Buxly Paints




2011 ANNUAL REPORT

CONTENTS

COMPANY INFORMATION

Board of Directors:

Mr. Muhammad Naseem	Chairman
Mr. Shamshad Ali	Chief Executive Officer
Mr. H.P. Kotwal	
Mr. Sheikh Ajaz Majid	
Mr. Bashir Ahmed	
Mr. Salman Tarik Kureshi	
Mr. Saeed Mohammad Sheikh	
Mr. Sheikh Asim Rafiq	(NIT Nominee)
Mr. Muhammad Hanif Idrees	(Alternate Director to Mr. Sheikh Ajaz Majid)

Audit Committee:

Mr. H.P. Kotwal	Chairman
Mr. Salman Tarik Kureshi	Member
Mr. Muhammad Hanif Idrees	Member

Company Secretary:

Mr. Mohammad Shabbir

Auditors:

KPMG- Taseer Hadi & Co.
Chartered Accountants

Legal Advisor:

Mr. Laiq Ahmed Khan

Bankers:

Habib Metropolitan Bank Limited
Habib Bank Limited
NIB Bank Limited
National Bank of Pakistan Limited
MCB Bank Limited
Bank Alfalah Limited

Share Registrar:

Noble Computer Services (Pvt.) Ltd.
Mezzanine Floor, House of Habib Building,
(Siddiqsons Tower), 3- Jinnah C.H. Society,
Main Shahrah-e-Faisal, Karachi-75350,
Ph: (92-21) 34325482-87
Fax: (92-21) 34325442

Registered Office:

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

Factory:

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

Web Site Address:

http://www.buxly.com

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 56th Annual General Meeting of the shareholders of Buxly Paints Limited, Karachi will be held at S.I.T.E, Association of Industry Conference Hall, Aiwan-Sanat, H-16, Textile Avenue, S.I.T.E., Karachi- 75700 on Monday, October 25, 2010 at 12:00 noon to transact the following business:

ORDINARY BUSINESS:

1. To confirm the minutes of the 55th Annual General Meeting held on Thursday, February 18, 2010.

2. To receive, consider and approve the Audited Accounts of the Company for the year ended June 30, 2010 together with Directors' and Auditors' Report thereon.

3. To elect seven directors for a period of three years (Subject to the provision of Section 183 of the Companies Ordinance 1984 in respect of NIT Nominee). The retiring Directors viz.(1) Mr. Muhammad Naseem (2) Mr. Shamshad Ali (3) Mr. H.P. Kotwal,(4) Mr. Bashir Ahmed, (5) Mr. Sheikh Ajaz Majid. (6) Mr. Salman Tarik Kureshi and (7) Mr. Saeed Mohammad Sheikh are eligible and offer themselves for re- election.

4. To appoint Auditors for the year ending June 30, 2011 and fix their remuneration. The present auditors M/s. KPMG Taseer Hadi & Co. Chartered Accountants retire and being eligible offer themselves for re-appointment.

SPECIAL BUSINESS:

5. To consider and if thought fit to approve an amount of Rs. 1.300 million (Rupees One million three hundred thousand only) as gross remuneration of the Chief Executive Officer and Directors.

By Order of the Board

Mohammad Shabbir
Company Secretary

Karachi: - September 30 , 2010
Registered office
X-3, Manghopir Road,
S.I.T.E, Karachi.

Note:

1. The Share Transfer Books of the Company will remain closed from Friday, October 15, 2010 to Tuesday, October 26, 2010, both days inclusive. No transfers will be admitted / registered after 1:00 p.m. on Thursday, October 14, 2010.

2. Any member of the Company entitled to attend and vote may appoint a Proxy to attend and vote instead of him/her. Proxies 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 attend and vote at this meeting, must bring his/her CNIC or Passport to prove his / her identity and in case of Proxy must enclose an attested copy of his/her CNIC or Passport. Representative of corporate members should bring the usual documents required for such purpose.

4. Shareholders are requested to notify any change in their addresses immediately to the Share Registrar of the Company.

5. Statement under section 160 (1) (b) of the companies Ordinance 1984 and draft resolution as required under section 164 (1) of the Companies Ordinance 1984 is being sent to the members with this notice.

STATEMENT UNDER SECTION 160(1)(B) OF THE COMPANIES ORDINANCE 1984

Material facts concerning the special business to be transacted at the Annual General Meeting and proposed Resolution under section 164(1) of Companies Ordinance 1984 is mentioned below.

		(Rupees in million)
i.	Gross Remuneration of the Chief Executive Officer for the year ending 30 June 2010.	0.900
ii.	Provision for fee payable to 7 Directors for attending Board and Audit Committee Meetings for the year ending June 30, 2011.	0.400
	Total	**1.300**

A total amount of Rs. 1.3 million (Rupees One million three hundred thousand only) will be proposed as the annual gross remuneration of the Chief Executive Officer and Directors of the Company as detailed above for a period of 1 year and following resolution is now passed.

Resolved that a sum of Rs. 1.3 million (Rupees One million three hundred thousand only) be and is hereby approved as gross remuneration of the Chief Executive Officer and Directors of the Company for a period of 1 year.

DIRECTORS' REPORT TO THE SHARHOLDERS

The Directors are pleased to submit the Annual Report of your Company along with the Audited Accounts and the Auditors' Report thereon for the year ended 30 June 2010. Financial results are as follows:

	2009 (Rupees. in '000')
Financial Results:	
Profit before taxation	2,571
Less: Taxation	-
Profit after Taxation for the year	**2,571**
Less: Loss brought forward	(6,040)
Accumulated Loss	**(3,469)**

1. **Board of Directors**

The Board of Directors currently comprises a non-executive Chairman, Chief Executive Officer and six non-executive Directors.

2. **Board of Directors' Meetings**

During the year 5 meetings of the Board of Directors were held. Details of attendance by each member of the Board are as follows:

Name of Directors			Attendance
Mr. Muhammad Naseem		:	5
Mr. Shamshad Ali		:	5
Mr. H. P. Kotwal		:	5
Mr. Bashir Ahmed		:	4
Mr. Salman Tarik Kureshi		:	5
Mr. Saeed Mohammad Sheikh		:	5
Mr. Sheikh Asim Rafiq	(NIT Nominee)	:	5
Mr. Muhammad Hanif Idrees	(Alternate to Mr. Sheikh Ajaz Majid)	:	3

3. Pattern of Shareholdings

A statement showing the Pattern of shareholding appears on page no. 42

4. Earning per share

Earning / (Loss) per share is Rs. 1.79 [2009: Rs. (6.49)]

5. Auditors

The present auditors M/s. KPMG Taseer Hadi & Co., Chartered Accountants retire and being eligible, offer themselves for re-appointment. On the recommendation of the Audit Committee, the Board has recommended their re-appointment.

6. Impact of flood

Your Company is assessing the impact of devastating flood on its business.

7. Fire Incident.

A fire broke out in Company's regional office at Islamabad on July 05, 2009 destroying finished goods stock and sales records of the region. Necessary insurance claim for the loss was lodged & finally settled.

8. Reasons for non declaring dividend.

The Directors did not recommend any dividend for the year ended June 30, 2010 as the Company has accumulated losses.

9. Corporate and Financial Reporting Framework

The Board of Directors has taken adequate measures for the implementation of the regulations of the Code of Corporate Governance issued by the Security and Exchange Commission of Pakistan.

The Board of Directors confirms compliance with the Corporate and Financial Reporting Framework of the SECP's code of corporate governance of the following:

- i The financial statement, prepared by the management of the Company, present fairly its state of affairs, the result of its operation, cash flows and changes in equity.
- ii Proper Books of account of the Company have been maintained.
- iii Appropriate accounting policies have been consistently applied except for a change as mentioned in note 2.5 in preparation of the financial statements and accounting estimates are based on reasonable and prudent judgment.
- iv International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.
- v The system of internal control is satisfactory and continuous progress is being planned.
- vi There are no significant doubts upon the Company's ability to continue as a going concern.
- vii There has been no material departure from the best practices of corporate governance, as detailed in the listing Regulations.
- viii Key operating and financial data for last six years is annexed at page no. 7.
- x A brief description of outstanding statutory payments on account of taxes is given in the notes to the financial statements.
- xi Value of investment of employees provident fund based on latest audited accounts for the year ended June 30,2010 is Rs. 1,830,664 (2009: Rs. 2,774,344).

Karachi : September 30, 2010

Shamshad Ali
Chief Executive Officer

H.P. Kotwal
Director

KEY FINANCIAL AND OPERATING DATA

	...........Year Ended 30 June						....
	2010	2009	2008	2007	2006	2005	2004
	.... (**Rupees in thousand**) ,						....
				(Restated)			
NET ASSETS							
Fixed Assets (Net)	2,080	2,644	16,496	19,077	21,091	13,043	12,142
Long Term Loans and Deposits	91	180	230	230	180	171	171
Loans to Employees		120	660	702	355	539	-
Deferred Taxation	655	-	508	807	175	1,970	1,547
Net Current Assets	14,098	11,601	12,211	4,115	10,934	29,712	28,844
Total	16,924	14,545	30,105	24,931	32,735	45,435	42,704
FINANCED BY							
Share Capital	14,400	14,400	14,400	14,400	14,400	14,400	14,400
Reserves	2,524	(47)	10,453	4,186	11,606	27,840	23,938
Surplus on Revaluation of Fixed Assets	-	-	4,823	5,578	6,037	2,945	3,108
	16,924	14,353	29,676	24,164	32,043	45,185	41,446
Long Term & Deferred Liabilities	-	192	429	767	692	250	1,258
Total	**16,924**	**14,545**	**30,105**	**24,931**	**32,735**	**45,435**	**42,704**
TURNOVER AND PROFIT							
Turnover	96,036	96,786	137,781	303,257	306,103	265,346	177,629
Profit / (Loss) before tax	2,571	(6,856)	6,679	(6,995)	(12,999)	4,747	4,376
Taxation	-	2,489	825	(884)	(1,582)	(1,008)	(2,837)
Profit / (Loss) after tax	2,571	(9,345)	5,854	(7,879)	(14,581)	3,739	1,539
Dividend	-	-	1,440	-	-	1,800	1,800
EARNING & DIVIDEND							
Earning / (Loss) per Rs. 10 share Rs.	1.79	(6.49)	4.07	(5.47)	(10.13)	2.60	1.07
Dividend per share- Rs.	-	-	1.00	-	-	1.25	1.25

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

This statement is being presented to comply with the code of corporate governance contained in the listing regulations of Karachi and Lahore Stock Exchanges for the purpose of establishing a framework of good governance whereby a company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the code of corporate governance in the following manner.

1. The Board comprises eight directors including the CEO. The Company encourages representation of independent non-executive directors and directors representing minority interests on its Board of Directors. At present the Board includes six independent non-executive directors and a director representing minority shareholders.
2. The Directors have confirmed that none of them is serving as a director in more than ten listed companies including this Company.
3. The Company has prepared a 'Statement of Ethics and Business Practices', which has been signed by all the directors and employees of the Company.
4. No casual vacancy in Board of Directors occurred during the year ended 30 June 2010.
5. All the resident directors of the company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI. None of them is a member of the stock exchanges.
6. The Board has developed a vision/mission statement, and significant policies of the company. A complete record of particulars of significant policies along with the date on which they were approved or amended has been maintained. The corporate strategy of the company has been reviewed and approved by the board along with the annual plan.
7. All the powers of the Board have been duly exercised and decisions on material transactions including appointment and determination of remuneration and terms and conditions of employment of Chief Executive Officer (CEO) have been approved by the Board.
8. The Chairman of the Board has been elected from among the non-executive directors of the Company.

9 All the meetings of the Board were presided over by the Chairman and in his absence by a director elected by the Board present at the meeting for the purpose. The Board meetings were held at least once in every quarter, except in second quarter due to unavoidable circumstances. Written notices of the Board Meeting along-with agenda and working papers were circulated at least seven days before the meetings and the minutes of the meetings were appropriately recorded and circulated.

10 The company has ensured that its directors are fully appraised of their duties and responsibilities.

11 The directors' Report for the year ended June 30, 2010 has been prepared in compliance with the requirements of the code of corporate governance and it fully describes the matters required to be disclosed.

12 The Financial statements of the Company were duly endorsed by CEO and CFO before approval by the Board.

13 The Directors, CEO and Executives do not hold any interest in the shares of the company other than that disclosed in the pattern of shareholding.

14 The related party transactions which were at arm's length have been placed before the audit committee and approved by the board of directors.

15 The Company has complied with all the corporate and financial reporting requirements of the code.

16 The Board has established an Audit Committee. It comprises three members who are non-executive directors including the Chairman of the committee.

17 The meetings of the Audit Committee were held once every quarter except in second quarter due to unavoidable circumstances, prior to the approval of quarterly, half yearly and annual results of the Company as required by the code. The terms of reference of the committee have been framed, approved by the Board and advised to the committee for compliance.

18 The Company has setup an effective internal audit function for the Company.

19 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 that they or any of the partner of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of the Chartered Accountants of Pakistan.

20 The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.

21 We confirm that all other material principles contained in the code have been complied with.

Karachi: October 05, 2010

Shamshad Ali
Chief Executive Officer

REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of Buxly Paints Limited to comply with the listing regulations of the respective Stock Exchanges, where the Company is listed.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code of Corporate Governance and report if it does not. A review is limited primarily to inquiries of the Company personnel and review of various documents prepared by the Company to comply with the Code.

As part of our audit of 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 have not carried out any special review of the internal control system to enable us to express an opinion as to whether the Board's statement on internal control covers all controls and the effectiveness of such internal controls.

Further sub-regulation (xiii) of Listing Regulations 35 (previously Regulation No. 37) notified by the Karachi Stock Exchange (Guarantee) Limited vide circular no. KSE/N-269 dated January 19, 2009 requires the Company to place before the Board of Directors for their consideration and approval related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the audit committee. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the board of directors and placement of such transactions before the audit committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

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 best practices contained in the Code of Corporate Governance as applicable to the Company for the year ended 30 June 2010.

KPMG Taseer Hadi & Co.

KPMG Taseer Hadi & Co.
Chartered Accountants

Karachi: September 30, 2010

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of Buxly Paints Limited ("the Company") as at 30 June 2010 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended 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 our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

a) As stated in our audit report dated 25 January 2010 for the year ended 30 June 2009, we were unable to perform certain audit procedures due to the fact that records of the Company were destroyed as a result of a fire in the factory premises of the Company located in Karachi on 08 April 2009. We had applied verification procedures on the duplicate documentation arranged by the Company, however, due to aforementioned situation we were unable to complete certain audit procedures such as verification of original supports, source documentation, manual amendments to these documents and authorities etc.

b) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;

c) in our opinion:
   i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied except for the changes as described in note 2.5 with which we concur;
   ii) the expenditure incurred during the year was for the purpose of the Company's business; and
   iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;

d) in our opinion and to the best of our information and according to the explanations given to us, except for the effects of the adjustments, if any, as described in paragraph (a) above, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984 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 2010 and of the profit, its cash flows and changes in equity for the year then ended; and

e) in our opinion no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

KPMG Taseer Hadi & Co.

KPMG Taseer Hadi & Co.
Chartered Accountants
(Muhammad Taufiq)

Date: 30 September 2010
Karachi

BALANCE SHEET AS AT 30 JUNE 2010

	Note	2010	2009
		(Rupees in '000')	
ASSETS			
Non current assets			
Property, plant and equipment	4	2,080	2,644
Long term loans and advances	5	655	120
Long term deposits	6	91	180
Deferred taxation	7	-	-
		2,826	2,944
Current assets			
Stock-in-trade	8	19,181	15,973
Trade debts	9	40,545	49,392
Current portion of long term loans and advances	5	172	57
Mark-up receivable		53	-
Advances and deposits	10	11,799	5,346
Prepayments and other receivables	11	3,241	990
Taxation - net		8,984	7,438
Term deposit receipts	12	150	150
Cash and bank balances	13	5,537	4,572
		89,662	83,918
Total assets		92,488	86,862
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised capital			
5,000,000 (2009: 5,000,000) Ordinary shares of Rs.10 each		50,000	50,000
Issued, subscribed and paid-up capital	14	14,400	14,400
Reserves		5,993	5,993
Unappropriated (loss) / profit		(3,469)	(6,040)
		16,924	14,353
Surplus on revaluation of property, plant and equipment	15	-	-
Non-current liabilities			
Liabilities against assets subject to finance lease	16	-	192
Current liabilities			
Current portion of liabilities against assets subject to finance lease	16	-	188
Short term running finance	17	43,780	32,775
Trade and other payables	18	31,719	39,278
Interest and mark-up accrued		65	76
		75,564	72,317
Contingencies and commitments	19		
Total equity and liabilities		92,488	86,862

The annexed notes 1 to 37 form an integral part of these financial statements.

Chief Executive Officer **Director**

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2010

	Note	2010	2009
		(Rupees in '000')	
Sales - net	20	96,036	96,786
Cost of sales	21	(79,591)	(67,712)
Gross profit		16,445	29,074
Distribution and selling expenses	22	(11,171)	(10,417)
Administrative expenses	23	(11,359)	(16,167)
Other expenses	24	(4,707)	(8,158)
		(27,237)	(34,742)
		(10,792)	(5,668)
Other operating income	25	19,665	5,964
		8,873	296
Finance cost	26	(6,045)	(7,152)
Worker's Profit Participation Fund		(141)	-
Worker's Welfare Fund		(116)	-
		(6,302)	(7,152)
Profit / (loss) before tax		2,571	(6,856)
Taxation	27	-	(2,489)
Profit / (loss) for the year		2,571	(9,345)
Earnings / (loss) per share - basic and diluted	28	1.79	(6.49)

The annexed notes 1 to 37 form an integral part of these financial statements.

Chief Executive Officer **Director**

BUXLY PAINTS LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2010

	Note	2010	2009
		(Rupees in '000')	
Profit / (loss) after tax		2,571	(9,345)
Other comprehensive income		-	-
Total comprehensive income / (loss)		2,571	(9,345)

The annexed notes 1 to 37 form an integral part of these financial statements.

Chief Executive Officer **Director**

STATEMENT OF CHANGES IN FINANCIAL POSITION
(CASH FLOW STATEMENT)
FOR THE YEAR ENDED 30 JUNE 2010

	Note	2010	2009
		(Rupees in ‘000’)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in operations	29	(2,223)	(1,679)
Long term deposits		89	50
Income tax paid		(1,546)	(2,537)
Finance cost paid		(5,979)	(7,767)
Staff gratuity paid		-	(11)
Leave encashment paid		-	(1,052)
Long term loans and advances		(650)	762
Net cash used in operating activities		(10,309)	(12,234)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(76)	(7)
Proceeds from sale of property, plant and equipment		802	1,218
Net cash generated from investing activities		726	1,211
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of liabilities against assets subject to finance leases		(457)	(387)
Dividend paid		-	(1,566)
Net cash used in financing activities		(457)	(1,953)
Net decrease in cash and cash equivalents		(10,040)	(12,976)
Cash and cash equivalents at beginning of the year		(28,203)	(15,227)
Cash and cash equivalents at end of the year	30	(38,243)	(28,203)

The annexed notes 1 to 37 form an integral part of these financial statements.

Chief Executive Officer **Director**

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2010

	Issued, Subcribed and paid-up capital	General reserve	Accumulated (Loss/Profit)	Total
	------------------------- (Rupees in 000's)			----------------------
Balance as at 01 July 2008	14,400	5,993	4,460	24,853
Total comprehensive income for the year	-	-	(9,345)	(9,345)
Surplus on revaluation of property, plant and equipment realised on account of incremental depreciation charged thereon	-	-	285	285
Transactions with owners directly recognized in equity Final Dividend for the year ended 30 June 2008	-	-	(1,440)	(1,440)
Balance as at 30 June 2009	14,400	5,993	(6,040)	14,353
Total comprehensive income for the year	-	-	2,571	2,571
Transactions with owners directly recognized in equity	-	-	-	-
Balance as at 30 June 2010	14,400	5,993	(3,469)	16,924

The annexed notes 1 to 37 form an integral part of these financial statements.

Chief Executive Officer **Director**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

1. NATURE AND STATUS OF THE COMPANY

The Company was incorporated in Pakistan in April 1954 as a private limited company under the Companies Act, 1913 (now the Companies Ordinance, 1984) with registered office in Karachi, Sindh and subsequently converted into a public limited company in May 1985. Its shares are listed on the Karachi and Lahore Stock Exchanges. The principal activity of the company is manufacturing and sale of paints, pigments, protective surface coating, varnishes and other related products.

The registered office of the Company is situated at X-3, Manghopir Road, S.I.T.E. Karachi, Pakistan.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions of, or directives issued under the Companies Ordinance, 1984 shall prevail.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except that certain property, plant and equipments have been stated at revalued amount less impairments, if any.

2.3 Functional and presentation currency

These financial statements are presented in Pakistani 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 Use of estimates and judgements

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgements, 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 judgements 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 recognised 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.

Judgements 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 in the next year are discussed in note 34 to these financial statements.

2.5 Change in accounting policies

Starting from 01 July 2009 the Company has changed its accounting policy as follows:

- IAS 1 (Revised) - Presentation of financial statements (effective for annual periods beginning on or after 1 January 2009). The revised standard prohibits the presentation of items of income and expenses (that is, 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity. All non-owner changes in equity are required to be shown in a performance statement, but entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and the statement of comprehensive income). Where entities restate or reclassify comparative information, they are required to present a restated balance sheet as at the beginning of comparative period in addition to the current requirement to present balance sheets at the end of the current period and comparative period.

The Company has opted to present two statements; a profit and loss account (income statement) and a statement of comprehensive income. Comparative information has also been represented so that it is in conformity with the revised standard. As this change only impacts presentation aspects, there is no impact on the earnings per share.

2.6 New approved accounting standards applied

The Company has applied the amendments to IFRS 7 - Improving Disclosures about Financial Instruments, issued in March 2009. The amendment requires enhanced disclosure about fair value measurement and liquidity risk for financial instruments. The application of this standard did not have any significant impact on the company's financial statements.

2.7 New accounting standards and IFRIC interpretations that are not yet effective

The following standards, interpretations and amendments of approved accounting standards are effective for accounting periods beginning on or after 1 July 2010. However, these are not relevant to the Company except in few cases these may require additional disclosures:

Improvements to IFRSs 2009	**Effective date**
- Amendments to IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations	1 January 2010
- Amendments to IFRS 8 - Operating Segments	1 January 2010

Improvements to IFRSs 2009	**Effective date**
- Amendments to IAS 1 - Presentation of Financial Statements	1 January 2010
- Amendments to IAS 7 - Statement of Cash Flows	1 January 2010
- Amendments to IAS 17 - Leases	1 January 2010
- Amendments to IAS 36 - Impairment of Assets	1 January 2010
- Amendments to IFRS 1 - First-time Adoption of International Financial Reporting Standards – Additional Exemptions for First-time Adopters	1 January 2010
- Amendments to IFRS 2 - Share-based Payment – Group Cash-settled Share-based Payment Transactions	1 January 2010
- Amendment to IAS 32 - Financial Instruments: Presentation – Classification of Rights Issues	1 January 2010

Improvements to IFRSs 2009	Effective date
- IFRIC 19 - Extinguishing Financial Liabilities with Equity Instruments	1 July 2010
- Amendment to IFRS 1 - First-time Adoption of International Financial Reporting Standards – Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters	1 July 2010

Improvements to IFRSs 2010

- Amendments to IFRS 3 - Business Combinations	1 July 2010
- Amendments to IAS 27 - Consolidated and Separate Financial Statements	1 July 2010
- IAS 24 - Related Party Disclosures (revised 2009) These amendments will result in increase in disclosures in the Fund's financial statements.	1 January 2011
- Amendments to IFRIC 14 IAS 19 – The Limit on a Defined Benefit Assets, Minimum Funding Requirements and their Interaction	1 January 2011
- Amendments to IFRS 1 - First-time Adoption of IFRSs	1 January 2011
- Amendments to IFRS 7 - Financial Instruments: Disclosures	1 January 2011
- Amendments to IAS 1 - Presentation of Financial Statements	1 January 2011
- Amendments to IAS 34 - Interim Financial Reporting	1 January 2011
- Amendments to IFRIC 13 - Customer Loyalty Programmes	1 January 2011

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Property, plant and equipment

Owned

Property, plant and equipment are measured at cost or revaluation less accumulated depreciation and any identified impairment loss. Cost includes expenditures that are directly attributable to the acquisition of asset. Depreciation on all property, plant and equipment other than computers is charged on the reducing balance method at the rates specified in note 4. Depreciation on computers is charged on straight line method.

Residual values and the useful lives of the assets are reviewed at least at each financial year end and adjusted if impact on depreciation is significant.

Depreciation on additions to property, plant and equipment is charged from the month in which the asset is acquired or capitalised, while no depreciation is charged for the month in which the asset is disposed off.

The Company assesses at each balance sheet date whether there is any indication that property, plant 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 amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognised in income currently. 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 recognised, 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 recognised 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 income 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 recognised as an income or expense.

3.2 Leases

Finance leases

Leases where the Company has substantially all the risks and rewards of ownership are classified as finance leases. At inception, finance leases are capitalised at the lower of present value of minimum lease payments under the lease agreements and the fair value of the asset.

The related rental obligations, net of finance costs, are included in liabilities against assets subject to finance lease as referred to in note 16. The liabilities are classified as current and non-current depending upon the timing of the payment.

Minimum lease payments made under finance leases are apportioned between the finance cost and the reduction of the outstanding liability. The finance cost is allocated to each period during the lease term so as to produce a constant periodic rate of interest.

Assets acquired under a finance lease are depreciated over the estimated useful life of the assets on reducing balance method at the rates mentioned in note 4. Depreciation of leased assets is charged to profit.

Residual values and the useful lives of the assets are reviewed at least at each financial year-end and adjusted if impact of depreciation is significant.

Depreciation on additions to leased assets is charged from the month in which an asset is acquired while no depreciation is charged for the month in which the asset is disposed off.

3.3 Staff retirement benefits

Defined contribution plan

The Company operates an approved 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 basic salary and cost of living allowance.

Defined benefit plan

The company was operating unfunded approved gratuity scheme for all its permanent employees till 31 December 1996. Thereafter the scheme was discontinued and induction of the new employees to the scheme was stopped. The benefit to the existing members of the scheme was restricted to the gratuity payable as at 31 December 1996.

Compensated absences

The company accounts for all accumulated compensated absences when employee render services that increase their entitlement to future compensated absences. Accrual is made for employees compensated absences on the basis of last drawn pay.

3.4 Trade debts and other receivables

Trade debts and other receivables are recognised initially at fair value and subsequently measured at amortised cost using effective interest rate method, if applicable, less provision for impairment losses, if any. A provision for impairment is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables.

Trade debts and other receivables considered irrecoverable are provided / written off.

3.5 Stores and spares

Stores and spares are valued at lower of cost and net realisable value less impairment losses, if any. Cost is determined using weighted average basis.

3.6 Stock in trade

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

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

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

3.7 Revenue recognition

Sale

Revenue from sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred i.e. despatch of goods to the customers.

Royalty income

Royalty income is recognised on an accrual basis in accordance with the substance of the relevant agreement.

Interest Income

Interest income is recognized on a time proportionate basis using effective yield method.

Toll manufacturing income

Revenue under the toll manufacturing agreement is recorded on accrual basis.

Rental income

Rental income is recognised in profit and loss on straight line basis over the term of lease.

Scrap sales

Scrap sales are recognised on receipt basis.

3.8 Cash and cash equivalents

For the purposes of cash flow statement, cash and cash equivalents comprise cash in hand, balances with banks and short term placements readily convertible to known amounts of cash and subject to insignificant risk of changes in value. Cash and cash equivalents also include bank overdrafts and form an integral part of the Company's cash management.

3.9 Taxation

Current

Provision for current taxation is based on taxability of certain income streams of the Company under presumptive / final tax regime at the applicable tax rates and remaining income streams chargeable at current rate of taxation under the normal tax regime after taking into account tax credits and tax rebates available, if any.

Deferred

Deferred taxation is provided, using the balance sheet liability method, in respect of temporary differences between the carrying amounts of assets and liabilities in the unconsolidated financial statements and their tax base. The amount of deferred tax recognised is based on expected manner of realization or settlement of the carrying amount of assets and liabilities using the tax rates enacted or substantively enacted at the balance sheet date.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry forward of unused tax assets and unused tax losses can be utilized.

Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3.10 Borrowings

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

3.11 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 balance sheet date and adjusted to reflect current best estimate.

3.12 Financial assets and liabilities

Company derecognises the financial assets when it ceases to be a party to the contractual provisions of such assets. Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at fair value plus directly attributable transaction costs, if any and subsequently measured at amortised cost using effective interest rate method if applicable, less provision for impairment, if any.

3.13 Offsetting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount is reported in the balance sheet if the Company has a legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis or to realize the asset.

3.14 Trade and other payables

Liabilities for trade and other payables, are initially recognized at fair value, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company and subsequently carried at amortised cost.

3.15 Foreign currencies

All monetary assets and liabilities in foreign currencies are translated into rupees at exchange rates prevailing at the balance sheet 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. Non-monetary assets and liabilities denominated in foreign currency that are stated at fair value are translated into rupees at exchange rates prevailing at the date when fair values are determined. Exchange gains and losses are included in the income currently.

3.16 Dividend

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

3.17 Earning 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 share holders 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 share holders and the weighted average number of ordinary shares outstanding, adjusted for the effects of all dilutive potential ordinary shares.

3.18 Impairment

Financial assets

A financial asset is assessed at each balance sheet date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of the asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of estimated cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. All impairment losses are recognised in profit and loss account.

Non-financial assets

The carrying amount of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount is estimated in order to determine the extent of impairment loss, if any. Impairment losses are recognised as expense in profit and loss account. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

4. PROPERTY, PLANT AND EQUIPMENT

	2010									
	Cost / Revaluation					Accumulated Depreciation				Written down value as on 30 June 2010
	As at 1 July 2009	Additions / Transfers	(Disposals)	As at 30 June 2010	Rate %	As at 1 July 2009	For the Year	(Disposals) / Transfers	As at 30 June 2010	
	(Rupees in '000)					(Rupees in '000)				
Owned										
Leasehold land	1,536	-	-	1,536	-	55	16	-	71	1,465
Plant and Machinery	1,095	-	-	1,095	-	1,095	-	-	1,095	-
Furniture and fixtures	460	-	-	460	10	279	18	-	297	163
Vehicles	914	889	(1,003)	800	20	455	170	(593) 451	483	317
Office equipment	206	50	-	256	10	139	8	-	147	109
Computers	433	26	-	459	33	415	18	-	433	26
	4,644	965	(1,003)	4,606		2,438	230	(593) 451	2,526	2,080
Leased										
Vehicles	889	(889)	-	-		451	-	(451)	-	-
30 June 2010	**5,533**	**76**	**(1,003)**	**4,606**		**2,889**	**230**	**(593)**	**2,526**	**2,080**

	2009										
	Cost / Revaluation						Accumulated Depreciation				Written
	As at 1 July 2008	Additions	Disposals	Disposals due to fire	As at 30 June 2009	Rate %	As at 1 July 2008	For the year / impairment	Disposals due to fire	As at 30 June 2009	down value as on 30 June 2009
	(Rupees in '000)						(Rupees in '000)				
Owned											
Leasehold land	1,536	-	-	-	1,536	-	39	16	-	55	1,481
Factory and office building on Leasehold land	5,671	-	-	(5,671)	-	10	1,077	345	(1,422)	-	-
Plant and Machinery	7,416	-	-	(6,321)	1,095	10	1,934	1,233	(2,072)	1,095	-
Furniture and fixtures	2,280	-	-	(1,820)	460	10	1,287	79	(1,087)	279	181
Vehicles	2,315	-	(1,401)	0	914	20	968	153 (666)	-	455	459
Office equipment	1,027	-	-	(821)	206	10	660	29	(550)	139	67
Factory equipment	1,193	-	-	(1,193)	-	10	677	39	(716)	-	-
Gas, electrical and telephone installation	586	-	-	(586)	-	10	429	12	(441)	-	-
Loose tools	21	-	-	(21)	-	10	21	-	(21)	-	-
Furnace	46	-	-	(46)	-	10	46	-	(46)	-	-
Laboratory equipment	1,839	7	-	(1,846)	-	10	1,307	40	(1,347)	-	-
Computers	2,152	-	-	(1,719)	433	33	1,995	57	(1,637)	415	18
	26,082	7	(1,401)	(20,044)	4,644		10,440	2,003 (666)	(9,339)	2,438	2,206
Leased											
Vehicles	1,388	-		(499)	889	20	534	155	(238)	451	438
30 June 2009	27,470	7	(1,401)	(20,543)	5,533		10,974	2,158 (666)	(9,577)	2,889	2,644

4	Basis of preparation	Note	2010	2009
			(Rupees in '000')	
4.1	Depreciation for the year has been allocated as follows:			
	Cost of sales	21	**-**	810
	Distribution and selling expenses	22	**170**	414
	Administrative expenses	23	**60**	134
			230	1,358

4.2 Disposal of property plant and equipment

Particulars	Sold to	Cost	Accumulated depreciation	Written down value	Sale proceeds	Gain/ (Loss)	Mode of Sale
		Rupees in '000'					
Suzuki Alto	Munir Alam	504	292	212	460	248	By negotiation
Suzuki Alto	Naeem Aijaz	499	301	198	342	144	By negotiation
		1,003	**593**	**410**	**802**	**392**	

5. LONG TERM LOANS AND ADVANCES

- Considered good

	2010	2009
	(Rupees in '000')	
Non - executive employee loans	**836**	642
Written off during the year	**(9)**	(465)
	827	177
Receivable within one year	**(172)**	(57)
	655	120

5.1 This represents interest free loan to employees for the purpose of purchase of motor vehicle. These loans are secured against these motor vehicles and are recoverable in equal monthly instalments.

5.2 These loans have not been discounted to their present values as the financial impact is not material. Maximum aggregate balances due at the end of any month during the year were as follows:

	2010	2009
	(Rupees in '000')	
Non - executive employees	**861**	1,146

6. LONG TERM DEPOSITS

	2010	2009
	(Rupees in '000')	
Lease deposits	**-**	89
Deposits against utilities	**91**	91
	91	180

7. DEFERRED TAXATION

Deferred tax asset available for carry forward is recognised to the extent of the realisation of related tax benefit. The company has not recognised deferred tax assets of Rs 9.361 million (2009 : Rs in 9.748 million) in respect of differences in tax base and accounting base amounting to Rs. 26.745 (2009 : Rs. 27.850 million) as sufficient profits would not be available to set these off in foreseeable future.

8. STOCK-IN-TRADE

	Note	2010	2009
		(Rupees in '000')	
Raw material		**-**	40
Work-in-process	*8.1*	**7,262**	1,291
Finished goods	*8.2*	**14,071**	17,692
		21,333	19,023
Provision against slow moving stocks:			
- Finished goods	*8.3*	**(2,152)**	(3,050)
		19,181	15,973

8.1 Work in process amounting to Rs. 7.262 million (2009: Rs. 1.291 million) is held by Berger Paints Pakistan Limited, a related party, at 30 June 2010.

8.2 Finished goods stock amounting to Rs. 4.707 million was destroyed due to fire at Islamabad region during the month of July 2009. The Company lodged an insurance claim amounting to Rs. 4.707 million which has been finally settled.

8.3 Particulars of provision are as follows:

	2010	2009
Opening balance	**3,050**	497
(Reversal) / Charge for the year	**(898)**	2,553
Closing balance	**2,152**	3,050

9. TRADE DEBTS - unsecured

	Note	2010	2009
		(Rupees in '000')	
Considered good		**40,545**	49,392
Considered doubtful		**28,475**	26,754
		69,020	76,146
Provision against debts considered doubtful	*9.1*	**(28,475)**	(26,754)
		40,545	49,392

9.1 Particulars of provision are as follows:

	2010	2009
	(Rupees in '000')	
Opening balance	**26,754**	20,756
Charge for the year	**5,319**	5,998
	32,073	26,754
Write offs during the year	**(3,598)**	-
Closing balance	**28,475**	26,754

		2010	2009
10.	**ADVANCES AND DEPOSITS**	(Rupees in '000')	
	Advances - considered good		
	- Employees	**96**	149
	Deposits		
	Margin against letters of guarantee	**5,329**	2,119
	Earnest money and tender deposits	**6,328**	3,015
	Central Depository Company of Pakistan Limited	**10**	10
	Suppliers	**36**	36
	Others	**-**	17
		11,703	5,197
		11,799	5,346
11.	**PREPAYMENTS AND OTHER RECEIVABLES**		
	Prepayments		
	Insurance	**152**	146
	Others	**290**	9
		442	155
	Other receivables		
	Sales tax receivable	**3,440**	835
	Written off	**(641)**	-
		2,799	835
		3,241	990

12. These term deposit receipts carrying mark-up at the rates ranging from 9.00% to 9.10% (2009: 9.00% to 9.10%) per annum having maturities upto May 2011.

		2010	2009
13.	**CASH AND BANK BALANCES**		
	In hand	**16**	51
	At banks - in current accounts	**5,521**	4,521
		5,537	4,572

14. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

Number of Shares 2010	Number of Shares 2009		2010 (Rupees in '000')	2009 (Rupees in '000')
1,257,288	1,257,288	Ordinary shares of Rs.10 each fully paid in cash	**12,573**	12,573
82,712	82,712	Ordinary shares of Rs.10 each fully paid for consideration other than cash	**827**	827
100,000	100,000	Ordinary shares of Rs.10 each issued as fully paid bonus shares	**1,000**	1,000
1,440,000	1,440,000		**14,400**	14,400

Issued, subscribed and paid-up capital at the year end included 815,590 (2009: 1,171,299) ordinary shares of Rs. 10 each, held by associated undertakings.

15. SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT

Balance as on 1 July	-	8,479
Surplus eliminated on account of disposal of plant and machinery due to fire	-	(4,018)
Related deferred tax liability	-	(1,405)
	-	(5,423)
Surplus eliminated on account of impairment of plant and machinery	-	(520)
Related deferred tax liability	-	(280)
	-	(800)
Transferred to retained earnings in respect of		
- incremental depreciation charged during the year	-	(285)
- related deferred tax liability	-	(154)
	-	(439)
	-	1,817
Less:		
Related deferred tax liability at beginning of the year	-	3,656
Related deferred tax liability on account of:		
- impairment of property, plant and equipment	-	(280)
- property, plant and equipment destroyed due to fire	-	(1,405)
- incremental depreciation for the year	-	(154)
	-	1,817
Balance as on 30 June	-	-

16. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

	2010			2009		
	Not later than one year	Later than one year but not later than five years	Total	Not later than one year	Later than one year but not later than five years	Total
	(Rupees in '000)					
Minimum lease payments	-	-	-	214	196	410
Finance cost	-	-	-	(26)	(4)	(30)
Principal	-	-	-	188	192	380

17. SHORT TERM RUNNING FINANCE - secured

This represents short term running finance facility of Rs. 45 million (2009: 45 million) obtained from Habib Metropolitan Bank Limited to finance the working capital requirements. The facility carries mark up at the rate of 2.5 percent above three months average KIBOR (2009: 2.5 percent above three months KIBOR), payable quarterly with the floor of 12.5% (2009: 12.5%).

This facility is secured against registered first ranking (pari passu) hypothecation charge over stocks and receivables of the Company, amounting to Rs. 70 million (2009: Rs 70 million) and expires on 30 June 2010. Renewal of this facility is under process.

18. TRADE AND OTHER PAYABLES

	Note	2010	2009
		(Rupees in '000')	
Creditors	*18.1*	**26,864**	32,473
Accrued liabilities			
Accrued expenses		**536**	1,734
Salaries payable		**71**	105
		607	1,839
Unclaimed Dividend		**319**	379
		27,790	34,691
Other liabilities			
Advances from customers		**3,554**	3,268
Unfunded gratuity scheme	*18.2*	**21**	62
Workers' welfare fund		**66**	-
Workers' profit participation fund	*18.3*	**144**	51
Employees' Provident Fund		**12**	45
Commission payable		**114**	1,117
Others	*18.4*	**18**	44
		3,929	4,587
		31,719	39,278

18.1 Included herein is a sum of Rs. 20.523 (2009: Rs. 29.876) million due to Berger Paints Pakistan Limited, a related party.

18.2 With effect from 1 January 1997, the Company discontinued its unfunded staff gratuity scheme for all of its employees. The entitlement for gratuity, which was already earned by the employees at that date, was restricted to the date of discontinuance. Since the total liability payable by the Company has been provided for, actuarial valuation was not carried out.

18.3 Workers' profit participation fund

	2010	2009
	(Rupees in '000')	
Balance as at 1 July	**51**	367
Interest on funds utilised in the Company's business	**-**	45
	51	412
Allocation for the year	**141**	-
Payments made during the year	**(48)**	(361)
Balance as at 30 June	**144**	51

18.4 It includes payables on account of union subscription, EOBI, employee income tax and income tax on commissions.

19. CONTINGENCIES AND COMMITMENT

	2010	2009
	(Rupees in '000')	
Contingencies		
Letter of guarantees	**5,329**	5,661

19.1 These represent guarantees given against supplies to Government departments against their orders and in favour of Collector of Central Excise Department and Customs.

20. SALES - net

	2010	2009
	(Rupees in '000')	
Gross sales	**115,049**	112,562
Sales tax and excise duty	**(15,632)**	(15,355)
	99,417	97,207
Commission and discount	**(3,381)**	(421)
	96,036	96,786

21. COST OF SALES

	2010	2009
	(Rupees in '000')	
Opening Stock		
Raw material	**40**	1,005
Packing material	**-**	220
	40	1,225
Add: Purchases		
Raw material	**75,716**	56,579
Packing material	**7,591**	4,245
	83,307	60,824
	83,347	62,049
Less: Closing stock		
Raw material	**-**	40
Packing material	**-**	-
	-	40
Raw and packing material consumed	**83,347**	62,009
Manufacturing expenses		
Salaries, wages and other benefits	**-**	2,649
Telephone, fax and postage	**-**	11
Rent, rates and taxes	**-**	180
Fuel and power	**-**	1,781
Vehicle running expenses	**-**	16
Repairs and maintenance	**-**	331
Insurance	**-**	202
Depreciation	**-**	810

	2010	2009
	(Rupees in '000')	
Consumable stores	**-**	-
Printing and stationery	**-**	19
Toll manufacturing	**3,301**	2,216
Fees and subscription	**-**	-
Fire fighting expenses	**-**	525
Sundry expenses	**-**	22
	3,301	8,762
Work in process		
Opening stock	**1,291**	4,968
Closing stock	**(7,262)**	(1,291)
Cost of goods manufactured	**80,677**	74,448
Finished goods		
Opening stock	**17,692**	13,571
Less: Destroyed by fire	**(4,707)**	(2,615)
	12,985	10,956
Closing stock	**(14,071)**	(17,692)
	79,591	67,712

22. DISTRIBUTION AND SELLING EXPENSES

	Note	2010	2009
		(Rupees in '000')	
Salaries and other benefits	*22.1*	**7,038**	5,982
Insurance		**60**	227
Rent, rates and taxes		**249**	435
Carriage outward		**1,155**	449
Sample and packing		**23**	393
Advertising and promotional expenses		**577**	1,408
Vehicle running expenses		**102**	586
Travelling and conveyance		**116**	143
Printing and stationery		**160**	44
Postage, telephone and fax		**161**	9
Electricity and gas		**224**	302
Repairs and maintenance		**99**	-
Depreciation	*4.1*	**170**	414
Entertainment and welfare		**267**	8
Fees and subscription		**77**	-
Sundry expenses		**52**	17
Sales tax written off		**641**	-
		11,171	10,417

22.1 Included herein is a sum of Rs. 0.143 million (2009: Rs. 0.162 million) in respect of staff retirement benefits.

23. ADMINISTRATIVE EXPENSES

	Note	2010	2009
		(Rupees in '000')	
Salaries and other benefits	*23.1*	**3,424**	4,472
Directors' fee		**136**	62
Electricity, gas and water		**225**	301
Insurance		**210**	97
Printing and stationery		**363**	247
Postage, telephone and fax		**119**	310
Travelling and conveyance		**193**	58
Auditor's remuneration	*23.2*	**375**	340
Fees and subscription		**132**	124
Legal and Professional fees		**656**	238
Vehicle running expenses		**-**	66
Repairs and maintenance		**124**	185
Depreciation	*4.1*	**60**	134
Provision against debts considered doubtful		**5,319**	5,998
Loans and advances written off		**9**	465
(Reversal) / provision against slow moving stocks		**(898)**	2,553
Entertainment and welfare		**122**	135
Security expenses		**96**	340
Sundry expenses		**383**	42
Miscellaneous fee & taxes		**311**	-
		11,359	16,167

23.1 Included herein is Rs. 0.005 million (2009: Rs. 0.021 million) in respect of staff retirement benefits.

23.2 Auditors' remuneration

	2010	2009
	(Rupees in '000')	
Statutory audit	**250**	200
Half yearly review	**75**	70
Others	**50**	70
	375	340

24. OTHER EXPENSES

	2010	2009
Loss on property, plant and equipment destroyed due to fire	**-**	5,543
Loss on stock in trade destroyed due to fire	**4,707**	2,615
	4,707	8,158

25. OTHER OPERATING INCOME

Financial asset

	2010	2009
Mark-up on term deposit receipts	**53**	-

	Note	2010	2009
		(Rupees in '000')	
Non financial asset			
Gain on sale of property plant and equipment		**392**	483
Sale of scrap		**1,000**	-
Rental income		**-**	360
Royalty income	*25.1*	**1,172**	1,453
Toll manufacturing income		**-**	3,668
Insurance claim received	*25.2*	**17,048**	-
		19,612	5,964
		19,665	5,964

25.1 During 2007 the Company has entered into a royalty agreement with Berger Paints Pakistan Limited, a related party, at a rate of 1 percent of net sales for the use of the Company's brand name.

25.2 This includes insurance claim received amounting to Rs. 12.341 million in respect of property, plant and equipment and stock in trade lodged last year.

26. FINANCE COST

	2010	2009
	(Rupees in '000')	
Finance cost on leases	**77**	70
Mark-up on:		
- Short term running finance	**5,641**	6,542
- Workers' profit participation fund	**-**	45
Bank charges	**327**	495
	6,045	7,152

27. TAXATION

	2010	2009
	(Rupees in '000')	
Current	**1,133**	-
Adjustment of minimum tax paid	**(1,133)**	-
	-	-
Prior years	**-**	296
Deferred	**-**	2,193
	-	2,489

27.1 Current status of tax assessments

The income tax assessments of the Company have been finalised upto and including the tax year 2009 (income year ended 30 June 2009). The return for tax years 2003 to 2009 have been filed under the Universal Self Assessment Scheme which provides that return filed is deemed to be an assessment order. However, these returns (i.e. return for tax years 2005 to 2009) may be selected for detail audit within five years and the Commissioner of Income Tax may amend the assessment in case of objection raised in audit. No return of tax is selected for detail audit.

27.2 Reconciliation of accounting profit and tax expense

	2010	2009
	(Rupees in '000')	
Profit / (loss) before tax	**2,571**	(6,856)
Tax at the enacted tax rate of 35% (2009: 35%)	**900**	(2,400)
Tax effect of items not deductible for tax purpose	**1,695**	6,345
Tax effect of items deductible for tax purpose	**(1,462)**	(874)
Prior year tax	**-**	296
Carry forward of minimum tax paid	**(1,133)**	(878)
	-	2,489

28. EARNING PER SHARE

Basic earnings per share has been computed by dividing net profit for the year after taxation by the weighted average number of shares outstanding during the year. There is no dilutive effect on the basic earnings per share.

	2010	2009
	(Rupees in '000')	
Profit / (loss) for the year after tax	**2,571**	(9,345)
Weighted average number of shares outstanding during the year	**1,440**	1,440
Earning / (loss) per share	**1.79**	(6.49)

29. CASH USED IN OPERATION

		2010	2009
		(Rupees in '000')	
Profit / (loss) before tax		**2,571**	(6,856)
Depreciation		**230**	1,358
Gain on sale of property, plant and equipments		**(392)**	(482)
Financial charges		**6,045**	7,152
Mark-up on term deposit receipts		**(53)**	-
Provision for leave encashment		**-**	1,025
Provision for doubtful debts		**5,319**	5,998
Provision / (reversal) in respect of stock in trade		**(898)**	2,553
Loss on assets destroyed due to fire		**-**	5,543
Working capital changes	*29.1*	**(15,045)**	(17,970)
		(2,223)	(1,679)

29.1 Working capital changes

	2010	2009
(Increase) / decrease in current assets		
Stock-in-trade	**(2,310)**	741
Trade debtors	**3,528**	(9,678)

		2010	2009
		(Rupees in '000')	
Advances and deposits		**(6,453)**	674
Prepayments and other receivables		**(2,251)**	731
Increase / (decrease) in current liabilities			
Creditors and accrued liabilities		**(7,559)**	(10,438)
Cash used in operations		**(15,045)**	(17,970)

30. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise of:

		2010	2009
Cash and bank balances	*13*	**5,537**	4,572
Short term running finance	*17*	**(43,780)**	(32,775)
		(38,243)	(28,203)

31. REMUNERATION OF CHIEF EXECUTIVE AND EXECUTIVES

	2010		2009	
	Chief Executive	**Executive**	Chief Executive	Executive
	-------------	---(Rupees)---	-------------	
Managerial remuneration	**547**	1,311	1,218	1,852
House rent allowance	**245**	496	548	750
Utilities	**54**	110	98	173
Conveyance	**54**	58	49	54
Medical expenses	**-**	58	19	-
Leave passage	**-**	-	383	-
Retirement benefits	**-**	52	13	99
	900	2,085	2,328	2,928
Number of persons	**1**	**2**	2	3

32. PLANT CAPACITY AND PRODUCTION

	2010	2009
	(Rupees in '000')	
Buxly's own production	**-**	59,680
Produced by a related party for Buxly under toll manufacturing agreement	**629,113**	633,219
Produced by Buxly for a related party under toll manufacturing agreement	**-**	1,048,083
	629,113	1,740,982

The capacity of the Company's plant is indeterminable as it is a multi product plant involving varying processes of manufacturing.

33. **RELATED PARTY RELATIONSHIP AND TRANSACTIONS**

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

Sales during the year	**-**	11
Purchase during the year	**74,161**	60,824
Rental income earned during the year	**-**	360
Rental expense and service charges	**960**	-
Toll manufacturing income earned	**-**	3,668
Toll manufacturing expenses incurred	**3,301**	2,216
Due to Berger Paints Pakistan Limited	**20,523**	29,876
Royalty income from Berger Paints Pakistan Limited - (under royalty agreement)	**1,171**	1,453
National Bank of Pakistan - bank deposit	**1**	12

34. **ACCOUNTING ESTIMATES AND JUDGEMENTS**

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

34.1 Income taxes

In making the estimates for income taxes currently payable by the Company the management considers the current income tax law and the decision of appellate authorities on certain issues in the past.

34.2 Stock in trade and stores and spares

The Company reviews the net realisable value of stock in trade and stores and spares to assess any diminution in the respective carrying values. Any change in the estimates in future years might affect the carrying amounts of stock in trade and stores and spares with a corresponding affect on the amortisation charge and impairment. Net realisable value is determined with respect to estimated selling price less estimated expenditures to make the sales.

34.3 Property, plant and equipment

The estimates for revalued amounts, if any, of different classes of property, plant and equipment, are based on valuation performed by external professional valuers and recommendation of technical teams of the Company. Further, the Company reviews the value of the assets for possible impairment on each reporting date basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding affect on the depreciation charge and impairment.

34.4 Trade debts

The Company reviews it's debtors portfolio regularly to assess amount of any provision required against such trade debts.

35. FINANCIAL INSTRUMENTS

The objective of the Company's overall financial risk management is to minimize earnings volatility and provide maximum return to shareholders. The Board of Directors of the Company has overall responsibility for the establishment and oversight of the Company's risk management framework and policies.

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

- Credit risk
- Liquidity risk
- Market risk

Risk Management Framework

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

35.1 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. 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 indicate the relative sensitivity of the Company's performance for developments affecting a particular industry.

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, advances and deposits, trade debts and security deposits.

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 factors. Where considered necessary, advance payments are obtained from certain parties. The management has set a maximum credit period of 60 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 is:

	2010	2009
	(Rupees in '000')	
Long term loans and advances	**655**	120
Long term deposits	**91**	180
Trade debts	**40,545**	49,392
Current portion of long term loans and advances	**172**	57
Mark-up receivable	**53**	-
Advances and deposits	**11,799**	5,346
Cash and bank balances	**5,537**	4,572
	58,852	59,667

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 aging of gross trade debts at the reporting date is:

	2010 (Rupees in '000')		2009 (Rupees in '000')	
	Gross	**Impairment**	**Gross**	**Impairment**
Past due 0 - 30 days	**13,329**	-	2,667	-
Past due 31 - 60 days	**5,410**	-	7,891	-
Past due 61 - 180 days	**4,788**	-	13,469	-
Past due 180 - 365 days	**4,557**	**4,557**	11,996	5,998
Past due 365 days & above	**40,936**	**23,918**	40,123	20,756
	69,020	**28,475**	76,146	26,754

Past due by 365 days & above includes trade debts amounting to Rs. 15.83 million in respect of decorative paints business, which will be collected by Berger Paints Pakistan Limited. Remaining balance was subsequently recovered.

The movement in provision for impairment of trade debts is given in note no. 9.1 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**	
		Short Term	**Long Term**
National Bank of Pakistan Limited	JCR-VIS	A-1+	AAA
Habib Bank Limited	JCR-VIS	A-1+	AA+
MCB Bank Limited	PACRA	A1+	AA+
NIB Bank Limited	PACRA	A1+	AA-
Bank Alfalah Limited	PACRA	A1+	AA
Bank Al-Habib Limited	PACRA	A1+	AA+
Habib Metropolitan Bank Limited	PACRA	A1+	AA+
Faysal Bank Limited	JCR-VIS	A-1+	AA

Concentration of credit risk

Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their abilities to meet contractual obligation to be similarly effected by the changes in economic, political or other conditions. The Company believes that it is not exposed to major concentration of credit risk.

35.2 Liquidity risk

Liquidity risk 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 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 balance sheet date to the contractual maturity date.

	2010				
	Carrying Amount	**Contractual cashflows**	**Three months or less**	**Three months to one year**	**More than one year**
Non-derivative financial liabilities	--------------------------------(Rupees in '000)--------------------------------				
Liabilities against assets subject to finance lease	**-**	**-**	**-**	**-**	**-**
Short term running finance	**43,780**	**(45,476)**	**(45,476)**	**-**	**-**
Trade and other payables	**31,719**	**(31,719)**	**(31,719)**	**-**	**-**
	75,499	**(77,195)**	**(77,195)**	**-**	**-**

	2009				
	Carrying Amount	Contractual cashflows	Three months or less	Three months to one year	More than one year
Non-derivative financial liabilities	--------------------------------(Rupees in '000)--------------------------------				
Liabilities against assets subject to finance lease	380	(410)	(410)	-	-
Short term running finance	32,775	(34,250)	(34,250)	-	-
Trade and other payables	39,278	(39,278)	(39,278)	-	-
	72,433	(73,938)	(73,938)	-	-

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 having credit line available as at 30 June 2010 as specified in note 17 to these financial statements.

The contractual cash flows relating to the above financial liabilities have been determined on the basis of mark-up rates effective as at 30 June 2010 as disclosed in note 35.3.2 to these financial statements.

35.3 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.

35.3.1 Currency risk

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

35.3.2 Interest rate risk

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

	2010	2009	**2010**	2009
	Effective Rate (in percentage)		**Carrying Amont (Rupees in '000)**	
Financial assets				
Fixed rate instruments:				
Term deposit receipts	**9.0 to 9.1**	9.0 to 9.1	**150**	150
Financial liabilities				
Fixed rate instruments:				
Liabilities against assets subject to finance lease	-	12.04 to 16	**-**	380
Variable rate instruments:				
Short term running finance	**14.84 to 15.5**	15.26 to 18.5	**43,780**	32,775

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 and loss. Therefore a change in interest rates at the reporting date would not affect profit and loss account.

Cash flow sensitivity analysis for variable rate instruments
A change of 1% in interest rates at the reporting date would have increased / (decreased) profit for the year by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 2009.

	Profit & Loss 100 bps	
	Increase	Decrease
	(Rupees in '000')	
As at 30 June 2010	**(436)**	**436**
As at 30 June 2009	(330)	330

The sensitivity analysis prepared is not necessarily indicative of the effects on loss for the year and assets / liabilities of the Company.

35.3.3 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 price risk.

35.4 Fair value of financial instruments

The carrying values of the financial assets and financial liabilities approximate 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.

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 share holders 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. DATE OF AUTHORISATION

These financial statements were authorised for issue by the Board of Directors of the Company in their meeting held on 30 September 2010.

Chief Executive Officer **Director**

PATTERN OF SHAREHOLDINGS AS AT 30 JUNE 2010

NUMBER OF SHAREHOLDERS	SHARE HOLDINGS			NO. OF SHARES HELD
298	1	-	100	18,177
172	101	-	500	42,819
39	501	-	1,000	32,175
21	1,001	-	5,000	58,440
4	5,001	-	10,000	34,698
1	10,001	-	15,000	11,500
1	25,001	-	30,000	25,974
1	35,001	-	40,000	75,339
2	40,001	-	45,000	44,100
1	105,001	-	110,000	105,970
1	175,001	-	180,000	175,218
1	270,001	-	275,000	273,600
1	540,001		545,000	541,990
543				1,440,000

CATEGORIES OF SHAREHOLDERS	NO. OF SHAREHOLDERS	SHARES HELD	PERCENTAGE
1. Individulas	527	271,432	18.85%
2. Joint Stock Companies	4	274,810	19.08%
3. Modaraba Companies	4	63,967	4.44%
4. Financial Institutions	3	285,801	19.85%
5. Directors	4	2,000	0.14%
6. Foreign Investors Slotrapid Limited, BVI	1	541,990	37.64%
Total	**543**	**1,440,000**	**100.00%**

INVESTMENT COMPANIES:	
1. Investment Corporation of Pakistan	100
MODARABA:	
1. Firs UDL Modaraba	500
SHAREHOLDERS HOLDING 10% OR MORE VOTING INTEREST:	
1. National Bank of Pakistan - Trusee NI (U) T Fund	175,218
2. Berger Paints Pakistan Limited	273,600
3. Slotrapaid Limited, BVI	541,990
DIRECTORS AND THEIR SPOUSES:	
1. Mr.H.P.Kotwal	500
2. Mr.Sheikh Ajaz Majid	500
3. Mr.Bashir Ahmed	500
4. Mr.Salman Tarik Kureshi	500
	2,000

There was no trade during the year in the shares of the company by any **Director,CEO,CFO,** Company Secretry and their spouse and minor children.

The Secretary
Buxly Paints Limited
X/3, S.I.T.E.,
Manghopir Road,
Karachi-75700, Pakistan

FORM OF PROXY

I/We ____

of ____________________________________ in the district of _______________________________

being a member of Buxly Paints Limited and holder of ______________________________________
(No. of Shares)

Ordinary Shares as per Share Register folio No. ______________ and/or CDC Participant I.D. No. _____________

and Sub Account No. ___________________ hereby appoint ____________________________________

of __________________________________ in the district of _________________________________or

failing him ____________________________________ of _________________________________

as my/our proxy to vote for me/us and on my/our behalf at the fifty-sixth Annual General Meeting of the Company to be held on 25th October 2010 and at any adjournment thereof.

Signed this ___________ day of __________2010

Witnesses:
1. Signature ________________________

Name ________________________

Address ________________________

CNIC No. or
Passport No. ________________________

2. Signature ________________________

Name ________________________

Address ________________________

CNIC No. or
Passport No. ________________________

Signature on
Rs. 5/-
Revenue Stamp

(Signature should agree with the specimen signature registered with the Company)

Note:

a. This Proxy form, duly completed and signed, must be received at the Registered Office of the Company, X/3, Manghopir Road, SITE, Karachi, not less than 48 hours before the time of holding the meeting.
b. No person shall act as proxy unless he himself is a member of the Company, except that a corporation may appoint a person who is not a member.
c. If a member appoints more than one proxy and more than one instruments of proxy are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.
d. CDC shareholders and their proxies must each attach an attested photocopy of their Computerized National Identity Card or Passport with this proxy form.

Adding Value & Protection

Buxly has been manufacturing superior quality paints since 1933.The company's focus on quality and durability through constant research and development have kept the Buxly name synonymous with customer's trust, generation after generation.

Today, Buxly offers a comprehensive range of products. From preparatory materials to finishing products for regular painting needs for buildings, industries and for extreme conditions and very specialized applications.

When you buy Buxly, you buy excellnce in protective and decorative finishes.

Buxly's - commitment to excellence in quality

- Extensive product Research & Development.
- Trained and dedicated professional staff.
- Emphasis on modern Quality Control techniques.

Design & Printed By:
Hyder Printers Tel: 92-21-36619228 email: hyderinfo@yahoo.com