



DYNEA PAKISTAN LIMITED

39th Annual Report for the year ended
30th June, 2021

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Board of Directors :

Dr. Donald Jenkin
Mr. Shabbir Abbas
Mr. Andalib Alavi
Mr. Ameen Mohammad Bandukda
Ms. Anam Fatima Khan
Mr. Adnan Afridi
Mr. Murtaza Lalan *
Mr. Tariq Ahmed **

Chairman
Chief Executive Officer

* Mr. Murtaza Lalan has resigned with effect from September 01, 2021.

** The Board has co-opted Mr. Tariq Ahmed Khan in place of Mr. Murtaza Lalan w.e.f. September 07, 2021.

Audit Committee :

Mr. Adnan Afridi
Dr. Donald Jenkin
Mr. Andalib Alavi

Chairman
Member
Member

Human Resource and Remuneration Committee :

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

Chairman
Member
Member
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) Limited
Management Consultants & Share Registrars
8-F, Next to Hotel Faran Nursery, Block-6, P.E.C.H.S., Shahrah-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, Baluchistan.
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

Vision

Dynea Pakistan is Market Leader in its core and diversified business, delighting its customers by providing quality products at competitive price through development of market, product range, technology and human whilst ensuring sound return to stakeholders.

Mission

Maximize productivity and sales of Formaldehyde, Resins for wood-based panel industries and Moulding Compounds and provide satisfaction to customers.

Board Structure

The Board is made up of professionals with strong backgrounds in financial management, legal affairs, technical development and manufacturing operations. There are two committees, namely the Audit Committee which incorporates Risk Management and the Human Resources and Remuneration Committee, reporting to the Board.

Memberships of the Board and its committees are detailed in the Directors' Report.

Dynamics and Functioning of the Board

Board meetings are held quarterly and otherwise as required. Attendance and participation are good and directors are available at other times to support management, in particular with compliance and legal matters. Their input is highly valued and much appreciated by both management and myself.

A consequence of Covid has been that the Board and its committees have not been able to meet in person. This has necessitated that meetings have been conducted via Zoom videoconferencing. I wish to thank the backroom people for setting up the meetings and ensuring their smooth operation.

A highlight of the current year has been the revision and updating of the Company's Articles of Association to bring them into line with the latest versions of the Code of Corporate Governance and the Companies Act.

I personally oversaw a review of Board Performance carried out via a series of questionnaires pertaining to the Board and its committees. The main work-ons were a desire by members of the Board to be more involved with management in strategy development and succession planning.

Business Strategy Governance

In a mature market such as that in which the Company finds itself, it is not always easy to devise a strategy going forward. The strategy developed in 2010 to rebuild the Company was fully supported by the Board and the results speak for themselves.

The current strategy is to begin growing the Company's manufacturing base and improving efficiency. The first phase is an expansion and debottlenecking of the Gadoon factory which is almost complete.

Financial Reporting Process, Internal Audit and Internal Controls

The Board contains a strong representation of directors with backgrounds in finance, banking and business management. Systems are in place to ensure that financial management of all aspects of the Company's operations are managed with transparency, honesty and integrity. I feel that the outsourcing of the internal audit function to PwC adds further strength to the financial management of the business by giving an unbiased overview of the Company's operations.

Risk Management

The Board is very conscious of the need to evaluate and manage risk to ensure business continuity. As noted last year, the Board was overseeing a project to strengthen the IT system against unauthorised infiltration. This project has been extended to an upgrade of the Company's ERP system to SAP.

Monitoring Role

The Audit Committee and Board have implemented a programme whereby a number of Company policies and procedures are presented for review and updating at their meetings. Efforts are ongoing to maintain corporate governance compliance at a time of increasingly stricter requirements.

Supporting and Advisory Role

As mentioned earlier in this review, the Directors willingly give of their time and expertise on a regular basis. This is important to management. Beyond that, the Company often outsources support services that are beyond the scope of the Board and management to provide.

The Chairperson's Role

I see my role as Chairman as that of a leader and facilitator. I am not based in Pakistan and Covid has curtailed my ability to visit Pakistan as often as I would like. However, with the assistance of modern communication systems I am able to maintain a mentoring and advisory role during my periods of absence.

All in all, I think the Company's steady improvement in performance during the last several years is a reflection of the performance of the Board and its management. I wish to thank my fellow directors for having faith in me to continue in my role as Chairman. The direction and guidance provided by the Board of Directors is hereby acknowledged.

It is with thanks that I sign off on this review.

Karachi:
September 03, 2021

-Sd- through email

Donald Jenkin
Chairman

The Directors of your Company are pleased to present the Annual Report together with the Company's Audited Financial Statements for the financial year ended June 30, 2021.

The Board of Directors

The Board of Directors of the Company as at the Balance Sheet Date is as follows:

S.No.	Name	Status	Type of Directorship
1.	Dr. Donald Jenkin	Director & Chairman	Non-Executive
2.	Mr. Shabbir Abbas	Director & Chief Executive Officer	Executive
3.	Mr. Ameen Mohammad Bandukda	Director	Non-Executive
4.	*Mr. Murtaza Lalan	Director	Non-Executive
5.	Mr. Adnan Afridi	Director	Independent
6.	Mr. Andalib Alavi	Director	Independent
7.	Ms. Anam Fatima Khan	Director	Independent

* Mr. Murtaza Lalan has resigned with effect from September 01, 2021.

The Board has co-opted Mr. Tariq Ahmed Khan in place of Mr. Murtaza Lalan w.e.f September 07, 2021.

Economic Environment

Despite major challenges, measures taken by the government have resulted in a sustainable recovery of the Pakistan economy. Following the initial shock wave generated by Covid-19, the government by its positive initiatives has achieved a strong economic performance in 2020-21. There will undoubtedly be future challenges moving forward but the Company is optimistic that the recovery will continue.

Company Affairs and Principal Activities

The Board aims to ensure that shareholders are informed of all major developments affecting the Company's state of affairs. Information is communicated to the shareholders in the annual report, interim quarterly reports and through the information portal of the Pakistan Stock Exchange as and when required.

The Board encourages shareholders' participation at the Annual General Meetings and Corporate Briefing Sessions to ensure a high level of accountability. The Company's financial statements are available on the Company's website and an officer is designated to answer all shareholder enquiries.

The Company is principally engaged in the manufacture and sale of formaldehyde and formaldehyde-based resins, adhesives, and thermosetting moulding compounds.

Business Review

Operations

Sales revenue during 2020-21 was Rs. 6,827.20 million compared to Rs. 4,492.45 million in the previous financial year and the profit before tax was Rs. 1,328.75 million compared to Rs. 358.66 million in the previous financial years.

a. Resin Division

Turnover of the Resin Division in 2020-21 was Rs. 2,670.72 million compared to Rs. 1,920.91 million in the previous financial year, a growth of 39.03%. The segment result of the Resin Division was Rs. 453.02 million compared to Rs. 136.30 million for the previous financial year.

b. Moulding Compound Division

Turnover of the Moulding Compound Division in 2020-21 was Rs. 4,156.48 million compared to Rs. 2,571.54 million in the previous financial year, a growth of 61.63%. The segment result of the Moulding Compound Division was Rs. 1,132.66 million compared to Rs. 443.05 million for the previous financial year.

Financial Performance

Following are the summarised financial results of the Company for the year 2020-21:

	----- (Rupees '000') -----	
	2020-21	2019-20
Sales Revenue	6,827,204	4,492,455
Gross Profit	1,635,883	783,342
Profit Before Taxation	1,328,754	358,664
Profit After Taxation	938,609	253,349
Earnings per Share in Rupees	49.73	13.42

Plant Expansion

In response to increasing demand of our customers, the Company expanded its moulding compound capacity at the Gadoon factory during the year. The combined efforts of the management, officers, engineers and workers of the Company in conjunction with the installation and commissioning team from the supplier ensured that the new plant started on time with no disruption of supply to customers. Based on its expansion programme and ongoing efficiency gains, the Company has budgeted to maintain its profitability in the coming year and to continue to grow in the years ahead.

Contribution to the National Exchequer

The Company's contribution to the National Exchequer in the form of various taxes and levies for the year under review was Rs. 1,719 million (2019-20 was Rs. 1,069 million).

Remuneration Policy for Non-Executive Directors (including Independent Directors)

The Board reviewed the remuneration policy of Directors in line with prevailing market conditions as determined by independent benchmarking. The importance of attracting and retaining high quality directors cannot be over-emphasised,

both from the perspective of shareholders and management. The current Board members provide Company management with valuable support and input outside of meetings. This has been a significant contribution to the growth of the Company in recent years. It is therefore proposed to revise the fees paid to non executive and independent directors for attending Board and Committee meetings from Rs. 75,000/- to Rs. 100,000/-. Disclosure with respect to the remuneration of directors and the chief executive is given in Note No. 43 to the Financial Statements.

Performance Evaluation of Board of Directors and its Committees

In accordance with the Listed Companies (Code of Corporate Governance) Regulations, 2019, the Board has carried out an evaluation of performance of its individual members, the Board as a whole and the performance of its committees.

The Board evaluation process was conducted internally by the Chairman of the Board by circulating an evaluation assessment questionnaire to the directors to provide feedback on performance. Overall, the evaluation outcome was positive and encouraging.

Risk and Uncertainties

Despite implementing SOPs in accordance with Government guidance in order to manage the Company's operations with respect to Covid-19, business could be adversely affected by a number of factors including but not limited to a reduction of people resources due to illness or localised lockdowns, unavailability of key supplies, major lockdowns due to Covid-19, and temporary or permanent closure of our customers' businesses. Additionally, the imposition of further duties or tariffs, changes in governmental regulations, measures to be taken by the government to control inflation, foreign currency fluctuations, entrance of new competitors, changes in the rate or method of taxation or a deterioration in the security situation may negatively impact the Company's business.

The Company is also facing increases in logistics costs and delayed deliveries due to global disruption of shipping as a consequence of Covid-19. The supply chain management team is pro-actively engaging with suppliers and shipping companies to ensure that adequate supplies of key raw materials are available as required.

Both the Board and Company management constantly evaluate various risks and they take appropriate measures to minimise their impact wherever possible.

Future Outlook

Covid-19 will continue to affect the Company's operations for the foreseeable future. By the Grace of Almighty Allah, the Company is on track to deal with the various situations as they arise.

Subject to ongoing economic stability and the impacts of Covid-19 being kept under control, the Company strongly believes its management team and factory workforces together with our customers' businesses remaining healthy will ensure that sales targets for the coming year will be achieved.

Debottlenecking is in progress at Gadoon which will increase production capacity of moulding compounds by 6,000 MT and formaldehyde by 10,000 MT.

In line with the positive indicators being shown in the construction industry, tableware manufacturing and other interconnected industries, the Company will continue to seek additional growth opportunities. As part of this strategy, the Company is looking to diversify into related industries; that is, to continue to build on what we are good at.

Health, Safety and Environment (HSE)

Health and Safety has always been the Company's priority and therefore the Company has managed to vaccinate all its employees against Covid-19 and it is taking steps to inoculate employees' family members. In this connection, the Company is conducting an ongoing awareness programme about the benefits of vaccination.

The Company has continued to focus on improving its HSE performance. No lost time Injuries were recorded during the period. Both factories are certified to international safety and environmental management system standards. The Company complies with all applicable rules and regulations in the formulation, manufacture, labeling and marketing of its products and it also takes effective measures to reduce discharges of waste products to the environment. The Company has implemented a project to improve the quality of its liquid waste with the aim of being able to recycle it back into the processes, thereby reducing its outsourced water usage.

Corporate Social Responsibility

The Company takes its responsibilities to its community environment seriously by contributing in health, education and environmental care. The Company has been a long-time contributor to the welfare of the Hub community in Baluchistan in the education and health sectors.

The Company runs a well maintained primary school at Jenson Village in Hub. This school was established primarily for the children of the Company's employees but other children of the locality are also permitted to study at the school. Presently, there are 96 students of whom 28 come from the local community. Furthermore, the Company contributes 1% of PBT to a charitable trusts and hospitals.

Adequacy of Internal Financial Controls

Internal audit services continue to be outsourced. During the year, significant and material findings of the internal and external auditors were addressed on a priority basis by the management and the status was regularly reported to the Audit Committee.

Based upon the results achieved from reviews, ongoing testing of financial reporting controls and audits conducted during the year, the Company considers that the existing system of internal controls is adequate and is being effectively implemented and monitored. The Directors continuously monitor the adequacy, effectiveness and promptness of internal financial controls.

Transactions with Related Parties:

All transactions with related parties are entered into by the Company in its ordinary course of business and they have been disclosed in the financial statements under the relevant notes.

Code of Corporate Governance

The Directors and management of the Company are committed to good corporate governance. As required under the Code of Corporate Governance, the Directors are pleased to state as follows:

1. The financial statements prepared by the management of the Company present fairly the Company's state of affairs, the results of its operations, cash flow and changes in equity.
2. Proper books of accounts of the Company have been maintained.
3. Appropriate accounting policies have been consistently applied in the preparation of the financial statements and the accounting estimates are based on reasonable and prudent judgment.

4. International Financial Reporting Standards have been used as the basis for the preparation of the financial statements and any departure therefrom has been adequately disclosed and explained.
5. The system of internal control is sound in design and has been effectively implemented and monitored.
6. There are no significant doubts upon the Company's ability to continue as a going concern. Information about this issue is being presented separately in this report.
7. There has been no material departure from the best practices of corporate governance as detailed in the listing regulations. A Code of Conduct has been prepared and delivered to every director and employee.
8. The Board of Directors has adopted Vision and Mission Statements.
9. Information about taxes and levies is given in the notes to the accounts.
10. The value of the investments in the Company's provident fund scheme, based on un-audited accounts for the year ended June 30, 2021, stands at Rs. 111.91 million.
11. Statements are annexed in respect of the following:
 - i. Key financial data for the last six years.
 - ii. Pattern of shareholding.
12. During the year under review the Board of Directors convened six times and attendance of the respective directors was as follows:

S.No.	Name of Directors	Meetings Attended
1.	Dr. Donald Jenkin (Chairman)	6/6
2.	Mr. Shabbir Abbas	6/6
3.	Mr. Ameen Mohammad Bandukda	6/6
4.	Mr. Adnan Afridi	6/6
5.	Ms. Anam Fatima Khan	6/6
6.	Mr. Andalib Alavi	6/6
7.	Mr. Murtaza Lalan	6/6

The Audit Committee convened four times and attendance of the respective directors was as follows:

S.No.	Name of Directors	Meetings Attended
1.	Mr. Adnan Afridi (Chairman)	4/4
2.	Dr. Donald Jenkin	4/4
3.	Mr. Andalib Alavi	4/4

The Human Resource & Remuneration Committee convened four times and attendance of the respective directors was as follows:

S.No.	Name of Directors	Meetings Attended
1	Mr. Andalib Alavi (Chairman)	4/4
2	Dr. Donald Jenkin	4/4
3	Mr. Ameen Mohammad Bandukda	4/4
4	Ms. Anam Fatima Khan	4/4

Directors Training Programme (DTP)

All directors of the Company are DTP certified as required under the Code of Corporate Governance.

Vend Fee and Permit Fee Case

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 Honourable High Court of Sindh (HCS) in August 1996. In June 2001, the Honourable HCS decided the case in the favour of the Company. However, the Department filed an appeal in the Honourable Supreme Court of Pakistan (SCP) against the above judgement. The Honourable SCP suspended the decision of the Honourable HCS and reverted the case back to the Honourable HCS for fresh hearing. In March, 2003, the Honourable HCS once again decided the case in favour of the Company. The Department once again filed an appeal before the Honourable 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. The Supreme Court accepted the withdrawal on those terms. Upon the receipt of the fresh demand from the Department, the Company intends to approach the relevant Court of Justice to defend the case. No such demand has been raised by the Excise Department as yet. The Company expects, based on the view of the legal advisor and the merits 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 financial statements. The Board and management are confident that the Company will be able to continue as a going concern.

Dividend and Appropriations

In view of the Company's performance during the outgoing financial year, the Directors has already paid an interim dividend of Rs. 2.50 per share i.e. 50% and now propose payment of Rs. 5/- per share i.e. 100% as final dividend to the shareholders. The Directors have also announced a transfer of Rs. 500 million to the general reserve.

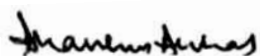
Appointment of Auditors

The retiring auditors, M/s. EY Ford Rhodes, Chartered Accountants, being eligible, offer themselves for re-appointment for the ensuing year. They have been given a satisfactory rating under the Quality Control Review Programme of the Institute of Chartered Accountants of Pakistan. The Directors recommend that they be reappointed for the upcoming year.

Acknowledgement

The Directors acknowledge and extend their appreciation to all the stakeholders for their efforts in contributing to the satisfactory outcome for the current financial year, especially the motivation and support received from the customers and employees of the Company.

On behalf of the Board of Directors



Shabbir Abbas
Chief Executive Officer



Anam Fatima Khan
Director

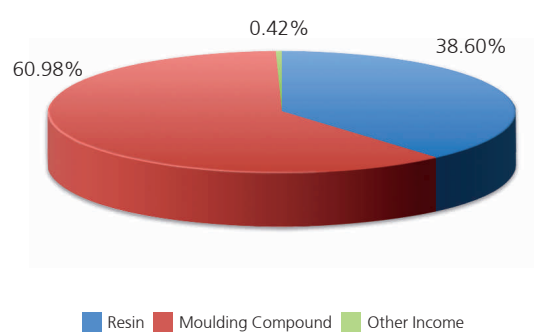
Karachi: September 03, 2021

KEY OPERATING AND FINANCIAL DATA

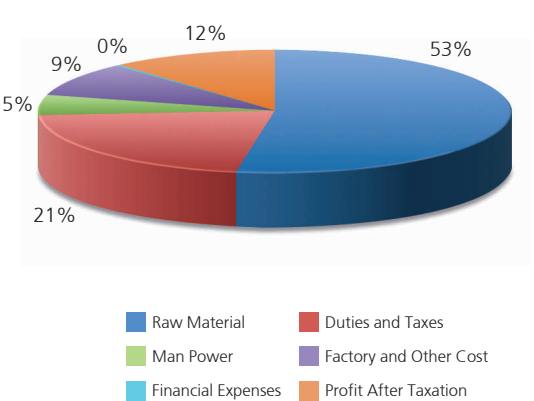
dynea

	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16
	(Rupees in thousands)					
FINANCIAL POSITION						
SHAREHOLDERS EQUITY	2,381,961	1,584,896	1,378,728	1,274,497	1,055,100	925,304
TOTAL ASSETS	3,407,590	2,345,880	2,360,672	2,275,142	1,292,328	1,190,005
OPERATING RESULTS						
TURNOVER	6,827,204	4,492,455	5,140,030	3,858,318	2,497,540	2,418,400
PROFIT/(LOSS) BEFORE TAXATION	1,328,754	358,664	321,480	379,096	258,910	199,229
TAXATION	(390,145)	(105,315)	(94,579)	(84,209)	(81,932)	(63,882)
PROFIT / (LOSS) AFTER TAXATION	938,609	253,349	226,901	294,887	176,978	135,347
EARNING / (LOSS) PER SHARE Rs.	49.73	13.42	12.02	15.63	9.38	7.17
CASH DIVIDENDS %	150.00	100.00	50.00	130.00	80.00	50.00

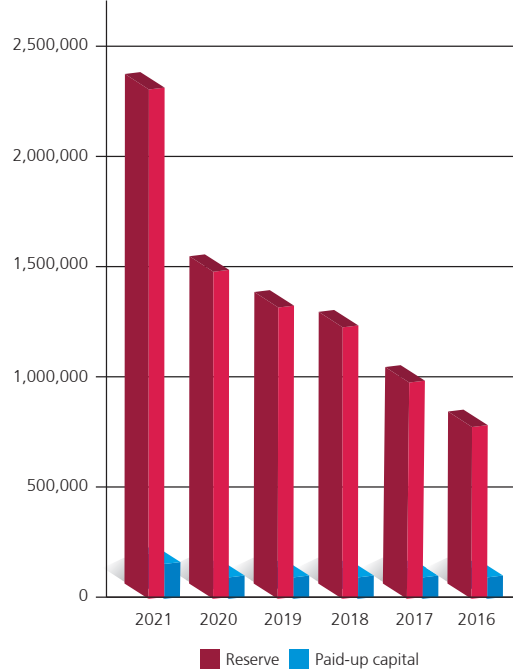
SOURCES OF INCOME



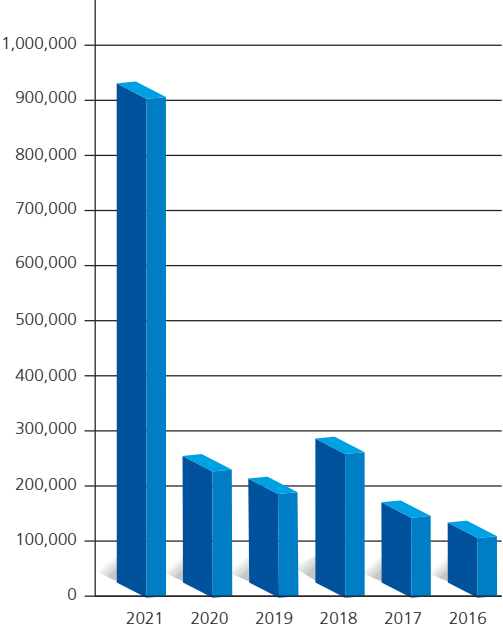
APPLICATION OF FUNDS



SHAREHOLDERS' EQUITY
(Rupees in '000)



PROFIT AFTER TAX
(Rupees in '000)



STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019



Name of company: DYNEA PAKISTAN LIMITED

Year ending: JUNE 30, 2021

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

1. The total number of directors are seven as per the following:

a.	Male	6
b.	Female	1

2. The composition of the Board is as follows:

i.	Independent directors	Mr. Adnan Afridi
		Mr. Andalib Alavi
		Ms. Anam Fatima Khan
ii.	Non-executive directors	Dr. Donald John Jenkin
		Mr. Ameen Mohammad Bandukda
		Mr. Murtaza Lalan
iii.	Executive director	Mr. Shabbir Abbas
iv.	Female director	Ms. Anam Fatima Khan

- The directors have confirmed that none of them is serving as a director on more than seven Listed companies, including this company;
- The company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures;
- The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updation is maintained by the company;
- All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/shareholders as empowered by the relevant provisions of the Act and these Regulations;
- The meetings of the Board were presided over by the Chairman. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;
- The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
- All the directors of the company are certified under Directors' Training Program as prescribed by the Regulations;
- There was no new appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit during the year. The changes in remuneration including terms and conditions of employment of Chief Financial Officer, Company Secretary and Head of Internal Audit were approved by the Board;
- Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;

12. The Board has formed committees comprising of members given below:

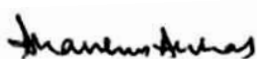
a. Audit Committee

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

b. HR and Remuneration Committee

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

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;
14. The frequency of meetings (quarterly/half yearly/ yearly) of the committees were as per following:
- Audit Committee: Quarterly;
 - HR and Remuneration Committee: Quarterly;
15. The board has outsourced the internal audit function to M/s. A.F. Ferguson & Co, Chartered Accountants (a member of the PwC network) who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company;
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company;
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.



Shabbir Abbas
Chief Executive Officer



Anam Fatima Khan
Director

Karachi:
September 03, 2021

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Dynea Paksitan Limited (the Company)

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

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Dynea Pakistan Limited for the year ended 30 June 2021 in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended 30 June 2021.



Chartered Accountants

Place: Karachi

Date: 17 September 2021

INDEPENDENT AUDITOR'S REPORT

To the members of Dynea Pakistan Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **Dynea Pakistan Limited** (the Company), which comprise the statement of financial position as at **30 June 2021**, and the statement of profit or loss, the statement of comprehensive income, the statement of cash flows and the statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of cash flows and the statement of changes in equity together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2021 and of the profit, other comprehensive income, its cash flows and the changes in equity for the year then ended.

Basis for Opinion

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

Emphasis of Matter

We draw attention to note 27.1.1 to the financial statements which describes the significant uncertainty related to the outcome of a contingency for which no provision is considered necessary in the financial statements for the reasons disclosed in the said note. Our opinion is not modified in respect of this matter.

Key Audit Matters

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



Following are the key audit matters:

S No.	Key audit matters	How the matter was addressed in our audit
1.	<p>Capital expenditure and related financing for capacity enhancement</p> <p>As disclosed in note 9.1 to the accompanying financial statements, the Company has incurred significant amount of capital expenditure for capacity enhancement of its moulding compound division amounting to Rs. 281.369 million. To finance the above capital expenditures, the Company has partly obtained long-term financing as disclosed in note 21.2 to the accompanying financial statements.</p> <p>Capital expenditures incurred during the year represent a significant transaction and involves significant judgments in respect of capitalisation of elements of eligible components of costs as per the applicable financial reporting standards in determining, when the assets are available for use and estimation of their useful lives and residual value. Further, financing agreements entail financial and non-financial covenants that the Company is subject to compliance.</p> <p>Accordingly, we have identified the capital expenditure and related financing as a key audit matter.</p>	<p>Our procedures, amongst others, included obtaining an understanding of the Company's process with respect to capital expenditure including determination of useful lives and testing the Company's controls in this area relevant to our audit.</p> <p>We considered whether the items of cost capitalised, meet the recognition criteria of an asset in accordance with the applicable financial reporting standards.</p> <p>We reviewed the timing of capitalisation by examining, on a sample basis, the completion certificates from the Company's technical departments.</p> <p>We also evaluated the basis used by the management for determining the useful lives of the new assets and the depreciation charged in relation thereto, by considering factors such as the current depreciation, estimates for similar or comparable assets, expected utilization of the assets and the estimated residual value at the end of the useful lives.</p> <p>We reviewed the relevant contracts and documents, including but not limited to, suppliers' invoices, delivery notes, letters of credit and shipping documentation supporting various components of the capitalised cost.</p> <p>We obtained and reviewed the financing agreements executed and inquired from the management with respect to the compliance of the covenants and circularized confirmations to the financing banks to confirm outstanding loan balances and other related terms at year end. We also reviewed the maturity analysis of the financing to ascertain the classification of loans as per their remaining maturities.</p> <p>We assessed the adequacy of the disclosures as per the requirements set out in the applicable financial reporting framework.</p>

2.	Valuation of stock-in-trade
	<p>As at reporting date, the Company held stock-in-trade amounting to Rs. 1,189.667 million which constitutes 34.91% of total assets, as disclosed in note 14 to the financial statements.</p> <p>As described in note 8.5 to the financial statements, stock-in-trade is measured at lower of cost and Net Realizable Value (NRV). The cost of raw and packing materials and finished goods is determined at average manufacturing cost including a proportion of production overheads. Judgements are required to determine the appropriate basis for costing and its valuation.</p> <p>Given the significance of the amount involved and the level of judgements and estimates required to value the stock-in-trade, we have identified valuation of stock-in-trade as a key audit matter.</p> <p>Our key audit procedures in this area amongst others included the following:</p> <p>Obtaining an understanding of the Company's valuation process for stock-in-trade and testing controls relevant to such process.</p> <p>We tested the calculations of per unit cost of finished goods and assessed the appropriateness of management's basis for the allocation of cost and production overheads.</p> <p>We observed physical stock count activities to ascertain the condition and existence of stock-in-trade, performed testing on a sample of items to assess their NRV and evaluated the adequacy of NRV adjustment for stock-in-trade as at the year end.</p> <p>We assessed the adequacy of the related disclosures in accordance with the applicable financial reporting standards.</p>

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the financial statements and our auditor's report thereon.

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of cash flows and the statement of changes in equity together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditor's report is **Tariq Feroz Khan**.



Chartered Accountants

Place: Karachi

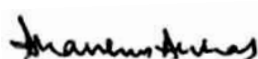
Date: 17 September 2021

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

dynea

	Note	30 June 2021	30 June 2020
----- (Rupees) -----			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	9	640,433,747	414,796,455
Long-term loans	10	112,376	150,595
Long-term deposits	11	7,195,126	6,673,726
Deferred taxation	12	15,613,048	57,592,846
		663,354,297	479,213,622
CURRENT ASSETS			
Stores and spares	13	22,069,310	18,827,867
Stock-in-trade	14	1,189,667,787	698,834,091
Trade debts	15	993,363,633	788,497,315
Loans and advances	16	30,158,292	22,917,675
Trade deposits and short-term prepayments	17	8,664,470	4,030,199
Accrued mark-up		1,008,648	479,773
Other receivables	18	—	2,072,449
Taxation - net		—	7,287,513
Cash and bank balances	19	499,303,600	323,719,436
		2,744,235,740	1,866,666,318
TOTAL ASSETS		3,407,590,037	2,345,879,940
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital			
40,000,000 (2020: 40,000,000) ordinary shares of Rs.5/- each		200,000,000	200,000,000
Issued, subscribed and paid-up capital	20	94,362,065	94,362,065
Revenue reserves		2,287,598,796	1,490,533,711
		2,381,960,861	1,584,895,776
NON-CURRENT LIABILITIES			
Long-term financing	21	108,412,729	140,625,000
Deferred income	22	9,369,812	—
Lease liabilities	23	5,715,128	5,151,891
		123,497,669	145,776,891
CURRENT LIABILITIES			
Trade and other payables	24	655,695,231	485,191,003
Accrued mark-up		1,583,071	4,592,715
Short-term running finance	25	—	—
Current portion of long-term financing	21	128,206,095	112,500,000
Current portion of deferred income	22	5,492,726	—
Current portion of lease liabilities	23	5,051,544	7,473,667
Taxation - net		99,619,553	—
Unclaimed dividend	26	6,483,287	5,449,888
		902,131,507	615,207,273
TOTAL EQUITY AND LIABILITIES		3,407,590,037	2,345,879,940
CONTINGENCIES AND COMMITMENTS			
	27		

The annexed notes from 1 to 50 form an integral part of these financial statements.



SHABBIR ABBAS
Chief Executive Officer



ANAM FATIMA KHAN
Director

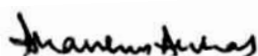


SHAKEEL UDDIN
Chief Financial Officer

STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 30 JUNE 2021

	Note	30 June 2021	30 June 2020
		----- (Rupees) -----	
Turnover - net	28	6,827,203,543	4,492,454,676
Cost of sales	29	(5,191,320,199)	(3,709,112,293)
Gross profit		1,635,883,344	783,342,383
Distribution costs	30	(197,664,122)	(141,851,255)
Administrative expenses	31	(134,414,410)	(101,460,643)
Reversal of allowance / (allowance) for Expected Credit Loss	15.1	111,311,239	(95,591,292)
		(220,767,293)	(338,903,190)
Other income	32	33,947,556	8,809,382
Operating profit		1,449,063,607	453,248,575
Finance costs	33	(25,343,871)	(58,020,809)
Other charges	34	(94,965,548)	(36,563,783)
		(120,309,419)	(94,584,592)
Profit before taxation		1,328,754,188	358,663,983
Taxation	35	(390,145,628)	(105,314,635)
Net profit for the year		938,608,560	253,349,348
Basic and diluted earnings per share	36	49.73	13.42

The annexed notes from 1 to 50 form an integral part of these financial statements.



SHABBIR ABBAS
Chief Executive Officer



ANAM FATIMA KHAN
Director



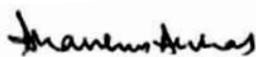
SHAKEEL UDDIN
Chief Financial Officer

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021

dynea

	30 June 2021	30 June 2020
	----- (Rupees) -----	
Net profit for the year	938,608,560	253,349,348
Other comprehensive income	—	—
Total comprehensive income for the year	938,608,560	253,349,348

The annexed notes from 1 to 50 form an integral part of these financial statements.



SHABBIR ABBAS
Chief Executive Officer



ANAM FATIMA KHAN
Director

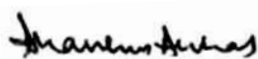


SHAKEEL UDDIN
Chief Financial Officer

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021

	Note	30 June 2021	30 June 2020
		----- (Rupees) -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		1,328,754,188	358,663,983
Adjustments for non-cash and other items			
Depreciation on operating fixed assets	9.3	103,916,763	119,180,520
Depreciation on right-of-use assets	9.5.1	6,083,042	4,676,682
Amortisation	31	—	536
(Reversal of allowance) / allowance for Expected Credit Loss	15.1	(111,311,239)	95,591,292
Finance costs	33	25,343,871	58,020,809
Deferred income amortized	32	(3,264,690)	—
Gain on disposals of operating fixed assets	32	(2,881,003)	(2,961,201)
		17,886,744	274,508,638
		1,346,640,932	633,172,621
(Increase) / decrease in current assets			
Stores and spares		(3,241,443)	4,961,858
Stock-in-trade		(490,833,696)	(15,724,166)
Trade debts		(93,555,079)	44,970,062
Loans and advances		(7,240,617)	7,080,695
Trade deposits and short-term prepayments		(4,634,271)	2,743,245
Accrued mark-up		(528,875)	(222,192)
Other receivables		2,072,449	(2,072,449)
		(597,961,532)	41,737,053
Increase in current liabilities			
Trade and other payables		170,504,228	168,808,461
		919,183,628	843,718,135
Finance costs paid		(25,088,825)	(63,849,417)
Income taxes paid - net		(241,258,764)	(82,058,021)
Long-term loans and deposits - net		(483,181)	(5,828)
Net cash generated from operating activities		652,352,858	697,804,869
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(329,876,287)	(38,437,828)
Proceeds from disposal of operating fixed assets		6,183,921	3,008,043
Net cash used in investing activities		(323,692,366)	(35,429,785)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term financing - net	40	(1,643,638)	(112,500,000)
Lease rentals paid	40	(10,922,614)	(6,152,894)
Dividend paid	40	(140,510,076)	(46,991,157)
Net cash used in financing activities		(153,076,328)	(165,644,051)
Net increase in cash and cash equivalents		175,584,164	496,731,033
Cash and cash equivalents at the beginning of year		323,719,436	(173,011,597)
Cash and cash equivalents at the end of year		499,303,600	323,719,436
CASH AND CASH EQUIVALENTS			
Cash and bank balances	19	499,303,600	323,719,436
Short-term running finance	25	—	—
		499,303,600	323,719,436

The annexed notes from 1 to 50 form an integral part of these financial statements.



SHABBIR ABBAS
Chief Executive Officer



ANAM FATIMA KHAN
Director



SHAKEEL UDDIN
Chief Financial Officer

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The annexed notes from 1 to 50 form an integral part of these financial statements.

SHAKEEL UDDIN
Chief Financial Officer

1. THE COMPANY AND ITS OPERATIONS

Dynea Pakistan Limited (the Company) was incorporated on 20 June 1982, in Pakistan as a public limited company and is listed on the Pakistan Stock Exchange Limited. It is engaged in the manufacture and sale of formaldehyde, urea/melamine formaldehyde and moulding compound. 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. GEOGRAPHICAL LOCATIONS AND ADDRESSES

Geographical locations and addresses of all the business units are as under:

<u>Location</u>	<u>Business unit</u>
Karachi	
Office No. 406, Parsa Tower, Block-6, P.E.C.H.S, Shahrah-e-Faisal, Karachi, Sindh	Registered Office
Office No. 405, Parsa Tower, Block-6, P.E.C.H.S, Shahrah-e-Faisal, Karachi, Sindh	Sales Office
Hub	
A101-105, A132-136, H.I.T.E., Hub Chowki, Distt. Lasbella, Baluchistan	Production Plant
Gadoon	
34-A, 34-B, 35 & 38-A Road-3, Industrial Estate, Gadoon Amazai, District Swabi, Khyber Pakhtunkhwa	Production Plant

3. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of International Financial Reporting Standards (IFRSs) issued by International Accounting Standard Board (IASB) as notified under Companies Act, 2017 (the "Act"); and provisions of and directives issued under the Act. Where the provisions of and directives issued under the Act differ from the IFRSs, the provisions of and directives issued under the Act have been followed.

4. IMPACT OF COVID-19 ON THE FINANCIAL STATEMENTS

Covid-19 is a global pandemic which has affected the whole world and Pakistan is not an exception. Businesses are badly affected due to lockdowns to fight Covid-19 since March 2020. The situation, however, has now improved on the back of steps taken by the Government. The Company has taken all necessary measures for the health and safety of its employees. Employees were also allowed to work from their homes during Covid-19. The management fully supports the Government's stance of vaccination. Based on the assessment performed by the management, there is no significant accounting impact of Covid-19 in these financial statements.

5. BASIS OF MEASUREMENT**5.1 Accounting convention**

These financial statements have been prepared under the historical cost convention except for certain items as disclosed in the relevant accounting policies.

5.2 Functional and presentation currency

These financial statements are presented in Pak Rupees which is the Company's functional and presentation currency.

6. NEW STANDARDS, AMENDMENTS, IMPROVEMENTS TO APPROVED ACCOUNTING STANDARDS AND THE FRAMEWORK FOR FINANCIAL REPORTING**6.1 Amendments to the approved accounting standards and the framework for financial reporting that became effective during the current year**

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

Amendment or framework

IFRS 3 - Business Combinations - Definition of a Business (Amendments);

IFRS 9 / IAS 39 / IFRS 7 - Interest Rate Benchmark Reform (Amendments);

IAS 1 / IAS 8 - Definition of Material (Amendments); and

The Conceptual Framework for Financial Reporting.

The adoption of the above amendments to the approved accounting standards and the framework for financial reporting did not have any material effect on the Company's financial statements.

6.2 Standards, amendments and improvements to approved accounting standards that are not yet effective

The following amendments and improvements to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective amendment or improvement:

Amendment or improvement	Effective date (annual periods beginning on or after)
IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 - Interest Rate Benchmark Reform - Phase 2 (Amendment)	01 January 2021
IFRS 16 - Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendments)	01 April 2021
IFRS 3 - Reference to the Conceptual Framework (Amendments)	01 January 2022
IAS 16 - Property, Plant and Equipment: Proceeds before Intended Use (Amendments)	01 January 2022
IAS 37 - Onerous Contracts – Costs of Fulfilling a Contract (Amendments)	01 January 2022
IAS 1 - Classification of Liabilities as Current or Non-current (Amendments)	01 January 2023
IAS 1 - Disclosure of Accounting Policies (Amendments)	01 January 2023
IAS 8 - Definition of Accounting Estimates (Amendments)	01 January 2023
IAS 12 - Deferred tax related to Assets and Liabilities arising from a single transaction (Amendments)	01 January 2023
IFRS 10 / IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments)	Not yet finalized
Improvements to accounting standards issued by the IASB (2018-2020 cycle)	IASB Effective date (annual periods beginning on or after)
IFRS 9 - Financial Instruments - Fees in the '10 percent' test for derecognition of financial liabilities	01 January 2022
IAS 41 - Agriculture – Taxation in fair value measurements	01 January 2022
IFRS 16 - Leases: Lease incentives	01 January 2022

The above amendments and improvements to the approved accounting standards are not expected to have any material impact on the Company's financial statements in the period of initial application.

Further, the following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan and are not expected to have any material impact on the Company's financial statements in the period of initial application.

<u>Standards</u>	<u>IASB Effective date (annual periods beginning on or after)</u>
IFRS 1 - First-time Adoption of International Financial Reporting Standards	01 January 2004
IFRS 17 - Insurance Contracts	01 January 2023

7. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of these financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

In the process of applying the accounting policies, management has made the following estimates and judgments which are significant to the financial statements:

– Residual values, method of depreciation and useful lives of operating fixed assets and right-of- use assets	8.1, 9.1 & 9.5
– Impairment of financial and non-financial assets	8.3 & 8.15
– Net realizable value estimation	8.4, 8.5, 13 & 14
– Classification and measurement of financial instruments	8.15
– Leases	8.10 & 23
– Provisions	8.13
– Recognition of current and deferred taxation	8.17, 12 & 35
– Contingencies	8.23 & 27

8. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

8.1 Property, plant and equipment

Operating fixed assets

These are stated at cost less accumulated depreciation and impairment losses, if any, except for freehold land which is stated at cost. Depreciation is charged to statement of profit or loss using the straight line method, at the rates specified in note 9.1 to these financial statements. Depreciation on additions is charged from the month when the asset is available for use and in case of disposals up to the month of disposal. Leasehold land is amortised in equal installments over the lease period of 70 years and 99 years.

Maintenance and normal repairs are charged to statement of profit or loss as and when incurred. Major renewals and improvements are capitalized and the assets so replaced, if any, are retired.

Gains and losses on disposal of operating fixed assets are recognized in statement of profit or loss in the period of disposal.

Capital work in progress

These are stated at cost less accumulated impairment losses, if any, and represents expenditures incurred and advances made in respect of specific assets during the construction / erection period. These are transferred to specific assets as and when assets are available for use.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and impairment losses, if any, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated using straight line method. Right-of-use assets

are subject to impairment. Right-of-use assets are depreciated on a straight-line basis over the lower of the lease term and the estimated useful lives of the assets, as follows:

Vehicles	5 years
City office	5 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of an asset.

8.2 Intangible assets

These are stated at cost less accumulated amortisation and impairment losses, if any, except for intangibles under development which are stated at cost less impairment loss, if any. Amortisation is charged to statement of profit or loss using the straight line method.

8.3 Impairment of non-financial assets

The carrying amount of non-financial assets other than inventories are assessed at each reporting date to ascertain whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. An impairment loss is recognised as an expense in statement of profit or loss, for the amount by which the assets carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an assets fair value less cost to sell and value in use. Value in use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects the current market assessments of the time value of money and the risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units) .

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment had been recognised.

8.4 Stores and spares

These are valued at the lower of weighted average cost and estimated Net Realizable Value (NRV). Provision/write off, if required, is made in financial statements for slow moving, obsolete and unusable items to bring their carrying value down to NRV.

8.5 Stock-in-trade

These are stated at the lower of weighted average cost and estimated NRV. Cost signifies in relation to:

Raw and packing materials	Purchase cost and other direct expenses on weighted average basis
Finished goods	Cost of direct materials, labour and proportion of attributable overheads
Goods in-transit	Invoice value plus other charges paid thereon upto the statement of financial position date.

NRV signifies the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

8.6 Trade debts, loans, deposits, accrued markup and other receivables

Trade debts, loans, deposits, accrued markup and other receivables are stated initially at fair value and subsequently measured at amortized cost using the effective interest rate method. Provision is made on the basis of lifetime ECLs that result from all possible default events over the expected life of the trade debts, loans, deposits, accrued markup and other receivables. Bad debts are written off when considered irrecoverable.

8.7 Ijarah rentals

Ijarah payments for assets under Ijarah finance agreements are recognised as an expense in statement of profit or loss on a straight line basis over the Ijarah term.

8.8 Cash and cash equivalents

These are stated at cost. For the purpose of statement of cash flows, cash and cash equivalents comprise of cash in hand and bank balances net off short-term running finance.

8.9 Borrowing costs

Borrowing costs are recognised as an expense in the period in which these are incurred except to the extent of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs, if any, are capitalized as part of the cost of that asset.

8.10 Leases**Lease liabilities**

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the initial application date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

8.11 Trade and other payables

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

8.12 Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

8.13 Provisions

Provisions are recognised in the statement of financial position where the Company has a legal or constructive obligation as a result of past event, and it is probable that out flow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect current best estimate.

8.14 Deferred income

Benefit of loan at below market rate of interest is recognized as deferred income. It is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed out.

8.15 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

The financial assets of the Company mainly include loans, deposits, trade debts, other receivables, accrued mark-up and cash & bank balances.

On initial recognition, a financial asset is classified as measured at amortised cost, Fair Value through Other Comprehensive Income (FVOCI) – debt investment, FVOCI – equity investment, or Fair Value through Profit or Loss (FVTPL).

The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

Based on the business model of the Company, the financial assets of the Company are measured and classified as follows:

- Trade debts and other financial assets are carried at amortised cost.

Financial liabilities

Financial liabilities are initially recognized at fair value, net of transaction costs incurred and subsequently carried at amortized cost using the effective interest method. These are classified as current liabilities unless the Company has an unconditional / contractual right to defer settlement of the liability for at least twelve months after the statement of financial position date. The Company's financial liabilities at amortized cost include certain long-term financing, lease liabilities, certain portion of trade and other payables, accrued mark-up, short-term running finance and unclaimed dividend.

The Company has not designated any financial liabilities at FVTPL.

Offsetting of financial assets and liabilities

Financial assets and liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis or to realize the assets and settle liabilities simultaneously. Incomes and expenses arising from such assets and liabilities are also offset accordingly.

Impairment of financial assets

The Company recognises an Allowance for Expected Credit Losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade debts, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Company considers a financial asset in default when contractual payments are 120 days past due, however, in certain cases, the Company also considers a financial asset in default when contractual payments are 360 days past due.

Further, the Company may consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

The Company has applied the general approach for other financial assets.

8.16 Employee retirement benefits

Defined contribution plan

The Company operates a recognized provident fund for its permanent employees. Equal monthly contributions are made to the fund by the Company and the employees in accordance with the rules of the scheme. The Company has no further

obligation once the contributions have been paid. The contributions made by the Company are recognized as employee benefit expenses when they are due.

Compensated absences

The Company accounts for these benefits in the accounting period in which the absences are earned. Provisions to cover the obligations are made using the current salary levels of employees. No actuarial valuation of compensated absences is carried out as the management considers that the financial impact is not material.

8.17 Taxation

Current

Provision for current taxation is based on taxable income at the current rate of taxation after taking into account tax credits and tax rebates available, if any. The tax charged as calculated above is compared with turnover tax. Higher of normal tax or turnover tax is compared with Alternate Corporate Tax and whichever is higher is provided in the financial statements. Turnover tax is calculated in accordance with the provisions of Section 113 of Income Tax Ordinance, 2001. Alternate Corporate Tax is calculated in accordance with the provisions of section 113C of Income Tax Ordinance, 2001.

Deferred

Deferred tax is provided on all temporary differences at the reporting date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognised for all taxable temporary differences. 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 utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduces to the extent that it is no longer probable that sufficient taxable profits will be available in future to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

8.18 Revenue recognition

Revenue is recognised at the point in time when control of the asset is transferred to the customer. Revenue is measured at fair value of the consideration received or receivable and is recognised on the following basis:

Sale of goods

Revenue from sale of goods is recognised when or as control of goods have been transferred to a customer at a point in time, when the performance obligations are met. It is recorded at net of trade discounts and rebates, if any.

Other income

- Interest on deposit account and profit on savings accounts are recognized on time proportion basis using effective interest rate method.
- Scrap sales and any other income is accounted for on accrual basis.

8.19 Foreign currency transactions

Transactions denominated in foreign currencies are translated into Pakistani Rupees at the rates of exchange prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into Pakistani Rupees at the rates of exchange prevailing at the reporting date. Exchange differences are taken to statement of profit or loss.

8.20 Share capital

Ordinary shares are classified as equity and recognized at their face value. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

8.21 Dividends distribution and appropriation to reserves

Dividends and appropriation to the reserves are recognized in the period in which these are approved.

8.22 Segment reporting

Segment reporting is based on the operating (business) segments of the Company. An operating segment is an identifiable component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components and for which discrete financial information is available. An operating segment's operating results are reviewed regularly by the senior management to make decisions about resources to be allocated to the segment and assess its performance.

Segment results that are reported to the senior management include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, income tax assets / liabilities and related income and expenditure. Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment.

The business segments are engaged in providing products which are subject to risks and rewards which differ from the risk and rewards of other segments. Segments reported are as follows:

Resin division

The resin division produces urea / melamine formaldehyde and formaldehyde.

Moulding compound division

The moulding compound division produces urea / melamine formaldehyde moulding compound and melamine glazing powder.

8.23 Contingent liabilities

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of obligation cannot be measured with sufficient reliability.

8.24 Earnings per share

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

9. PROPERTY, PLANT AND EQUIPMENT

	Note	30 June 2021	30 June 2020
		----- (Rupees) -----	
Operating fixed assets	9.1	603,719,197	388,658,692
Capital work-in-progress	9.4	22,125,263	11,351,162
Right-of-use assets	9.5	14,589,287	14,786,601
		<u>640,433,747</u>	<u>414,796,455</u>

9.1 Operating fixed assets

	COST				Depreciation rate / years	ACCUMULATED DEPRECIATION				NET BOOK VALUE	
	As at 01 July 2020	Additions / transfers from capital work-in-progress* and right-of-use assets**	Disposals	As at 30 June 2021		As at 01 July 2020	Charge for the year / transfers from right-of-use assets**	Disposals	As at 30 June 2021	As at 30 June 2021	
Freehold land	659,961	-	-	659,961	-	-	-	-	-	659,961	
Leasehold land	43,115,159	-	-	43,115,159	70,99 years	2,523,884	620,847	-	3,144,731	39,970,428	
Buildings on freehold land	20,307,457	-	-	20,307,457	10%	20,307,121	336	-	20,307,457	-	
Buildings on leasehold land	204,654,724	87,659,110 *	-	292,313,834	10%	114,450,020	18,284,677	-	132,734,697	159,579,137	
Plant and machinery	853,196,773	10,427,101	(331,566)	1,036,221,380	16.67%	632,105,265	68,510,370	(331,562)	700,284,073	335,937,307	
		172,929,072 *									
Electrical installations	62,397,424	266,015	-	83,444,547	16.67%	38,346,059	8,367,247	-	46,713,306	36,731,241	
		20,781,108 *									
Furniture and fittings	3,080,302	126,000	-	3,206,302	20%	2,659,284	373,237	-	3,032,521	173,781	
Office equipment	7,070,965	1,815,550	(142,050)	8,744,465	20%	5,031,743	904,120	(142,050)	5,793,813	2,950,652	
Computers and accessories	19,874,543	2,404,230	(776,129)	21,502,644	33%	10,812,837	5,264,285	(722,535)	15,354,587	6,148,057	
Vehicles	2,986,586	22,694,000	(5,080,671)	25,139,915	20%	2,448,989	1,591,644	(1,831,351)	3,571,282	21,568,633	
		4,540,000 **					1,362,000 **				
Storage tanks	2,507,035	-	-	2,507,035	20%	2,507,035	-	-	2,507,035	-	
2021	1,219,850,929	37,732,896	(6,330,416)	1,537,162,699		831,192,237	103,916,763	(3,027,498)	933,443,502	603,719,197	
		281,369,290 *					1,362,000 **				
		4,540,000 **									
	1,219,850,929	323,642,186	(6,330,416)	1,537,162,699		831,192,237	105,278,763	(3,027,498)	933,443,502	603,719,197	

	COST				Depreciation rate / years	ACCUMULATED DEPRECIATION				NET BOOK VALUE	
	As at 01 July 2019	Additions / transfers from capital work-in-progress*	Disposals	As at 30 June 2020		As at 01 July 2019	Charge for the year	Disposals	As at 30 June 2020	As at 30 June 2020	
Freehold land	659,961	-	-	659,961	-	-	-	-	-	659,961	
Leasehold land	43,115,159	-	-	43,115,159	70,99 years	1,903,038	620,846	-	2,523,884	40,591,275	
Buildings on freehold land	20,307,457	-	-	20,307,457	10%	19,780,786	526,335	-	20,307,121	336	
Buildings on leasehold land	203,392,895	1,261,829 *	-	204,654,724	10%	96,521,284	17,928,736	-	114,450,020	90,204,704	
Plant and machinery	831,773,322	7,207,134	(2,302,831)	853,196,773	16.67%	548,227,956	86,180,140	(2,302,831)	632,105,265	221,091,508	
		16,519,148 *									
Electrical installations	61,100,799	1,296,625	-	62,397,424	16.67%	30,709,368	7,636,691	-	38,346,059	24,051,365	
Furniture and fittings	3,080,302	-	-	3,080,302	20%	2,282,262	377,022	-	2,659,284	421,018	
Office equipment	6,863,965	207,000	-	7,070,965	20%	4,357,914	673,829	-	5,031,743	2,039,222	
Computers and accessories	19,348,043	632,500	(106,000)	19,874,543	33%	5,780,693	5,138,144	(106,000)	10,812,837	9,061,706	
Vehicles	2,820,998	212,430	(46,842)	2,986,586	20%	2,350,212	98,777	-	2,448,989	537,597	
Storage tanks	2,507,035	-	-	2,507,035	20%	2,507,035	-	-	2,507,035	-	
2020	1,194,969,936	9,555,689	(2,455,673)	1,219,850,929		714,420,548	119,180,520	(2,408,831)	831,192,237	388,658,692	
		17,780,977 *									
	1,194,969,936	27,336,666	(2,455,673)	1,219,850,929		714,420,548	119,180,520	(2,408,831)	831,192,237	388,658,692	

9.2 Immovable properties i.e. land (freehold land and leasehold land) and buildings thereon, are situated at Hub and Gadoon measuring 17,500 Square meter and 28,273.63 Square meter respectively.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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9.3 Depreciation charge for the year has been allocated as follows:

	Note	30 June 2021	30 June 2020
----- (Rupees) -----			
Cost of sales	29	97,335,144	113,887,341
Distribution costs	30	1,442,280	532,355
Administrative expenses	31	5,139,339	4,760,824
		<u>103,916,763</u>	<u>119,180,520</u>

9.4 Capital work-in-progress

Plant and machinery		12,408,952	11,351,162
Buildings on leasehold land		5,216,311	—
Advances for vehicles		4,500,000	—
	9.4.1	<u>22,125,263</u>	<u>11,351,162</u>

9.4.1 Movement in capital work-in-progress is as follows:

Balance at the beginning of the year	11,351,162	250,000
Capital expenditure incurred / advances made	292,143,391	28,882,139
Transferred to operating fixed assets	(281,369,290)	(17,780,977)
Balance at the end of the year	<u>22,125,263</u>	<u>11,351,162</u>

9.5 Right-of-use assets

Note	30 June 2021			30 June 2020		
	Vehicles	City office	Total	Vehicles	City office	Total
----- (Rupees) -----						
Cost						
Balance at the beginning of the year	16,733,500	3,564,124	20,297,624	—	—	—
Impact of initial application of IFRS 16	—	—	—	10,433,500	—	10,433,500
Additions	—	9,063,728	9,063,728	6,300,000	3,564,124	9,864,124
Transfer to operating fixed assets	(4,540,000)	—	(4,540,000)	—	—	—
Balance at the end of the year	<u>12,193,500</u>	<u>12,627,852</u>	<u>24,821,352</u>	<u>16,733,500</u>	<u>3,564,124</u>	<u>20,297,624</u>
Accumulated depreciation						
Balance at the beginning of the year	3,866,039	1,644,984	5,511,023	834,341	—	834,341
Charge	9.5.1	3,119,699	2,963,343	3,031,698	1,644,984	4,676,682
Transfer to operating fixed assets	(1,362,000)	—	(1,362,000)	—	—	—
Balance at the end of the year	<u>5,623,738</u>	<u>4,608,327</u>	<u>10,232,065</u>	<u>3,866,039</u>	<u>1,644,984</u>	<u>5,511,023</u>
Net book value	<u>6,569,762</u>	<u>8,019,525</u>	<u>14,589,287</u>	<u>12,867,461</u>	<u>1,919,140</u>	<u>14,786,601</u>

9.5.1 The depreciation charge for the year has been allocated as follows:

	Note	30 June 2021	30 June 2020
----- (Rupees) -----			
Cost of sales	29	1,853,047	1,765,047
Distribution costs	30	1,507,895	1,233,730
Administrative expenses	31	2,722,100	1,677,905
		<u>6,083,042</u>	<u>4,676,682</u>

10 LONG-TERM LOANS - secured, considered good

	Note	30 June 2021	30 June 2020
		----- (Rupees) -----	
Loan to employees		299,313	332,271
Current portion	16	(186,937)	(181,676)
	10.1	112,376	150,595

10.1 Interest free loans are granted for purchase of property, motor vehicles and for miscellaneous purposes to the employees which are repayable within a maximum period of three years as per the Company's human resource policy. These loans are secured against the retirement benefits of the employees. These loans are carried at cost due to practicality and materiality of the amounts involved.

11 LONG-TERM DEPOSITS - unsecured, considered good

	Note	30 June 2021	30 June 2020
		----- (Rupees) -----	
Lasbella Industrial Estate Development Authority		4,915,870	4,915,870
Water and Power Development Authority		823,200	823,200
Others		1,456,056	934,656
		7,195,126	6,673,726

12 DEFERRED TAXATION - net

Deductible temporary differences arising due to allowance for Expected Credit Loss, provisions and lease liabilities	22,581,071	59,751,768
Taxable temporary differences arising due to Accelerated tax depreciation and amortisation	(6,968,023)	(2,158,922)
	15,613,048	57,592,846

13 STORES AND SPARES

Stores	14,684,229	12,339,294
Spares	7,385,081	6,488,573
	22,069,310	18,827,867

14 STOCK-IN-TRADE

Raw material		
In hand	729,792,846	472,914,057
In-transit	335,770,734	178,705,192
	1,065,563,580	651,619,249
Packing material	13,163,312	7,222,865
Finished goods	110,940,895	39,991,977
	1,189,667,787	698,834,091

14.1 Includes items amounting to Rs. Nil (2020: Rs. 4.46 million) carried at Net Realisable Value. [Cost Rs. Nil (2020: Rs. 4.94 million)].

15. TRADE DEBTS - unsecured

	Note	30 June 2021	30 June 2020
		----- (Rupees) -----	
Considered good		993,363,633	788,497,315
Considered doubtful		57,887,361	184,162,957
		1,051,250,994	972,660,272
Allowance for Expected Credit Loss (ECL)	15.1	(57,887,361)	(184,162,957)
		993,363,633	788,497,315

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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15.1 Movement in allowance for ECL is as follows:

	Note	30 June 2021	30 June 2020
		----- (Rupees) -----	
Balance at the beginning of the year		184,162,957	88,571,665
(Reversal of allowance) / allowance		(111,311,239)	95,591,292
Written-off		(14,964,357)	—
Balance at the end of the year		57,887,361	184,162,957

16. LOANS AND ADVANCES - considered good

Loans - secured

Executives		287,500	208,335
Employees		2,836,185	1,760,439
Current portion	10	186,937	181,676
		3,310,622	2,150,450

Advances - unsecured

Suppliers and contractors		26,847,670	20,767,225
		30,158,292	22,917,675

17. TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS

Deposits - unsecured, considered good		3,462,309	400,051
Prepayments		5,202,161	3,630,148
		8,664,470	4,030,199

18. OTHER RECEIVABLES

Workers' Profit Participation Fund (WPPF)	18.1	—	2,072,449
		—	2,072,449

18.1 Movement in Workers' Profit Participation Fund (WPPF) is as follows:

Balance at the beginning of the year		2,072,449	(2,329,116)
Interest	33	—	(26,322)
Charge	34	(70,249,177)	(19,427,551)
Payments		67,927,551	23,855,438
Balance at the end of the year		(249,177)	2,072,449

19. CASH AND BANK BALANCES

Cash at banks			
Current accounts	19.1	56,681,292	37,202,001
Savings accounts	19.2	313,352,782	257,247,909
Deposit account	19.3	129,269,526	29,269,526
		499,303,600	323,719,436

19.1 Includes an amount of Rs. 5.825 million (2020: Rs. 1.373 million) in an Islamic bank.

19.2 Includes an amount of Rs. 46.331 million (2020: 30.169 million) placed with an Islamic bank carrying profit at the rates ranging from 3.25% to 7.06% (2020: 3.25% to 7.06%). Profit rate under conventional banking relationship is at the rates ranging from 6.50% to 11.25% (2020: 6.50% to 11.25%) per annum.

19.3 Represents deposit with a conventional bank and carries interest at the rates ranging from 7% to 10.99% (2020: 7% to 10.99%) per annum.

20 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

			30 June 2021	30 June 2020
			----- (Rupees) -----	
Number of ordinary shares of Rs. 5/- each				
30 June 2021	30 June 2020			
8,316,000	8,316,000	Fully paid in cash	41,580,000	41,580,000
10,556,413	10,556,413	Issued as bonus shares	52,782,065	52,782,065
18,872,413	18,872,413		94,362,065	94,362,065

20.1 AICA Asia Pacific Holding Pte. Limited (a related party), incorporated in Singapore having its registered office at 43 Shipyard Road - 628135, Singapore, held 4,716,216 (2020: 4,716,216) ordinary shares representing 24.99% (2020: 24.99%) shareholding as of the reporting date.

20.2 Voting rights, Board selection, right of first refusal and block voting are in proportion to the shareholding.

21. LONG-TERM FINANCING - secured

	Note	30 June 2021	30 June 2020
		----- (Rupees) -----	
Term loan	21.1	140,625,000	253,125,000
Temporary Economic Refinance Facility (TERF)	21.2	95,993,824	—
		236,618,824	253,125,000
Current portion		(128,206,095)	(112,500,000)
		108,412,729	140,625,000

21.1 Represents utilized portion of term loan obtained from a conventional bank amounting to Rs. 500 million (2020: Rs. 500 million). The facility carries a mark-up at the rate of three months' KIBOR plus 0.35% (2020: three months' KIBOR plus 0.35%) per annum. This is repayable latest by August 2022 in sixteen equal quarterly installments which commenced from November 2018 and is secured against equitable mortgage and hypothecation of the Company's operating fixed assets.

21.2 Represents utilized portion of facility obtained from a conventional bank for import of plant and machinery under State Bank of Pakistan (SBP) scheme of TERF amounting to Rs. 150 million (2020: Nil). The facility carries mark-up at the rate of 1% base plus 0.75% spread (2020: Nil) per annum. The SBP allowed rate as per the scheme is up to 5% per annum. However, the effective interest rate is calculated as 7.64% per annum and the loan has been recognised at the present value. The loan is repayable in sixteen equal quarterly installments commencing from February 2022 discounted at the effective rate of interest. The differential mark-up has been recognised as deferred income (as mentioned in note 22) which will be recognized as income over the period of the facility. The financing is secured against equitable mortgage and hypothecation of the Company's operating fixed assets.

22 DEFERRED INCOME

	Note	30 June 2021	30 June 2020
		----- (Rupees) -----	
Balance at the beginning of the year		—	—
Recognized		18,127,228	—
Amortized	32	(3,264,690)	—
Balance at the end of the year	22.1	14,862,538	—
Current portion		(5,492,726)	—
		9,369,812	—

22.1 As aforementioned in note 21.2, the purpose of the deferred income is to facilitate the Company by letting it to borrow funds for new or BMR of the existing project at below-market interest rate, in light of the Covid-19 pandemic. The deferred income is conditional upon the Company importing plant and machinery either for new or BMR of existing projects.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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23 LEASE LIABILITIES

The Company has entered into various lease agreements with an Islamic financial institution in respect of vehicles. The lease arrangements carry mark-up at the rate of KIBOR plus 2.75% (2020: KIBOR plus 2.75%). Rentals are payable in equal monthly installments whereas repairs and insurance costs are borne by the Company. These are secured against promissory notes.

The Company also has lease contract for the city office having lease term of 5 years. In general, the Company is restricted from assigning and subleasing the leased assets. These lease contracts include extension and termination options subject to the mutual consent of the Company and the lessor. The Company is bound by certain covenants which includes but are not limited to payment of certain taxes and to exercise reasonable care.

	Note	30 June 2021	30 June 2020
		----- (Rupees) -----	
Lease liabilities		10,766,672	12,625,558
Current portion		(5,051,544)	(7,473,667)
	23.1	<u>5,715,128</u>	<u>5,151,891</u>

23.1 Movement in lease liabilities is as follows:

	30 June 2021			30 June 2020		
	Vehicles	City office	Total	Vehicles	City office	Total
	----- (Rupees) -----					
Balance at the beginning of the year	10,794,762	1,830,796	12,625,558	8,914,327	—	8,914,327
Impact of initial implication of IFRS-16	—	—	—	—	3,564,125	3,564,125
Additions	—	9,063,728	9,063,728	6,300,000	—	6,300,000
Accretion of interest	901,124	608,463	1,509,587	1,862,327	365,837	2,228,164
Payments	(8,519,647)	(3,912,554)	(12,432,201)	(6,281,892)	(2,099,166)	(8,381,058)
Balance at the end of the year	3,176,239	7,590,433	10,766,672	10,794,762	1,830,796	12,625,558
Current portion	(2,983,932)	(2,067,612)	(5,051,544)	(5,642,871)	(1,830,796)	(7,473,667)
	<u>192,307</u>	<u>5,522,821</u>	<u>5,715,128</u>	<u>5,151,891</u>	<u>—</u>	<u>5,151,891</u>

23.2 The amount of future minimum lease payments, together with the present value of the minimum lease payments, and the periods during which they fall due are as follows:

	30 June 2021		30 June 2020	
	Lease payments	Present value of lease payments	Lease payments	Present value of lease payments
	----- (Rupees) -----			
Within one year	5,857,355	5,051,544	8,628,160	7,473,667
Later than one year and not later than five years	6,443,776	5,715,128	5,540,992	5,151,891
Total lease payments	12,301,131	10,766,672	14,169,152	12,625,558
Less: Financial charges allocated to future periods	(1,534,459)	—	(1,543,594)	—
Present value of lease payments	10,766,672	10,766,672	12,625,558	12,625,558
Less: Current portion	(5,051,544)	(5,051,544)	(7,473,667)	(7,473,667)
	<u>5,715,128</u>	<u>5,715,128</u>	<u>5,151,891</u>	<u>5,151,891</u>

24 TRADE AND OTHER PAYABLES

	Note	30 June 2021	30 June 2020
----- (Rupees) -----			
Creditors		8,021,692	6,332,423
Bills payable		244,787,040	176,685,162
Accrued liabilities	24.1 & 24.2	292,729,584	225,304,214
Contract liabilities	24.3	6,476,921	5,411,187
Workers' Welfare Fund	24.4	35,175,878	10,459,507
Workers' Profit Participation Fund (WPPF)	18.1	249,177	—
Vend and permit fee payable	24.5	4,552,438	4,552,438
Tax deducted at source		1,691,830	708,934
Sales tax payable - net		62,010,671	55,737,138
		<u>655,695,231</u>	<u>485,191,003</u>

24.1 Includes accrual for leave encashment of Rs. 6.09 million (2020: Rs. 16.84 million) and bonus to employees of Rs. 25.59 million (2020: Rs. 10.22 million).

24.2 Includes an amount of Rs. 111.73 million (2020: Rs. 89.73 million) in respect of Sindh Infrastructure Development Cess.

24.3 These contract liabilities are unsecured and received under normal course of business. Revenue recognized during the year from amounts included in contract liabilities at the beginning of the year amounts to Rs. 5.41 million. (2020: Rs. 4.56 million).

24.4 Movement in Workers' Welfare Fund is as follows:

	Note	30 June 2021	30 June 2020
----- (Rupees) -----			
Balance at the beginning of the year		10,459,507	7,773,010
Charge	34	24,716,371	10,459,507
Payments		—	(7,773,010)
Balance at the end of the year		<u>35,175,878</u>	<u>10,459,507</u>

24.5 Represents amount charged to certain customers in respect of vend and permit fee. Depending on the outcome of the law suit mentioned in note 27.1.1 to these financial statements, the amount would either be paid to the Excise and Taxation Department, Government of Sindh or refunded to the customers. The Company discontinued this practice of charging the fee from July 2002 in accordance with the industrial norms.

25 SHORT-TERM RUNNING FINANCE - secured

Represents running finance facilities obtained from various conventional banks amounting to Rs. 750 million (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 ranges from one month KIBOR to six months' KIBOR as bench mark rate plus 0.50% to 0.75% as spread (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. The facilities remained unutilized as at the reporting date.

26 UNCLAIMED DIVIDEND

The Company has opened separate bank accounts as required under the provision of section 244 of the Act and the required amounts have been transferred accordingly.

27 CONTINGENCIES AND COMMITMENTS

27.1 Contingencies

27.1.1 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 Honourable High Court of Sindh (HCS) in August 1996. In June 2001, the Honourable HCS decided the case in the favour of the Company. However, the Department filed an appeal in the Honourable Supreme Court of Pakistan (SCP) against the above judgement. The Honourable SCP suspended the decision of the Honourable HCS and reverted the case back to the Honourable HCS for fresh hearing. In March 2003, the Honourable HCS once again decided the case in favour of the Company. The Department once again filed an appeal before the Honourable SCP.

In December 2019, the Honourable SCP disposed off the appeal on the basis that the Department would 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 from 1990 up to 2002.

As of the reporting date, no fresh demand has yet been received from the Department against Vend and Permit fee amounting to Rs. 1,415.62 million (2020: Rs. 1,257.84 million) determined on the basis of consumption of methanol by the Company since November 2002.

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

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 financial statements.

27.2 Commitments

	Note	30 June 2021	30 June 2020
		----- (Rupees) -----	
27.2.1 Outstanding bank guarantees		<u>23,883,947</u>	<u>23,883,947</u>
27.2.2 Outstanding letter of credits		<u>504,307,016</u>	<u>158,235,932</u>
27.2.3 Commitment for capital expenditure		<u>7,956,652</u>	<u>9,400,000</u>
28 TURNOVER - net			
Local sales		8,132,291,384	5,349,425,515
Sales tax		(1,292,165,942)	(847,868,597)
Sales return		(11,752,285)	(8,159,284)
Trade discount		(1,169,614)	(942,958)
		<u>(1,305,087,841)</u>	<u>(856,970,839)</u>
	28.1	<u>6,827,203,543</u>	<u>4,492,454,676</u>

28.1 Revenue earned from the normal operations of the Company is Shariah Compliant.

29 COST OF SALES

	Note	30 June 2021	30 June 2020
----- (Rupees) -----			
Raw and packing material consumed			
Balance at the beginning of the year		480,136,922	469,201,963
Purchases		4,673,172,720	2,987,396,639
		5,153,309,642	3,456,598,602
Balance at the end of the year		(742,956,158)	(480,136,922)
		4,410,353,484	2,976,461,680
Manufacturing expenses			
Indirect material consumed		10,347,122	6,492,787
Stores and spares consumed		89,429,850	57,057,046
Fuel and power		238,546,628	178,730,111
Salaries, wages and other benefits		327,819,416	262,494,239
Rates and taxes		671,255	1,212,885
Insurance		2,536,500	2,449,797
Repairs and maintenance		23,450,743	9,310,113
Vehicles running and maintenance		10,374,253	8,066,796
Ijarah rentals		—	1,260,543
Postage, telephone and telex		2,122,707	1,775,571
Storage and handling charges		22,886,262	18,837,908
Travelling and conveyance		888,306	445,890
Printing and stationery		2,015,652	1,041,393
Depreciation on operating fixed assets	9.3	97,335,144	113,887,341
Depreciation on right-of-use assets	9.5.1	1,853,047	1,765,047
Internet charges		1,467,132	1,338,093
Water and conservancy cost		3,027,842	2,865,021
Gas expense		959,334	1,181,314
Others		16,184,440	10,831,570
		851,915,633	681,043,465
Cost of goods manufactured		5,262,269,117	3,657,505,145
Finished goods			
Balance at the beginning of the year	14	39,991,977	91,599,125
Balance at the end of the year	14	(110,940,895)	(39,991,977)
		(70,948,918)	51,607,148
		5,191,320,199	3,709,112,293

30 DISTRIBUTION COSTS

Salaries and other benefits		23,313,607	21,142,042
Cartage and freight		160,303,389	108,400,766
Rent, rates and taxes	30.1	677,088	587,512
Insurance		1,841,885	2,502,437
Repairs and maintenance		784,472	173,206
Vehicles running and maintenance		3,099,739	2,091,672
Postage, telephone and telex		1,440,583	1,472,363
Travelling and conveyance		1,534,664	2,067,185
Printing and stationery		111,647	96,459
Electricity		459,250	602,013
Depreciation on operating fixed assets	9.3	1,442,280	532,355
Depreciation on right-of-use assets	9.5.1	1,507,895	1,233,730
Sales promotion		356,500	335,000
Others		791,123	614,515
		197,664,122	141,851,255

30.1 Includes short-term lease expense amounting to Rs. 0.468 million (2020: Rs. 0.442 million).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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31 ADMINISTRATIVE EXPENSES

	Note	30 June 2021	30 June 2020
		----- (Rupees) -----	
Salaries and other benefits		81,177,877	63,321,461
Insurance		386,880	310,084
Repairs and maintenance		6,074,571	2,909,652
Vehicles running and maintenance		6,633,309	4,187,865
Postage, telephone and telex		1,676,030	1,446,600
Travelling and conveyance		3,023,374	4,253,846
Printing and stationery		1,216,061	770,758
Utilities		841,010	1,200,000
Depreciation on operating fixed assets	9.3	5,139,339	4,760,824
Depreciation on right-of-use assets	9.5.1	2,722,100	1,677,905
Amortisation		—	536
Legal and professional charges		5,122,680	7,274,154
Advertisement and publicity		311,470	84,608
Donations	31.1	13,288,393	3,586,500
Auditor's remuneration	31.2	2,115,937	2,107,666
ISO certification fee		881,400	199,526
Others		3,803,979	3,368,658
		<u>134,414,410</u>	<u>101,460,643</u>

31.1 Includes donations made to Mohamed Ali Habib Welfare Trust, Indus Hospital, Sindh Institute of Urology & Transplantation, Habib Education Trust and Pateints Aid Foundation. None of the directors of the Company or their spouses had any interest in any of the donees.

31.2 Auditor's remuneration

	Note	30 June 2021	30 June 2020
		----- (Rupees) -----	
Statutory audit		1,242,000	1,080,000
Half yearly review		146,000	127,000
Review of Code of Corporate Governance		66,000	57,500
Other certifications		446,656	380,575
Out of pocket and sales tax expense		215,281	462,591
		<u>2,115,937</u>	<u>2,107,666</u>

32 OTHER INCOME

Income from financial assets

Profit / interest on savings accounts	32.1	16,960,589	3,518,682
Interest on deposit account		1,775,605	1,996,166
		<u>18,736,194</u>	<u>5,514,848</u>

Income from non-financial assets

Scrap sales		386,542	333,333
Insurance claims		1,146,750	—
Gain on disposals of operating fixed assets		2,881,003	2,961,201
Deferred income amortised		3,264,690	—
Exchange gain - net	22	7,532,377	—
		<u>15,211,362</u>	<u>3,294,534</u>
		<u>33,947,556</u>	<u>8,809,382</u>

32.1 Includes an amount of Rs. 0.606 million (2020: Rs. 0.994 million) earned from an Islamic bank.

33 FINANCE COSTS

	Note	30 June 2021	30 June 2020
		----- (Rupees) -----	
Mark-up on long-term financing		19,796,842	42,238,634
Mark-up on short-term running finance		428,031	11,022,454
Interest on Worker's Profit Participation Fund	18.1	—	26,322
Accretion of interest on lease liabilities	32.1	1,509,587	2,228,164
		<u>21,734,460</u>	<u>55,515,574</u>
Bank guarantees commission		1,417,313	1,123,544
Bank charges		<u>2,192,098</u>	<u>1,381,691</u>
		<u>25,343,871</u>	<u>58,020,809</u>

33.1 Includes an amount of Rs. 0.90 million (2020: Rs. 0.44 million) in respect of lease from an Islamic financial institution.

34 OTHER CHARGES

	Note	30 June 2021	30 June 2020
		----- (Rupees) -----	
Workers' Profit Participation Fund	18.1	70,249,177	19,427,551
Workers' Welfare Fund	24.4	24,716,371	10,459,507
Exchange loss - net		—	6,676,725
		<u>94,965,548</u>	<u>36,563,783</u>

35 TAXATION

Current		347,366,184	147,589,506
Prior		799,646	3,171,470
Deferred		41,979,798	(45,446,341)
	35.1	<u>390,145,628</u>	<u>105,314,635</u>

35.1 Relationship between accounting profit and tax expense

Profit before taxation		<u>1,328,754,188</u>	<u>358,663,983</u>
Tax @ 29% (2020: 29%)		385,338,715	104,012,555
Effects of previous year's tax charge		799,646	3,171,470
Deferred		41,979,798	(45,446,341)
Tax rebates		(3,853,634)	(1,040,085)
Expenses that are admissible in determining taxable profit		<u>(34,118,897)</u>	<u>44,617,036</u>
Tax expense		<u>390,145,628</u>	<u>105,314,635</u>
Effective tax rate		<u>29.36%</u>	<u>29.36%</u>

36 BASIC AND DILUTED EARNINGS PER SHARE

Net profit for the year		<u>938,608,560</u>	<u>253,349,348</u>
		----- (No. of shares) -----	
Weighted average number of ordinary shares in issue during the year		<u>18,872,413</u>	<u>18,872,413</u>
		----- (Rupees) -----	
Basic earnings per share	36.1	<u>49.73</u>	<u>13.42</u>

36.1 There is no dilutive effect on basic earning per share of the Company as calculated above.

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37 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.

	30 June 2021			30 June 2020		
	Resin division	Moulding compound division	Total	Resin division	Moulding compound division	Total
	(Rupees)					
Turnover - net	<u>2,670,723,828</u>	<u>4,156,479,715</u>	<u>6,827,203,543</u>	<u>1,920,910,662</u>	<u>2,571,544,014</u>	<u>4,492,454,676</u>
Segment result	<u>453,023,277</u>	<u>1,132,655,426</u>	<u>1,585,678,703</u>	<u>136,300,281</u>	<u>443,050,043</u>	<u>579,350,324</u>
Unallocated expenses:						
Administrative expenses			(134,414,410)			(101,460,643)
Distribution costs			(37,360,733)			(33,450,488)
Other income			30,682,866			8,809,382
Finance costs			(20,866,690)			(58,020,809)
Other charges			(94,965,548)			(36,563,783)
Taxation			(390,145,628)			(105,314,635)
Net profit for the year			<u>938,608,560</u>			<u>253,349,348</u>
Segment assets	<u>1,034,117,303</u>	<u>1,756,170,104</u>	<u>2,790,287,407</u>	<u>822,720,134</u>	<u>1,062,033,016</u>	<u>1,884,753,150</u>
Unallocated assets			<u>617,302,630</u>			<u>461,126,790</u>
Total assets			<u>3,407,590,037</u>			<u>2,345,879,940</u>
Segment liabilities	<u>277,818,840</u>	<u>375,109,906</u>	<u>652,928,745</u>	<u>310,286,062</u>	<u>273,960,341</u>	<u>584,246,403</u>
Unallocated liabilities			<u>372,700,431</u>			<u>176,737,761</u>
Total liabilities			<u>1,025,629,176</u>			<u>760,984,164</u>
Capital expenditure	<u>10,891,101</u>	<u>302,398,485</u>	<u>313,289,586</u>	<u>7,589,134</u>	<u>29,778,194</u>	<u>37,367,328</u>
Unallocated capital expenditure			<u>16,586,701</u>			<u>1,070,500</u>
Total capital expenditure			<u>329,876,287</u>			<u>38,437,828</u>
Depreciation and amortisation	<u>37,741,014</u>	<u>61,447,923</u>	<u>99,188,937</u>	<u>53,653,711</u>	<u>61,998,678</u>	<u>115,652,389</u>
Unallocated depreciation and amortisation			<u>10,810,868</u>			<u>8,205,350</u>
Total depreciation and amortisation			<u>109,999,805</u>			<u>123,857,738</u>

37.1 Administrative expenses, distribution costs (excluding cartage and freight), other income, finance costs, other charges and taxation is managed on Company basis and are not allocated to operating segments.

37.2 Total sales of the Company were made to customers in Pakistan during the year ended 30 June 2021 and 2020. There were no sales amongst operating segments of the Company.

37.3 There were no major customers of the Company which constituted 10% or more of the Company's revenue.

37.4 Segment assets and liabilities

Segment assets include all operating assets by a segment and consist principally of property, plant and equipment, stock-in-trade and trade debts. Segment liabilities include all operating liabilities and consist principally of trade and other payables.

37.4.1 Reconciliation of segment assets and liabilities to total assets and liabilities

	30 June 2021	30 June 2020
	----- (Rupees) -----	
Segment assets		
Allocated segment assets	2,790,287,407	1,884,753,150
Long-term deposits	7,195,126	6,673,726
Deferred taxation	15,613,048	57,592,846
Cash and bank balances	499,303,600	323,719,436
Other unallocated assets	95,190,856	73,140,782
	<u>3,407,590,037</u>	<u>2,345,879,940</u>
Segment liabilities		
Allocated segment liabilities	652,928,745	584,246,403
Trade and other payables	265,014,520	166,695,158
Accrued mark-up	1,583,071	4,592,715
Taxation - net	99,619,553	—
Unclaimed dividend	6,483,287	5,449,888
	<u>1,025,629,176</u>	<u>760,984,164</u>

37.4.2 All non-current assets of the Company at the end of the current and preceding year were located in Pakistan.

38 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

	Note	30 June 2021	30 June 2020
		----- (Rupees) -----	
38.1 Financial assets and financial liabilities			
Financial assets			
Debts instruments at amortised cost			
Long-term loans	10	112,376	150,595
Long-term deposits	11	7,195,126	6,673,726
Trade debts	15	993,363,633	788,497,315
Loans	16	3,310,622	2,150,450
Trade deposits	17	3,462,309	400,051
Accrued markup		1,008,648	479,773
Cash and bank balances	19	499,303,600	323,719,436
		<u>1,507,756,314</u>	<u>1,122,071,346</u>
Financial liabilities			
Financial liabilities at amortised cost			
Long-term financing	21	236,618,824	253,125,000
Lease liabilities	23	10,766,672	12,625,558
Trade and other payables		556,567,675	418,285,424
Accrued mark-up		1,583,071	4,592,715
Short-term running finance	25	—	—
Unclaimed dividend	26	6,483,287	5,449,888
		<u>812,019,529</u>	<u>694,078,585</u>

The Company's activities expose it to a variety of financial risks i.e. market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on minimizing potential adverse effects on the Company's financial performance. The overall risk management of the Company is carried out by the Company's senior management team under policies approved by the Board of Directors. Such policies entail identifying, evaluating and addressing financial risks of the Company. The Company's overall risk management procedures to minimize the potential adverse affects of financial market on the Company's performance are as follows:

38.2 Market risk

Market risk is the risk that fair value or future cash flows will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate risk, currency risk and other price risk, such as equity risk.

(i) Interest rate risk

Interest rate risk is the risk that the value of financial instrument will fluctuate due to the changes in market interest rates. The Company is exposed to interest rate risk in respect of long-term financing and short-term running finance. Management of the Company estimates that 10% increase / decrease in the market interest rate, with all other factors remaining constant, would decrease / increase the Company's profit after tax by Rs. 23.66 million (2020: Rs. 25.31 million). However, in practice, the actual result may differ from the sensitivity analysis.

(ii) Foreign currency risk

Foreign currency risk is the risk that the value of a financial asset or a liability will fluctuate due to a change in foreign exchange rates. As of the reporting date, this risk primarily relates to payables in foreign currency.

The Company is exposed to foreign currency risk amounting to Rs. 244.7 million (2020: Rs. 176.7 million) in relation to foreign currency financial liabilities. Management of the Company estimates that 5% increase / decrease in exchange rate, with all other factors remaining constant, would decrease / increase the Company's profit before tax by Rs. 12.2 million (2020: Rs. 8.8 million). However, in practice, the actual result may differ from sensitivity analysis.

(iii) Equity price risk

Equity price risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. As of the reporting date, the Company is not exposed to any equity price risk.

38.3 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 risk 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 changes in economical, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

Credit risk of the Company arises principally from the loans, deposits, trade debts, accrued markup and bank balances. The carrying amount of financial assets represents the maximum credit exposure. To reduce the exposure to credit risk on trade debts, the Company has developed a formal approval process, whereby credit limits are applied to its customers. The management continuously monitors the credit exposure towards the customers and makes provision against those balances considered doubtful of recovery. The credit risk on liquid funds such as balances with banks is limited because the counter parties are banks with reasonably high credit ratings.

The maximum exposure to credit risk at the reporting date is as follows:

	Note	30 June 2021	30 June 2020
		----- (Rupees) -----	
Long-term loans	10	112,376	150,595
Long-term deposits	11	7,195,126	6,673,726
Trade debts	15	993,363,633	788,497,315
Loans	16	3,310,622	2,150,450
Trade deposits	17	3,462,309	400,051
Accrued mark-up		1,008,648	479,773
Bank balances	19	499,303,600	323,719,436
		<u>1,507,756,314</u>	<u>1,122,071,346</u>

Loans, deposits and accrued mark-up as mentioned above are neither past due nor impaired.

The impaired trade debts and the basis of impairment are disclosed in notes 15.1 and 8.15 respectively.

Set out below is the information about the credit risk exposure on the Company's trade debts from its customers.

	30 June 2021						
	Trade Debts (in Rupees)						
	Days Past Due						
	Current	0-30	30-60	60-90	90-120	>120	Total
Expected Credit Loss rate	0.27%	25.00%	50.00%	50.00%	100.00%	100.00%	
Estimated total gross carrying amount at default	931,910,749	56,131,275	40,105,774	3,583,422	1,454,024	18,065,750	1,051,250,994
Expected Credit Loss	(2,490,170)	(14,032,819)	(20,052,887)	(1,791,711)	(1,454,024)	(18,065,750)	(57,887,361)
Amount past due but not impaired	929,420,579	42,098,456	20,052,887	1,791,711	–	–	993,363,633

	30 June 2020						
	Trade Debts (in Rupees)						
	Days Past Due						
	Current	0-30	30-60	60-90	90-120	>120	Total
Expected Credit Loss rate	1.71%	17.89%	36.63%	57.38%	86.74%	90.39%	
Estimated total gross carrying amount at default	585,641,648	126,152,139	121,771,891	56,445,654	3,667,349	78,981,591	972,660,272
Expected Credit Loss	(10,029,319)	(22,564,865)	(44,605,519)	(32,388,820)	(3,180,955)	(71,393,479)	(184,162,957)
Amount past due but not impaired	575,612,329	103,587,274	77,166,372	24,056,834	486,394	7,588,112	788,497,315

	30 June 2021	30 June 2020
	----- (Rupees) -----	
Bank balances		
Rating		
A1+	499,303,600	323,719,436

Financial assets other than trade debts and bank balances are not exposed to any material credit risk.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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38.4 Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its funding requirements. To guard against the risk, the Company has diversified funding sources and assets are managed with liquidity in mind. The maturity profile is monitored to ensure that adequate liquidity is maintained:

	Less than 3 months	3 to 12 months	1 to 5 years	Total
	(Rupees)			
30 June 2021				
Long-term financing	28,609,997	99,596,098	108,412,729	236,618,824
Lease Liabilities	1,073,977	3,977,567	5,715,128	10,766,672
Trade and other payables	552,015,237	4,552,438	—	556,567,675
Accrued mark-up	1,583,071	—	—	1,583,071
Short-term running finance	—	—	—	—
Unclaimed dividend	6,483,287	—	—	6,483,287
	<u>589,765,569</u>	<u>108,126,103</u>	<u>114,127,857</u>	<u>812,019,529</u>
30 June 2020				
Long-term financing	28,125,000	84,375,000	140,625,000	253,125,000
Lease Liabilities	2,237,054	5,236,613	5,151,891	12,625,558
Trade and other payables	413,732,986	4,552,438	—	418,285,424
Accrued mark-up	4,592,715	—	—	4,592,715
Short-term running finance	—	—	—	—
Unclaimed dividend	5,449,888	—	—	5,449,888
	<u>454,137,643</u>	<u>94,164,051</u>	<u>145,776,891</u>	<u>694,078,585</u>

39 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. As of the reporting date, the carrying value of all financial assets and liabilities reflected in the financial statements approximate to their fair values.

40 CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

	30 June 2021		
	Long-term financing	Un-claimed dividend	Leases liabilities
	(Rupees)		
Balance at the beginning of the year	253,125,000	5,449,888	12,625,558
Changes from financing cash flows			
Long-term financing - net	(1,643,638)	—	—
Lease rentals paid	—	—	(10,922,614)
Dividend paid	—	(140,510,076)	—
	<u>(1,643,638)</u>	<u>(140,510,076)</u>	<u>(10,922,614)</u>
Other changes			
Deferred income recognized	(18,127,228)	—	—
Finance costs	3,264,690	—	—
New leases	—	—	9,063,728
Dividend declared	—	141,543,475	—
Balance at the end of the year	<u>236,618,824</u>	<u>6,483,287</u>	<u>10,766,672</u>

	30 June 2020		
	Long-term financing	Un-claimed dividend	Leases liabilities
	(Rupees)		
Balance at the beginning of the year	365,625,000	5,259,703	8,914,327
Changes from financing cash flows			
Long-term financing - net	(112,500,000)	-	-
Lease rentals paid	-	-	(6,152,894)
Dividend paid	-	(46,991,157)	-
	(112,500,000)	(46,991,157)	(6,152,894)
Other changes			
New leases	-	-	9,864,125
Dividend declared	-	47,181,342	-
Balance at the end of the year	253,125,000	5,449,888	12,625,558

41 CAPITAL RISK MANAGEMENT

The Company's objective when managing capital is to safeguard the Company's ability to remain as a going concern and continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Company is currently financing its operations through long-term financing and short-term running finance in addition to its equity.

The gearing ratio is as follows:

	Note	30 June 2021	30 June 2020
		(Rupees)	
Long-term financing	21	236,618,824	253,125,000
Accrued mark-up		1,583,071	4,592,715
Short-term running finance	25	-	-
Total debt		238,201,895	257,717,715
Issued, subscribed and paid-up capital	20	94,362,065	94,362,065
Revenue reserves		2,287,598,796	1,490,533,711
Equity		2,381,960,861	1,584,895,776
Total debt plus equity		2,620,162,756	1,842,613,491
Gearing ratio		9.09%	13.99%

42 TRANSACTIONS WITH RELATED PARTIES

Related parties of the Company comprise associated companies, employee retirement benefits fund, directors and key management personnel. All the transactions with related parties are entered into at agreed terms in the normal course of business as approved by the Board of Directors of the Company. Transactions with related parties are as follows:

Name of related party	Relationship	% of shareholding in the Company	Nature of transaction	30 June 2021	30 June 2020
				(Rupees)	
Provident Fund	Retirement benefits fund	Nil	Contribution to fund	10,498,631	9,564,275
AICA Asia Pacific Holding Pte Ltd.	Associate	24.99	Dividend paid	35,371,620	11,790,540

42.1 Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity directly or indirectly. The Company considers all members of their executive management team, including the chief executive and directors, to be key management personnel.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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43 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged in the financial statements for remuneration including certain benefits to the chief executive, directors and executives of the Company are as follows:

	2021			2020		
	Chief Executive	Directors	Executives	Chief Executive	Directors	Executives
	(Rupees)					
Managerial remuneration	13,085,185	-	24,129,486	11,065,892	-	21,572,002
Bonus	3,547,473	-	2,978,999	1,559,888	-	1,230,324
Retirement and other benefits	4,165,750	-	8,079,550	1,986,244	-	3,536,921
House rent	4,598,054	-	8,497,240	3,929,808	-	7,650,286
	<u>25,396,462</u>	<u>-</u>	<u>43,685,275</u>	<u>18,541,832</u>	<u>-</u>	<u>33,989,533</u>
Number of persons	<u>1</u>	<u>6</u>	<u>9</u>	<u>1</u>	<u>6</u>	<u>9</u>

43.1 In addition, the chief executive and certain executives are provided with free use of Company's maintained cars as per terms of employment.

43.2 Directors' fee to non executive directors for attending the board meetings amounted to Rs. 9.49 million (2020: Rs. 8.16 million).

43.3 No remuneration was paid to any of the directors other than the chief executive.

44 CAPACITY AND PRODUCTION

	30 June 2021		30 June 2020	
	Rated Capacity	Actual Production	Rated Capacity	Actual Production
	(M. tonnes)			
Resin division				
Urea / Melamine formaldehyde	77,000	40,068	77,000	30,990
Formaldehyde	109,000	86,793	109,000	57,474
	<u>186,000</u>	<u>126,861</u>	<u>186,000</u>	<u>88,464</u>
Moulding compound division				
Urea / melamine formaldehyde moulding compound	33,000	29,327	18,000	18,718
Melamine Glazing Powder	2,000	1,870	2,000	1,153
	<u>35,000</u>	<u>31,197</u>	<u>20,000</u>	<u>19,871</u>

44.1 Capacity utilization is in line with market demand during the year.

45 NON-ADJUSTING EVENT AFTER THE REPORTING DATE

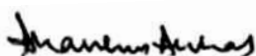
The Board of Directors in its meeting held on 03 September, 2021 proposed final cash dividend of Rs. 5/- per share for the year ended 30 June 2021 amounting to Rs. 94.362 million for approval of the members at the Annual General Meeting to be held on 21 October, 2021.

The directors have also approved appropriation of Rs. 500 million (2020: Rs. 200 million) to general reserve. These appropriations will be approved in the forthcoming Annual General Meeting. The financial statements for the year ended 30 June 2021 do not include the effect of these appropriations which will be accounted in the financial statements for the year ending 30 June 2022.

46 PROVIDENT FUND

Investments out of provident fund have been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

	30 June 2021	30 June 2020
47 NUMBER OF EMPLOYEES		
Total number of employees as at the reporting date	<u>228</u>	<u>218</u>
Average number of employees during the year	<u>221</u>	<u>217</u>
48 GENERAL		
48.1 Figures have been rounded off to the nearest Pak Rupee.		
49 RECLASSIFICATION		
49.1 Certain prior year figures have been reclassified for better presentation, however there are no material reclassifications to report.		
50 DATE OF AUTHORISATION FOR ISSUE		
These financial statements were authorised for issue on 03 September, 2021 by the Board of Directors of the Company.		



SHABBIR ABBAS
Chief Executive Officer



ANAM FATIMA KHAN
Director



SHAKEEL UDDIN
Chief Financial Officer

PATTERN OF SHAREHOLDING AS AT JUNE 30, 2021



NO.	CATEGORIES OF SHAREHOLDERS	NO. OF SHARES HELD	CATEGORY-WISE NO. OF FOLIOS /CDC ACCOUNTS	CATEGORY-WISE SHARES HELD	PERCENTAGE (%)
1	INDIVIDUALS		1,440	4,759,273	25.22
2	INVESTMENT COMPANIES		1	2,200	0.01
3	JOINT STOCK COMPANIES		11	1,420,959	7.53
4	DIRECTORS, CHIEF EXECUTIVE OFFICER AND THEIR SPOUSE AND MINOR CHILDREN		5	5,000	0.03
	Anam Fatima Khan	1,000			
	Shabbir Abbas	1,000			
	Andalib Alavi	1,000			
	Mohammed Ameen Bandukda	1,000			
	Murtaza Lalan	1,000			
5	EXECUTIVES		–	–	–
6	ASSOCIATED COMPANIES, UNDERTAKINGS AND RELATED PARTIES		1	4,716,216	24.99
	AICA Asia Pacific Holding Pte Ltd				
7	PUBLIC SECTOR COMPANIES AND CORPORATIONS		–	–	–
8	BANKS, DFI'S , NBFIS, INSURANCE COMPANIES, TAKAFUL, MODARABAS AND PENSION FUNDS		13	290,143	1.54
	Financial Institutions	2,597			
	Insurance Companies	62,000			
	Modaraba	616			
	Pension Funds	224,930			
9	MUTUAL FUNDS		14	2,602,810	13.79
	CDC - Trustee Meezan Balanced Fund	25,000			
	CDC - Trustee Al Meezan Mutual Fund	119,500			
	CDC - Trustee Meezan Islamic Fund	293,000			
	CDC - Trustee NBP Stock Fund	19,000			
	CDC - Trustee Meezan Tahaffuz Pension Fund-Equity Sub Fund	120,500			
	CDC - Trustee NBP Islamic Sarmaya Izafa Fund	2,500			
	CDC - Trustee First Habib Stock Fund	5,000			
	CDC - Trustee UBL Retirement Savings Fund-Equity Sub Fund	13,100			
	CDC - Trustee National Investment (Unit) Trust	1,647,310			
	CDC - Trustee NBP Islamic Stock Fund	4,200			
	CDC - Trustee Meezan Asset Allocation Fund	80,900			
	CDC - Trustee Meezan Dedicated Equity Fund	20,000			
	CDC - Trustee UBL Dedicated Equity Fund	2,800			
	CDC - Trustee Golden Arrow Stock Fund	250,000			
10	FOREIGN INVESTORS		18	4,859,399	25.75
11	CO-OPERATIVE SOCITIES		2	3,701	0.02
12	CHARITABLE TRUST		1	99,137	0.53
13	OTHERS		18	113,575	0.60
	TOTAL		1,524	18,872,413	100.00

SHAREHOLDERS HOLDING FIVE PERCENT OR MORE VOTING INTEREST IN THE LISTED COMPANY

TOTAL PAID-UP CAPITAL OF THE COMPANY	18,872,413	SHARES	
5% OF THE PAID-UP CAPITAL OF THE COMPANY	943,621	SHARES	
NAME(S) OF SHARE-HOLDER(S)	DESCRIPTION	NO. OF SHARES HELD	PERCENTAGE (%)
AICA Asia Pacific Holding Pte Ltd.	FALL IN CAT.# 6	4,716,216	24.99
CDC - Trustee National Investment (Unit) Trust	FALL IN CAT.# 9	1,647,310	8.73
Aylesbury International Ltd.	FALL IN CAT.# 10	1,548,715	8.21
Robert Finance Corporation AG	FALL IN CAT.# 10	1,105,169	5.86
TOTAL		9,017,410	47.78

Detail of trading in the shares by the Directors, Executive and their spouses and minor children:

None of the Directors, Executives and their spouses and minor children has traded in the shares of the Company during the year of the company

NO. OF SHAREHOLDERS	SIZE OF HOLDING		TOTAL SHARES HELD
	FROM	TO	
570	1	100	16,937
382	101	500	111,929
174	501	1000	143,314
252	1001	5000	600,595
51	5001	10000	379,992
18	10001	15000	231,768
14	15001	20000	259,833
10	20001	25000	234,996
3	25001	30000	78,500
1	30001	35000	31,600
2	35001	40000	78,751
2	40001	45000	87,000
4	45001	50000	188,486
2	55001	60000	118,343
3	60001	65000	183,538
1	65001	70000	67,855
1	70001	75000	75,000
3	75001	80000	230,296
1	80001	85000	80,900
4	95001	100000	399,137
1	105001	110000	110,000
1	110001	115000	113,500
1	115001	120000	119,500
2	120001	125000	243,500
1	135001	140000	135,311
1	155001	160000	159,300
2	160001	165000	325,304
1	165001	170000	170,000
1	195001	200000	200,000
2	245001	250000	500,000
1	290001	295000	293,000
1	320001	325000	322,000
4	385001	390000	1,547,832
1	395001	400000	400,000
1	795001	800000	800,000
1	815001	820000	816,986
1	1105001	1110000	1,105,169
1	1545001	1550000	1,548,715
1	1645001	1650000	1,647,310
1	4715001	4720000	4,716,216
1,524			18,872,413

NOTICE OF 39TH ANNUAL GENERAL MEETING

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NOTICE is hereby given that the Thirty Ninth (39th) Annual General Meeting of the Members of the Company will be held on Thursday, October 21, 2021 at 01:00 pm electronically through video-link arrangement to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Accounts of the Company for the year ended June 30, 2021 together with the Chairman's Review Report and Reports of the Directors' and Auditors' thereon.
2. To approve final cash dividend for the year ended June 30, 2021 at Rs. 5/- per share i.e. 100%. This is in addition to the interim cash dividend at Rs. 2.50/- per share i.e. 50% already paid during the year.
3. To appoint Auditors for the year 2021-2022 and to fix their remuneration. The present auditors - Messrs. EY Ford Rhodes, Chartered Accountants, being eligible offer themselves for re-appointment.

SPECIAL BUSINESS:

4. Alteration in the Articles of Association of the Company

To consider and, if thought fit, to pass, with or without modification, a resolution as special resolution as proposed amendments in the Articles of Association of the Company to align with the Companies Act 2017.

BY WAY OF SPECIAL RESOLUTION RESOLVED THAT necessary changes be made in the existing articles of association of the Company primarily to align with the Companies Act 2017 be and is hereby approved.

FURTHER RESOLVED THAT the Chief Executive Officer of the Company and the Company Secretary of the Company, be and are hereby singly authorized to do all acts, deeds and take all necessary actions to complete all legal formalities and file all documents as may be necessary to implement the aforementioned resolution, as well as carry out any other act which may be ancillary and/or incidental to the above and necessary to achieve the objective of the aforesaid resolution."

5. Revision of Directors' Fee for attending Board and / or Committee Meetings

By way of ordinary resolution revision of the amount of fees to be paid to the Non-Executive Directors of the Company for attending the Board and / or Committees meetings and in that connection to pass the following resolutions, with or without modification, addition or deletion:

RESOLVED AS AND BY WAY OF AN ORDINARY RESOLUTION THAT the fees of the non-executive directors to be revised from Rs. 75,000/- to Rs. 100,000/- for attending the Board and / or Committee meeting w.e.f. November 01, 2021.

A Statement under Section 134(3) of the Companies Act 2017 read together with SRO 423(I)/2018 dated 3 April 2018 in connection with the Special Business above is being sent to the shareholders along with this notice.

By Order of the Board

Karachi:
September 03, 2021

Saqib Naim
Company Secretary

NOTES**i. Participation in the AGM Proceeding via the Video Conference Facility**

Participation in the AGM Proceeding via the Video Conference Facility due to current COVID-19 situation. Shareholders interested to participate in the meeting are requested to share below information at agm2021@dynea.com.pk for their appointment and proxy's verification at least 48 hours before the time of the meeting.

S.No.	Name of Shareholder	CNIC No.	Folio No.	Cell No.	Email Address

Video conference link details and login credentials will be shared with those Shareholders whose emails containing all the particulars are received atleast 48 hours before the time of the meeting. Shareholders can also provide their comments and questions for the agenda items of the AGM on agm2021@dynea.com.pk atleast 48 hours before the time of the meeting.

ii. Closure of Share Transfer Books

The Share Transfer Books of the Company will be closed from October 14, 2021 to October 21, 2021 (both days inclusive) for the purpose of the Annual General Meeting and payment of the final dividend. Transfer requests received by Share Registrar of the Company M/s FAMCO Associates (Private) Ltd, 8-F, Nursery, Block 6 P.E.C.H.S., Shakra-e-Faisal, Karachi. Tel: 0092-21-34380101-5, 0092-21-34384621-3 (Ext-103) Fax: 0092-21-34380106 at the close of business on October 13, 2021 will be treated in time for the purpose of determining above entitlement to the transferees for payment of final dividend and to attend the Annual General Meeting.

iii. Proxy

A member entitled to attend and vote at this General Meeting is entitled to appoint a Proxy to attend, speak and vote in his place at the Meeting. Instrument appointing a proxy must be deposited at the Registered Office of the Company at least 48 hours before the time of the meeting. In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be provided atleast 48 hours before the time of the meeting. The Form of Proxy in English and Urdu is attached in the Annual Report and should be witnessed by two persons whose names, addresses and CNIC numbers should be mentioned on the Forms. The Form of Proxy is also available on the Company's website (www.dynea.com.pk).

iv. Change of Address

The Shareholders are requested to promptly notify change in their address, if any, to the Company's Share Registrar.

v. Submission of Copies of Valid CNIC not Provided Earlier

Individual Shareholders are once again reminded to submit a copy of their valid CNIC, if not provided earlier to the Company's Share Registrar. In case of non-availability of a valid copy of the Shareholders' CNIC in the records of the Company, the Company shall withhold the Dividend under the provisions of Section 243 of the Companies Act 2017.

vi. Withholding Tax on Dividend

Currently, the deduction of withholding tax on the amount of dividend paid by the companies under Section 150 of the Income Tax Ordinance, 2001, are as under:

- | | |
|---|-----|
| (a) For Persons appearing in Active Tax Payer List (ATL): | 15% |
| (b) For Persons not appearing in Active Tax Payer List (ATL): | 30% |

Shareholders who have filed their return are advised to make sure that their names are entered into latest Active Tax Payers List (ATL) provided on the website of FBR at the time of dividend payment, otherwise they shall be treated as persons not appearing in ATL and tax on their cash dividend will be deducted at the rate of 30% instead of 15%.

vii. Withholding tax on Dividend in Case of Joint Account Holders

In order to enable the Company to follow the directives of the regulators to determine shareholding ratio of the Joint Account Holder(s) (where shareholding has not been determined by the Principal shareholder) for deduction of withholding tax on dividend of the Company, shareholders are requested to please furnish the shareholding ratio details of themselves as Principal shareholder and their Joint Holders, to the Company's Share Registrar, enabling the Company to compute withholding tax of each shareholder accordingly. The required information must reach the Company's Share Registrar by October 13, 2021, otherwise each shareholder will be assumed to have equal proportion of shares and the tax will be deducted accordingly.

viii. Payment of Cash Dividend Electronically (E-mandate)

In accordance with the provisions of section 242 of the Companies Act, 2017 and Companies (Distribution of Dividend) Regulations, 2017, it is mandatory that dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholder. Notice in this regard has already been published earlier in newspapers as per Regulations. All shareholders are once again requested to provide details of their bank mandate specifying: (i) title of account, (ii) IBAN number (iii) bank name and (iv) branch name, code & address; to Company's Share Registrar. Shareholders who hold shares with Participants / Central Depository Company of Pakistan (CDC) are advised to provide the mandate to the concerned Broker / CDC.

The "Electronic Dividend Mandate Form" in English and Urdu is available on the Company's website: (www.dynea.com.pk).

ix. Distribution of Annual Report through Email (Optional)

Pursuant to the provisions of Section 223(6) of the Companies Act, 2017, the companies are permitted to circulate their annual financial statements, along with Auditor's Report, Directors' Report etc. ("Annual Report") and the notice of annual general meeting ("Notice"), to its shareholders by email. Shareholders of the Company who wish to receive the Company's Annual Report and Notice of Annual General Meeting by email are requested to provide the completed Electronic Communication Consent Form (available on the Company's website), to the Company's Share Registrar.

The audited financial statements of the Company for the year ended June 30, 2021 have been made available on the Company's website (www.dynea.com.pk) in addition to annual and quarterly financial statements for prior years.

x. Transmission / Dispatch of Annual Report through CD / DVD

The Company has circulated Annual Financial Statements / Annual Report 2021 to its members through CD/DVD at their registered addresses. Printed copy of the same can be provided to the members upon request. The audited financial statements of the company for the year ended June 30, 2021 have been made available on the Company's Website (www.dynea.com.pk).

The Standard Request Form is available on the Company's website (www.dynea.com.pk). If a member prefers to receive hard copies for all the future Audited Financial Statements and notice of AGM, then such preference of the member shall be noted in the Standard Request Form.

STATEMENT UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017 READ WITH SRO 423(I)/2018 DATED 3 APRIL 2018 IN CONNECTION WITH SPECIAL BUSINESS

This statement sets out the material facts concerning the special business to be transacted at the Annual General Meeting of the Company to be held on October 21, 2021 at 1:00 pm through electronically through video-link arrangement.

1. Amendment in Articles of Association of the Company

The Board of Directors of the Company have in their meeting held on September 03, 2021 approved to recommend the shareholders of the Company to consider amending the Articles of Association of the Company primarily in order to align the existing one with the Companies Act 2017.

Availability of Relevant Documents

A copy of the existing Articles of Association identifying the changes proposed therein alongwith a comparative analysis of the existing clauses with the proposed amendments and reasons for each change are being sent to all shareholders and also are available for inspection at the registered office of the Company from 9.00 a.m. to 5.00 p.m. on any working day, up to the last working day before the date of the Annual General Meeting. The same shall also be available for inspection by the members in the Annual General Meeting.

Statement by the Board of Directors

“We, the members of the Board of Directors hereby confirm that the alterations in the Articles of Association of the Company are in line with the applicable laws and regulatory framework.”

Nature of Interest

The Directors of the Company do not hold any direct or indirect interest in the alteration of Articles of Association of the Company.

2. Revision of Directors' Fee for attending Board and / or Committee Meetings

The Board of Directors of the Company have in their meeting held on September 03, 2021 approved to recommend to the shareholders of the Company to consider revision of fee of the non-executive directors to be revised from Rs. 75,000/- to Rs. 100,000/- for attending the Board and / or Committee meetings.

The rationale of revision in the fee of directors of the Company is to bring them in line with the fees paid to directors of listed companies of similar size.

Nature of Interest

The Directors of the Company except Mr. Donald John Jenkin, Chairman and Mr. Shabbir Abbas, Chief Executive are interested in the revision of fees of the directors.

EXISTING ARTICLES OF ASSOCIATION IDENTIFYING THE CHANGES PROPOSED THEREIN

**UNDER THE COMPANIES ORDINANCE, 1984 ACT 2017
(COMPANY LIMITED BY SHARES)**

**ARTICLES OF ASSOCIATION
OF
DYNEA PAKISTAN LIMITED**

UNDER THE COMPANIES ORDINANCE, 1984 ACT 2017
ARTICLES OF ASSOCIATION OF DYNEA PAKISTAN LIMITED
COMPANY LIMITED BY SHARES

PRELIMINARY

	1.	<p>The marginal notes hereto shall not effect the construction hereof and in these presents unless there be something in the subject or context inconsistent therewith.</p>	Interpretation
		<p>"The Company" means "DYNEA PAKISTAN LIMITED".</p> <p>"The Ordinance Act " means the Companies Ordinance 1984 Act, 2017, for the time being in force in Pakistan, with the statutory modifications as may from time to time be made.</p> <p>"The Office" means the Registered Office for the time being of the Company.</p> <p>"The Register" means the Register of Members to be kept pursuant to Section 147<u>119</u> of the Ordinance Act.</p> <p>"Special Resolution" has the meaning assigned thereto by Section 2 (1)(36) (66) of the Ordinance Act.</p> <p>"The Directors" means the "Directors of the Company for the time being".</p> <p>"The Board" means the Board of Directors for the time being of the Company.</p> <p>"The AuthorityCommission" means the Securities & Exchange Commission of Pakistan.</p> <p>"The Registrar" means the Registrar of Joint Stock Companies, Karachi.</p> <p>"The Registrar" means registrar, an additional registrar, an additional joint registrar, a joint registrar, a deputy registrar, an assistant registrar or such other officer as may be designated by the Commission, performing duties and functions under this Act</p> <p><u>"The Seal" means the common seal having the company's name engraved on it in legible form."</u></p> <p>"Dividend" includes bonus.</p> <p>"Month" means Calendar month according to the English Calendar.</p> <p>"Proxy" includes attorney duly constituted under a power of attorney.</p> <p>"Redeemable Capital" and "Participating Redeemable Capital" havehas the meaning assigned thereto respectively by Section 2 (1) (30A) and Section 2(1) (25)<u>55</u> of the Ordinance Act.</p> <p>"In Writing" and "Written" includes printing, lithography writing, and other modes of representing or reproducing words in a visible form.</p> <p>Words not defined shall have the meaning assigned thereto in the Ordinance Act.</p>	
Table 'A' not to apply.	2.	<p>The regulations contained in Table 'A' in the First Schedule to the Ordinance Act shall not apply to the Company, except so far as expressly incorporated herein.</p>	

	3.	Subject to the provision of sections 95-A86 and 88 of the Companies Ordinance, company Act, Company may purchase its own shares.	
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CAPITAL AND SHARES

Capital.	4.	The Capital of the Company is Rs. 200,000,000/- (Rupees Two hundred million) divided into 40,000,000 ordinary shares of Rs. 5/- each.	
Allotment of shares under the control of the Directors	5.	Subject to the provisions of these Articles and to the provisions of Section 86 of the Ordinance Act, the shares shall be under the control of the Directors, who may allot or otherwise dispose of the same to such persons on such terms and conditions, and either at a premium or at par and at such times as the Directors think fit.	
Return as to Allotments.	6.	As regards all allotment from time to time made, the Directors shall duly comply with Section 73 Sections 67-70 of the Ordinance Act.	
Special Rights for various classes of ordinary shares.	7.	Subject to the provisions of Section 90(2) and 108 of the Ordinance Act any of the shares for the time being unissued and any new shares from time to time to be created may from time to time be issued with any special privilege or advantage over any shares previously issued or then about to be issued (subject to the provision hereinafter contained as to the consent of the holders of any class of shares where such consent is necessary), or subject to any such conditions, or provisions, and with any such right and generally on such terms as the Company may from time to time by Ordinary Resolution determine.	
Redeemable capital.	8.	Subject to the provisions of Section 120 of the Ordinance Act any securities or certificates may be issued evidencing investment of the holder in the " participatory redeemable capital " or "redeemable capital" of the Company.	
	9.	With the previous authority of the Company in General Meeting and the sanction of the Authority Commission and upon otherwise complying with Section 84 82 of the Ordinance Act it shall be lawful for the Directors to issue shares at a discount.	Shares at a discount
	10.	Subject to the provisions of the Ordinance Act the Directors may allot and issue shares in the capital of the Company as payment or part payment of any property, sold or transferred, goods or machinery supplied or for services rendered to the Company in or about the formation or promotion of the Company or conduct of its business and any shares which may be so allotted may be issued as fully paid up shares and, if so issued, shall be deemed to be fully paid up shares.	Directors may allot fully paid-up shares as payment of property etc.
	11.	Subject to the provisions of Section 82 of the Ordinance, the The company may at any time when shares or debentures or debenture stock are offered for allotment or for sale, pay commission or brokerage to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares, debentures or debenture-stock of the Company, or procuring or agreeing to procure subscriptions (whether absolute or conditionally) for any shares, debentures or debenture-stock of the company, or employed in the sale or	Commission and Brokerage.

		underwriting of such shares, debentures or debenture-stock, and the amount of such commission and brokerage shall not in any event exceed such rate percent as may be specified by the Authority <u>Commission</u> .	
	12.	Shares may be registered in the name of any limited company or other corporate body, but not in the name of a firm . Not more than four persons shall be registered as joint-holders of any shares.	Who may be registered.
	13.	Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future, or partial interest in any share or (except only as by these Articles or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.	Trust not recognised.

CERTIFICATES

	14.	The certificate of title to shares and duplicates thereof when necessary shall be issued under the Seal of the Company and signed by two Directors or the Secretary and a Director.	Certificate.
	15.	Every member shall be entitled to one certificate for all the shares in any particular class registered in his name and the joint holders of shares shall be entitled to one certificate of all the shares in any particular class registered in their names provided that, if the Directors so approve, several certificates may be issued for one or more of such shares, but in respect of each certificate after the first, the Directors shall be entitled to charge a fee of Rs. 2/- or such less sum as they may determine. Every certificate of shares shall specify the number and denoting numbers of the shares in respect of which it is issued and the amount paid up thereon.	Member's right to certificate.
As to issue of new certificate in place of one defaced, lost or destroyed.	16.	If any certificate be worn out or defaced then upon production thereof to the Directors, they may order the same to be cancelled, and may issue a new certificate in lieu thereof, and if any certificate be lost or destroyed then upon proof thereof to the satisfaction of the Directors and on such indemnity as the Directors deem adequate being given, a new certificate in lieu thereof shall be given to the registered holder of the share to which such lost or destroyed certificate shall relate.	
Fee	17.	For every certificate issued under the last preceding Article there shall be paid to the Company the sum of Rs.1/- together with a sum equal to all the expenses incidental to the investigation by the Company of the evidence of such destruction or loss and to such indemnity.	
To which of joint - holders certificate to be issued.	18.	The certificates of shares registered in the names of two or more persons shall be delivered to the person first named on the Register.	

TRANSFER AND TRANSMISSION

Execution of Transfer, etc	19.	Subject to the provisions of Section 7674 (1) and (5) of the Ordinance Act , no transfer of shares shall be registered unless proper instrument of transfer duly stamped and executed has been delivered to the Company together with the certificate or certificates of the shares. The instrument of transfer of any share shall be signed both by the transferor and transferee, and shall contain the name and address both of the transferor and transferee, and the transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in Register in respect thereof. Each signature to such transfer shall be duly attested by the signature of one credible witness who shall add his address and occupation.	Certificate.
Application by transferor.		An application for registration of the transfer of shares. shall be made either by the transfer or or the transferee and subject to the provisions of Section 7674 of the Ordinance Act , the Company shall enter in its register of members the name of the transferee in the same manner and subject to the same conditions as if the application was made by the transferee.	
Indemnity against wrongful transfer.	20.	Neither the Company nor its Directors shall incur any liability for registering or acting upon a transfer of shares apparently made by sufficient parties, although the same may by reason of any fraud or other cause not known to the Company or its Directors, be legally inoperative or insufficient to pass the property in the shares proposed or professed to be transferred, and although the transfer, may as between the transferor and transferee be liable to be set aside, and notwithstanding that the Company may have noticed that such instrument of transfer was signed or executed and delivered by the transferor in blank as to the name of the transferee or the particulars of the share transferred, or otherwise in defective manner. And in every such case the person registered as transferee, his executors, administrators, and assigns alone shall be entitled to be recognised as the holder of such shares and the previous holder shall, so far as the Company is concerned, be deemed to have transferred his whole title thereto.	
Form of transfer.	21.	<p>The instrument of transfer of any share shall be in writing in the usual common form, or in the following form, or as near thereto as circumstances will admit:-</p> <p style="text-align: center;">DYNEA PAKISTAN LIMITED</p> <p>I, of....., In consideration of the sum of Rs..... paid to me by..... of hereinafter called the said transferee, do hereby transfer to the said transferee..... share (or shares) numbered in the undertaking called DYNEA PAKISTAN LIMITED, to hold unto the said transferee his executors, administrators and assigns, subject to the several conditions on which I held the same immediately before the execution hereof, and I, the said transferee, do hereby agree to take the said share (or shares) subject to the conditions aforesaid, As witness our hands the.....</p> <p>day of</p> <p>Witness to the</p> <p>Signature of etc.</p>	

		<div>Form for Transfer of Shares</div> <div>I..... s/o r/o..... (hereinafter called "the transferor") in consideration of the sum of rupees paid to me by..... s/o.....r/o..... (hereinafter called "the transferee"), do hereby transfer to the said transferee.....the share (or shares)with distinctive numbers from.....to..... inclusive, in the.....Limited, to hold unto the said transferee, his executors, administrators and assigns, subject to the several conditions on which I held the same at the time of the execution hereof, and I, the said transferee, do hereby agree to take the said share (or shares) subject to the conditions aforesaid.</div> <div>As witness our hands this..... day of, 20.....</div> <div><div><div>Signature</div><div>Transferor</div><div>Full Name, Father's/Husband's Name</div><div>CNIC Number (in case of foreigner, Passport Number)</div><div>Nationality</div><div>Residential Address</div></div><div><div>Signature</div><div>Transferor</div><div>Full Name, Father's/Husband's Name</div><div>CNIC Number (in case of foreigner, Passport Number)</div><div>Nationality</div><div>Residential Address</div></div></div> <div><div>Witness 1:</div><div>Signature.....date</div><div>Name,</div><div>CNIC Number and</div><div>Full Address</div></div> <div><div>Witness 2:</div><div>Signature.....date</div><div>Name,</div><div>CNIC Number and</div><div>Full Address</div></div> <div><div>Bank Account Details of Transferee for Payment of Cash Dividend</div><div>It is requested that all my cash dividend amounts declared by the company, may be credited into the following bank account:</div><div><div>Title of Bank Account</div><div>Bank Account Number</div><div>Bank's Name</div><div>Branch Name and Address</div></div></div>	
	22.	<div>The Directors, shall not refuse to transfer shares unless the transfer deed as for any reason defective or invalid in which case the company shall within thirty days fifteen days (or where the transferee is a Central Depository within five days)from the date on which the instrument of transfer was lodged with it notify the defect or invalidity to the transferor and transferee who shall, after the removal of such defect or invalidity, be entitled to relodge the transfer deed with the Company.</div>	Directors not to refuse transfers
	23.	<div>No transfer shall be made to an Infant (except with the sanction of the Board of Directors) or to a person of unsound mind.</div>	No transfer to infants, etc.
	24.	<div>Every instruments of transfer shall be left at the office for registration, accompanied by the certificate of the shares to be transferred, and such other evidence as the Directors may require to prove the title of the transferor or his right to transfer the share, and upon payment of the proper fee, the transferee shall (subject to the Directors' right to decline to register herein before mentioned) be registered as a member in respect of such shares. The Directors may waive the production of any certificate upon evidence satisfactory to them of its loss or destruction.</div>	Transfer to be left at office and evidence of title given.
	25.	<div>All instruments of transfer which shall be registered shall be retained by the Company but any instrument of transfer which the Directors may decline to register shalt (except in any case of fraud) be returned to the person depositing the same.</div>	When transfers to be retained.
	26.	<div>"No transfer fee will be charged for any transfer of shares by the company".</div>	Fee on transfer etc.
	27.	<div>The transfer books and Register of Members may be closed during such time as the Directors think fit, not exceeding in the whole forty fivethirty days in each year but not exceeding thirty days at a timeas may be extended by the Commission.</div> <div>At least seven days' notice for each closure shall be given as specified in Section 125 of the Ordinance. shall be given in the newspaper circulating in the Province in which the Registered Office and the Stock Exchange in which the Company is listed is situatedAct.</div>	When transfer books and register may be closed.

Transmission of registered shares.	28.	The executor or administrator or nominee appointed under Section 8079 of the Ordinance Act , if any, as the case may be, of a deceased member (not being one of several joint-holders) shall be the only person recognised by the Company as having any title to shares registered in the name of such member, and in case of the death of any one or more of the joint-holders of any registered shares, the survivor's shall be the only persons recognised by the Company as having any title to or interest in such shares, but nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person. Before recognizing any executor or administrator the Directors may require him to obtain a Grant of Probate, Letters of Administration, Succession Certificate or other legal representations as the case may be from some competent court in Pakistan. Provided nevertheless that in any case where the Board in their absolute discretion think fit it shall be lawful for the Directors to dispense with the production of Probate Letters of Administration, Succession Certificate or such other legal representation upon such terms as to indemnity or otherwise as the Directors in their absolute discretion, may consider necessary.	
As to transfer of shares to insane, infant, deceased, or bankrupt members. Transmission Article.	29.	Any committee or guardian of a lunatic or infant member or any person becoming entitled to or to transfer shares in consequence of the death or bankruptcy or insolvency of any member upon producing such evidence that he sustains the character in respect of which he proposes to act under this Articles, or his title as the Directors think sufficient, may, with the consent of the Directors (which they shall not be under any obligation to give) be registered as a member in respect of such shares or may, subject to the regulations as to transfer hereinbefore contained, transfer such shares. This Article is hereinafter referred to as "The Transmission Article."	
Rights of unregistered personal representative or trustee in bankruptcy.	30.	A person so becoming entitled shall have the right to receive and give a discharge for any dividends or other moneys payable or other advantages arising in respect of the share, but he shall have no right to receive notice of or to attend or vote at meetings of the Company, or (save as aforesaid) to any of the rights or privileges of a member in respect of the share, unless and until he shall be registered as the holder thereof.	
Directors right to refuse registration on transmission.	31.	The Directors shall have the same right to refuse to register a person entitled by transmission to any Shares or his nominee as if he were the transferee named in an ordinary transfer presented for registration.	

INCREASE AND REDUCTION OF CAPITAL

Power to increase capital.	32.	The Company in General Meeting may, by ordinary resolution, from time to time increase the capital by creation of new shares of such amount as may be deemed expedient.	
On what conditions new shares may be issued.	33.	Subject to any special rights or privileges for the time being attached to any issued shares, the new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the Resolution creating the same shall direct and if no direction be given, as the Directors shall determine, provided however that the rights as between various classes of ordinary shares as to profits, votes and other benefits shall be strictly proportionate to the paid up value of the shares.	

Further issue of capital by Directors.	34.	Subject to the provisions of Section 83 of the Act, the Directors shall offer all new shares to the members in proportion to the existing shares held by each member (irrespective of <u>in respective</u> kinds and class) and such offer shall be made by notice specifying the number of shares to which the member is entitled and limiting a time within which the offer, if not accepted, will be deemed to be declined and after expiration of such time or on receipt of an intimation from the member to whom such notice is given that he declines to accept the shares offered, the Directors shall offer the unsubscribed part to any one or more institutions as may be specified by the Authority; and if the said institutions do not subscribe to the whole or any part of the offer, such whole or part may be allotted and issued in such manner as the Directors may deem fit. <u>may dispose of the same as they may deem fit.</u>	
	35.	If, owing to any inequality in the number of new shares to be issued and the number of shares held by members entitled to have the offer of such new shares, any difficulty shall arise in the apportionment of such new shares or any of them amongst the members, such difficulty shall in the absence of any direction in the resolution creating the new shares or by the Company in General Meeting, be determined by the Directors. However, fractional shares shall not be offered and all fractions less than a share shall be consolidated and disposed of by the company and the proceeds from such disposition shall be paid to such of the entitled shareholders as may have accepted such offer; <u>charitable institution as the Directors deem fit.</u>	Inequality in number of new shares.
	36.	Subject to the provisions of Section 92 (2) <u>85</u> of the Ordinance <u>Act</u> , any capital raised by the creation of new shares shall be considered part of the original ordinary capital and shall be subject to the provisions here-in contained with reference to transfer and transmissions, voting and otherwise.	How far new shares to rank with shares in original Capital.
	37.	The Company may (subject to the provisions of Section <u>89 to 96 to 106 Inclusive</u> inclusive of the Ordinance <u>Act</u>) from time to time by Special Resolution reduce its capital by paying off capital or cancelling capital which has been lost or is unrepresented by available assets or otherwise as may seem expedient and any capital may be paid off upon the footing that it may be called up again or otherwise.	Reduction of capital.

SUB-DIVISION AND CONSOLIDATION OF SHARES

	38.	The Company may, by a Resolution passed in Board of Directors Meeting, Sub-divide or consolidate its shares or any of them.	
	39.	In the event of consolidation or sub-division of shares, the rights attaching to the new shares shall be strictly proportional to the rights attaching to the previous shares so consolidated or sub-divided.	Rights to be proportional on sub-division.

REDEEMABLE CAPITAL

	40.	Notwithstanding anything contained herein the Company may issue any instrument in the nature of redeemable capital including participatory redeemable capital in accordance with the provision of Section 420 <u>66</u> of the Ordinance <u>Act</u> .	Redeemable Capital.
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ISSUE OF SHARES IN LIEU OF OUTSTANDING BALANCE OF LOANS

	41.	Subject to the provisions of Section 8730 and 66 of the Ordinance Act , the Company may issue ordinary shares or grant option to convert into ordinary shares the outstanding balance of any loans, advances or credit as defined in the Banking Companies Ordinance, 1962 or credit as defined in the Banking Companies Ordinance, 1962 (LVIL of 1962), or other non-interest bearing obligations outstanding or having a term of not less than three years in the manner provided in any contract with any schedule bank or a financial institution to the extent of twenty five percent of such balance.	
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SURRENDER OF SHARES

	42.	Subject to the provision of Section 96 to 106 inclusive of the Ordinance, the Directors may accept from any member of the surrender on such terms and conditions as shall be agreed of all or any of his shares.	
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DEPOSITS

	43. 42.	The Company may accept, invite or retain deposits in accordance with the provisions of Section 8884 of the Ordinance Act .	
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MODIFICATION OF RIGHTS

	44. 43.	The rights and privileges attached to each class of ordinary shares may, <u>subject to the provisions of Section 59 of the Act</u> , be modified, commuted, effected or abrogated only if a majority of at least three fourth of the members affected thereby by such alteration as the case may be personally or through proxy, vote for such alteration.	
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BORROWING POWERS

Power to Borrow	45. 44.	Subject to the provisions of Section 196 183 of the Ordinance Act and these Articles the Directors may from time to time at their discretion raise or borrow or secure payment of any sum or sums of money for the purposes of the Company, from any persons, firms, companies or banks and may themselves lend any such sum or sums to the Company on security or otherwise.	
Conditions on which money may be borrowed.	46. 45.	The Directors may borrow or secure the repayment or payment of any sum or sums in such manner and upon such terms and conditions in all respects as they think fit, and in particular by the creation of any mortgage or charge on the undertaking or the whole or any part of the property, present and future, of the Company or by o the issue of bonds, perpetual or redeemable debentures or debentures stock of the Company, charges upon all or any part of the property of the Company, both present and future.	
Borrowing on the basis of mark-up, musharika, P.T.C etc.	47. 46.	The Directors may, from time to time at their discretion and on such terms and conditions as they think fit, obtain finance for the purposes of the Company on the basis of mark-up, musharika, mudaraba, participation term certificates, musharika certificates, term finance certificates or any other approved mode of non-interest based financing from banks, financial, institutions or from any other institution set up by the Government of Pakistan or by any Provincial Government and may secure such Finance by the issue of participation term certificates, musharika certificates, mudaraba certificates, term finance	

		certificates or any other security or obligation not based on interest, other than the ordinary shares of the Company, representing an instrument or a certificate of a specified denomination, called the face value or nominal value, evidencing investment of holder in the capital of the Company on terms and conditions of the agreement for the issue of such instrument or certificate or such other certificate or instrument as the Federal Government may permit.	
	48.47.	The Company may raise and secure payment of any sum by issue of Participation Term Certificates or Term Finance Certificates or Musharika Certificates either at a discount, premium or otherwise with special privileges as to redemption, conversion into shares with voting rights and their subsequent reconversion into Participation Term Certificates or Term Finance Certificates or Musharika Certificates.	
	49.48.	Debentures, debenture-stock, bonds and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.	Securities may be assigned free from equities.
	50.49.	Debentures, debenture-stock, bonds or other securities may be issued at a discount, premium or otherwise and with any special privileges as to redemption, surrender, drawings, allotment of shares, attending General Meetings of the Company, appointment of Directors and otherwise. Debentures convertible into ordinary share may carry voting rights which shall not be in excess of the voting rights attaching to ordinary shares of equal paid-up value.	Issue at discount etc., or with special privileges.
	51.50.	The Directors shall cause a proper Register to be kept in accordance with Section 135112 of the OrdinanceAct , of all mortgages and charges specifically affecting the property of the Company, and shall duly comply with the requirements of Sections 124 and 122100 to 111 of the OrdinanceAct , in regard to the registration and satisfaction of mortgages and charges therein specified and otherwise and shall also duly comply with the requirement of Section 130 of the Ordinance, as to keeping a copy of every instrument creating any mortgages or charge by the Company at the office, and the requirements of Section 132 of the Ordinance as to giving intimation of the payment or satisfaction of any charge or mortgage created by the Company.	Register of mortgages to be kept.
	52.	Subject to the provision of Section 150 and 151 of the Ordinance, every Register of holders of debentures of the Company may be closed for any period not exceeding thirty days at a time and on the whole forty-five days in any year. Subject as aforesaid every such Register shall be open to the inspection of the Registered holder of any such debentures and of any members; but the Company may in General Meeting impose any reasonable restrictions so that at least two hours in each day when such Register is open are appointed for inspection.	Register of holders of debentures.
	53.	Subject to the provisions of Section 76(1) and (5) of the Ordinance, no transfer of registered debentures shall be registered unless a proper instrument of transfer duly stamped and executed by the transferor and transferee has been delivered to the Company together with the certificate or certificates of the debentures.	Instruments of transfer.

Notice of refusal to register transfer.	54.	The Directors shall not refuse to transfer debentures unless the transfer deed is for any reason defective or invalid in which case the Company shall, within thirty days from the date on which the instrument of transfer was lodged with the Company, send to the transferee and the transferor notice of the refusal.	
Inspection of copies of mortgage.	55. 51.	The Company shall comply with the provisions of Section 136112 of the Ordinance Act as to allowing inspection of copies kept at the office in pursuance of Section 130107 of the Ordinance Act and as to allowing inspection of the Register of Mortgages to be kept at the office in pursuance of Section 135112 of the Ordinance Act.	
Supplying copies of Register of holders of debentures.	56. 52.	The Company shall comply with the provisions of Section 150(2)124 of the Ordinance Act as to supplying copies of any Register of holders of debentures or of any trust deed for securing any issue of debentures, on payment of the statutory fee.	

RESERVE AND DEPRECIATION FUNDS

Reserve Fund	57. 53.	The Directors may, from time to time before recommending any dividend, set apart any and such portion of the profits of the Company as they think fit as a Reserve Fund to meet contingencies or for the liquidation of any debentures, debts or other liabilities of the Company, for equalization of dividends for repairing improving or maintaining any of the property of the Company, and for such other purposes of the Company as the Directors in their absolute discretion think conducive to the interest of the company and may invest the several sums so set- aside upon such Investment (other than shares of the Company) as they may think fit, and from time to time deal with and vary such investments, and dispose of all or any part thereof for the benefit of the Company, and may divide the Reserve Fund into such special funds as they think fit, with full power to employ the Reserve Fund or any part thereof in the business of the Company, and that without being bound to keep the same separate from the other assets.	
Depreciation Fund.	58. 54.	The Directors may from time to time before recommending any dividend, set apart any such portion of the profits of the Company, as they think fit, as a Depreciation Fund applicable at the discretion of the Directors, for providing against any depreciation in the investments of the Company or for rebuilding, restoring, replacing or for altering any part of the buildings, work, plant, machinery or other property of the Company destroyed or damaged by fire, flood, storm, tempest, earthquake, accident, riot, wear and tear, or any other means whatsoever, for repairing, altering or keeping in good condition the property of the Company or for extending or enlarging the buildings, machinery and property of the Company with full power to employ the assets constituting such Depreciation Fund in the business of the Company and that without being bound to keep the same separate from the other assets.	
Investment of money	59. 55.	All moneys carried to the Reserve Fund and Depreciation Fund respectively shall nevertheless remain and be profits of the Company applicable, subject to due provision being made for actual loss or depreciation, for the payment of dividends and such moneys and all the other moneys of the Company not immediately required for the purposes of the Company may be invested by the Directors in or upon such investments or securities as they may select or may be used as working capital or may be kept in any Bank on deposit or otherwise as the Directors may from time to time think proper.	

GENERAL MEETING

	60.56.	A General Meeting of the Company shall be held once at least in every calendar year at such time within a period of six months one hundred and twenty days of the close of a financial year but not more than fifteen months after the holding of the last preceding General Meeting, and at such place as may be determined by the Directors.	When General Meeting to be held.
	61.57.	The General Meeting referred to in the last preceding Article shall be called Annual General Meeting all other meetings of the Company shall be called Extraordinary General Meeting.	Distinction between Annual General Meeting and Extraordinary General Meetings.
	62.58.	The Directors may, whenever they think fit, call an Extraordinary General Meeting and an Extraordinary General Meeting shall also be called on such requisition as provided by Section 159 133 of the Ordinance Act.	When Extraordinary General Meeting to be held.
	63.59.	Not less than twenty one days (or such lesser period as may be prescribed in the Act or by the Commission) notice to the members specifying the place, the day and the hour of meeting with a statement of the business to be transacted at the meeting shall be given by advertisement in the manner provided in sub-section (3) of Section 158 of the Ordinance and by the notice sent by post or otherwise served as hereinafter provided and In the case of an emergency affecting the business of the company the Directors may apply to the Registrar to authorise an Extraordinary General Meeting to be held at shorter notice. Provided always that not less than twenty-one days notice shall be given of a meeting to pass a Special Resolution specifying the intention to propose the Resolution as a Special Resolution but if all the members entitled to attend and vote at any such meeting so agree, resolution may be proposed and passed as a Special Resolution at a meeting of which less than twenty-one days' notice has been given subject however to the prior approval of the Registrar authorising the meeting to be held on a shorter notice. Section 134 and 140 of the Act.	Notice of Meetings.
	64.60.	The accidental omission to give any such notice to or the nonreceipt of any such notice by any of the members shall not invalidate any resolution passed at any such meeting.	As to omission to give notice.

PROCEEDING AT GENERAL MEETING

	65.61.	The business of an Annual General Meeting shall be to receive and consider the Profit and Loss Account, the Balance Sheet and the Reports of the Directors and of the Auditors to elect and appoint Directors and Auditors and to fix the remuneration of Auditors, to declare dividends and to transact any other business which under these articles and under the Ordinance Act ought to be transacted at an Annual General Meeting. All other business transacted at Annual General Meeting and all business transacted at an Extraordinary General Meeting shall be deemed special.	Business of Annual General Meeting.
Business of Ordinary Meeting.		Resolution of any of the under noted business unless recommended by the Board may only be passed by as affirmative vote of two third of the total voting Capital of the Company or three fourths of the votes of those members present in person or by Proxy and entitled to vote whichever is the lesser figure:- (i) Increase of the authorized capital of the company or issuing of additional share capital.	

		<p>(ii) Any borrowing in excess of the limit already approved by the Board.</p> <p>(iii) Any investment or capital expenditure in excess of the budgeted figures already approved by the Board.</p> <p>(iv) Engagement by the Company in any activity other than the Principal objects set out in clause III (1) of the Memorandum of Association of the Company. Ten members Present personally or through video link who represent not less than twenty five percent of the total voting power, either of their own account or as proxies shall be quorum for a General Meeting for all purposes.</p>	
Quorum.	66.62.	Five Ten members Present personally or through video link who represent not less than twenty five percent of the total voting power, either of their own account or as proxies shall be quorum for a General Meeting for all purposes.	
Quorum to be present when business commenced	67.63.	No business shall be transacted at any General Meeting unless quorum requisite shall be present at the commencement of business.	
Chairman of General Meeting.	68.64.	The Chairman of the Board of Directors shall be entitled to take the chair at every General Meeting or if there be no such Chairman or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding such meeting, or is unwilling to act, the members present shall choose another Director as Chairman and if no Director be present or if all the Directors present decline to take the chair, then the members present shall choose one of their number being a member entitled to vote to be the Chairman.	
When, if quorum not present, meeting to be dissolved and when to be adjourned.	69.65.	If within half-an-hour from the time appointed for the meeting a quorum be not present, the meeting if opened convened upon such requisition as aforesaid shall be dissolved but, in any other case it shall stand adjourned to the same day in the next week at the same time and place, and if at such adjourned meeting a quorum be not present within half an hour from the time appointed for the meeting, those members who are present and not being less than two shall be a quorum and may transact the business for which the meeting was called.	
How questions to be decided at meetings, Casting votes	70.	Every question submitted to a meeting shall be decided in the first instance by a show of hands and in the case of an equality of votes the Chairman shall, both on a show of hands and at the poll have a casting vote in addition to the vote or votes for which he may be entitled as a member.	
What is to be evidence of the passing of a resolution where poll not demanded.	71.66.	At a General Meeting a resolution put to vote in the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) demanded, in accordance with the provisions of Section 167143 of the Ordinance Act, and unless a poll is so demanded, a declaration by the Chairman that a resolution has, on a show of hands, been carried, or carried unanimously, or by a particular majority, or lost, and an entry to the effect in the book of the proceedings of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of, or against that resolution.	

	72.67.	If a poll be demanded as aforesaid it shall (subject to Article 7570) be taken in such manner and at such time not more than fourteen days from the day on which it is demanded, and such place as the Chairman of the meeting directs and either at once or after interval adjournment or otherwise, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand of a poll may be withdrawn. In case of any dispute as to the admission or rejection of a vote, the Chairman shall determine the same and such determination made in good faith shall be final and conclusive.	Poll.
	73.68.	The Chairman of a General Meeting may with the consent of the member present adjourn the same from time to time and from place to place but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.	Power to adjourn General Meeting.
	74.69.	Any poll duly demanded on the election of a Chairman of a meeting or on a question of adjournment shall be taken at the meeting and without adjournment.	In what cases poll taken without adjournment.
	75.70.	The demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a Poll has been demanded.	Business may proceed notwithstanding demand of poll.

VOTES OF MEMBERS

	76.71.	Subject to any special rights and restrictions as to voting upon which any shares may be held, on a show of hands every member present in person shall have one vote and every person present as a General Proxy (as defined in Articles 477 hereof; but who is not a member of the company or who is a member not qualified to vote) on behalf of a holder or holders of shares shall have one vote and upon a poll every member present in person or by proxy shall have one vote for every share held by him, provided that no company shall vote by proxy so long as a resolution of its directors under the provisions of Section 162 of the Ordinance in force. Provided further that the votes in relation to election of Directors shall be determined and exercised as mentioned in Article 9994 herein.	Votes of members.
	76A.72.	"Subject to any rules or regulations that may be made from time to time by the Commission in this regard, Members may exercise voting rights at general meeting through electronic means if the Company receives the requisite demand for poll in accordance with the applicable laws. The Company shall facilitate the voting by electronic means in the manner and in accordance with the requirements prescribed by the Commission".	
	77.73.	Where another company is a member of the Company, a person duly appointed to represent such company at a meeting of the Company in accordance with the provisions of Section 162 of the Ordinance, shall not be deemed to be a proxy, and the production at the meeting of a copy of such resolution duly signed by one Director of such company and certified by him as being a true copy of the resolution shall on production at the meeting be accepted by the Company as sufficient evidence of the validity of his appointment. 138 of the Act, shall not be deemed to be a proxy.	Procedure where a company is a member of the Company.

	78: 74.	Any person entitled under the Transmission Article to transfer any shares may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that forty eight hours at least before the time of holding the meeting or adjourned meeting as the case may be at which he proposes to vote he shall satisfy the Directors of his right to transfer such shares, or the Directors shall have previously admitted his right to vote at such meeting in respect thereof. If any member be a lunatic idiot or non compose mentis; he may vote whether by a show of hands or at a poll but his committee, curator bonis or other legal curator and such last mentioned persons may give their votes by proxy.	Votes in respect of deceased, insane and insolvent members.
Joint-holders.	79: 75.	Where there are joint registered holders of any share any one of such persons may vote at any meeting either personally or by proxy in respect of such shares as if he was solely entitled thereto and if more than one of such joint-holders be present at any meeting either personally or by proxy, that one of the said persons so present whose name stands first on the Register in respect of such share shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased member in whose name any share stands shall for the purpose of this Article be deemed Joint-holders thereof.	
Proxies permitted.	80: 76.	Votes may be given either personally or by proxy, or, in the case of a company, by a representative duly authorised as aforesaid.	
Instruments appointing proxy to be in writing.	81: 77.	The instrument appointing a proxy shall be in writing under the hand of the appointer or of his Attorney duly authorized in writing or if such appointer is a corporation under its common seal or the hand of its Attorney. A proxy who is appointed for a specified meeting only shall be called Special proxy. Any other proxy shall be called a General proxy. No person shall be appointed as Special proxy who is not a member of the Company and qualified to vote.	
Proxies where Voting Rights Exercised through Electronic means.	81A: 78.	"Notwithstanding anything contained in these Articles, in case of voting by electronic means, both members and non-members can be appointed as Special Proxy or General Proxy"._	
Instruments appointing a proxy to be deposited at the Office.	82: 79.	The instrument appointing a proxy and the power of Attorney or other authority (if any) under which it is signed or a notarially certified copy of that power or authority, shall be deposited at the office not less than Forty Eight hours before the time for holding the meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.	
Form of Proxies where Voting Rights Exercised through Electronic means.	82A: 80.	"Notwithstanding anything contained in these Articles, for the purposes of voting by electronic means, the instrument appointing the proxy shall be in such form, and provided to the Company, in the manner stipulated under the applicable laws"._	
When votes by proxy valid through authority revoked.	83: 81.	A vote given in accordance with the terms of an instrument appointing a proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the instrument or transfer of the share in respect of which the vote is given, provided no intimation in writing of the death, insanity, revocation or transfer of the share shall have been received at the office before the meeting provided nevertheless that the Chairman of any meeting shall be entitled to require such evidence as he may in his discretion think fit of the due execution of an instrument of proxy and that the same has not been revoked.	

Form of instrument appointing a Special Proxy.	84. <u>82.</u>	<p>Every instrument appointing a Special Proxy shall as nearly as circumstances will admit, be in the form or to the effect following and shall be retained by the Company.</p> <p style="text-align: center;">DYNEA PAKISTAN LIMITED</p> <p>I,.....of..... being a member of DYNEA PAKISTAN LIMITED hereby appoint (or failing him of or failing him.....of) as my proxy in my absence to attend and vote for me, and on my behalf at the (Annual or Extraordinary, as the case may be) General Meeting of the Company to be held on the.....day of..... and at any adjournment thereof. As witness my hand this.....day of.....</p> <p>Signed by the said.....</p> <p>In presence of.....</p> <p>Provided always that an instrument appointing a proxy may be in the form set out in Regulation 39<u>42</u> of Table A.</p>	
	85. <u>83.</u>	No member shall be entitled to be present or to vote on any question either personally or by proxy or as proxy for another member at any General Meeting or upon a poll or be reckoned in a quorum meeting In respect of any shares that he has acquired by transfer unless his name has been entered as the registered holder of the shares in respect of which he claims to vote, but this shall not effect shares acquired under a testamentary disposition or by succession to an intestates estate or under a bankruptcy or insolvency or liquidation.	Restrictions on Voting.

DIRECTORS

	86. <u>84.</u>	<p>Until otherwise determined by the Company in General Meeting theThe number of elected Directors shall not be less than seven nor more than twelve excluding Directors nominated by the Company's Creditors or other special interest by virtue of contractual arrangements as mentioned in Section 182<u>164</u> of the Ordinance<u>Act</u>.</p> <p>(a) So Long as at least two of the Directors are persons representing DYNO Industries A.S. and Mr. Rafiq M. Habib, the Chairman of the Board and his Chief Executive shall be appointed by the Board from among such representative Directors, (the Chairman being a representative of DYNO Industries and the Chief Executive a representative of Mr. Rafiq M. Habib).</p> <p>(b) All subsequent Directors shall be elected in the manner prescribed by Section 178 and shall hold office for the term prescribed by Section 180 of the Ordinance.</p>	Number of Directors.
	87.	<p>Any member who is the registered holder of a sufficient number of shares to ensure the election of one or more Directors may at any time give notice in writing to the Company that the persons named in such notice are to be deemed to be the Directors representing the notice giver and any such representative Director may be a like notice be removed and replaced by the notice giver. Representative Directors shall not</p>	Ex-Officio Directors.

		require any share qualification: No member may give notice under this article in respect of more Directors than his share holding would enable him to elect.	
Debenture Directors	88. 85.	Any Trust Deed for securing debentures or debenture-stock may, if so arranged, provide for the appointment from time to time, by the trustees thereof or by the holders of the debenture-stock, of some person or persons to be a Director or Directors of the company and may empower such trustees or holders of debentures or debenture stock from time to time to remove any Director so appointed. A Director under this Article is herein referred to as a "Debenture Director". A Debenture Director shall not be bound to hold any qualification shares and shall not be liable to retire by rotation or be removed by the Company. The Trust Deeds may contain such ancillary provisions as may be arranged between the Company and the trustees and such provisions shall have effect notwithstanding any of the other provisions herein contained.	
Qualification of Directors.	89. 86.	The qualification of a Director, relaxable by the Controller of Capital Issues, shall be the holding of shares in the Company of not the nominal value of Rs. 5000/- at least in his own name but a Director representing an interest holding shares of the nominal value of Rs. 5000/- or more shall require no share qualification.	
Failure of Director to acquire qualification-	90.	If a Director fails to acquire his share qualification within two months, he shall cease to be a Director forthwith but all acts done by him during the interim period of his office as Director shall be held to have been properly done.	
Remuneration of Directors.	91. 87.	The remuneration of Director shall, from time to time be determined by the Board of Directors and unless otherwise determined shall not exceed Rs. 500/= per meeting in which the Director shall be present. The Directors shall be paid such travelling, boarding, lodging and other expenses properly incurred by them in or about the performance of their duties or business if any of them has to come to attend the Board Meeting from outstation.	
Special Remuneration to Directors for performing extra duties.	92. 88.	Any Director appointed to any executive office including for the purpose of this Article the Office of Chief Executive or Chairman or to serve on any committee or to devote special attention to the business of the Company or who otherwise performs extra services which in the opinion of the Directors are outside the scope of the ordinary duties of the Directors, may be paid such extra remuneration by way of salary, fees percentage of profits or otherwise as shall from time to time be determined by the Directors and be subject to provision of any law for the time being in force applicable to the Company.	
	93. 89.	The office of a Director shall, ipso facto, be vacated if: <ul style="list-style-type: none"> (a) he ceases to hold the share qualification, if any, necessary for his appointment; or (b) he is found to be of unsound mind by a Court of Competent jurisdiction; or (c) he is adjudged an insolvent; or (d) he has been convicted by court of law for an offence involving moral turpitude. 	Director vacating office.

		<p>(e) he or any firm of which he is a partner or any private company of which he is a Director without the sanction of the Company in General Meetings accepts or holds any office of profit under the Company other than that of a Chief Executive or legal or technical adviser or a banker in contravention of the provisions of Section 188<u>171</u> (1) (c) of the Ordinance<u>Act</u>;</p> <p>(f) he absents himself from three consecutive meetings of the Directors or from all meetings of the Directors for a continuous period of three months, whichever is the longer, without <u>seeking</u> leave of absence from the Board of Directors; or</p> <p>(g) he or any firm of which he is a partner or any private Company of which he is a Director accepts a loan or a guarantee from the Company in contravention of Section 195<u>182</u> of the Ordinance<u>Act</u>; or</p> <p>(h) he acts in contravention of Section 244<u>205</u> of the Ordinance<u>Act</u>; or</p> <p>(i) by notice in writing to the Company he resigns his office; or</p> <p>(j) (not being Debenture Director) he is removed from the office by Resolution of the Company in General Meeting in accordance with Section 181<u>163</u> of the Ordinance<u>Act</u>;</p> <p>(k) (not being Debenture Director) he be in writing requested by all his Co-Directors to resign.</p> <p>(l)<u>(k)</u> he has betrayed lack of fiduciary behavior and a declaration to the effect has been made by the Court under section 247<u>212</u> of the Ordinance<u>Act</u> at any time during the preceding five years.</p>	
	94.90.	<p>Subject to the provisions of Sections 196(2), 214 & 216 of 183, 205 & 207 of the Ordinance<u>Act</u> the Directors shall not be disqualified from contracting with the Company either as vendor, purchaser or otherwise, nor shall any such contract or arrangement entered into by or on behalf of the Company, with any Company or partnership of or in which any Director shall be a member or otherwise interested be void nor shall any Director so contracting or being such member or so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relation hereby established, but the nature of their or his interest must be disclosed by them or him at the meeting of the Directors at which the contract or arrangement is determined on, if the interest then exists, or in any other case at the first meeting of the Directors after the acquisition of the interest. Provided nevertheless that no Director shall vote as a Director in respect of any contract or arrangement in which he is so interested as aforesaid, and if does so vote, his vote shall not be counted, but he shall be entitled to be present at the meeting during the transaction of the business in relation to which he is precluded from voting. This provision shall not apply to any contract by or on behalf of the Company to give to the Directors or any of the security for advances or by way of indemnity against any loss which they or any of them may suffer by reason of becoming or being sureties for the Company. A general notice that any Director is a Director or a member of any specified company or is a member of any</p>	Directors may contract with the Company.

		specified firm and is to be regarded as interested in any subsequent transaction with such firm or company shall as regards any such transaction be sufficient disclosure under this Article and such general notice shall expire at the end of the financial year in which it is given but may be renewed for further period of one financial year at a time, by a fresh notice given in the last month of the financial year in which it would otherwise expire.	
Directors of Company may be Directors of a subsidiary company.	95. 91.	The Directors of the Company may be or become Directors of any company promoted by the Company or in which it may be interested as a vendor, shareholder or otherwise and no such Director shall be accountable for any benefits received as Director or member of such company.	

ELECTION OF DIRECTORS

Period of office of Directors.	96. 92.	A Director except the Directors nominated by Company's Creditors or other special Interests by virtue of contractual arrangements shall hold office for a period of three years unless he earlier resigns, becomes disqualified for being a Director or otherwise ceases to hold office in terms of the provisions of the Ordinance Act.	
Re-election.	97. 93.	A retiring Director shall be eligible for re-election.	
Vacancy to be filled up at the General Meeting.	98. 94.	The Company at the General Meeting at which a Director retires in manner aforesaid may fill up the vacated office by electing a person thereto in the following manner:- (a) a member shall have such number of votes as is equal to the product of the number of voting shares or securities held by him and the number of Directors to be elected; (b) a member may give all his votes to single candidate or divide them between more than one of the candidates in such manner as he may choose; (c) the candidate who gets the highest number of votes shall be declared elected as Director and then the candidate who gets the next highest number of votes shall be so declared and so on until the total number of Directors to be elected has been so elected.	
	99.	If at any meeting at which an election of Directors ought to take place the places of the vacating Directors are not filled up, the meeting shall stand adjourned till the same day in the next week at the same time and place and, if at the adjourned meeting the places of the vacating Directors are not filled up, the vacating Directors or such of them as have not had their places filled up shall be deemed to have been re-elected at the adjourned meetings, if nothing to the contrary is indicated by the Registrar upon a report to be furnished to him within fifteen days of the expiry of the terms of the Directors pursuant to Section 177 of the Ordinance.	Retiring Directors to remain in office till successors are appointed.
	100. 95.	Subject to the provisions of Section 178(4)159 of the Companies Ordinance Act, the Company in Board of Directors meeting may from time to time increase or reduce <u>fix</u> the number of Directors to be elected.	Power of Directors to increase or reduce <u>fix</u> the number of Directors.

	<u>401.96.</u>	<p>The Company may, by resolution in general meeting remove any Director, whose period of office is liable to termination at any time by retirement of Directors, before the expiration of his period of office, and may appoint another person in his stead. The person so appointed shall be subject to retirement at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last elected Director. A Director so removed shall not be re-appointed a Director by the Board of Director. Provided that a resolution for removing a Director shall not be deemed to have been passed unless the number of votes cast in favour of such a resolution is not less than:-</p> <p>(a) the minimum number of votes that were cast for the election of a Director at the immediately preceding election of Directors, if the resolution relates to removal of a Director elected in the manner provided in Article 99 hereof; or</p> <p>(b) the total number of votes for the time being computed in the manner laid down in Article 99 hereof divided by the number of Directors for the time being if the resolution relates to removal of a Director appointed under Article 100 hereof.</p> <p>The Company may, by resolution in general meeting remove any Director in accordance with the requirements of Section 163 of the Act.</p>	
	<u>402.97.</u>	Any casual vacancy occurring among the Directors may be filled up by the Directors provided that any person so chosen shall remain in office so long as the vacating Director would have retained the same if no vacancy had occurred. The continuing Directors may act notwithstanding any vacancy in their body, but so that if the number falls below the minimum above fixed, the Directors shall not except for the purpose of filling vacancies, act so long as the number remains below the minimum.	Directors may fill up casual vacancy.
	<u>403.98.</u>	No person including retiring Director shall, be eligible for election to the office of Director at any General Meeting, unless he has, not less than fourteen days nor more than two months before the meeting, left at the office of the Company a notice in writing duly signed signifying his candidature for the office and the same shall be transmitted to the members as per section 478159 of the Ordinance Act. Any such person may, at any time before the holding of election withdraw such notice.	When candidate for office of Director must give notice.
Register of Directors and Notification of changes.	<u>404.99.</u>	The Company shall keep at its office a register containing names and addresses and occupations and other particulars required by Section 205197 of the Ordinance Act of its Directors and shall send to the Registrar a return and shall also from time to time notify to the Registrar any change that takes place in such Directors as required by Section 205197 of the Ordinance Act.	

ALTERNATE DIRECTORS

Directors may appoint Alternate Directors.	105: 100.	A Director may with the approval of the Board of Directors appoint any member of the Company or other person to be his Alternate Director during an absence of not less than three months from Pakistan and such appointment shall have effect and such appointee while he holds office as an Alternate Director shall be entitled to notice of meetings of Directors and to attend and vote there accordingly and generally to exercise all the rights and functions of such absent Director subject to provision of Section 192(1) of the Ordinance, (including the rights and functions of the Managing Director if he shall be the appointer) further subject to any limitations or restrictions in the instrument appointing him, 174 of the Act but he shall not require any qualification and he shall ipso facto vacate office if and when his appointer returns to Pakistan or vacates office as a Director or removes him by notice In writing addressed to the Company.	
Responsibility of Alternate Director.	106: 101.	The same person may be appointed as Alternate for more than one Directors. An Alternate Director shall be an officer of the Company and shall alone be responsible to the Company for his own acts and defaults and he shall not be deemed to be the agent of or for the Director appointing him. The remuneration of an Alternate Director shall be payable out of the remuneration payable to the Director appointing him and shall consist of such portion of the last mentioned remuneration as shall be agreed between the Alternate Director and the Director appointing him.	
Alternate Directors entitled to receive notices and to vote.	107: 102.	An Alternate Director shall, in the absence of a direction to the contrary in the instrument appointing him, be entitled to receive notice of and to vote at General Meetings of the Company on behalf of his appointer in the same manner as if he had been appointed a general proxy under the provision of these Articles.	

PROCEEDING OF DIRECTORS

Meeting of Directors and quorum.	108: 103.	<p>(a) The Directors may meet together for the despatchdispatch of business, adjourn and otherwise regulate their meetings and proceedings as they think fit. They shall however, meet at least twiceonce in a yearevery calendar quarter. The quorum at a Directors' meeting shall be one-third their number or four whichever is greater.</p> <p>Or if a Director or Alternate Director present at a meeting is also an Alternate for one or more other Directors, all the Directors whom he represents shall be deemed to be present at such meeting and the Director or Alternate Director personally present shall be entitled to exercise all the votes of the other Directors whom he represents.</p> <p>(b) All decisions at Board Meetings shall be by vote of the majority of the Directors present at a Meeting except that decisions on the following matters shall that require an affirmative vote a greater majority under the provisions of all the Directors Act.</p> <p>i. Increase of the authorized capital of the Company or issuing of additional share capital.</p> <p>ii. Any borrowing in excess of the limit already approved by the Board.</p>	
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		<p>iii. Any investment or capital expenditure in excess of the budgeted figures already approved by the Board.</p> <p>iv. Engagement by the Company in any activity other than the principal objects set out in Clause III (1) of the Memorandum of Association of the Company.</p> <p>v. Any dividend recommendation which would make the distribution for the year lower than 20 per cent of the issued share capital or 75 per cent of the net profit after tax but before providing for reserves, whichever is the lesser figure.</p>	
	109:104.	A Director may, at any time, convene a meeting of Directors. It shall not be necessary to give notice if a meeting of the Directors to a Director who is not for the time being resident in Pakistan. Questions arising at any meeting shall be decided by a majority of votes and in case of an equality of votes the Chairman shall have a second or casting vote.	Directors may summon meeting.
	110:105.	If at any meeting of the Directors the ex-officio Chairman be not present at the time appointed for holding the same, the Directors present shall choose some one of them to be the Chairman of such meeting.	Chairman
	111:106.	A meeting of the Directors for the time being at which a quorum be present shall be competent to exercise all or any of the authorities, powers and directions by or under the Articles of the Company for the time being vested in or exercisable by the Directors generally.	Power of Quorum
	112:107.	The Directors may delegate any of their powers to Committee Committees consisting of such member or members of their body as they think fit and may from time to time revoke such delegation. Any committee formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed upon it by the Directors.	Director may appoint committee.
	113:108.	The meetings and proceedings of any such committees, consisting of two or more members, shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulation made by the Directors under the last preceding Article.	Proceedings of Committee.
	114:109.	A resolution circulated in writing and signed or initialed by all the Directors, except for the time being those items mentioned in Pakistan (not being less than quorum for a meeting) Section 183 of the Directors) Act, shall be as valid and effectual as if it has been passed at meeting of the Directors duly called and constituted. A certificate by the Chairman at the foot of any such resolution certifying that the Directors signing or initialing the resolution are all the Directors present in Pakistan at the date of the resolution shall be final and conclusive in that behalf.	Resolution without a Board meeting is valid.
When acts of Directors or Committee valid notwithstanding defective appointment, etc.	115:110.	All acts done by any meeting of the Directors or by a Committee of Directors or by any person acting as a Director shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Directors or persons acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person has been duly appointed and was qualified to be a Director. Provided that nothing in Article shall be deemed to give validity to acts done by a Director after the appointment of such Director has been shown to be invalid.	

MINUTES

Minutes to be made.	146. 111.	<p>The Directors shall cause minutes to be duly entered in books provided for the purpose: -</p> <p>(a) Of the names of the Directors present at each meeting of the Directors and of any Committee of Directors;</p> <p>(b) Of all orders made by the Directors and the Committee of Directors;</p> <p>(c) Of all resolutions and proceedings of General Meeting and of meetings of the Directors and Committees of Directors;</p> <p>(d) Of all appointments of officers.</p> <p>(e) Of the appointment of Chief Executive as per Section 198<u>and 199</u>186 and 187 of the Ordinance<u>Act</u>.</p> <p>And any such minutes of meeting of the Directors or of any Committee or of the Company, if purporting to be signed by the Chairman of such meeting or by the Chairman of the next succeeding meeting shall be conclusive evidence of the proceedings until the contrary is proved. Every meeting of the Directors of the Company in respect of the proceedings whereof minutes have been so made shall be deemed to have been duly called and held.</p>	
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POWER OF DIRECTORS

General power of Company vested in Directors.	147. 112.	<p>The control of the Company shall be vested in the Directors and the business of the Company shall be managed by the Directors who in addition to the powers and authorities by these presents or otherwise expressly conferred upon them, may exercise all such powers and do all such acts and things as may be exercised or done by the Company and are not hereby or by statute law expressly directed or required to be exercised or done by the Company in General Meeting but subject nevertheless to the provisions of any statute law and of these presents and to any regulations not being inconsistent with these presents from time to time made by the Company in General Meeting provided that no regulation so made shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made.</p>	
	148. 113.	<p>Without prejudice to the General powers conferred by the <u>Act</u> and the last preceding Article and the other powers conferred by these presents, it is hereby expressly declared that the Directors shall have the following powers, that is to say power.</p> <p>(1) To pay the cost, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company.</p> <p>(2) To purchase on otherwise acquire for the Company any property, rights or privileges which the Company is authorised to acquire at such price and generally on such terms and conditions as they think fit and, subject to the provisions of Section 196<u>183</u>(3) of the Ordinance<u>Act</u> to sell, let, exchange or otherwise dispose of absolutely or conditionally any part of the property, privileges and undertaking of the Company upon such terms and conditions and for such consideration as they may think fit.</p>	Specific powers given to Directors.

		<p>(3) At their discretion to pay for any property, rights on privileges acquired by or services rendered to the Company either wholly or partially in cash or in shares, bonds, debentures or other securities of the Company and any such shares may be issued as fully paid up and any such bonds, debentures, or other securities may be either specifically charged upon all or any part of the property of the Company or not so charged.</p> <p>(4) To secure fulfillment of any contracts, agreements, engagements, deals or transactions entered into by the Company or it's wholly owned subsidiary by creating charge, lien or encumbrance on the assets of the Company on by mortgage of all on any moveable or immovable property of the Company in such manner as they may deem fit.</p> <p>(5) To appoint any person (whether incorporated or not) to accept and hold in trust for the Company any property belonging to the Company or in which it is interested or for any other purposes and to execute and do all such deeds, documents and things as may be requisite in relation to any such trust and to provide for the remuneration of such trustee or trustees.</p> <p>(6) Subject to the provisions of Section 196183(3) of the OrdinanceAct to institute, conduct, defend, compound and abandon any legal proceedings by on against the Company on its officers or otherwise concerning the affairs of the company and also to compound and allow time for payment or satisfaction of any claim or demands by or against the Company.</p> <p>(7) To refer any claims or demands by on against the Company to arbitration and observe and perform the awards.</p> <p>(8) To make and give receipts, releases and other discharges, of money payable to the Company and for the claims and demands of the Company.</p> <p>(9) To act on behalf of the Company in all matters relating to bankrupts and insolvents.</p> <p>(10) Subject to the provisions of Section 95, 40586, 182 and 408199 of the OrdinanceAct to invest and deal with any of the money of the company not immediately required for the purposes thereof upon such securities (not being shares in this Company) and in such manner as they think fit, and from time to time to vary or realise such investment.</p> <p>(11) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability for the benefit of the Company such mortgages of the Company's property (present and future) as they think fit, and any such mortgage may contain a power of sale and such other powers, convenient and provisions as shall be agreed upon.</p> <p>(12) To give to any Director or any person employed by the Company as remuneration for their services as such, a commission on the profits of any particular business or transaction or a share in the general profits of the Company and such commission or share of profits shall be treated as part of the working expenses of the Company.</p>	
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		<p>(13) From time to time to make, vary and repeal bye-laws for the regulation of the business of the Company, its officers and servants.</p> <p>(14) Subject to the provisions of Section 227<u>218</u> of the Ordinance<u>Act</u> before recommending any dividends to set aside portions of the profits of the Company to form a Fund to provide for such pensions, gratuities, or compensation; or to create any provident<u>Provident</u> or Benefit Fund in such or any other manner as the Directors may deem fit.</p> <p>(15) To make and alter rules and regulations concerning the time and manners of payment of the contribution of the employees and the Company respectively to any Funds and the accrual, employment, suspension and forfeiture of the benefits of the said fund and the application and disposal thereof, and otherwise in relation to the working and management of the said Fund as the Directors shall from time to time think fit.</p> <p>(16) To enter into all such negotiations and contracts and rescind and vary all such contracts and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company.</p> <p>(17) To make, draw, endorse, sign, accept, negotiate and give all cheques, bills of lading, drafts, orders, bills of exchange and Promissory Notes<u>promissory notes</u>, negotiable instruments and guarantees required in the business of the Company and its wholly owned subsidiary Company(s).</p> <p>(18) To pay any interest, <u>mark up</u> or any other financial expenses lawfully payable.</p> <p>(19) To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as they may think proper all or any part of the buildings, machinery, goods, stores, produce and other movable and immovable property of the Company either separately or co-jointly also to issue all or any portion of the goods, produce machinery and other article dealt with, imported or exported by the Company, and to sell, assign, surrender or discontinue any policies of assurance effected pursuance of this power.</p> <p>(20) To open accounts with any bank or banks or with any company, firm or individual and to pay money into or draw money from any such account from time to time as the Directors may think fit.</p> <p>(21) To attach to any shares to be issued as the consideration for any contract with or property acquired with the Company or in payment for services rendered to the Company, or to the transfer thereof, such conditions as they think fit.</p> <p>(22) To accept from any member on such terms and conditions as shall be agreed a surrender of his shares or stock or any part thereof.</p>	
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		<p>(23) To determine from time to time who shall be entitled to sign on the Company's behalf bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents.</p> <p>(24) Subject to Section 197184 of the OrdinanceAct, to provide for the welfare of any employee or employees of the Company and the wives, widows and families or the dependents or connections of such person, by building or contributing to the buildings of houses <u>or</u> dwellings or chawls, or by grants of money, pensions, allowances, bonus or other payments or by creating and from time to time subscribing or contributing to provident funds and other associations, institutions, funds or trusts and providing or subscribing or contributing towards places of instruction and recreation, mosques, schools, colleges, universities, hospitals and dispensaries, medical and other attendance and such other assistance as the Directors shall think fit; and to subscribe to, contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other objects which shall have any moral or other claim to support or aid by the Company either by reason of locality or operation or of public and general utility or otherwise.</p> <p>(25) Before recommending any dividend, to set aside out of the profits of the Company such sums as they may think proper for Depreciation Funds, Reserve Fund or Sinking Fund or any special fund to meet contingencies or to repay debentures or debenture-stock, for special dividends or for equalizing dividends or for repairing, improving, extending and maintaining any part of the property of the Company, and for such other purposes (including the purposes referred to in the preceding clause) as the Directors may, in their absolute discretion think conducive to the interest of the Company, and to invest the several sums so set aside or so much thereof as are required to be invested upon such investments (subject to the restrictions imposed by the provisions of the OrdinanceAct) as the Directors may think fit and from time to time to deal with and vary such investments and dispose of and apply and expend all or any part thereof for the benefit of the Company in such manner and for such purpose as the Directors (subject to such restrictions as aforesaid) in the Company <u>any</u> think fit notwithstanding that the matters to which the Directors apply or upon which they expend the same, or any part thereof, may be matters to or upon which the capital money of the Company might rightly be applied or expended, and to divide the Reserve Fund into such special funds as the Directors may think fit, and to employ the assets constituting all or any of the funds, including the Depreciation Funds, in the business of the Company or in the purchase or payment of debentures or debenture stock and that without being bound to pay interest on the same separate from the other assets, <u>other investments</u> with power, however, to the Directors at their discretion to pay or allow to the credit of such fund interest at such rate as the Directors may think proper.</p> <p>(26) To comply with the requirements of any local law which in their opinion it shall in the interest of the Company be necessary or expedient to comply with.</p>	
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		<p>(27) (a) To appoint and at <u>their</u> discretion remove or suspend managers, secretaries, treasurers, officers, clerks, agents and servants for permanent, temporary or special services as they may from time to think fit, and to determine their powers and duties and fix their salaries or emoluments and to require security in such instances and to such amount as they think fit.</p> <p>(b) From time to time to provide for the management and transaction of the affairs of the Company, in any specified locality in Pakistan or elsewhere in such manner as they think fit.</p> <p>(c) From time to time and at any time to establish any Local Boards or branch offices <u>and personnel</u> for managing any of the affairs of the Company in any special locality in Pakistan or elsewhere and to appoint any persons to be members of any Local Boards, and to fix their remuneration. And from time to time and at any time delegate to any person so appointed any of the powers, authorities and discretions for the time being vested in the Directors and to authorise the members for the time being of any such Local Board, or any of them to fill up any vacancies therein and to act notwithstanding vacancies and any such appointment or delegation may be made on such terms, and subjects to such conditions as the Directors may think fit and the Directors may at any time remove any person so appointed, and may annul or vary any such delegation.</p> <p>(d) At any time and from time to time by powers of attorney to appoint any person or persons to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in and exercisable by the Directors under these presents) and for such period and subject to such conditions as the Directors may from time to time think fit and any such appointment (if the Directors think fit) be made in favour of the members or any of the members of any local the Board established as aforesaid or in favour of any company or the members, directors, nominees, or managers of any company, or firm or otherwise in favour of any fluctuating body or persons whether nominated directly or indirectly by the Directors, and any such power of attorney may contain such powers for the protection or convenience of persons dealing with such attorney as the Directors may think fit, and may contain powers enabling any such delegate or attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretion for the time being vested in them.</p> <p>(e) To delegate entrust to and confer from time to time upon the Secretary, manager or managers of attorneys from time to time such of the powers exercisable by the Directors as they may think fit and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as they think expedient and that they may confer such powers either</p>	
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		<p>collaterally with or the exclusion of and in substitution for all or any of the powers of the Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers.</p> <p>(f) To delegate all or any of their powers to a Chief Executive or to a Managing Director or to a Secretary as they may from time to time think fit.</p>	
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CHIEF EXECUTIVE DIRECTOR

	149.114.	<p>Directors shall appoint any person, including an elected Director, to be the Chief Executive of the Company in the manner provided in Section 198Sections 186 and 199187 of the OrdinanceAct for a term not exceeding three years from the date of appointment and may remove a Chief Executive so appointed in the manner provided in Section 202190 of the OrdinanceAct. The terms and conditions of appointment of Chief Executive shall be determined by the Board of Directors.</p>	Power to appoint Chief Executive.
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EXECUTIVE DIRECTORS AND OTHER APPOINTMENTS

	120.115.	<p>The Directors may, from time to time, appoint one or more of their body to hold or continue in the office of Manager or legal or Technical Adviser or the office of Executive Director or any other office of profit under the Company and may procure any one or more of their number to hold or continue in any office or place of profit under the Company and may procure any one or more of their number to hold or continue in any office or place of profit under any other Company which is subsidiary of or otherwise associated with this Company, as they may decide, and for such period as the Directors shall think fit, and the Directors may also from time to time remove or dismiss him or them from office and appoint another or others in his or their place or places.</p>	Power to appoint Executive Director.
To what provisions he will be subject.	124.116.	<p>An Executive Director shall, if he ceases to hold the office of Director from any cause, ipso facto and immediately, cease to be an Executive Director.</p>	
Remuneration of Executive Directors, etc.	122.117.	<p>The remuneration of an Executive Director or Director holding any office as is mentioned in Article 120115 and 124116 may from time to time be determined by the Board of Directors of the Company and may be by way of fixed salary, or commission or dividend, profit or turnover of the Company or of any other company in which the Company is interested, or by participation in any such profits or by any or all of those modes. The remuneration of any such Director may include such profits or by any or all of those modes (if any) for himself or any dependents (whether by pension, superannuation or otherwise) after the termination of his office as the Directors shall think proper. A Director holding any such office as is mentioned in Articles 120115 and 124116 shall not be precluded merely by reason of his office of Director from membership of any superannuation or pension fund for the time being established or supported by the Company.</p>	

Powers and Duties of Executive Directors	123. <u>118.</u>	The Directors may from time to time entrust to and confer upon the Chief Executive or an Executive Director or Executive Directors for the time being such of the powers exercisable under these presents by the Director Directors as they may think fit, and may confer such powers for such time, and to be exercised for such objects and purposes, and upon such terms and conditions, and with such restrictions as they think expedient; and they may confer such powers, either collaterally with, or to the exclusion of, and in substitution for, all or any of the powers of the Directors in that behalf; and may from time to time revoke, withdraw, alter or vary all or any of such powers.	
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THE SEAL

Custody of Seal.	124. <u>119.</u>	The Directors shall provide for the safe custody of the Seal and subject to the provision herein before contained as for the signature to certificates to title to shares in the Company the Seal shall never be used except by the authority previously given of the Directors or a Committee of the Directors and Two Directors or one Director and the Secretary at least shall sign every instrument to which the Seal is affixed. Provided nevertheless that any instrument bearing the Seal of the Company and issued for valuable consideration shall be binding on the Company notwithstanding any irregularity of the Directors issuing the same.	
	125. <u>120.</u>	The Company may exercise the powers conferred by Section 213 <u>203</u> of the Ordinance <u>Act</u> .	

RETURNS

Annual Returns.	126. <u>121.</u>	The Company shall make the requisite Annual Returns in accordance with Section 156 <u>the requirements</u> of the Ordinance <u>Act</u> .	
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DIVIDENDS

How profit shall be divided.	127. <u>122.</u>	Subject to the provisions of these presents as the Reserve Fund and Depreciation Fund, the net profits of the Company to be divided in respect of any year or other period shall be applied in the payment of a dividend on the ordinary shares of the Company, so that a fully paid-up share shall entitle the holder with respect thereto to such portion of the distribution as the amount paid thereon bears to the total amount of paid-up capital of the Company.	
	128. <u>123.</u>	The Company in General Meeting may declare a dividend to be paid to the members according to their rights and interest in the profits.	Declaration of dividend.
	129. <u>124.</u>	No larger dividend shall be declared than is recommended by the Directors, but the Company in General Meeting may declare a smaller dividend.	Restriction on amount of Dividends.
	130. <u>125.</u>	Subject to the provisions of Section 248 <u>240</u> (2) of the Ordinance <u>Act</u> , no dividend shall be payable except out of the profits of the Company of the year or any other undistributed profits, and dividend shall not carry interest as against the Company.	Dividends out of profits only and not to carry interest.

ARTICLES OF ASSOCIATION

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	131.126.	The declaration of the Directors as to the amount of net profit of the Company shall be conclusive.	What to be deemed net profit.
	132.127.	The Directors may from time to time pay to the members such interim dividend as in their judgement, the position of the Company justifies.	Interim dividend.
	133.128.	The Directors may <u>subject to section 243 of the Act</u> , retain any dividend to the extent of the debts, liabilities or engagements in respect of which any money is due to the Company by a member and may apply the same in or towards the satisfaction of such debts, liabilities or engagements.	Debt may be deducted.
	134.129.	Dividend shall be paid within forty five days of the date of the general meeting in which it is approved or in the case of interim dividend within forty five days of the date of commencement of closing of share transfer for purposes of determination of entitlement of dividend and where register of members is not closed for 'such purpose, the date on which such dividend is approved by the Directors. Dividend shall be paid within the periods specified in Section 242 and 243 of Act.	Period for payment of Dividend.
	135.130.	Any General Meeting declaring a dividend may resolve that such dividend be paid wholly or in part by the distribution of specific assets and in particular of paid-up shares, debenture or other securities either of the Company, or of any other listed company or in any one or more such ways as may be otherwise permitted by the Act.	Dividend in specie.
	136.131.	A transfer of shares shall not pass the right to any dividend thereon before the registration of the transfer.	Effect of transfer.
	137.132.	The Subject to Section 243 of the Act, the Directors may retain the dividends payable upon shares in respect of which any person is under the Transmission article entitled to become a member or which any person under that article is entitled to transfer, until such person shall become a member in respect thereof or shall duly transfer the same.	Retention in certain cases.
Dividend to joint holders.	138.133.	Any one of several persons who are registered as the Joint holders of any share may give effectual receipts for all dividends and payments on account of dividend in respect of such share.	
<u>Despatch By post.</u> <u>Dispatch of Dividend.</u>	139.140.	Unless otherwise directed dividend shall be paid by the Company in respect of any share therein to the registered holder of such share or to his order by cheque or warrant sent through the registered post to the registered address of the member or, in the case of joint holders to the registered address of that one whose name stands first on the Register in respect of the joint holding or to such bankers or financial institutions the member or such joint holders, as the case may be may direct, and every cheque or warrant so sent shall be made payable to the order of such bankers or financial institution entitled or such joint holders, as the case may be. Several executors or administrators of a deceased member in whose sole name any shares shall stand, shall for the purposes of this clause be deemed to be joint holders thereof. <u>through electronic mode directly into the bank account designated by the shareholders or in any other manner permitted by law.</u>	
Unclaimed dividend.	140.135.	All dividends unclaimed for one year after having been declared may or unpaid shall be invested or otherwise made use dealt with in accordance with Section 244 of by the Directors for the benefit of the Company until claimed Act.	

CAPITALISATION OF PROFITS

Capitalisation and Reserves.	141:136.	Any General Meeting may upon the recommendation of the Directors resolve that any sum or sums representing the whole or any part of the profits of the Company for the time being undivided standing at the credit of its accounts or any sum or sums standing at the credit of any Reserve Account (Including any Capital Reserve Account) or any sum or sums at any time received as premiums upon the issue of any shares, debentures or debenture-stock of the Company or any amount or amounts arising by reason of any sale or other disposition be capitalised and distributed amongst such of the shareholders as would be entitled to receive the same if distributed by way of dividend on the shares and in the same proportions on the footing that they become entitled thereto as capital and that such capitalised fund be applied on behalf of such shareholders in paying up in full any unissued shares, debentures, or other securities of the Company which shall be distributed accordingly, and that such distribution or payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalised sum.	
Directors to do all acts and things for capitalisation.	142:132.	Whenever such a resolution as aforesaid shall have been passed the Directors shall make all appropriations and applications of the undivided profits resolved to be capitalized thereby, and all allotments and issue of fully-paid shares, debentures or other securities if any and generally shall do all acts and things required to give effect thereof by payment in cash or otherwise as they think fit for the case of shares, debentures or other securities becoming distributable in fractions; and also to authorise any person to enter on behalf of all the Members entitled thereto into an agreement with the Company providing for the allotment to them respectively credited as fully paid-up, of any further shares shares, debentures or other securities to which they may be entitled upon such capitalization, and any agreement made under such authority shall be effective and binding on all such Members. <u>However, fractional shares shall not be offered and all fractions less than a share shall be consolidated and disposed of by the Company and the proceeds from such disposition shall be paid to a charitable institution approved by the Board.</u>	

BOOKS AND DOCUMENTS

	143:138.	The Directors shall in conformity with Section 230 of the Ordinances, cause to be kept proper books of account with respect to: as required by the Act. (a) all sums of money received and expended as required by the Company and the matters in respect of which the receipts and expenditure takes place; (b) all sales and purchases of goods by the Company; (a) all the assets and liabilities of the Company	Books of account to be kept.
	144:139.	The books of account shall be kept at the <u>registered</u> office of the company or at such other place as the Directors think fit, and shall be open to inspection by the Directors during the business hours.	Where to be kept.

	145: <u>140.</u>	The books of account relating to a period of not less than ten financial years immediately preceding the current financial year shall be preserved by the Company in good order.	
	146: <u>141.</u>	The Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall open to the inspection of the members not being Directors and no member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the Directors or by the Company in General Meeting.	Inspection by members.

ACCOUNTS AND BALANCE SHEET

	147: <u>142.</u>	The Directors shall as required by Section 233 to 237 <u>223, 225, 228, 229 and 240</u> <u>231</u> of the Ordinance Act cause to be prepared and to be laid before the Company in General Meeting such profits and loss accounts income and expenditure accounts, balance sheets and reports <u>Financial Statements</u> as are referred to in those Sections.	Profit and loss Account and Balance Sheet. <u>Financial Statements.</u>
	148: <u>143.</u>	The profit and loss account <u>Financial Statements</u> shall in addition to the matters referred to in sub-section (1) of Section 234 <u>225</u> of the Ordinance Act , be so made out as to disclose clearly the operating results of the Company during the financial year covered by the account <u>them</u> and shall show, arranged under the most convenient heads, the amount of gross income, distinguishing the several sources from which it has been derived, and the amount of gross expenditure distinguishing the expenses of the establishment, salaries, and other like matters. as may be otherwise required by law. Every item of expenditure fairly chargeable against the year's income shall be brought into account, so that a just balance of profit and loss may be laid before the meeting, and in cases where any items of expenditure which may in fairness be distributed over several years has been incurred in any one year, the whole amount of such item shall be stated, with the addition of the reasons why only a portion of such expenditure is charged against the income of the year.	Preparation of profit and loss account. <u>Financial Statements.</u>
Preparation of Balance Sheet.	149: <u>144.</u>	A balance sheet shall be made out in every year and laid before the Company in General Meeting made up to a date not more than six <u>four</u> months before such meeting. The balance sheet shall be accompanied by a report of the Directors as to the state of the Company's affairs, and the amount (if any) which they recommend to be paid by way of dividend, and the amount (if any) which they propose to carry to a reserve fund.	
Copies of Balance Sheet and Report <u>Financial Statements</u> to be posted to persons entitled.	150: <u>145.</u>	A copy of the balance sheet and report <u>Financial Statements</u> shall, not less than Twenty-one days previously to <u>(or such other period as may be prescribed under law)</u> before the meeting be sent to the persons entitled to receive notices of General Meetings in the manner in which notices are to be given hereunder.	
Directors to Comply with relevant Sections.	151: <u>146.</u>	The Directors shall in all respects comply with the provisions of Sections 230, 233 to 243 <u>220, 223, 225 and 245</u> <u>237</u> of the Ordinance Act or any statutory modification thereof for the time being in force.	

AUDIT

Appointment of Auditors and their duties.	152.147.	Auditors shall be appointed and their duties regulated in accordance with Section 252246 to-255 249 of the Ordinance Act.	
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NOTICES

How notices to be served on members.	153.148.	<p>(a) A notice may be given by the Company to any member either personally or by sending it by post to him to his registered address or (If he has no registered address in Pakistan) to the address, if any, within Pakistan supplied by him to the Company for giving of notices to him.</p> <p>(b) Where a notice is sent by post or courier, service of the notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the notice and unless the contrary is proved, to have been effected at the time at which the letter would be delivered in the ordinary course of post / courier.</p>	
Members resident abroad.	154.	If a member has no registered address in Pakistan and has not supplied to the Company an address within Pakistan for the giving of notices to him, a notice addressed to him or to the shareholders generally and advertised in a newspaper circulating in the Province in which the Registered Office of the Company is situated and in the manner provided in Article 159 here of shall be deemed to be duly given to him on the day on which the advertisement appears.	
Notice to joint-holders.	155.149.	A notice may be given by the Company to the joint-holders of a share by giving the notice to the joint holder named first in the Register in respect of the shares.	
Notice to person entitled to transmission.	156.150.	A notice may be given by the Company to the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post or courier in a prepaid letter addressed to them by name or by the title or representatives of the deceased, or assignees of the insolvent, or by any like description, at the address (if any) in Pakistan supplied for the purpose by the persons claiming to be so entitled, or until such an address has been so supplied by giving the notice in any manner in which the same might have been given if the death or insolvency had not occurred.	
	157.151.	Subject to the provisions of Article 161155 hereof, Notice of every General Meeting shall be given in such manner herein authorised to (a) every member of the Company except those members who having no registered address within Pakistan have not supplied to the Company an address within Pakistan for the giving of notices to them ; and (b) every person entitled to a share in consequence of the death or insolvency of a member who but for his death or insolvency would be entitled to a share in consequence of the death or insolvency of a member who but for his death or insolvency would be entitled, to receive notice of the meeting, and (c) the auditors of the Company., and (d) every Director.	Notice of General Meetings.
	158.152.	Any notice required to be given by the Company to members or any of them and not expressly provided for by these Articles shall be sufficiently given if given by advertisement.	When notice may be given by advertisement.

	159.153.	Any notice required to be or which may be given by advertisement shall be advertised once in one English language daily newspaper and one Urdu language daily newspaper circulating in the Province in which the Stock Exchange in which the Company is listed is situated having wide circulation.	Notice how to be advertised.
	160.154.	Any notice given by advertisement shall be deemed to have been given on the day on which the advertisement shall first appear.	When notice by advertisement deemed to be served.
	161.155.	Every person who, by operation of law transfers or by other means whatsoever, shall become entitled to any share shall be bound by every notice in respect of such share which previously to his name and address and title to the share being entered in the Register shall be duly given to the person from whom he derives his title to such shares.	Transferees etc. bound by prior notices.
	162.156.	Any notice or document delivered or sent by post to or left at the registered address of any member in pursuance of these Articles shall, notwithstanding such member be then deceased and whether or not the Company have notice of his demise, be deemed to have been duly served in respect of any registered shares whether held solely or jointly with other persons by such member, until some other person be registered in his stead as the holder or joint-holder thereof and such service shall for all purposes of these Articles be deemed a sufficient service of such notice or document on his or her heirs, executors or administrators, and all persons if any jointly interested with him or her in any such share.	Notice valid though member deceased.
	163.157.	The signature to any notice to be given by the Company may be written or printed.	How notice to be signed.

RECONSTRUCTION

	164.158.	On any sale of the undertaking of the Company, the Directors or the Liquidator in a winding up may, if authorised by special Resolution, accept fully paid or partly paid-up shares, debentures or securities of any other company, whether incorporated in Pakistan or not, either then existing or to be formed for the purchase in whole or in part of the property of the Company, and the Directors (if the profits of the Company permit), or the Liquidator (in winding-up), may distribute such shares, debentures or securities or any other property of the Company amongst the members without realisation or vest the same in trustees for them, and any special Resolution may provide for the distribution or appropriation of the cash, shares, debentures, securities, benefits or property otherwise than in accordance with the strict legal rights of the members or contributories of the Company, and for the valuation of any such securities or property at such price and in such manner as the meeting may approve, and all holders of shares shall be bound to accept and shall be bound by any valuation or distribution so authorised, and waive all rights in relation thereto, save only in case the Company is proposed to be or is in the course of being wound up, such statutory rights (if any) under Section 367 356 of the Ordinance Act as are incapable of being varied or excluded by these Articles.	Reconstruction.
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SECRECY

Secrecy	165: <u>159.</u>	Every Director, the Secretary, Manager, Auditor, Trustee, Member of a Committee, Officer, servant, agents, accountant or other person employed in the business of the Company shall, if so required by the Directors before entering upon his duties, sign a declaration pledging himself to observe strict secrecy respecting all transactions of the Company with its customers and the state of accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do so by the Directors or by any meeting or by a Court of Law and except as far as may be necessary in order to comply with any of the provisions in these Articles.	
No shareholder to enter the premises of the Company without permission.	166: <u>160.</u>	No member or other person (not being a Director) shall be entitled to enter the property of the Company or to inspect or examine the Company's premises or properties of the Company without the permission of Directors of the Company for the time being or to require discovery of or any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Directors it will be inexpedient in the interest of the members of the Company to communicate.	

INDEMNITY

Rights of Directors etc, to indemnity.	167: <u>161.</u>	<p>(a) Subject to the provisions of Section 194<u>180</u> of the Ordinance<u>Act</u> every Director of the Company, the Secretary, Manager and other officers or employees of the Company shall be indemnified by the Company and it shall be the duty of the Directors of the Company to pay out of the funds of the Company all costs, losses and expenses (including travelling expenses) which any such Director, Secretary, Manager, Officer or other employee may incur or become liable to by reason of any contract entered into or act or deed done by him as Director, Secretary, Manager, Officer or other employee in the discharge of his duties.</p> <p>(b) Subject as aforesaid every Director, Secretary, the Manager, Auditor or any other officer of the Company shall be indemnified against any liability incurred by him as Director, Secretary, Manager, Auditor or officer in defending any proceedings whether civil or criminal in which judgement is given in his favour or in which he is acquitted or in connection with any application under Section 488<u>492</u> of the Ordinance<u>Act</u> in which relief is given to him by the Court.</p>	
	168: <u>162.</u>	Subject to the provisions of Section 194 <u>180</u> of the Ordinance <u>Act</u> , no Director, Secretary, Manager, auditor or other officer of the Company shall be liable for the act, receipts, neglect or default of any other Director or officer or for joining in any receipt or other act of for conformity or for any loss or expenses happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company	Directors etc, not responsible for acts of others.

		shall be invested or any loss or damage arising from the bankruptcy, insolvency or tortious act of any person with whom any money, securities or effects shall be deposited or for any loss occasioned by an error of judgement, omission, default or oversight on his part or for any other loss, damage, or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happen through the wilful default and neglect of such Director, Secretary, Manager, auditor or other officer of the Company.	
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WINDING UP

	169: <u>163.</u>	Notice of any resolution for winding up a company voluntarily shall be given by the company within ten days of the passing of the same by advertisement in the official Gazette, and also in a newspaper circulating in the Province, where the registered office of the company is situated and such notice shall also be published at least in one issue of a daily newspaper in the English language and a daily newspaper in the Urdu language having <u>wide</u> circulation in the Province in which the Stock Exchange on which it is listed is situated and a copy thereof shall be sent to the Registrar immediately thereafter.	Notice of resolution to wind up voluntarily.
	170: <u>164.</u>	If the Company shall be wound up and the assets available for distribution amongst the members as such shall be insufficient to repay the whole of the paid up capital such assets shall be distributed so that as nearly as may the loss shall be borne by the members in proportion to the capital paid up at the commencement of the winding-up on the shares held by them respectively and if in a winding-up the assets available for distribution amongst the members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding-up, the excess shall be distributed amongst the members in proportion to the capital paid up at the commencement of winding-up, on the shares held by them respectively.	
	171: <u>165.</u>	If the Company shall be wound up whether voluntarily or otherwise the Liquidator may with the sanction of a Special Resolution divide among the members in specie or kind any part of the assets of the Company, and may with the like sanction vest any part of the assets of the Company, in trustees upon such trusts for the benefit of the members or any of them as the Liquidator, with the like sanction, shall think fit.	Distribution of assets specie.
	172: <u>166.</u>	Any provision of the Articles contrary to or inconsistent with the Listing Rules of the Karachi/Lahore Pakistan Stock Exchanges Exchange shall <u>be deemed to</u> stand revoked or amended to bring them in conformity with the Listing Rules.	

We, the several persons, whose names and addresses are subscribed, are desirous of being formed into a Company in pursuance of these Articles of Association, and we respectively agree to take the number of shares in the Capital of the Company set opposite our respective names.

Name	Address & Description of Subscribers	No. of Shares taken by each subscriber	Witness
Mr. Terje Sunde Johnson	Service Tolbugt 22, P.O. Box 779, Sentrum, Oslo-1 (Norway)	5	Mr. Kersi D. Kapadia Flat 3, Fikree Mansion 1 Grieg Street, Karachi.
Mr. Bjorn Holmerud	Service Tolbugt 22, P.O. Box 779, Sentrum, Oslo-1 (Norway)	5	
Mr. Neils Chr. Nokleby	Service Tolbugt 22, P.O. Box 779, Sentrum, Oslo-1 (Norway)	5	
Mr. J.F.C Gallaher	Business 106, Clifton, Karachi.	5	
Mr. Rafiq M. Habib	Business B-73, K.D.A. Scheme No. 1-A, Karachi.	5	
Mr. Ali S. Habib	Business 37-L, Block 6, P.E.C.H.S Karachi.	5	
Mr. Syed Ali	Business Maymar View Aptt. G-2/III, K.D.A. Scheme No. 24, Karachi.	5	

Day of..... 1982

COMPARATIVE ANALYSIS OF EXISTING CLAUSES WITH THE PROPOSED AMENDMENTS AND REASONS FOR EACH CHANGE

S.No.	Clause No.	Existing Clause	Proposed Amendment	Reasons for the Change
1.	Title Page	UNDER THE COMPANIES ORDINANCE, 1984	UNDER THE COMPANIES ORDINANCE, 1984 ACT 2017	In order to align with the Companies Act 2017.
2.	Heading of Articles of Association	THE COMPANIES ORDINANCE, 1984	THE COMPANIES ORDINANCE, 1984 ACT 2017	In order to align with the Companies Act 2017.
3.	1	<p>"The Ordinance " means the Companies Ordinance 1984, for the time being in force in Pakistan, with the statutory modifications as may from time to time be made.</p> <p>"The Register" means the Register of Members to be kept pursuant to Section 147 of the Ordinance.</p> <p>"Special Resolution" has the meaning assigned thereto by Section 2 (1) (36) of the Ordinance.</p> <p>"The Directors" means the "Directors of the Company for the time being".</p> <p>"The Authority" means the Securities & Exchange Commission of Pakistan.</p> <p>"The Registrar" means the Registrar of Joint Stock Companies, Karachi.</p> <p>"Redeemable Capital" and "Participating Redeemable Capital" have the meaning assigned thereto respectively by Section 2 (1) (30A) and Section 2(1) (25) of the Ordinance.</p> <p>Words not defined shall have the meaning assigned thereto in the Ordinance.</p>	<p>"The Ordinance Act" means the Companies Ordinance 1984 Act, 2017, for the time being in force in Pakistan, with the statutory modifications as may from time to time be made.</p> <p>"The Register" means the Register of Members to be kept pursuant to Section 147119 of the Ordinance Act.</p> <p>"Special Resolution" has the meaning assigned thereto by Section 2 (1) (36) (66) of the Ordinance Act.</p> <p>"The Directors" means the "Directors of the Company for the time being".</p> <p>"The Authority Commission" means the Securities & Exchange Commission of Pakistan.</p> <p>"<u>The Registrar</u>" means registrar, an additional registrar, an additional joint registrar, a joint registrar, a deputy registrar, an assistant registrar or such other officer as may be designated by the Commission, performing duties and functions under this Act.</p> <p>"<u>The Seal</u>" means the common seal <u>having the company's name engraved on it in legible form."</u></p> <p>"Redeemable Capital" and "Participating Redeemable Capital" <u>have</u> the meaning assigned thereto respectively by Section 2 (1) (30A) and Section 2(1) (25)55 of the Ordinance Act.</p> <p>Words not defined shall have the meaning assigned thereto in the Ordinance Act.</p>	In order to align with the Companies Act 2017.
4.	5	Subject to the provisions of these Articles and to the provisions of Section 86 of the Ordinance, the shares shall be under the control of the Directors, who may allot or otherwise dispose of the same to such persons on such terms and conditions, and either at a premium or at par and at such times as the Directors think fit.	Subject to the provisions of these Articles and to the provisions of Section 86 of the Ordinance Act , the shares shall be under the control of the Directors, who may allot or otherwise dispose of the same to such persons on such terms and conditions, and either at a premium or at par and at such times as the Directors think fit.	In order to align with the Companies Act 2017.
5.	6	As regards all allotment from time to time made, the Directors shall duly comply with Section 73 of the Ordinance.	As regards all allotment from time to time made, the Directors shall duly comply with Section 73 Sections 67-70 of the Ordinance Act .	In order to align with the Companies Act 2017.

COMPARATIVE ANALYSIS OF EXISTING CLAUSE WITH THE PROPOSED AMENDMENT ALONG WITH REASONS FOR THE CHANGE

dynea

S.No.	Clause No.	Existing Clause	Proposed Amendment	Reasons for the Change
6.	7	Subject to the provisions of Section 90(2) and 108 of the Ordinance any of the shares for the time being unissued and any new shares from time to time to be created may from time to time be issued with any special privilege or advantage over any shares previously issued or then about to be issued (subject to the provision hereinafter contained as to the consent of the holders of any class of shares where such consent is necessary), or subject to any such conditions, or provisions, and with any such right and generally on such terms as the Company may from time to time by Ordinary Resolution determine.	Subject to the provisions of Section 90(2) and 108 of the Ordinance <u>Act</u> any of the shares for the time being unissued and any new shares from time to time to be created may from time to time be issued with any special privilege or advantage over any shares previously issued or then about to be issued (subject to the provision hereinafter contained as to the consent of the holders of any class of shares where such consent is necessary), or subject to any such conditions, or provisions, and with any such right and generally on such terms as the Company may from time to time by Ordinary Resolution determine.	In order to align with the Companies Act 2017.
7.	8	Subject to the provisions of Section 120 of the Ordinance any securities or certificates may be issued evidencing investment of the holder in the "participatory redeemable capital" or "redeemable capital" of the Company.	Subject to the provisions of Section 120 of the Ordinance <u>Act</u> any securities or certificates may be issued evidencing investment of the holder in the "participatory redeemable capital" or "redeemable capital" of the Company.	In order to align with the Companies Act 2017.
8.	9	With the previous authority of the Company in General Meeting and the sanction of the Authority and upon otherwise complying with Section 84 of the Ordinance it shall be lawful for the Directors to issue shares at a discount.	With the previous authority of the Company in General Meeting and the sanction of the Authority <u>Commission</u> and upon otherwise complying with Section 84 <u>82</u> of the Ordinance <u>Act</u> it shall be lawful for the Directors to issue shares at a discount.	In order to align with the Companies Act 2017.
9.	10	Subject to the provisions of the Ordinance the Directors may allot and issue shares in the capital of the Company as payment or part payment of any property, sold or transferred, goods or machinery supplied or for services rendered to the Company in or about the formation or promotion of the Company or conduct of its business and any shares which may be so allotted may be issued as fully paid up shares and, if so issued, shall be deemed to be fully paid up shares.	Subject to the provisions of the Ordinance <u>Act</u> the Directors may allot and issue shares in the capital of the Company as payment or part payment of any property, sold or transferred, goods or machinery supplied or for services rendered to the Company in or about the formation or promotion of the Company or conduct of its business and any shares which may be so allotted may be issued as fully paid up shares and, if so issued, shall be deemed to be fully paid up shares.	In order to align with the Companies Act 2017.
10.	11	Subject to the provisions of Section 82 of the Ordinance, the company may at any time when shares or debentures or debenture stock are offered for allotment or for sale, pay commission or brokerage to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares, debentures or debenture-stock of the Company, or procuring or agreeing to procure subscriptions (whether absolute or conditionally) for any shares, debentures or debenture-stock of the company, or employed in the sale or underwriting of such shares, debentures or debenture-stock, and the amount of such	Subject to the provisions of Section 82 of the Ordinance, the <u>The</u> company may at any time when shares or debentures or debenture stock are offered for allotment or for sale, pay commission or brokerage to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares, debentures or debenture-stock of the Company, or procuring or agreeing to procure subscriptions (whether absolute or conditionally) for any shares, debentures or debenture-stock of the company, or employed in the sale or underwriting of such shares, debentures or debenture-stock, and the amount of such commission	In order to align with the Companies Act 2017.

S.No.	Clause No.	Existing Clause	Proposed Amendment	Reasons for the Change
		commission and brokerage shall not in any event exceed such rate percent as may be specified by the Authority.	and brokerage shall not in any event exceed such rate percent as may be specified by the Authority <u>Commission</u> .	
11.	12	Shares may be registered in the name of any limited company or other corporate body, but not in the name of a firm. Not more than four persons shall be registered as joint-holders of any shares.	Shares may be registered in the name of any limited company or other corporate body, but not in the name of a firm . Not more than four persons shall be registered as joint-holders of any shares.	No Justification as such in the law.
12.	15	Every member shall be entitled to one certificate for all the shares in any particular class registered in his name and the joint holders of shares shall be entitled to one certificate of all the shares in any particular class registered in their names provided that, if the Directors so approve, several certificates may be issued for one or more of such shares, but in respect of each certificate after the first, the Directors shall be entitled to charge a fee of Rs. 2/- or such less sum as they may determine. Every certificate of shares shall specify the number and denoting numbers of the shares in respect of which it is issued and the amount paid up thereon.	Every member shall be entitled to one certificate for all the shares in any particular class registered in his name and the joint holders of shares shall be entitled to one certificate of all the shares in any particular class registered in their names provided that, if the Directors so approve, several certificates may be issued for one or more of such shares, but in respect of each certificate after the first, the Directors shall be entitled to charge a fee of Rs. 2/- or such less sum as they may determine. Every certificate of shares shall specify the number and denoting numbers of the shares in respect of which it is issued and the amount paid up thereon.	Fee cannot be less than Rs. 2.
13.	17	For every certificate issued under the last preceding Article there shall be paid to the Company the sum of Rs.1/- together with a sum equal to all the expenses incidental too the investigation by the Company of the evidence of such destruction or loss and to such indemnity.	For every certificate issued under the last preceding Article there shall be paid to the Company the sum of Rs.1/- together with a sum equal to all the expenses incidental to to the investigation by the Company of the evidence of such destruction or loss and to such indemnity.	Rs. 1 is now irrelevant.
14.	19	Subject to the provisions of Section 76 (1) and (5) of the Ordinance, no transfer of shares shall be registered unless proper instrument of transfer duly stamped and executed has been delivered to the Company together with the certificate or certificates of the shares. The instrument of transfer of any share shall be signed both by the transferor and transferee, and shall contain the name and address both of the transferor and transferee, and the transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in Register in respect thereof. Each signature to such transfer shall be duly attested by the signature of one credible witness who shall add his address and occupation.	Subject to the provisions of Section 76 <u>74</u> (1) and (5) of the Ordinance <u>Act</u> , no transfer of shares shall be registered unless proper instrument of transfer duly stamped and executed has been delivered to the Company together with the certificate or certificates of the shares. The instrument of transfer of any share shall be signed both by the transferor and transferee, and shall contain the name and address both of the transferor and transferee, and the transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in Register in respect thereof. Each signature to such transfer shall be duly attested by the signature of one credible witness who shall add his address and occupation.	In order to align with the Companies Act 2017.
15.	A	An application for registration of the transfer of shares. shall be made either by the transferor or the transferee and subject to the provisions of Section 76	An application for registration of the transfer of shares shall be made either by the transferor or the transferee and subject to the provisions of Section 76	

COMPARATIVE ANALYSIS OF EXISTING
CLAUSE WITH THE PROPOSED AMENDMENT
ALONG WITH REASONS FOR THE CHANGE

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S.No.	Clause No.	Existing Clause	Proposed Amendment	Reasons for the Change				
		of the Ordinance, the Company shall enter in its register of members the name of the transferee in the same manner and subject to the same conditions as if the application was made by the transferee.	74 of the Ordinance Act , the Company shall enter in its register of members the name of the transferee in the same manner and subject to the same conditions as if the application was made by the transferee.					
16.	21	I, of....., in consideration of the sum of Rs..... paid to me by.....of hereinafter called the said transferee, do hereby transfer to the said transferee.....share (or shares) numbered in the undertaking called DYNEA PAKISTAN LIMITED, to hold unto the said transferee his executors, administrators and assigns, subject to the several conditions on which I held the same immediately before the execution hereof, and I, the said transferee, do hereby agree to take the said share (or shares) subject to the conditions aforesaid, As witness our hands the..... day of Witness to the Signature of etc.	I, of....., in consideration of the sum of Rs..... paid to me by.....of hereinafter called the said transferee, do hereby transfer to the said transferee.....share (or shares) numbered in the undertaking called DYNEA PAKISTAN LIMITED, to hold unto the said transferee his executors, administrators and assigns, subject to the several conditions on which I held the same immediately before the execution hereof, and I, the said transferee, do hereby agree to take the said share (or shares) subject to the conditions aforesaid, As witness our hands the..... day of Witness to the Signature of etc. Form for Transfer of Shares I,..... s/o r/o....., (hereinafter called "the transferor") in consideration of the sum of rupees paid to me by..... s/o..... r/o....., (hereinafter called "the transferee"), do hereby transfer to the said transferee.....the share (or shares)with distinctive numbers from.....to..... inclusive, in the..... Limited, to hold unto the said transferee, his executors, administrators and assigns, subject to the several conditions on which I held the same at the time of the execution hereof, and I, the said transferee, do hereby agree to take the said share (or shares) subject to the conditions aforesaid. As witness our hands this..... day of, 20..... Signature Signature Transferor Transferor Full Name, Father's/Husband's Name Full Name, Father's/Husband's Name CNIC Number (in case of foreigner, CNIC Number (in case of foreigner, Passport Number) Passport Number) Nationality Nationality Residential Address Residential Address Witness 1: Witness 2: Signature.....date Signature.....date Name, Name, CNIC Number and CNIC Number and Full Address Full Address Bank Account Details of Transferee for Payment of Cash Dividend It is requested that all my cash dividend amounts declared by the company, may be credited into the following bank account: <table><tr><td>Title of Bank Account</td></tr><tr><td>Bank Account Number</td></tr><tr><td>Bank's Name</td></tr><tr><td>Branch Name and Address</td></tr></table>	Title of Bank Account	Bank Account Number	Bank's Name	Branch Name and Address	To provide more information to the Company for, amongst others, payment of dividends.
Title of Bank Account								
Bank Account Number								
Bank's Name								
Branch Name and Address								
17.	22	The Directors, shall not refuse to transfer shares unless the transfer deed as for any reason defective or invalid in which case the company shall within thirty days from the date on which the instrument of transfer was lodged with it notify the defect or invalidity to the transferor and transferee who shall, after the removal of such defect or invalidity, be entitled to relodge the transfer deed with the Company.	The Directors, shall not refuse to transfer shares unless the transfer deed as for any reason defective or invalid in which case the company shall within thirty days <u>fifteen days (or where the transferee is a Central Depository within five days)</u> from the date on which the instrument of transfer was lodged with it notify the defect or invalidity to the transferor and transferee who shall, after the removal of such defect or invalidity, be entitled to relodge the transfer deed with the Company.	In line with the Central Depository Company requirements.				

S.No.	Clause No.	Existing Clause	Proposed Amendment	Reasons for the Change
18.	23	No transfer shall be made to an Infant (except with the sanction of the Board of Directors) or to a person of unsound mind.	No transfer shall be made to an Infant (except with the sanction of the Board of Directors) or to a person of unsound mind.	Shares cannot be registered in the name of minor.
19.	24	Every instruments of transfer shall be left at the office for registration, accompanied by the certificate of the shares to be transferred, and such other evidence as the Directors may require to prove the title of the transferor or his right to transfer the share, and upon payment of the proper fee, the transferee shall (subject to the Directors' right to decline to register herein before mentioned) be registered as a member in respect of such shares. The Directors may waive the production of any certificate upon evidence satisfactory to them of its loss or destruction.	Every instruments of transfer shall be left at the office for registration, accompanied by the certificate of the shares to be transferred, and such other evidence as the Directors may require to prove the title of the transferor or his right to transfer the share, and upon payment of the proper fee , the transferee shall (subject to the Directors' right to decline to register herein before mentioned) be registered as a member in respect of such shares. The Directors may waive the production of any certificate upon evidence satisfactory to them of its loss or destruction.	M/s. Dynea Pakistan Limited does not charge fees for transfer.
20.	27	The transfer books and Register of Members may be closed during such time as the Directors think fit, not exceeding in the whole forty five days in each year but no exceeding thirty days at a time. At least seven days' notice for each closure shall be given of the Ordinance. shall be given in the newspaper circulating in the Province in which the Registered Office and the Stock Exchange in which the Company is listed is situated.	The transfer books and Register of Members may be closed during such time as the Directors think fit, not exceeding in the whole forty five <u>thirty</u> days in each year but no exceeding thirty days at a time <u>as may be extended by the Commission</u> . At least seven days' notice for each closure shall be given <u>as specified in Section 125 of the Ordinance</u> . shall be given in the newspaper circulating in the Province in which the Registered Office and the Stock Exchange in which the Company is listed is situated <u>Act</u> .	In order to align with the Companies Act 2017.
21.	28	The executor or administrator or nominee appointed under Section 80 of the Ordinance, if any, as the case may be, of a deceased member (not being one of several joint-holders) shall be the only person recognised by the Company as having any title to shares registered in the name of such member, and in case of the death of any one or more of the joint-holders of any registered shares, the survivor's shall be the only persons recognised by the Company as having any title to or interest in such shares, but nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person. Before recognizing any executor or administrator the Directors may require him to obtain a Grant of Probate, Letters of Administration, Succession Certificate or other legal representations as the case may be from some competent court	The executor or administrator or nominee appointed under Section 80 <u>79</u> of the Ordinance <u>Act</u> , if any, as the case may be, of a deceased member (not being one of several joint-holders) shall be the only person recognised by the Company as having any title to shares registered in the name of such member, and in case of the death of any one or more of the joint-holders of any registered shares, the survivor's shall be the only persons recognised by the Company as having any title to or interest in such shares, but nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person. Before recognizing any executor or administrator the Directors may require him to obtain a Grant of Probate, Letters of Administration, Succession Certificate or other legal representations as the case may be from some competent court	In order to align with the Companies Act 2017.

COMPARATIVE ANALYSIS OF EXISTING CLAUSE WITH THE PROPOSED AMENDMENT ALONG WITH REASONS FOR THE CHANGE

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S.No.	Clause No.	Existing Clause	Proposed Amendment	Reasons for the Change
		in Pakistan. Provided nevertheless that in any case where the Board in their absolute discretion think fit it shall be lawful for the Directors to dispense with the production of Probate Letters of Administration, Succession Certificate or such other legal representation upon such terms as to indemnity or otherwise as the Directors in their absolute discretion, may consider necessary.	in Pakistan. Provided nevertheless that in any case where the Board in their absolute discretion think fit it shall be lawful for the Directors to dispense with the production of Probate Letters of Administration, Succession Certificate or such other legal representation upon such terms as to indemnity or otherwise as the Directors in their absolute discretion, may consider necessary.	
22.	32	The Company in General Meeting may, by ordinary resolution, from time to time increase the capital by creation of new shares of such amount as may be deemed expedient.	The Company in General Meeting may, by ordinary resolution, from time to time increase the capital by creation of new shares of such amount as may be deemed expedient.	In order to align with the Companies Act 2017.
23.	34	Subject to the provisions of Section 83 of the Act, the Directors shall offer all new shares to the members in proportion to the existing shares held by each member (irrespective of class) and such offer shall be made by notice specifying the number of shares to which the member is entitled and limiting a time within which the offer, if not accepted, will be deemed to be declined and after expiration of such time or on receipt of an intimation from the member to whom such notice is given that he declines to accept the shares offered, the Directors shall offer the unsubscribed part to any one or more institutions as may be specified by the Authority; and if the said institutions do not subscribe to the whole or any part of the offer, such whole or part may be allotted and issued in such manner as the Directors may deem fit.	Subject to the provisions of Section 83 of the Act, the Directors shall offer all new shares to the members in proportion to the existing shares held by each member (irrespective of <u>in respective kinds and</u> class) and such offer shall be made by notice specifying the number of shares to which the member is entitled and limiting a time within which the offer, if not accepted, will be deemed to be declined and after expiration of such time or on receipt of an intimation from the member to whom such notice is given that he declines to accept the shares offered, the Directors shall offer the unsubscribed part to any one or more institutions as may be specified by the Authority; and if the said institutions do not subscribe to the whole or any part of the offer, such whole or part may be allotted and issued in such manner as the Directors may deem fit. <u>may dispose of the same as they may deem fit</u>	In order to align the language with the Companies Act 2017.
24.	35	If, owing to any inequality in the number of new shares to be issued and the number of shares held by members entitled to have the offer of such new shares, any difficulty shall arise in the apportionment of such new shares or any of them amongst the members, such difficulty shall in the absence of any direction in the resolution creating the new shares or by the Company in General Meeting, be determined by the Directors. However, fractional shares shall not be offered and all fractions less than a share shall be consolidated and disposed of by the company and the proceeds from such disposition shall be paid to such of the entitled shareholders as may have accepted such offer.	If, owing to any inequality in the number of new shares to be issued and the number of shares held by members entitled to have the offer of such new shares, any difficulty shall arise in the apportionment of such new shares or any of them amongst the members, such difficulty shall in the absence of any direction in the resolution creating the new shares or by the Company in General Meeting, be determined by the Directors. However, fractional shares shall not be offered and all fractions less than a share shall be consolidated and disposed of by the company and the proceeds from such disposition shall be paid to such of the entitled shareholders as may have accepted such offer. <u>charitable institution as the Directors deem fit.</u>	All shares are fully paid-up, and to give proceeds of fractional shares to Charity.

S.No.	Clause No.	Existing Clause	Proposed Amendment	Reasons for the Change
25.	36	Subject to the provisions of Section 92 (2) of the Ordinance, any capital raised by the creation of new shares shall be considered part of the original ordinary capital and shall be subject to the provisions here-in contained with reference to transfer and transmissions, voting and otherwise.	Subject to the provisions of Section 92- (2) ⁸⁵ of the Ordinance <u>Act</u> , any capital raised by the creation of new shares shall be considered part of the original ordinary capital and shall be subject to the provisions here-in contained with reference to transfer and transmissions, voting and otherwise.	In order to align with the Companies Act 2017.
26.	37	The Company may (subject to the provisions of Section 96 to 106 inclusive of the Ordinance) from time to time by Special Resolution reduce its capital by paying off capital or cancelling capital which has been lost or is unrepresented by available assets or otherwise as may seem expedient and any capital may be paid off upon the footing that it may be called up again or otherwise.	The Company may (subject to the provisions of Section 89 to 96 to 106 inclusive of the Ordinance <u>Act</u>) from time to time by Special Resolution reduce its capital by paying off capital or cancelling capital which has been lost or is unrepresented by available assets or otherwise as may seem expedient and any capital may be paid off upon the footing that it may be called up again or otherwise.	In order to align with the Companies Act 2017.
27.	40	Notwithstanding anything contained herein the Company may issue any instrument In the nature of redeemable capital including participatory redeemable capital in accordance with the provision of Section 120 of the Ordinance.	Notwithstanding anything contained herein the Company may issue any instrument In the nature of redeemable capital including participatory redeemable capital in accordance with the provision of Section 120 ⁶⁶ of the Ordinance <u>Act</u> .	In order to align with the Companies Act 2017.
28.	41	Subject to the provisions of Section 87 of the Ordinance, the Company may issue ordinary shares or grant option to convert into ordinary shares the outstanding balance of any loans, advances or credit as defined in the Banking Companies Ordinance, 1962 or credit as defined in the Banking Companies Ordinance, 1962 (LVIL of 1962), or other non-interest bearing obligations outstanding or having a term of not less than three years in the manner provided in any contract with any schedule bank or a financial institution to the extent of twenty five percent of such balance.	Subject to the provisions of Section 87 ³⁰ and 66 of the Ordinance <u>Act</u> , the Company may issue ordinary shares or grant option to convert into ordinary shares the outstanding balance of any loans, advances or credit as defined in the Banking Companies Ordinance, 1962 or credit as defined in the Banking Companies Ordinance, 1962 (LVIL of 1962), , or other non-interest bearing obligations outstanding or having a term of not less than three years in the manner provided in any contract with any schedule bank or a financial institution to the extent of twenty five percent of such balance.	In order to align with the Companies Act 2017.
29.		SURRENDER OF SHARES	SURRENDER OF SHARES	
30.	42	Subject to the provision of Section 96 to 106 inclusive of the Ordinance, the Directors may accept from any member of the surrender on such terms and conditions as shall be agreed of all or any of his shares.	Subject to the provision of Section 96 to 106 inclusive of the Ordinance, the Directors may accept from any member of the surrender on such terms and conditions as shall be agreed of all or any of his shares.	Not envisaged as a practical matter.
31.	43	The Company may accept, invite or retain deposits in accordance with the provisions of Section 88 of the Ordinance.	The Company may accept, invite or retain deposits in accordance with the provisions of Section 88 ⁸⁴ of the Ordinance <u>Act</u> .	In order to align with the Companies Act 2017.

COMPARATIVE ANALYSIS OF EXISTING CLAUSE WITH THE PROPOSED AMENDMENT ALONG WITH REASONS FOR THE CHANGE

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S.No.	Clause No.	Existing Clause	Proposed Amendment	Reasons for the Change
32.	44	The rights and privileges attached to each class of ordinary shares may be modified, commuted, effected or abrogated only if a majority of at least three fourth of the members affected thereby by such alteration as the case may be, personally or through proxy, vote for such alteration.	The rights and privileges attached to each class of ordinary shares may, subject to the provisions of Section 59 of the Act, be modified, commuted, effected or abrogated only if a majority of at least three fourth of the members affected thereby by such alteration as the case may be, personally or through proxy, vote for such alteration.	In order to align with the Companies Act 2017.
33.	45	Subject to the provisions of Section 196 of the Ordinance and these Articles the Directors may from time to time at their discretion raise or borrow or secure payment of any sum or sums of money for the purposes of the Company, from any persons, firms, companies or banks and may themselves lend any such sum or sums to the Company on security or otherwise.	Subject to the provisions of Section 196 ¹⁸³ of the Ordinance ^{Act} and these Articles the Directors may from time to time at their discretion raise or borrow or secure payment of any sum or sums of money for the purposes of the Company, from any persons, firms, companies or banks and may themselves lend any such sum or sums to the Company on security or otherwise.	In order to align with the Companies Act 2017.
34.	50	Debentures, debenture-stock, bonds or other securities may be issued at a discount, premium or otherwise and with any special privileges as to redemption, surrender, drawings, allotment of shares, attending General Meetings of the Company, appointment of Directors and otherwise. Debentures convertible into ordinary share may carry voting rights which shall not be in excess of the voting rights attaching to ordinary shares of equal paid-up value.	Debentures, debenture-stock, bonds or other securities may be issued at a discount, premium or otherwise and with any special privileges as to redemption, surrender, drawings, allotment of shares, attending General Meetings of the Company, appointment of Directors and otherwise. Debentures convertible into ordinary share may carry voting rights which shall not be in excess of the voting rights attaching to ordinary shares of equal paid-up value.	In order to align with the Companies Act 2017.
35.	51	The Directors shall cause a proper Register to be kept in accordance with Section 135 of the Ordinance, of all mortgages and charges specifically affecting the property of the Company, and shall 'duly comply with the requirements of Sections 121 and 122 of the Ordinance, in regard to the registration of mortgages and charges therein specified and otherwise and shall also duly comply with the requirement of Section 130 of the Ordinance, as to keeping a copy of every instrument creating any mortgages or charge by the Company at the office, and the requirements of Section 132 of the Ordinance as to giving intimation of the payment or satisfaction of any charge or mortgage created by the Company.	The Directors shall cause a proper Register to be kept in accordance with Section 135 ¹¹² of the Ordinance ^{Act} , of all mortgages and charges specifically affecting the property of the Company, and shall 'duly comply with the requirements of Sections 121 and 122 ^{100 to 111} of the Ordinance ^{Act} , in regard to the registration <u>and satisfaction</u> of mortgages and charges therein specified and otherwise and shall also duly comply with the requirement of Section 130 of the Ordinance, as to keeping a copy of every instrument creating any mortgages or charge by the Company at the office, and the requirements of Section 132 of the Ordinance as to giving intimation of the payment or satisfaction of any charge or mortgage created by the Company.	In order to align with the Companies Act 2017.
36.	52	Register of holders of debentures. Subject to the provision of Section 150 and 151 of the Ordinance, every Register	Register of holders of debentures. Subject to the provision of Section 150 and 151 of the Ordinance, every Register	Not required.

S.No.	Clause No.	Existing Clause	Proposed Amendment	Reasons for the Change
		of holders of debentures of the Company may be closed for any period not exceeding thirty days at a time and on the whole forty-five days in any year. Subject as aforesaid every such Register shall be open to the inspection of the Registered-holder of any such debentures and of any members; but the Company may in General Meeting impose any reasonable restrictions so that at least two hours in each day when such Register is open are appointed for inspection	of holders of debentures of the Company may be closed for any period not exceeding thirty days at a time and on the whole forty-five days in any year. Subject as aforesaid every such Register shall be open to the inspection of the Registered-holder of any such debentures and of any members; but the Company may in General Meeting impose any reasonable restrictions so that at least two hours in each day when such Register is open are appointed for inspection	
37.	53	Instruments of transfer. Subject to the provisions of Section 76(1) and (5) of the Ordinance, no transfer of registered debentures shall be registered unless a proper instrument of transfer duly stamped and executed by the transferor and transferee has been delivered to the Company together with the certificate or certificates of the debentures.	Instruments of transfer. Subject to the provisions of Section 76(1) and (5) of the Ordinance, no transfer of registered debentures shall be registered unless a proper instrument of transfer duly stamped and executed by the transferor and transferee has been delivered to the Company together with the certificate or certificates of the debentures.	Not required.
38.	54	Notice of refusal to register transfer. The Directors shall not refuse to transfer debentures unless the transfer deed is for any reason defective or invalid in which case the Company shall, within thirty days from the date on which the instrument of transfer was lodged with the Company, send to the transferee and the transferor notice of the refusal.	Notice of refusal to register transfer. The Directors shall not refuse to transfer debentures unless the transfer deed is for any reason defective or invalid in which case the Company shall, within thirty days from the date on which the instrument of transfer was lodged with the Company, send to the transferee and the transferor notice of the refusal.	Not required.
39.	55	The Company shall comply with the provisions of Section 136 of the Ordinance as to allowing inspection of copies kept at the office in pursuance of Section 130 of the Ordinance and as to allowing inspection of the Register of Mortgages to be kept at the office in pursuance of Section 135 of the Ordinance.	The Company shall comply with the provisions of Section 136 <u>112</u> of the Ordinance <u>Act</u> as to allowing inspection of copies kept at the office in pursuance of Section 130 <u>107</u> of the Ordinance <u>Act</u> and as to allowing inspection of the Register of Mortgages to be kept at the office in pursuance of Section 135 <u>112</u> of the Ordinance <u>Act</u> .	In order to align with the Companies Act 2017.
40.	56	The Company shall comply with the provisions of Section 150(2) of the Ordinance as to supplying copies of any Register of holders of debentures or of any trust deed for securing any issue of debentures, on payment of the statutory fee.	The Company shall comply with the provisions of Section 150(2) <u>124</u> of the Ordinance <u>Act</u> as to supplying copies of any Register of holders of debentures or of any trust deed for securing any issue of debentures, on payment of the statutory fee.	In order to align with the Companies Act 2017.
41.	60	A General Meeting of the Company shall be held once at least in every calendar year at such time within a period of six months of the close of a financial year	A General Meeting of the Company shall be held once at least in every calendar year at such time within a period of six months <u>one hundred and twenty days</u> of	In order to align with the Companies Act 2017.

COMPARATIVE ANALYSIS OF EXISTING CLAUSE WITH THE PROPOSED AMENDMENT ALONG WITH REASONS FOR THE CHANGE

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S.No.	Clause No.	Existing Clause	Proposed Amendment	Reasons for the Change
		but not more than fifteen months after the holding of the last preceding General Meeting, and at such place as may be determined by the Directors.	the close of a financial year but not more than fifteen months after the holding of the last preceding General Meeting , and at such place as may be determined by the Directors.	
42.	62	The Directors may, whenever they think fit, call an Extraordinary General Meeting and an Extraordinary General Meeting shall also be called on such requisition as provided by Section 159 of the Ordinance.	The Directors may, whenever they think fit, call an Extraordinary General Meeting and an Extraordinary General Meeting shall also be called on such requisition as provided by Section 159 <u>133</u> of the Ordinance <u>Act</u> .	In order to align with the Companies Act 2017.
43.	63	Not less than twenty one days' notice to the members specifying the place, the day and the hour of meeting with a statement of the business to be transacted at the meeting shall be given by advertisement In the manner provided in sub-section (3) of Section 158 of the Ordinance and by the notice sent by post or otherwise served as hereinafter provided and in the case of an emergency affecting the business of the company the Directors may apply to the Registrar to authorise an Extraordinary General Meeting to be held at shorter notice. Provided always that not less than twenty-one days notice shall be given of a meeting to pass a Special Resolution specifying the intention to propose the Resolution as a Special Resolution but if all the members entitled to attend and vote at any such meeting so agree, resolution may be proposed and passed as a Special Resolution at a meeting of which less than twenty-one days' notice has been given subject however to the prior approval of the Registrar authorising the meeting to be held on a shorter notice.	Not less than twenty one days' <u>(or such lesser period as may be prescribed in the Act or by the Commission)</u> notice to the members specifying the place, the day and the hour of meeting with a statement of the business to be transacted at the meeting shall be given by advertisement in the manner provided in sub-section (3) of Section 158 of the Ordinance and by the notice sent by post or otherwise served as hereinafter provided and in the case of an emergency affecting the business of the company the Directors may apply to the Registrar to authorise an Extraordinary General Meeting to be held at shorter notice. Provided always that not less than twenty-one days notice shall be given of a meeting to pass a Special Resolution specifying the intention to propose the Resolution as a Special Resolution but if all the members entitled to attend and vote at any such meeting so agree, resolution may be proposed and passed as a Special Resolution at a meeting of which less than twenty-one days' notice has been given subject however to the prior approval of the Registrar authorising the meeting to be held on a shorter notice. Section <u>134 and 140 of the Act.</u>	In order to align with the Companies Act 2017. And to provide flexibility in case of changes in the law.
44.	65	The business of an Annual General Meeting shall be to receive and consider the Profit and Loss Account, the Balance Sheet and the Reports of the Directors and of the Auditors to elect and appoint Directors and Auditors and to fix the remuneration of Auditors, to declare dividends and to transact any other business which under these articles and under the Ordinance ought to be transacted at an Annual General Meeting. All other business transacted at Annual General Meeting and all business transacted at an Extraordinary General Meeting shall be deemed special.	The business of an Annual General Meeting shall be to receive and consider the Profit and Loss Account, the Balance Sheet and the Reports of the Directors and of the Auditors to elect and appoint Directors and Auditors and to fix the remuneration of Auditors, to declare dividends and to transact any other business which under these articles and under the Ordinance <u>Act</u> ought to be transacted at an Annual General Meeting. All other business transacted at Annual General Meeting and all business transacted at an Extraordinary General Meeting shall be deemed special.	In order to align with the Companies Act 2017.

S.No.	Clause No.	Existing Clause	Proposed Amendment	Reasons for the Change
45.		<p>Business of Ordinary Meeting.</p> <p>Resolution of any of the under noted business unless recommended by the Board may only be passed by as affirmative note of two-third of the total voting Capital of the Company or three fourths of the votes of those members present in person or by Proxy and entitled to vote whichever is the lesser figure:</p> <p>(i) Increase of the authorized capital of the company or issuing of additional share capital.</p> <p>(ii) Any borrowing in excess of the limit already approved by the Board.</p> <p>(iii) Any investment or capital expenditure in excess of the budgeted figures already approved by the Board.</p> <p>Engagement by the Company in any activity other than the Principal objects set out in clause III (1) of the Memorandum of Association of the Company.</p>	<p>Business of Ordinary Meeting.</p> <p>Resolution of any of the under noted business unless recommended by the Board may only be passed by as affirmative note of two-third of the total voting Capital of the Company or three fourths of the votes of those members present in person or by Proxy and entitled to vote whichever is the lesser figure:</p> <p>(i) Increase of the authorized capital of the company or issuing of additional share capital.</p> <p>(ii) Any borrowing in excess of the limit already approved by the Board.</p> <p>(iii) Any investment or capital expenditure in excess of the budgeted figures already approved by the Board.</p> <p>Engagement by the Company in any activity other than the Principal objects set out in clause III (1) of the Memorandum of Association of the Company. <u>Ten members Present personally or through video link who represent not less than twenty five percent of the total voting power, either of their own account or as proxies shall be quorum for a General Meeting for all purposes.</u></p>	In order to align with the Companies Act 2017.
46.	66	Five members Present personally who represent not less than twenty five percent of the total voting power, either of their own account or as proxies shall be quorum for a General Meeting for all purposes.	Five <u>Ten</u> members Present personally <u>or through video link</u> who represent not less than twenty five percent of the total voting power, either of their own account or as proxies shall be quorum for a General Meeting for all purposes.	In order to align with the Companies Act 2017.
47.	67	No business shall be transacted at any General Meeting unless quorum requisite shall be present at the commencement of business.	No business shall be transacted at any General Meeting unless quorum requisite shall be present at the commencement of business.	Quorum required at all times.
48.	69	If within half-an-hour from the time appointed for the meeting a quorum be not present, the meeting if opened upon such requisition as aforesaid shall be dissolved but, in any other case it shall stand adjourned to the same day in the next week at the same time and place, and if at such adjourned meeting a quorum be not present within half an hour from the time appointed for the meeting, those members who are present and not being less than two shall be a quorum and may transact the business for which the meeting was called.	If within half-an-hour from the time appointed for the meeting a quorum be not present, the meeting if opened <u>convened</u> upon such requisition as aforesaid shall be dissolved but, in any other case it shall stand adjourned to the same day in the next week at the same time and place, and if at such adjourned meeting a quorum be not present within half an hour from the time appointed for the meeting, those members who are present and not being less than two shall be a quorum and may transact the business for which the meeting was called.	Correction of language.

COMPARATIVE ANALYSIS OF EXISTING CLAUSE WITH THE PROPOSED AMENDMENT ALONG WITH REASONS FOR THE CHANGE

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S.No.	Clause No.	Existing Clause	Proposed Amendment	Reasons for the Change
49.	70	<p><u>How questions to be decided at meetings, Casting votes</u></p> <p>Every question submitted to a meeting shall be decided in the first instance by a show of hands and in the case of an equality of votes the Chairman shall, both on a show of hands and at the poll have a casting vote in addition to the vote or votes for which he may be entitled as a member.</p>	<p><u>How questions to be decided at meetings, Casting votes</u></p> <p>Every question submitted to a meeting shall be decided in the first instance by a show of hands and in the case of an equality of votes the Chairman shall, both on a show of hands and at the poll have a casting vote in addition to the vote or votes for which he may be entitled as a member.</p>	Covered elsewhere, also Chairman not to have casting vote.
50.	71	At a General Meeting a resolution put to vote in the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) demanded, in accordance with the provisions of Section 167 of the Ordinance, and unless a poll is so demanded, a declaration by the Chairman that a resolution has, on a show of hands, been carried, or carried unanimously, or by a particular majority, or lost, and an entry to the effect in the book of the proceedings of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of, or against that resolution.	At a General Meeting a resolution put to vote in the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) demanded, in accordance with the provisions of Section 167 143 of the Ordinance Act, and unless a poll is so demanded, a declaration by the Chairman that a resolution has, on a show of hands, been carried, or carried unanimously, or by a particular majority, or lost, and an entry to the effect in the book of the proceedings of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of, or against that resolution.	In order to align with the Companies Act 2017.
51.	72	If a poll be demanded as aforesaid it shall (subject to Article 75) be taken in such manner and at such time not more than fourteen days from the day on which it is demanded, and such place as the Chairman of the meeting directs and either at once or after interval adjournment or otherwise, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand of a poll may be withdrawn. In case of any dispute as to the admission or rejection of a vote, the Chairman shall determine the same and such determination made in good faith shall be final and conclusive.	If a poll be demanded as aforesaid it shall (subject to Article 75 70) be taken in such manner and at such time not more than fourteen days from the day on which it is demanded, and such place as the Chairman of the meeting directs and either at once or after interval adjournment or otherwise, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand of a poll may be withdrawn. In case of any dispute as to the admission or rejection of a vote, the Chairman shall determine the same and such determination made in good faith shall be final and conclusive.	In order to align with the Companies Act 2017.
52.	76	Subject to any special rights and restrictions as to voting upon which any shares may be held, on a show of hands every member present in person shall have one vote and every person present as a General Proxy (as defined in Articles 1 hereof, but who is not a, member of the company or who is a member not qualified to vote) on behalf of a holder or holders of shares shall have one vote and upon a poll every member present	Subject to any special rights and restrictions as to voting upon which any shares may be held, on a show of hands every member present in person shall have one vote and every person present as a General Proxy (as defined in Articles 1 77 hereof, but who is not a, member of the company or who is a member not qualified to vote) on behalf of a holder or holders of shares shall have one vote and upon a poll every member present	In order to align with the Companies Act 2017.

S.No.	Clause No.	Existing Clause	Proposed Amendment	Reasons for the Change
		in person or by proxy shall have one vote for every share held by him, provided that no company shall vote by proxy so long as a resolution of its directors under the provisions of Section 162 of the Ordinance in force. Provided further that the votes in relation to election of Directors shall be determined and exercised as mentioned in Article 99 herein.	in person or by proxy shall have one vote for every share held by him, provided that no company shall vote by proxy so long as a resolution of its directors under the provisions of Section 162 of the Ordinance in force. Provided further that the votes in relation to election of Directors shall be determined and exercised as mentioned in Article 99 <u>9994</u> herein.	
53.	77	Where another company is a member of the Company, a person duly appointed to represent such company at a meeting of the Company in accordance with the provisions of Section 162 of the Ordinance, shall not be deemed to be a proxy, and the production at the meeting of a copy of such resolution duly signed by one Director of such company and certified by him as being a true copy of the resolution shall on production at the meeting be accepted by the Company as sufficient evidence of the validity of his appointment.	Where another company is a member of the Company, a person duly appointed to represent such company at a meeting of the Company in accordance with the provisions of Section 162 of the Ordinance; shall not be deemed to be a proxy, and the production at the meeting of a copy of such resolution duly signed by one Director of such company and certified by him as being a true copy of the resolution shall on production at the meeting be accepted by the Company as sufficient evidence of the validity of his appointment. 138 of the Act, shall not be deemed to be a proxy.	In order to align with the Companies Act 2017.
54.	78	Any person entitled under the Transmission Article to transfer any shares may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that forty eight hours at least before the time of holding the meeting or adjourned meeting as the case may be at which he proposes to vote he shall satisfy the Directors of his right to transfer such shares, or the Directors shall have previously admitted his right to vote at such meeting in respect thereof. If any member be a lunatic idiot or non compose mentis; he may vote whether by a show of hands or at a poll but his committee, curator bonis or other legal curator and such last mentioned persons may give their votes by proxy.	Any person entitled under the Transmission Article to transfer any shares may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that forty eight hours at least before the time of holding the meeting or adjourned meeting as the case may be at which he proposes to vote he shall satisfy the Directors of his right to transfer such shares, or the Directors shall have previously admitted his right to vote at such meeting in respect thereof. If any member be a lunatic idiot or non compose mentis; he may vote whether by a show of hands or at a poll but his committee, curator bonis or other legal curator and such last mentioned persons may give their votes by proxy.	This provision was not practical.
55.	81	The instrument appointing a proxy shall be in writing under the hand of the appointer or of his Attorney duly authorized in writing or if such appointer is a corporation under its common seal or the hand of its Attorney. A proxy who is appointed for a specified meeting only shall be called Special proxy. Any other proxy shall be called a General proxy. No person shall be appointed as Special proxy who is not a member of the Company and qualified to vote.	The instrument appointing a proxy shall be in writing under the hand of the appointer or of his Attorney duly authorized in writing or if such appointer is a corporation under its common seal or the hand of its Attorney. A proxy who is appointed for a specified meeting only shall be called Special proxy. Any other proxy shall be called a General proxy. No person shall be appointed as Special proxy who is not a member of the Company and qualified to vote.	Not the practice to appoint special proxies.

COMPARATIVE ANALYSIS OF EXISTING CLAUSE WITH THE PROPOSED AMENDMENT ALONG WITH REASONS FOR THE CHANGE

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S.No.	Clause No.	Existing Clause	Proposed Amendment	Reasons for the Change
56.	81A	"Notwithstanding anything contained in these Articles, in case of voting by electronic means, both members and non-members can be appointed as Special Proxy or General Proxy".	"Notwithstanding anything contained in these Articles, in case of voting by electronic means, both members and non-members can be appointed as Special Proxy or General Proxy ".	In order to align with the Companies Act 2017.
57.	82A	"Notwithstanding anything contained in these Articles, for the purposes of voting by electronic means, the instrument appointing the proxy shall be in such form, and provided to the Company, in the manner stipulated under the applicable laws".	"Notwithstanding anything contained in these Articles, for the purposes of voting by electronic means, the instrument appointing the proxy shall be in such form, and provided to the Company, in the manner stipulated under the applicable laws".	In order to align with the Companies Act 2017.
58.	86	<p>Until otherwise determined by the Company in General Meeting the number of elected Directors shall not be less than seven nor more than twelve excluding Directors nominated by the Company's Creditors or other special interest by virtue of contractual arrangements as mentioned in Section 182 of the Ordinance.</p> <p>(a) So Long as at least two of the Directors are persons representing DYNO Industries A.S. and Mr. Rafiq M. Habib, the Chairman of the Board and his Chief Executive shall be appointed by the Board from among such representative Directors, (the Chairman being a representative of DYNO Industries and the Chief Executive a representative of Mr. Rafiq M. Habib).</p> <p>All subsequent Directors shall be elected in the manner prescribed by Section 178 and shall hold office for the term prescribed by Section 180 of the Ordinance.</p>	<p>Until otherwise determined by the Company in General Meeting the number of elected Directors shall not be less than seven nor more than twelve excluding Directors nominated by the Company's Creditors or other special interest by virtue of contractual arrangements as mentioned in Section 182<u>164</u> of the Ordinance<u>Act</u>.</p> <p>(a) So Long as at least two of the Directors are persons representing DYNO Industries A.S. and Mr. Rafiq M. Habib, the Chairman of the Board and his Chief Executive shall be appointed by the Board from among such representative Directors, (the Chairman being a representative of DYNO Industries and the Chief Executive a representative of Mr. Rafiq M. Habib).</p> <p>All subsequent Directors shall be elected in the manner prescribed by Section 178 and shall hold office for the term prescribed by Section 180 of the Ordinance.</p>	In order to align with the Companies Act 2017.
59.	87	<p>Ex-Officio Directors.</p> <p>Any member who is the registered holder of a sufficient number of shares to ensure the election of one or more Directors may at any time give notice in writing to the Company that the persons named in such notice are to be deemed to be the Directors representing the notice giver and any such representative Director may be a like notice be removed and replaced by the notice giver. Representative Directors shall not require any share qualification: No member may give notice under this article in respect of more Directors than his share holding would enable him to elect.</p>	<p>Ex-Officio Directors.</p> <p>Any member who is the registered holder of a sufficient number of shares to ensure the election of one or more Directors may at any time give notice in writing to the Company that the persons named in such notice are to be deemed to be the Directors representing the notice giver and any such representative Director may be a like notice be removed and replaced by the notice giver. Representative Directors shall not require any share qualification: No member may give notice under this article in respect of more Directors than his share holding would enable him to elect.</p>	Not the practice.

S.No.	Clause No.	Existing Clause	Proposed Amendment	Reasons for the Change
60.	89	The qualification of a Director, relaxable by the Controller of Capital Issues, shall be the holding of shares in the Company of the nominal value of Rs. 5000/- at least in his own name but a Director representing an interest holding shares of the nominal value of Rs. 5000/- or more shall require no share qualification.	The qualification of a Director, relaxable by the Controller of Capital Issues, shall be the holding of shares in the Company of he the nominal value of Rs. 5000/- at least in his own name but a Director representing an interest holding shares of the nominal value of Rs. 5000/- or more shall require no share qualification.	In order to align with the Companies Act 2017.
61.	90	Failure of Director to acquire qualification If a Director fails to acquire his share qualification within two months, he shall cease to be a Director forthwith but all acts done by him during the interim period of his office as Director shall be held to have been properly done.	Failure of Director to acquire qualification If a Director fails to acquire his share qualification within two months, he shall cease to be a Director forthwith but all acts done by him during the interim period of his office as Director shall be held to have been properly done.	In order to align with the Companies Act 2017.
62.	91	The remuneration of Director shall, from time to time be determined by the Board of Directors and unless otherwise determined shall not exceed Rs. 500/= per meeting in which the Director shall be present. The Directors shall be paid such travelling, boarding, lodging and other expenses properly incurred by them in or about the performance of their duties or business if any of them has to come to attend the Board Meeting from outstation.	The remuneration of Director shall, from time to time be determined by the Board of Directors and unless otherwise determined shall not exceed Rs. 500/= per meeting in which the Director shall be present. The Directors shall be paid such travelling, boarding, lodging and other expenses properly incurred by them in or about the performance of their duties or business if any of them has to come to attend the Board Meeting from outstation.	Rs. 500/- limit was a historical anomaly.
63.	93(e)	he or any firm of which he is a partner or any private company of which he is a Director without the sanction of the Company in General Meetings accepts or holds any office of profit under the Company other than that of a Chief Executive or legal or technical adviser or a banker in contravention of the provisions of Section 188 (i) (c) of the Ordinance;	he or any firm of which he is a partner or any private company of which he is a Director without the sanction of the Company in General Meetings accepts or holds any office of profit under the Company other than that of a Chief Executive or legal or technical adviser or a banker in contravention of the provisions of Section 188 (i) (c) of the Ordinance <u>171 (1) (c) of the Ordinance</u> ;	In order to align with the Companies Act 2017.
64.	93(f)	he absents himself from three consecutive meetings of the Directors or from all meetings of the Directors for a continuous period of three months, whichever is the longer, without leave of absence from the Board of Directors; or	he absents himself from three consecutive meetings of the Directors or from all meetings of the Directors for a continuous period of three months, whichever is the longer, without <u>seeking</u> leave of absence from the Board of Directors; or	To align the composition of sentence.
65.	93(g)	he or any firm of which he is a partner or any private Company of which he is a Director accepts a loan or a guarantee from the Company in contravention of Section 195 of the Ordinance; or	he or any firm of which he is a partner or any private Company of which he is a Director accepts a loan or a guarantee from the Company in contravention of Section 195 <u>182</u> of the Ordinance <u>Act</u> ; or	In order to align with the Companies Act 2017.
66.	93(h)	he acts in contravention of Section 214 of the Ordinance; or	he acts in contravention of Section 214 <u>205</u> of the Ordinance <u>Act</u> ; or	In order to align with the Companies Act 2017.

COMPARATIVE ANALYSIS OF EXISTING CLAUSE WITH THE PROPOSED AMENDMENT ALONG WITH REASONS FOR THE CHANGE

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S.No.	Clause No.	Existing Clause	Proposed Amendment	Reasons for the Change
67.	93(j)	(not being Debenture Director) he is removed from the office y Resolution of the Company in General Meeting in accordance with Section 181 of the Ordinance;	(not being Debenture Director) he is removed from the office yby Resolution of the Company in General Meeting in accordance with Section 181 163 of the Ordinance Act;	Not required.
68.	93(k)	(not being Debenture Director) he be in writing requested by all his Co-Directors to resign.	(not being Debenture Director) he be in writing requested by all his Co-Directors to resign.	Not required.
69.	93(l)	he has betrayed lack of fiduciary behavior and a declaration to the effect has been made by the Court under section 217 of the Ordinance at any time during the preceding five years.	he has betrayed lack of fiduciary behavior and a declaration to the effect has been made by the Court under section 217 212 of the Ordinance Act at any time during the preceding five years.	In order to align with the Companies Act 2017.
70.	94	Subject to the provisions of Sections 196(2), 214 & 216 of the Ordinance the Directors shall not be disqualified from contracting with the Company either as vendor, purchaser or otherwise, nor shall any such contract or arrangement entered into by or on behalf of the Company, with any Company or partnership of or in which any Director shall be a member or otherwise interested be void nor shall any ,Director so contracting or being such member or so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relation hereby established, but the nature of their or his interest must be disclosed by them or him at the meeting of the Directors at which the contract or arrangement is determined on, if the interest then exists, or in any other case at the first meeting of the Directors after the acquisition of the interest. Provided nevertheless that no Director shall vote as a Director in respect of any contract or arrangement in which he is so interested as aforesaid, and if does so vote, his vote shall not be counted, but he shall be entitled to be present at the meeting during the transaction of the business in relation to which he is precluded from voting. This provision shall not apply to any contract by or on behalf of the Company to give to the Directors or any of the security for advances or by way of indemnity against any loss which they or any of them may suffer by reason of becoming or being sureties for the Company. A general notice that any Director is a Director or a member of	Subject to the provisions of Sections 196(2), 214 & 216 of 183, 205 & 207 of the Ordinance Act the Directors shall not be disqualified from contracting with the Company either as vendor, purchaser or otherwise, nor shall any such contract or arrangement entered into by or on behalf of the Company, with any Company or partnership of or in which any Director shall be a member or otherwise interested be void nor shall any ,Director so contracting or being such member or so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relation hereby established, but the nature of their or his interest must be disclosed by them or him at the meeting of the Directors at which the contract or arrangement is determined on, if the interest then exists, or in any other case at the first meeting of the Directors after the acquisition of the interest. Provided nevertheless that no Director shall vote as a Director in respect of any contract or arrangement in which he is so interested as aforesaid, and if does so vote, his vote shall not be counted, but he shall be entitled to be present at the meeting during the transaction of the business in relation to which he is precluded from voting. This provision shall not apply to any contract by or on behalf of the Company to give to the Directors or any of the security for advances or by way of indemnity against any loss which they or any of them may suffer by reason of becoming or being sureties for the Company. A general notice that any Director is a Director or	In order to align with the Companies Act 2017.

S.No.	Clause No.	Existing Clause	Proposed Amendment	Reasons for the Change
		any specified company or is a member of any specified firm and is to be regarded as interested in any subsequent transaction with such firm or company shall as regards any such transaction be sufficient disclosure under this Article and such general notice shall expire at the end of the financial year in which it is given but may be renewed for further period of one financial year at a time, by a fresh notice given in the last month of the financial year in which it would otherwise expire.	a member of any specified company or is a member of any specified firm and is to be regarded as interested in any subsequent transaction with such firm or company shall as regards any such transaction be sufficient disclosure under this Article and such general notice shall expire at the end of the financial year in which it is given but may be renewed for further period of one financial year at a time, by a fresh notice given in the last month of the financial year in which it would otherwise expire.	
71.	96	A Director except the Directors nominated by Company's Creditors or other special interests by virtue of contractual arrangements shall hold office for a period of three years unless he earlier resigns, becomes disqualified for being a Director or otherwise ceases to hold office in terms of the provisions of the Ordinance.	A Director except the Directors nominated by Company's Creditors or other special interests by virtue of contractual arrangements shall hold office for a period of three years unless he earlier resigns, becomes disqualified for being a Director or otherwise ceases to hold office in terms of the provisions of the Ordinance <u>Act</u> .	In order to align with the Companies Act 2017.
72.	99	Retiring Directors to remain in office till successors are appointed. If at any meeting at which an election of Directors ought to take place the places of the vacating Directors are not filled up, the meeting shall stand adjourned till the same day in the next week at the same time and place and, if at the adjourned meeting the places of the vacating Directors are not filled-up, the vacating Directors or such of them as have not had their places filled-up shall be deemed to have been re-elected at the adjourned meetings, if nothing to the contrary is indicated by the Registrar upon a report to be furnished to him within fifteen days of the expiry of the terms of the Directors pursuant' to Section 177 of the Ordinance.	Retiring Directors to remain in office till successors are appointed. If at any meeting at which an election of Directors ought to take place the places of the vacating Directors are not filled up, the meeting shall stand adjourned till the same day in the next week at the same time and place and, if at the adjourned meeting the places of the vacating Directors are not filled-up, the vacating Directors or such of them as have not had their places filled-up shall be deemed to have been re-elected at the adjourned meetings, if nothing to the contrary is indicated by the Registrar upon a report to be furnished to him within fifteen days of the expiry of the terms of the Directors pursuant' to Section 177 of the Ordinance.	Not the practice or the law.
73.	100	Power of Directors to increase or reduce the number of Directors. Subject to the provisions of Section 178(1) of the Companies Ordinance, the Company in Board of Directors meeting may from time to time increase or reduce the number of Directors.	Power of Directors to increase or reduce <u>fix</u> the number of Directors. Subject to the provisions of Section 178(1) <u>159</u> of the Companies Ordinance <u>Act</u> , the Company in Board of Directors meeting may from time to time increase or reduce <u>fix</u> the number of Directors <u>to be elected</u> .	In order to align the composition of sentence and with the Companies Act 2017.
74.	101	The Company may, by resolution in general meeting remove any Director, whose period of office is liable to	The Company may, by resolution in general meeting remove any Director, whose period of office is liable to	In order to align with the Companies Act 2017.

COMPARATIVE ANALYSIS OF EXISTING CLAUSE WITH THE PROPOSED AMENDMENT ALONG WITH REASONS FOR THE CHANGE

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S.No.	Clause No.	Existing Clause	Proposed Amendment	Reasons for the Change
		<p>termination at any time by retirement of Directors, before the expiration of his period of office, and may appoint another person in his stead. The person so appointed shall be subject to retirement at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last elected Director. A Director so removed shall not be re-appointed a Director by the Board of Director. Provided that a resolution for removing a Director shall not be deemed to have been passed unless the number of votes cast in favour of such a resolution is not less than:-</p> <p>(a) the minimum number of votes that were cast for the election of a Director at the immediately preceding election of Directors, if the resolution relates to removal of a Director elected in the manner provided in Article 99 hereof; or</p> <p>(b) the total number of votes for the time being computed in the manner laid down in Article 99 hereof divided by the number of Directors for the time being if the resolution relates to removal of a Director appointed under Article 100 hereof.</p>	<p>termination at any time by retirement of Directors, before the expiration of his period of office, and may appoint another person in his stead. The person so appointed shall be subject to retirement at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last elected Director. A Director so removed shall not be re-appointed a Director by the Board of Director. Provided that a resolution for removing a Director shall not be deemed to have been passed unless the number of votes cast in favour of such a resolution is not less than:-</p> <p>(a) the minimum number of votes that were cast for the election of a Director at the immediately preceding election of Directors, if the resolution relates to removal of a Director elected in the manner provided in Article 99 hereof; or</p> <p>(b) the total number of votes for the time being computed in the manner laid down in Article 99 hereof divided by the number of Directors for the time being if the resolution relates to removal of a Director appointed under Article 100 hereof.</p> <p><u>The Company may, by resolution in general meeting remove any Director in accordance with the requirements of Section 163 of the Act.</u></p>	
75.	103	No person including retiring Director shall, be eligible for election to the office of Director at any General Meeting, unless he has, not less than fourteen days nor more than two months before the meeting, left at the office of the Company a notice in writing duly signed signifying his candidature for the office and the same shall be transmitted to the members as per section 178 of the Ordinance. Any such person may, at any time before the holding of election withdraw such notice.	No person including retiring Director shall, be eligible for election to the office of Director at any General Meeting, unless he has, not less than fourteen days nor more than two months before the meeting, left at the office of the Company a notice in writing duly signed signifying his candidature for the office and the same shall be transmitted to the members as per section 178 <u>159</u> of the Ordinance <u>Act</u> . Any such person may, at any time before the holding of election withdraw such notice.	In order to align with the Companies Act 2017.
76.	104	The Company shall keep at its office a register containing names and addresses and occupations and other particulars required by Section 205 of the Ordinance of its Directors and shall send to the Registrar a return and shall also from time to time notify to the	The Company shall keep at its office a register containing names and addresses and occupations and other particulars required by Section 205 <u>197</u> of the Ordinance <u>Act</u> of its Directors and shall send to the Registrar a return and shall also from time to time notify to the	In order to align with the Companies Act 2017.

S.No.	Clause No.	Existing Clause	Proposed Amendment	Reasons for the Change
		Registrar any change that takes place in such Directors as required by Section 205 of the Ordinance.	Registrar any change that takes place in such Directors as required by Section 205 197 of the Ordinance <u>Act</u> .	
77.	105	A Director may with the approval of the Board of Directors appoint any member of the Company or other person to be his Alternate Director during an absence of not less than three months from Pakistan and such appointment shall have effect and such appointee while he holds office as an Alternate Director shall be entitled to notice of meetings of Directors and to attend and vote there accordingly and generally to exercise all the rights and functions of such absent Director subject to provision of Section 192(1) of the Ordinance, (including the rights and functions of the Managing Director if he shall be the appointer) further subject to any limitations or restrictions in the instrument appointer him, but he shall not require any qualification and he shall ipso facto vacate office if and when his appointer returns to Pakistan or vacates office as a Director or removes him by notice In writing addressed to the Company.	A Director may with the approval of the Board of Directors appoint any member of the Company or other person to be his Alternate Director during an absence of not less than three months from Pakistan and such appointment shall have effect and such appointee while he holds office as an Alternate Director shall be entitled to notice of meetings of Directors and to attend and vote there accordingly and generally to exercise all the rights and functions of such absent Director subject to provision of Section 192(1) of the Ordinance, (including the rights and functions of the Managing Director if he shall be the appointer) further subject to any limitations or restrictions in the instrument appointer him, 174 of the Act but he shall not require any qualification and he shall ipso facto vacate office if and when his appointer returns to Pakistan or vacates office as a Director or removes him by notice In writing addressed to the Company.	Not the practice for an alternate director to have the powers of a Chief Executive.
78.	108	<p>a. The Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings and proceedings as they think fit. They shall however, meet at least twice in a year. The quorum at a Directors' meeting shall be one-third their number or four whichever is greater.</p> <p>Or if a Director or Alternate Director present at a meeting is also an Alternate for one or more other Directors, all the Directors whom he represents shall be deemed to be present at such meeting and the Director or Alternate Director personally present shall be entitled to exercise all the votes of the other Directors whom he represents.</p> <p>(a) All decisions at Board Meetings shall be by vote of the majority of the Directors present at a Meeting except that decisions on the following matters shall require an affirmative vote of all the Directors.</p>	<p>b.(a) The Directors may meet together for the despatch<u>dispatch</u> of business, adjourn and otherwise regulate their meetings and proceedings as they think fit. They shall however, meet at least twice<u>once</u> in a year<u>every calendar quarter</u>. The quorum at a Directors' meeting shall be one-third their number or four whichever is greater.</p> <p>Or if a Director or Alternate Director present at a meeting is also an Alternate for one or more other Directors, all the Directors whom he represents shall be deemed to be present at such meeting and the Director or Alternate Director personally present shall be entitled to exercise all the votes of the other Directors whom he represents.</p> <p>(b) All decisions at Board Meetings shall be by vote of the majority of the Directors present at a Meeting except that decisions on the following matters shall <u>that require an affirmative vote a greater majority under the provisions of all the Directors.</u><u>Act.</u></p>	In order to align with the Companies Act 2017.

COMPARATIVE ANALYSIS OF EXISTING CLAUSE WITH THE PROPOSED AMENDMENT ALONG WITH REASONS FOR THE CHANGE

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S.No.	Clause No.	Existing Clause	Proposed Amendment	Reasons for the Change
		<p>i. Increase of the authorized capital of the Company or issuing of additional share capital.</p> <p>ii. Any borrowing in excess of the limit already approved by the Board.</p> <p>iii. Any investment or capital expenditure in excess of the budgeted figures already approved by the Board.</p> <p>iv. Engagement by the Company in any activity other than the principal objects set out in Clause III (1) of the Memorandum of Association of the Company.</p> <p>i. Any dividend recommendation which would make the distribution for the year lower than 20 per cent of the issued share capital or 75 per cent of the net profit after tax but before providing for reserves, whichever is the lesser figure.</p>	<p>i. Increase of the authorized capital of the Company or issuing of additional share capital.</p> <p>ii. Any borrowing in excess of the limit already approved by the Board.</p> <p>iii. Any investment or capital expenditure in excess of the budgeted figures already approved by the Board.</p> <p>iv. Engagement by the Company in any activity other than the principal objects set out in Clause III (1) of the Memorandum of Association of the Company.</p> <p>i. Any dividend recommendation which would make the distribution for the year lower than 20 per cent of the issued share capital or 75 per cent of the net profit after tax but before providing for reserves, whichever is the lesser figure.</p>	
79.	109	A Director may, at any time, convene a meeting of Directors. It shall not be necessary to give notice if a meeting of the Directors to a Director who is not for the time being resident in Pakistan. Questions arising at any meeting shall be decided by a majority of votes and in case of an equality of votes the Chairman shall have a second or casting vote.	A Director may, at any time, convene a meeting of Directors. It shall not be necessary to give notice if a meeting of the Directors to a Director who is not for the time being resident in Pakistan. Questions arising at any meeting shall be decided by a majority of votes and in case of an equality of votes the Chairman shall have a second or casting vote.	In order to align with the Companies Act 2017 and the Chairman not to have a casting vote.
80.	110	If at any meeting of the Directors the ex-officio Chairman be not present at the time appointed for holding the same, the Directors present shall choose some one of them to be the Chairman of such meeting.	If at any meeting of the Directors the ex-officio Chairman be not present at the time appointed for holding the same, the Directors present shall choose some one of them to be the Chairman of such meeting.	Full time Chairman is required.
81.	112	The Directors may delegate any of their powers to Committee consisting of such member or members of their body as they think fit and may from time to time revoke such delegation. Any committee formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed upon it by the Directors.	The Directors may delegate any of their powers to Committee Committees consisting of such member or members of their body as they think fit and may from time to time revoke such delegation. Any committee formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed upon it by the Directors.	In order to align with the Companies Act 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2019 .
82.	114	A resolution in writing signed or initialed by the Directors for the time being in Pakistan (not being less than quorum for a meeting of the Directors) shall be as valid and effectual as if it has been passed at meeting of the Directors duly	A resolution <u>circulated</u> in writing and signed or initialed by <u>all</u> the Directors, except for the time being those items mentioned in Pakistan (not being less than quorum for a meeting of the Directors) <u>Section 183 of the Directors) Act</u> , shall be as valid	In order to align with the Companies Act 2017.

S.No.	Clause No.	Existing Clause	Proposed Amendment	Reasons for the Change
		called and constituted. A certificate by the Chairman at the foot of any such resolution certifying that the Directors signing or initialing the resolution are all the Directors present in Pakistan at the date of the resolution shall be final and conclusive in that behalf.	and effectual as if it has been passed at meeting of the Directors duly called and constituted. A certificate by the Chairman at the foot of any such resolution certifying that the Directors signing or initialing the resolution are all the Directors present in Pakistan at the date of the resolution shall be final and conclusive in that behalf.	
83.	116(e)	Of the appointment of Chief Executive as per Section 198 and 199 of the Ordinance.	Of the appointment of Chief Executive as per Section 198 and 199 <u>186 and 187</u> of the Ordinance <u>Act</u> .	In order to align with the Companies Act 2017.
84.	118	Without prejudice to the General powers conferred by the last preceding Article and the other powers conferred by these presents, it is hereby expressly declared that the Directors shall have the following powers, that is to say power.	Without prejudice to the General powers conferred by <u>the Act and</u> the last preceding Article and the other powers conferred by these presents, it is hereby expressly declared that the Directors shall have the following powers, that is to say power.	In order to align with the Companies Act 2017.
85.	118(2)	To purchase on otherwise acquire far the Company any property, rights or privileges which the Company is authorised to acquire at such price and generally on such terms and conditions as they think fit and, subject to the provisions of Section 196(3) of the Ordinance to sell, let, exchange or otherwise dispose of absolutely or conditionally any part of the property, privileges and undertaking of the Company upon such terms and conditions and for such consideration as they may think fit.	To purchase on otherwise acquire far the Company any property, rights or privileges which the Company is authorised to acquire at such price and generally on such terms and conditions as they think fit and, subject to the provisions of Section 196 <u>183</u> (3) of the Ordinance <u>Act</u> to sell, let, exchange or otherwise dispose of absolutely or conditionally any part of the property, privileges and undertaking of the Company upon such terms and conditions and for such consideration as they may think fit.	In order to align with the Companies Act 2017.
86.	118(6)	Subject to the provisions of Section 196(3) of the Ordinance to institute, conduct, defend, compound and abandon any legal proceedings by on against the company on its officers or otherwise concerning the affairs of the company and also to compound and allow time for payment or satisfaction of any claim or demands by or against the Company.	Subject to the provisions of Section 196 <u>183</u> (3) of the Ordinance <u>Act</u> to institute, conduct, defend, compound and abandon any legal proceedings by on against the company on its officers or otherwise concerning the affairs of the company and also to compound and allow time for payment or satisfaction of any claim or demands by or against the Company.	In order to align with the Companies Act 2017.
87.	118(10)	Subject to the provisions of Section 95, 105 and 108 of the Ordinance to invest and deal with any of the money of the company not immediately required for the purposes thereof upon such securities (not being shares in this Company) and in such manner as they think fit, and from time to time to vary or realise such investment.	Subject to the provisions of Section 95, 105 <u>86, 182 and 189</u> of the Ordinance <u>Act</u> to invest and deal with any of the money of the company not immediately required for the purposes thereof upon such securities (not being shares in this Company) and in such manner as they think fit, and from time to time to vary or realise such investment.	In order to align with the Companies Act 2017.

COMPARATIVE ANALYSIS OF EXISTING CLAUSE WITH THE PROPOSED AMENDMENT ALONG WITH REASONS FOR THE CHANGE

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S.No.	Clause No.	Existing Clause	Proposed Amendment	Reasons for the Change
88.	118(11)	To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability for the benefit of the Company such mortgages of the Company's property (present and future) as they think fit, and any such mortgage may contain a power of sale and such other powers, convenient and provisions as shall be agreed upon.	To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability for the benefit of the Company such mortgages of the Company's property (present and future) as they think fit, and any such mortgage may contain a power of sale and such other powers, convenient and provisions as shall be agreed upon.	Correction of language.
89.	118(14)	Subject to the provisions of Section 227 of the Ordinance before recommending any dividends to set aside portions of the profits of the Company to form a Fund to provide for such pensions, gratuities, or compensation; or to create any provident or Benefit Fund in such or any other manner as the Directors may deem fit.	Subject to the provisions of Section 227 ²¹⁸ of the Ordinance ^{Act} before recommending any dividends to set aside portions of the profits of the Company to form a Fund to provide for such pensions, gratuities, or compensation; or to create any provident ^{Provident} or Benefit Fund in such or any other manner as the Directors may deem fit.	In order to align with the Companies Act 2017.
90.	118(18)	To pay any interest or any other financial expenses lawfully payable.	To pay any interest, <u>mark up</u> or any other financial expenses lawfully payable.	To provide for mark up in addition to interest.
91.	118(24)	Subject to Section 197 of the Ordinance, to provide for the welfare of any employee or employees of the Company and the wives, widows and families or the dependents or connections of such person, by building or contributing to the buildings of houses dwellings or chawls, or by grants of money, pensions, allowances, bonus or other payments or by creating and from time to time subscribing or contributing to provident funds and other associations, institutions, funds or trusts and providing or subscribing or contributing towards places of instruction and recreation, mosques, schools, colleges, universities, hospitals and dispensaries, medical and other attendance and such other assistance as the Directors shall think fit; and to subscribe to, contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other objects which shall have any moral or other claim to support or aid by the Company either by reason of locality or operation or of public and general utility or otherwise.	Subject to Section 197 ¹⁸⁴ of the Ordinance ^{Act} , to provide for the welfare of any employee or employees of the Company and the wives, widows and families or the dependents or connections of such person, by building or contributing to the buildings of houses or dwellings or chawls , or by grants of money, pensions, allowances, bonus or other payments or by creating and from time to time subscribing or contributing to provident funds and other associations, institutions, funds or trusts and providing or subscribing or contributing towards places of instruction and recreation, mosques, schools, colleges, universities, hospitals and dispensaries, medical and other attendance and such other assistance as the Directors shall think fit; and to subscribe to, contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other objects which shall have any moral or other claim to support or aid by the Company either by reason of locality or operation or of public and general utility or otherwise.	In order to align with the Companies Act 2017.
92.	118(25)	Before recommending any dividend, to set aside out of the profits of the Company such sums as they may think proper for Depreciation Funds, Reserve Fund or Sinking Fund or any special	Before recommending any dividend, to set aside out of the profits of the Company such sums as they may think proper for Depreciation Funds, Reserve Fund or Sinking Fund or any special	To improve language and flexibility.

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		fund to meet contingencies or to repay debentures or debenture-stock, for special dividends or for equalizing dividends or for repairing, improving, extending and maintaining any part of the property of the Company, and for such other purposes (including the purposes referred to in the preceding clause) as the Directors may, in their absolute discretion think conducive to the interest of the Company, and to invest the several sums so set aside or so much thereof as are required to be invested upon such investments (subject to the restrictions imposed by the provisions of the Ordinance) as the Directors may think fit and from time to time to deal with and vary such investments and dispose of and apply and expend all or any part thereof for the benefit of the Company in such manner and for such purpose as the Directors (subject to such restrictions as aforesaid) in the Company notwithstanding that the matters to which the Directors apply or upon which they expend the same, or any part thereof, may be matters to or upon which the capital money of the Company might rightly be applied or expended, and to divide the Reserve Fund into such special funds as the Directors may think fit, and to employ the assets constituting all or any of the funds, including the Depreciation Funds, in the business of the Company or in the purchase or payment of debentures or debenture-stock and that without being bound to pay interest on the same separate from the other assets, with power, however, to the Directors at their discretion to pay or allow to the credit of such fund interest at such rate as the Directors may think proper.	fund to meet contingencies or to repay debentures or debenture-stock, for special dividends or for equalizing dividends or for repairing, improving, extending and maintaining any part of the property of the Company, and for such other purposes (including the purposes referred to in the preceding clause) as the Directors may, in their absolute discretion think conducive to the interest of the Company, and to invest the several sums so set aside or so much thereof as are required to be invested upon such investments (subject to the restrictions imposed by the provisions of the Ordinance Act) as the Directors may think fit and from time to time to deal with and vary such investments and dispose of and apply and expend all or any part thereof for the benefit of the Company in such manner and for such purpose as the Directors (subject to such restrictions as aforesaid) in the Company think fit notwithstanding that the matters to which the Directors apply or upon which they expend the same, or any part thereof, may be matters to or upon which the capital money of the Company might rightly be applied or expended, and to divide the Reserve Fund into such special funds as the Directors may think fit, and to employ the assets constituting all or any of the funds, including the Depreciation Funds, in the business of the Company or in the purchase or payment of debentures or debenture-stock and that without being bound to pay interest on the same separate from the other assets, other investments with power, however, to the Directors at their discretion to pay or allow to the credit of such fund interest at such rate as the Directors may think proper.	
93.	118(27)	(a) To appoint and at discretion remove or suspend managers, secretaries, treasurers, officers, clerks, agents and servants for permanent, temporary or special services as they may from time to time think fit, and to determine their powers and duties and fix their salaries or emoluments and to require security in such instances and to such amount as they think fit.	(a) To appoint and at <u>their</u> discretion remove or suspend managers, secretaries, treasurers, officers, clerks, agents and servants for permanent, temporary or special services as they may from time-to-time think fit, and to determine their powers and duties and fix their salaries or emoluments and to require security in such instances and to such amount as they think fit.	Correction of word and removal of a surplus / somewhat incorrect sentence

COMPARATIVE ANALYSIS OF EXISTING CLAUSE WITH THE PROPOSED AMENDMENT ALONG WITH REASONS FOR THE CHANGE

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S.No.	Clause No.	Existing Clause	Proposed Amendment	Reasons for the Change
94.	118(27)	(c) From time to time and at any time to establish any Local Boards or branch offices for managing any of the affairs of the Company in any special locality in Pakistan or elsewhere and to appoint any persons to be members of any Local Boards, and to fix their remuneration. And from time to time and at any time delegate to any person so appointed any of the powers, authorities and discretions for the time being vested in the Directors and to authorise the members for the time being of any such Local Board, or any of them to fill up any vacancies therein and to act notwithstanding vacancies and any such appointment or delegation may be made on such terms, and subjects to such conditions as the Directors may think fit and the Directors may at any time remove any person so appointed, and may annul or vary any such delegation.	(c) From time to time and at any time to establish any Local Boards or <u>personnel</u> for managing any of the affairs of the Company in any special locality in Pakistan or elsewhere and to appoint any persons to be members of any Local Boards, and to fix their remuneration. And from time to time and at any time delegate to any person so appointed any of the powers, authorities and discretions for the time being vested in the Directors and to authorise the members for the time being of any such Local Board, or any of them to fill up any vacancies therein and to act notwithstanding vacancies and any such appointment or delegation may be made on such terms, and subjects to such conditions as the Directors may think fit and the Directors may at any time remove any person so appointed, and may annul or vary any such delegation.	Improved in line with practicalities.
95.	118(27)	(d) At any time and from time to time by powers of attorney to appoint any person or persons to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in and exercisable by the Directors under these presents) and for such period and subject to such conditions as the Directors may from time to time think fit and any such appointment (if the Directors think fit) be made in favour of the members or any of the members of any local Board established as aforesaid or in favour of any company or the members, directors, nominees, or managers of any company, or firm or otherwise in favour of any fluctuating body or persons whether nominated directly or indirectly by the Directors, and any such power of attorney may contain such powers for the protection or convenience of persons dealing with such attorney as the Directors may think fit, and may contain powers enabling any such delegate or attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretion for the time being vested in them.	(d) At any time and from time to time by powers of attorney to appoint any person or persons to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in and exercisable by the Directors under these presents) and for such period and subject to such conditions as the Directors may from time to time think fit and any such appointment (if the Directors think fit) be made in favour of the members or any of the members of any local <u>the</u> Board established as aforesaid or in favour of any company or the members, directors, nominees, or managers of any company, or firm or otherwise in favour of any fluctuating body or persons whether nominated directly or indirectly by the Directors, and any such power of attorney may contain such powers for the protection or convenience of persons dealing with such attorney as the Directors may think fit, and may contain powers enabling any such delegate or attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretion for the time being vested in them.	No local Board so changed appropriately.
96.	118(27)	(e) To delegate entrust to end confer from time to time upon the Secretary, manager or managers of attorneys from time to time such of the powers exercisable by the Directors as they may think fit	(e) To delegate entrust to end <u>and</u> confer from time to time upon the Secretary, manager or managers of attorneys from time to time such of the powers exercisable by the Directors as they may think fit	Correction of word and removal of a surplus/ somewhat incorrect sentence

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		and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as they think expedient and that they may confer such powers either collaterally with or the exclusion of and in substitution for all or any of the powers of the Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers.	and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as they think expedient and that they may confer such powers either collaterally with or the exclusion of and in substitution for all or any of the powers of the Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers.	
97.	118(27)	(f) To delegate all or any of their powers to a Chief Executive or to a Managing Director or to a Secretary as they may from time to time think fit.	(f) To delegate all or any of their powers to a Chief Executive or to a Managing Director or to a Secretary as they may from time to time think fit.	Concept of Managing Director is not there in the Act, term used is Chief Executive.
98.		CHIEF EXECUTIVE DIRECTOR	CHIEF EXECUTIVE DIRECTOR	In order to align with the Companies Act 2017.
99.	119	Directors shall appoint any person, including an elected Director, to be the Chief Executive of the Company in the manner provided in Section 198 and 199 of the Ordinance for a term not exceeding three years from the date of appointment and may remove a Chief Executive so appointed in the manner provided in Section 202 of the Ordinance. The terms and conditions of appointment of Chief Executive shall be determined by the Board of Directors.	Directors shall appoint any person, including an elected Director, to be the Chief Executive of the Company in the manner provided in Section 198 <u>Sections 186 and 199</u> 187 of the Ordinance <u>Act</u> for a term not exceeding three years from the date of appointment and may remove a Chief Executive so appointed in the manner provided in Section 202 <u>190</u> of the Ordinance <u>Act</u> . The terms and conditions of appointment of Chief Executive shall be determined by the Board of Directors.	In order to align with the Companies Act 2017.
100.	121	An Executive Director shall, if he cease to hold the office of Director from any cause, ipso facto and immediately, cease to be an Executive Director.	An Executive Director shall, if he cease <u>ceases</u> to hold the office of Director from any cause, ipso facto and immediately, ceases to be an Executive Director.	Correction of sentence.
101.	122	The remuneration of an Executive Director or Director holding any office as is mentioned in Article 120 and 121 may from time to time be determined by the Board of Directors of the Company and may be byway of fixed salary, or commission or dividend, profit or turnover of the Company or of any other company in which the Company is interested, or by participation in any such profits or by any or all of those modes. The remuneration of any such Director may include such profits or by any or all of those modes (if any) for himself or any dependents (whether by pension, superannuation or otherwise) after the termination of his office as the Directors shall think proper. A Director holding any such office as is mentioned in Articles 120 and 121 shall not be precluded	The remuneration of an Executive Director or Director holding any office as is mentioned in Article 120 <u>115</u> and 121 <u>116</u> may from time to time be determined by the Board of Directors of the Company and may be byway of fixed salary, or commission or dividend, profit or turnover of the Company or of any other company in which the Company is interested, or by participation in any such profits or by any or all of those modes. The remuneration of any such Director may include such profits or by any or all of those modes (if any) for himself or any dependents (whether by pension, superannuation or otherwise) after the termination of his office as the Directors shall think proper. A Director holding any such office as is mentioned in Articles 120 <u>115</u> and 121 <u>116</u> shall not be precluded merely by reason	Due to make changes (addition and deletion of clauses), the corresponding articles have been renumbered.

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S.No.	Clause No.	Existing Clause	Proposed Amendment	Reasons for the Change
		merely by reason of his office of Director from membership of any superannuation or pension fund for the time being established or supported by the Company.	of his office of Director from membership of any superannuation or pension fund for the time being established or supported by the Company.	
102.	123	The Directors may from time to time entrust to and confer upon the Chief Executive or and Executive Director or Executive Directors for the time being such of the powers exercisable under these presents by the Director as they may think fit, and may confer such powers for such time, and to be exercised for such objects and purposes, and upon such terms and conditions, and with such restrictions as they think expedient; and they may confer such powers, either collaterally with, or to the exclusion of, and in substitution for, all or any of the powers of the Directors in that behalf; and may from time to time revoke, withdraw, alter or vary all or any of such powers.	The Directors may from time to time entrust to and confer upon the Chief Executive or and an Executive Director or Executive Directors for the time being such of the powers exercisable under these presents by the Director Directors as they may think fit, and may confer such powers for such time, and to be exercised for such objects and purposes, and upon such terms and conditions, and with such restrictions as they think expedient; and they may confer such powers, either collaterally with, or to the exclusion of, and in substitution for, all or any of the powers of the Directors in that behalf; and may from time to time revoke, withdraw, alter or vary all or any of such powers.	Correction of word and removal of a surplus / somewhat incorrect sentence
103.	124	The Directors shall provide for the safe custody of the Seal and subject to the provision herein before contained as for the signature to certificates to title to shares in the Company the Seal shall never be used except by the authority previously given of the Directors or a Committee of the Directors and Two Directors at least shall sign every instrument to which the Seal is affixed. Provided nevertheless that any instrument bearing the Seal of the Company and issued for valuable consideration shall be binding on the Company notwithstanding any irregularity of the Directors issuing the same.	The Directors shall provide for the safe custody of the Seal and subject to the provision herein before contained as for the signature to certificates to title to shares in the Company the Seal shall never be used except by the authority previously given of the Directors or a Committee of the Directors and Two Directors or <u>one Director and the Secretary</u> at least shall sign every instrument to which the Seal is affixed. Provided nevertheless that any instrument bearing the Seal of the Company and issued for valuable consideration shall be binding on the Company notwithstanding any irregularity of the Directors issuing the same.	To provide flexibility.
104.	125	The Company may exercise the powers conferred by Section 213 of the Ordinance.	The Company may exercise the powers conferred by Section 243 <u>203</u> of the Ordinance <u>Act</u> .	In order to align with the Companies Act 2017.
105.	126	The Company shall make the requisite Annual Returns in accordance with Section 156 of the Ordinance.	The Company shall make the requisite Annual Returns in accordance with Section 156 <u>the requirements</u> of the Ordinance <u>Act</u> .	In order to align with the Companies Act 2017.
106.	127	Subject to the provisions of these presents as the Reserve Fund and Depreciation Fund, the net profits of the Company to be divided in respect of any year or other period shall be applied in the payment of a dividend on the ordinary shares of the Company, so that a fully paid-up share shall entitle the holder with respect thereto	Subject to the provisions of these presents as the Reserve Fund and Depreciation Fund, the net profits of the Company to be divided in respect of any year or other period shall be applied in the payment of a dividend on the ordinary shares of the Company, so that a fully paid-up share shall entitle the holder with respect thereto	All shares are to be fully paid-up.

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		to such portion of the distribution as the amount paid thereon bears to the total amount of paid-up capital of the Company.	to such portion of the distribution as the amount paid thereon bears to the total amount of paid-up capital of the Company.	
107.	130	Subject to the provisions of Section 248(2) of the Ordinance, no dividend shall be payable except out of the profits of the Company of the year or any other undistributed profits, and dividend shall not carry interest as against the Company.	Subject to the provisions of Section 248 240 (2) of the Ordinance Act, no dividend shall be payable except out of the profits of the Company of the year or any other undistributed profits, and dividend shall not carry interest as against the Company.	In order to align with the Companies Act 2017.
108.	133	The Directors may retain any dividend to the extent of the debts, liabilities or engagements in respect of which any money is due to the Company by a member and may apply the same in or towards the satisfaction of such debts, liabilities or engagements.	The Directors may <u>subject to section 243 of the Act</u> , retain any dividend to the extent of the debts, liabilities or engagements in respect of which any money is due to the Company by a member and may apply the same in or towards the satisfaction of such debts, liabilities or engagements.	In order to align with the Companies Act 2017.
109.	134	Dividend shall be paid within forty five days of the date of the general meeting in which it is approved or in the case of interim dividend within forty five days of the date of commencement of closing of share transfer for purposes of determination of entitlement of dividend and where register of members is not closed for 'such purpose, the date on which such dividend is approved by the Directors.	Dividend shall be paid within forty five days of the date of the general meeting in which it is approved or in the case of interim dividend within forty five days of the date of commencement of closing of share transfer for purposes of determination of entitlement of dividend and where register of members is not closed for 'such purpose, the date on which such dividend is approved by the Directors. <u>Dividend shall be paid within the periods specified in Section 242 and 243 of Act.</u>	In order to align with the Companies Act 2017.
110.	135	Any General Meeting declaring a dividend may resolve that such dividend be paid wholly or in part by the distribution of specific assets and in particular of paid-up shares, debenture or other securities either of the Company, or of any other company or in any one or more such ways.	Any General Meeting declaring a dividend may resolve that such dividend be paid wholly or in part by the distribution of specific assets and in particular of paid-up shares, debenture or other securities either of the Company, or of any other listed company or in any one or more such ways as may be otherwise permitted by the Act.	In order to align with the Companies Act 2017.
111.	137	The Directors may retain the dividends payable upon shares in respect of which any person is under the Transmission article entitled to become a member or which any person under that article is entitled to transfer, until such person shall become a member in respect thereof or shall duly transfer the same.	The <u>Subject to Section 243 of the Act,</u> the Directors may retain the dividends payable upon shares in respect of which any person is under the Transmission article entitled to become a member or which any person under that article is entitled to transfer, until such person shall become a member in respect thereof or shall duly transfer the same.	In order to align with the Companies Act 2017.
112.	139	Despatch By post. Unless otherwise directed dividend shall be paid by the Company 'in respect of	Despatch By post. <u>Dispatch of Dividend.</u> Unless otherwise directed dividend shall be paid by the Company 'in respect of	In order to align with the Companies Act 2017.

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		any share therein to the registered holder of such share or to his order by cheque or warrant sent through the registered post to the registered address of the member or, in the case of joint-holders to the registered address of that' one whose name stands first on the Register in respect of the joint holding or to such bankers or financial institutions the member or such joint-holders, as the case may be may direct, and every cheque or warrant so sent shall e made payable to the order of such bankers or financial institution entitled or such joint-holders, as the case may be. Several executors or administrators of a deceased member in whose sole name any shares shall stand, shall for the purposes of this clause be deemed to be joint-holders thereof.	any share therein to the registered holder of such share or to his order by cheque or warrant sent through the registered post to the registered address of the member or, in the case of joint-holders to the registered address of that' one whose name stands first on the Register in respect of the joint holding or to such bankers or financial institutions the member or such joint-holders, as the case may be may direct, and every cheque or warrant so sent shall e made payable to the order of such bankers or financial institution entitled or such joint-holders, as the case may be. Several executors or administrators of a deceased member in whose sole name any shares shall stand, shall for the purposes of this clause be deemed to be joint-holders thereof. <u>through electronic mode directly into the bank account designated by the shareholders or in any other manner permitted by law.</u>	
113.	140	All dividends unclaimed. for one year after having been declared may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed.	All dividends unclaimed. for one year after having been declared may or unpaid shall be invested or otherwise made used dealt with in accordance with <u>Section 244</u> of by the Directors for the benefit of the Company until claimed Act.	In order to align with the Companies Act 2017.
114.	142	Whenever such a resolution as aforesaid shall have been passed the Directors shall make all appropriations and applications of the undivided profits resolved to be capitalized thereby, and all allotments and issue of fully-paid shares, debentures or other securities if any and generally shall do all acts and things required to give effect thereof by payment in cash or otherwise as they think fit for the case of shares, debentures or other securities becoming distributable in fractions, and also to authorise any person to enter on behalf of all the Members entitled thereto into an agreement with the Company providing for the allotment to them respectively credited as fully paid-up, of any further share debentures or other securities to which they may be entitled upon such capitalization, and any agreement made under such authority shall be effective and bidding on all such Members.	Whenever such a resolution as aforesaid shall have been passed the Directors shall make all appropriations and applications of the undivided profits resolved to be capitalized thereby, and all allotments and issue of fully-paid shares, debentures or other securities if any and generally shall do all acts and things required to give effect thereof by payment in cash or otherwise as they think fit for the case of shares, debentures or other securities becoming distributable in fractions, and also to authorise any person to enter on behalf of all the Members entitled thereto into an agreement with the Company providing for the allotment to them respectively credited as fully paid-up, of any further share shares, debentures or other securities to which they may be entitled upon such capitalization, and any agreement made under such authority shall be effective and bidding on all such Members. <u>However, fractional shares shall not be offered and all fractions less than a share shall be consolidated and disposed of by the Company and the proceeds from such disposition shall be paid to a charitable institution approved by the Board.</u>	All shares are fully paid-up, and to give proceeds of fractional shares to Charity.

S.No.	Clause No.	Existing Clause	Proposed Amendment	Reasons for the Change
115.	143	<p>The Directors shall in conformity with Section 230 of the Ordinances, cause to be kept proper books of account with respect to:</p> <p>(a) all sums of money received and expended by the Company and the matters in respect of which the receipts and expenditure takes place;</p> <p>(b) all sales and purchases of goods by the Company;</p> <p>(c) all the assets and liabilities of the Company</p>	<p>The Directors shall in conformity with Section 230 of the Ordinances, cause to be kept proper books of account with respect to: <u>as required by the Act.</u></p> <p>(d) all sums of money received and expended by the Company and the matters in respect of which the receipts and expenditure takes place;</p> <p>(e) all sales and purchases of goods by the Company;</p> <p>(f)(d) all the assets and liabilities of the Company</p>	In order to align with the Companies Act 2017.
116.	144	The books of account shall be kept at the office of the company or at such other place as the Directors think fit, and shall be open to inspection by the Directors during the business hours.	The books of account shall be kept at the <u>registered</u> office of the company or at such other place as the Directors think fit, and shall be open to inspection by the Directors during the business hours.	In order to align with the Companies Act 2017.
117.	145	The books of account relating to a period of not less than ten years immediately preceding the current year shall be preserved by the Company in good order.	The books of account relating to a period of not less than ten <u>financial</u> years immediately preceding the current <u>a financial</u> year shall be preserved by the Company in good order.	In order to align with the Companies Act 2017.
118.	147	<p><u>Profit and loss Account and Balance Sheet.</u></p> <p>The Directors shall as required by Section 233 to 237 and 240 of the Ordinance cause to be prepared and to be laid before the Company in General Meeting such profits and loss accounts income and expenditure accounts, balance sheets and reports as are referred to in those Sections.</p>	<p><u>Profit and loss Account and Balance Sheet.</u></p> <p><u>Financial Statements.</u></p> <p>The Directors shall as required by Section 233 to 237 223, 225, 228, 229 and 240 231 of the Ordinance <u>Act</u> cause to be prepared and to be laid before the Company in General Meeting such profits and loss accounts income and expenditure accounts, balance sheets and reports <u>Financial Statements</u> as are referred to in those Sections.</p>	In order to align with the Companies Act 2017.
119.	148	<p><u>Preparation of profit and loss account.</u></p> <p>The profit and loss account shall in addition to the matters referred to in sub-section (1) of Section 234 of the Ordinance, be so made out as to disclose clearly the operating results of the Company during the financial year covered by the account and shall show, arranged under the most convenient heads, the amount of gross income, distinguishing the several sources from which it has been derived, and the amount of gross expenditure distinguishing the expenses of the establishment, salaries, and other like matters. Every item of expenditure fairly chargeable against the year's income shall be brought into</p>	<p><u>Preparation of profit and loss account.</u></p> <p><u>Financial Statements.</u></p> <p>The profit and loss account <u>Financial Statements</u> shall in addition to the matters referred to in sub-section (1) of Section 234 <u>225</u> of the Ordinance <u>Act</u>, be so made out as to disclose clearly the operating results of the Company during the financial year covered by the account <u>them</u> and shall show, arranged under the most convenient heads, the amount of gross income, distinguishing the several sources from which it has been derived, and the amount of gross expenditure distinguishing the expenses of the establishment, salaries, and other like matters <u>as may be otherwise required</u></p>	In order to align with the Companies Act 2017.

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		account, so that a just balance of profit and loss may be laid before the meeting, and in cases where any items of expenditure which may in fairness be distributed over several years has been incurred in any one year, the whole amount of such item shall be stated, with the addition of the reasons why only a portion of such expenditure is charged against the income of the year.	<u>by law</u> . Every item of expenditure fairly chargeable against the year's income shall be brought into account, so that a just balance of profit and loss may be laid before the meeting, and in cases where any items of expenditure which may in fairness be distributed over several years has been incurred in any one year, the whole amount of such item shall be stated, with the addition of the reasons why only a portion of such expenditure is charged against the income of the year.	
120.	149	A balance sheet shall be made out in every year and laid before the Company in General Meeting made up to a date not more than six months before such meeting. The balance sheet shall be accompanied by a report of the Directors as to the state of the Company's affairs, and the amount (if any) which they recommend to be paid by way of dividend, and the amount (if any) which they propose to carry to a reserve fund.	A balance sheet shall be made out in every year and laid before the Company in General Meeting made up to a date not more than six four months before such meeting. The balance sheet shall be accompanied by a report of the Directors as to the state of the Company's affairs, and the amount (if any) which they recommend to be paid by way of dividend, and the amount (if any) which they propose to carry to a reserve fund.	In order to align with the Companies Act 2017.
121.	150	<u>Copies of Balance Sheet and Report to be posted to persons entitled.</u> A copy of the balance sheet and report shall, not less than Twenty one days previously to the meeting be sent to the persons entitled to receive notices of General Meetings in the manner in which notices are to be given hereunder.	Copies of Balance Sheet and Report <u>Financial Statements</u> to be posted to persons entitled. A copy of the balance sheet and report <u>Financial Statements</u> shall, not less than Twenty-one days <u>previously</u> to <u>(or such other period as may be prescribed under law)</u> before the meeting be sent to the persons entitled to receive notices of General Meetings in the manner in which notices are to be given hereunder.	In order to align with the Companies Act 2017.
122.	151	The Directors shall in all respects comply with the provisions of Sections 230, 233 to 243 and 245 of the Ordinance or any statutory modification thereof for the time being in force.	The Directors shall in all respects comply with the provisions of Sections 230, 233 to 243 220, 223, 225 and 245 237 of the Ordinance Act or any statutory modification thereof for the time being in force.	In order to align with the Companies Act 2017.
123.	152	Auditors shall be appointed and their duties regulated in accordance with Section 252 to 255 of the Ordinance.	Auditors shall be appointed and their duties regulated in accordance with Section 252 246 to 255 249 of the Ordinance Act.	In order to align with the Companies Act 2017.
124.	153(a)	A notice may be given by the Company to any member either personally or by sending it by post to him to his registered address or (if he has no registered address in Pakistan) to the address, if any, within Pakistan supplied by him to the Company for giving of notices to him.	A notice may be given by the Company to any member either personally or by sending it by post to him to his registered address or (if he has no registered address in Pakistan) to the address, if any, within Pakistan supplied by him to the Company for giving of notices to him.	In order to align with the Companies Act 2017.

S.No.	Clause No.	Existing Clause	Proposed Amendment	Reasons for the Change
125.	153(b)	Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the notice and unless the contrary is proved, to have been effected at the time at which the letter would be delivered in the ordinary course of post.	Where a notice is sent by post <u>or courier</u> , service of the notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the notice and unless the contrary is proved, to have been effected at the time at which the letter would be delivered in the ordinary course of post / <u>courier</u> .	In order to align with the Companies Act 2017.
126.	154	Members resident abroad. If a member has no registered address in Pakistan and has not supplied to the Company an address within Pakistan for the giving of notices to him, a notice addressed to him or to the shareholders generally and advertised in a newspaper circulating in the Province in which the Registered Office of the Company is situated and in the manner provided in Article 159 here of shall be deemed to be duly given to him on the day on which the advertisement appears.	Members resident abroad. If a member has no registered address in Pakistan and has not supplied to the Company an address within Pakistan for the giving of notices to him, a notice addressed to him or to the shareholders generally and advertised in a newspaper circulating in the Province in which the Registered Office of the Company is situated and in the manner provided in Article 159 here of shall be deemed to be duly given to him on the day on which the advertisement appears.	Notice requirement appropriately covered elsewhere and in the law.
127.	156	A notice may be given by the Company to the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a prepaid letter addressed to them by name or by the title or representatives of the deceased, or assignees of the insolvent, or by any like description, at the address (if any) in Pakistan supplied for the purpose by the persons claiming to be so entitled, or until such an address has been so supplied by giving the notice in any manner in which the same might have been given if the death or insolvency had not occurred.	A notice may be given by the Company to the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post <u>or courier</u> in a prepaid letter addressed to them by name or by the title or representatives of the deceased, or assignees of the insolvent, or by any like description, at the address (if any) in Pakistan supplied for the purpose by the persons claiming to be so entitled, or until such an address has been so supplied by giving the notice in any manner in which the same might have been given if the death or insolvency had not occurred.	In order to align with the Companies Act 2017.
128.	157	Subject to the provisions of Article 161 hereof, Notice of every General Meeting shall be given in such manner herein authorised to (a) every member of the Company except those members who having no registered address within Pakistan have not supplied to the Company an address within Pakistan for the giving of notices to them, and (b) every person entitled to a share in consequence of the death or insolvency of a member who but for his death or insolvency would be entitled to a share in consequence of the death or insolvency of a member who but for his death or insolvency would be entitled, to receive notice of the meeting, and (c) the auditors of the Company.	Subject to the provisions of Article 161 <u>155</u> hereof, Notice of every General Meeting shall be given in such manner herein authorised to (a) every member of the Company except those members who having no registered address within Pakistan have not supplied to the Company an address within Pakistan for the giving of notices to them , and (b) every person entitled to a share in consequence of the death or insolvency of a member who but for his death or insolvency would be entitled to a share in consequence of the death or insolvency of a member who but for his death or insolvency would be entitled, to receive notice of the meeting, and (c) the auditors of the Company., and (d) <u>every Director</u> .	In order to align with the Companies Act 2017.

COMPARATIVE ANALYSIS OF EXISTING CLAUSE WITH THE PROPOSED AMENDMENT ALONG WITH REASONS FOR THE CHANGE

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S.No.	Clause No.	Existing Clause	Proposed Amendment	Reasons for the Change
129.	159	Any notice required to be or which may be given by advertisement shall be advertised once in one English language daily newspaper and one Urdu language daily newspaper circulating in the Province in which the Stock Exchange in which the Company is listed is situated.	Any notice required to be or which may be given by advertisement shall be advertised once in one English language daily newspaper and one Urdu language daily newspaper circulating in the Province in which the Stock Exchange in which the Company is listed is situated. having wide circulation.	In order to align with the Companies Act 2017.
130.	164	On any sale of the undertaking of the Company, the Directors or the Liquidator in a winding up may, if authorised by special Resolution, accept fully paid or partly paid-up shares, debentures or securities of any other company, whether incorporated in Pakistan or not, either then existing or to be formed for the purchase in whole or in part of the property of the Company, and the Directors (if the profits of the Company permit), or the Liquidator (in winding-up), may distribute such shares, debentures or securities or any other property of the Company amongst the members without realisation or vest the same in trustees for them, and any special Resolution may provide for the distribution or appropriation of the cash, shares, debentures, securities, benefits or property otherwise than in accordance with the strict legal rights of the members or contributories of the Company, and for the valuation of any such securities or property at such price and in such manner as the meeting may approve, and all holders of shares shall be bound to accept and shall be bound by any valuation or distribution so authorised, and waive all rights in relation thereto, save only in case the Company is proposed to be or is in the course of being wound up, such statutory rights (if any) under Section 367 of the Ordinance as are Incapable of being varied or excluded by these Articles.	On any sale of the undertaking of the Company, the Directors or the Liquidator in a winding up may, if authorised by special Resolution, accept fully paid or partly paid-up shares, debentures or securities of any other company, whether incorporated in Pakistan or not, either then existing or to be formed for the purchase in whole or in part of the property of the Company, and the Directors (if the profits of the Company permit), or the Liquidator (in winding-up), may distribute such shares, debentures or securities or any other property of the Company amongst the members without realisation or vest the same in trustees for them, and any special Resolution may provide for the distribution or appropriation of the cash, shares, debentures, securities, benefits or property otherwise than in accordance with the strict legal rights of the members or contributories of the Company, and for the valuation of any such securities or property at such price and in such manner as the meeting may approve, and all holders of shares shall be bound to accept and shall be bound by any valuation or distribution so authorised, and waive all rights in relation thereto, save only in case the Company is proposed to be or is in the course of being wound up, such statutory rights (if any) under Section 367 356 of the Ordinance Act as are Incapable of being varied or excluded by these Articles.	In order to align with the Companies Act 2017.
131.	165	Every Director, the Secretary, Manager, Auditor, Trustee, Member of a Committee, Officer, servant, agents, accountant or other person employed in the business of the Company shall, if so required by the Directors before entering upon his duties, sign a declaration pledging himself to observe strict secrecy respecting all transactions of the Company with its customers and the state of accounts with individuals and in matters relating thereto, and shall	Every Director, the Secretary, Manager, Auditor, Trustee, Member of a Committee, Officer, servant, agents, accountant or other person employed in the business of the Company shall, if so required by the Directors before entering upon his duties, sign a declaration pledging himself to observe strict secrecy respecting all transactions of the Company with its customers and the state of accounts with individuals and in matters relating thereto, and shall	To tighten confidentiality clause.

S.No.	Clause No.	Existing Clause	Proposed Amendment	Reasons for the Change
		by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do so by the Directors or by any meeting or by a Court of Law and except as far as may be necessary in order to comply with any of the provisions in these Articles.	by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do so by the Directors or by any meeting or by a Court of Law and except as far as may be necessary in order to comply with any of the provisions in these Articles.	
132.	167(a)	Subject to the provisions of Section 194 of the Ordinance every Director of the Company, the Secretary, Manager and other officers or employees of the Company shall be indemnified by the Company and it shall be the duty of the Directors of the Company to pay out of the funds of the Company all costs, losses and expenses (including travelling expenses) which any such Director, Secretary, Manager, Officer or other employee may incur or become liable to by reason of any contract entered into or act or deed done by him as Director, Secretary, Manager, Officer or other employee in the discharge of his duties.	Subject to the provisions of Section 194 <u>180</u> of the Ordinance <u>Act</u> every Director of the Company, the Secretary, Manager and other officers or employees of the Company shall be indemnified by the Company and it shall be the duty of the Directors of the Company to pay out of the funds of the Company all costs, losses and expenses (including travelling expenses) which any such Director, Secretary, Manager, Officer or other employee may incur or become liable to by reason of any contract entered into or act or deed done by him as Director, Secretary, Manager, Officer or other employee in the discharge of his duties.	In order to align with the Companies Act 2017.
133.	167(b)	Subject as aforesaid every Director, Secretary, the Manager, Auditor or any other officer of the Company shall be indemnified against any liability incurred by him as. Director, Secretary, Manager, Auditor or officer in defending any proceedings whether civil or criminal in which judgement is given in his favour or in which he is acquitted or in connection with any application under Section 488 <u>492</u> of the Ordinance <u>Act</u> in which relief is given to him by the Court.	Subject as aforesaid every Director, Secretary, the Manager, Auditor or any other officer of the Company shall be indemnified against any liability incurred by him as. Director, Secretary, Manager, Auditor or officer in defending any proceedings whether civil or criminal in which judgement is given in his favour or in which he is acquitted or in connection with any application under Section 488 <u>492</u> of the Ordinance <u>Act</u> in which relief is given to him by the Court.	In order to align with the Companies Act 2017.
134.	168	Subject to the provisions of Section 194 of the Ordinance, no Director, Secretary, Manager, auditor or other officer of the Company shall be liable for the act, receipts, neglect or default of any other Director or officer or for joining in any receipt or other act of for conformity or for any loss or expenses happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested or any loss or damage arising from the bankruptcy, insolvency or tortious act of any person with whom any money,	Subject to the provisions of Section 194 <u>180</u> of the Ordinance <u>Act</u> , no Director, Secretary, Manager, auditor or other officer of the Company shall be liable for the act, receipts, neglect or default of any other Director or officer or for joining in any receipt or other act of for conformity or for any loss or expenses happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested or any loss or damage arising from the bankruptcy, insolvency or tortious act of any person with whom any money,	In order to align with the Companies Act 2017.

COMPARATIVE ANALYSIS OF EXISTING CLAUSE WITH THE PROPOSED AMENDMENT ALONG WITH REASONS FOR THE CHANGE

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S.No.	Clause No.	Existing Clause	Proposed Amendment	Reasons for the Change
		securities or effects shall be deposited or for any loss occasioned by an error of judgement, omission, default or oversight on his part or for any other loss damage, or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happen through the wilful default and neglect of such Director, Secretary, Manager, auditor or other officer of the Company.	securities or effects shall be deposited or for any loss occasioned by an error of judgement, omission, default or oversight on his part or for any other loss, damage, or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happen through the wilful default and neglect of such Director, Secretary, Manager, auditor or other officer of the Company.	
135.	169	Notice of any resolution for winding up a company voluntarily shall be given by the company within ten days of the passing of the same by advertisement in the official Gazette, and also in a newspaper circulating in the Province. where the registered office of the company is situated and such notice shall also be published at least in one issue of a daily newspaper in the English language and a daily newspaper in the Urdu language having circulation in the Province in which the Stock Exchange on which it is listed is situated and a copy thereof shall be sent to the Registrar immediately thereafter.	Notice of any resolution for winding up a company voluntarily shall be given by the company within ten days of the passing of the same by advertisement in the official Gazette, and also in a newspaper circulating in the Province. where the registered office of the company is situated and such notice shall also be published at least in one issue of a daily newspaper in the English language and a daily newspaper in the Urdu language having <u>wide</u> circulation in the Province in which the Stock Exchange on which it is listed is situated and a copy thereof shall be sent to the Registrar immediately thereafter.	In order to align with the Companies Act 2017.
136.	172	Any provision of the Articles contrary to or inconsistent with the Listing Rules of the Karachi/Lahore Stock Exchanges shall stand revoked or amended to bring them in conformity with the Listing Rules.	Any provision of the Articles contrary to or inconsistent with the Listing Rules of the Karachi/Lahore Pakistan Stock Exchanges Exchange shall be deemed to stand revoked or amended to bring them in conformity with the Listing Rules.	In order to align with the Companies Act 2017.

NB: Existing clause numbers of the Articles of Association of the Company will be renumbered in the proposed Articles of Association due to addition / deletion of the clauses.

کمپنیز ایکٹ ۲۰۱۷ کے سیکشن ۱۳۴ (۳) ساتھ ملا کر پڑھیں ایس آر او ۲۲۳ (۱) / ۲۰۱۸ مورخہ ۱۳ اپریل ۲۰۱۸ء کے تحت بیان بسلسلہ خصوصی کارروائی اس بیان میں کمپنی کے سالانہ اجلاس عام ۲۱ اکتوبر ۲۰۲۱ء بوقت دوپہر ۰۰ بجے بذریعہ الیکٹرانیکل بذریعہ وڈیولنک انتظامات منعقد کیا جائے گا، میں انجام دیئے جانے والے خصوصی کارروائی کے سلسلے میں ضروری حقائق شامل کئے گئے ہیں:

۱۔ کمپنی کے آرٹیکلز آف ایسوسی ایشن میں ترمیم

کمپنی کے بورڈ آف ڈائریکٹرز نے اپنے اجلاس منعقدہ ۳ ستمبر ۲۰۲۱ء میں کمپنی کے شیئر ہولڈرز سے کمپنی کے آرٹیکلز آف ایسوسی ایشن میں ترمیم پر غور کرتے ہوئے اسے کمپنیز ایکٹ، ۲۰۱۷ میں موجودہ شقوں سے ہم آہنگ بنانے کی غرض سے منظور کرنے کی سفارش کی ہے۔

متعلقہ دستاویزات کی دستیابی

موجودہ آرٹیکلز آف ایسوسی ایشن کی ایک کاپی جس میں مجوزہ ترمیم کی شناخت واضح کی گئی ہے، بشمول موجودہ شقوں کا مجوزہ ترمیم کے ساتھ مسابقتی جائزہ اور ہر ایک تبدیلی کے لئے وضاحت تمام شیئر ہولڈرز کو ارسال کی جا رہی ہے اور وہ معائنہ کیلئے کمپنی کے رجسٹرڈ آفس میں سالانہ اجلاس عام کی تاریخ سے قبل آخری ایام کار تک کسی بھی کام والے دن صبح ۹:۰۰ بجے تا شام ۵:۰۰ بجے تک دستیاب ہے۔ یہ سالانہ اجلاس عام میں ممبران کے جائزے کیلئے بھی دستیاب ہوں گی۔

بورڈ آف ڈائریکٹرز کی جانب سے بیان

”ہم بورڈ آف ڈائریکٹرز کے ممبران بذریعہ ہذا تصدیق کرتے ہیں کہ کمپنی کے آرٹیکلز آف ایسوسی ایشن میں ترمیم مروجہ قوانین اور ریگولیٹری فریم ورک کے مطابق ہیں۔“

مفاد کی نوعیت

کمپنی کے ڈائریکٹرز کمپنی کے آرٹیکلز آف ایسوسی ایشن میں ترمیم سے کوئی بلا واسطہ یا بلا واسطہ مفاد نہیں رکھتے۔

۲۔ بورڈ اور/یا کمیٹی کے اجلاسوں میں شرکت کیلئے ڈائریکٹرز کی فیس پر نظر ثانی

کمپنی کے بورڈ آف ڈائریکٹرز نے اپنے اجلاس منعقدہ ۳ ستمبر ۲۰۲۱ء میں منظوری دی تھی کہ کمپنی کے شیئر ہولڈرز بورڈ اور/یا کمیٹی کے اجلاسوں میں شرکت کے لئے نان۔ ایگزیکٹو ڈائریکٹرز کی فیس میں نظر ثانی پر غور کرتے ہوئے اسے ۵،۰۰۰ روپے سے ۱۰۰،۰۰۰ روپے کرنے کی سفارش کریں۔

کمپنی کے ڈائریکٹرز کی فیس میں نظر ثانی کی ضرورت اسی حجم اور نوعیت کی لسٹ کمپنیوں کے ڈائریکٹرز کو ادا کی جانے والی فیسوں کے مساوی بنانے کی غرض سے محسوس کی گئی۔

مفاد کی نوعیت

کمپنی کے ڈائریکٹرز مسوائے مسٹر ڈونلڈ جینکسن، چیئر مین اور جناب شبیر عباس، چیف ایگزیکٹو، ڈائریکٹرز کے معاوضے میں نظر ثانی میں دلچسپی رکھتے ہیں۔

وہ شیئرز ہولڈرز جو اپنے گوشوارے داخل کر چکے ہوں انہیں ہدایت کی جاتی ہے کہ وہ اپنے ناموں کی ایف بی آر کی ویب سائٹ پر فراہم کردہ تازہ ترین ٹیکس پیئرز لسٹ (اے ٹی ایل) پر موجودگی کو منافع منقسمہ کی ادائیگی کے وقت یقینی بنائیں بصورت دیگر انہیں اے ٹی ایل پر موجود نہ ہونے والا فرد تصور کیا جائے گا اور ان کے نقد منافع منقسمہ ۵۲ فیصد کے بجائے ۳۰ فیصد کی شرح سے کٹوتی کی جائے گی۔

vii جوائنٹ اکاؤنٹ ہولڈرز کی صورت میں منافع منقسمہ پرودہ ہولڈنگ ٹیکس

کمپنی کو ریگولیشنز کی ہدایات پر عمل کرتے ہوئے جوائنٹ اکاؤنٹ ہولڈر (ہولڈرز) کے شیئر ہولڈنگ کے تناسب کا تعین (جہاں پرنسپل شیئر ہولڈر کی جانب سے شیئر ہولڈنگ کا تعین نہ کیا گیا ہو) برائے کمپنی کے منافع منقسمہ پروڈ ہولڈنگ ٹیکس کی کٹوتی کے سلسلے میں شیئر ہولڈرز سے درخواست ہے کہ وہ اپنے پاس موجود شیئر ہولڈنگ کے تناسب کی تفصیل بطور پرنسپل شیئر ہولڈرز ان کے مشترکہ ہولڈرز کمپنی کے شیئر رجسٹر کو فراہم کر دیں تاکہ کمپنی اس کے مطابق ہر ایک شیئر ہولڈر کے وہ ہولڈنگ ٹیکس کا تعین کر سکے۔ مطلوبہ معلومات لازماً کمپنی کے شیئر رجسٹر کو ۱۳ اکتوبر ۲۰۲۱ء تک موصول ہو جائیں بصورت دیگر ہر ایک شیئر ہولڈر کو شیئر کے مساوی تعداد کا حامل تصور کیا جائے گا اور اس کے مطابق ٹیکس کی کٹوتی کی جائے گی۔

viii نقد منافع منقسمہ کی الیکٹرانیکلی ادائیگی (ای-مینڈیٹ)

کمپنیز ایکٹ ۲۰۱۷ء کے سیکشن ۲۴۲ کی شکوے اور کمپنیز (منافع منقسمہ کی تقسیم) ریگولیشنز، ۲۰۱۷ء کے مطابق یہ لازم ہے کہ نقد کی صورت میں قابل ادائیگی منافع منقسمہ صرف بذریعہ الیکٹرانک طریقہ کار براہ راست استحقاق کے حامل شیئرز ہولڈرز کی جانب سے نامزد کردہ بینک اکاؤنٹ میں جمع کرایا جائے۔ اس سلسلے میں ضوابط کے تحت اخبارات میں نوٹسز پہلے ہی شائع کرائے جا چکے ہیں۔ تمام شیئرز ہولڈرز کو ایک بار پھر مطلع کیا جاتا ہے کہ وہ اپنے بینک مینڈیٹ کی تفصیلات جس میں (i) اکاؤنٹ کا نمائند (ii) آئی بی اے این (iii) بینک کا نام (iv) برانچ کا نام، کوڈ اور پتہ شامل ہو، کمپنی کے شیئرز رجسٹرار کو فراہم کر دیں۔ ایسے شیئرز ہولڈرز جو پارٹنر شپس/سینٹرل ڈپازٹری کمپنی آف پاکستان (سی ڈی سی) کے پاس شیئرز کے حامل ہوں، ان کو آگاہ کیا جاتا ہے کہ وہ اپنا مینڈیٹ متعلقہ بروکر/سی ڈی سی کو فراہم کر دیں۔

”الیکٹرانک ڈیویڈنڈ مینڈیٹ فارم“ انگریزی اور اردو زبان میں کمپنی کی ویب سائٹ (www.dynea.com.pk) پر بھی دستیاب ہے۔

ix سالانہ رپورٹ کی بذریعہ ای میل تقسیم (اختیاری)

کمپنیز ایکٹ، ۲۰۱۷ء کے سیکشن ۲۲۳ (۶) کی شق کے مطابق کمپنیز کو اجازت دی جاتی ہے کہ وہ اپنے سالانہ مالیاتی حسابات بشمول آڈیٹرز رپورٹ اور ڈائریکٹرز رپورٹ وغیرہ (سالانہ رپورٹ) اور سالانہ اجلاس عام کی اطلاع (نوٹس) اپنے شیئر ہولڈرز کو بذریعہ ای میل ارسال کر سکتے ہیں۔ کمپنی کے ایسے شیئر ہولڈرز جو کمپنی کی سالانہ رپورٹ اور سالانہ اجلاس عام کے نوٹس بذریعہ ای میل وصول کرنے کے خواہشمند ہوں، ان سے درخواست ہے کہ وہ (کمپنی کی ویب سائٹ پر دستیاب) الیکٹرونک میونیکیشن کنسینٹ فارم کو پُر کر کے کمپنی کے شیئر رجسٹرار کو ارسال کر دیں۔

۳۰ جون ۲۰۲۱ء کو ختم ہونے والے سال کیلئے کمپنی کے آڈٹ شدہ مالیاتی حسابات کمپنی کی ویب سائٹ (www.dynea.com.pk) پر گزشتہ سالوں کے لئے سالانہ اور سہ ماہی مالیاتی حسابات کے ساتھ دستیاب ہیں۔

x سالانہ رپورٹ کی بذریعہ سی ڈی/ڈی وی ڈی منتقلی/ترسیل

کمپنی نے سالانہ مالیاتی حسابات / سالانہ رپورٹ ۲۰۲۱ء اپنے ممبران کو بذریعہ سی ڈی / ڈی وی ڈی ان کے رجسٹرڈ پتوں پر ارسال کر دی ہے۔ ان کی پرنٹ کردہ نقل بھی ممبران کو ان کی درخواست پر فراہم کی جاسکتی ہے۔ ۳۰ جون ۲۰۲۱ء کو ختم ہونے والے سال کے لئے کمپنی کے آڈٹ شدہ مالیاتی حسابات کمپنی کی ویب سائٹ (www.dynea.com.pk) پر دستیاب ہیں۔

اسٹینڈرڈ درخواست فارم کمپنی کی ویب سائٹ (www.dynea.com.pk) پر دستیاب ہے۔ اگر کوئی ممبر آئندہ آڈٹ شدہ مالیاتی حسابات اور اے جی ایم کے نوٹس کی بارڈر کا پیاں وصول کرنے کا خواہشمند ہو تو ممبر اس بارے میں اسٹینڈرڈ درخواست فارم کے ذریعے کمپنی کو آگاہ کر دے۔

نوٹ:

i

سالانہ اجلاس عام کی کارروائیوں میں بذریعہ ویڈیو کانفرنس شرکت کی سہولت

COVID-19 (کورونا وائرس) کی موجودہ وبائی صورتحال کے پیش نظر سالانہ اجلاس عام کی کارروائیوں میں صرف ویڈیو کانفرنس کی سہولت کے ذریعے شرکت کی جائے گی۔ اجلاس میں شرکت کے خواہشمند شیئرز ہولڈرز سے درخواست کی جاتی ہے کہ وہ درج ذیل معلومات کو agm2021@dynea.com.pk پر فراہم کر کے اپنی شرکت اور پراکسی کی توثیق کو اجلاس کے مقررہ وقت سے کم از کم ۴۸ گھنٹے قبل یقینی بنائیں۔

نمبر شمار	شیئر ہولڈر کا نام	سی این آئی سی نمبر	فولیو نمبر	موبائل نمبر	ای میل ایڈریس

ویڈیو کانفرنس لنک کی تفصیلات اور لاگ ان کے بارے میں معلومات ان شیئر ہولڈرز کو فراہم کر دی جائیں گی جن کے ای میلز تمام کوائف کے ہمراہ اجلاس کے مقررہ وقت سے کم از کم ۴۸ گھنٹے قبل موصول ہو جائیں گی۔ شیئر ہولڈرز سالانہ اجلاس عام کے ایجنڈا آنکھڑے کے لئے اپنے تبصرے اور استفسارات بھی agm2021@dynea.com.pk پر اجلاس کے مقررہ وقت سے کم از کم ۴۸ گھنٹے قبل ارسال کر سکتے ہیں۔

شیئر ٹرانسفر بکس کی بندش

ii

کمپنی کی شیئر ٹرانسفر بکس ۱۲ اکتوبر ۲۰۲۱ء تا ۲۱ اکتوبر ۲۰۲۱ء (بشمول دونوں ایام) سالانہ اجلاس عام اور حتمی منافع منقسمہ کی ادائیگی کے مقاصد کے لئے بند رہیں گی۔ ہمارے شیئر رجسٹرار، میسرز فیکو ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، 8-F، متصل ہوٹل فاران، نرسری، بلاک-6، پی ای سی ایچ ایس، شاہراہ فیصل، کراچی۔ فون: 5-34380101 (92-21)، 3-34384621 (ایکسٹینشن 103)، فیکس: 34380106 (92-21) پر ۱۳ اکتوبر ۲۰۲۱ء کو کاروباری اوقات کے اختتام تک موصول ٹرانسفر حتمی منافع منقسمہ کی ادائیگی اور سالانہ اجلاس عام میں شرکت کیلئے ٹرانسفریز کے تعین کے مقصد کیلئے بروقت تصور کئے جائیں گے۔

پراکسی

iii

اجلاس عام میں شرکت کرنے اور ووٹ دینے کا استحقاق رکھنے والا کوئی بھی ممبر اجلاس میں اپنی جگہ شرکت کرنے، بولنے اور ووٹ دینے کیلئے پراکسی کا تقرر کر سکتا/سکتی ہے۔ پراکسی کے تقرر کی دستاویز لازماً اجلاس کے وقت سے کم از کم ۴۸ گھنٹے قبل کمپنی کے رجسٹرڈ آفس میں جمع کرادی جائے گی۔ کارپوریٹ ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی مع نامزد کردہ کے نمونہ دستخط اجلاس سے کم از کم ۴۸ گھنٹے قبل فراہم کر دی جائے گی۔ پراکسی فارم اردو اور انگریزی زبان میں سالانہ رپورٹ کے ساتھ منسلک ہے اور اسے دو افراد کی گواہی کے ساتھ ارسال کیا جائے جن کے نام، پتے اور سی این آئی سی نمبرز فارم میں درج ہونے چاہئیں۔ پراکسی فارم کمپنی کی ویب سائٹ (www.dynea.com.pk) پر بھی دستیاب ہے۔

پتے کی تبدیلی

iv

شیئر ہولڈرز سے درخواست ہے کہ اپنے پتوں میں تبدیلی، اگر کوئی ہو، سے کمپنی کے شیئر رجسٹرار کو فوری مطلع کریں۔

ابھی تک فراہم نہ کئے جانے والے کارآمدی این آئی سی کی نقول کا جمع کرنا

v

انفرادی شیئر ہولڈرز سے ایک مرتبہ پھر درخواست ہے کہ اگر انہوں نے ابھی تک اپنے کارآمدی این آئی سی کی نقول کمپنی کے شیئر رجسٹرار کو جمع نہیں کرائیں تو فوری جمع کرائیں، شیئر ہولڈرز کی کارآمدی کی کمپنی کے ریکارڈ میں عدم دستیابی کی صورت میں کمپنی سیکشن ۲۴۳ بابت کمپنیز ایکٹ، ۲۰۱۷ء کی شقوں کے تحت منافع منقسمہ روک لے گی۔

منافع منقسمہ پر وہولڈنگ ٹیکس

vi

موجودہ طور پر کمپنیز کی جانب سے ادا کئے جانے والے منافع منقسمہ کی رقم پر وہولڈنگ ٹیکس کی کٹوتی انکم ٹیکس آرڈیننس ۲۰۰۱ کے سیکشن ۱۵۰ کے تحت کی جارہی ہے جو درج ذیل کے مطابق ہے:

(اے)	ایک ٹیکس پیئر لسٹ (اے ٹی ایل) پر موجود افراد کے لئے	۱۵ فیصد
(بی)	ایک ٹیکس پیئر لسٹ (اے ٹی ایل) پر موجود نہ ہونے والے افراد کے لئے	۳۰ فیصد

بذریعہ ہذا اطلاع دی جاتی ہے کہ کمپنی کے ممبران کا ۳۹ واں سالانہ اجلاس عام بروز جمعرات ۲۱ اکتوبر ۲۰۲۱ء کو دوپہر ۱:۰۰ بجے الیکٹرانک طریقہ کار کے تحت بذریعہ وڈیولنک انتظامات درج ذیل امور کی انجام دہی کیلئے منعقد کیا جائے گا:

عمومی کارروائی

- ۱۔ ۳۰ جون ۲۰۲۱ء کو ختم ہونے والے سال کیلئے کمپنی کے آڈٹ شدہ حسابات مع ان پر چیئر مین کی جائزہ رپورٹ، ڈائریکٹرز اور آڈیٹرز کی رپورٹس کی وصولی غور و خوض اور منظوری۔
- ۲۔ ۳۰ جون ۲۰۲۱ء کو ختم ہونے والے سال کیلئے حتمی نقد منافع منقسمہ بشرح ۵ روپے فی شیئر یعنی ۱۰۰ فیصد کی منظوری۔ یہ سال کے دوران پہلے سے ادا کئے جانے والے عبوری نقد منافع منقسمہ بشرح ۲۵۰ روپے فی شیئر یعنی ۵۰ فیصد میں اضافہ ہے۔
- ۳۔ برائے سال ۲۰۲۱ء-۲۰۲۲ء آڈیٹرز کا تقرر اور ان کے معاوضے کا تعین۔ موجودہ آڈیٹرز میسرز ای وائی فورڈر ہوڈز، چارٹرڈ اکاؤنٹینٹس اہل ہونے کی بناء پر خود کو دوبارہ تقرری کے لئے پیش کرتے ہیں۔

خصوصی کارروائی

- ۴۔ کمپنی کے آرٹیکلز آف ایسوسی ایشن میں ترمیم
ایک قرارداد پر بطور خصوصی قرارداد غور و خوض اور اگر درست پایا جائے تو اس میں ترمیم یا بلاترمیم منظوری جیسا کہ کمپنیز ایکٹ، ۲۰۱۷ء کے مطابق کمپنی کے آرٹیکلز آف ایسوسی ایشن میں ترمیم کی تجویز دی گئی ہے۔
”خصوصی قرارداد کے ذریعے قرار پایا کہ کمپنی کے موجودہ آرٹیکلز آف ایسوسی ایشن میں ضروری ترامیم کی جائیں اور اسے بنیادی طور پر کمپنیز ایکٹ، ۲۰۱۷ء کے مطابق بنایا جائے، اور بذریعہ ہذا اس کی منظوری دی جاتی ہے۔
مزید قرار پایا کہ کمپنی کے چیف ایگزیکٹو آفیسر اور کمپنی سیکریٹری کو اختیار دیا جائے اور بذریعہ ہذا اختیار دیا جاتا ہے کہ وہ وہ انفرادی طور پر مذکورہ بالا قرارداد پر عملدرآمد کے سلسلے میں تمام اقدامات اور تمام معاہدے کریں اور تمام قانونی کارروائیاں مکمل کرنے کیلئے ایسے تمام ضروری اقدام کریں اور تمام دستاویزات داخل کریں جو اس سلسلے میں درکار ہوں اور وہ تمام رسمی کارروائیاں بھی کریں جن کی مذکورہ بالا قرارداد کے اغراض و مقاصد حصول کرنے کے سلسلے میں ذیلی اور/یا اتفاقی طور پر ضرورت پڑے۔“
- ۵۔ بورڈ اور/یا کمیٹی کے اجلاسوں میں شرکت کے لئے ڈائریکٹرز کی فیس پر نظر ثانی
عمومی قرارداد کے ذریعے کمپنی کے نان۔ ایگزیکٹو ڈائریکٹرز کو بورڈ اور/یا کمیٹیوں کے اجلاسوں میں شرکت کیلئے ادا کی جانے والی فیس کی رقم پر نظر ثانی کی جائے اور اس سلسلے میں درج ذیل قراردادوں کو کسی ترمیم یا بلاترمیم، اضافے یا ترمیم منظور کیا جائے۔
عمومی قرارداد کے ذریعے قرار پایا کہ بورڈ اور/یا کمیٹیوں کے اجلاسوں میں شرکت کے لئے نان۔ ایگزیکٹو ڈائریکٹرز کی فیسوں پر نظر ثانی کرتے ہوئے اسے یکم نومبر ۲۰۲۱ء سے ۵۰،۰۰۰ روپے سے بڑھا کر ۱۰۰،۰۰۰ روپے کر دیا جائے۔
کمپنیز ایکٹ، ۲۰۱۷ء کے سیکشن (۳) ۱۳۴ کو ساتھ ملا کر پڑھیں ایس آر ۲۲۳ (۱) ۲۰۱۸ء مورخہ ۳ اپریل ۲۰۱۸ء کے تحت ایک بیان بسلسلہ خصوصی کارروائی اس نوٹس کے ساتھ شیئر ہولڈرز کو ارسال کیا جا رہا ہے۔

حسب الحکم بورڈ

ثاقب نعیم

کمپنی سیکریٹری

کراچی:

۳ ستمبر ۲۰۲۱ء

منافع منقسمہ اور اختصا

جاری مالی سال کے دوران کمپنی کی کارکردگی کے پیش نظر ڈائریکٹرز پہلے سے 2.50 روپے فی شیئر یعنی 50 فیصد کا عبوری منافع منقسمہ ادا کر چکے ہیں اور اب 5 روپے فی شیئر یعنی 100 فیصد کی بطور حتمی منافع منقسمہ شیئر ہولڈرز کو ادائیگی کی تجویز دی گئی ہے۔ ڈائریکٹرز نے عمومی ریزرو کے لئے بھی 500 ملین روپے کی منتقلی کا اعلان کیا ہے۔

آڈیٹرز کا تقرر

سبکدوش ہونے والے آڈیٹرز میسرز ای وائی فورڈ ر ہورڈز، چارٹرڈ اکاؤنٹینٹس نے اہل ہونے کی بنا پر آئندہ سال کیلئے خود کو دوبارہ تقرری کے لئے پیش کیا ہے۔ انہیں انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹینٹس آف پاکستان کے کوالٹی کنٹرول ریویو پروگرام کے تحت اطمینان بخش درجہ بندی دی گئی ہے۔ ڈائریکٹرز نے بھی آنے والے سال کیلئے ان کی دوبارہ تقرری کی سفارش کی ہے۔

اعتراف

ڈائریکٹرز رواں مالیاتی سال کیلئے اطمینان بخش نتائج کے حصول میں بھرپور شراکت کیلئے تمام اسٹیک ہولڈرز بالخصوص صارفین اور کمپنی کے ملازمین کے بھرپور تعاون کیلئے ان کو خراج تحسین پیش کرتے ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے

Ahmad Khan

انعم فاطمہ خان
ڈائریکٹر

Shahid Abbas

شبیر عباس
چیف ایگزیکٹو آفیسر

کراچی: 03 ستمبر 2021

آڈٹ کمیٹی نے چار اجلاس طلب کئے اور ان میں متعلقہ ڈائریکٹرز کی شرکت درج ذیل کے مطابق رہی:

نمبر شمار	ڈائریکٹر کا نام	اجلاسوں میں شرکت
1	جناب عدنان آفریدی (چیئر مین)	4/4
2	ڈاکٹر ڈونلڈ جینکن	4/4
3	جناب عندلیب علوی	4/4

انسانی وسائل اور معاوضہ کمیٹی نے چار اجلاس طلب کئے اور ان میں متعلقہ ڈائریکٹرز کی شرکت درج ذیل کے مطابق رہی:

نمبر شمار	ڈائریکٹر کا نام	اجلاسوں میں شرکت
1	جناب عندلیب علوی (چیئر مین)	4/4
2	ڈاکٹر ڈونلڈ جینکن	4/4
3	جناب امین محمد بندوکدہ	4/4
4	محترمہ انعم فاطمہ خان	4/4

ڈائریکٹرز ٹینگ پروگرام (ڈی ٹی پی)

کمپنی کے تمام ڈائریکٹرز ڈی ٹی پی سرٹیفائیڈ ہیں، جیسا کہ کوڈ آف کارپوریٹ گورننس کے تحت لازم ہے۔

ویڈیو فیس اور پرمٹ فیس کیس

ایکسٹراورٹیکسیشن ڈیپارٹمنٹ، حکومت سندھ (دی ڈیپارٹمنٹ) نے فارمل ڈی ہائیڈ کی تیاری میں کمپنی کی جانب سے استعمال کئے جانے والے ایک اہم خام میٹریل میتھانول پر فروخت اور اجازت کی فیس لاگو کی ہے۔ کمپنی نے ان لیویز کو لاگو کرنے کے خلاف ایک پٹیشن معزز سندھ ہائی کورٹ (ایچ سی ایس) میں اگست 1996 میں دائر کی تھی۔ جون 2001 میں معزز سندھ ہائی کورٹ نے کمپنی کے حق میں کیس کا فیصلہ دے دیا تھا۔ تاہم ڈیپارٹمنٹ نے مذکورہ حکم نامے کے خلاف معزز سپریم کورٹ آف پاکستان (ایس سی پی) میں ایک اپیل داخل کر دی۔ معزز سپریم کورٹ آف پاکستان نے سندھ ہائی کورٹ کے فیصلے کو معطل کر دیا اور سندھ ہائی کورٹ کو از سر نو سماعت کیلئے کیس دوبارہ واپس بھیج دیا۔ مارچ 2003 میں معزز سندھ ہائی کورٹ نے کمپنی کے حق میں کیس کا فیصلہ سنایا۔ ڈیپارٹمنٹ نے ایک بار پھر معزز سپریم کورٹ آف پاکستان میں اپیل دائر کر دی ہے۔

دسمبر 2019 میں حکومت سندھ نے ایک درخواست دائر کی کہ محکمہ فوری اور منسلکہ اپیلوں کیلئے دباؤ نہیں ڈال سکتا اور نوٹیفکیشن مورخہ 14 فروری 2002 کے بعد اور سندھ (ترمیمی) آبکاری آرڈیننس 2002 مورخہ 30 اکتوبر 2002 کے بعد تازہ ترین ڈیمانڈ کی جائے گی۔ اس کے علاوہ محکمہ 1990 سے اکتوبر 2002 تک کی مدت کیلئے انڈیمنیٹی بانڈز کے ذریعے محفوظ ڈیمانڈ کو سرینڈر کرے گا۔ سپریم کورٹ نے ان شرائط پر دستبرداری کو قبول کر لیا۔ محکمہ کی جانب سے دوبارہ ڈیمانڈ کی وصولی کے تحت کمپنی کا ارادہ ہے کہ متعلقہ عدالت انصاف سے کیس کے دفاع کیلئے رابطہ کیا جائے۔ اب تک ایکسٹراورٹیکسیشن کی جانب سے کوئی ایسا مطالبہ نہیں کیا گیا ہے۔ قانونی مشیر کے نقطہ نظر کے مطابق اور معاملے کی خوبیوں کے پیش نظر کمپنی اپنے حق میں فیصلے کی توقع رکھتی ہے۔ اس کے مطابق کسی بھی مالی ذمہ داری کیلئے کوئی شق ان مالیاتی حسابات میں فراہم نہیں کی گئی ہے۔ بورڈ اور انتظامیہ پر اعتماد ہیں کہ کمپنی اپنی موجودہ حیثیت کے مطابق کام جاری رکھے گی۔

- 3 مالیاتی حسابات کی تیاری میں موزوں اکاؤنٹنگ پالیسیاں مستقل طور پر لاگو کی جاتی ہیں اور اکاؤنٹنگ کے تخمینہ جات درست اور محتاط فیصلوں پر مبنی ہوتے ہیں۔
- 4 مالیاتی حسابات کی تیاری کی بنیاد بین الاقوامی فنانشل رپورٹنگ اسٹینڈرڈز کے طور پر استعمال کئے جاتے ہیں اور ان سے کسی بھی رُوگردانی کو مناسب طور پر بیان اور واضح کر دیا جاتا ہے۔
- 5 اندرونی کنٹرول کا نظام مستحکم ہے اور موثر طور پر نافذ العمل اور زیر نگرانی رہتا ہے۔
- 6 کمپنی کی صلاحیت کے بارے میں کوئی ایسا شبہ نہیں کہ یہ ترقی کے راستے پر گامزن ادارہ نہیں۔ اس سلسلے کی معلومات رپورٹ میں علیحدہ سے بیان کی گئی ہے۔
- 7 کارپوریٹ گورننس کی بہترین پریکٹس سے کوئی نمایاں رُوگردانی نہیں کی جاتی جیسا کہ لسٹنگ ریگولیشنز میں مفصل طور پر درج ہے۔ ہر ایک ڈائریکٹر اور ملازم کیلئے ایک ضابطہ اخلاق تیار اور انہیں فراہم کر دیا جاتا ہے۔
- 8 بورڈ آف ڈائریکٹرز نے وٹن اور مشن اسٹیٹمنٹس رائج کر رکھے ہیں۔
- 9 ٹیکسز اور لیویز سے متعلق معلومات اکاؤنٹس کے نوٹس میں دی گئی ہیں۔
- 10 کمپنی کے پراویڈنڈ فنڈ اسکیم میں سرمایہ کاری کی مالیت جو 30 جون 2021 کو ختم ہونے والے سال کیلئے غیر آڈٹ شدہ حسابات پر مبنی ہے، وہ 111.91 ملین روپے پر موجود ہے۔
- 11 درج ذیل کے سلسلے میں بیانات منسلک ہیں:
- i گزشتہ 6 سالوں کے لئے کلیدی فنانشل ڈیٹا۔
- ii شیئر ہولڈنگ کا طریقہ کار
- 12 زیر جائزہ سال کے دوران بورڈ آف ڈائریکٹرز نے 6 مرتبہ اجلاس طلب کئے اور ان میں متعلقہ ڈائریکٹرز کی شرکت درج ذیل کے مطابق رہی:

نمبر شمار	ڈائریکٹر کا نام	اجلاسوں میں شرکت
1	ڈاکٹر ڈونلڈ جینکن (چیئر مین)	6/6
2	جناب شبیر عباس	6/6
3	جناب امین محمد بوندکدہ	6/6
4	جناب عدنان آفریدی	6/6
5	محترمہ انعم فاطمہ خان	6/6
6	جناب عندلیب علوی	6/6
7	جناب مرتضیٰ لالہ	6/6

صحت، تحفظ اور ماحولیات

صحت اور تحفظ ہمیشہ کمپنی کی ترجیح رہی ہے اور اسی وجہ سے کمپنی نے COVID-19 (کورونا وائرس) سے بچاؤ کے لئے اپنے تمام ملازمین کی ویکسینیشن کا بندوبست کیا اور ملازمین کے اہل خانہ کو بھی محفوظ رکھنے کے اقدامات کئے۔ اس سلسلے میں کمپنی ویکسینیشن کے فوائد کے بارے میں بھی آگاہی پروگرام جاری رکھے ہوئے ہے۔

کمپنی اپنی صحت، تحفظ اور ماحولیات کی کارکردگی کو بہتر بنانے پر مستقل توجہ دے رہی ہے۔ اس مدت کے دوران کوئی محنت کش زخمی یا متاثر نہیں ہوا۔ دونوں فیکٹریاں بین الاقوامی سیفٹی وائیز منٹ کے انتظامی سسٹم کے اسٹینڈرڈز سے تصدیق کی حامل ہیں۔ کمپنی اپنی مصنوعات کی فارمولیشن، تیاری، لیبلنگ اور مارکیٹنگ میں تمام مروجہ قوانین و ضوابط پر مکمل عملدرآمد کرتی ہے اور ماحولیات کے تحفظ کیلئے ضائع شدہ مصنوعات کو ٹھکانے لگانے کیلئے بھی موثر اقدامات کرتی ہے۔ کمپنی نے اپنی ضائع ہونے والی مائع مصنوعات کے معیار کو بہتر بنانے کے لئے ایک منصوبہ تیار کیا ہے جس کا مقصد اس کوری سائیکل کر کے دوبارہ کام میں لانا ہے جس کے ذریعے اس کے بیرونی ذرائع سے پانی کا استعمال کم کیا جاسکے گا۔

کارپوریٹ سوشل ریسپانسیبیلٹی (ادارہ جاتی سماجی ذمہ داری)

کمپنی صحت، تعلیم اور ماحولیات کے تحفظ کے اقدامات میں شرکت کے ذریعے سنجیدگی سے سماجی ماحول میں اپنی ذمہ داریاں ادا کر رہی ہے۔ کمپنی ایک طویل عرصے سے تعلیم اور صحت کے شعبوں میں بلوچستان کے اندر حب میں سماجی بھلائی کے کاموں میں بھرپور شراکت دار ہے۔

کمپنی حب میں جنسن ویلج کے اندر ایک بہترین پرائمری اسکول کو چلا رہی ہے۔ یہ اسکول ابتدائی طور پر کمپنی کے ملازمین کے بچوں کیلئے قائم کیا گیا تھا تاہم مقامی آبادی کے دیگر بچوں کو بھی اسکول میں داخلے کی اجازت دیدی گئی ہے۔ موجودہ طور پر یہاں 96 طلباء زیر تعلیم ہیں جن میں سے 28 مقامی آبادی سے تعلق رکھتے ہیں۔ مزید برآں کمپنی منافع قبل از ٹیکس کا ایک فیصد امدادی ٹرسٹس اور اسپتالوں میں ادا کرتی ہے۔

اندرونی مالیاتی کنٹرول کا انتظام

انٹرنل آڈٹ کی خدمات بیرونی ذرائع سے حاصل کی جاتی ہیں۔ سال کے دوران انٹرنل اور ایکسٹرنل آڈیٹرز کی کلیدی اور ضروری نتائج کو انتظامیہ نے ترجیحی بنیاد پر نمٹایا اور آڈٹ کمیٹی کو باقاعدگی سے رپورٹ فراہم کی۔

جائزوں سے حاصل کردہ نتائج پر مبنی فنانشل رپورٹنگ کنٹرولز کی جاری جانچ اور سال کے دوران منعقدہ آڈٹس کی بنیاد پر کمپنی نے غور کیا ہے کہ انٹرنل کنٹرولز کا موجودہ نظام موزوں و مناسب ہے اور موثر طور پر نافذ العمل اور زیر نگرانی ہے۔ ڈائریکٹرز مستقل طور پر انٹرنل فنانشل کنٹرولز کے مناسب و موزوں، موثر اور بروقت ہونے کی نگرانی کرتے ہیں۔

متعلقہ پارٹیوں کے ساتھ لین دین

تمام متعلقہ پارٹیوں کے ساتھ کمپنی کی جانب سے تمام تر معاملات کاروبار کے عمومی طریقہ کار کے مطابق کی جاتی ہے اور اسے متعلقہ نوٹس کے تحت مالیاتی حسابات میں واضح کر دیا گیا ہے۔

کوڈ آف کارپوریٹ گورننس

کمپنی کے ڈائریکٹرز اور انتظامیہ بہترین کارپوریٹ گورننس کیلئے پُر عزم ہیں۔ جیسا کہ کوڈ آف کارپوریٹ گورننس کے تحت لازم ہے، ڈائریکٹرز ہمسرت درج ذیل بیان جاری کر رہے ہیں:

- 1 کمپنی کی انتظامیہ کی جانب سے جاری کردہ مالیاتی حسابات کمپنی کے انتظامی امور، اس کے آپریشنز کے نتائج، کیش فلو اور ایکویٹی میں تبدیلی کو شفاف انداز میں واضح کرتے ہیں۔
- 2 کمپنی کے حسابات کی کتب باقاعدہ مرتب کی جاتی ہیں۔

نان۔ ایگزیکٹو ڈائریکٹرز کیلئے معاوضہ پالیسی (بشمول آزاد ڈائریکٹرز)

بورڈ نے موجودہ مارکیٹ کی صورتحال کے پیش نظر ڈائریکٹرز کی معاوضہ پالیسی کا جائزہ لیا جیسا کہ انڈیپنڈنٹ بینچ مارکنگ کی جانب سے تعین کیا گیا تھا۔ متاثر کن اور اعلیٰ معیار کو برقرار رکھنے والے ڈائریکٹرز پر شیئر ہولڈرز اور انتظامیہ دونوں کے نقطہ نگاہ کے مطابق زیادہ دباؤ نہیں ڈالا جاسکتا۔ بورڈ کے موجودہ ممبران کمپنی کی انتظامیہ کو قابل قدر معاونت اور اجلاس کے باہر بھی سپورٹ فراہم کر رہے ہیں۔ یہ آنے والے سالوں میں کمپنی کی ترقی میں نمایاں شراکت کی حامل ثابت ہوگی۔

اس سلسلے میں تجویز کیا گیا ہے کہ نان ایگزیکٹو اور انڈیپنڈنٹ ڈائریکٹرز کو بورڈ اور کمیٹی کے اجلاسوں میں شرکت کے لئے ادا کی جانے والی فیس پر نظر ثانی کرتے ہوئے اسے -/75,000 روپے سے -/100,000 روپے کر دیا جائے۔ ڈائریکٹرز اور چیف ایگزیکٹو کے معاوضے کے سلسلے میں وضاحت مالیاتی حسابات کے نوٹ نمبر 43 میں دی گئی ہے۔

بورڈ آف ڈائریکٹرز اور اس کی کمیٹیوں کی کارکردگی کی جانچ پڑتال

لنڈیکمینز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کے مطابق بورڈ اپنے انفرادی ممبران کی کارکردگی کی جانچ پڑتال بحیثیت مجموعی اور اپنی کمیٹیوں کی کارکردگی کا جائزہ لیتا ہے۔

بورڈ کی جانچ پڑتال کا طریقہ کار اندرونی سطح پر بورڈ کے چیئرمین کی جانب سے کارکردگی کے بارے میں فیڈ بیک کی فراہمی کے سلسلے میں ڈائریکٹرز کو جانچ کے جائزے پر مشتمل ایک سوال نامے کی تقسیم کے ذریعے عمل میں لایا جاتا ہے۔ مجموعی طور پر جانچ پڑتال کے نتائج مثبت اور حوصلہ افزا رہے۔

خطرات اور بے یقینی

COVID-19 (کورونا وائرس) کے حوالے سے کمپنی کے آپریشنز کے انتظامات اور اسے چلانے کے سلسلے میں حکومت رہنمائی کے ساتھ اور اس کے مطابق ایس او پیز پر عملدرآمد کے باوجود کئی عناصر بشمول اس تک محدود نہیں، بیماریوں یا مقامی سطح پر لاک ڈاؤن کی وجہ سے انسانی وسائل میں کمی، بنیادی سپلائرز کی عدم دستیابی، COVID-19 (کورونا وائرس) کے باعث مستقل لاک ڈاؤنز اور ہمارے صارفین کے کاروباروں کی جزوی یا مستقل بندش سے کاروبار بری طرح متاثر ہو سکتا ہے۔ مزید برآں مزید ڈیوٹیز یا ٹیرف کے نفاذ، سرکاری ضوابط میں تبدیلیوں، افراط زر پر کنٹرول کے لئے حکومت کی جانب سے کئے گئے اقدامات، غیر ملکی کرنسی کے اتار چڑھاؤ، نئی مسابقتی کمپنیوں کی آمد، ٹیکسیشن کی شرح یا طریقہ کار میں تبدیلی یا امن و امان کی صورتحال میں کسی بھی نوعیت کی ابتری کمپنی کے کاروبار پر منفی اثرات مرتب کر سکتی ہے۔

کمپنی COVID-19 (کورونا وائرس) کے حالات کی وجہ سے شپنگ کی عالمی رکاوٹوں کے باعث لاجسٹکس اخراجات میں اضافے اور تاخیر سے ڈیلیوریز کا سامنا بھی کر رہی ہے۔ سپلائی کا سلسلہ برقرار رکھنے والی انتظامی ٹیم سپلائرز اور شپنگ کمپنیوں کے ساتھ موثر طور پر رابطوں میں ہے تاکہ کلیدی خام مال کی دستیابی اور مناسب سپلائرز کو فروخت کے مطابق یقینی بنایا جاسکے۔

بورڈ اور کمپنی کی انتظامیہ دونوں مستقل طور پر مختلف خطرات کا جائزہ لیتی ہیں اور ہر ممکن حد تک ان کے اثرات کو کم سے کم کرنے کیلئے درست اقدامات کو بروئے کار لاتی ہیں۔

مستقبل کا جائزہ

COVID-19 (کورونا وائرس) مستقبل قریب میں بھی کمپنی کے آپریشنز کو متاثر کرنے کا سلسلہ جاری رکھے گی۔ اللہ تعالیٰ کے فضل و کرم سے کمپنی ایسی مختلف صورتوں سے نمٹنے کیلئے ٹریک پر آچکی ہے جیسا کہ اسے سامنا کرنا پڑ سکتا ہے۔

معاشی استحکام جاری رہنے اور COVID-19 (کورونا وائرس) کے اثرات کنٹرول میں رہنے کی صورت میں کمپنی اس امر پر مکمل یقین رکھتی ہے کہ اس کی انتظامی ٹیم اور فیکٹری کی افرادی قوت مشترکہ طور پر ہمارے صارفین کے کاروباروں کو مستحکم رکھتے ہوئے اس امر کو یقینی بنائیں گے کہ آنے والے سال میں سیلز کے اہداف حاصل کر لئے جائیں۔

گلدون میں پیداواری صلاحیت بڑھانے کیلئے کام جاری ہے جس سے مولڈنگ کمپاؤنڈ کی پیداواری صلاحیت 6,000 میٹرک ٹن اور فارمل ڈی ہائیڈ کی 10,000 میٹرک ٹن تک بڑھ جائے گی۔

تعمیراتی صنعت، ٹیل ویئر مینوفیکچر اور دیگر منسلک صنعتوں سے مثبت اشاریے ملنے کے باعث کمپنی اضافی ترقی کے مواقع حاصل کرنے پر توجہ دیتی رہے گی۔ اپنی حکمت عملی کے طور پر کمپنی متعلقہ صنعتوں میں بھی کام پر غور کر رہی ہے جس سے ہم بہتر سے بہتر نتائج حاصل کر سکیں گے۔

کاروباری جائزہ

آپریٹنگ

سال 2020-2021 کے دوران فروخت سے آمدن 6,827.20 ملین روپے رہی جبکہ اس کے مقابلے میں گزشتہ مالی سال کے دوران 4,492.45 ملین روپے رہی تھی اور قبل از ٹیکس منافع 1,328.75 ملین روپے رہا جبکہ اس کے مقابلے میں گزشتہ سال 358.66 ملین روپے تھا۔

الف۔ ریژن (Resin) قسمت

سال 2020-2021 میں ریژن قسمت کی مجموعی بکری 2,670.72 ملین روپے رہی جبکہ گزشتہ مالی سال میں 1,920.91 ملین روپے رہی تھی اور اس طرح 39.03 فیصد کا اضافہ ہوا۔ ریژن قسمت کے شعبے سے نتائج 453.02 ملین روپے رہے جو کہ گزشتہ مالی سال کیلئے 136.30 ملین روپے رہے تھے۔

ب۔ مولڈنگ کمپاؤنڈ قسمت

سال 2020-2021 میں مولڈنگ کمپاؤنڈ قسمت کی بکری 4,156.48 ملین روپے رہی جبکہ اس کے مقابلے میں گزشتہ مالی سال کے دوران 2,571.54 ملین روپے رہی تھی اس طرح 61.63 فیصد کا اضافہ ہوا۔ مولڈنگ کمپاؤنڈ قسمت کے شعبے سے نتائج 1,132.66 ملین روپے رہے جو متابعتاً گزشتہ مالی سال میں 443.05 ملین روپے رہے تھے۔

مالیاتی کارکردگی

سال 2020-2021 کے لئے کمپنی کے مختصر مالیاتی نتائج درج ذیل ہیں:

---- (روپے ہزاروں میں) ----

2019-2020	2020-2021	
4,492,455	6,827,204	فروخت سے آمدنی
783,342	1,635,883	مجموعی منافع
358,664	1,328,754	منافع قبل از ٹیکس
253,349	938,609	منافع بعد از ٹیکس
13.42	49.73	آمدنی فی شیئر روپے میں

پلانٹ کی توسیع

اپنے صارفین کی جانب سے بڑھتی ہوئی طلب کے پیش نظر کمپنی نے سال کے دوران گدون فیکٹری میں اپنی مولڈنگ کمپاؤنڈ کو توسیع دی۔ کمپنی کی انتظامیہ، افسران، انجینئروں اور محنت کشوں کی مشترکہ کاوشوں کے ساتھ سپلائر کی انسٹالیشن اور کمیشننگ ٹیم کی بدولت اس امر کو یقینی بنایا گیا کہ نیا پلانٹ سپلائر کو کسی قسم کی رکاوٹ کے بغیر بروقت کام کا آغاز کر دے۔ اپنے توسیعی پروگرام اور جاری کارکردگی کے فوائد کو مد نظر رکھتے ہوئے کمپنی آنے والے سال میں اپنے منافع کو برقرار رکھتے ہوئے آئندہ سالوں میں ترقی کا سفر جاری رکھے گی۔

قومی خزانے میں حصہ

زیور جائزہ سال کے لئے مختلف ٹیکسز اور لیویز کی صورت میں قومی خزانے کے لئے کمپنی کی شراکت 1,719 ملین روپے رہی (2019-2020 میں 1,069 ملین روپے تھی)۔

آپ کی کمپنی کے ڈائریکٹرز بمسرت 30 جون 2021 کو ختم ہونے والے مالی سال کیلئے سالانہ رپورٹ مع کمپنی کے آڈٹ شدہ مالیاتی حسابات پیش کر رہے ہیں۔

بورڈ کے ڈائریکٹرز

کمپنی کے بورڈ آف ڈائریکٹرز کی تفصیلات بیلنس شیٹ کی تاریخ پر درج ذیل ہے:

نمبر شمار	نام	عہدہ	ٹائپ آف ڈائریکٹر شپ
1	ڈاکٹر ڈونلڈ جینکن	ڈائریکٹر اینڈ چیئر مین	نان۔ ایگزیکٹو
2	جناب شبیر عباس	ڈائریکٹر اینڈ چیف ایگزیکٹو آفیسر	ایگزیکٹو
3	جناب امین محمد بندوکدہ	ڈائریکٹر	نان۔ ایگزیکٹو
4	جناب مرتضی لالین *	ڈائریکٹر	نان۔ ایگزیکٹو
5	جناب عدنان آفریدی	ڈائریکٹر	آزاد
6	جناب عندلیب علوی	ڈائریکٹر	آزاد
7	محترمہ انعم فاطمہ خان	ڈائریکٹر	آزاد

* جناب مرتضی لالین نے یکم ستمبر 2021 کو استعفیٰ دے دیا ہے۔

بورڈ نے جناب مرتضی لالین کی جگہ پر 7 ستمبر 2021 سے جناب طارق احمد خان کو تعینات کیا ہے۔

اقتصادی ماحول

کئی نمایاں چیلنجز کے باوجود حکومت کی جانب سے کئے جانے والے اقدامات کے نتیجے میں پاکستانی معیشت کی پائیدار بحالی دیکھنے میں آئی۔ COVID-19 (کورونا وائرس) کی جانب سے ابتدائی جھٹکوں کی صورت حال کے بعد حکومت نے اپنے مثبت اقدامات کے ذریعے 2020-2021 میں مستحکم معاشی کارکردگی حاصل کی۔ بلاشبہ مستقبل میں کئی چیلنجز کا سامنا ہو سکتا ہے لیکن کمپنی پُر عزم ہے کہ وہ بحالی کا سلسلہ برقرار رکھے گی۔

کمپنی کے امور اور بنیادی سرگرمیاں

بورڈ کے مقاصد میں اس امر کو یقینی بنانا ہے کہ شیئر ہولڈرز کو ایسی تمام پیش رفت سے آگاہ رکھا جائے جو کہ کمپنی کے امور کو متاثر کرتی ہیں۔ شیئر ہولڈرز کو تمام معلومات سے سالانہ رپورٹ، عبوری سہ ماہی رپورٹس اور پاکستان اسٹاک ایکسچینج کے انفارمیشن پورٹل کے ذریعے جب اور جہاں ضروری ہو مطلع کر دیا جاتا ہے۔

بورڈ سالانہ اجلاس عام اور کارپوریٹ بریفنگ کے سیشنز میں شیئر ہولڈرز کی شرکت کی حوصلہ افزائی کرتا ہے تاکہ احتساب کی بلند تر سطح کو یقینی بنایا جائے۔ کمپنی کے مالیاتی حسابات کمپنی کی ویب سائٹ پر دستیاب ہیں اور ایک آفیسر کو شیئر ہولڈرز کے استفسارات کا جواب دینے کیلئے تعینات کر دیا گیا ہے

کمپنی بنیادی طور پر فارل ڈی ہائیڈ اور فارل ڈی ہائیڈ پر مشتمل ریسنز (resins)، ایڈھیسوز اور تھر مو سیٹنگ مولڈنگ کمپاؤنڈز کی تیاری اور فروخت میں مصروف عمل ہے۔

نگرانی کا کردار

آڈٹ کمیٹی اور بورڈ نے ایک پروگرام پر عملدرآمد شروع کیا ہے جس کے ذریعے کمپنی کی پالیسیوں اور طریقہ کار کی ایک تعداد کو ان کے اجلاسوں میں جائزہ لینے اور اسے اپ ڈیٹ کرنے کے لئے پیش کیا جائے گا۔ کارپوریٹ گورننس پر عملدرآمد کو برقرار رکھنے کے لئے ایسے وقت میں کوششیں جاری ہیں جب ان کی ضرورت زیادہ تیزی کے ساتھ بڑھ رہی ہیں۔

معاونتی اور مشاورتی کردار

جیسا کہ اس جائزے میں پہلے بھی واضح کیا جا چکا ہے، ڈائریکٹرز اپنی خواہش کے مطابق اپنا وقت اور مہارت باقاعدگی سے فراہم کرتے ہیں اور یہ انتظامیہ کے لئے بہت اہم ہے۔ ایسے تمام امور کے لئے جو بورڈ اور انتظامیہ کی استعداد کار سے بڑھ کر ہوں ان کے لئے کمپنی بیرونی معاونتی خدمات حاصل کرتی ہے۔

چیئر پرسن کا کردار

میں بحیثیت چیئر مین اپنا کردار ایک لیڈر اور سہولت کار کے طور پر دیکھتا ہوں۔ میں پاکستان سے تعلق نہیں رکھتا اور کوویڈ نے پاکستان کے مسلسل دورے کرنے سے بھی مجھے روک رکھا ہے حالانکہ میں ایسا کرنا چاہتا ہوں۔ تاہم جدید ترین مواصلاتی نظام کی معاونت سے میں اپنی غیر موجودگی کی تمام مدتوں کے دوران ایک قائدانہ اور مشاورتی کردار جاری رکھنے میں کامیاب رہا ہوں۔

آخر میں سب سے بڑھ کر میں محسوس کرتا ہوں کہ کمپنی نے گزشتہ کئی سالوں کے دوران اپنی کارکردگی میں تیزی سے بہتری پیدا کی ہے جو کہ بورڈ اور اس کی انتظامیہ کی کارکردگی کی عکاسی کرتا ہے، میں اپنے ساتھی ڈائریکٹرز کا شکریہ ادا کرنا چاہوں گا کہ بحیثیت چیئر مین اپنا کردار جاری رکھنے کے ضمن میں مجھے ان کا اعتماد حاصل ہے۔ بورڈ آف ڈائریکٹرز کی جانب سے فراہم کردہ رہنمائی اور سرپرستی کو بھی یہاں میں تسلیم کرنا چاہوں گا۔

میں اس امر کا بھی شکریہ ادا کرتا ہوں کہ اس جائزے پر میرے دستخط شامل ہیں۔

-Sd- through email

ڈونلڈ جینکن
چیئر مین

کراچی

مورخہ 3 ستمبر 2021

بورڈ اسٹریٹجی

بورڈ پیشہ ورانہ ماہرین کے ذریعے مالیاتی انتظام، قانونی امور، تکنیکی مہارت اور مینوفیکچرنگ آپریشنز کے مستحکم پس منظر کے ساتھ تشکیل دیا گیا۔ اس میں دو کمیٹیاں بنام آڈٹ کمیٹی جو کہ رسک مینجمنٹ کا احاطہ کرتی ہے اور دوسری کمیٹی انسانی وسائل اور معاوضہ کمیٹی ہے اور یہ دونوں کمیٹیاں بورڈ کو رپورٹ کرتی ہیں۔

بورڈ اور اس کی کمیٹیوں کی ممبر شپ کی تفصیلات ڈائریکٹرز کی رپورٹ میں دی گئی ہیں۔

بورڈ کے عزائم اور امور

بورڈ کے اجلاس باقاعدگی سے سہ ماہی بنیاد پر اور دیگر صورتوں میں ضرورت پڑنے پر منعقد کئے جاتے ہیں۔ ان میں شرکت اور حاضری مناسب رہتی ہے اور ڈائریکٹرز انتظامیہ کی مدد کے لئے دیگر اوقات بالخصوص شکایات اور قانونی امور کے معاملات میں دستیاب رہتے ہیں۔ ان کی شراکت انتظامیہ اور میرے دونوں کے لئے انتہائی قابل قدر اور قابل تحسین ہے۔

کوویڈ ہونے کی وجہ سے بورڈ اور اس کی کمیٹیاں ذاتی طور پر اجلاس بلانے سے قاصر رہی تھیں۔ اس کے لئے یہ ضروری ہو گیا تھا کہ اجلاس زوم وڈیو کانفرنسنگ کے ذریعے طلب کئے جائیں۔ میں اس کے پس پردہ رہنے والے افراد کا مشکور ہوں جنہوں نے اجلاس بلانے کے انتظامات کئے اور ان کے سہل آپریشنز کو یقینی بنایا۔

سال رواں کی ایک اہم بات کمپنی کے آرٹیکلز آف ایسوسی ایشن پر نظر ثانی اور اس کو اپ ڈیٹ کرنا تھا تا کہ اس کو کوڈ آف کارپوریٹ گورننس اور کمپنیز ایکٹ کے تازہ ترین ورژن کے مطابق لایا جاسکے۔

میں نے ذاتی طور پر بورڈ اور اس کی کمیٹیوں سے متعلق سوالناموں کی ایک سیریز کے ذریعے بورڈ کی کارکردگی کا جائزہ لیا ہے، مرکزی کام بورڈ کے ممبران کی خواہش کے مطابق ترقیاتی اور کامیاب منصوبہ کی حکمت عملی میں انتظامیہ کے ساتھ زیادہ سے زیادہ ملوث رکھنا ہے۔

کاروباری حکمت عملی کی گورننس

ایک مستحکم اور مربوط مارکیٹ میں جیسا کہ کمپنی خود کو اس میں موجود پاتی ہے، یہ ہمیشہ آسان نہیں ہوتا کہ آگے بڑھنے کی حکمت عملی کامیاب رہے۔ ایسی ایک حکمت عملی 2010 میں کمپنی کو از سر نو مستحکم بنانے کے لئے تشکیل دی گئی جسے بورڈ نے مکمل طور پر سپورٹ کیا اور اس کے نتائج خود اپنے منہ سے بولتے ہیں۔

موجودہ حکمت عملی کمپنی کے مینوفیکچرنگ بنیاد اور کارکردگی کو بہتر بنانے کے لئے شروع کی گئی تھی، اس کا پہلا مرحلہ گدون فیکٹری کی توسیع اور اس کو از سر نو مستحکم بنانا ہے جو تقریباً مکمل ہے۔

مالیاتی رپورٹنگ کا طریقہ کار، انٹرنل آڈٹ اور انٹرنل کنٹرولز

بورڈ فنانس، بیکاراری اور کاروباری انتظام کے پس منظر کے ساتھ ڈائریکٹرز کی ایک مستحکم نمائندگی پر مشتمل ہے۔ سسٹمز اس امر کو یقینی بناتا ہے کہ کمپنی کے آپریشنز کے تمام پہلوؤں کا مالی انتظام شفاف، ایمانداری اور مربوط انداز میں منظم طور پر کارفرما رہے۔ میں محسوس کرتا ہوں کہ پی ڈبلیو سی کو انٹرنل آڈٹ کے امور کی آڈٹ سورسنگ کاروبار کے مالیاتی انتظام کے سلسلے میں کمپنی کے آپریشنز کے غیر جانبدار جائزہ کی فراہمی کے ذریعے اس کے استحکام میں مزید اضافہ کرے گی۔

خطرات سے نمٹنے کا انتظام

بورڈ کمپنی میں درپیش خطرات کی جانچ اور اس کے انتظام کی ضرورت کے حوالے سے انتہائی محتاط ہے تاکہ کاروبار کے تسلسل کو یقینی بنایا جاسکے۔ جیسا کہ گزشتہ سال واضح کیا گیا کہ بورڈ کمپنی کے امور میں غیر قانونی مداخلت روکنے کے لئے آئی ٹی سسٹم کو مضبوط بنانے کے پروجیکٹ پر کام کر رہا تھا، اس پروجیکٹ کو کمپنی کے ای آر پی سسٹم کو ایس اے پی تک اپ گریڈ کرنے تک کی توسیع دے دی گئی ہے۔

The Secretary
DYNEA PAKISTAN LIMITED
406, Parsa Tower Block 6,
PECHS, Shahrah-e-Faisal,
Karachi.

dynea

FORM OF PROXY

THIRTY NINTH ANNUAL GENERAL MEEING

I/We _____ of _____

being a member(s) of **DYNEA PAKISTAN LIMITED** and a holder of _____

_____ ordinary shares as per Share Register Folio No. _____

or CDC Participant ID No. _____ Account No. _____

Hereby appoint _____ of _____

Who is also member of **DYNEA PAKISTAN LIMITED** Vide Folio No. _____

or CDC Participant ID No. _____ Account No. _____

or failing him / her _____ of _____

who is also member of **DYNEA PAKISTAN LIMITED** Vide Folio No. _____

or CDC Participant ID No. _____ Account No. _____

as my / our proxy in my / our absence to attend and vote for me / us and on my / our behalf at the Thirty Ninth Annual General Meeting of the Company to be held Thursday, October 21, 2021 at 1:00 PM and at any adjournment thereof.

As witness my / our hand / seal this _____ day of _____ 2021

Witness _____ Witness _____
(Signature) (Signature)

Name _____ Name _____

Address _____ Address _____

**Please affix
Rs. 5/-
Revenue Stamp**

SIGNATURE OF MEMBER(S)

NOTES:

1. This proxy form duly completed and signed must be received at the Registered Office of the Company, Office No. 406, Parsa Tower, Plot No. 31/1/A, Block-6, P.E.C.H.S., Shahrah-e-Faisal, Karachi-75400, Not less than 48 hours before the time of holding of the Meeting.
2. No person shall act as proxy unless he / she himself / herself is a member of the Company. Except that a corporation may appoint a person who is not a member.
3. 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.

FOR CDC ACCOUNT HOLDERS / CORPORATE ENTITIES

In addition to the above the following requirements have to be met:

- a) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- b) Attested copy of CNIC or the passport of the beneficial owners shall be furnished with the proxy form.
- c) The proxy shall produce his / her original CNIC or original passport at the time of the meeting.
- d) In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

پراکسی فارم

۳۹ واں سالانہ اجلاس عام

میں/ہم _____ ساکن _____ بحیثیت ممبر ڈانیا پاکستان لمیٹڈ _____ عام حصص یافتہ مطابق شیئر رجسٹر فوئیو/سی ڈی سی اکاؤنٹ نمبر _____
مقرر کرتا/کرتی ہوں _____ فوئیو/سی ڈی سی اکاؤنٹ نمبر _____ کمپیوٹرائزڈ قومی شناختی کارڈ نمبر _____
یا بصورت دیگر _____ فوئیو/سی ڈی سی اکاؤنٹ نمبر _____ کمپیوٹرائزڈ قومی شناختی کارڈ نمبر _____ جو کمپنی کے ممبر بھی ہیں، کمپنی
کے جمعرات ۲۱ اکتوبر ۲۰۲۱ء کو دوپہر ۰۰:۱ بجے منعقد ہونے والے ۳۹ ویں سالانہ اجلاس عام میں اپنی جانب سے شرکت اور رائے دی کیلئے اپنا قائم مقام/متبادل۔

مورخہ _____ ۲۰۲۱ء

۲۔ گواہ

۱۔ گواہ

دستخط _____ دستخط _____
نام _____ نام _____
پتہ _____ پتہ _____
کمپیوٹرائزڈ قومی شناختی کارڈ نمبر _____ کمپیوٹرائزڈ قومی شناختی کارڈ نمبر _____

۵ روپے کا
محصول ٹکٹ

ممبر (ز) کے دستخط

نوٹ:

- پراکسی فارم مکمل اور دستخط کے ہمراہ اجلاس کے انعقاد سے کم از کم ۲۸ گھنٹے قبل کمپنی کے رجسٹرڈ آفس نمبر 406، پارسا ٹاور، پلاٹ نمبر 31/1/A، بلاک-6، پی ای سی ایچ ایس، شاہراہ فیصل، کراچی میں جمع کروایا جائے گا۔
- پراکسی کے لئے کمپنی کا ممبر ہونا ضروری ہے۔ تاہم کارپوریشن کسی بھی غیر ممبر کو اپنا پراکسی مقرر کر سکتی ہے۔
- اگر کوئی ممبر ایک سے زائد پراکسی مقرر کرتا ہے اور کمپنی کو پراکسی کی ایک سے زائد دستاویزات جمع کراتا ہے تو پراکسی کی اس طرح کی تمام دستاویزات غیر قانونی تصور ہوں گی۔

برائے سی ڈی سی اکاؤنٹ ہولڈرز/کارپوریٹ ادارے

مزید برآں درج ذیل شرائط پر عمل کرنا ہوگا:

- پراکسی فارم پر ۱۲ افراد کی گواہی ہونی چاہئے جن کے نام، پتے اور کمپیوٹرائزڈ قومی شناختی کارڈ نمبر یا پاسپورٹ نمبر فارم میں درج ہوں۔
- ممبر اور پراکسی کے کمپیوٹرائزڈ قومی شناختی کارڈ نمبر یا پاسپورٹ کی تصدیق شدہ نقول پراکسی فارم کے ہمراہ منسلک کرنی ہوں گی۔
- پراکسی کو اجلاس کے وقت اپنے اصل کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ پیش کرنا ہوگا۔
- کارپوریٹ ادارے کی صورت میں ڈائریکٹرز کی قرارداد/پاور آف اٹارنی مع نامزد فرد کے دستخط کا نمونہ (اگر پہلے فراہم نہ کئے گئے ہوں) پراکسی فارم کے ہمراہ کمپنی کو پیش کرنے ہوں گے۔