

dynea

DYNEA PAKISTAN LIMITED

Condensed Interim Financial Statements
for the Half Year ended December 31, 2024
(Un-Audited)

Company Information	02
Directors' Report	03
Auditors' Review Report	05
Condensed Interim Statement of Financial Position	06
Condensed Interim Statement of Profit or Loss	07
Condensed Interim Statement of Comprehensive Income	08
Condensed Interim Statement of Changes in Equity	09
Condensed Interim Statement of Cash Flows	10
Notes to the Condensed Interim Financial Statements	11

Board of Directors :

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

Audit Committee :

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

Human Resource and Remuneration Committee :

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

Chief Financial Officer :

Mr. Muhammad Shakeel Uddin

Company Secretary :

Mr. Mujtaba Hassan Ghanchi

Head of Internal Audit :

Ms. Nargis Iqbal

Bankers :

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

Auditors :

M/s. BDO Ebrahim & Co.
Chartered Accountants

Legal Advisors :

M/s. Zahid & Tariq Advocates

Share Registrar :

FAMCO Share Registration Services (Pvt) Ltd.
Share Registrars
8-F, Next to Hotel Faran, Nursery, Block-6,
P.E.C.H.S., Shahrah-e-Faisal, Karachi.
Ph: (92-21) 34380101-5,
(92-21) 34384621-3 (Ext.103)

Registered Office :

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

Factories :

- Hub Unit**
A101 - A105, A132 - A136,
Hub Industrial Trading Estate,
Hub Chowki, District Lasbella, Balochistan.
Ph: (92-853) 363706 - 09
Fax: (92-853) 363907
- 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 HALF YEAR ENDED
DECEMBER 31, 2024**

dynea

The Directors of your Company are pleased to present this report along with the unaudited financial results for the second quarter and half year ended December 31, 2024.

During the period ended December 31, 2024, the Company earned a profit before tax of Rs.735 million and an after-tax profit of Rs.448 million compared to the profit before tax of Rs.1,249 million and after-tax profit of Rs. 765 million during the corresponding period last year. The basic and diluted earnings per share decreased from Rs.40.54 to Rs. 23.76.

Resin Division

The Resin Division generated sales revenue of Rs. 1,872 million compared to Rs. 2,444 million achieved during the same period last year, showing a decline of 23.40%.

Moulding Compound Division

The Moulding Compound Division generated sales revenue of Rs. 4,594 million compared to Rs. 4,389 million achieved during the same period last year, showing an increase of 4.67%.

Future Outlook

Economy is stabilizing, with improvements observed in key macroeconomic indicators. The declining trend in both inflation and interest rates will enhance market confidence. The management has a positive outlook and it will ensure the continued sales growth, operational efficiency and optimum results for the Company and its stakeholders for the second half of the financial year.

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, February 21, 2025



Donald Jenkin
Chairman

آپ کی کمپنی کے ڈائریکٹرز ہمسرت یہ رپورٹ مع غیر آڈٹ شدہ مالی نتائج بابت جاری مالی سال کی دوسری سہ ماہی اور ششماہی 31 دسمبر 2024 پیش کرتے ہیں۔

31 دسمبر 2024 کو ختم ہونے والی مدت کے دوران کمپنی کا قبل ازینگیس منافع 735 ملین روپے اور بعد ازینگیس منافع 448 ملین روپے رہا۔ جبکہ گزشتہ سال اسی مدت میں قبل ازینگیس منافع 1,249 ملین روپے اور بعد ازینگیس منافع 765 ملین روپے بالترتیب رہا تھا۔ بنیادی اور خالص منافع فی شیئر 40.54 روپے سے کم ہو کر 23.76 روپے ہو گیا۔

ریٹرن قسمت

ریٹرن قسمت کی کل بکری (ٹرن اوور) 1,872 ملین روپے رہی جبکہ گزشتہ سال اسی عرصے میں اس کی مقدار 2,444 ملین روپے رہی تھی جو کہ پچھلے سال کے مقابلے میں 23.40% کم ہے۔

مولڈنگ کا پانڈ قسمت

مولڈنگ کا پانڈ قسمت کی کل بکری (ٹرن اوور) 4,594 ملین روپے رہی جبکہ گزشتہ سال اسی عرصے میں اس کی مقدار 4,389 ملین روپے رہی تھی۔ جو کہ پچھلے سال کے مقابلے میں 4.67% زیادہ ہے۔

مستقبل پر ایک نظر

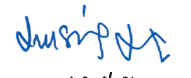
معیشت مستحکم ہو رہی ہے اور اہم معاشی اشاریوں میں بہتری نظر آ رہی ہے۔ مہنگائی اور شرح سود میں کمی کارخانہ مارکیٹ کے اعتماد کو مزید بڑھائے گا۔ انتظامیہ پر امید ہے اور اس بات کو یقینی بنائے گی کہ مالی سال کے دوسرے حصے میں کمپنی اور اس کے شراکت داروں کیلئے فروخت میں مسلسل اضافہ ہو، عملی کارکردگی مزید بہتر ہو، اور بہتر بین نتائج حاصل کئے جائیں۔

اعتراف

ہم ڈائریکٹر 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 ہدیہ تحسین پیش کرتے ہیں۔

یورڈ آف ڈائریکٹرز کی جانب سے


ڈوئل جی جی
چیئر مین


مصطفیٰ جعفر
چیف ایگزیکٹو آفیسر
کراچی: 21 فروری 2025

**INDEPENDENT AUDITOR'S REVIEW REPORT
FOR THE HALF YEAR ENDED
DECEMBER 31, 2024**

dynea



Tel: +92 21 3568 3030
Fax: +92 21 3568 4239
www.bdo.com.pk

2nd Floor, Block-C
Lakson Square, Building No.1
Sarwar Shaheed Road
Karachi-74200
Pakistan

**INDEPENDENT AUDITOR'S REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS TO
THE MEMBERS OF DYNEA PAKISTAN LIMITED**

Introduction

We have reviewed the accompanying condensed interim statements of financial position of **DYNEA PAKISTAN LIMITED** ("the Company") as at December 31, 2024 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows and notes to the condensed interim financial statements for the six-month period then ended (here-in-after referred as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Statements Performed by the Independent Auditor of the Entity." A review of interim financial statements 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 statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Emphasis of Matter

We draw attention to note 11.1 to the interim financial statements which describe the significant uncertainty related to the outcome of a contingency for which no provision is considered necessary in these interim financial statements for the reasons disclosed in the said note. Our conclusion is not modified in respect of this matter.

Other Matter


The figures of interim statement of profit and loss and interim other statement of comprehensive income for the three-months period ended December 31, 2024 and December 31, 2023 have not been reviewed and we do not express a conclusion on them.

The engagement partner on the review resulting in this independent auditor's report is Zulfikar Causer.

KARACHI

DATED: 24 FEB 2025

UDIN: RR202510067gKY9uXRwz


BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

BDO Ebrahim & Co. Chartered Accountants

BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

		December 31, 2024 (Un-audited)	June 30, 2024 (Audited)
	Note	(Rupees in '000)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	871,007	881,543
Intangible assets		7,453	14,906
Long-term loans		16,286	10,784
Long-term deposits		10,400	10,392
Deferred taxation - net		93,427	91,584
		998,573	1,009,209
CURRENT ASSETS			
Stores and spares		66,562	73,406
Stock-in-trade	7	2,059,165	1,817,709
Trade debts	8	1,917,239	1,534,553
Loans and advances		102,284	53,249
Trade deposits, prepayments and other receivables		6,442	19,192
Accrued markup		8,191	40,791
Short term investment		548,489	664,327
Cash and bank balances		599,047	340,600
		5,307,419	4,543,827
TOTAL ASSETS		6,305,992	5,553,036
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital 40,000,000 (June 30, 2024: 40,000,000) ordinary shares of Rs.5/- each		200,000	200,000
Issued, subscribed and paid-up capital		94,362	94,362
Revenue reserves		4,459,312	4,199,603
		4,553,674	4,293,965
NON-CURRENT LIABILITIES			
Long-term financing	9	-	11,949
Deferred income		-	244
Lease liabilities		24,136	27,373
		24,136	39,566
CURRENT LIABILITIES			
Trade and other payables		1,343,076	1,048,164
Accrued mark-up		1,397	1,602
Short-term running finance	10	199,996	38,104
Current portion of long-term financing	9	26,825	27,714
Current portion of deferred income		889	1,664
Current portion of lease liabilities		19,536	15,323
Taxation - net		124,701	76,605
Unclaimed dividend		11,762	10,329
		1,728,182	1,219,505
CONTINGENCIES AND COMMITMENTS	11		
TOTAL EQUITY AND LIABILITIES		6,305,992	5,553,036

The annexed notes 1 to 18 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 PROFIT OR LOSS
FOR THE HALF YEAR ENDED DECEMBER 31, 2024
(UN-AUDITED)**

dynea

	Note	Half year ended		Quarter ended	
		December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
		(Rupees in '000)		(Rupees in '000)	
Turnover - net	12	6,465,580	6,833,185	3,595,486	3,707,819
Cost of sales		(5,345,207)	(5,148,761)	(2,951,110)	(2,819,221)
Gross profit		1,120,373	1,684,424	644,376	888,598
Selling and distribution costs		(213,695)	(177,150)	(126,407)	(96,052)
Administrative expenses (Allowance for) / Reversal of expected credit loss		(187,814)	(175,504)	(93,273)	(104,571)
		35,795	(22,666)	80,187	(2,620)
		(365,714)	(375,320)	(139,493)	(203,243)
Other income		70,816	55,520	27,686	39,531
Operating profit		825,475	1,364,624	532,569	724,886
Finance costs		(15,894)	(9,243)	(6,864)	(4,535)
Other charges / expenses		(74,467)	(106,054)	(38,904)	(37,778)
		(90,361)	(115,297)	(45,768)	(42,313)
Profit before taxation		735,114	1,249,327	486,801	682,573
Taxation					
– current		(293,745)	(516,852)	(168,071)	(275,888)
– prior		5,221	126	5,221	126
– deferred		1,843	32,544	(27,359)	13,004
		(286,681)	(484,182)	(190,209)	(262,758)
Profit for the period		448,433	765,145	296,592	419,815
		(Rupees)		(Rupees)	
Basic and diluted earnings per share		23.76	40.54	15.72	22.24

The annexed notes 1 to 18 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 HALF YEAR ENDED DECEMBER 31, 2024 (UN-AUDITED)**

	Half year ended		Quarter ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
	(Rupees in '000)		(Rupees in '000)	
Profit for the period	448,433	765,145	296,592	419,815
Other comprehensive income	—	—	—	—
Total comprehensive income for the period	448,433	765,145	296,592	419,815

The annexed notes 1 to 18 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 HALF YEAR ENDED DECEMBER 31, 2024**

dynea

	Issued, subscribed and paid-up capital	Revenue reserves			Total
		General reserve	Unappropriated profit	Total	
(Rupees in '000)					
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)
Net profit for the period	–	–	765,145	765,145	765,145
Other comprehensive income	–	–	–	–	–
Total comprehensive income for the period	–	–	765,145	765,145	765,145
Balance as at December 31, 2023 (un-audited)	94,362	2,641,000	1,273,783	3,914,783	4,009,145
Balance as at July 01, 2024 (audited)	94,362	2,641,000	1,558,603	4,199,603	4,293,965
Transferred to general reserve	–	500,000	(500,000)	–	–
Final dividend for the year ended June 30, 2024 @ Rs. 10.00/- per share	–	–	(188,724)	(188,724)	(188,724)
Net profit for the period	–	–	448,433	448,433	448,433
Other comprehensive income	–	–	–	–	–
Total comprehensive income for the period	–	–	448,433	448,433	448,433
Balance as at December 31, 2024 (un-audited)	94,362	3,141,000	1,318,312	4,459,312	4,553,674

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.



MUSTAFA JAFAR
Chief Executive Officer



DONALD JENKIN
Chairman



SHAKEEL UDDIN
Chief Financial Officer

	December 31, 2024	December 31, 2023
Note	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	735,114	1,249,327
Adjustments for non-cash and other items		
Depreciation on operating fixed assets	101,161	102,225
Depreciation on right-of-use assets	5,597	3,148
Amortisation of intangible assets	7,453	7,453
Allowance for expected credit loss	(35,795)	22,666
Finance costs	15,894	9,243
Amortization of deferred income	(832)	(1,723)
Gain on disposals of operating fixed assets	(3,417)	(2,237)
	<u>90,061</u>	<u>140,775</u>
	825,175	1,390,102
(Increase) / decrease in current assets		
Stores and spares	6,844	(3,153)
Stock-in-trade	(241,456)	(713,196)
Trade debts	(346,891)	(627,037)
Loans and advances	(49,035)	(33,862)
Trade deposits, prepayments and other receivables	12,750	261,999
Accrued markup	32,600	(11,381)
	<u>(585,188)</u>	<u>(1,126,630)</u>
Increase in current liabilities		
Trade and other payables	294,912	742,734
	<u>534,899</u>	<u>1,006,206</u>
Finance costs paid	(15,267)	(7,080)
Income taxes paid - net	(240,428)	(335,380)
Long-term loans and deposits - net	(5,510)	(3,302)
Net cash generated from operating activities	<u>273,694</u>	<u>660,444</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditures	(99,743)	(52,229)
Short term investment	115,838	-
Proceeds from disposal of operating fixed assets	6,938	8,451
Net cash generated from / (used in) investing activities	<u>23,033</u>	<u>(43,778)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of loan made during the year	(13,857)	(13,857)
Payment of lease rentals (net)	976	4,873
Dividend paid	(187,291)	(173,665)
Net cash used in financing activities	<u>(200,172)</u>	<u>(182,649)</u>
Net increase in cash and cash equivalents	<u>96,555</u>	<u>434,017</u>
Cash and cash equivalents at the beginning of period	302,496	795,809
Cash and cash equivalents at the end of period	<u>399,051</u>	<u>1,229,826</u>
CASH AND CASH EQUIVALENTS		
Cash and bank balances	599,047	1,431,778
Short-term running finance	(199,996)	(201,952)
	<u>399,051</u>	<u>1,229,826</u>

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.



MUSTAFA JAFAR
Chief Executive Officer



DONALD JENKIN
Chairman



SHAKEEL UDDIN
Chief Financial Officer

**NOTES TO THE CONDENSED INTERIM
FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2024**

dynea

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 June 20, 1982 and is listed on the Pakistan Stock Exchange Limited. The Company is engaged in the manufacture and sale of formaldehyde, urea / melamine formaldehyde and moulding compound.

2. GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS UNITS

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

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

3. BASIS OF PREPARATION

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

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

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

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

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

4. MATERIAL ACCOUNTING POLICIES INFORMATION

The accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the Company's audited financial statements for the year ended June 30, 2024.

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, 2024, 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, 2025, but are considered not to be relevant or expected to have any significant effect on the Company.

5. ACCOUNTING ESTIMATES AND JUDGMENTS

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

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

	December 31, 2024 (Un-audited)	June 30, 2024 (Audited)
 (Rupees in '000)	
6. PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets	804,630	821,203
Right to use asset	39,179	44,776
Capital work-in-progress	27,198	15,564
	<u>871,007</u>	<u>881,543</u>

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

	Additions at cost		Disposals at book value	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
	(Un-audited)		(Un-audited)	
 (Rupees in '000) (Rupees in '000)	
Plant and machinery	20,140	20,918	-	-
Office equipment	120	1,887	-	-
Computer and accessories	4,417	4,771	-	-
Vehicles	63,432	29,251	3,521	6,215
	<u>88,109</u>	<u>56,827</u>	<u>3,521</u>	<u>6,215</u>

	December 31, 2024 (Un-audited)	June 30, 2024 (Audited)
 (Rupees in '000)	
6.2 Movement in capital work-in-progress is as follows:		
Balance at beginning of the period	15,564	60,732
Capital expenditure incurred during the period	27,128	40,202
Transfers to operating fixed assets during the period	(15,494)	(85,370)
Balance at end of the period	<u>27,198</u>	<u>15,564</u>

7. STOCK-IN-TRADE

Raw material:		
In hand	1,385,342	1,137,149
In transit	362,680	450,504
	<u>1,748,022</u>	<u>1,587,653</u>
Packing material	50,378	49,086
Finished goods	267,527	185,240
Less: Provision for obsolescence	(6,762)	(4,270)
	<u>2,059,165</u>	<u>1,817,709</u>

8. TRADE DEBTS - unsecured

Considered good		1,917,239	1,534,553
Considered doubtful		227,027	262,822
		<u>2,144,266</u>	<u>1,797,375</u>
Allowance for expected credit loss	8.1	(227,027)	(262,822)
		<u>1,917,239</u>	<u>1,534,553</u>

**NOTES TO THE CONDENSED INTERIM
FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2024**

dynea

	December 31, 2024 (Un-audited)	June 30, 2024 (Audited)
 (Rupees in '000)	
8.1 Movement of allowance for expected credit loss:		
Balance at beginning of the period/ year	262,822	70,528
Charge during the period / year	<u>(35,795)</u>	<u>192,294</u>
Balance at end of the period / year	<u>227,027</u>	<u>262,822</u>
9. LONG-TERM FINANCING - secured		
Temporary Economic Refinance Facility (TERF)	26,825	39,663
Current portion of long-term financing	<u>(26,825)</u>	<u>(27,714)</u>
	<u>—</u>	<u>11,949</u>

10. SHORT-TERM RUNNING FINANCE - secured

Represents running finance facilities obtained from various conventional banks amounting to Rs. 2,350 million (June 30, 2024: Rs. 1,850 million). During the year, Company secured an additional Rs. 500 million in running finance facility on temporary basis. These facilities are secured by joint / first pari passu hypothecation of stores and spares, stock-in-trade and trade debts of the Company. The rate of mark-up on these facilities ranges from one month KIBOR to three months' KIBOR as bench mark rate plus 0.50% to 1% as spread (June 30, 2024: one month KIBOR to three months' KIBOR as bench mark rate plus 0.50% to 1% as spread) per annum and mark-up is payable quarterly.

11. CONTINGENCIES AND COMMITMENTS

11.1 Contingencies

The Excise and Taxation Department, Government of Sindh (the Department) imposed, vend and permit fee on methanol, a major raw material used by the Company in the production of formaldehyde. The Company filed a petition against the imposition of these levies in the Honourable High Court of Sindh (HCS) in August 1996. In June 2001, the Honourable HCS decided the case in the favour of the Company. However, the Department filed an appeal in the Honourable Supreme Court of Pakistan (SCP) against the above judgement. The Honourable SCP suspended the decision of the Honourable HCS and reverted the case back to the Honourable HCS for fresh hearing. In March 2003, the Honourable HCS once again decided the case in favour of the Company. The Department once again filed an appeal before the Honourable SCP.

In December 2019, the Honourable SCP disposed off the appeal on the basis that the Department would not press the instant and connected appeals, and that a fresh demand shall be raised following the notification dated February 14, 2002 and Sindh (Amendment) Abkari Ordinance 2002 notified on October 30, 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. 1,941.52 million (June 30, 2024: Rs. 1,865.90 million) determined on the basis of consumption of methanol by the Company since November 2002.

The consignment is being released by paying Rs. 3/= cash per bulk gallon which is being expensed out and indemnity bond of Rs. 14/= per bulk gallon under protest.

Upon the receipt of the fresh demand from the Department, the Company intends to approach the relevant Court of Justice to defend the case. The Company expects, based on the view of the legal advisor and the merit of the case, that the Company has strong grounds to challenge such a demand and its challenge is likely to succeed. Accordingly, no provision for any liability has been made in these condensed interim financial statements.

	December 31, 2024 (Un-audited)	June 30, 2024 (Audited)
 (Rupees in '000)	
11.2 Commitments		
Outstanding bank guarantees	<u>37,303</u>	<u>37,303</u>
Outstanding letter of credits	<u>442,639</u>	<u>1,073,654</u>

	Note	December 31, 2024 (Un-audited)	December 31, 2023 (Un-audited)
..... (Rupees in '000)			
12. TURNOVER - net			
Local sales		7,235,125	7,940,698
Export sales	12.1	467,091	236,878
		7,702,216	8,177,576
Sales tax		(1,236,636)	(1,344,391)
Net sales		6,465,580	6,833,185
12.1 Region wise export sales are as under			
Afghanistan		465,048	236,878
Kenya		2,043	-

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.

	Half year ended December 31, 2024 (Un-audited)			Half year ended December 31, 2023 (Un-audited)		
	Resin division	Moulding compound division	Total	Resin division	Moulding compound division	Total
..... (Rupees in '000)						
Turnover - net	1,871,656	4,593,924	6,465,580	2,444,455	4,388,730	6,833,185
Segment result (net of directly allocated cost)	157,897	836,854	994,751	605,062	914,894	1,519,956
Unallocated expenses:						
Administrative expenses			(187,814)			(175,504)
Distribution costs			(52,278)			(35,348)
Other income			70,816			55,520
Finance costs			(15,894)			(9,243)
Other charges			(74,467)			(106,054)
Taxation			(286,681)			(484,182)
Net profit for the period			448,433			765,145
Capital expenditure	40,910	31,329	72,239	19,164	3,650	22,814
Unallocated capital expenditure			27,505			29,415
Total capital expenditure			99,744			52,229
Depreciation and amortisation	28,461	54,802	83,263	31,551	59,435	90,986
Unallocated depreciation and amortisation			30,948			21,840
Total depreciation and amortisation			114,211			112,826

**NOTES TO THE CONDENSED INTERIM
FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2024**

dynea

	Quarter ended December 31, 2024 (Un-audited)			Quarter ended December 31, 2023 (Un-audited)		
	Resin division	Moulding compound division	Total	Resin division	Moulding compound division	Total
	(Rupees in '000)			(Rupees in '000)		
Turnover - net	<u>1,072,849</u>	<u>2,522,637</u>	<u>3,595,485</u>	<u>1,308,922</u>	<u>2,398,897</u>	<u>3,707,819</u>
Segment result (net of directly allocated cost)	72,302	552,859	625,160	335,331	472,419	807,750
Unallocated expenses:						
Administrative expenses			(93,273)			(104,571)
Distribution costs			(27,005)			(17,824)
Other income			27,686			39,531
Finance costs			(6,864)			(4,535)
Other charges			(38,904)			(37,778)
Taxation			(190,209)			(262,758)
Net profit for the period			<u>296,592</u>			<u>419,815</u>
Capital expenditure	20,348	3,498	23,846	701	–	701
Unallocated capital expenditure			15,283			8,000
Total capital expenditure			<u>39,129</u>			<u>8,701</u>
Depreciation and amortisation	14,144	27,866	42,010	13,974	27,702	41,676
Unallocated depreciation and amortisation			15,897			11,150
Total depreciation and amortisation			<u>57,907</u>			<u>52,826</u>
Segment assets and liabilities						
	December 31, 2024 (Un-audited)			June 30, 2024 (Audited)		
	Resin division	Moulding compound division	Total	Resin division	Moulding compound division	Total
	(Rupees in '000)			(Rupees in '000)		
Segment assets	2,186,775	2,591,160	4,777,935	1,831,248	2,268,134	4,099,382
Unallocated assets			1,528,057			1,453,654
Total assets			<u>6,305,992</u>			<u>5,553,036</u>
Segment liabilities	113,396	456,253	569,649	419,516	527,011	946,527
Unallocated liabilities			1,182,669			312,544
Total liabilities			<u>1,752,318</u>			<u>1,259,071</u>

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	December 31, 2024	December 31, 2023
			 (Rupees in '000)	
				(Un-audited)	
Remuneration	Key management personnel	0.005%	Remuneration	109,400	76,706
Director Fee	Directors	0.03%	Directors' fee	6,763	6,600
Provident Fund	Retirement benefits	Nil	Contribution to fund	11,145	8,981
AICA Asia Pacific Holding Pte Ltd.	Associated company	24.99%	Dividend	47,162	47,162

16. SUBSEQUENT EVENT

The Board of Directors has proposed and approved an interim cash dividend of Rs.5.00 per share for the half year ended December 31, 2024 amounting to Rs.94.362 million, in its meeting held on February 21, 2025. These condensed interim financial statements do not include the effect of the above interim cash dividend which will be accounted for as a subsequent event.

17. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorised for issue on February 21, 2025 by the Board of Directors of the Company.

18. 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

DYNEA PAKISTAN LIMITED

9th Floor, Artistic Tower, Plot No. 39/A-2,
Block-6, P.E.C.H.S., Shahrah-e-Faisal,
Karachi-75400.

Ph : (92-21) 34520132 - 35

Fax : (92-21) 34392182

Email : info@dynea.com.pk