

DIRECTOR'S REVIEW REPORT

The Directors of the company are presenting their review along with the interim financial statements of the Company for the half-year ended on December 31, 2022.

OPERATIONAL RESULTS

During the first half of the year, the Company achieved net sales of Rs. 292.515 million, an increase of 33% as compared to corresponding period which is mainly attributed to price increase under abrupt inflationary pressure. Drastic rupee devaluation coupled with unprecedented hike in fuel, energy and markup costs kept on adding upward pressure to the cost of all inputs. Among all uncertainties, the Company achieved profit after tax of Rs. 0.547 M as compared to Rs. 1.198 M in corresponding period.

FUTURE OUTLOOK

Economy of Pakistan is severely challenged with balance of payment crises, which has triggered supply chain disruptions and unprecedented inflation level in the country. These adverse factors are likely to contribute in the second half of the year as well.

Management is committed to navigate through this difficult phase with determination and with the support of its stakeholders and business partners.

The Directors take this opportunity of thanking our shareholders and valued customers for their continued trust and appreciate the dedication demonstrated by all tiers of the Company's staff.

On behalf of the Board



Chief Executive

Karachi

Dated: February 24, 2022



Director


Buxly Paints Limited
Condensed Interim Statement of Financial Position
As at 31 December 2022

	31 December 2022 (Unaudited) (Rupees in '000)	30 June 2022 (Audited)
ASSETS		
Non-current assets		
Property and equipment	6 133,080	133,284
Investment properties	7 3,771	3,852
Long term loans and advances	6,162	4,257
Long term receivable	9,000	8,100
Long term security deposits	361	361
Deferred taxation	8 -	-
	<u>152,374</u>	<u>149,854</u>
Current assets		
Stock-in-trade	9 85,146	99,878
Trade debts	10 188,442	158,846
Advances and deposits	11 8,819	12,403
Prepayments and other receivables	190	473
Term deposit receipts	150	150
Markup receivable	3	4
Current portion of long term loans and advances	712	549
Taxes recoverable/ adjustable	5,036	3,112
Cash and bank balances	12 1,021	29,717
	<u>289,519</u>	<u>305,132</u>
	<u>441,893</u>	<u>454,986</u>
Total assets		
EQUITY AND LIABILITIES		
Share capital and reserves		
Authorised capital	<u>50,000</u>	<u>50,000</u>
5,000,000 (2022: 5,000,000) Ordinary shares of Rs.10 each		
Issued, subscribed and paid-up capital	14,400	14,400
Capital reserves		
Surplus on revaluation of property and equipment	13 130,352	130,352
Revenue reserves		
General reserve	5,993	5,993
Accumulated loss	<u>(11,115)</u>	<u>(11,662)</u>
	139,630	139,083
Non-current liabilities		
Long term finance	14 -	-
Lease liability	15 1,137	1,309
	<u>1,137</u>	<u>1,309</u>
Current liabilities		
Markup accrued	14 1,784	1,363
Current portion of long term finance	15 -	1,046
Current portion of lease liability	336	315
Unpaid dividend	217	217
Unclaimed dividend	102	102
Short term borrowing	16 24,261	44,456
Trade and other payables	17 274,426	267,095
	301,126	314,594
Contingencies and commitments	18 -	-
	<u>441,893</u>	<u>454,986</u>
Total equity and liabilities		

The annexed notes 1 to 26 form an integral part of these financial statements.


Chief Executive Officer


Director


Chief Financial Officer

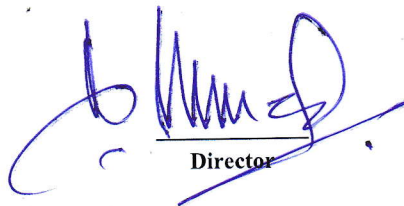



Buxly Paints Limited
Condensed Interim Statement of Profit or Loss (Unaudited)
For the Half Year ended 31 December 2022

	Note	Half year ended		Quarter ended	
		31 December 2022	31 December 2021	31 December 2022	31 December 2021
------(Rupees in '000')-----					
Sales - net	19	292,515	219,502	164,746	125,735
Cost of sales	20	(251,998)	(189,192)	(137,262)	(107,810)
Gross profit		40,517	30,310	27,484	17,925
Distribution and selling expenses	21	(21,807)	(18,282)	(12,792)	(9,173)
Administrative expenses	22	(12,167)	(7,203)	(9,098)	(3,689)
		(33,974)	(25,485)	(21,890)	(12,862)
		6,543	4,825	5,594	5,063
Other income		1,811	1,814	901	908
		8,354	6,639	6,495	5,971
Finance cost		(3,839)	(2,405)	(1,979)	(1,359)
Other charges	23	(312)	(292)	(312)	(292)
		(4,151)	(2,697)	(2,291)	(1,651)
Profit before tax		4,203	3,942	4,204	4,320
Taxation		(3,656)	(2,744)	(2,059)	(1,572)
Profit for the period		547	1,198	2,145	2,748
Earning per share - Basic and diluted		0.38	0.83	1.49	1.91

The annexed notes 1 to 26 form an integral part of these financial statements.


 Chief Executive Officer


 Director


 Chief Financial Officer



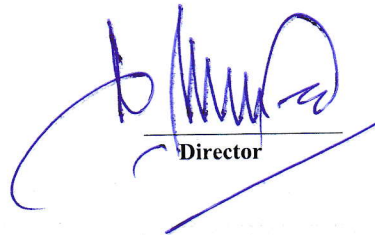
Buxly Paints Limited
Condensed Interim Statement of Other Comprehensive Income (Unaudited)
For the Half Year ended 31 December 2022

	Half year ended		Quarter ended	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	----- (Rupees in '000) -----			
Profit after taxation	547	1,198	2,145	2,748
Other comprehensive income - net of tax				
Items that may be classified subsequently to the statement of profit or loss	-	-	-	-
Items that will never be classified to the statement of profit or loss	-	-	-	-
Total comprehensive income for the period	547	1,198	2,145	2,748

The annexed notes 1 to 26 form an integral part of these financial statements.



Chief Executive Officer



Director



Chief Financial Officer



Buxly Paints Limited
Condensed Interim Statement of Changes in Equity (Unaudited)
For the Half Year ended 31 December 2022

	Issued, subscribed and paid-up 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 2021	14,400	130,352	5,993	(15,874)	134,871
Total comprehensive income for the half year ended 31 December 2021	-	-	-	1,198	1,198
Balance as at 31 December 2021	14,400	130,352	5,993	(14,676)	136,069
Total comprehensive income for the half year ended 30 June 2022	-	-	-	3,014	3,014
Balance as at 30 June 2022	14,400	130,352	5,993	(11,662)	139,083
Total comprehensive income for the half year ended 31 December 2022	-	-	-	547	547
Balance as at 31 December 2022	14,400	130,352	5,993	(11,115)	139,630

The annexed notes 1 to 26 form an integral part of these financial statements.


 Chief Executive Officer


 Director


 Chief Financial Officer



Buxly Paints Limited
Condensed Interim Statement of Cash Flows (Unaudited)
For the Half Year ended 31 December 2022


Note	31 December 2022	31 December 2021
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	4,203	3,942
Adjustments for:		
Depreciation	285	570
Impairment loss for:		
- trade debts	1,962	963
- expired letters of guarantee, earnest money and tender deposits	4,000	-
Workers' Profit Participation Fund	226	212
Workers' Welfare Fund	86	80
Markup on term deposit receipt	(5)	(8)
Finance cost	3,839	2,405
Rental income	(900)	(900)
	<u>9,493</u>	<u>3,322</u>
Operating cash flows before working capital changes	13,696	7,264
Working capital changes		
(Increase)/ decrease in current assets:		
Stock-in-trade	14,732	26,329
Trade debts	(31,558)	(19,040)
Advances and deposits	(416)	(1,385)
Prepayments and other receivables	283	801
Increase in current liabilities:		
Trade and other payables	7,019	6,918
	<u>(9,940)</u>	<u>13,623</u>
Cash generated from operations	3,756	20,887
Finance cost paid	(3,290)	(2,343)
Income tax paid	(5,580)	(1,549)
	<u>(8,870)</u>	<u>(3,892)</u>
Net cash (used in)/ generated from operating activities	<u>(5,114)</u>	<u>16,995</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property and equipment	-	(35)
Markup received on term deposit receipt	6	18
Long term loans and advances - net	(2,068)	(3,116)
Net cash used in investing activities	<u>(2,062)</u>	<u>(3,133)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term finance	(1,046)	(1,046)
Lease liability paid	(279)	(200)
Short term borrowing - net	(20,195)	(12,749)
Net cash used in financing activities	<u>(21,520)</u>	<u>(13,995)</u>
Net decrease in cash and cash equivalents during the period	<u>(28,696)</u>	<u>(133)</u>
Cash and cash equivalents at the beginning of the period	29,717	20,034
Cash and cash equivalents at the end of the period	<u>1,021</u>	<u>19,901</u>

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The annexed notes 1 to 26 form an integral part of these financial statements.


 Chief Executive Officer


 Director


 Chief Financial Officer



24 RELATED PARTY RELATIONSHIP AND TRANSACTIONS

Related parties comprises of associated undertakings, directors of the Company, major shareholders and their close family members and key management personnel and employee retirement benefits plans. The transactions with related parties are entered into at commercial/ agreed terms and conditions. Transactions with key management personnel are made as per the terms of employment.

Details of transactions with related parties, other than those which have been specifically disclosed elsewhere in these condensed interim financial information are as follows:

	Half year ended (Unaudited)	
	31 December 2022	31 December 2021
	(Rupees in '000)	
Associated undertakings:		
Purchases during the period	187,004	125,273
Rental expense and service charges	600	600
Toll manufacturing expenses incurred	18,157	15,496
Rent income	1,800	1,800
License fee income	6	6
Buxly Paints Limited Provident Fund:		
The Company's contribution	807	389
Remuneration of key management personnel		
Management remuneration	1,835	1,428
House rent and other benefits	1,309	883
Directors' meeting fee	325	288

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

S. No.	Company Name	Basis of relationship	Aggregate % of shareholding
1	Berger Paints Pakistan Limited	Shareholding	19%
2	Buxly Paints Limited Provident Fund	Control	-

25 SUBSEQUENT MATERIAL EVENTS

There are no significant activities since 31 December 2022 affecting the condensed interim financial statement apart from those disclosed in the condensed interim financial statements.

26 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements have been authorized for issue on Feb 24, 2022 by the Board of Directors.


Chief Executive Officer


Director


Chief Financial Officer

