

dynea

DYNEA PAKISTAN LIMITED

Condensed Interim Financial Statements
for the Nine Months Ended March 31, 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>

Human Resource and Remuneration Committee :

Ms. Anam Fatima Khan	<i>Chairman</i>
Mr. Donald Jenkin	<i>Member</i>
Mr. Mustafa Jafar	<i>Member</i>

Chief Financial Officer :

Mr. Muhammad Shakeel Uddin

Company Secretary and Head of Internal Audit:

Mr. Mujtaba Hassan Ghanchi

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

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 :

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

Factories :

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

2) Gadoon Unit
34-A, 34-B, 35, 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 NINE MONTHS ENDED
MARCH 31, 2024**

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The Directors of your Company are pleased to present this report along with the unaudited financial results for the third quarter and nine months ended March 31, 2024.

During the period ended March 31, 2024, the Company earned a profit before tax of Rs.1,724.73 million and an after tax profit of Rs.1,074.65 million compared to the profit before tax of Rs. 661.07 million and after tax Profit of Rs. 444.96 million during the corresponding period last year. The basic and diluted earnings per share increased from Rs. 23.58 to Rs. 56.94.

Resin Division

The Resin Division generated sales revenue of Rs. 3,620.88 million compared to Rs. 3,434.83 million achieved during the same period last year, showing an increase of 5.42%. The Resin Division result was Rs. 762.09 million compared to Rs. 548.09 million for the corresponding period of the last financial year.

Moulding Compound Division

The Moulding Compound Division generated sales revenue of Rs. 6,657.69 million compared to Rs. 4,931.80 million achieved during the same period last year, showing an increase of 34.99%. The Moulding Compound Division result was Rs. 1,359.16 million compared to Rs. 583.24 million for the corresponding period of the last financial year.

Future Outlook

Increases in utility charges have been partly offset by the implementation of the solar energy plant at Gadoon. This is currently being expanded. Export sales were commenced during 2023 and it is hoped to continue to grow this business moving forward. This will assist in minimising foreign exchange losses on raw material purchases should the exchange rate weaken again.

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

Karachi, April 26, 2024.



Donald Jenkin
Chairman

آپ کی کمپنی کے ڈائریکٹرز بسمرت یہ رپورٹ مع غیر آڈٹ شدہ مالی نتائج بابت جاری مالی سال کی تیسری سہ ماہی اور نو ماہی 31 مارچ 2024 پیش کرتے ہیں۔

31 مارچ 2024 کو ختم ہونے والی مدت کے دوران کمپنی کا قبل از ٹیکس منافع 1,724.73 ملین روپے اور بعد از ٹیکس منافع 1,074.65 ملین روپے رہا۔ جبکہ گزشتہ سال اسی مدت میں قبل از ٹیکس منافع 661.07 ملین روپے اور بعد از ٹیکس منافع 444.96 ملین روپے بالترتیب رہا تھا۔ بنیادی اور خالص منافع فی شیئر 23.58 روپے سے بڑھ کر 56.94 روپے ہو گیا۔

ریزن قسمت:

ریزن قسمت کی کل بکری (ٹرن اوور) 3,620.88 ملین روپے رہی جبکہ گزشتہ سال اسی عرصے میں اس کی مقدار 3,434.83 ملین روپے رہی تھی جو کہ پچھلے سال کے مقابلے میں %5.42 زیادہ ہے۔ ریزن قسمت کا شعبہ جاتی نتیجہ 762.09 ملین روپے رہا جبکہ گزشتہ مالی سال کے اسی دوران یہ 548.09 ملین روپے تھا۔

مولڈنگ کپاؤنڈ قسمت:

مولڈنگ کپاؤنڈ قسمت کی کل بکری (ٹرن اوور) 6,657.69 ملین روپے رہی جبکہ گزشتہ سال اسی عرصے میں اس کی مقدار 4,931.80 ملین روپے رہی تھی۔ جو کہ پچھلے سال کے مقابلے میں %34.99 زیادہ ہے۔ مولڈنگ کپاؤنڈ قسمت کا شعبہ جاتی نتیجہ 1,359.16 ملین روپے رہا جبکہ گزشتہ مالی سال کے اسی دوران یہ 583.24 ملین روپے تھا۔

مستقبل پر ایک نظر

گلدون میں سولرا انرجی پلانٹ کے قیام کی بدولت یوٹیلیٹی اخراجات میں اضافے کو جزوی طور پر کنٹرول کیا گیا۔ اسے موجودہ طور پر توسیع دی جا رہی ہے۔ ایکسپورٹ سٹیلز کا آغاز 2023 میں کیا گیا تھا اور امید ہے کہ اس کا روبرو بار میں وقت گزرنے کے ساتھ بہتری کا سلسلہ جاری رہے گا۔ اس سے خام مال کی خریداری پر صرف ہونے والے غیر ملکی زرمبادلہ کے نقصانات کو کم کیا جاسکے گا جو زرمبادلہ کی شرح کو دوبارہ کمزور کر سکتے ہیں۔

اعتراف

ہم ڈائریکٹرز اللہ تعالیٰ کی اس مشکل وقت میں اس کی تمام مہربانیوں پر تشکر ہیں اور اپنے حصص یافتگان، گاہکوں، مالیاتی اداروں اور دیگر اسٹیک ہولڈرز کی مسلسل معاونت اور کمپنی پر ان کے اعتماد کے لئے بدیہ تحسین پیش کرتے ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے


ڈاؤد جینا
چیئرمین


مصطفیٰ جینا
چیف ایگزیکٹو آفیسر


کراچی: 26 اپریل 2024


**CONDENSED INTERIM STATEMENT OF
FINANCIAL POSITION
AS AT 31 MARCH 2024**


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		31 March 2024 (Un-audited)	30 June 2023 (Audited)
	Note	(Rupees in '000)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	786,950	844,328
Intangible assets		18,633	29,813
Long-term loans		496	112
Long-term deposits		12,040	7,995
Deferred taxation - net		77,842	13,625
		895,961	895,873
CURRENT ASSETS			
Stores and spares		88,095	53,694
Stock-in-trade	7	1,877,723	1,093,316
Trade debts	8	2,110,726	1,332,349
Loans and advances		172,139	109,177
Trade deposits, prepayments and other receivables		16,152	265,076
Accrued markup		11,573	11,027
Cash and bank balances		815,108	795,809
		5,097,516	3,660,448
		5,993,477	4,556,321
TOTAL ASSETS			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital			
40,000,000 (June 30, 2023: 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		4,082,745	3,338,362
		4,177,107	3,432,724
NON-CURRENT LIABILITIES			
Long-term financing	9	18,189	36,563
Deferred income		519	1,908
Lease liabilities		8,660	6,405
		27,368	44,876
CURRENT LIABILITIES			
Trade and other payables		1,358,291	925,838
Accrued mark-up		2,921	427
Short-term running finance	10	-	-
Current portion of long-term financing	9	27,714	27,714
Current portion of deferred income		2,078	3,100
Current portion of lease liabilities		7,724	4,462
Taxation - net		286,703	69,384
Unpaid dividend		5,895	5,537
Unclaimed dividend		97,676	42,259
		1,789,002	1,078,721
CONTINGENCIES AND COMMITMENTS			
	11		
		5,993,477	4,556,321

The annexed notes 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

	Note	Nine months ended		Quarter ended	
		31 March 2024	31 March 2023	31 March 2024	31 March 2023
		(Rupees in '000)		(Rupees in '000)	
Turnover - net	12	10,278,572	8,366,627	3,445,387	3,389,697
Cost of sales		(7,842,048)	(7,026,514)	(2,693,287)	(2,685,095)
Gross profit		2,436,524	1,340,113	752,100	704,602
Selling and distribution costs		(282,491)	(259,683)	(105,341)	(105,314)
Administrative expenses		(262,120)	(151,054)	(86,616)	(52,676)
Allowance for / reversal of allowance for expected credit loss		(94,656)	13,273	(71,990)	15,454
		(639,267)	(397,464)	(263,947)	(142,536)
Other income		96,827	9,813	41,307	4,711
Operating profit		1,894,084	952,462	529,460	566,777
Finance costs		(18,477)	(64,277)	(9,234)	(15,128)
Other charges / expenses		(150,874)	(227,120)	(44,820)	(135,473)
		(169,351)	(291,397)	(54,054)	(150,601)
Profit before taxation		1,724,733	661,065	475,406	416,176
Taxation					
- current		(714,426)	(203,027)	(197,574)	(130,982)
- prior		126	(2,642)	-	-
- deferred		64,217	(10,434)	31,673	(6,638)
		(650,083)	(216,103)	(165,901)	(137,620)
Profit for the period		1,074,650	444,962	309,505	278,556
Basic and diluted earnings per share		56.94	23.58	16.40	14.76

The annexed notes 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 NINE MONTHS ENDED 31 MARCH 2024 (UN-AUDITED)**

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	Nine months ended		Quarter ended	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
 (Rupees in '000) (Rupees in '000)	
Profit for the period				
Other comprehensive income	1,074,650	444,962	309,505	278,556
Total comprehensive income for the period	-	-	-	-
	<u>1,074,650</u>	<u>444,962</u>	<u>309,505</u>	<u>278,556</u>

The annexed notes 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

	Note	31 March 2024	31 March 2023
(Rupees in '000)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit / (loss) before taxation		1,724,733	661,065
Adjustments for non-cash and other items			
Depreciation on operating fixed assets		145,168	142,363
Depreciation on right-of-use assets		4,722	2,968
Amortisation of intangible assets		11,180	11,180
Allowance for expected credit loss	8.1	94,656	(13,273)
Finance costs		18,477	64,277
Amortization of deferred income		(2,412)	(3,404)
Gain on disposals of operating fixed assets		(3,208)	-
		268,583	204,111
		1,993,316	865,176
(Increase) / decrease in current assets			
Stores and spares		(34,401)	(31,852)
Stock-in-trade		(784,407)	335,851
Trade debts		(873,033)	(29,874)
Loans and advances		(62,962)	17,148
Trade deposits, prepayments and other receivables		248,924	12,442
Accrued markup		(6,546)	513
		(1,512,425)	304,228
Increase in current liabilities			
Trade and other payables		432,455	120,274
		913,346	1,289,678
Finance costs paid		(13,571)	(57,116)
Income taxes paid - net		(496,981)	(302,789)
Long-term loans and deposits - net		(4,429)	(138)
Net cash generated from operating activities		398,365	929,635
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditures		(99,210)	(258,516)
Proceeds from disposal of operating fixed assets		9,905	-
Net cash (used in) investing activities		(89,305)	(258,516)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of loan made during the year		(20,786)	(48,911)
Payment of lease rentals (Net)		5,517	(3,565)
Dividend paid		(274,492)	(101,604)
Net cash (used in) financing activities		(289,761)	(154,080)
Net increase in cash and cash equivalents		19,299	517,039
Cash and cash equivalents at the beginning of period		795,809	232,672
Cash and cash equivalents at the end of period		815,108	749,711
CASH AND CASH EQUIVALENTS			
Cash and bank balances		815,108	895,296
Short-term running finance		-	(145,585)
		815,108	749,711

The annexed notes 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 NINE MONTHS ENDED 31 MARCH 2024**

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	Issued, subscribed and paid-up capital	Revenue reserves			Total
		General reserve	Unappropriated profit	Total	
(Rupees in '000)					
Balance as at July 01, 2022 (audited)	94,362	1,841,000	973,741	2,814,741	2,909,103
Transferred to general reserve	-	300,000	(300,000)	-	-
Final dividend for the year ended June 30, 2022 @ Rs. 7.50 per share	-	-	(141,543)	(141,543)	(141,543)
Net profit for the period	-	-	444,962	444,962	444,962
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	444,962	444,962	444,962
Balance as at March 31, 2023 (un-audited)	94,362	2,141,000	977,160	3,118,160	3,212,522
Balance as at July 01, 2023 (audited)	94,362	2,141,000	1,197,362	3,338,362	3,432,724
Transferred to general reserve	-	500,000	(500,000)	-	-
Final dividend for the year ended June 30, 2023 @ Rs. 10.00 per share	-	-	(188,724)	(188,724)	(188,724)
Interim dividend for the half year ended December 31, 2023 @ Rs. 7.50 per share	-	-	(141,543)	(141,543)	(141,543)
Net profit for the period	-	-	1,074,650	1,074,650	1,074,650
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	1,074,650	1,074,650	1,074,650
Balance as at March 31, 2024 (un-audited)	94,362	2,641,000	1,441,745	4,082,745	4,177,107

The annexed notes 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. STATUS AND NATURE OF BUSINESS

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	406, Parsa Tower, Plot No. 31/1/A, Block-6, P.E.C.H.S, Shahrah-e-Faisal, Karachi, 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, 2023.

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 adopted and methods of computation followed in the preparation of these condensed interim financial statements are same as those for the preceding annual financial statements for the year ended June 30, 2023.

4.1 Initial application of standards, amendments or an interpretation to existing standards
a) Standards, amendments and interpretations to accounting standards that are effective in the current period.

Certain standards, amendments and interpretations to approved accounting standards are effective for accounting periods beginning on January 01, 2023, but are considered not to be relevant or did not have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these condensed interim financial statements.

b) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company.

There are certain standards, amendments to the accounting standards and interpretations that are mandatory for the Company's accounting periods beginning on or after January 1, 2024, but are considered not to be relevant or expected to have any significant effect on the Company's operations and are, therefore, not detailed in these condensed interim financial statements.

**NOTES TO THE CONDENSED INTERIM
FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 31 MARCH 2024**

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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, 2023.

	31 March 2024 (Un-audited)	30 June 2023 (Audited)
	(Rupees in '000)	
6. PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets	726,305	774,362
Right to use asset	15,233	9,234
Capital work-in-progress	45,412	60,732
	<u>786,950</u>	<u>844,328</u>

6.1 The following additions (including transfers from capital work-in-progress) and disposals were made in the operating fixed assets during the period:

	Additions at cost		Deletions at book value	
	Nine Months ended		Nine Months ended	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
	(Un-audited)		(Un-audited)	
	(Rupees in '000)		(Rupees in '000)	
Buildings on leasehold land	-	30,094	-	-
Plant and machinery	55,631	147,814	-	-
Office Equipment	2,871	1,463	-	-
Computer and accessories	6,653	2,032	482	-
Vehicles	38,654	1,374	6,215	-
	<u>103,809</u>	<u>182,777</u>	<u>6,697</u>	<u>-</u>

	Note	31 March 2024 (Un-audited)	30 June 2023 (Audited)
		(Rupees in '000)	
6.2 Movement in capital work-in-progress is as follows:			
Balance at beginning of the period		60,731	54,141
Capital expenditure incurred during the period		4,899	206,023
Transfers to operating fixed assets during the period		(20,218)	(199,433)
Balance at end of the period		<u>45,412</u>	<u>60,731</u>

7. STOCK-IN-TRADE

Raw material:			
In hand		879,900	527,156
In bonded warehouse		83,203	-
In transit		609,303	295,603
		<u>1,572,406</u>	<u>822,759</u>
Packing material		48,063	41,024
Finished goods		257,254	229,533
		<u>1,877,723</u>	<u>1,093,316</u>

8. TRADE DEBTS - unsecured

Considered good		2,110,726	1,332,349
Considered doubtful		165,184	70,528
		<u>2,275,910</u>	<u>1,402,877</u>
Allowance for expected credit loss	8.1	(165,184)	(70,528)
		<u>2,110,726</u>	<u>1,332,349</u>

	31 March 2024 (Un-audited)	30 June 2023 (Audited)
 (Rupees in '000)	
8.1 Movement of allowance for expected credit loss:		
Balance at beginning of the period	70,528	81,445
Charge during the period	94,656	(10,917)
Balance at end of the period	<u>165,184</u>	<u>70,528</u>
9. LONG-TERM FINANCING - secured		
Temporary Economic Refinance Facility (TERF)	45,903	64,277
Current portion of long-term financing	(27,714)	(27,714)
	<u>18,189</u>	<u>36,563</u>

10. SHORT-TERM RUNNING FINANCE - secured

Represents portion of running finance facilities obtained from various commercial banks amounting to Rs. 1,850 million (June 30, 2023: Rs.1,600 million). These facilities are secured by joint / first pari passu hypothecation of stores and spares, stock in trade and trade debts of the Company. The rate of mark-up on these facilities are based on one month KIBOR to six months' KIBOR as bench mark rate plus 0.50% to 1.00% as spread (June 30, 2023: one month KIBOR to six months' KIBOR as bench mark rate plus 0.50% to 1.00% as spread) per annum and mark-up is payable quarterly.

11. CONTINGENCIES AND COMMITMENTS

11.1 Contingencie

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. 1,844.73 million (June 30, 2023: Rs. 1,725.01 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.

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	31 March 2024 (Un-audited)	30 June 2023 (Audited)
	(Rupees in '000)	
11.2 Commitments		
Outstanding bank guarantees	23,884	23,884
Outstanding letter of credits	563,320	1,721,684
Commitment for capital expenditure	11,732	11,732
12. TURNOVER - net		
Local Sales	11,832,057	9,940,860
Export Sales	450,600	-
	12,282,657	9,940,860
Sales Tax	(2,004,085)	(1,574,233)
Net Turnover	10,278,572	8,366,627
12.1 Region wise export sales are as under		
Afghanistan	450,600	-

13. OPERATING SEGMENT INFORMATION

For management purposes, the Company is organised 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.

	Nine months ended 31 March 2024 (Un-audited)			Nine months ended 31 March 2023 (Un-audited)		
	Resin division	Moulding compound division	Total	Resin division	Moulding compound division	Total
	(Rupees in '000)			(Rupees in '000)		
Turnover - net	3,620,880	6,657,692	10,278,572	3,434,826	4,931,801	8,366,627
Segment result	762,092	1,359,162	2,121,254	548,087	583,238	1,131,325
Unallocated expenses:						
Administrative expenses			(262,120)			(151,054)
Distribution costs			(61,877)			(37,622)
Other income			96,827			9,813
Finance costs			(18,477)			(64,277)
Other charges			(150,874)			(227,120)
Taxation			(650,083)			(216,103)
Net profit for the period			1,074,650			444,962
Capital expenditure	56,758	5,836	62,594	71,207	157,029	228,236
Unallocated capital expenditure			36,616			30,280
Total capital expenditure			99,210			258,516
Depreciation and amortisation	44,395	83,723	128,118	39,929	87,456	127,385
Unallocated depreciation and amortisation			32,952			29,126
Total depreciation and amortisation			161,070			156,511

	Quarter ended 31 March 2024 (Un-audited)			Quarter ended 31 March 2023 (Un-audited)		
	Resin division	Moulding compound division	Total	Resin division	Moulding compound division	Total
	(Rupees in '000)			(Rupees in '000)		
Turnover - net	1,176,425	2,268,962	3,445,387	1,468,954	1,920,743	3,389,697
Segment result	157,030	444,268	601,298	290,485	336,703	627,188
Unallocated expenses:						
Administrative expenses			(86,616)			(52,676)
Distribution costs			(26,529)			(12,446)
Other income			41,307			4,711
Finance costs			(9,234)			(15,128)
Other charges			(44,820)			(135,473)
Taxation			(165,901)			(137,620)
Net profit for the period			309,505			278,556
Capital expenditure	37,594	2,186	39,780	8,388	21,853	30,241
Unallocated capital expenditure			7,201			515
Total capital expenditure			46,981			30,756
Depreciation and amortisation	12,844	24,288	37,132	14,571	31,711	46,282
Unallocated depreciation and amortisation			11,112			9,779
Total depreciation and amortisation			48,244			56,061

Segment assets and liabilities

	31 March 2024 (Un-audited)			30 June 2023 (Audited)		
	Resin division	Moulding compound division	Total	Resin division	Moulding compound division	Total
	(Rupees in '000)			(Rupees in '000)		
Segment assets	2,097,220	2,616,047	4,713,267	1,141,392	2,075,018	3,216,410
Unallocated assets			1,280,210			1,339,911
Total assets			5,993,477			4,556,321
Segment liabilities	574,832	587,880	1,162,711	360,759	524,206	884,965
Unallocated liabilities			653,659			238,632
Total liabilities			1,816,370			1,123,597

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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	31 March 2024	31 March 2023
			 (Rupees in '000) (Un-audited)	
Remuneration	Key management personnel	0.005%	Remuneration	<u>145,550</u>	<u>78,900</u>
Director fee	Directors	0.03%	Director fee	<u>9,750</u>	<u>9,241</u>
Provident fund	Retirement benefits	Nil	Contribution to fund	<u>13,360</u>	<u>9,762</u>
AICA Asia Pacific Holding Pte Ltd.	Associated company	24.99	Dividend	<u>82,534</u>	<u>35,372</u>

16. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on April 26, 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: April 26, 2024