC ضوابط کے تحت شائع کی گئی ہیں کو مذکورہ بالا معیار کے مطابق پراکسی فارم جمع کرنا ہوگا۔
- ii. دو افراد پراکسی فارم کے گواہ ہوں گے جن کے نام، پتے اور شناختی کارڈ نمبر فارم پر درج ہونے چاہئیں۔
- iii. مستفید ہونے والے مالکان اور پراکسی کے شناختی کارڈ یا پاسپورٹ کی مصدقہ نقول پراکسی کے ساتھ لازمی منسلک ہوں۔
- iv. اجلاس کے موقع پر پراکسی اپنا اصل شناختی کارڈ یا اصل پاسپورٹ پیش کرے گا/گی۔
- v. کاروباری ادارے کی صورت میں پراکسی فارم کے ہمراہ بوڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ بمعہ نامزد فرد کے نمونہ کے دستخط اجلاس کے موقع پر پیش کرنا ہوں گے (اگر پہلے جمع نہیں کرائے گئے ہیں)۔

قومی شناختی کارڈ اور پیمائش ٹیکس نمبر شناختی کارڈ کی نقول کا جمع کروانا

ایس ای سی پی کے نظام کے مطابق اُن شیئر ہولڈرز کا منافع جن کے قومی شناختی کارڈ یا پیمائش ٹیکس نمبر (کارپوریٹ اداروں کی صورت میں) شیئر رجسٹرار کے پاس موجود نہیں ہوں گے روک لیے جائیں گے۔ اس لیے شیئر ہولڈرز سے درخواست کی جاتی ہے کہ وہ اپنے درست قومی شناختی کارڈ (اگر پہلے سے جمع نہیں کروائے گئے) کمپنی کے رجسٹرار/میسرز ڈی ایچ کے (THK) ایسوسی ایٹس (پرائیویٹ) لمیٹڈ-C-32 'جائی کمرشل سٹریٹ نمبر 2' ڈی ایچ اے فیز VII، کراچی کو جمع کروائیں۔

ویڈیو کانفرنس

ایس ای سی پی سرکلر نمبر 10 مورخہ 21 مئی 2014ء کے مطابق اگر کمپنی کے مجموعی دس فیصد ممبران یا اس سے زیادہ اس بات پر رضامندی ظاہر کریں کہ سالانہ اجلاس عام کی حتمی تاریخ سے دس روز قبل جغرافیائی محل وقوع سے اجلاس میں شرکت کر سکتے ہیں تو اس صورت میں کمپنی اُس شہر میں ویڈیو کانفرنس کی دستیابی کو ممکن بنائے گی۔ اس سہولت کو حاصل کرنے کے لیے مندرجہ ذیل معلومات شیئر رجسٹرار/میسرز ڈی ایچ کے (THK) ایسوسی ایٹس (پرائیویٹ) لمیٹڈ-C-32 'جائی کمرشل سٹریٹ نمبر 2' ڈی ایچ اے فیز VII، کراچی کو بھیجیں:

میں/ہم بحیثیت ایک ممبر/کے پینٹس لمیٹڈ ویڈیو کانفرنس کی سہولت کے لیے (شہر کے نام کا اندراج) عام حصص کا حامل رجسٹرار فوئیو نمبر: -----

لاڈھوئی منافع مقسمہ

ایسے شیئر ہولڈرز جنہوں نے تا حال اپنے منافع مقسمہ کا ڈھوئی نہیں کیا ہے انہیں اپنے لاڈھوئی منافع مقسمہ (اگر کوئی ہو) کی تفصیلات اور وصولی کے لئے ہمارے شیئر رجسٹرار سے رابطہ کرنے کی درخواست کی جاتی ہے۔ ایکٹ کے سیکشن 244 کے تحت کمپنی کی جانب سے جاری کردہ حصص یا اعلان کردہ منافع مقسمہ جو واجب الادا تاریخ سے عرصہ تین برس کے لئے لاڈھوئی/غیر ادا شدہ رہیں انہیں شیئر ہولڈرز کو اپنا ڈھوئی جمع کرانے کا نوٹس جاری کرنے کے بعد وفاقی حکومت کو کرڈٹ کرنے کے لئے سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان میں جمع کرنا ضروری ہے۔ تین سال سے زائد مدت تک کمپنی کے اعلان شدہ واجب الادا منافع مقسمہ کی تفصیلات <http://www.buxly.com> پر دستیاب ہیں۔ شیئر ہولڈرز سے درخواست کی جاتی ہے کہ لاڈھوئی منافع مقسمہ اور حصص ایکٹ کے سیکشن (2) 244 کے تحت وفاقی حکومت کو جمع کرادے گی۔

سالانہ رپورٹ 2025ء کی ترسیل

i. 28 اکتوبر 2024ء کو منعقد ہونے والے سالانہ اجلاس عام میں کمپنی کے اراکین کی منظوری سے مشروط اور SECP کے نوٹیفکیشن نمبر 389(1)/2023 SRO مؤرخہ 21 مارچ 2023ء کی پیروی میں مالیاتی سال ختمہ 30 جون 2025ء کے لئے کمپنی کی مالیاتی اسٹیٹمنٹس پر مشتمل سالانہ رپورٹ، آڈیٹڈ رپورٹ، ڈائریکٹرز اور چیئرمین کی رپورٹ مندرجہ ذیل QR کوڈ اور ویب لنک سے ڈاؤن لوڈ اور دیکھی جاسکتی ہے:



<https://www.buxly.com/>

- ii. سالانہ رپورٹ ان شیئر ہولڈرز کو بھی ای میل کی جا چکی ہے جنہوں نے اپنے کارآمد ای میل آئی ڈی کمپنی کو جمع کرائے ہیں۔
- iii. جو شیئر ہولڈرز مذکورہ بالا دستاویزات کی کانغذی نقل حاصل کرنا چاہتے ہیں وہ سالانہ رپورٹ اور کمپنی کی ویب سائٹ پر دستیاب معیاری درخواست فارم کمپنی سیکریٹری/شیئر رجسٹرار کو جمع کرا سکتے ہیں اس کے بعد کمپنی درخواست موصول ہونے کے ایک ہفتہ کے اندر مذکور بالا دستاویزات کی کانغذی نقل خواہشمند شیئر ہولڈرز کو بالکل مفت فراہم کرے گی۔



INDEPENDENT AUDITORS' REVIEW REPORT

To the members of Buxly Paints Limited

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019


We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Buxly Paints Limited (the Company) managing for the year ended June 30, 2025 in accordance with the requirements of Regulation No. 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2025.

Further, we highlight below instances of non-compliance with the requirements of the Regulations as reflected in the paragraph reference where these are stated in the Statement of Compliance: 



Sr. No.	Paragraph reference	Description
1	19	The Board has not formed the sustainability committee and presently exercises oversight over the Company's Environmental, Social, and Governance (ESG) initiatives. In accordance with the applicable regulatory requirements, which will become effective from 01 July 2027, the Board affirms its commitment to ensuring full and timely compliance.

Rahman Sarfaraz

Rahman Sarfaraz Rahim Iqbal Rafiq,

Chartered Accountants

Engagement partner: Adnan Rasheed

Lahore. 25 SEP 2025

UDIN: CR202510701WG8k53Qvp

Statement of Compliance with Listed Companies (Code of Corporate Governance)

Regulations, 2019

BUXLY PAINTS LIMITED

June 30, 2025

The company has complied with the requirements of the Regulations in the following manner: -

1. The total number of directors are 7 as per the following:
 - a. Male: 6
 - b. Female: 1
2. The composition of the Board is as follows:
 - i) Independent Directors
Mr. Muhammad Hanif Idrees
Mr. Major (R) Naseer Ahmed
Ms. Rubina Rizvi.
 - ii) Non-Executive Director
Mr. Shamshad Ali (Chairman)
Mr. Fakhrul Arfin
Mr. Sheikh Asim Rafiq
 - iii) Executive Directors
Mr. Adnan Iqbal
 - iv) Female Directors
Ms. Rubina Rizvi

The Chief Executive is not the director of the company.
3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company.
4. The company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
5. The Board has developed a vision/ mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ shareholders as empowered by the relevant provisions of the Act and these Regulations.
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.



8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. Four directors of the company are exempted from the requirement of Directors' Training Program (DTP) on the basis of exemption criteria. Furthermore, three directors have obtained DTP certification.
10. The Board has approved appointment of Chief Financial Officer, Company Secretary and head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.
12. The Board has formed committees comprising of members given below. –
 - a) Audit Committee
 - Mr. Muhammad Hanif Idrees – Chairman
 - Ms. Rubina Rizvi – Member
 - Mr. Fakhru Arfin – Member
 - b) HR and Remuneration Committee
 - Mr. Major (R) Naseer Ahmed – Chairman
 - Mr. Sheikh Asim Rafiq – Member
 - Mr. Shamshad Ali – Member
 - c) The Nomination Committee has not been constituted; however, the Board performs its functions as required under Regulation 29 of the Code of Corporate Governance
 - d) The Risk Management Committee has not been constituted; however, the Board and its Audit Committee continue to effectively discharge the responsibilities of risk oversight and mitigation in accordance with Regulation 30 of the Code of Corporate Governance.
13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
14. The frequency of meetings of the committee was as per following;
 - a) Audit Committee 4 meetings
 - b) HR and Remuneration Committee 1 meeting
 - c) Nomination Committee N/A
 - d) Risk Management committee N/A
15. The board has set up an effective internal audit function and the person in-charge is suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of

ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or director of the company.

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.
19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

Statement of Compliance para reference	Regulation Ref. no.	Requirement	Explanation of non-compliance
5	10 (A) (5)	The board is responsible for setting the Company's sustainability strategies, priorities and targets to create long term corporate value. The Board may establish a dedicated sustainability committee.	The Board currently oversees the Company's Environmental, Social, and Governance (ESG) initiatives. Compliance with SECP's notification dated June 12, 2024, applicable from 01 July 2027, will be ensured in due course.

Signature
Shamshad Ahmed
Chairman
Dated: 25/09/25

Signature
Bashir Ahmed
Chief Executive Officer



BUXLY PAINTS LIMITED

GENDER PAY GAP STATEMENT UNDER SECP'S CIRCULAR 10 OF 2024

Following is gender pay gap calculated for the year ended June 30, 2025:

- i) Mean Gender Pay Gap: 37.93%
- ii) Median Gender Pay Gap: -5.78%

The above percentages reflect the gender pay gap of relevant male versus female employees across the organization.



Chief Executive Officer

Date: September 25, 2025



INDEPENDENT AUDITORS' REPORT

To the members of Buxly Paints Limited

Report on the Audit of the Financial Statements

Opinion


We have audited the annexed financial statements of **Buxly Paints Limited (the Company)**, which comprise the statement of financial position as at **30 June 2025**, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2025 and of the loss and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. 



Following are the Key audit matters:

S. No.	Key audit matter	How the matter was addressed in our audit
(i)	Inventory existence and valuation The valuation of inventory at the reporting date amounts to Rs. 82.201 million representing 19% of the Company's total current assets after considering allowance for inventory obsolescence amounting to Rs. 4.56 million as disclosed in note 10 with related policies in note 4.6 to the accompanying financial statements. The allowance for inventory obsolescence is calculated by taking into account the NRV of related inventories while mainly keeping in view the estimated selling price, forecasted inventories usage, forecasted sale volumes and product expiry dates. We have considered this area to be a key audit matter due to its materiality and significance in terms of judgments involved in determining the cost and net realizable value of inventory at the reporting date.	 Our audit procedures over existence and valuation of stock in trade, amongst others, included the following: <ul style="list-style-type: none">• assessed whether the Company's accounting policy for inventory valuation was in line with the applicable financial reporting standards;• observed inventory count at major locations at the year end to ascertain the condition and existence of inventory and reconciled physical inventory with inventory lists provided to ensure completeness of data;• reviewed the management's procedures for evaluating the NRV, tested on a sample basis to assess the NRV of the inventories and evaluated the adequacy of provisions for slow moving inventories at the year end;• assessed the appropriateness of identifying obsolete inventories. we also evaluated the historical accuracy of inventory allowances recognized by management by comparing actual losses to historical allowances, using a sample-based approach. Furthermore, we conducted tests to assess the accuracy of the ageing analysis of inventories on a sample basis. In addition, we examined the cost of goods using underlying invoices and expenses incurred in accordance with the inventory valuation method.

2



(ii)	Valuation of trade debts	
	<p>At the reporting date, the Company has a significant balance of trade debts amounting to Rs. 273.672 million represents 64% of the Company's total current assets after considering impairment allowance under Expected Credit Loss (ECL) model of Rs. 26.934 million, as disclosed in note 11 with related policies in 4.5 and 4.13.4 .</p> <p>We considered recoverability of trade debts as a key audit matter due to significance of the amount and significant judgments made by the management regarding the recoverability of the trade debts.</p>	<p>Our audit procedures to assess the valuation of trade debts, amongst others, included the following:</p> <ul style="list-style-type: none"> • obtained an understanding of procedures and system of the Company for recording and accounting for such type of financial assets; • obtained an understanding of the basis for the determination of provision required at the year end and the receivables collection process; • checked the accuracy of the data on test basis extracted from the Company's accounting system which is used to calculate the impairment allowance under ECL model.

Information Other than the Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of the Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. *P.*



Board of directors are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. *2*




We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

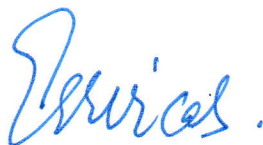
From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditors' report is Mr. Adnan Rasheed. 



Rahman Sarfaraz Rahim Iqbal Rafiq

Chartered Accountants

Lahore: 25 SEP 2025

UDIN: AR202510701acX5I3ZYn

BUXLY PAINTS LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025

		2025	2024
		(Rupees in '000)	
PROPERTY AND ASSETS	Note		
Non-current assets			
Property and equipment	5	171,260	171,287
Investment properties	6	3,390	3,536
Long term loans and advances	7	8,273	8,543
Long term receivable	8	13,500	11,700
Long term security deposits		361	361
Deferred taxation	9	-	-
		<u>196,784</u>	<u>195,427</u>
Current assets			
Stock in trade	10	82,201	80,163
Trade debts	11	273,672	217,753
Advances and deposits	12	3,239	2,797
Prepayments and other receivables	13	2,454	318
Term deposit receipts	14	150	150
Markup receivable		20	12
Current portion of long term loans and advances	7	865	633
Income tax recoverable/ adjustable		19,813	10,458
Cash and bank balances	15	47,175	49,174
		<u>429,589</u>	<u>361,458</u>
Total assets		<u>626,373</u>	<u>556,885</u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital	16	14,400	14,400
Capital reserve			
Surplus on revaluation of property and equipment	17	168,934	168,934
Revenue reserves			
General reserve		5,993	5,993
Accumulated loss		(6,001)	(1,942)
		<u>183,326</u>	<u>187,385</u>
Non-current liabilities			
Lease liability	18	-	538
		<u>-</u>	<u>538</u>
Current liabilities			
Markup accrued		1,517	4,822
Current portion of lease liability	18	526	437
Unpaid dividend		217	217
Unclaimed dividend		102	102
Short term borrowings	19	83,895	87,761
Trade and other payables	20	356,790	275,623
		<u>443,047</u>	<u>368,962</u>
Contingencies and commitments	21	-	-
Total equity and liabilities		<u>626,373</u>	<u>556,885</u>

The annexed notes 1 to 40 form an integral part of these financial statements.


Chief Executive Officer


Director


Chief Financial Officer

BUXLY PAINTS LIMITED**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME****FOR THE YEAR ENDED 30 JUNE 2025**

		2025	2024
	Note	(Rupees in '000)	
Sales	22	587,141	622,985
Cost of sales	23	(475,257)	(515,662)
Gross profit		111,884	107,323
Distribution and selling expenses	24	(60,964)	(55,850)
Administrative expenses	25	(46,070)	(28,361)
		(107,034)	(84,211)
		4,850	23,112
Other income	26	6,544	3,637
		11,394	26,749
Finance cost	27	(7,846)	(10,793)
Other expenses	28	(268)	(1,166)
Profit before levies and income tax		3,280	14,790
Levies	29	(6,045)	(2,560)
(Loss)/ profit before income tax		(2,765)	12,230
Taxation- Income tax	30	(1,294)	(5,227)
(Loss)/ profit for the year		(4,059)	7,003
<u>OTHER COMPREHENSIVE INCOME- NET OF INCOME TAX</u>			
Items that will be reclassified to profit or loss		-	-
Items that will never be reclassified to profit or loss		-	-
Other comprehensive income		-	-
Total comprehensive (loss)/ income		(4,059)	7,003
------(Rupees)-----			
(Loss)/ earnings per share - basic and diluted	31	(2.82)	4.86

The annexed notes 1 to 40 form an integral part of these financial statements.



Chief Executive Officer



Director




Chief Financial Officer

BUXLY PAINTS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2025

	Share capital	Capital reserve	Revenue reserves		Total
		Surplus on revaluation of property and equipment	General reserve	Accumulated loss	
	----- (Rupees in '000) -----				
Balance as at 01 July 2023	14,400	168,934	5,993	(8,945)	180,382
Total comprehensive income for the year:					
Profit for the year	-	-	-	7,003	7,003
Other comprehensive income	-	-	-	-	-
	-	-	-	7,003	7,003
Balance as at 30 June 2024	14,400	168,934	5,993	(1,942)	187,385
Total comprehensive income for the year:					
Loss for the year	-	-	-	(4,059)	(4,059)
Other comprehensive income	-	-	-	-	-
	-	-	-	(4,059)	(4,059)
Balance as at 30 June 2025	14,400	168,934	5,993	(6,001)	183,326

The annexed notes 1 to 40 form an integral part of these financial statements.


Chief Executive Officer


Director


Chief Financial Officer

BUXLY PAINTS LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2025

CASH FLOWS FROM OPERATING ACTIVITIES

	2025	2024
	(Rupees in '000)	
Profit before levies and income tax	3,280	14,790
Adjustments for:		
Depreciation	461	490
Finance cost	7,846	10,793
Markup on term deposit receipts	(29)	(25)
Provision for slow moving stock	(457)	260
Impairment allowance for expected credit loss (ECL)	2,375	3,637
Provision for Workers' Welfare Fund (WWF)	91	368
Provision for Workers' Profit Participation Fund (WPPF)	177	798
Rental income	(1,800)	(1,800)
	<u>11,944</u>	<u>29,311</u>

Changes in working capital

Decrease/ (increase) in current assets:

Stock in trade	(1,581)	1,176
Trade debts	(58,294)	(57,211)
Advances and deposits	(442)	(36)
Prepayments and other receivables	(2,136)	(249)
	<u>(62,453)</u>	<u>(56,320)</u>

Increase in current liabilities:

Trade and other payables	81,614	12,575
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Cash generated from/ (used in) operations

	<u>31,105</u>	<u>(14,434)</u>
--	---------------	-----------------

Levies paid	(2,560)	(2,560)
Income tax paid	(14,133)	(9,265)
Finance cost paid	(11,014)	(8,106)
WPPF paid	(717)	(523)
Net cash generated from/ (used in) operating activities	<u>2,681</u>	<u>(34,888)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Investments made in property and equipment	(288)	(166)
Markup received on term deposit receipts	21	21
Long term loans and advances	38	(2,718)
Net cash used in investing activities	<u>(229)</u>	<u>(2,863)</u>


CASH FLOWS FROM FINANCING ACTIVITIES

Payment of lease liability	(585)	(624)
Net cash used in financing activities	<u>(585)</u>	<u>(624)</u>
Net increase/ (decrease) in cash and cash equivalents	1,867	(38,375)
Cash and cash equivalents at the beginning of the year	(38,587)	(212)
Cash and cash equivalents at the end of the year	<u>(36,720)</u>	<u>(38,587)</u>

Cash and cash equivalents comprise of the following:

Cash and bank balances	15	47,175	49,174
Short term borrowings (Running finance)	19	(83,895)	(87,761)
		<u>(36,720)</u>	<u>(38,587)</u>

The annexed notes 1 to 40 form an integral part of these financial statements.


Chief Executive Officer


Director


Chief Financial Officer

BUXLY PAINTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

1 NATURE AND STATUS OF THE COMPANY

Buxly Paints Limited (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 (an associated company), at a specified toll manufacturing fees. As per the arrangements, 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
a. Registered Office	X-3, Manghopir Road, S.I.T.E, Karachi.
b. Lahore Office	28 km Multan Road, Lahore
c. Islamabad	The Annexe, Plot No. 201, Street No. I, Sector I-10/3, Industrial Area, Islamabad

2 BASIS OF PREPARATION

2.1 Accounting convention

These financial statements have been prepared under the "historical cost convention" except for financial instruments and leasehold land which are recognized at fair value. The financial statements except for cash flows information have been prepared under accrual basis of accounting.

2.2 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRSs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.3 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is also the Company's functional currency. All figures have been rounded off to the nearest thousand of rupees, unless otherwise stated.

2.4 Reclassification and rearrangements

Corresponding figures have been reclassified and rearranged, wherever necessary, to reflect more appropriate presentation of events and transactions for the purpose of comparison. Appropriate disclosures are given in relevant notes in case of material reclassifications and rearrangements.

2.5 Use of estimates and judgments

The preparation of financial statements in conformity with the approved accounting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by the management in the application of approved accounting standards, as applicable in Pakistan, that have significant effect on the financial statements and estimates with a significant risk of material adjustment relates to :

- Estimated useful lives of property and equipment and measurement of revalued amounts (notes 4.1, 4.2 and 5)
- Recognition of taxation and deferred taxation (notes 4.9 , 9 and 30)
- Provisions and contingencies (note 4.11 and note 21)
- Classification of investment properties (notes 4.3 and 6)
- Provision against trade debts and deposits (notes 4.5, 11.1 and 12.1)
- Impairment (note 4.17)
- Stock in trade (notes 4.6 and 10)

3 INITIAL APPLICATION OF A STANDARD, AMENDMENT OR AN INTERPRETATION TO AN EXISTING STANDARD AND FORTHCOMING REQUIREMENTS

a) Standards and interpretations that became effective but not relevant to the Company

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 1, 2024. However, these do not have any significant impact on the Company's financial statements except as disclosed in note 4 to these financial statements.

b) Forthcoming requirements not effective in current year and not considered relevant:

The following standards (revised or amended) and interpretations became effective for the annual periods beginning on or after the mentioned dates but are either not relevant or do not have any material effect on the Financial Statements of the Company other than increased disclosures in certain cases:

- IFRS 7 - Amendments regarding the classification and measurement of financial instruments - (applicable on Annual periods beginning on or after 1 January 2026).
- IFRS 9 - Amendments regarding the classification and measurement of financial instruments - (applicable on Annual periods beginning on or after 1 January 2026).
- IAS 21 - The effects of changes in foreign exchange rates - (initial application on Annual periods beginning on or after 1 January 2025).
- IFRS 17 - Insurance Contracts - (initial application on Annual periods beginning on or after 1 January 2026).
- Annual improvements to IFRS 7, IFRS 9, IFRS 10 (Consolidated Financial Statements) and IAS 7 (Statement of Cashflows) initial application on Annual periods beginning on or after 1 January 2026).

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan as at 30 June 2025:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRIC 12 – Service Concession Arrangement
- IFRS 18 – Presentation and Disclosure in Financial Statements
- IFRS 19 – Subsidiaries Without Public Accountability: Disclosures

4 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies set out below have been applied consistently to all periods presented in these financial statements.

4.1 Property and equipment

Operating fixed assets, except leasehold land, are measured at cost less accumulated depreciation and impairment loss, if any. Leasehold land is stated at revalued amount. Cost includes expenditures that are directly attributable to the acquisition of the asset.

Depreciation on all property and equipment except land is charged on the reducing balance method at the rates specified in note 5.

Depreciation methods, useful lives and residual values of each part of property and equipment that is significant in relation to the total cost of the asset are reviewed, and adjusted if appropriate, at each statement of financial position date.

Depreciation on additions to property and equipment is charged from the month the asset is available for use while no depreciation is charged from the month the asset is disposed off.

The Company assesses at each statement of financial position date whether there is any indication that property and equipment may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount.

Where carrying values exceed the respective recoverable amounts, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in the statement of profit or loss. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Where an impairment loss is recognized, the depreciation charge is adjusted in the future periods to allocate the asset's revised carrying amount over its estimated useful life.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to the statement of profit or loss during the period in which they are incurred.

The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as an income or expense in the statement of profit or loss.

4.2 Accounting for right-of-use (ROU) assets and leases

ROU asset

The Company recognizes a ROU asset and related lease liability at the lease commencement date. The ROU asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of the costs to be incurred to dismantle and remove the underlying asset or to restore the underlying asset or the site on which the asset is located.

The ROU asset is subsequently depreciated using the straight line method from the commencement date to the earlier of the end of useful life of the ROU asset or the end of the lease term. The estimated useful life of ROU asset is determined on the same basis as those operating tangible assets. In addition, the ROU asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Lease liability

The lease liability is initially measured at the present value of the lease payments over the period of lease term and that are not paid at the commencement date, discounted using the interest rate implicit in the lease or if that rate cannot be readily determined, the Company's incremental borrowing rate. The lease liability is subsequently increased by the interest cost on the lease liability and decreased by the lease payment made. It is remeasured when there is a change in future lease payments arising from a change in rate or a change in the terms of the lease arrangement.

The Company applies judgment to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Company is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and ROU asset recognized.

4.3 Investment properties

Investment properties are accounted for under cost model and are stated at cost less accumulated depreciation and impairment loss, if any. Depreciation on office building is charged to the statement of profit or loss by applying the reducing balance method at the rate of 5% per annum after taking into account residual value, if any. Depreciation on addition is charged from the month the asset is available for use while no depreciation is charged from the month the asset is disposed off. Depreciation methods, useful lives and residual values of each part of investment property that is significant in relation to the total cost of the asset are reviewed, and adjusted if appropriate, at each statement of financial position date. Depreciation of leasehold land is suspended since financial year ended 30 June 2012 in accordance with the revised requirements of IAS 17.

Gains or losses on sale of investment properties are charged to the statement profit or loss in the period in which they arise.

4.4 Staff retirement benefits

a) Defined contribution plan

The Company operates a provident fund scheme for its employees. Equal monthly contributions are made, both by the Company and the employees to the fund at the rate of 8.33% of the basic salary.

b) Compensated absences

The Company had been accounting for all accumulated compensated absences, when employees render services that increase their entitlement to future compensated absences. Accrual was made for employees compensated absences on the basis of last drawn pay. However, the policy has been discontinued.

4.5 Trade debts

These are initially recognised when these are originated and measured at fair value of consideration receivable and subsequently measured at amortized cost. These assets are written off when there is no reasonable expectation of recovery. Actual credit loss experience over past years is used to base the calculation of expected credit loss (ECL).

4.6 Stock in trade

Stock of raw and packing materials, except for those in transit, work in process and finished goods are valued principally at the lower of weighted average cost and net realizable value. Cost of work in process and finished goods comprises cost of direct materials, labor and appropriate manufacturing overheads.

Materials in transit are stated at cost comprising invoice value plus other charges paid thereon.

Net realizable value signifies the estimated selling price in the ordinary course of business less estimated costs necessary to be incurred in order to make a sale.

4.7 Revenue recognition

- Revenue from sale of goods is recognized when control of goods is transferred to customers.
- Royalty and rent income is recognized on an accrual basis in accordance with the substance of the relevant agreement.
- Interest income on bank deposits is recognized on time proportion basis using the effective interest method.

4.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less. Short term finance facilities availed by the Company (if any), which are payable on demand and form an integral part of the Company's cash management are included as part of cash and cash equivalents for the purpose of statement of cash flows.

4.9 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the statement of profit or loss, except to the extent that it relates to items recognised directly in equity or in other comprehensive income, in which case it is recognised in equity or in other comprehensive income respectively. In making the estimates for income taxes currently payable by the Company, the management considers the current income tax law and the decisions of appellate authorities on certain issues in the past.

a) Current

The charge for current taxation is based on the taxable income for the year, determined in accordance with the prevailing law for taxation on income, using prevailing tax rates after taking into account tax credits and rebates available, if any. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

b) Deferred

Deferred tax is provided using liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amounts of assets and liabilities, using the current rates of taxation. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the assets can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Deferred tax is charged to income except in case of items credited or charged to equity in which case it is included in the equity.

c) Levies

Tax charged under the Income Tax Ordinance 2001 which is not based on taxable income or any amount paid/ payable in excess of the calculation based on taxable income or any minimum tax which is not adjustable against future income tax liability is classified as levy in the statement of profit or loss and other comprehensive income as these levies fall under the scope of IFRIC 21/ IAS 37.

4.10 Borrowings

Interest bearing borrowings are recognized initially at fair value less attributable transaction costs. Subsequent to initial recognition, these are stated at amortized cost with any difference between cost and redemption value being recognized in the statement of profit or loss account over the period of the borrowings on an effective interest basis.

4.11 Provisions

Provisions are recognized when the Company has a legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. However, provisions are reviewed at each statement of financial position date and adjusted to reflect current best estimate.

4.12 Trade and other payables

Financial liabilities are initially recognized at fair value plus directly attributable cost, if any, and subsequently at amortized cost using effective interest rate method.

Other amounts payable are carried at cost which is the fair value of the consideration to be paid in future for goods and services received.

4.13 Financial instruments

Recognition and measurement

Financial assets and liabilities are recognized, when the Company becomes a party to the contractual provisions of the instrument and derecognized when the Company loses control of the contractual rights to receive cash flows from the assets that comprise the financial asset or the rights have been transferred and the Company has transferred substantially all the risks and rewards of ownership or the enterprise loses control of the contractual rights that comprise financial assets or a portion of financial assets. In case of financial liabilities when the obligation specified in the contract is discharged, cancelled or expired.

Financial assets are long term investments, short term investments, trade and other receivables, advances adjustable in cash and cash and bank balances. The Company derecognizes a financial asset or a portion of financial asset when, and only when, the right to receive the cash flows from the assets have been expired or have been transferred; and the Company has transferred substantially all the risks and rewards of ownership or the enterprise loses control of the contractual rights that comprise the financial assets or a portion of financial assets.

The Company has classified its financial assets based on the requirements as set out in IFRS-9 'Financial Instruments'. IFRS 9 sets out the requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items and contains three principal classifications categories of financial assets: measured at amortized cost, fair value through other comprehensive income and fair value through profit or loss. The classification of financial assets are generally based on the business model in which the financial asset is managed and its contractual cash flow characteristics.

4.13.1 Financial assets

(a) Financial asset at amortized cost

A financial asset shall be measured at amortized cost if both of the following conditions are met:

- i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and;
- ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

(b) Financial asset at fair value through other comprehensive income

A financial asset shall be measured at fair value through other comprehensive income if both of the following conditions are met:

- i) The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and;
- ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

(c) Financial asset at fair value through profit or loss

A financial asset shall be measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income.

Recognition and measurement

Financial assets at initial recognition are measured at its fair value of the consideration given. Subsequent to initial recognition, financial assets shall be classified at amortized cost using effective interest method, fair value through other comprehensive income with changes in fair value recognized in other comprehensive income and fair value through profit or loss with changes in fair value recognized in profit or loss.

4.13.2 Financial liabilities

Financial liabilities are recognized according to the substance of the contractual arrangements entered into. At the time of initial recognition, all financial liabilities shall be measured at fair value plus or minus transaction cost that are directly attributable to the issue of a financial liability. Financial liabilities shall subsequently be measured at amortized cost. Significant financial liabilities are due to related party, trade and other payables.

Any gain or loss on subsequent remeasurement to fair value of financial assets and financial liabilities is taken to the statement of profit or loss in the year in which it arises.

Offsetting of financial assets and financial liabilities

A financial asset and liability is offset against each other and the net amount is reported in the statement of financial position if the Company has legally enforceable right to set off the recognized amount and intends either to settle on net basis or realize the asset and settle the liability simultaneously.

4.13.3 Derecognition

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company might enter into transactions whereby it transfers assets recognized in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in the statement of profit or loss.

4.13.4 Impairment

Financial assets

A financial asset is impaired if the credit risk on that financial asset has increased significantly since the initial recognition. Loss allowance for ECL on a financial asset is recognized to account for impairment.

If a financial asset has low credit risk at the date of initial application of IFRS 9, then the Company has assumed that the credit risk on the asset had not increased significantly since its initial recognition.

The Company recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12 month ECL. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Non-financial assets

The Company assesses at each statement of financial position date, whether there is any indication that assets may be impaired. If such an indication exists, the carrying amount of such assets is reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed their respective recoverable amounts, assets are written down to their recoverable amount and resulting impairment loss is recognized in the statement of profit or loss. The recoverable amount is higher of an asset's fair value less costs to sell and value in use.

Where an impairment loss is recognized, the depreciation charge is adjusted in the future periods to allocate the asset's revised carrying amount over its estimated useful life. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised recoverable amount but limited to the extent of carrying amount of the asset had there been no impairment loss. A reversal of the impairment loss is recognized in the statement of profit or loss.

4.14 Foreign currencies

All monetary assets and liabilities in foreign currencies are translated into rupees at exchange rates prevailing at the statement of financial position date. Transactions in foreign currencies are translated into rupees at exchange rates prevailing at the date of transaction. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated into rupees at exchange rates prevailing at the date of transaction.

4.15 Dividend

Dividend distribution to the Company's shareholders is recognized as a liability in the period in which the dividends are approved.

4.16 Earnings per share

The Company presents basic and diluted earnings per shares (EPS) data. Basic EPS is calculated by dividing the profit or loss attributable to shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to shareholders and the weighted average number of ordinary shares outstanding, adjusted for the effects of all dilutive potential ordinary shares.

4.17 Impairment of other assets

The carrying amounts of the Company's assets are reviewed at each statement of financial position date to determine whether there is any indication of impairment loss. If any such indication exists, the assets recoverable amount is estimated and if the carrying amount of the asset is in excess of its recoverable amount, impairment loss is recognised as an expense to the extent carrying amount exceed the recoverable amount.

5 PROPERTY AND EQUIPMENT

					2025					Written down value as at 30 June 2025	
Cost/ Revalued amount				Depreciation							
As at 01 July 2024	Additions	(Disposals)/ (transfer)	As at 30 June 2025	Rate %	As at 01 July 2024	Charge for the year	Reversal	As at 30 June 2025			
(Rupees in '000)					(Rupees in '000)						
Operating fixed assets											
Leasehold land:											
- Cost	836	-	836		-	-	-	-	836		
- Revaluation	168,934	-	168,934		-	-	-	-	168,934		
	169,770	-	169,770		-	-	-	-	169,770		
Owned											
Furniture and fixtures	586	-	586	10	488	10	-	498	88		
Vehicles	410	-	410	20	403	1	-	404	6		
Office equipments	500	-	500	10	280	22	-	302	198		
Computers	1,248	288	1,536	33	1,166	60	-	1,226	310		
	172,514	288	172,802		2,337	93	-	2,430	170,372		
ROU asset											
Vehicles	2,040	-	2,040	20	930	222	-	1,152	888		
	174,554	288	174,842		3,267	315	-	3,582	171,260		
					2024					Written down value as at 30 June 2024	
Cost/ Revalued amount				Depreciation							
As at 01 July 2023	Additions	(Disposals)/ (transfer)	As at 30 June 2024	Rate %	As at 01 July 2023	Charge for the year	Reversal	As at 30 June 2024			
(Rupees in '000)					(Rupees in '000)						
Operating fixed assets											
Leasehold land:											
- Cost	836	-	836		-	-	-	-	836		
- Revaluation	168,934	-	168,934		-	-	-	-	168,934		
	131,188	-	169,770		-	-	-	-	169,770		
Owned											
Furniture and fixtures	586	-	586	10	477	11	-	488	98		
Vehicles	410	-	410	20	401	2	-	403	7		
Office equipments	378	122	500	10	269	11	-	280	220		
Computers	1,204	44	1,248	33	1,131	35	-	1,166	82		
	172,348	166	172,514		2,278	59	-	2,337	170,177		
ROU asset											
Vehicles	2,040	-	2,040	20	653	277	-	930	1,110		
	174,388	166	174,554		2,931	336	-	3,267	171,287		

5.1 Depreciation for the year has been allocated as follows:

		2025	2024
	Note	(Rupees in '000)	
Distribution and selling expenses	24	63	67
Administrative expenses	25	252	269
		315	336

5.2 The Company on 22 June 2023 had carried out revaluation of its leasehold land situated at Manghopir Road, S.I.T.E, Karachi having area of 27,780.60 square feet. The revaluation exercise was conducted by an independent valuer M/s Professional Associates (Regd.) F-12, Rakshanda Complex, 244-Kashmir Block, Allama Iqbal Town, Lahore. The revaluation exercise was conducted after enquiring market rates of similar sized plots in near vicinity from the brokers, dealers, real estate agents, other concerned authorities and keeping in view the location, size and availability of the leasehold land. The Board of Directors of the Company (the Board) concurred to this valuation. Forced sale value as per the revaluation report is Rs. 144.305 million. Fair value has been assessed under 'fair value hierarchy; level 3'.

5.3 Had the asset not been revalued, the net book value of leasehold land would have amounted to Rs. 0.836 million (2024: Rs. 0.836 million).

6 INVESTMENT PROPERTIES

	2025							Written down value as at 30 June 2025
	Cost			Depreciation				
	As at 01 July 2024	Transfer	As at 30 June 2025	Rate %	As at 01 July 2024	Charge for the year	As at 30 June 2025	
	----- (Rupees in '000) -----			----- (Rupees in '000) -----				
Leasehold land	700	-	700	-	87	-	87	613
Office building	5,408	-	5,408	5	2,485	146	2,631	2,777
	6,108	-	6,108		2,572	146	2,718	3,390
	2024							Written down value as at 30 June 2024
	Cost			Depreciation				
	As at 01 July 2023	Transfer	As at 30 June 2024	Rate %	As at 01 July 2023	Charge for the year	As at 30 June 2024	
	----- (Rupees in '000) -----			----- (Rupees in '000) -----				
Leasehold land	700	-	700	-	87	-	87	613
Office building	5,408	-	5,408	5	2,331	154	2,485	2,923
	6,108	-	6,108		2,418	154	2,572	3,536

6.1 The Company is recording investment property at cost. Had the investment property been measured at fair value, the value of property would have been Rs.125.712 million and the forced sale value would have been Rs. 106.855 million as per independent valuers' report of June 2023.

a. The land element has been valued at Rs. 104.323 million after enquiring market rates of similar sized plots in near vicinity from the real estate agents and keeping in view the location, size and availability of the land. The land is situated at Manghopir Road, S.I.T.E. Karachi having area of 17,071 square feet. and

b. Building element has been valued at Rs. 21.389 million after taking into account the type and class of construction. Building is situated on a portion of the same land covering an area of 3,500 square feet.

The fair value of the property has been assessed under 'fair value hierarchy; level 3'.

	Note	2025	2024
		(Rupees in '000)	
6.2 Depreciation for the year has been allocated as follows:			
Distribution and selling expenses	24	29	31
Administrative expenses	25	117	123
		146	154
6.3 Amounts recognised in the statement of profit or loss for investment properties			
Rental income from operating lease		1,800	1,800
7 LONG TERM LOANS AND ADVANCES			
- Secured and considered good			
Employee loans	7.1	9,138	9,176
Less: Current portion		(865)	(633)
		8,273	8,543

7.1 This represents interest free loans to employees for the purpose of purchase of motor vehicles. These loans are secured against these motor vehicles and recoverable in 120 equal monthly instalments. These loans have not been discounted to their present values as the financial impact is not material.

	Note	2025	2024
		(Rupees in '000)	
8 LONG TERM RECEIVABLE		13,500	11,700
The Company under operating lease arrangements has leased out portion of its land to an associated company as disclosed in note 21.2. Rent has been provided since 1 January 2018 at the rate of Rs. 150,000/- per month being the fair market value of rent for such land. This amount would be available for adjustment against the value of building when handed over to the Company after expiry of lease term on 31 December 2027.			
8.1	At 30 June 2025, the maturity analysis of contractual undiscounted cashflows under non-cancellable lease was receivable as follows:		
	Less than one year	1,800	1,800
	Between one and five years	2,700	4,500
		4,500	6,300
9. DEFERRED TAXATION			
The Company has not recognised deferred tax asset of Rs. 33.113 million (2024: Rs. 26.558 million) in respect of deductible temporary difference amounting to Rs. 63.978 million (2024: Rs. 56.176 million) as per policy given in note 4.9 (b).			
10. STOCK IN TRADE			
	Packing material	2,878	4,552
	Work in process	3,083	3,192
	Finished goods	80,800	77,436
		86,761	85,180
	Provision against slow moving stocks:		
	- Finished goods	10.1 (4,560)	(5,017)
		82,201	80,163
10.1	Opening balance	5,017	4,757
	(Reversal)/ charge for the year	26/ 23 (457)	260
	Closing balance	4,560	5,017
11. TRADE DEBTS			
	- Unsecured		
	Considered good	277,531	219,237
	Considered doubtful	23,075	23,075
		300,606	242,312
	Impairment allowance for ECL	11.1 (26,934)	(24,559)
		273,672	217,753
11.1	Opening balance	24,559	24,422
	Charge for the year	25 2,375	137
	Closing balance	26,934	24,559
12. ADVANCES AND DEPOSITS			
	Advances - unsecured and considered good		
	Employees	548	867
	Deposits		
	Margin against letters of guarantee	3,105	3,105
	Earnest money and tender deposits	10,318	9,557
		13,423	12,662
	Provision against expired letters of guarantee, earnest money and tender deposits	12.1 (10,732)	(10,732)
		3,239	2,797
12.1	Opening balance	10,732	7,232
	Charge for the year	25 -	3,500
	Closing balance	10,732	10,732

	Note	2025	2024
		(Rupees in '000)	
13. PREPAYMENTS AND OTHER RECEIVABLES			
Prepayments		483	318
Sales tax receivable		1,971	-
		<u>2,454</u>	<u>318</u>
14. TERM DEPOSIT RECEIPTS			
- Held to maturity		150	150
These are short term deposits, carrying markup from 16.10% to 20.25% (2024: 6.55% to 20.25%) per annum. The term deposits are under lien against letters of guarantees issued by the banks.			
15. CASH AND BANK BALANCES			
Cash in hand		56	58
Cash at banks - Current accounts			
Deposits with conventional banks		9,135	48,808
Deposits with Islamic banks		308	308
Cheques in hand		37,676	-
		<u>47,175</u>	<u>49,174</u>
16. SHARE CAPITAL			
2025	2024		
(Number of shares)			
Authorized capital			
5,000,000	5,000,000	Ordinary shares of Rs.10 each	50,000
Issued, subscribed and paid-up capital			
1,257,288	1,257,288	Ordinary shares of Rs.10 each fully paid in cash	12,573
82,712	82,712	Ordinary shares of Rs.10 each fully paid for consideration other than cash	827
100,000	100,000	Ordinary shares of Rs.10 each issued as fully paid bonus shares	1,000
1,440,000	1,440,000		14,400
Issued, subscribed and paid-up capital at the year end includes 816,090 (2024: 816,090) ordinary shares of Rs. 10 each, held by directors and associated undertakings.			
All the shares are similar with respect to their rights on voting board selection, first refusal and block voting.			
17. SURPLUS ON REVALUATION OF PROPERTY AND EQUIPMENT		168,934	168,934
17.1 The surplus is in respect of leasehold land located at Plot No. X-3, Manghopir Road, S.I.T.E, Karachi. The plot is revalued on 22 June 2023 by an independent valuer M/s Professional Associates (Regd.), Karachi. The valuation of land has been made on the basis of fair market value. The valuation resulted in net surplus of Rs. 38.582 million. The aforementioned surplus on revaluation of property has been shown as a part of equity. Previously such revaluation was carried out in 30 June 2018 by another independent valuer M/s Harvester Services (Private) Limited, Karachi.			
18. LEASE LIABILITY			
Opening balance		975	1,320
Interest accrued on lease liability	27	136	279
Payments made during the year		(585)	(624)
Closing balance		526	975
Less: Current portion		(526)	(437)
		-	538

The reconciliation between gross minimum lease payments, future financial charges and present value of minimum lease payments is as under:

	Minimum lease payments (MLP)	Future finance cost	Present value of MLP
	(Rupees in '000)		
As on 30 June 2025			
Not later than one year	566	(40)	526
Later than one year but not later than five years	-	-	-
	566	(40)	526
As on 30 June 2024			
Not later than one year	611	(174)	437
Later than one year but not later than five years	611	(73)	538
	1,222	(247)	975

The lease finance has been obtained from First Habib Modaraba. The obligation represents the present value of minimum lease payments discounted at the rate of 3 months KIBOR + 1% and are payable in equal quarterly installments.

Purchase options are available to the Company after making payment of last installment and on surrender of deposit at the end of the lease period. The Company intends to exercise its option to purchase leased assets at its salvage value upon completion of respective leased period. The cost of operating and maintaining the leased assets is to be borne by the Company.

	2025	2024
Note	(Rupees in '000)	

19. SHORT TERM BORROWINGS

- Secured - (conventional bank)

83,895	87,761
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The Company has entered into an agreement with JS Bank Limited for short term running finance facility under markup arrangement. This arrangement is secured against first hypothecation charge of Rs. 107 million (2024: Rs. 107 million) over stocks and receivables of the Company and additional comfort of first equitable mortgage charge of Rs. 67 million (2024: 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 markup of 3 months KIBOR + 2% (2024: 3 months KIBOR + 2%) per annum. Total limit available to the Company amount to Rs. 50 million (2024: Rs. 50 million). Excess drawings of Rs. 33.395 million (2024: Rs. 37.761 million) at the year end was due to unrepresented cheques, which were subsequently cleared from the funds transferred by the Company. The effective markup rates charged during the year ranged from 14.14% to 22.24% (2024: 23.46% to 24.91%) per annum.

20. TRADE AND OTHER PAYABLES

- Unsecured

Trade creditors	20.1	352,702	264,642
Accrued expenses	20.2	476	578
		353,178	265,220

Other liabilities

Contract liabilities		-	2,446
WPPF payable	20.3	431	971
WWF payable	20.4	1,585	1,494
Sales tax payable		-	972
Payable to employees provident fund		-	1,816
Others	20.5	1,596	2,704
		3,612	10,403
		356,790	275,623

20.1 This includes Rs. 327.159 million (2024: Rs. 221.577 million) payable to Berger Paints Pakistan Limited - (an associated company).

20.2 It includes payables of Rs. nil (2024: Rs. 269) on account of EOBI.

		2025	2024
	Note	(Rupees in '000)	
20.3 WPPF payable			
Opening balance		971	696
Charge for the year	28	177	798
Paid during the year		(717)	(523)
Closing balance		431	971
20.4 WWF payable			
Opening balance		1,494	1,126
Charge for the year	28	91	368
Paid during the year		-	-
Closing balance		1,585	1,494

20.5 It includes payables on account of withholding income tax from employees of Rs. 0.490 million (2024: Rs. 0.053 million) and withholding income tax from suppliers of Rs. 0.496 million (2024: Rs. 2.255 million).

21. CONTINGENCIES AND COMMITMENTS

21.1 Contingencies

21.1.1 The guarantees amounted to Rs. 4.528 million (2024: Rs. 3.419 million) given in favour of collector of Central Excise Department and Customs against supplies to the Government departments against their orders and gas supply.

21.1.2 On 7 January 2013, the SITE authority served a notice on the Company for payment of dues in respect of 'Development, Water, Conservancy, Rent and Renewal of license fee' amounting to Rs. 4.005 million, which includes an amount of Rs. 3.860 million relating to renewal of license fee. The Company, through its legal advisor, replied to the above notice stating the fact that the lease was executed / registered by SITE in the year 2006 in favour of the Company. Further, as per the rules and procedures of SITE, once the lease has been executed / registered, the renewal of license fee is no longer payable.

The Management of the Company is confident that the renewal of license fee will not be payable. Consequently, no provision has been recognised in the financial statements.

21.1.3 The Deputy Commissioner Inland Revenue issued order under section 161 of the Income Tax Ordinance, 2001 by levying impugned tax demand of Rs. 386,258 and Rs. 305,646 for tax year 2014 and 2015 respectively. Against such demands, the Company had filed the appeal with the Commissioner Inland Revenue Appeals who passed the order dated 6 July 2018 in favor of the Company. However being aggrieved by the decision, the tax department has filed appeals in the Appellate Tribunal Inland Revenue (ATIR) against the order. The notice for hearing has yet to be issued by the ATIR.

The management of the Company expects that on the basis of strong grounds the case will be decided in the favour of the Company.

21.1.4 The Deputy Commissioner Inland Revenue issued order dated 31 March 2023 under section 161 (1) / 205 of the Income Tax Ordinance, 2001, creating demand against non/ short deduction of withholding income taxes on various expenditure and payments to the tune of Rs. 26.213 million, default surcharge and penalty amounting to the tune of Rs. 3.146 million and Rs. 2.621 million respectively for tax year 2022. The Company filed the appeal with the Commissioner Inland Revenue (Appeals) against the order. As per the legal advisor of the Company, a favourable outcome is expected.

21.2 Commitments:

The management has agreed upon an arrangement with Berger Paints Pakistan Limited (Berger) - an associated company for letting out a piece of its leasehold land. Under the arrangement Berger has constructed a facility for production and warehousing on the subject land, which will remain in use of Berger for a period of 10 years from the date of completion. On expiry of the tenure of agreement, the warehouse building will be transferred to the Company free of cost as a consideration for utilizing the subject land for the said tenure (note 8).

		2025	2024
		(Rupees in '000)	
22. SALES			
Gross sales		853,532	884,655
Less: Sales tax		(130,226)	(138,285)
		723,306	746,370
Less: Discounts		(136,165)	(123,385)
		587,141	622,985
Opening balance of contract liabilities was Rs. 2.446 million (2024: 2.446 million) which were reversed during the year, refer note 26.			
23. COST OF SALES			
Opening stock			
Packing material		4,552	2,695
Purchases			
Raw material		363,912	413,990
Packing material		68,281	64,680
		432,193	478,670
		436,745	481,365
Closing stock			
Packing material		(2,878)	(4,552)
Material consumed		433,867	476,813
Manufacturing expenses			
Toll manufacturing charges		44,645	35,556
Provision for slow moving stock	10.1	-	260
		478,512	512,629
Work in process			
Opening stock		3,192	2,750
Closing stock		(3,083)	(3,192)
		109	(442)
Cost of goods manufactured		478,621	512,187
Finished goods			
Opening stock		77,436	80,911
Closing stock		(80,800)	(77,436)
		(3,364)	3,475
		475,257	515,662
24. DISTRIBUTION AND SELLING EXPENSES			
Salaries and other benefits	24.1	25,811	21,409
Insurance		808	624
Rent, rates and taxes		42	60
Carriage outward		20,492	17,581
Advertising and promotional expenses		424	4,237
Travelling and conveyance		12,549	11,468
Printing and stationery		125	53
Postage, telephone and fax		114	136
Repairs and maintenance		275	24
Depreciation	5.1 and 6.2	92	98
Entertainment and welfare		120	-
Fees and subscription		-	-
Sundry expenses		112	160
		60,964	55,850

24.1 Included herein a sum of Rs. 0.893 million (2024: Rs. 0.793 million) in respect of staff retirement benefits (Provident fund).

		2025	2024
		(Rupees in '000)	
25. ADMINISTRATIVE EXPENSES	Note		
Salaries and other benefits	25.1	21,365	14,921
Directors' fee		520	505
Insurance		247	239
Printing and stationery		135	85
Postage, telephone and fax		1	11
Travelling and conveyance		1,697	1,271
Service charges		10,962	1,200
Auditors' remuneration	25.2	610	610
Fees and subscription		1,665	1,367
Legal and professional charges		393	600
Repairs and maintenance		75	155
Depreciation	5.1 and 6.2	369	392
Entertainment and welfare		4,756	2,734
Utilities		442	437
Impairment allowance for ECL	11.1	2,375	137
Provision against doubtful advances and deposits	12.1	-	3,500
Miscellaneous		458	197
		46,070	28,361
25.1	Included herein a sum of Rs. 0.543 million (2024: Rs. 0.430 million) in respect of staff retirement benefits (Provident fund).		
25.2 Auditors' remuneration			
Statutory audit		303	303
Half yearly review		118	118
Other certifications		189	189
		610	610
26. OTHER INCOME			
Financial asset			
Markup on term deposit receipts		29	25
Non-financial asset			
License fee		12	12
Rental income	26.1	3,600	3,600
Reversal of contract liabilities	26.2	2,446	-
Reversal of provision against slow moving stock	10.1	457	-
		6,515	3,612
		6,544	3,637
26.1	This is earned on the portions of the land and building that has been rented out to Berger Paints Pakistan Limited (an associated company).		
26.2	These relate to prior-period customer advances for which no performance obligations or refunds remain.		
27. FINANCE COST			
Bank charges		412	466
Markup on:			
Short term borrowings - conventional bank		7,298	10,048
Lease liability	18	136	279
		7,846	10,793

		2025	2024
	Note	(Rupees in '000)	
28. OTHER EXPENSES			
WPPF	20.3	177	798
WWF	20.4	91	368
		268	1,166
29. LEVIES		6,045	2,560
This represents minimum taxes paid under section 113 of the Income Tax Ordinance, 2001, representing levy in terms of requirements of IFRIC 21/ IAS 37.			
30. TAXATION- INCOME TAX			
Current year		1,294	5,227
30.1 Current status of tax assessments			
The income tax assessments of the Company have been finalised upto and including the tax year 2024 (Income year ended 30 June 2024). The returns for income tax have been filed, according to section 120 of the Income Tax Ordinance, 2001 which provides that return filed is deemed to be an assessment order. However, these returns (i.e. return for tax years 2020 to 2024) may be selected for detailed audit within five years from the year end of the tax year in which the return has been filed and the Commissioner of Income Tax may amend the assessment in case of objection raised in audit.			
30.2 Reconciliation of accounting profit and tax expense			
Profit before levies and income tax		3,280	14,790
Normal tax @ 29%		951	4,289
Impact of :			
Admissible/ inadmissible items		552	1,147
Rental income		(209)	(209)
		343	938
Tax expense		1,294	5,227
31. (LOSS)/ EARNINGS PER SHARE - BASIC AND DILUTED			
31.1 Basic (loss)/ earnings per share			
Basic (loss)/ earnings per share has been computed by dividing (loss)/ profit for the year after taxation by the weighted average number of shares outstanding during the year.			
(Loss)/ profit for the year		(4,059)	7,003
		(Shares in '000)	
Weighted average number of shares outstanding during the year		1,440	1,440
		(Rupees)	
(Loss)/ earnings per share		(2.82)	4.86
31.2 Diluted (loss)/ earnings per share			
There is no dilutive effect on the basic (loss)/ earnings per share of the Company as the Company has no such commitments.			

32. REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

	2025			2024		
	Chief executive officer	Directors	Executives	Chief executive officer	Directors	Executives
	(Rupees in '000)					
Directors' fee	-	520	-	-	505	-
Managerial remuneration	5,018	4,182	1,724	3,617	2,997	1,489
House rent allowance	2,258	1,882	776	1,628	1,348	666
Utilities	502	418	172	361	300	148
Entertainment	4,470	-	-	2,727	-	-
Conveyance	1,462	418	172	1,195	276	148
Disturbance allowance	50	-	-	40	20	-
Medical allowance	40	-	-	38	24	-
	13,800	7,420	2,844	9,606	5,470	2,451
Number of persons	1	1	1	1	1	1

2025	2024
(In litres)	

33. PLANT CAPACITY AND PRODUCTION

Produced for the Company by a related party under toll manufacturing agreement	1,524,369	1,480,261
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34. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

Related parties comprise associated undertakings, directors of the Company, major shareholders and their close family members, key management personnel, employment retirement benefits plan. The Company continues to have a policy whereby all transactions with related parties 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 directors and key management personnel is in accordance with their terms of engagements and disclosed in note 32. Balances due to/ from related parties are describe in note 8 and 20.1. Details of transactions with related parties are as follows:

		2025	2024
	Note	(Rupees in '000)	
<u>Associated undertakings</u>			
Purchases made during the year		363,912	413,990
Rental expense and service charges		1,200	1,200
Toll manufacturing expenses incurred		44,645	35,556
Rental income		3,600	3,600
Common expenditures		26,810	23,866
Late payment charge	34.1	9,762	-
License fee income		12	12
<u>Buxly Paints Limited Provident Fund</u>			
The Company's contribution		1,436	1,223
Payable to Provident Fund		-	1,816

- 34.1 It is charged by Berger Paints Pakistan Limited on payable balance against toll manufacturing and raw material purchased if the payments are delayed beyond 90 days by the Company.

Following are the related parties with whom the Company had entered into transactions or have arrangements/ agreements in place.

S. No	Name	Basis of relationship	Aggregate % of shareholding
1	Berger Paints Pakistan Limited	Shareholding	19%
2	Mr. Bashir Ahmad	Chief executive officer	0.03%
3	Mr. Naseer Ahmad	Director	-
4	Mr. Rubina Rizvi	Director	-
5	Mr. Muhammad Hanif	Director	-
6	Mr. Sheikh Asim Rafiq	Director	-
7	Mr. Shamshad Ali	Director	-
8	Mr. Adnan Iqbal	Director	-
9	Mr. Fakharul Arfin	Director	-
10	Buxly Paints Limited Provident Fund	Common control	-

35. FINANCIAL INSTRUMENTS

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Operational risk

Risk management framework

The objective of the Company's overall financial risk management is to minimize earnings volatility and provide maximum return to the shareholders.

The Board has the overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

35.1 Financial instruments by categories:

Financial instruments by categories:		2025	2024
	Note	(Rupees in '000)	
Financial assets - amortized cost			
Long term loans and advances	7	9,138	9,176
Long term security deposits		361	361
Trade debts	11	273,672	217,753
Advances and deposits	12	3,239	2,797
Term deposit receipts	14	150	150
Markup receivable		20	12
Cash and bank balances	15	47,175	49,174
		333,755	279,423
Financial liabilities - amortized cost			
Lease liability	18	526	975
Markup accrued		1,517	4,822
Unpaid dividend		217	217
Unclaimed dividend		102	102
Short term borrowings	19	83,895	87,761
Trade and other payables	20	354,774	269,741
		441,031	363,617

35.2 Reconciliation to the line items presented in the statement of financial position

The reconciliation to the line items presented in the statement of financial position is as follows:

	2025		
	Financial assets	Non-financial assets	Assets as per statement of financial position
	(Rs in 000's)		
Assets			
Long term loans and advances	9,138	-	9,138
Long term security deposits	361	-	361
Trade debts	273,672	-	273,672
Advances and deposits	3,239	-	3,239
Term deposit receipts	150	-	150
Markup receivable	20	-	20
Cash and bank balances	47,175	-	47,175
	333,755	-	333,755

Liabilities

Lease liability
Markup accrued
Unpaid dividend
Unclaimed dividend
Short term borrowings
Trade and other payables

2025		
Financial liabilities	Non-financial liabilities	Liabilities as per statement of financial position
----- (Rs in 000's) -----		
526	-	526
1,517	-	1,517
217	-	217
102	-	102
83,895	-	83,895
354,774	2,016	356,790
441,031	2,016	443,047

Assets

Long term loans and advances
Long term security deposits
Trade debts
Advances and deposits
Term deposit receipts
Markup receivable
Cash and bank balances

2024		
Financial assets	Non-financial assets	Assets as per statement of financial position
----- (Rs in 000's) -----		
9,176	-	9,176
361	-	361
217,753	-	217,753
2,797	-	2,797
150	-	150
12	-	12
49,174	-	49,174
279,423	-	279,423

Liabilities

Lease liability
Markup accrued
Unpaid dividend
Unclaimed dividend
Short term borrowings
Trade and other payables

2024		
Financial liabilities	Non-financial liabilities	Liabilities as per statement of financial position
----- (Rs in 000's) -----		
975	-	975
4,822	-	4,822
217	-	217
102	-	102
87,761	-	87,761
269,741	5,882	275,623
363,617	5,882	369,500

35.3 Maturity of financial assets and liabilities

Financial assets

Long term loans and advances
Long term security deposits
Trade debts
Advances and deposits
Term deposit receipts
Markup receivable
Cash and bank balances

2025					
Up to one month	One month to three months	Three months to one year	One year to five years	Five years and above	Total
.....Rs in 000's.....					

-	-	-	9,138	-	9,138
-	-	-	361	-	361
273,672	-	-	-	-	273,672
3,239	-	-	-	-	3,239
150	-	-	-	-	150
20	-	-	-	-	20
47,175	-	-	-	-	47,175
324,256	-	-	9,499	-	333,755

Financial liabilities

Lease liability
Markup accrued
Unpaid dividend
Unclaimed dividend
Short term borrowings
Trade and other payables

142	142	282	-	-	566
1,517	-	-	-	-	1,517
217	-	-	-	-	217
102	-	-	-	-	102
83,895	-	-	-	-	83,895
354,774	-	-	-	-	354,774
440,647	142	282	-	-	441,071

Financial assets

Long term loans and advances
Long term security deposits
Trade debts
Advances and deposits
Term deposit receipts
Markup receivable
Cash and bank balances

2024					
Up to one month	One month to three months	Three months to one year	One year to five years	Five years and above	Total
.....Rs in 000's.....					

-	-	-	9,176	-	9,176
-	-	-	361	-	361
217,753	-	-	-	-	217,753
2,797	-	-	-	-	2,797
150	-	-	-	-	150
12	-	-	-	-	12
49,174	-	-	-	-	49,174
269,886	-	-	9,537	-	279,423

Financial liabilities

Lease liability
Markup accrued
Unpaid dividend
Unclaimed dividend
Short term borrowings
Trade and other payables

153	153	305	611	-	1,222
4,822	-	-	-	-	4,822
217	-	-	-	-	217
102	-	-	-	-	102
87,761	-	-	-	-	87,761
269,741	-	-	-	-	269,741
362,795	153	305	611	-	363,864

35.4 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral.

35.4.1 Concentration of credit risk

Concentration of credit arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by the changes in economics, political or other conditions. Concentration of credit risk indicates the relative sensitivity of the Company's performance for developments affecting a particular industry. The Company believes that it is not exposed to any major concentration of credit risk.

Exposure to credit risk

Credit risk represents the accounting loss that would be recognised at the reporting date if counter parties fail to perform as contracted and arise principally from loans and advances, trade debts, advances and deposits, security deposits and balances with banks.

To manage exposure to credit risk in respect of trade receivables, management performs credit reviews taking into account the customer's financial position, past experience and other relevant factors. Where considered necessary, advance payments are obtained from certain parties. The management has set a maximum credit period of 90 days to customers to reduce the credit risk.

The Company's policy is to enter into financial instrument contract by following internal guidelines such as approving counterparties and approving credits.

The carrying amount of financial assets represents the maximum credit exposure before any credit enhancements. The maximum exposure to credit risk at the reporting date was as follows:

		2025	2024
	Note	(Rupees in '000)	
Long term loans and advances	7	9,138	9,176
Long term security deposits		361	361
Trade debts	11	273,672	217,753
Advances and deposits	12	3,239	2,797
Term deposit receipts	14	150	150
Markup receivable		20	12
Bank balances	15	9,443	49,116
		296,023	279,365

Credit quality

The Company monitors the credit quality of its financial assets with reference to historical performance of such assets and where available external credit ratings. The carrying values of trade debts which are neither past due nor impaired are given as below:

	30-Jun-25		30-Jun-24	
	Gross	Impairment	Gross	Impairment
	(Rupees in '000)		(Rupees in '000)	
Past due 0 - 30 days	88,927	-	58,301	-
Past due 31 - 60 days	70,584	-	57,408	-
Past due 61 - 180 days	100,737	-	69,127	-
More than 180 days	40,358	26,934	57,476	24,559
	300,606	26,934	242,312	24,559

The movement in the account for provision for impairment of trade debts is given in note no. 11.1.

The credit quality of the Company's major banks is assessed with reference to external credit ratings which are as follows:

Bank	Rating Agency	Rating		2025	2024
		Short term	Long term	(Rupees in '000)	
National Bank of Pakistan	PACRA	A1+	AAA	-	3
JS Bank Limited	PACRA	A1+	AA	9,086	48,764
MCB Islamic Bank Limited	PACRA	A1	A+	308	308
Bank AL Habib Limited	PACRA	A1+	AAA	49	32
Habib Metropolitan Bank Limited	PACRA	A1+	AA+	-	9
				9,443	49,116

35.5 Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with the financial liabilities as they fall due.

Exposure to liquidity risk

The Company is exposed to liquidity risk in respect of its financial liabilities. The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date.

	2025				
	Carrying amount	Contractual cash flows	Three months or less	Three months to one year	More than one year
	----- (Rupees in '000) -----				
Financial liabilities at amortised cost					
Lease liability	526	566	284	282	-
Short term borrowings	83,895	83,895	83,895	-	-
Markup accrued	1,517	1,517	1,517	-	-
Trade and other payables	354,774	354,774	353,178	1,596	-
Unpaid dividend	217	217	-	217	-
Unclaimed dividend	102	102	-	102	-
	441,031	441,071	438,874	2,197	-

	2024				
	Carrying amount	Contractual cash flows	Three months or less	Three months to one year	More than one year
	----- (Rupees in '000) -----				
Financial liabilities at amortised cost					
Lease liability	975	1,222	306	305	611
Short term borrowings	87,761	87,761	87,761	-	-
Markup accrued	4,822	4,822	4,822	-	-
Trade and other payables	269,741	269,741	267,037	2,704	-
Unpaid dividend	217	217	-	217	-
Unclaimed dividend	102	102	-	102	-
	363,617	366,329	362,084	3,634	611

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company meets these requirements by financial assistance available from the associated company as and when the need arises for the current year.

The contractual cash flows relating to the above financial liabilities have been determined on the basis of applicable markup rates as at 30 June 2025, if any.

35.6 Market risk

Market risk is the risk that changes in market price, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimising the return.

The Company is exposed to three types of market risks: currency risk, interest rate risk and other price risk.

35.6.1 Currency risk

Currency risk is the risk that fair value or future cash flows of a financial instrument, will fluctuate because of changes in foreign exchange rates. Foreign currency risk arises mainly where receivables and payables exist due to foreign currency transactions.

As the Company does not have foreign currency debtors or foreign currency bank accounts, imports or exports therefore there is no exposure of the Company to foreign currency risk.

35.6.2 Interest rate risk

Interest/ markup rate risk arises from the possibility of changes in interest/ markup rates which may effect the value of financial instruments held by the Company and its profit or loss.

Exposure to interest rate risk

At the reporting date the interest rate profile of the Company's significant interest bearing financial instruments was as follows:

	Effective rate		Carrying amount	
	2025	2024	2025	2024
	(in percentage)		(Rupees in '000)	
Financial assets - fixed rate instruments				
Term deposit receipts	16.10 to 20.25	6.55 to 20.25	150	150
Financial liabilities - variable rate instruments				
Lease liability	13.14 to 21.24	22.46 to 23.91	526	975
Short term borrowings	14.14 to 22.24	23.46 to 24.91	83,895	87,761
			84,421	88,736

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect the statement of profit or loss.

Cash flow sensitivity analysis for variable rate instruments

If KIBOR had been 1% (lower)/ higher with all other variables held constant, the impact on the profit before tax for the year would have been higher/ (lower) by Rs. 0.084 million (2024: Rs. 0.089 million).

35.6.3 Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). The Company is not exposed to any other price risk.

35.7 Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the processes, technology and infrastructure supporting the Company's operations either internally within the Company or externally at the Company's service providers, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of investment management behaviour. Operational risks arise from all of the Company's activities.

The Company's objective is to manage operational risk so as to balance limiting of financial losses and damage to its reputation with achieving its investment objective of generating returns for investors.

The primary responsibility for the development and implementation of controls over operational risk rests with the Board. This responsibility encompasses the controls in the following areas:

- requirements for appropriate segregation of duties between various functions, roles and responsibilities;
- requirements for the reconciliation and monitoring of transactions; compliance with regulatory and other legal requirements;
- documentation of controls and procedures;
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;
- ethical and business standards;
- risk mitigation, including insurance where this is effective.

Senior management ensures that the Company's staff have adequate training and experience and fosters effective communication related to operational risk management.

35.8 Fair value of financial instruments

The carrying values of the financial assets and financial liabilities are approximate equal to their fair values. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair value is determined on the basis of objective evidence at each reporting date.

Fair value hierarchy:

The company is required to classify financial instruments using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: Quoted market price (unadjusted) in an active market for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

36. CAPITAL MANAGEMENT

The objective of the Company when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain a strong capital base to support the sustained development of its business.

The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to the shareholders or issue new shares.

37. NUMBER OF EMPLOYEES

	2025	2024
Total number of employees at the end of the year (permanent employees)	26	24
Average number of employees during the year	25	28

38. PROVIDENT FUND DISCLOSURE

The following information is based on the unaudited financial statements of the fund:

	2025	2024
	(Rupees in '000)	
Size of the fund - total assets	Unaudited 5,227,706	Unaudited 6,498,702
Percentage of investments made	69%	53%
Fair value of investments made	3,582,764	3,440,244
Cost of investments made (Unaudited)	3,582,764	3,440,244

Breakup of the cost of investments is:

	2025		2024	
	% of fund	Rupees	% of fund	Rupees
Defence Saving Certificates	54%	2,827,500	44%	2,827,500
Mutual funds	14%	755,264	9%	612,744
	69%	3,582,764	53%	3,440,244

The investments out of provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the rules formulated for this purpose. Financial year end of the Provident Fund Trust is 30 June 2025.

39. EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE

There were no significant subsequent events that require disclosure or adjustment in these financial statements.

40. DATE OF AUTHORISATION

These financial statements were approved and authorized for issue on 25-09-2025 by the Board of Directors of the Company.



Chief Executive Officer



Director



Chief Financial Officer

Form of Proxy

The Secretary
Buxly Paints Limited.
X-3, Manghopir Road, S.I.T.E, Karachi.

I/we _____

r/o _____

Being a member of Buxly Paints Limited and a holder of _____

(No. of shares) _____

Ordinary shares as per folio number _____

Hereby appoint _____

r/o _____

On my/our behalf at the Annual General Meeting of the Company to be held on Tuesday October 28, 2025 at 10:30 am at X-3, Manghopir Road, S.I.T.E, Karachi and at any adjournment thereof.

Signed this _____ day of _____ 2025

Signature on
Rs. 50.00
Revenue

Notes:

1. The share transfer book will remain closed from October 22, 2025 to October 28, 2025 (both days inclusive)
2. A member of the Company entitled to attend, speak and vote at this meeting may appoint another member as his/her proxy to attend, speak and vote on his/her behalf. The completed proxy form must be received at the registered office of the company not less than 48 hours before the meeting.
3. Any individual beneficial owner of CDC, entitled to vote at this meeting must bring his/her original CNIC with him/her to prove his/her identity, and in case of proxy, a copy of shareholder's attested CNIC must be attached with the proxy form. Representatives of Corporate members should also bring the usual documents required for such purpose.