

dynea

DYNEA PAKISTAN LIMITED

Condensed Interim Financial Statements
for the First Quarter ended September 30, 2024
(Un-Audited)

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Board of Directors:

| | |
|----------------------|--------------------------------|
| Mr. Donald Jenkin | <i>Chairman</i> |
| Mr. Mustafa Jafar | <i>Chief Executive Officer</i> |
| Mr. Lee Kin Seng | |
| Ms. Anam Fatima Khan | |
| Mr. Adnan Afridi | |
| Mr. Tariq Ahmed | |
| Mr. Mazhar Valjee | |

Audit Committee:

| | |
|----------------------|-----------------|
| Mr. Adnan Afridi | <i>Chairman</i> |
| Mr. Donald Jenkin | <i>Member</i> |
| Mr. Mazhar Valjee | <i>Member</i> |
| Ms. Anam Fatima Khan | <i>Member</i> |

Human Resource and Remuneration Committee:

| | |
|----------------------|--------------------|
| Ms. Anam Fatima Khan | <i>Chairperson</i> |
| Mr. Donald Jenkin | <i>Member</i> |
| Mr. Mustafa Jafar | <i>Member</i> |

Chief Financial Officer:

Mr. Muhammad Shakeel Uddin

Company Secretary:

Mr. Mujtaba Hassan Ghanchi

Head of Internal Audit:

Ms. Nargis Iqbal

Bankers:

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

Auditors:

M/s. BDO Ebrahim & Co.
Chartered Accountants

Legal Advisors:

M/s. Zahid & Tariq Advocates

Share Registrar:

FAMCO Share Registration Services (Pvt) Ltd.
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)

Registered Office:

9th Floor, Artistic Tower, Plot No.39/A-2,
Block-6. P.E.C.H.S., Shahrah-e-Faisal,
Karachi.75400
Ph: (92-21) 34520132 - 35
Fax: (92-21) 34392182

Factories:

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

2) Gadoon Unit
34-A, 34-B, 35, 38-A and 88, Road-3,
Industrial Estate, Gadoon Amazai,
District Swabi, Khyber Pakhtunkhwa.
Ph: (92-938) 270150 - 52
Fax: (92-938) 270246

**DIRECTORS' REPORT
FOR THE QUARTER ENDED
SEPTEMBER 30, 2024**

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The Directors of your Company are pleased to present this report along with the unaudited financial results for the first quarter ended September 30, 2024.

During the period ended September 30, 2024, the Company earned a profit before tax of Rs. 248 million and an after tax profit of Rs.152 million compared to the profit before tax of Rs. 567 million and after tax Profit of Rs. 345 million during the corresponding period last year. The basic and diluted earnings per share decreased from Rs. 18.30 to Rs. 8.05.

Resin Division

The Resin Division generated sales revenue of Rs. 799 million compared to Rs. 1,136 million achieved during the same period last year, showing a decline of 29.65%.

Moulding Compound Division

The Moulding Compound Division generated sales revenue of Rs. 2,071 million compared to Rs. 1,990 million achieved during the same period last year, showing an increase of 4.09%.

Future Outlook

Indications are that the economy is stabilising. It is hoped that the conditions of the latest IMF loan will be implemented and that the tentative economic recovery will continue and strengthen. Both inflation and interest rates will need to further reduce before confidence returns to the market. Until then sales will remain subdued. Consumer spending on non-essentials is still on hold but we are seeing some signs of a loosening starting to emerge. The feeling within the Company is that the current quarter going through to early 2025 will see an improvement in sales.

Acknowledgement

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

On behalf of the Board



Mustafa Jafar
Chief Executive Officer



Donald Jenkin
Chairman

Karachi: October 28, 2024.

**CONDENSED INTERIM STATEMENT
OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2024**

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| | | 30 September 2024 (Un-audited) | 30 June 2024 (Audited) |
|---|------|-----------------------------------|---------------------------|
| | Note | (Rupees in '000) | |
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 6 | 886,208 | 881,543 |
| Intangible assets | | 11,180 | 14,906 |
| Long-term loans | | 17,207 | 10,784 |
| Long-term deposits | | 10,400 | 10,392 |
| Deferred taxation - net | | 120,786 | 91,584 |
| | | 1,045,781 | 1,009,209 |
| CURRENT ASSETS | | | |
| Stores and spares | | 71,852 | 73,406 |
| Stock-in-trade | 7 | 1,792,479 | 1,817,709 |
| Trade debts | 8 | 1,667,751 | 1,534,553 |
| Loans and advances | | 45,807 | 53,249 |
| Trade deposits, prepayments and other receivables | | 12,292 | 19,192 |
| Accrued markup | | 6,350 | 40,791 |
| Short term investment | | 499,843 | 664,327 |
| Cash and bank balances | | 432,926 | 340,600 |
| | | 4,529,300 | 4,543,827 |
| TOTAL ASSETS | | 5,575,081 | 5,553,036 |
| EQUITY AND LIABILITIES | | | |
| SHARE CAPITAL AND RESERVES | | | |
| Authorised share capital | | | |
| 40,000,000 (June 30, 2024: 40,000,000) ordinary shares of Rs.5/- each | | 200,000 | 200,000 |
| Issued, subscribed and paid-up capital | | 94,362 | 94,362 |
| Revenue reserves | | 4,351,444 | 4,199,603 |
| | | 4,445,806 | 4,293,965 |
| NON-CURRENT LIABILITIES | | | |
| Long-term financing - secured | 9 | 5,437 | 11,949 |
| Deferred income | | 130 | 244 |
| Lease liabilities | | 33,664 | 27,373 |
| | | 39,231 | 39,566 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | | 940,294 | 1,048,164 |
| Accrued mark-up | | 2,425 | 1,602 |
| Short-term running finance | 10 | - | 38,104 |
| Current maturity of long-term financing | 9 | 27,714 | 27,714 |
| Current maturity of deferred income | | 1,362 | 1,664 |
| Current maturity of lease liabilities | | 11,492 | 15,323 |
| Taxation - net | | 96,428 | 76,605 |
| Unclaimed dividend | | 10,329 | 10,329 |
| | | 1,090,044 | 1,219,505 |
| CONTINGENCIES AND COMMITMENTS | 11 | | |
| TOTAL EQUITY AND LIABILITIES | | 5,575,081 | 5,553,036 |

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.



MUSTAFA JAFAR
Chief Executive Officer



DONALD JENKIN
Chairman



SHAKEEL UDDIN
Chief Financial Officer

| | | 30 September 2024 | 30 September 2023 |
|--------------------------------------|----|------------------------------|---------------------|
| | | (Rupees in '000) | |
| Turnover - net | 12 | 2,870,094 | 3,125,366 |
| Cost of sales | | <u>(2,394,097)</u> | <u>(2,329,540)</u> |
| Gross profit | | 475,997 | 795,826 |
| Distribution costs | | <u>(87,288)</u> | <u>(81,098)</u> |
| Administrative expenses | | <u>(94,541)</u> | <u>(70,933)</u> |
| Allowance for expected credit loss | | <u>(44,392)</u> | <u>(20,046)</u> |
| | | <u>(226,221)</u> | <u>(172,077)</u> |
| Other income | | <u>43,130</u> | <u>15,989</u> |
| Operating profit | | 292,906 | 639,738 |
| Finance costs | | <u>(9,030)</u> | <u>(4,708)</u> |
| Other charges / expenses | | <u>(35,563)</u> | <u>(68,276)</u> |
| | | <u>(44,593)</u> | <u>(72,984)</u> |
| Profit before taxation | | 248,313 | 566,754 |
| Taxation | | | |
| - current | | <u>(125,674)</u> | <u>(240,964)</u> |
| - deferred | | <u>29,202</u> | <u>19,540</u> |
| | | <u>(96,472)</u> | <u>(221,424)</u> |
| Profit for the period | | 151,841 | 345,330 |
| Basic and diluted earnings per share | | <u>8.05</u> | <u>18.30</u> |

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.



MUSTAFA JAFAR
Chief Executive Officer



DONALD JENKIN
Chairman



SHAKEEL UDDIN
Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 SEPTEMBER 2024
(UN-AUDITED)**

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| | 30 September 2024 | 30 September 2023 |
|---|-------------------|-------------------|
| | (Rupees in '000) | |
| Profit for the period | 151,841 | 345,330 |
| Other comprehensive income | - | - |
| Total comprehensive income for the period | <u>151,841</u> | <u>345,330</u> |

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.



MUSTAFA JAFAR
Chief Executive Officer



DONALD JENKIN
Chairman



SHAKEEL UDDIN
Chief Financial Officer

| | 30 September 2024 | 30 September 2023 |
|---|-------------------|-------------------|
| Note | (Rupees in '000) | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before taxation | 248,313 | 566,754 |
| Adjustments for non-cash and other items | | |
| Depreciation on operating fixed assets | 49,779 | 54,699 |
| Depreciation on right-of-use assets | 2,798 | 1,574 |
| Amortisation | 3,727 | 3,727 |
| Allowance for expected credit loss | 44,392 | 20,046 |
| Finance costs | 9,030 | 4,708 |
| Amortization of deferred income | (416) | (818) |
| Gain on disposals of operating fixed assets | (2,662) | (1,121) |
| | 106,648 | 82,815 |
| | 354,961 | 649,569 |
| (Increase) / decrease in current assets | | |
| Stores and spares | 1,554 | 4,192 |
| Stock-in-trade | 25,230 | (936,710) |
| Trade debts | (177,590) | (293,686) |
| Loans and advances | 7,442 | 47,043 |
| Trade deposits, prepayments and other receivables | 6,900 | 176,258 |
| Accrued markup | 34,441 | 5,801 |
| | (102,023) | (997,102) |
| (Decrease) / increase in current liabilities | | |
| Trade and other payables | (107,869) | 423,053 |
| | 145,069 | 75,520 |
| Finance costs paid | (7,791) | (2,761) |
| Income taxes paid - net | (105,851) | (156,599) |
| Long-term loans and deposits - net | (6,431) | (3,302) |
| Net cash generated from / (used in) operating activities | 24,996 | (87,142) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Fixed capital expenditures | (60,615) | (43,528) |
| Short term investment | 164,484 | - |
| Proceeds from disposal of operating fixed assets | 6,033 | 2,869 |
| Net cash generated from / (used in) investing activities | 109,902 | (40,659) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Long term financing paid | (6,929) | (6,929) |
| Lease rentals paid | 2,460 | 6,478 |
| Dividend paid | - | (57) |
| Net cash used in financing activities | (4,469) | (508) |
| Net increase / (decrease) in cash and cash equivalents | 130,429 | (128,309) |
| Cash and cash equivalents at the beginning of period | 302,497 | 795,809 |
| Cash and cash equivalents at the end of period | 432,926 | 667,500 |
| CASH AND CASH EQUIVALENTS | | |
| Cash and bank balances | 432,926 | 667,500 |
| Short-term running finance | - | - |
| | 432,926 | 667,500 |

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.



MUSTAFA JAFAR
Chief Executive Officer



DONALD JENKIN
Chairman



SHAKEEL UDDIN
Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF
CHANGES IN EQUITY
FOR THE QUARTER ENDED 30 SEPTEMBER 2024 (UN-AUDITED)**

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| | Issued, subscribed and paid-up capital | Revenue reserves | | Total | Total |
|---|---|--------------------|--------------------------|------------------|------------------|
| | | General reserve | Unappropriated profit | | |
| (Rupees in '000) | | | | | |
| Balance as at 30 June 2023 | 94,362 | 2,141,000 | 1,197,362 | 3,338,362 | 3,432,724 |
| Transferred to general reserve | – | 500,000 | (500,000) | – | – |
| Net profit for the period | – | – | 345,330 | 345,330 | 345,330 |
| Other comprehensive income | – | – | – | – | – |
| Total comprehensive income for the period | – | – | 345,330 | 345,330 | 345,330 |
| Balance as at 30 September 2023 (un-audited) | 94,362 | 2,641,000 | 1,042,692 | 3,683,692 | 3,778,054 |
| Balance as at 30 June 2024 | 94,362 | 2,641,000 | 1,558,603 | 4,199,603 | 4,293,965 |
| Transferred to general reserve | – | 500,000 | (500,000) | – | – |
| Net profit for the period | – | – | 151,841 | 151,841 | 151,841 |
| Other comprehensive income | – | – | – | – | – |
| Total comprehensive income for the period | – | – | 151,841 | 151,841 | 151,841 |
| Balance as at 30 September 2024 (un-audited) | 94,362 | 3,141,000 | 1,210,444 | 4,351,444 | 4,445,806 |

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.



MUSTAFA JAFAR
Chief Executive Officer



DONALD JENKIN
Chairman



SHAKEEL UDDIN
Chief Financial Officer

1. THE COMPANY AND ITS OPERATIONS

Dynea Pakistan Limited (the Company) was incorporated in Pakistan as a public limited company, under the repealed Companies Act, 1913 (now the Companies Act, 2017) on 20 June, 1982 and is listed on the Pakistan Stock Exchange Limited. The Company is engaged in the manufacture and sale of formaldehyde, urea / melamine formaldehyde and moulding compound.

2. GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS UNITS

The geographical Location and addresses of the Company's business units / immovable assets are as under:

| Business Unit | Address |
|----------------------|--|
| – Registered office | 9th Floor, Artistic Tower, Plot No.39/A-2, Block-6, P.E.C.H.S Main Shahrah-e-Faisal, Karachi (75400), Sindh, Pakistan. |
| – Factory | A101 - A105, A132 - A136, H.I.T.E, Hub Chowki, Distt. Lasbella, Baluchistan |
| – Factory | 34-A, 34-B, 35, 38-A and 88, Road-3 Industrial Estate, Gadoon Amazai, District Swabi, KPK. |

3. BASIS OF PREPARATION

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

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

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

3.2 These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2024.

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

4. SIGNIFICANT ACCOUNTING POLICIES AND CHANGES THEREIN

The accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the Company's audited financial statements for the year ended June 30, 2024. The Company has adopted certain amended International Financial Reporting Standards (IFRS) which became effective during the period and reported in note 5 to the audited financial statements for the year ended June 30, 2024. The adoption of such amended IFRS did not have any material effect on these condensed interim financial statements.

5. ACCOUNTING ESTIMATES AND JUDGMENTS

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

The assumptions, Judgements and estimates made by the management in the preparation of these condensed interim financial statements are same as those applied in the Company's annual financial statements for the year ended June 30, 2024.

**NOTES TO THE CONDENSED INTERIM
FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 SEPTEMBER 2024**

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| | 30 September 2024 (Un-audited) | 30 June 2024 (Audited) |
|---|---|---|
| | (Rupees in '000) | |
| 6. PROPERTY, PLANT AND EQUIPMENT | | |
| Operating fixed assets | 830,216 | 821,203 |
| Right to use asset | 41,977 | 44,776 |
| Capital work-in-progress | 14,015 | 15,564 |
| | <u>886,208</u> | <u>881,543</u> |
| 6.1 The following additions (including transfers from capital work-in-progress) and disposals were made in operating fixed assets during the period: | | |
| | <u>Additions at cost</u> | <u>Deletions at book value</u> |
| | 30 September 2024 (Un-audited) (Rupees in '000) | 30 September 2023 (Un-audited) (Rupees in '000) |
| Plant and machinery | 15,494 | 20,218 |
| Office Equipment | - | 1,887 |
| Computer and accessories | 2,462 | 4,771 |
| Vehicles | 44,208 | 21,251 |
| | <u>62,164</u> | <u>48,127</u> |
| | | 30 September 2024 (Un-audited) (Rupees in '000) |
| | | 3,371 |
| | | <u>3,371</u> |
| | | <u>1,748</u> |
| | | <u>1,748</u> |
| 6.2 Movement in capital work-in-progress is as follows: | | |
| Balance at beginning of the period / year | 15,564 | 60,732 |
| Capital expenditure incurred during the period / year | 13,945 | 40,202 |
| Transfers to operating fixed assets during the period / year | (15,494) | (85,370) |
| Balance at end of the period | <u>14,015</u> | <u>15,564</u> |
| 7. STOCK-IN-TRADE | | |
| Raw material: | | |
| In hand | 1,103,419 | 1,137,149 |
| In transit | 338,585 | 450,504 |
| | <u>1,442,004</u> | <u>1,587,653</u> |
| Packing material | 46,753 | 49,086 |
| Finished goods | 314,692 | 185,240 |
| Less: Provision for obsolescence | (10,970) | (4,270) |
| | <u>1,792,479</u> | <u>1,817,709</u> |
| 8. TRADE DEBTS - unsecured | | |
| Considered good | 1,667,751 | 1,534,553 |
| Considered doubtful | 307,214 | 262,822 |
| | <u>1,974,965</u> | <u>1,797,375</u> |
| Allowance for expected credit loss | 8.1 (307,214) | (262,822) |
| | <u>1,667,751</u> | <u>1,534,553</u> |
| 8.1 Movement of allowance for expected credit loss: | | |
| Balance at beginning of the period/ year | 262,822 | 70,528 |
| Charge during the period/ year | 44,392 | 192,294 |
| Balance at end of the period/ year | <u>307,214</u> | <u>262,822</u> |

| | 30 September 2024 (Un-audited) | 30 June 2024 (Audited) |
|--|-----------------------------------|---------------------------|
| | (Rupees in '000) | |
| 9. LONG-TERM FINANCING - secured | | |
| Temporary Economic Refinance Facility (TERF) | 33,151 | 39,663 |
| Current portion of long-term financing | (27,714) | (27,714) |
| | <u>5,437</u> | <u>11,949</u> |

10. SHORT-TERM RUNNING FINANCE - secured

Represents running finance facilities obtained from various conventional banks amounting to Rs. 1,850 million (2024: Rs. 1,850 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 three months' KIBOR as bench mark rate plus 0.50% to 1% as spread (2024: one month KIBOR to three months' KIBOR as bench mark rate plus 0.50% to 1% as spread) per annum and mark-up is payable quarterly.

11. CONTINGENCIES AND COMMITMENTS

11.1 Contingencies

The Excise and Taxation Department, Government of Sindh (the Department) imposed, vend and permit fee on methanol, a major raw material used by the Company in the production of formaldehyde. The Company filed a petition against the imposition of these levies in the 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 1990 up to October 2002.

As of the reporting date, no fresh demand has yet been received from the Department against Vend and Permit fee amounting to Rs. 1,896.11 million (June 30, 2024: Rs. 1,865.90 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 which is being expensed out and 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.

**NOTES TO THE CONDENSED INTERIM
FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 SEPTEMBER 2024**

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| | 30 September 2024 (Un-audited) | 30 June 2024 (Audited) |
|---|-----------------------------------|-----------------------------------|
| | (Rupees in '000) | |
| 11.2 Commitments | | |
| 11.2.1 Outstanding bank guarantees | 37,303 | 37,303 |
| 11.2.2 Outstanding letter of credits | 960,748 | 1,073,654 |
| | 30 September 2024 (Un-audited) | 30 September 2023 (Un-audited) |
| | (Rupees in '000) | |
| 12. TURNOVER - net | | |
| Local Sales | 3,235,263 | 3,539,666 |
| Export Sales | 188,235 | 85,700 |
| | 3,423,498 | 3,625,366 |
| Sales Tax | (553,404) | (500,000) |
| Net Turnover | 2,870,094 | 3,125,366 |
| 12.1 Region wise export sales are as under | | |
| Afghanistan | 186,192 | 85,700 |
| Kenya | 2,043 | - |

13. 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 September 2024 (Un-Audited) | | | 30 September 2023 (Un-Audited) | | |
|--|--------------------------------|----------------------------------|-----------|--------------------------------|----------------------------------|-----------|
| | Resin division | Moulding compound division | Total | Resin division | Moulding compound division | Total |
| | (Rupees in '000) | | | (Rupees in '000) | | |
| Turnover - net | 798,807 | 2,071,287 | 2,870,094 | 1,135,533 | 1,989,833 | 3,125,366 |
| Segment result | 85,595 | 283,995 | 369,590 | 269,731 | 442,475 | 712,206 |
| Unallocated expenses: | | | | | | |
| Administrative expenses | | | (94,541) | | | (70,933) |
| Distribution costs | | | (25,273) | | | (17,524) |
| Other income | | | 43,130 | | | 15,989 |
| Finance costs | | | (9,030) | | | (4,708) |
| Other charges | | | (35,563) | | | (68,276) |
| Taxation | | | (96,472) | | | (221,424) |
| Net profit for the period | | | 151,841 | | | 345,330 |
| Capital expenditure | 20,562 | 27,831 | 48,393 | 18,463 | 3,650 | 22,113 |
| Unallocated capital expenditure | | | 12,222 | | | 21,415 |
| Total capital expenditure | | | 60,615 | | | 43,528 |
| Depreciation and amortisation | 14,317 | 26,936 | 41,253 | 17,577 | 31,733 | 49,310 |
| Unallocated depreciation and amortisation | | | 15,051 | | | 10,690 |
| Total depreciation and amortisation | | | 56,304 | | | 60,000 |

Segment assets and liabilities

| | 30 September 2024 (Un-audited) | | | 30 June 2024 (Audited) | | |
|--------------------------|--------------------------------|----------------------------------|------------------|------------------------|----------------------------------|------------------|
| | Resin division | Moulding compound division | Total | Resin division | Moulding compound division | Total |
| | (Rupees in '000) | | | (Rupees in '000) | | |
| Segment assets | 1,545,781 | 2,667,583 | 4,213,364 | 1,831,248 | 2,268,134 | 4,099,382 |
| Unallocated assets | | | 1,361,717 | | | 1,453,654 |
| Total assets | | | 5,575,081 | | | 5,553,036 |
| Segment liabilities | 392,361 | 458,668 | 851,028 | 419,516 | 527,011 | 946,527 |
| Unallocated liabilities | | | 278,247 | | | 312,544 |
| Total liabilities | | | 1,129,275 | | | 1,259,071 |

14. Fair value measurement

The carrying values of the financial assets and financial liabilities approximate their fair values. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair value hierarchy

The different levels to analyse financial assets carried at fair value have been defined as follows:

Level 1: Quoted market price

Level 2: Valuation techniques (market observable); and

Level 3: Those whose inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As of the statement of financial position date, the Company does not have any financial assets carried at fair value that required categorization in Level 1, Level 2 and Level 3.

15. 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 carried out on arms-length basis and in the ordinary 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 | Nature of transaction | 30 September 2024 | 30 September 2023 |
|--------------------------|--------------------------|----------------------|--------------------------|----------------------|----------------------|
| | | | | (Rupees in '000) | |
| | | | | (Un-audited) | |
| Remuneration | Key management personnel | 0.005% | Remuneration | 53,972 | 33,851 |
| Director Fee | Directors | 0.03% | Director fee | 3,363 | 3,700 |
| Provident Fund | Retirement benefits | Nil | Contribution to fund | 5,537 | 4,277 |

**NOTES TO THE CONDENSED INTERIM
FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 SEPTEMBER 2024**

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16. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorised for issue on October 28, 2024 by the Board of Directors of the Company.

17. GENERAL

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



MUSTAFA JAFAR
Chief Executive Officer



DONALD JENKIN
Chairman



SHAKEEL UDDIN
Chief Financial Officer

Karachi: October 28, 2024