

## **DIRECTOR'S REVIEW**

The Board of Directors of the company are presenting their review along with the interim financial statements of the Company for the nine month period ended on March 31, 2023.

### **OPERATIONAL RESULTS**

During the challenging period of rising costs and imports curbs, the Company prioritized the development of effective plans and strategies to navigate for positive results. Consequently, the Company has reported the net sales of Rs. 424.924 million during the nine-month period ending on March 31, 2023, representing a 17.05% increase compared to the same period last year. This increase in sales has led to a significant improvement in gross profit. The improvement in financial performance was achieved by optimizing prices and rationalizing costs.

Financial costs had a negative impact due to the increase in policy rate over the last nine months. Despite this, the Company achieved a profit after tax of Rs. 1 million. This result translates into an Earnings per Share (EPS) of Rs. 0.70.

### **FUTURE OUTLOOK**

The Company's management is closely monitoring the economic situation and its impact on the business environment. They are devising strategies to steer through these challenging times while identifying growth opportunities within the paint industry.

The Board takes this opportunity to express its gratitude towards the employees, customers, banks, suppliers and other stakeholders for the confidence and faith they have always reposed in the company.

On behalf of the Board

Chief Executive

Director

Dated: April 27, 2023

**BUXLY PAINTS LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)**  
**AS AT 31 MARCH 2023**

		<b>Un-Audited</b>	<b>Audited</b>
	<i>Note</i>	<b>31-MAR 2023</b>	<b>30-June 2022</b>
<b>ASSETS</b>			
<b>(Rupees in '000)</b>			
<b>Non-current assets</b>			
Property and equipment		<b>132,977</b>	133,284
Investment properties		<b>3,731</b>	3,852
Long term loans and advances		<b>6,150</b>	4,257
Long term receivable		<b>9,450</b>	8,100
Long term security deposits		<b>361</b>	361
		<b>152,669</b>	149,854
<b>Current assets</b>			
Stock-in-trade		<b>82,188</b>	99,878
Trade debts		<b>148,849</b>	158,846
Advances and deposits		<b>8,659</b>	12,403
Prepayments and other receivables		<b>233</b>	473
Term deposit receipts / account		<b>150</b>	150
Markup receivable		<b>4</b>	4
Current portion of long term loans and advances		<b>549</b>	549
Taxation - net		<b>5,885</b>	3,112
Cash and bank balances		<b>282</b>	29,717
		<b>246,799</b>	305,132
<b>Total assets</b>		<b>399,468</b>	454,986
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Authorised capital 5,000,000 (2022: 5,000,000) Ordinary shares of Rs.10 each		<b>50,000</b>	50,000
Issued, subscribed and paid-up capital		<b>14,400</b>	14,400
Capital reserves			
Surplus on revaluation of property		<b>130,352</b>	130,352
Revenue reserves			
General reserve		<b>5,993</b>	5,993
Accumulated loss		<b>(10,660)</b>	(11,662)
		<b>140,085</b>	139,083
<b>Non-current liabilities</b>			
Long term finance		-	-
Lease liability		<b>834</b>	1,309
		<b>834</b>	1,309
<b>Current liabilities</b>			
Markup accrued		<b>1,847</b>	1,363
Current portion of long term finance		-	1,046
Current portion of lease liability		<b>559</b>	315
Unpaid dividend		<b>217</b>	217
Unclaimed dividend		<b>102</b>	102
Short term borrowing	<b>5</b>	<b>24,517</b>	44,456
Trade and other payables		<b>231,307</b>	267,095
		<b>258,549</b>	314,594
Contingencies and commitments	<b>6</b>	-	-
<b>Total equity and liabilities</b>		<b>399,468</b>	454,986

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

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

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**Director**

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**Chief Financial Officer**

**BUXLY PAINTS LIMITED**  
**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)**  
**FOR THE PERIOD ENDED 31 MARCH 2023**

	For the Nine Months ended		For the Quarter Ended	
	31, March 2023	31, March 2022	31, March 2023	31, March 2022
	(Rupees in '000)			
Sales	424,924	363,024	132,409	144,522
Cost of sales	(366,264)	(319,808)	(114,266)	(133,390)
Gross profit	58,660	43,216	18,143	11,132
	14%	12%	14%	8%
Distribution and selling expenses	(29,094)	(24,162)	(7,287)	(4,106)
Administrative expenses	(19,916)	(10,164)	(7,749)	(2,961)
	(49,010)	(34,326)	(15,036)	(7,067)
	9,650	8,890	3,107	4,065
Other income	2,730	2,709	919	903
	12,380	11,599	4,026	4,968
Finance cost	(5,753)	(3,770)	(1,914)	(1,365)
Other charges	(312)	(548)	-	(252)
	(6,065)	(4,318)	(1,914)	(1,617)
Profit/(Loss) before tax	6,314	7,281	2,111	3,351
Taxation	(5,312)	(4,538)	(1,656)	(1,807)
Profit/(Loss) for the period	1,002	2,743	455	1,544
Earning/(Loss) per share - basic and diluted	0.70	1.90	0.32	1.07

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

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**CHIEF EXECUTIVE OFFICER**

\_\_\_\_\_  
**DIRECTOR**



**BUXLY PAINTS LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE PERIOD ENDED 31 MARCH 2023**

	For the Nine Months ended		Quarter ended	
	31 Mar 2023	31 Mar 2022	31 Mar 2023	31 Mar 2022
	------(Rupees in '000)-----			
Profit/(Loss) after tax	1,002	2,743	455	1,544
Other comprehensive income - net of tax	-	-	-	-
Items that may be classified subsequently to statement of profit or loss	-	-	-	-
Items that will never be classified to statement of profit or loss	-	-	-	-
<b>Total comprehensive income/(loss)</b>	<b>1,002</b>	<b>2,743</b>	<b>455</b>	<b>1,544</b>

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

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

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**Director**

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**Chief Financial Officer**

**BUXLY PAINTS LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE PERIOD ENDED 31 MARCH 2023**

	<b>Issued subscribed and paid-up</b>	<b>Capital Reserves Surplus on revaluation of property</b>	<b>Revenue Reserves General reserve</b>	<b>Accumulated profit/ (loss)</b>	<b>Total</b>
	----- (Rupees in '000) -----				
Balance as at 30 June 2021	14,400	130,352	5,993	(15,874)	134,871
Total comprehensive (loss) for the year	-	-	-	4,212	4,212
Balance as at 30 June 2022	14,400	130,352	5,993	(11,662)	139,083
Total comprehensive income for the Nine Month Period	-	-	-	1,002	1,002
<b>Balance as at 31 March 2023</b>	<b>14,400</b>	<b>130,352</b>	<b>5,993</b>	<b>(10,660)</b>	<b>140,085</b>

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

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

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**Director**

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**Chief Financial Officer**

**Buxly Paints Limited**  
**Condensed Interim Statement of Cash Flows (Unaudited)**  
**FOR THE PERIOD ENDED 31 MARCH 2023**

	31-Mar 2023	31-Mar 2022
	(Rupees in '000)	
<b>Cash flows from operating activities</b>		
Profit/(Loss) before tax	6,314	7,689
Adjustments for:		
Depreciation	428	441
Finance cost	5,753	3,770
Mark-up on term deposit receipts	-	(10)
Provision for doubtful debts	6,963	1,444
Rental Income	(2,411)	(2,393)
	<u>17,047</u>	<u>10,941</u>
<b>(Increase) / decrease in current assets</b>		
Stock-in-trade	17,690	12,042
Trade debts	4,765	(43,242)
Advances and deposits	3,744	(1,478)
Prepayments and other receivables	240	747
	<u>26,439</u>	<u>(31,931)</u>
<b>(Decrease) / increase in current liabilities</b>		
Trade and other payables	(35,788)	46,207
Net cash (used in) / generated from operating activities	<u>7,698</u>	<u>25,217</u>
Income tax paid	(8,085)	(2,359)
Finance cost paid	(5,269)	(3,459)
Net cash used in operations	<u>(5,657)</u>	<u>19,399</u>
<b>Cash flows from investing activities</b>		
Additions to property and equipment	(121)	(2,295)
Long term receivables	(1,350)	(1,200)
Mark up received on term deposit receipts	-	18
Long term loans and advances - given	(1,893)	(1,913)
Net cash (used in) / generated from investing activities	<u>(3,364)</u>	<u>(5,390)</u>
<b>Cash flows from financing activities</b>		
Long term Finance	-	523
Lease liability	(475)	-
Short term borrowing - secured	(19,939)	(33,857)
Net cash generated from financing activities	<u>(20,414)</u>	<u>(33,334)</u>
Net increase in cash and cash equivalents during the year	<u>(29,435)</u>	<u>(19,325)</u>
<b>Cash and cash equivalents at beginning of the year</b>	<u>29,717</u>	<u>20,034</u>
<b>Cash and cash equivalents at end of the year</b>	<u><u>282</u></u>	<u><u>709</u></u>

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

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

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**Director**

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**Chief Financial Officer**

**BUXLY PAINTS LIMITED****CONDENSED INTERIM NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED)****FOR THE PERIOD ENDED 31 MARCH 2023****1. STATUS AND NATURE OF BUSINESS**

The Company was incorporated in Pakistan in April 1954 as a private limited company under the Companies Act, 1913 (now the Companies Act, 2017) and subsequently converted into a public limited company in May 1985. Its shares are listed on Pakistan Stock Exchange. The principal activity of the Company is manufacturing and sale of paints, pigments, protective surface coating, varnishes and other related products under a toll manufacturing agreement with Berger Paints Pakistan Limited, at a specified toll manufacturing fees. As per the agreement, the Company will deliver the materials, packing, filling and other bulk components, together with other ingredients to Berger Paints Pakistan Limited, who will process the ingredients and pack the products and deliver the products to the Company or designated party in Pakistan indicated by the Company.

Geographical location and address of business units/plants

	<b>Purpose</b>	<b>Location</b>	<b>Address</b>
a	Registered Office	Karachi	X-3, Manghopir Road, S.I.T.E, Karachi, Sindh,
b	Lahore Office	Lahore	The Annexe, 36-Industrial Estate, Kot lakh pat, Lahore
c	Islamabad	Islamabad	The Annexe, Plot No. 201, Street No. I, Sector I-10/3, Industrial Area, Islamabad

**2. BASIS OF PREPARATION**

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise such International Financial Reporting Standards (IFRSs) issued by the International Standards Board as are notified, provisions of and directives issued under the Companies Act, 2017. In case requirements differ, the provisions of, or directives issued under the Companies Act, 2017 shall prevail.

The company's balance sheet presented in these financial statements as at June 30, 2021 has been extracted from audited financial statements of the company for the year ended June 30, 2022. The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements as at June 30, 2022.

**3. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies adopted for the preparation of these financial statements are same as those applied in preparation of the annual audited accounts of the company for the year ended June 30, 2022.



#### **4. LONG TERM FINANCE-SECURED**

A term finance facility under the refinance scheme for payment of wages and salaries to the workers and employees of business concerns of State Bank of Pakistan has been obtained for an amount up to Rs. 6 Million for a term of 2.5 years with grace period of 6 months. This facility is sanctioned to finance wages and salaries of permanent ,contractual ,outsourced ,daily wagers.This arrangement is secured against first hypothecation charge of Rs. 107 million over stocks and receivables of the company and additional comfort of first equitable mortgage charge of Rs. 67 million on industry property of the company situated at Plot # X-3, Manghopir Road, S.I.T.E., Karachi. This facility is being repaid in 8 equal quarterly instalments ending on October 2022. It carries markup @ SBP + 3% p.a.The aforementioned facility has been obtained from JS Bank Limited.

#### **5 SHORT TERM BORROWINGS - SECURED**

Company has entered into an agreement with JS Bank Limited for short term running finance facility under mark-up arrangement. This arrangement is secured against first hypothecation charge of Rs. 107 million over stocks and receivables of the company and additional comfort of first equitable mortgage charge of Rs. 67 million on industry property of the company situated at Plot # X-3, Manghopir Road, S.I.T.E., Karachi. The running finance facility carries mark-up of 1 months KIBOR + 2%. Total limit available to the Company is amounting to Rs. 50 million (2022: Rs. 50 million).

#### **6 CONTINGENCIES AND COMMITMENTS**

There is no change in Contingencies and Commitments as reported in March 31, 2023

## 7 TRANSACTIONS WITH RELATED PARTIES

	31-Mar 2023	`31-Mar 2022
	(Rupees in '000)	
<b>Transactions with Berger Paints Pakistan Limited</b>		
Purchases	259,564.04	244,739.00
Toll manufacturing expenses incurred	24,019	24,984
Rental expense and service charges	900	900
Rental income	2,700	2,700
License fee	9	9

## 8 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by the Board of Directors on .....

## 9 GENERAL

Figures have been rounded off to the nearest thousand rupees.