

dynea

DYNEA PAKISTAN LIMITED

Condensed Interim Financial Statements
For the Nine Months Ended March 31, 2018
(UN-AUDITED)

DYNEA PAKISTAN LIMITED

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DYNEA PAKISTAN LIMITED

COMPANY INFORMATION

Board of Directors :

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

Audit Committee :

Mr. Aqeel Loon	Chairman
Dr. Donald Jenkin	Member
Mr. Tayyeb Afzal	Member

Human Resource and Remuneration Committee :

Mr. Aqeel Loon	Chairman
Dr. Donald Jenkin	Member
Mr. Sajid Hassan	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. MCB 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 :

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

FOR THE NINE MONTHS ENDED MARCH 31, 2018.

The Directors of your company are pleased to present the unaudited accounts for the third quarter and nine months ended March 31, 2018.

During the nine months ended March 31, 2018, the company earned a profit before tax of Rs.353.72 million and an after tax profit of Rs.275.44 million compared to a profit before tax of Rs.229.08 million and an after tax profit of Rs.156.94 million during the corresponding period last year. The basic and diluted earnings per share increased from Rs.8.32 to Rs.14.59.

Resin Division

The Resin Division generated sales revenue of Rs.1,600.92 million compared to Rs.920.63 million from the same period last year, showing an increase of 73.89%. The Resin Division result was Rs.264.37 million compared to Rs.110.64 million for the corresponding period of the previous financial year.

Moulding Compound Division

The Moulding Compound Division generated sales revenue of Rs.1,315.73 million compared to Rs.969.56 million achieved during the same period last year, showing an increase of 35.70%. The Moulding Compound Division result was Rs.219.72 million compared to Rs.204.22 million for the corresponding period of the previous financial year.

Future Outlook

Growth in both resin and moulding compound demand in the market is being met with expansion in capacity of production both by ourselves and several other producers. However, we are confident that with our commitment to meeting the quality and quantity requirements of our customers on time the company will continue to grow.

The sharp depreciation of rupee and uncertainty of further depreciation, is a major concern which may affect the profitability of the company due to inability of the company to pass on the entire increase in cost of production to the customers because of intense competition in the market. However, the company will continue to focus on optimizing and achieving operational excellence.

Vend and Permit Fee Case

The Sindh High Court has already twice given decisions in favour of the company. Presently the case is pending with the Honorable Supreme Court of Pakistan. In view of the legal merits of the case and the two previous favorable decisions of the Sindh High Court, the company expects the Supreme Court to confirm the previous decisions.

Acknowledgement

In conclusion, the Directors of the company would like to thank the Almighty Allah for all His Blessings and to convey their appreciation to its 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 team members who have worked exceptionally hard to successfully complete the Gadoon expansion project as well as achieve the outstanding result.



SHABBIR ABBAS
Chief Executive

On behalf of the Board



DR. DONALD JENKIN
Chairman

Karachi: April 25, 2018

ڈائری پاکستان لمیٹڈ

ڈائریکٹر کا جائزہ

31 مارچ 2018 کو ختم ہونے والی نو ماہی کے لئے

آپ کی کمپنی کے ڈائریکٹرز بحسرت یہ رپورٹ مع غیر آڈٹ شدہ مالی نتائج بابت تیسری سہ ماہی و نو ماہی 31 مارچ 2018 پیش کرتے ہیں۔ اس نو ماہ میں قبل ازنگس منافع 353.72 ملین روپے اور بعد ازنگس منافع 275.44 ملین روپے رہا۔ جب کہ گذشتہ سال اسی مدت میں قبل ازنگس منافع 229.08 ملین روپے اور بعد ازنگس منافع 156.94 ملین روپے با ترتیب رہا تھا۔ فی حصہ (شینئر) آمدنی 8.32 روپے سے بڑھ کر 14.59 روپے ہو گئی۔

ریزن قسمت

ریزن قسمت کی کل بکری (ٹرن اوور) 1600.92 ملین روپے رہی جب کہ گذشتہ سال اسی عرصہ میں اس کی مقدار 920.63 ملین روپے رہی تھی جو کہ پچھلے سال کے مقابلے میں 73.89% زیادہ ہے۔ ریزن قسمت کا شعبہ جاتی نتیجہ 264.37 ملین روپے رہا جبکہ گذشتہ مالی سال کے دوران 110.64 ملین روپے حاصل ہوا۔

مولڈنگ کپاؤنڈر قسمت

مولڈنگ کپاؤنڈر قسمت کی کل بکری (ٹرن اوور) 1315.73 ملین روپے رہی جب کہ گذشتہ سال اسی عرصہ میں اس کی مقدار 969.56 ملین روپے رہی تھی جو کہ پچھلے سال کے مقابلے میں 35.70% زیادہ ہے۔ مولڈنگ کپاؤنڈر قسمت کا شعبہ جاتی نتیجہ 219.72 ملین روپے رہا جبکہ گذشتہ مالی سال کے دوران 204.22 ملین روپے تھا۔

مستقبل پر ایک نظر

ریزن اور مولڈنگ مرکب کی طلب میں اضافہ ہماری طرح کئی دوسرے بنانے والوں کی پیداواری استعداد میں اضافہ سے مطابقت رکھتی ہے۔ تاہم کمپنی کی انتظامیہ کو اعتماد ہے کہ گاہکوں کے معیار اور مقدار کی ضرورت پر پورا اترنے کے عزم کی بدولت کمپنی مزید ترقی کرے گی۔ روپے کی قدر میں تیزی سے گراؤ اور اس کی قدر میں مزید کمی سے متعلق بے یقینی ایک اہم مسئلہ ہے جو کمپنی کے منافع پر اثر انداز ہو سکتا ہے کیونکہ شدید مسابقت کی وجہ سے کمپنی پیداواری لاگت میں اس اضافہ کو مکمل طور پر گاہکوں کو منتقل نہیں کر سکتی۔ البتہ کمپنی اپنی توجہ اپنی اصلاح اور اعلیٰ مہارت کے حصول پر مرکوز رکھے گی۔

ویڈیٹی اور پرمٹ فی کیس

سندھ ہائی کورٹ اس مقدمہ میں پہلے ہی دو موافق فیصلوں کا اعلان کمپنی کے حق میں کر چکا ہے۔ سندھ حکومت کی اپیل کی وجہ سے مقدمہ معزز سپریم کورٹ آف پاکستان میں زیر سماعت ہے۔ کیس کی قانونی مضبوطی اور سندھ ہائی کورٹ کے پہلے دو موافق فیصلوں کی بدولت منجمنٹ پر اعتماد ہے کہ سپریم کورٹ، سندھ ہائی کورٹ کے پہلے کے فیصلوں کی توثیق کرے گا۔

اعتراف

آخر میں ہم ڈائریکٹرز اللہ تعالیٰ کی اس مشکل وقت میں تمام مہربانیوں پر متشکر ہیں اور اپنے حصص یافتگان، کسٹمرز، مالیاتی اداروں اور دیگر اسٹیک ہولڈرز کی مسلسل معاونت اور کمپنی کی منجمنٹ پر ان کے اعتماد کے لئے ہدیہ تبریک پیش کرتے ہیں۔ ہم اپنی ٹیم ممبران کی کوششوں کے معترف ہیں جنہوں نے غیر معمولی محنت سے گدوں کے توسیعی منصوبے کو تکمیل تک پہنچایا اور غیر معمولی نتائج کے حصول کو یقینی بنایا۔



ڈاکٹر ڈونلڈ جیکسن
چیرمین

بورڈ آف ڈائریکٹرز کی جانب سے



شیر عباس
چیف ایگزیکٹو

کراچی 25 اپریل 2018

DYNEA PAKISTAN LIMITED
CONDENSED INTERIM BALANCE SHEET
AS AT MARCH 31, 2018

	Note	March 31, 2018 (Un-audited)	June 30, 2017 (Audited)
ASSETS		(Rupees in '000)	
NON-CURRENT ASSETS			
Property, plant and equipment	4	555,974	251,970
Intangible assets		385	1,375
Long-term loans		168	136
Long-term deposits		6,725	6,725
Deferred taxation - net		-	16,100
		<u>563,252</u>	<u>276,306</u>
CURRENT ASSETS			
Stores and spares		22,664	17,403
Stock-in-trade	5	617,560	355,071
Trade debts	6	779,281	446,487
Loans and advances		87,015	3,641
Deposits and prepayments		5,133	7,921
Other receivables		19	1,054
Taxation - net		125,064	42,612
Cash and bank balances		113,652	141,832
		<u>1,750,388</u>	<u>1,016,021</u>
TOTAL ASSETS		<u>2,313,640</u>	<u>1,292,327</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital			
40,000,000 (June 30, 2017: 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
Reserves		<u>1,160,685</u>	<u>960,738</u>
		<u>1,255,047</u>	<u>1,055,100</u>
NON-CURRENT LIABILITIES			
Long-term financing	7	350,000	-
Deferred taxation - net		6,194	-
		<u>356,194</u>	<u>-</u>
CURRENT LIABILITIES			
Trade and other payables		432,954	237,193
Accrued mark-up		5,953	34
Short-term running finance	8	213,492	-
Current portion of long term financing	7	50,000	-
		<u>702,399</u>	<u>237,227</u>
CONTINGENCIES AND COMMITMENTS	9		
TOTAL EQUITY AND LIABILITIES		<u>2,313,640</u>	<u>1,292,327</u>

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements .



DR. DONALD JENKIN
Chairman



SHABBIR ABBAS
Chief Executive



SHAKEEL UDDIN
Chief Financial Officer

Karachi: April 25, 2018

DYNEA PAKISTAN LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE NINE MONTHS ENDED MARCH 31, 2018
(UN-AUDITED)

	Nine months ended		Quarter ended	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
	--(Rupees in '000)--		--(Rupees in '000)--	
Turnover - net	2,916,650	1,890,192	1,244,797	777,733
Cost of sales	<u>(2,349,590)</u>	<u>(1,516,583)</u>	<u>(1,031,017)</u>	<u>(610,766)</u>
Gross Profit	567,060	373,609	213,780	166,967
Distribution costs	10 (102,649)	(76,543)	(53,295)	(31,226)
Administrative expenses	(65,027)	(51,654)	(24,248)	(17,818)
	<u>(167,676)</u>	<u>(128,197)</u>	<u>(77,543)</u>	<u>(49,044)</u>
Other income	2,323	4,472	885	6,215
Operating Profit	401,707	249,884	137,122	124,138
Finance costs	(16,180)	(2,637)	(10,521)	(523)
Other charges	(31,811)	(18,166)	(10,491)	(8,956)
	<u>(47,991)</u>	<u>(20,803)</u>	<u>(21,012)</u>	<u>(9,479)</u>
Profit before taxation	353,716	229,081	116,110	114,659
Taxation				
- current	(55,390)	(77,512)	(33,880)	(36,438)
- prior	(596)	(983)	(596)	-
- deferred	(22,294)	6,358	(966)	880
	<u>(78,280)</u>	<u>(72,137)</u>	<u>(35,442)</u>	<u>(35,558)</u>
Profit after taxation	275,436	156,944	80,668	79,101
-----Rupees-----				
Basic and diluted earnings per share	<u>14.59</u>	<u>8.32</u>	<u>4.27</u>	<u>4.19</u>

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements .


DR. DONALD JENKIN
Chairman


SHABBIR ABBAS
Chief Executive


SHAKEEL UDDIN
Chief Financial Officer

Karachi: April 25, 2018

DYNEA PAKISTAN LIMITED

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE NINE MONTHS ENDED MARCH 31, 2018 (UN-AUDITED)

	Nine months ended		Quarter ended	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
	--(Rupees in '000)--		--(Rupees in '000)--	
Profit after taxation for the period	275,436	156,944	80,668	79,101
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	275,436	156,944	80,668	79,101

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements .



DR. DONALD JENKIN
Chairman



SHABBIR ABBAS
Chief Executive



SHAKEEL UDDIN
Chief Financial Officer

Karachi: April 25, 2018

DYNEA PAKISTAN LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE NINE MONTHS ENDED MARCH 31, 2018
(UN-AUDITED)

	March 31, 2018	March 31, 2017
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	353,716	229,081
Adjustments for :		
Depreciation and Amortisation	63,665	47,153
Reversal of provision for doubtful debts - net	6.1 (13,706)	(4,070)
Finance costs	16,180	2,637
Gain on disposal of operating fixed assets	4.1.1 (910)	(177)
	<u>65,229</u>	<u>45,543</u>
	418,945	274,624
(Increase) / decrease in current assets		
Stores and spares	(5,261)	(5,674)
Stock-in-trade	(262,489)	(53,978)
Trade debts	(319,088)	(75,798)
Loans and advances	(83,374)	(13,545)
Deposits and prepayments	2,788	(2,063)
Other receivables	1,035	-
	<u>(666,389)</u>	<u>(151,058)</u>
Increase in current liabilities	195,762	129,492
Trade and others payables	(51,682)	253,058
	<u>(10,261)</u>	<u>(2,909)</u>
Finance costs paid	(138,438)	(67,557)
Income tax paid	(32)	(462)
Long-term loans - net	<u>(200,413)</u>	<u>182,130</u>
Net cash (used in)/ generated from operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(366,680)	(10,348)
Proceeds from disposal of operating fixed assets	910	191
Net cash used in investing activities	(365,770)	(10,157)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term-loan obtained / (repaid)	400,000	(46,875)
Dividends paid	(75,489)	(47,181)
Net cash generated from/ (used in) financing activities	324,511	(94,056)
Net (decrease)/ increase in cash and cash equivalents	(241,672)	77,917
Cash and cash equivalents at the beginning of the period	141,832	160,593
Cash and cash equivalents at the end of the period	(99,840)	238,510

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements .



DR. DONALD JENKIN
Chairman



SHABBIR ABBAS
Chief Executive



SHAKEEL UDDIN
Chief Financial Officer

Karachi: April 25, 2018

DYNEA PAKISTAN LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED MARCH 31, 2018
(UN-AUDITED)

	Issued subscribed and paid- up capital	Reserves			Total equity
		General reserve	Unappropriated profit	Total	
----- (Rupees in '000') -----					
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)
Profit after taxation for the period	-	-	156,944	156,944	156,944
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	156,944	156,944	156,944
Balance as at March 31, 2017	<u>94,362</u>	<u>691,000</u>	<u>249,705</u>	<u>940,705</u>	<u>1,035,067</u>
Balance as at June 30, 2017	94,362	691,000	269,738	960,738	1,055,100
Final dividend for the year ended June 30, 2017 @ Rs.4.00 per share	-	-	(75,489)	(75,489)	(75,489)
Profit after taxation for the period	-	-	275,436	275,436	275,436
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	275,436	275,436	275,436
Balance as at March 31, 2018	<u>94,362</u>	<u>691,000</u>	<u>469,685</u>	<u>1,160,685</u>	<u>1,255,047</u>

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements .



DR. DONALD JENKIN
Chairman



SHABBIR ABBAS
Chief Executive



SHAKEEL UDDIN
Chief Financial Officer

Karachi: April 25, 2018

DYNEA PAKISTAN LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED MARCH 31, 2018 (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 and is listed on Pakistan Stock Exchange Limited. It is engaged in the manufacture and sale of formaldehyde, urea/melamine formaldehyde and moulding compound. The registered office of the Company is situated at Office No. 406, Parsa Tower, Plot No. 31/1/A, Block-6, P.E.C.H.S, Shahrah-e-Faisal, Karachi, Pakistan.

2. 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, 2017.

3. 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, 2017. The Company has adopted certain amended International Financial Reporting Standards (IFRS) which became effective during the period and reported in note 2.3 to the audited financial statements for the year ended June 30, 2017. The adoption of such amended IFRS did not have any material effect on these condensed interim financial statements.

4. PROPERTY, PLANT AND EQUIPMENT	Note	March 31,	June 30,
		2018 (Un-audited)	2017 (Audited)
		(Rupees in '000)	
Operating fixed assets	4.1	535,979	186,079
Capital work-in-progress	4.2	19,995	65,891
		<u>555,974</u>	<u>251,970</u>

4.1 Includes following additions and deletions during the period:

	Note	March 31, 2018 ----- (Rupees in '000) ----- (Un-audited)	March 31, 2017
Additions - at cost			
Building on leasehold land		88,710	4,404
Plant and machinery		284,130	78
Electrical installations		38,292	-
Furniture and fixtures		-	1,803
Office equipments		572	502
Computer and accessories		696	474
Motor vehicles		175	27
		<u>412,575</u>	<u>7,288</u>
Deletions at - net book value (NBV)			
Plant and machinery	4.1.1	-	-
Motor vehicles		-	14
		<u>-</u>	<u>14</u>

4.1.1 Represents Rs. 26 NBV of plant and machinery having cost of Rs 1.44 million sold during the period for Rs. 0.91 million.

	Note	March 31, 2018 (Un-audited) (Rupees in '000)	June 30, 2017 (Audited)
4.2 Movement in capital work-in-progress:			
Balance at the beginning of the period/ year		65,891	558
Additions during the period/ year		364,847	69,737
Transfers to operating fixed assets		(410,743)	(4,404)
		<u>19,995</u>	<u>65,891</u>
5. STOCK-IN-TRADE			
Raw material			
In hand		361,724	212,101
In bonded warehouse		1,822	29,346
In transit		194,473	64,193
		<u>558,019</u>	<u>305,640</u>
Packing material			
Finished good		6,194	5,015
		<u>53,347</u>	<u>44,416</u>
		<u>617,560</u>	<u>355,071</u>
6. TRADE DEBTS - unsecured			
Considered good			
Considered doubtful		779,281	446,487
		49,193	62,899
		<u>828,474</u>	<u>509,386</u>
Provision for doubtful debts	6.1	(49,193)	(62,899)
		<u>779,281</u>	<u>446,487</u>
6.1 Movement in provision for doubtful debts:			
Balance at the beginning of the period/ year		62,899	52,672
(Reversal)/ charge for the period/ year - net		(13,706)	10,227
		<u>49,193</u>	<u>62,899</u>

	March 31, 2018 (Un-audited)	June 30, 2017 (Audited)
7. LONG-TERM FINANCING - secured	(Rupees in '000)	
Long-term loan	400,000	-
Current maturity of long - term financing	(50,000)	-
	350,000	-

7.1 Represents utilised portion of long-term loan facility obtained from a commercial bank amounting to Rs. 500 million (June 30, 2017: Nil). The facility carries a mark-up at the rate of three months' KIBOR plus 0.35% per annum. The loan is repayable in sixteen equal quarterly installments commencing from November 2018 and is secured against equitable mortgage and hypothecation of Company's fixed assets.

8. SHORT-TERM RUNNING FINANCE – secured

Represent utilized portion of running finance facilities obtained from various commercial banks amounting to Rs. 500 million (June 30, 2017: Rs. 500 million). These are secured by hypothecation of stores and spares, stock in trade and trade debts of the Company. The rate of mark-up on these finances ranges from one months' KIBOR+0.75% to six months' KIBOR+0.5% (June 30, 2017: one months' KIBOR+0.5% to three months' KIBOR+1%) per annum.

9. CONTINGENCIES AND COMMITMENTS

9.1 Contingencies

9.1.1 The Company is exposed to pay vend and permit fee amounting to Rs.1,546.23 million (June 30, 2017: Rs.1,339.94 million) on methanol consumed since July 1990. Based on the legal advice, the Company is expecting favourable decision from the Honourable Supreme Court of Pakistan and accordingly no provision for any liability has been made

	March 31, 2018 (Un-audited)	June 30, 2017 (Audited)
	(Rupees in '000)	
Note		
9.1.2. Outstanding bank guarantees	13,084	11,084
9.2 Commitments		
Outstanding letters of credit	314,503	338,702
Post dated cheques issued in favour of Collector of Customs	124,991	73,729
Commitment for capital expenditure	7,157	32,888
Commitments for rental under Ijarah finance agreements		
- Within one year	2,665	3,352
- After one year but not more than five years	1,573	3,401
9.2.1	4,238	6,753

9.2.1. Represent Ijarah finance facility entered into with First Habib Modaraba in respect of vehicles. Total Ijarah payments due under the agreement is Rs.4.24 million (June 30, 2017: Rs.6.75 million) and are payable in monthly installments latest by April 2020. These liabilities are secured by on demand promissory note for the entire amount of the lease rentals.

10. DISTRIBUTION COSTS

Distribution costs have been netted off by an amount of Rs. 13.71 million being net reversal of provision for doubtful debts during the period.

	March 31, 2018	June 30, 2017
	(Un-audited)	(Audited)
	(Rupees in '000)	
11. CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances	113,652	238,510
Short-term running finance	(213,492)	-
	<u>(99,840)</u>	<u>238,510</u>

12. SEGMENT INFORMATION
12.1 Operating segments

	Nine months ended					
	March 31, 2018			March 31, 2017		
	Resin Division	Moulding Compound Division	Total	Resin Division	Moulding Compound Division	Total
	(Rupees in '000)			(Rupees in '000)		
	(Un-audited)			(Un-audited)		
Turnover - net	1,600,921	1,315,729	2,916,650	920,631	969,561	1,890,192
Segment results	264,371	219,723	484,094	110,636	204,219	314,855
Unallocated expenses:						
Distribution costs			(19,683)			(17,789)
Administrative expenses			(65,027)			(51,654)
Other income			2,323			4,472
Finance costs			(16,180)			(2,637)
Other charges			(31,811)			(18,166)
Taxation			(78,280)			(72,137)
Profit after taxation			<u>275,436</u>			<u>156,944</u>
Capital expenditure	188,892	177,383	366,275	4,748	3,083	7,831
Unallocated capital expenditure			405			2,517
Total capital expenditure			<u>366,680</u>			<u>10,348</u>
Depreciation	29,724	32,091	61,815	21,812	23,247	45,059
Unallocated depreciation			1,850			2,094
Total depreciation			<u>63,665</u>			<u>47,153</u>

	Quarter Ended					
	March 31, 2018			March 31, 2017		
	Resin Division	Moulding Compound Division	Total	Resin Division	Moulding Compound Division	Total
	(Rupees in '000)			(Rupees in '000)		
	(Un-audited)			(Un-audited)		
Turnover - net	695,012	549,785	1,244,797	391,862	385,871	777,733
Segment results	96,180	71,153	167,333	56,909	88,771	145,680
Unallocated expenses:						
Distribution costs			(6,848)			(5,868)
Administrative expenses			(24,248)			(17,818)
Other income			885			2,144
Finance costs			(10,521)			(623)
Other charges			(10,491)			(8,956)
Taxation			(35,442)			(35,558)
Profit after taxation			<u>80,668</u>			<u>79,101</u>
Capital expenditure	16,700	-	16,700	1,531	2,620	4,151
Unallocated capital expenditure			-			-
Total capital expenditure			<u>16,700</u>			<u>4,151</u>
Depreciation	12,788	15,136	27,924	7,163	6,904	14,067
Unallocated depreciation			362			723
Total depreciation			<u>28,286</u>			<u>14,790</u>

12.2 Segment Assets and Liabilities

	March 31, 2018			June 30, 2017		
	Resin Division	Moulding Compound Division	Total	Resin Division	Moulding Compound Division	Total
	----- (Rupees in '000') ----- (Un-audited)			----- (Rupees in '000') ----- (Audited)		
Segment assets	995,973	954,063	1,950,036	538,631	445,828	984,459
Unallocated assets			<u>363,604</u>			<u>307,868</u>
Total assets			<u>2,313,640</u>			<u>1,292,327</u>
Segment liabilities	327,418	363,896	691,314	77,498	21,882	99,380
Unallocated liabilities			<u>367,279</u>			<u>137,847</u>
Total liabilities			<u>1,058,593</u>			<u>237,227</u>

13. 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:

	March 31, 2018 (Un-audited) (Rupees in '000')	March 31, 2017
Remuneration of key management personnel	<u>11,130</u>	<u>10,934</u>
Provident fund contributions	<u>5,921</u>	<u>5,247</u>

14. CORRESPONDING FIGURES

Corresponding figure has been rearranged and reclassified for the purpose of better presentation and comparison.

15. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorised for issue on April 25, 2018 by the Board of Directors of the Company.

16. GENERAL

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


DR. DONALD JENKIN
Chairman


SHABBIR ABBAS
Chief Executive


SHAKEEL UDDIN
Chief Financial Officer

Karachi: April 25, 2018

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