

Front Cover

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DYNEA PAKISTAN LIMITED

Condensed Interim Financial Statements
for the First Quarter ended September 30, 2023
(Un-Audited)

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Board of Directors :

Mr. Donald John 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 John Jenkin	<i>Member</i>
Mr. Mazhar Valjee **	<i>Member</i>

Human Resource and Remuneration Committee :

Ms. Anam Fatima Khan	<i>Chairman</i>
Mr. Donald John 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 Associates (Pvt) Ltd.
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, 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

* Mr. Mustafa Jafar appointed in place of Mr. Shabbir Abbas on September 14, 2023.

** Mr. Mazhar Valjee appointed in place of (late) Mr. Andalib Alavi on October 24, 2023.

**DIRECTORS' REPORT
FOR THE QUARTER ENDED
SEPTEMBER 30, 2023**

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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, 2023.

During the period ended September 30, 2023, the Company earned a profit before tax of Rs.566.75 million and an after tax profit of Rs.345.33 million compared to the loss before tax of Rs.2.27 million and after tax loss of Rs.1.53 million during the corresponding period last year. The basic and diluted profit per share is Rs.18.30 against a loss per share of Rs.0.08 for the corresponding period last year. Note that the Company's business was severely impacted by the catastrophic floods at this time last year.

Resin Division

The Resin Division generated sales revenue of Rs.1,135.53 million compared to Rs.771.17 million achieved during the same period last year, showing an increase of 47.25%. The Resin Division result was Rs.269.73 million compared to Rs.55.65 million for the corresponding period of the last financial year.

Moulding Compound Division

The Moulding Compound Division generated sales revenue of Rs.1,989.83 million compared to Rs.1,285.45 million achieved during the same period last year, showing an increase of 54.80%. The Moulding Compound Division result was Rs.442.48 million compared to Rs.88.22 million for the corresponding period of the last financial year.

Future Outlook

The fluctuation in exchange rate and increase in utility charges have increased the Company's cost of doing business. In addition, the lower demand for our products due to economic slowdown is also challenging. However, the Company's management is well equipped to face challenges in the market and it shall continue to make every effort to achieve the Company's business objectives.

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 27, 2023.

آپ کی کمپنی کے ڈائریکٹرز، بسرت یہ رپورٹ مع غیر آڈٹ شدہ مالی نتائج بابت جاری مالی سال کی پہلی سہ ماہی 30 ستمبر 2023 پیش کرتے ہیں۔

30 ستمبر 2023 کو ختم ہونے والی مدت کے دوران کمپنی کا قبل از ٹیکس منافع 566.75 ملین روپے اور بعد از ٹیکس منافع 345.33 ملین روپے رہا۔ جبکہ گزشتہ سال اسی مدت میں قبل از ٹیکس خسارہ 2.27 ملین روپے اور بعد از ٹیکس خسارہ 1.53 ملین روپے بالترتیب رہا تھا۔ بنیادی اور خالص منافع فی حصہ (شیر) 18.30 روپے ہے جو گزشتہ سال کی اس مدت کیلئے 0.08 روپے فی حصہ (شیر) کا خسارہ ہوا تھا۔ نوٹ کیا جائے کہ کمپنی کا کاروبار گزشتہ سال کی اس مدت کے دوران تباہ کن سیلاب کی وجہ سے بری طرح متاثر ہوا تھا۔

ریزن قسمت

ریزن قسمت کی کل بکری (ٹرن اوور) 1,135.53 ملین روپے رہی جبکہ گزشتہ سال اسی عرصے میں اس کی مقدار 771.17 ملین روپے رہی تھی جو کہ پچھلے سال کے مقابلے میں 47.25% زیادہ ہے۔ ریزن قسمت کا شعبہ جاتی نتیجہ 269.73 ملین روپے رہا جبکہ گزشتہ مالی سال کے اسی دورانیہ میں یہ 55.65 ملین روپے تھا۔

مولڈنگ کپاؤنڈ قسمت

مولڈنگ کپاؤنڈ قسمت کی کل بکری (ٹرن اوور) 1,989.83 ملین روپے رہی جبکہ گزشتہ سال اسی عرصے میں اس کی مقدار 1,285.45 ملین روپے رہی تھی۔ جو کہ پچھلے سال کے مقابلے میں 54.80% زیادہ ہے۔ مولڈنگ کپاؤنڈ قسمت کا شعبہ جاتی نتیجہ 442.48 ملین روپے رہا جبکہ گزشتہ مالی سال کے اسی دورانیہ میں 88.22 ملین روپے تھا۔

مستقبل پر ایک نظر

زرمبادلہ کے نرخ میں اتار چڑھاؤ اور یوٹیلیٹی اخراجات میں مسلسل اضافے کے سبب کمپنی کے امور انجام دینے کے اخراجات بھی بڑھ گئے۔ اس کے علاوہ معاشی ست روی کے باعث ہماری پروڈکٹس کیلئے طلب میں کمی چیلنجنگ رہی۔ تاہم کمپنی کی انتظامیہ مارکیٹ کے ان چیلنجوں کا سامنا کرنے کے لئے ہر طرح سے تیار ہے اور کمپنی کے کاروباری مقاصد حاصل کرنے کے لئے ہر ممکن کوششوں کا سلسلہ جاری رہے گا۔

اعتراف

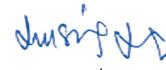
ہم ڈائریکٹرز اللہ تعالیٰ کی اس مشکل وقت میں اس کی تمام ہر پائیوں پر متکثر ہیں اور اپنے حصص یافتگان، گاہکوں، مالباقی اداروں اور دیگر اسٹیک ہولڈرز کی مسلسل معاونت اور کمپنی پر ان کے اعتماد کے لئے ہدیہ تشکر پیش کرتے ہیں۔

یورڈ آف ڈائریکٹرز کی جانب سے



ڈوئلہ جیکسن

چیئر مین



مصطفیٰ جعفر

چیف ایگزیکٹو آفیسر

کراچی: 27 اکتوبر 2023

**CONDENSED INTERIM STATEMENT
OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2023**

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		30 September 2023 (Un-audited)	30 June 2023 (Audited)
	Note	(Rupees in '000)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	829,835	844,328
Intangible assets		26,086	29,813
Long-term loans		369	112
Long-term deposits		11,040	7,995
Deferred taxation - net		33,164	13,625
		<u>900,494</u>	<u>895,873</u>
CURRENT ASSETS			
Stores and spares		49,502	53,694
Stock-in-trade	6	2,030,026	1,093,316
Trade debts	7	1,605,989	1,332,349
Loans and advances		62,134	109,177
Trade deposits, prepayments and other receivables		88,818	265,076
Accrued markup		5,226	11,027
Cash and bank balances		667,500	795,809
		<u>4,509,195</u>	<u>3,660,448</u>
TOTAL ASSETS		<u>5,409,689</u>	<u>4,556,321</u>
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		<u>200,000</u>	<u>200,000</u>
Issued, subscribed and paid-up capital		94,362	94,362
Revenue reserves		<u>3,683,692</u>	<u>3,338,362</u>
		<u>3,778,054</u>	<u>3,432,724</u>
NON-CURRENT LIABILITIES			
Long-term financing	8	30,452	36,563
Deferred income		1,353	1,908
Lease liabilities		9,772	6,405
		<u>41,577</u>	<u>44,876</u>
CURRENT LIABILITIES			
Trade and other payables		1,348,892	925,838
Accrued mark-up		1,556	427
Current maturity of long-term financing	8	27,714	27,714
Current portion of deferred income		2,837	3,100
Current maturity of lease liabilities		7,571	4,462
Taxation - net		153,749	69,384
Unpaid dividend		5,504	5,537
Unclaimed dividend		42,235	42,259
		<u>1,590,058</u>	<u>1,078,721</u>
CONTINGENCIES AND COMMITMENTS	10		
TOTAL EQUITY AND LIABILITIES		<u>5,409,689</u>	<u>4,556,321</u>

The annexed notes from 1 to 16 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 2023	30 September 2022
 (Rupees in '000)	
Turnover - net	3,125,366	2,056,619
Cost of sales	<u>(2,329,540)</u>	<u>(1,839,012)</u>
Gross profit	795,826	217,607
Distribution costs	<u>(81,098)</u>	<u>(58,477)</u>
Administrative expenses	<u>(70,933)</u>	<u>(47,595)</u>
Allowance for expected credit loss	<u>(20,046)</u>	<u>(27,417)</u>
	(172,077)	(133,489)
Other income	<u>15,989</u>	<u>2,388</u>
Operating profit	639,738	86,506
Finance costs	<u>(4,708)</u>	<u>(23,684)</u>
Other charges / expenses	<u>(68,276)</u>	<u>(65,088)</u>
	(72,984)	(88,772)
Profit / (loss) before taxation	566,754	(2,266)
Taxation		
- current	<u>(240,964)</u>	<u>(15,476)</u>
- deferred	<u>19,540</u>	<u>16,216</u>
	(221,424)	740
Profit / (loss) for the period	345,330	(1,526)
Basic and diluted earnings / (loss) per share	<u>18.30</u>	<u>(0.08)</u>

The annexed notes from 1 to 16 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 2023
(UN-AUDITED)**

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	30 September 2023	30 September 2022
	(Rupees in '000)	
Profit / (loss) for the period	345,330	(1,526)
Other comprehensive income	—	—
Total comprehensive income / (loss) for the period	<u>345,330</u>	<u>(1,526)</u>

The annexed notes from 1 to 16 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 2023	30 September 2022
Note	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (loss) before taxation	566,754	(2,266)
Adjustments for non-cash and other items		
Depreciation on operating fixed assets	54,699	44,203
Depreciation on right-of-use assets	1,574	1,077
Amortisation of intangible assets	3,727	3,727
Allowance for expected credit loss	20,046	27,417
Finance costs	4,708	23,684
Amortization of deferred income	(818)	(1,108)
Gain on disposals of operating fixed assets	(1,121)	—
	82,815	99,000
	649,569	96,734
(Increase) / decrease in current assets		
Stores and spares	4,192	(12,174)
Stock-in-trade	(936,710)	(468,873)
Trade debts	(293,686)	(120,658)
Loans and advances	47,043	42,459
Trade deposits, prepayments and other receivables	176,258	13,372
Accrued markup	5,801	513
	(997,102)	(545,361)
Increase / (decrease) in current liabilities		
Trade and other payables	423,053	(27,943)
	75,520	(476,570)
Finance costs paid	(2,761)	(8,242)
Income taxes paid - net	(156,599)	(77,573)
Long-term loans and deposits - net	(3,302)	(50)
Net cash used in operating activities	(87,142)	(562,435)
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditures	(43,528)	(144,533)
Proceeds from disposal of operating fixed assets	2,869	—
Net cash used in investing activities	(40,659)	(144,533)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments made during the year	(6,929)	(35,054)
Lease rentals (Net)	6,478	(2,037)
Dividend paid	(57)	(66)
Net cash used in financing activities	(508)	(37,157)
Net decrease in cash and cash equivalents	(128,309)	(744,125)
Cash and cash equivalents at the beginning of period	795,809	232,672
Cash and cash equivalents at the end of period	667,500	(511,453)
CASH AND CASH EQUIVALENTS		
Cash and bank balances	667,500	176,914
Short-term running finance	—	(688,367)
	667,500	(511,453)

The annexed notes from 1 to 16 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 2023 (UN-AUDITED)**

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	Issued, subscribed and paid-up capital	Revenue reserves			Total
		General reserve	Unappropriated profit	Total	
(Rupees in '000)					
Balance as at 30 June 2022	94,362	1,841,000	973,741	2,814,741	2,909,103
Transferred to general reserve	–	300,000	(300,000)	–	–
Net loss for the period	–	–	(1,526)	(1,526)	(1,526)
Other comprehensive income	–	–	–	–	–
Total comprehensive income for the period	–	–	(1,526)	(1,526)	(1,526)
Balance as at 30 September 2022 (un-audited)	94,362	2,141,000	672,215	2,813,215	2,907,577
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

The annexed notes from 1 to 16 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. The registered office of the Company is situated at Office No. 406, Parsa Tower, Plot No. 31/1/A, Block-6, P.E.C.H.S, Shahrah-e-Faisal, Karachi, Pakistan.

2. BASIS OF PREPARATION

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

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

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

2.2 These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2023.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the Company's audited financial statements for the year ended June 30, 2023. 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, 2023. The adoption of such amended IFRS did not have any material effect on these condensed interim financial statements.

4. ACCOUNTING ESTIMATES AND JUDGMENTS

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

Judgements and estimates made by the management in the preparation of these condensed interim financial statements are same as those applied in the Company's annual financial statements for the year ended June 30, 2023.

**NOTES TO THE CONDENSED INTERIM
FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 SEPTEMBER 2023**

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	30 September 2023 (Un-audited)	30 June 2023 (Audited)
 (Rupees in '000)	
5. PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets	766,041	774,36
Right to use asset	18,381	9,234
Capital work-in-progress	45,413	60,732
	<u>829,835</u>	<u>844,328</u>
5.1 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 2023 (Un-audited)	30 September 2023 (Un-audited)
 (Rupees in '000)	
	30 September 2022	30 September 2022
 (Rupees in '000)	
Plant and machinery	20,218	2,060
Office Equipment	1,887	104
Computer and accessories	4,771	-
Vehicles	21,251	1,748
	<u>48,127</u>	<u>2,164</u>
		<u>1,748</u>
		<u>-</u>
	30 September 2023 (Un-audited)	30 June 2023 (Audited)
 (Rupees in '000)	
5.2 Movement in capital work-in-progress is as follows:		
Balance at beginning of the period/year	60,732	54,141
Capital expenditure incurred during the period/year	4,899	206,023
Transfers to operating fixed assets during the period/year	(20,218)	(199,432)
Balance at end of the period	<u>45,413</u>	<u>60,732</u>
6. STOCK-IN-TRADE		
Raw material:		
In hand	755,404	527,156
In bonded warehouse	50,152	-
In transit	905,956	295,603
	<u>1,711,512</u>	<u>822,759</u>
Packing material	30,315	41,024
Finished goods	288,199	229,533
	<u>2,030,026</u>	<u>1,093,316</u>
7. TRADE DEBTS - unsecured		
Considered good	1,605,989	1,332,349
Considered doubtful	90,574	70,528
	<u>1,696,563</u>	<u>1,402,877</u>
Allowance for expected credit loss	7.1 (90,574)	(70,528)
	<u>1,605,989</u>	<u>1,332,349</u>
7.1 Movement of allowance for expected credit loss:		
Balance at beginning of the period/ year	70,528	81,445
Charge during the period/ year	20,046	(10,917)
Balance at end of the period/ year	<u>90,574</u>	<u>70,528</u>

	30 September 2023 (Un-audited)	30 June 2023 (Audited)
	(Rupees in '000)	
8. LONG-TERM FINANCING - secured		
Temporary Economic Refinance Facility (TERF)	58,166	64,277
Current portion of long-term financing	<u>(27,714)</u>	<u>(27,714)</u>
	<u>30,452</u>	<u>36,563</u>

9. 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.

10. CONTINGENCIES AND COMMITMENTS

10.1 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. 1,771.33 million (June 30, 2023: Rs. 1,698.60 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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	30 September 2023 (Un-audited)	30 June 2023 (Audited)
	(Rupees in '000)	
10.2 Commitments		
10.2.1 Outstanding bank guarantees	23,884	23,884
10.2.2 Outstanding letter of credits	490,228	1,721,684
10.2.3 Commitment for capital expenditure	11,732	11,732
11. TURNOVER - NET		
Local Sales	3,039,666	2,056,619
Export Sales	85,700	-
	3,125,366	2,056,619
11.1 Region wise export sales are as under		
Afghanistan	85,700	-

12. OPERATING SEGMENT INFORMATION

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

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

	30 September 2023 (Un-Audited)			30 September 2022 (Un-Audited)		
	Resin division	Moulding compound division	Total	Resin division	Moulding compound division	Total
	(Rupees in '000)			(Rupees in '000)		
Turnover - net	1,135,533	1,989,833	3,125,366	771,166	1,285,453	2,056,619
Segment result	269,731	442,475	712,206	55,646	88,218	143,864
Unallocated expenses:						
Administrative expenses			(70,933)			(47,595)
Distribution costs			(17,524)			(12,151)
Other income			15,989			2,388
Finance costs			(4,708)			(23,684)
Other charges			(68,276)			(65,088)
Taxation			(221,424)			740
Net profit for the period			345,330			(1,526)
Capital expenditure	18,463	3,650	22,113	42,383	74,691	117,074
Unallocated capital expenditure			21,415			27,459
Total capital expenditure			43,528			144,533
Depreciation and amortisation	17,577	31,733	49,310	12,306	27,076	39,382
Unallocated depreciation and amortisation			10,690			9,625
Total depreciation and amortisation			60,000			49,007

Segment assets and liabilities

	30 September 2023 (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	1,833,261	2,565,902	4,399,163	1,141,392	2,075,018	3,216,410
Unallocated assets			1,010,526			1,339,911
Total assets			5,409,689			4,556,321
Segment liabilities	673,025	603,145	1,276,170	360,759	524,206	884,965
Unallocated liabilities			355,465			238,632
Total liabilities			1,631,635			1,123,597

13. 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.

14. 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 2023	30 September 2022
				(Rupees in '000)	
				(Un-audited)	
Remuneration	Key management personnel	0.005%	Remuneration	<u>33,851</u>	<u>24,997</u>
Director Fee	Directors	0.03%	Director fee	<u>3,700</u>	<u>3,000</u>
Provident Fund	Retirement benefits	Nil	Contribution to fund	<u>4,277</u>	<u>3,294</u>

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15. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorised for issue on October 27, 2023 by the Board of Directors of the Company.

16. 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 27, 2023

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DYNEA PAKISTAN LIMITED

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

Ph : (92-21) 34520132 - 35

Fax : (92-21) 34392182

Email : info@dynea.com.pk