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DYNEA PAKISTAN LIMITED

**Condensed Interim Financial Statements
for the Nine Months Ended March 31, 2021
(Un-Audited)**

DYNEA PAKISTAN LIMITED

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DYNEA PAKISTAN LIMITED

COMPANY INFORMATION

Board of Directors :

Dr. Donald Jenkin *Chairman*
Mr. Shabbir Abbas *Chief Executive Officer*
Mr. Ameen Mohammad Bandukda
Ms. Anam Fatima Khan
Mr. Adnan Afridi
Mr. Andalib Alavi
Mr. Murtaza Lalan

Audit Committee :

Mr. Adnan Afridi *Chairman*
Dr. Donald Jenkin *Member*
Mr. Andalib Alavi *Member*

Human Resource and Remuneration Committee :

Mr. Andalib Alavi *Chairman*
Dr. Donald Jenkin *Member*
Mr. Ameen Mohammad Bandukda *Member*
Ms. Anam Fatima Khan *Member*

Chief Financial Officer :

Mr. Muhammad Shakeel Uddin

Company Secretary :

Mr. Saqib Naim

Head of Internal Audit :

Mr. Mujtaba Hassan Ghanchi

Bankers :

M/s. Habib Bank Limited
M/s. Habib Metropolitan Bank Limited
M/s. MCB Bank Limited
M/s. Standard Chartered Bank (Pakistan) Limited
M/s. United Bank Limited
M/s. Dubai Islamic Bank Pakistan Limited
M/s. National Bank of Pakistan
M/s. Allied Bank Limited
M/s. Bank Al-Falah Limited
M/s. Meezan Bank Limited

Auditors :

M/s. EY Ford Rhodes
Chartered Accountants

Legal Advisors :

M/s. Zahid & Tariq Advocates

Share Registrar :

FAMCO Associates (Pvt) Ltd
Management Consultants & Share Registrars
8-F, Next to Hotel Faran Nursery, Block - 6,
P.E.C.H.S, Shahra-e-Faisal, Karachi.
Ph: (92-21) 34380101-5, 34384621-3 (Ext. 103)
Fax: (92-21) 34380106

Registered Office :

Office No.406, Parsa Tower, Plot No.31/1/A,
Block-6. P.E.C.H.S., Shahrah-e-Faisal,
Karachi.75400
Ph: (92-21) 34520132 - 35
Fax: (92-21) 34392182

Factories :

1) Hub Unit
A101 - A105, A132 - A136,
Hub Industrial Trading Estate,
Hub Chowki, Distt. Lasbella, Balochistan.
Ph: (92-853) 363706 - 09
Fax: (92-853) 363907

2) Gadoon Unit
34-A, 34-B, 35 and 38-A, Road-3,
Industrial Estate, Gadoon Amazai,
District Swabi, Khyber Pakhtunkhwa.
Ph: (92-938) 270150 - 52
Fax: (92-938) 270246

DYNEA PAKISTAN LIMITED

DIRECTORS' REPORT

FOR THE NINE MONTHS ENDED MARCH 31, 2021

The Directors of your Company are pleased to present this report along with the unaudited financial results for the third quarter and nine months ended March 31, 2021.

During the nine months ended March 31, 2021, the Company earned a profit before tax of Rs. 1,100.75 million and an after tax profit of Rs.784.10 million compared to the profit before tax of Rs.360.68 million and after tax profit of Rs.254.95 million during the corresponding period last year. The basic and diluted earnings per share increased from Rs.13.51 to Rs.41.55.

Resin Division

The Resin Division generated sales revenue of Rs. 1,944.21 million compared to Rs. 1,566.58 million achieved during the same period last year, showing an increase of 24.11%. The Resin Division result was Rs.350.12 million compared to Rs.158.48 million for the corresponding period of the last financial year.

Moulding Compound Division

The Moulding Compound Division generated sales revenue of Rs. 3,234.55 million compared to Rs. 2,194.39 million achieved during the same period last year, showing an increase of 47.40%. The Moulding Compound Division result was Rs.944.72 million compared to Rs.380.51 million for the corresponding period of the last financial year.

Future Outlook

The COVID-19 third wave may affect sales in the fourth quarter of the financial year. However, Inflation and interest rates are falling, the current account deficit is under control and foreign exchange reserves are growing, which are positive signs for the economy. The company has weathered the Covid storm successfully to date and it has a positive outlook to ensure continued growth.

The costs of many imported raw materials have increased significantly, in part due to an increase in shipping costs caused by a shortage of containers. The company is monitoring the situation and it has in place a strategy to ensure adequate raw material stocks for the smooth running of operations.

The recent expansion of moulding compound capacity at Gadoon has been successfully implemented. The constant drive to reduce costs by increased efficiencies will continue and the Company hopes that further debottlenecking will maintain this forward momentum.

Vend Fee and Permit Fee Case

In December 2019, The Government of Sindh filed a notice that the Department would not press the instant and connected appeals in place at that time, and that a fresh demand would be raised based on the notification dated 14 February 2002 and the Sindh (Amendment) Abkari Ordinance 2002, notified on 30 October 2002. Additionally, the Department would surrender the demand secured by Indemnity Bonds for the period 1990 up to October 2002.

The Supreme Court accepted the withdrawal on those terms. To date, no new demand has been received by the Company. If and when the Company receives a fresh demand from the Department, the Company intends to approach the relevant Court of Justice to defend the case. The Company expects, based on the view of the legal advisor and the merit of the case, that the decision will be in the favour of the Company. Accordingly, no provision for any liability has been made in these condensed interim financial statements. The management is confident that the Company will be able to continue as a going concern.

Acknowledgement

In conclusion the Directors of the Company would like to thank the Almighty Allah for all his blessings in these challenging times. We wish to convey our appreciation to our shareholders, customers, financial institutions and other stakeholders for their continued support and the confidence that they have shown in the Company.

On behalf of the Board



Shabbir Abbas
Chief Executive Officer

Karachi, April 26, 2021.





Anam Fatima Khan
Director


DYNEA PAKISTAN LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

	31 March 2021 (Un-audited)	30 June 2020 (Audited)
Note	(Rupees in '000)	
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	604,312	414,796
Long-term loans	181	151
Long-term deposits	7,195	6,674
Deferred taxation - net	16,403	57,593
	628,091	479,214
CURRENT ASSETS		
Stores and spares	20,578	18,828
Stock-in-trade	1,092,062	698,834
Trade debts	1,055,189	788,497
Loans and advances	50,837	22,918
Trade deposits and short-term prepayments	3,832	4,030
Accrued markup	-	480
Other receivables	-	2,072
Taxation - net	-	7,288
Cash and bank balances	514,136	323,719
	2,736,634	1,866,666
TOTAL ASSETS	3,364,725	2,345,880
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorised share capital 40,000,000 (June 30, 2020: 40,000,000) ordinary shares of Rs.5/- each	200,000	200,000
Issued, subscribed and paid-up capital	94,362	94,362
Revenue reserves	2,133,092	1,490,534
	2,227,454	1,584,896
NON-CURRENT LIABILITIES		
Long-term financing	167,106	140,625
Lease liabilities	6,724	5,152
	173,830	145,777
CURRENT LIABILITIES		
Trade and other payables	773,308	485,191
Accrued mark-up	1,624	4,593
Short-term running finance	6,306	-
Current portion of long-term financing	112,500	112,500
Current portion of lease liabilities	5,871	7,473
Taxation - net	57,348	-
Unclaimed dividend	6,484	5,450
	963,441	615,207
CONTINGENCIES AND COMMITMENTS		
	3,364,725	2,345,880

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.


SHABBIR ABBAS
Chief Executive Officer



ANAM FATIMA KHAN
Director


SHAKEEL UDDIN
Chief Financial Officer

DYNEA PAKISTAN LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE NINE MONTHS ENDED 31 MARCH 2021
(UN-AUDITED)

	Nine months ended		Quarter ended	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	(Rupees in '000)		(Rupees in '000)	
Turnover - net	5,178,753	3,760,967	1,953,275	1,336,613
Cost of sales	(3,875,917)	(3,079,201)	(1,477,578)	(1,043,265)
Gross profit	1,302,836	681,766	475,697	293,348
Distribution costs	(159,740)	(117,616)	(51,730)	(43,923)
Administrative expenses	(99,208)	(78,886)	(33,523)	(26,077)
Reversal of allowance / (allowance) for expected credit loss	124,251	(49,867)	12,211	(3,526)
	(134,697)	(246,369)	(73,042)	(73,526)
Other income	27,859	6,674	13,114	3,303
Operating profit	1,195,998	442,071	415,769	223,125
Finance costs	(16,522)	(45,788)	(5,158)	(11,735)
Other charges	(78,729)	(35,604)	(27,444)	(23,380)
	(95,251)	(81,392)	(32,602)	(35,115)
Profit before taxation	1,100,747	360,679	383,167	188,010
Taxation				
- current	(277,529)	(132,400)	(97,131)	(59,154)
- prior	2,073	(3,171)	1,562	(3,255)
- deferred	(41,190)	29,845	(13,180)	7,079
	(316,646)	(105,726)	(108,749)	(55,330)
Net profit for the period	784,101	254,953	274,418	132,680
Basic and diluted earnings per share	41.55	13.51	14.54	7.03

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.


SHABBIR ABBAS
Chief Executive Officer


ANAM FATIMA KHAN
Director


SHAKEEL UDDIN
Chief Financial Officer

DYNEA PAKISTAN LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS ENDED 31 MARCH 2021
(UN-AUDITED)

	Nine months ended		Quarter ended	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
 (Rupees in '000) (Rupees in '000)	
Net profit for the period	784,101	254,953	274,418	132,680
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>784,101</u>	<u>254,953</u>	<u>274,418</u>	<u>132,680</u>

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.


SHABBIR ABBAS
 Chief Executive Officer


ANAM FATIMA KHAN
 Director


SHAKEEL UDDIN
 Chief Financial Officer

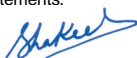
DYNEA PAKISTAN LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED 31 MARCH 2021
(UN-AUDITED)

	31 March 2021	31 March 2020
Note	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	1,100,747	360,679
Adjustments for non-cash and other items		
Depreciation and amortisation	76,711	97,119
(Reversal of allowance) / allowance		
for expected credit loss	(124,251)	49,867
Finance costs	16,522	45,788
Gain on disposal of operating fixed assets	(2,818)	(2,961)
	(33,836)	189,813
	1,066,911	550,492
Decrease / (Increase) in current assets		
Stores and spares	(1,750)	4,441
Stock-in-trade	(393,228)	(140,368)
Trade debts	(142,441)	(151,863)
Loans and advances	(27,919)	19,468
Trade deposits and short-term prepayments	198	3,542
Accrued markup	480	257
Other receivables	2,072	-
	(562,588)	(264,523)
Increase in current liabilities		
Trade and other payables	289,151	231,556
	793,474	517,525
Finance cost paid	(19,491)	(52,509)
Income tax paid	(210,821)	(73,419)
Long-term loans and deposits - net	(551)	(46)
Net cash generated from operating activities	562,611	391,551
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditures	(260,465)	(35,011)
Proceeds from disposals of operating fixed assets	6,121	3,008
Net cash used in investing activities	(254,344)	(32,003)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long-term financing availed / (repaid) - net	26,481	(84,375)
Lease rentals paid	(9,094)	(4,430)
Dividend paid	(141,543)	(47,181)
Net cash used in financing activities	(124,156)	(135,986)
Net increase in cash and cash equivalents	184,111	223,562
Cash and cash equivalents at the beginning of period	323,719	(173,012)
Cash and cash equivalents at the end of period	507,830	50,550
CASH AND CASH EQUIVALENTS		
Cash and bank balances	514,136	60,603
Short-term running finance	(6,306)	(10,053)
	507,830	50,550

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.


SHABBIR ABBAS
Chief Executive Officer



ANAM FATIMA KHAN
Director


SHAKEEL UDDIN
Chief Financial Officer

DYNEA PAKISTAN LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED 31 MARCH 2021

	Issued, subscribed and paid-up capital	Revenue reserves			Total
		General reserve	Unappropriated profit	Total	
(Rupees in '000)					
Balance as at 30 June 2019	94,362	991,000	293,366	1,284,366	1,378,728
Final dividend for the year ended 30 June 2019 @ Rs. 2.50 per share	-	-	(47,181)	(47,181)	(47,181)
Transferred to general reserve	-	150,000	(150,000)	-	-
Net profit for the period	-	-	254,953	254,953	254,953
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	254,953	254,953	254,953
Balance as at 31 March 2020 (un-audited)	<u>94,362</u>	<u>1,141,000</u>	<u>351,138</u>	<u>1,492,138</u>	<u>1,586,500</u>
Balance as at 30 June 2020	94,362	1,141,000	349,534	1,490,534	1,584,896
Final dividend for the year ended 30 June 2020 @ Rs. 5.00 per share	-	-	(94,362)	(94,362)	(94,362)
Interim dividend for the half year ended 31 December 2020 @ Rs. 2.50 per share	-	-	(47,181)	(47,181)	(47,181)
Transferred to general reserve	-	200,000	(200,000)	-	-
Net profit for the period	-	-	784,101	784,101	784,101
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	784,101	784,101	784,101
Balance as at 31 March 2021 (un-audited)	<u>94,362</u>	<u>1,341,000</u>	<u>792,092</u>	<u>2,133,092</u>	<u>2,227,454</u>

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.


SHABBIR ABBAS
 Chief Executive Officer


ANAM FATIMA KHAN
 Director


SHAKEEL UDDIN
 Chief Financial Officer

DYNEA PAKISTAN LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 31 MARCH 2021

1. THE COMPANY AND ITS OPERATIONS

Dynea Pakistan Limited (the Company) was incorporated on June 20, 1982, in Pakistan as a public limited company and is listed on Pakistan Stock Exchange Limited. It is engaged in the manufacture and sale of formaldehyde, urea / melamine formaldehyde and moulding compounds. The registered office of the Company is situated at Office No. 406, Parsa Tower, Plot No. 31/1/A, Block-6, P.E.C.H.S, Shahrah-e-Faisal, Karachi, Pakistan.

2. BASIS OF PREPARATION

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 These condensed interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended 30 June 2020.

2.3 These condensed interim financial statements is presented in Pakistan Rupees which is the Company's functional and presentation currency.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 30 June 2020 except for the adoption of new standards, amendments and interpretation of International Financial Reporting Standards (IFRSs) as disclosed in note 4 to these condensed interim financial statements.

4. ADOPTION OF AMENDMENTS TO ACCOUNTING STANDARDS AND FRAMEWORK FOR FINANCIAL REPORTING EFFECTIVE DURING THE PERIOD

The Company has adopted the following amendments to International Financial Reporting Standards (IFRSs) and framework for financial reporting which became effective for the current period:

IFRS 3 - Definition of a Business (Amendments);
IFRS 9 / IAS 39 / IFRS 7 - Interest Rate Benchmark Reform (Amendments); and
IAS 1 / IAS 8 - Definition of Material (Amendments).

The IASB has also issued the revised Conceptual Framework for Financial Reporting (the Conceptual Framework) in March 2018 which is effective for annual periods beginning on or after 01 January 2020 for preparers of financial statements who develop accounting policies based on the Conceptual Framework. The revised Conceptual Framework is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist IASB in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

The adoption of the said amendments and framework did not have any material impact on the Company's condensed interim financial statements.

5. ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these condensed interim financial statements in conformity with approved accounting standards, as applicable in Pakistan requires the management to make estimates, assumptions and use judgments that affect the application of policies and the reported amount of assets and liabilities and income and expenses.

Judgements and estimates made by the management in the preparation of these condensed interim financial statements are same as those applied in the Company's annual financial statements for the year ended 30 June 2020, except for those disclosed in note 4 to these condensed interim financial statements, if any.

	Note	31 March 2021 (Un-audited)	30 June 2020 (Audited)
..... (Rupees in '000)			
6. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	6.1	565,840	388,658
Right of use asset		16,105	14,787
Capital work-in-progress	6.2	22,367	11,351
		<u>604,312</u>	<u>414,796</u>

6.1 The following additions and deletions were made in operating fixed assets during the period:

	Additions at cost		Deletions at book value	
	31 March 2021 (Un-audited)	31 March 2020 (Un-audited)	31 March 2021 (Un-audited)	31 March 2020 (Un-audited)
..... (Rupees in '000)				
Additions - at cost				
Building on leasehold land	61,968	-	-	-
Plant and machinery	151,030	23,541	-	-
Computer and accessories	1,549	415	54	-
Office Equipment	1,816	-	-	-
Furniture and fittings	126	-	-	-
Electrical Installations	21,047	-	-	-
Motor vehicles*	16,454	175	3,249	47
	<u>253,990</u>	<u>24,131</u>	<u>3,303</u>	<u>47</u>

* Two vehicles has been transferred from right of use asset to operating fixed assets.

	Note	31 March 2021 (Un-audited)	30 June 2020 (Audited)
..... (Rupees in '000)			
6.2 Movements in capital work-in-progress is as follows:			
Balance at beginning of the period / year		11,351	250
Capital expenditures incurred during the period / year		241,250	28,882
Transferred to operating fixed assets during the period / year		(230,234)	(17,781)
Balance at end of the period / year		<u>22,367</u>	<u>11,351</u>
7. STOCK-IN-TRADE			
Raw material:			
In hand		602,589	472,914
In bonded warehouse		28,512	38,198
In transit		389,230	140,507
		<u>1,020,331</u>	<u>651,619</u>
Packing material		9,887	7,223
Finished goods		61,844	39,992
		<u>1,092,062</u>	<u>698,834</u>
8. TRADE DEBTS - unsecured			
Considered good		1,055,189	788,497
Considered doubtful		59,912	184,163
		<u>1,115,101</u>	<u>972,660</u>
Allowance for expected credit loss	8.1	(59,912)	(184,163)
		<u>1,055,189</u>	<u>788,497</u>

	Note	31 March 2021 (Un-audited)	30 June 2020 (Audited)
..... (Rupees in '000)			
8.1	Movement of allowance for expected credit loss:		
	Balance at beginning of the period	184,163	88,572
	(Reversed) / charged during the period	(124,251)	95,591
	Balance at end of the period	<u>59,912</u>	<u>184,163</u>
9.	LONG-TERM FINANCING - secured		
	Long-term financing - I	9.1 168,750	253,125
	Temporary Economic Refinance Facility (TERF)	9.2 110,856	-
	Current portion of long-term financing	(112,500)	(112,500)
		<u>167,106</u>	<u>140,625</u>

9.1 Represents utilized portion of long-term finance facility obtained from a commercial bank amounting to Rs. 500 million (June 30, 2020: Rs. 500 million). The facility carries a mark-up at the rate of three months' KIBOR plus 0.35% (June 30, 2020: three months' KIBOR plus 0.35%) per annum. The loan is repayable in sixteen equal quarterly installments commenced from November 2018 and is secured against equitable mortgage and hypothecation of the Company's operating fixed assets.

9.2 Represents facility obtained from a commercial bank for import of plant and machinery under SBP's scheme of TERF amounting to Rs. 150 million (June 30, 2020: Rs. Nil). This carry mark-up at the rate of 1% base rate plus 0.75% spread (June 30, 2020: Nil) per annum. The principal portion of the loan is repayable in sixteen equal quarterly installments commencing from February 2022 and is secured against first charge, hypothecation charge and equitable mortgage over the Company's operating fixed assets.

10. SHORT-TERM RUNNING FINANCE - secured

Represents utilized portion of running finance facilities obtained from various commercial banks amounting to Rs. 750 million (June 30, 2020: Rs. 750 million). These facilities are secured by joint / first pari passu hypothecation of stores and spares, stock in trade and trade debts of the Company. The rate of mark-up on these facilities are based on one month KIBOR to six months' KIBOR as bench mark rate plus 0.50% to 0.75% as spread (June 30, 2020: one month KIBOR to six months' KIBOR as bench mark rate plus 0.50% to 0.75% as spread) per annum and mark-up is payable quarterly. As at the reporting date, the unutilized portion of short-term running finance facility is amounting to Rs. 744 million (June 30, 2020: Rs. 750 million).

The facilities for foreign currency import financing obtained from various commercial banks amounting to Rs 100 million (June 30, 2020: Rs. 100 million) remained unutilized at the reporting date.

11. CONTINGENCIES AND COMMITMENTS

11.1 Contingencies

The Excise and Taxation Department, Government of Sindh (the Department) imposed, vend and permit fee on methanol, a major raw material used by the Company in the production of formaldehyde. The Company filed a petition against the imposition of these levies in the Honorable High Court of Sindh (HCS) in August 1996. In June 2001, the Honorable HCS decided the case in the favor of the Company. However, the Department filed an appeal in the Honorable Supreme Court of Pakistan (SCP) against the above judgement. The Honorable SCP suspended the decision of the Honorable HCS and reverted the case back to the Honorable HCS for fresh hearing. In March 2003, the Honorable HCS once again decided the case in favor of the Company. The Department once again filed an appeal before the Honorable SCP.

In December 2019, The Government of Sindh filed an application that the Department does not press the instant and connected appeals, and that a fresh demand shall be raised following the notification dated 14 February 2002 and Sindh (Amendment) Abkari Ordinance 2002 notified on 30 October 2002. In addition to that the Department would surrender the demand secured by Indemnity Bonds for the period 1990 up to October 2002.

As of the reporting date, no fresh demand has yet been received from the Department against Vend and Permit fee amounting to Rs. 1,383.93 million (June 30, 2020: Rs. 1,257.84 million) on the basis of consumption of methanol by the Company since November 2002.

Upon the receipt of the fresh demand from the Department, the Company intends to approach the relevant Court of Justice to defend the case. The Company expects, based on the view of the legal advisor and the merit of the case, that the Company has strong grounds to challenge such a demand and its challenge is likely to succeed. Accordingly, no provision for any liability has been made in these condensed interim financial statements. The management is confident that the Company will be able to continue as a going concern.

The consignment is being released by paying Rs. 3/= cash per bulk gallon and indemnity bond of Rs. 14/= per bulk gallon under protest.

	31 March 2021 (Un-audited)	30 June 2020 (Audited)
	(Rupees in '000)	
11.2 Commitments		
11.2.1 Outstanding bank guarantees	23,884	23,884
11.2.2 Outstanding letter of credits	450,612	158,236
11.2.3 Commitment for capital expenditure	15,579	9,400

12. OPERATING SEGMENT INFORMATION

For management purposes, the Company is organized into business units based on their products and has two reportable operating segments as follows:

- The resin division produces urea/ melamine formaldehyde and formaldehyde; and
- The moulding compound division produces urea/ melamine formaldehyde moulding compound and melamine glazing powder

12.1 Segment wise operating result for nine months ended (Un-audited):

	31 March 2021			31 March 2020		
	Resin division	Moulding compound division	Total	Resin division	Moulding compound division	Total
	(Rupees in '000)			(Rupees in '000)		
Turnover - net	1,944,207	3,234,546	5,178,753	1,566,578	2,194,389	3,760,967
Segment result	350,122	944,719	1,294,841	158,480	380,511	538,991
Unallocated expenses:						
Administrative expenses			(99,208)			(78,886)
Distribution costs			(27,494)			(24,708)
Other income			27,859			6,674
Finance costs			(16,522)			(45,788)
Other charges			(78,729)			(35,604)
Taxation			(316,646)			(105,726)
Net profit for the period			784,101			254,953
Capital expenditure	10,891	238,700	249,591	7,197	27,519	34,716
Unallocated capital expenditure			10,874			295
Total capital expenditure			260,465			35,011
Depreciation and amortisation	28,677	40,293	68,970	42,629	48,360	90,989
Unallocated depreciation and amortisation			7,741			6,130
Total depreciation and amortisation			76,711			97,119
	31 March 2021 (Un-audited)			30 June 2020 (Audited)		
	Resin division	Moulding compound division	Total	Resin division	Moulding compound division	Total
	(Rupees in '000)			(Rupees in '000)		
Segment assets	1,046,468	1,677,592	2,724,060	822,720	1,062,033	1,884,753
Unallocated assets			640,665			461,127
Total assets			3,364,725			2,345,880
Segment liabilities	457,982	435,310	893,292	310,286	273,960	584,246
Unallocated liabilities			243,979			176,738
Total liabilities			1,137,271			760,984

12.2 Segment wise operating result for third quarter ended (Un-audited):

	31 March 2021			31 March 2020		
	Resin division	Moulding compound division	Total	Resin division	Moulding compound division	Total
	(Rupees in '000)			(Rupees in '000)		
Turnover - net	729,731	1,223,544	1,953,275	527,337	809,276	1,336,613
Segment result	118,056	328,054	446,110	69,890	184,714	254,604
Unallocated expenses:						
Administrative expenses			(33,523)			(26,077)
Distribution costs			(9,932)			(8,705)
Other income			13,114			3,303
Finance costs			(5,158)			(11,735)
Other charges			(27,444)			(23,380)
Taxation			(108,749)			(55,330)
Net profit for the period			274,418			132,680
Capital expenditure	3,735	27,101	30,836	-	26,968	26,968
Unallocated capital expenditure			4,965			-
Total capital expenditure			35,801			26,968
Depreciation and amortisation	10,113	16,655	26,768	14,042	16,455	30,497
Unallocated depreciation and amortisation			3,005			2,096
Total depreciation and amortisation			29,773			32,593

13. TRANSACTIONS WITH RELATED PARTIES

Related parties of the Company comprise companies with common directorship, associated companies, employee retirement benefits fund, directors and key management personnel. Details of associated companies / related parties and transactions with related parties during the period are as follows:


Name of related Party	Relationship	% of shareholding	Nature of transaction	31 March 2021	31 March 2020
(Un-audited)					
(Rupees in '000)					
Key management personnel	Key management personnel	0.005%	Remuneration	51,203	38,853
Director	Director	0.03%	Director fee	6,786	6,122
Provident Fund	Retirement benefits funds	Nil	Contribution to fund	7,752	7,167
AICA Asia Pacific Holding Pte Ltd.	Associated company	24.99%	Dividend Paid	35,372	11,791


14. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorised for issue on April 26, 2021 by the Board of Directors of the Company.

15. GENERAL

Figures have been rounded off to the nearest thousand Rupees, unless otherwise stated.


SHABBIR ABBAS
Chief Executive Officer


ANAM FATIMA KHAN
Director


SHAKEEL UDDIN
Chief Financial Officer

DYNEA PAKISTAN LIMITED

Office No. 406, Parsa Tower, Plot No. 31/1/A,
Block-6, P.E.C.H.S., Shahrah-e-Faisal,
Karachi-75400.

Ph : (92-21) 34520132 - 35

Fax : (92-21) 34392182

Email : info@dynea.com.pk