

dynea

DYNEA PAKISTAN LIMITED

Condensed Interim Financial Statements
For the Half Year Ended December 31, 2016
(UN-AUDITED)

DYNEA PAKISTAN LIMITED

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DYNEA PAKISTAN LIMITED

COMPANY INFORMATION

Board of Directors :

Dr. Donald Jenkin
Mr. Shabbir Abbas
Mr. Tayyeb Afzal
Mr. Sajid Hassan
Syed Ali Azfar Naqvi
Mr. Ameen Bandukda
Mr. Aqeel Loon

Chairman
Chief Executive Officer

Audit Committee :

Mr. Tayyeb Afzal
Dr. Donald Jenkin
Syed Ali Azfar Naqvi

Chairman
Member
Member

Human Resource Committee:

Mr. Sajid Hassan
Dr. Donald Jenkin
Mr. Shabbir Abbas

Chairman
Member
Member

Chief Financial Officer :

Mr. Muhammad Shakeel Uddin

Company Secretary :

Mr. Adnan Husseini

Head of Internal Audit:

Mr. Mujtaba Hassan Ghanchi

Bankers :

M/s. Habib Bank Limited
M/s. Habib Metropolitan Bank Limited.
M/s. NIB Bank Limited
M/s. Standard Chartered Bank (Pakistan) Limited
M/s. United Bank Limited
M/s. Dubai Islamic Bank Pakistan Limited.

Auditors :

M/s. EY Ford Rhodes
Chartered Accountants

Legal Advisors :

M/s. Sayeed & Sayeed, Advocates & Legal Consultants
M/s. Zahid & Tariq Advocates

Share Registrar :

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

Registered Office :

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

Factories :

1) Hub Unit

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

2)

Gadoon Unit

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

DYNEA PAKISTAN LIMITED

DIRECTORS' REPORT FOR THE HALF YEAR ENDED DECEMBER 31, 2016

The Directors of your Company are pleased to present this report along with the unaudited financial results for the 2nd quarter as well as of the half year ended December 31, 2016.

The profit before tax was Rs.114.42 million and the after tax profit was Rs.77.84 million compared to the profit before tax of Rs.73.79 million and the after tax profit of Rs.49.90 million for the corresponding period last year. The basic and diluted earnings per share increased to Rs.4.12 from Rs.2.64.

Resin Division

Resin Division turnover was Rs.528.77 million compared to Rs.493.26 million for the corresponding period in the previous financial year showing an increase of 7.2%. The Resin Division segment result was Rs.53.73 million compared to Rs.7.99 million for the corresponding period last year.

Aminoplast Moulding Compound Division

Aminoplast Moulding Compound Division turnover was Rs.583.69 million compared to Rs.640.95 million for the corresponding period in the previous financial year, showing a decline of 8.93%. The Moulding Compound Division segment result was Rs.115.45 million compared to Rs.125.13 million for the previous financial year. This decline is due to a reduction in margins caused by market pressures.

Future Outlook

The Company is striving to broaden its customer base to ensure its long-term sustainability. The Company has a positive outlook and it will continue its best efforts to ensure continued growth, operational efficiency and optimum results for the Company and its stakeholders in the remaining period of the financial year 2016-17 and on into the future.

Memorandum of Settlement

Bilateral negotiations on the CBA Union Charter of Demands were successfully concluded and a Memorandum of Settlement was signed by both parties on January 16, 2017 for a period of two years.

Vend Fee and Permit Fee Case

The case is still pending before the Honorable Supreme Court of Pakistan. In view of the legal merits of the case and the previous two favourable decisions of the Sindh High Court, the management expects the Supreme Court to confirm the previous decisions, thereby not affecting the Company's ability to continue as a going concern.

Acknowledgement

In conclusion, as Directors of the Company we would like to thank Almighty Allah for all His Blessings in these challenging times and to convey our appreciation to shareholders, customers, financial institutions and other stakeholders for their continued support and the confidence that they have shown in the Company. We also wish to recognise the efforts of our management team who continue to strive to achieve better results.

On behalf of the Board



Shabbir Abbas
Chief Executive



Dr. Donald Jenkin
Chairman

Karachi: January 28, 2017

ڈائٹیا پاکستان لمیٹڈ

ڈائریکٹرز رپورٹ

31 دسمبر 2016 کو ختم ہونے والی ششماہی کے لئے

آپ کی کمپنی کے ڈائریکٹرز ہمسرت یہ رپورٹ مع غیر آڈٹ شدہ مالی نتائج باہت دوسری سہ ماہی و ششماہی 31 دسمبر 2016 پیش کرتے ہیں۔ اس ششماہی میں قبل از ٹیکس منافع 114.42 ملین روپے اور بعد از ٹیکس منافع 77.84 ملین روپے رہا۔ جبکہ گذشتہ سال اسی مدت میں قبل از ٹیکس منافع 73.79 ملین روپے اور بعد از ٹیکس منافع 49.90 ملین روپے رہا تھا۔ فی حصہ (شیر) بنیادی اور احتساب شدہ آمدنی 2.64 روپے سے بڑھ کر 4.12 روپے ہو گئی۔

ریزن ڈویژن

ریزن ڈویژن کی کل بکری (ٹرن اور) 528.77 ملین روپے رہی جبکہ گذشتہ سال اسی عرصہ میں اس کی مقدار 493.26 ملین روپے رہی تھی۔ ایسے اس میں 7.2 فی صد اضافہ ہوا۔ اس ڈویژن کو اس مدت میں 53.73 ملین روپے کا منافع ہوا جبکہ گذشتہ سال منافع کی مقدار 7.99 ملین روپے تھی۔

ایمیونوپلاسٹ مولڈنگ کمپاؤنڈ ڈویژن

اس مدت میں ایمیونوپلاسٹ مولڈنگ کمپاؤنڈ ڈویژن کی کل بکری (ٹرن اور) 583.69 ملین روپے رہی جبکہ گذشتہ سال اس عرصہ میں اس کی مقدار 640.95 ملین روپے رہی تھی۔ ایسے اس میں 8.93 فی صد کمی واقع ہوئی۔ اس عرصہ میں مولڈنگ کمپاؤنڈ ڈویژن کا منافع 125.13 ملین روپے سے کم ہو کر 115.45 ملین روپے رہ گیا۔ اس کی وجہ مارکیٹ میں شدید مقابلہ کی فضا ہے جس سے منافع میں کمی واقع ہوئی۔

مستقبل پر ایک نظر

کمپنی اپنے مالی کے خریداروں کی تعداد میں اضافہ کے لئے جدوجہد کر رہی ہے تاکہ طویل مدتی پائیداری استعداد کو یقینی بنایا جاسکے۔ کمپنی کے مستقبل کے امکانات مثبت ہیں اور وہ اپنی بہترین کوششوں کو اس ضمن میں جاری رکھے گی تاکہ یقین دہانی سال 2016-17 اور مستقبل میں کمپنی اور اسکے کرم فرماؤں کیلئے مسلسل ترقی پھلجائی کارکردگی اور بہترین نتائج کا حصول یقینی بنایا جاسکے۔

تصفیہ کی یادداشت


سی بی اے یونین کے چارٹ آف ڈیمانڈ پر باہمی مذاکرات کامیابی سے سمجھل پائے اور تصفیہ کی یادداشت پر فریقین نے دو سال کیلئے 16 جنوری 2017 کو دستخط کیے۔

ویبڈفی اور پرمٹ فی کیس

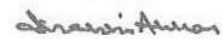
کیس معزز سپریم کورٹ آف پاکستان میں زیر سماعت ہے۔ کیس کی قانونی مضبوطی اور سندھ ہائی کورٹ کے پہلے دو موافق فیصلوں کی بدولت منجسٹ توقع رکھتی ہے کہ سپریم کورٹ، سندھ ہائی کورٹ کے پہلے کے فیصلوں کی توثیق کرے گی جس سے کمپنی کی ایک کارگر ادارہ ہونے کی صلاحیت متاثر نہیں ہوگی۔

اعتراف

آخر میں ہم ڈائریکٹرز اللہ تعالیٰ کی اس مشکل وقت میں تمام مہربانیوں پر تشکر ہیں اور اپنے حصص یافتگان، کسٹمرز، مالیاتی اداروں اور دیگر اسٹیک ہولڈرز کی مسلسل معاونت اور کمپنی کی منجسٹ پران کے اعتماد کے لئے ہدیہ تبریک پیش کرتے ہیں۔ ہم اپنی منجسٹ ٹیم کی مساعی کے لیے بھی تہدل سے معترف ہیں کہ یہ مستقل بہتر نتائج کے لیے ہمیشہ مستعد رہتے ہیں۔


ڈاکٹر ڈونلڈ جینکن
چیئرمین

بورڈ آف ڈائریکٹرز کی جانب سے



شبیر عباس
چیف ایگزیکٹو

کراچی: 28 جنوری 2017



EY Ford Rhodes
Chartered Accountants
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P.O. Box 15541, Karachi 75530
Pakistan

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ey.khi@pk.ey.com
ey.com/pk

AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim balance sheet of Dynea Pakistan Limited (the Company) as at 31 December 2016, the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, and condensed interim statement of changes in equity, and notes to the accounts for the six-months period then ended (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Emphasis of Matter

We draw attention to note 6.1.1 to the condensed interim financial statements which describes the uncertainty related to the outcome of a contingency for which no provision is considered necessary in the condensed interim financial statements for the reasons disclosed in the said note.

Our conclusion is not qualified in respect of the above matter.

EY Ford Rhodes

Chartered Accountants
Audit Engagement Partner: Riaz A. Rehman Chamdia
Date: 28 January 2017
Place: Karachi

DYNEA PAKISTAN LIMITED

CONDENSED INTERIM BALANCE SHEET

AS AT DECEMBER 31, 2016

<u>ASSETS</u>	Note	December 31, 2016 (Rupees in '000') (Un-audited)	June 30, 2016 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	4	213,670	238,956
Intangible assets		2,269	3,163
Long-term loans		101	73
Long-term deposits		6,725	6,355
Deferred tax asset		8,993	3,515
		231,758	252,062
CURRENT ASSETS			
Stores and spares		16,187	14,650
Stock-in-trade		333,619	323,917
Trade debts		354,695	381,871
Loans and advances		14,820	3,991
Deposits and prepayments		4,372	4,764
Taxation - net		45,273	47,510
Cash and bank balances		290,468	161,240
		1,059,434	937,943
TOTAL ASSETS		1,291,192	1,190,005
<u>EQUITY AND LIABILITIES</u>			
SHARE CAPITAL AND RESERVES			
Authorised capital			
40,000,000 (June 30, 2016: 40,000,000) ordinary shares of Rs.5/- each		200,000	200,000
Issued, subscribed and paid-up capital		94,362	94,362
Reserves		861,603	830,942
		955,965	925,304
NON-CURRENT LIABILITIES			
Long-term financing	5	-	-
CURRENT LIABILITIES			
Trade and other payables		303,335	198,979
Accrued mark-up		13	279
Short-term running finance		264	647
Sales tax payable		15,990	17,921
Current portion of long-term financing	5	15,625	46,875
		335,227	264,701
CONTINGENCIES AND COMMITMENTS			
	6		
TOTAL EQUITY AND LIABILITIES		1,291,192	1,190,005

The annexed notes from 1 to 10 form an integral part of these condensed interim financial statements.



Chief Executive



Chairman

Karachi: January 28, 2017

DYNEA PAKISTAN LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE HALF YEAR ENDED DECEMBER 31, 2016
(UN-AUDITED)

	Half year ended		Quarter ended	
	December 31, 2016 (Rupees in '000')	December 31, 2015 (Rupees in '000')	December 31, 2016 (Rupees in '000')	December 31, 2015 (Rupees in '000')
Turnover – net	1,112,458	1,134,210	630,044	625,796
Cost of sales	(905,817)	(953,197)	(502,273)	(522,903)
Gross profit	206,641	181,013	127,771	102,893
Distribution costs	(49,338)	(60,586)	(20,777)	(17,506)
Administrative expenses	(33,836)	(32,366)	(16,805)	(15,662)
	(83,224)	(92,952)	(37,582)	(33,168)
Other income	2,328	1,941	1,593	1,620
Operating profit	125,745	90,002	91,782	71,345
Finance costs	(2,114)	(7,893)	(1,033)	(3,170)
Other charges	(9,210)	(8,319)	(6,581)	(5,333)
	(11,324)	(16,212)	(7,614)	(8,503)
Profit before taxation	114,421	73,790	84,168	62,842
Taxation				
- current	(41,074)	(35,899)	(26,202)	(21,156)
- prior	(983)	(628)	12	699
- deferred	5,478	12,639	108	1,484
	(36,579)	(23,888)	(26,082)	(18,973)
Profit after taxation	77,842	49,902	58,086	43,869
Basic and diluted earnings per share (Rupees)	4.12	2.64	3.08	2.32

The annexed notes from 1 to 10 form an integral part of these condensed interim financial statements.



Chief Executive



Chairman

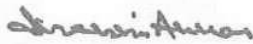
Karachi: January 28, 2017

DYNEA PAKISTAN LIMITED

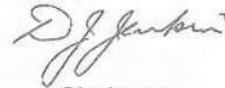
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED DECEMBER 31, 2016 (UN-AUDITED)

	Half year ended		Quarter ended	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
	----- (Rupees in '000') -----		----- (Rupees in '000') -----	
Net profit for the period	77,842	49,902	58,086	43,869
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>77,842</u>	<u>49,902</u>	<u>58,086</u>	<u>43,869</u>

The annexed notes from 1 to 10 form an integral part of these condensed interim financial statements.



Chief Executive



Chairman

Karachi: January 28, 2017

DYNEA PAKISTAN LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE HALF YEAR ENDED DECEMBER 31, 2016
(UN-AUDITED)

	December 31, 2016	December 31, 2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	114,421	73,790
Adjustments for:		
Depreciation and amortization	32,363	39,249
Provision for doubtful debts	258	15,049
Finance costs	2,114	7,893
Gain on disposal of operating fixed assets	(177)	(407)
	34,558	61,784
	148,979	135,574
(Increase) / decrease in current assets		
Stores and spares	(1,537)	(1,862)
Stock-in-trade	(9,702)	(34,184)
Trade debts	26,918	(48,215)
Loans and advances	(10,829)	(933)
Deposits and prepayments	392	(2,574)
Other receivables	-	179
	5,242	(87,589)
Increase in current liabilities		
Trade and other payables	102,425	30,944
	256,646	78,929
Finance costs paid	(2,379)	(7,685)
Income tax (paid) / refund	(39,821)	60,653
Long-term loans and deposits	(398)	(80)
Net cash generated from operating activities	214,048	131,817
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(6,197)	(2,377)
Proceeds from disposal of operating fixed assets	191	1,068
Net cash used in investing activities	(6,006)	(1,309)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long term financing	(31,250)	(125,000)
Dividends paid	(47,181)	(47,198)
Net cash used in financing activities	(78,431)	(172,198)
Net increase / (decrease) in cash and cash equivalents	129,611	(41,690)
Cash and cash equivalents at the beginning of the period	160,593	66,932
Cash and cash equivalents at the end of the period	290,204	25,242
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances	290,468	105,311
Short term running finance	(264)	(80,069)
	290,204	25,242

The annexed notes from 1 to 10 form an integral part of these condensed interim financial statements.



Chief Executive



Chairman

Karachi: January 28, 2017

DYNEA PAKISTAN LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED DECEMBER 31, 2016
(UN-AUDITED)

	Issued subscribed and paid- up capital	Revenue reserves			Total equity
		General reserve	Unappropriated profit	Total	
----- (Rupees in '000') -----					
Balance as at June 30, 2015	94,362	501,000	241,776	742,776	837,138
Final dividend for the year ended June 30, 2015 @ Rs. 2.50 per share	-	-	(47,181)	(47,181)	(47,181)
Net profit for the period	-	-	49,902	49,902	49,902
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	49,902	49,902	49,902
Transferred to general reserve	-	190,000	(190,000)	-	-
Balance as at December 31, 2015	94,362	691,000	54,497	745,497	839,859
Balance as at June 30, 2016	94,362	691,000	139,942	830,942	925,304
Final dividend for the year ended June 30, 2016 @ Rs. 2.50 per share	-	-	(47,181)	(47,181)	(47,181)
Net profit for the period	-	-	77,842	77,842	77,842
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	77,842	77,842	77,842
Balance as at December 31, 2016	94,362	691,000	170,603	861,603	955,965

The annexed notes from 1 to 10 form an integral part of these condensed interim financial statements.



Chief Executive



Chairman

Karachi: January 28, 2017

DYNEA PAKISTAN LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2016 (UN-AUDITED)

1. THE COMPANY AND ITS OPERATIONS

Dynea Pakistan Limited (the Company) was incorporated in Pakistan on June 20, 1982 as a public limited company under the Companies Act, 1913 (now the Companies Ordinance, 1984), and is listed on the Pakistan Stock Exchange. It is engaged in the manufacture and sale of formaldehyde, urea/melamine formaldehyde and aminoplast 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 requirements of the International Accounting Standard (IAS) - 34 "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where the requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 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, 2016.
- 2.3. These condensed interim financial statements are un-audited but subject to limited scope review by the auditors except for the figures of the condensed interim profit and loss account and condensed interim statements of comprehensive income for the quarters ended December 31, 2016 and December 31, 2015.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended June 30, 2016 except as follows:

New, Amended and Revised Standards and Interpretations of IFRSs

The Company has adopted the following amendments and interpretation of IFRSs which became effective during the period:

- IFRS 10 - Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements: Investment Entities: Applying the Consolidation Exception (Amendment)
- IFRS 11 - Joint Arrangements: Accounting for Acquisition of Interest in Joint Operation (Amendment)
- IAS 1 - Presentation of Financial Statements: Disclosure Initiative (Amendment)
- IAS 16 - Property, Plant and Equipment and IAS 38 Intangible Assets: Clarification of Acceptable Method of Depreciation and Amortization (Amendment)

- IAS 16 - Property, Plant and Equipment and IAS 41 Agriculture: 'Agriculture - Bearer Plants (Amendment)
- IAS 27- Separate Financial Statements: Equity Method in Separate 'Financial Statements (Amendment)

The adoption of the above amended standard / improvement and interpretation did not have any material effect on the condensed interim financial statements.

4. PROPERTY, PLANT AND EQUIPMENT

The following additions and deletions were made in property plant and equipment during the period:

	Additions (Cost) (Rupees in '000') (Un-audited)	Deletions (Book value)
Operating fixed assets		
Building on leasehold land	3,165	-
Plant and machinery	78	-
Furniture and fixtures	1,803	-
Office equipment	502	-
Computer and accessories	362	-
Motor vehicles	27	14
	<u>5,937</u>	<u>14</u>
Capital work-in-progress		
Building on leasehold land	<u>260</u>	<u>-</u>
	December 31, 2016 (Rupees in '000') (Un-audited)	June 30, 2016 (Rupees in '000') (Audited)
5. LONG-TERM FINANCING – secured		
Long-term loan	15,625	46,875
Current maturity	<u>(15,625)</u>	<u>(46,875)</u>
	<u>-</u>	<u>-</u>

- 5.1. Represents utilised portion of loan facility of Rs. 15.625 million (June 30, 2016: Rs. 46.875 million) obtained from a commercial bank. The facility carries a mark-up at the rate of three months' KIBOR plus 0.95% per annum (June 30, 2016: three months' KIBOR plus 0.95% per annum). The loan is repayable in sixteen equal quarterly installments commencing from December 2014 and is secured against equitable mortgage and hypothecation of Company's operating fixed assets. During last year, the Company prepaid its liability amounting to Rs.93.75 million.

6. CONTINGENCIES AND COMMITMENTS

6.1. Contingencies

There were no major changes in the status of contingencies as reported in the annual financial statements of the Company for the year ended June 30, 2016, except for the following:

6.1.1. The Company is exposed to pay vend and permit fee amounting to Rs.1,301.23 million (June 30, 2016: Rs.1,262.90 million) on methanol consumed since July 1990. The Company, based on the lawyer's advice, is expecting a favourable outcome of the case pending in the Honourable Supreme Court of Pakistan. Accordingly, based on the management expectation, provision for any liability arising from unfavorable outcome has not been made in these condensed interim financial statements. Further, the management is making necessary efforts to resolve this matter and is confident that the Company will be able to continue as a going concern.

		December 31, 2016	June 30, 2016
		(Rupees in '000')	
	Note	(Un-audited)	(Audited)
6.1.2	Outstanding bank guarantees	<u>10,584</u>	<u>10,584</u>
6.2	Commitments		
	Outstanding letters of credit	<u>132,157</u>	<u>74,769</u>
	Post dated cheques issued in favour of collector of customs	<u>22,233</u>	<u>25,307</u>
	Commitments for rentals under Ijarah finance agreements		
	- Within one year	2,484	3,514
	- After one year but not more than five years	<u>1,735</u>	<u>2,704</u>
	6.2.1	<u>4,219</u>	<u>6,218</u>

6.2.1. Represent Ijarah finance facility entered into with First Habib Modaraba in respect of vehicles. Total Ijarah payments due under the agreement is Rs.4.22 million (June 30, 2016: Rs. 6.22 million) and are payable in monthly installments latest by January 2019. These liabilities are secured by a demand promissory note for the entire amount of the lease rentals.

7. SEGMENT INFORMATION

7.1 Operating segments

	Half Year Ended					
	December 31, 2016			December 31, 2015		
	Resin Division	Aminoplast Division	Total	Resin Division	Aminoplast Division	Total
Rupees in '000'			Rupees in '000'			
(Un-audited)			(Un-audited)			
Turnover – net	528,768	583,690	1,112,458	493,261	640,949	1,134,210
Segment results	53,726	115,448	169,174	7,992	125,125	133,117
Unallocated expenses:						
Distribution costs			(11,921)			(12,690)
Administrative expenses			(33,836)			(32,366)
Other income			2,328			1,941
Finance costs			(2,114)			(7,893)
Other charges			(9,210)			(8,319)
Taxation			(36,579)			(23,888)
Profit after taxation			77,842			49,902
Capital expenditure	3,217	463	3,680	1,673	318	1,991
Unallocated capital expenditure			2,517			386
Total Capital expenditure			6,197			2,377
Depreciation	14,649	16,343	30,992	18,988	18,988	37,976
Unallocated depreciation			1,371			1,273
Total depreciation			32,363			39,249

	Quarter Ended					
	December 31, 2016			December 31, 2015		
	Resin Division	Aminoplast Division	Total	Resin Division	Aminoplast Division	Total
Rupees in '000'			Rupees in '000'			
(Un-audited)			(Un-audited)			
Turnover – net	291,132	338,912	630,044	255,938	369,858	625,796
Segment results	35,862	77,201	113,063	11,902	80,188	92,090
Unallocated expenses:						
Distribution costs			(6,069)			(6,703)
Administrative expenses			(16,805)			(15,662)
Other income			1,593			1,620
Finance costs			(1,033)			(3,170)
Other charges			(6,581)			(5,333)
Taxation			(26,082)			(18,973)
Profit after taxation			58,086			43,869
Capital expenditure	1,195	416	1,611	1,673	318	1,991
Unallocated capital expenditure			103			278
Total Capital expenditure			1,714			2,269
Depreciation	7,243	7,500	14,743	9,486	9,501	18,987
Unallocated depreciation			728			622
Total depreciation			15,471			19,609

7.2 Segment assets and liabilities

	December 31, 2016			June 30, 2016		
	Resin Division	Aminoplast Division	Total	Resin Division	Aminoplast Division	Total
	Rupees in '000'			Rupees in '000'		
	(Un-audited)			(Audited)		
Segment assets	476,999	418,612	895,611	498,938	443,927	942,865
Unallocated assets			395,581			247,140
Total assets			<u>1,291,192</u>			<u>1,190,005</u>
Segment liabilities	195,868	7,813	203,681	69,068	4,740	73,808
Unallocated liabilities			131,546			190,893
Total liabilities			<u>335,227</u>			<u>264,701</u>

8. TRANSACTIONS WITH RELATED PARTIES

Related parties of the Company comprise companies with common directorship, retirement funds, directors and key management personnel. Detail of transactions with related parties during the period, are as follows:

	December 31, 2016	December 31, 2015
	(Un-audited)	
	(Rupees in '000')	
Remuneration of key management personnel	<u>7,377</u>	<u>6,511</u>
Provident fund contributions	<u>3,451</u>	<u>3,175</u>

9. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on January 28, 2017 by the Board of Directors of the Company.

10. GENERAL

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



Chief Executive



Chairman

Karachi: January 28, 2017

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