

**FIRST QUARTERLY REPORT
FOR THE QUARTER ENDED 30 SEPTEMBER 2017**

Moving Forward
with Reliability



Synthetic Products Enterprises Limited

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Condensed Interim Consolidated Financial Information

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Company Information

The Board of Directors

Mr. Almas Hyder	Chairman
Mr. Zia Hyder Naqi	CEO
Dr. S. M. Naqi	Director
Dr. Syed Salman Ali Shah	Director
Mr. Muhammad Tabassum Munir	Director
Mr. Khawar Anwar Khawaja	Director
Mr. Raza Haider Naqi	Director
Mr. Sheikh Naseer Hyder	Director
Mr. Abid Saleem Khan	Director

Company Secretary

Mr. Khalil Ahmad Hashmi FCA

Audit Committee

Dr. Syed Salman Ali Shah	Committee Chairman
Mr. Almas Hyder	Member
Dr. S. M. Naqi	Member
Mr. Muhammad Tabassum Munir	Member
Mr. Raza Haider Naqi	Member

HR & R Committee

Mr. Almas Hyder	Committee Chairman
Dr. S. M. Naqi	Member
Mr. Zia Hyder Naqi	Member
Mr. Khawar Anwar Khawaja	Member
Mr. Abid Saleem Khan	Member

Finance Committee

Mr. Almas Hyder	Committee Chairman
Dr. Syed Salman Ali Shah	Member
Mr. Khawar Anwar Khawaja	Member
Mr. Zia Hyder Naqi	Member
Mr. Muhammad Tabassum Munir	Member

Registered Office

127-S, Quid-e-Azam Industrial
Estate Kot Lakhpat Lahore
Ph: 042 111 005 005
Fax: 024-35118507

Statutory Auditors

KPMG Taseer Hadi & Co.
Chartered Accountants

Head of Internal Audit

Mr. Abu Bakar ACA

Tax Advisors

A. F. Ferguson & Co.
Chartered Accountants

Legal Advisors

Cornelius Lane and Mufti

Share Registrar

THK Associates (Private) Limited
1st Floor, 40-C Block 6, P.E.C.H.S.,
Karachi,
Phone: +92 (21) 111-000-322
Email: secretariat@thk.com.pk

Bankers

Habib Bank Limited
MCB Bank Limited
Standard Chartered Bank (Pakistan)
Limited
Bank Islami Pakistan Limited
United Bank Limited
Meezan Bank Limited
Allied Bank Limited

Factory

4-km Off Feroz Pur Road Raiwind
Lilliani Link Road, Pandoki Lahore.

Stock Symbol

SPEL

Website

www.spelgroup.com

Directors' Review

of the Condensed Interim Financial Information
for the Quarter Ended 30 September 2017

Dear Shareholders,

The Directors of Synthetic Products Enterprises Limited are pleased to present your Company's un-audited condensed financial information for the quarter ended 30 September 2017 along with the Directors' review thereon.

Financial Analysis

	Quarter Ended	
	30 Sep	30 Sep
	2017	2016
	PKR	PKR
	Millions	Millions
Sales – net	746	649.6
Cost of Sales	(558)	(484.9)
Gross Profit	188	164.7
Operating Profit	131	119.8
Profit after tax	100.6	89.8
EPS – Basic (PKR)	1.18	1.06

The sales revenue for the first quarter stood at Rs. 746 million registering a growth of 14.8% compared to same period last year. This has resulted in an increased operating profit of Rs. 131 million and increased net profit of Rs. 100.6 Million for the period under review.

The earnings per share for the period under review have increased to Rs. 1.18 as compared to earnings per share of Rs. 1.06 in the corresponding period.

During the quarter under review, the company has invested an amount of Rs. 129.7 million for expansion and BMR of the manufacturing facilities as planned.

Taxation

The Company is entitled to a tax credit under section 65E of the Income Tax Ordinance, 2001 at the rate of 41% of tax payable on account of investing in plant and machinery financed through new equity, which has been claimed in the quarter under review. The company is entitled to claim such credit upto Tax Year 2020.

In addition, the Company has claimed a tax credit under section 65B of the Income Tax Ordinance, 2001 at the rate of 10% of the amount invested in plant and machinery.

Rahim Yar Khan Project

The activities on Rahim Yar Khan Project are as per the plan, the plant and machinery has been acquired and the construction of building is on final stages, the project is expected to be complete shortly.

Directors' Review

of the Condensed Interim Financial Information
for the Quarter Ended 30 September 2017

Near Term Outlook

Traditionally the second quarter takes a dip in sales mainly due to seasonal impact. We continue to foresee strong demand in the second half of the financial year 2017-18 considering the growth patterns of the auto and food & FMCG sectors for which we have already enhanced the production capacities.

We remain committed to supplying quality products and to deliver on time to our customers as that's the promise of reliability.

The foresight on economy is positive. Our customers too are expanding their facilities which should effect our future growth positively.

Acknowledgement

We would like to thank our valued customers for their confidence and trust in the Company's products. We are also thankful to all other stakeholders including dealers, suppliers, bankers, shareholders and employees for providing continuous support.



Dr. S. M. Naqi
Director



Sheikh Naseer Hyder
Director

Lahore
27 October 2017

**CONDENSED INTERIM UNCONSOLIDATED
FINANCIAL INFORMATION**
for the quarter ended 30 September 2017

Condensed Interim Unconsolidated Balance Sheet

As at 30 September 2017 (Un-audited)

	Note	Un-audited 30 September 2017 Rupees	Audited 30 June 2017 Rupees
EQUITY AND LIABILITIES			
<u>Share capital and reserves</u>			
Authorized share capital of Rs. 10 each		1,000,000,000	1,000,000,000
Issued, subscribed and paid up capital		850,850,000	850,850,000
Share Premium		347,391,050	347,391,050
Accumulated profit		770,439,051	669,744,166
		1,968,680,101	1,867,985,216
Surplus on revaluation of land		226,943,081	226,943,081
<u>Non-Current liabilities</u>			
Long term finance - secured	5	-	-
Diminishing musharika - secured	6	202,495,632	192,457,749
Liabilities against assets subject to finance lease	7	9,135,161	9,833,951
Deferred taxation		186,406,453	177,367,893
		398,037,246	379,659,593
<u>Current liabilities</u>			
Trade and other payables	8	120,279,449	164,642,782
Short term borrowings - secured	9	295,558,271	303,083,692
Current maturity of non-current liabilities	10	39,465,977	39,229,099
Accrued markup		2,152,191	3,640,698
		457,455,888	510,596,271
		3,051,116,316	2,985,184,161
Contingencies and commitments	11		

The annexed notes from 1 to 24 form an integral part of these condensed interim unconsolidated financial information.

This condensed interim unconsolidated financial information has been signed by two Directors instead of Chief Executive Officer and one Director, as the Chief Executive Officer is for the time being not in Pakistan.

Lahore


Director


Director

	Note	Un-audited 30 September 2017 Rupees	Audited 30 June 2017 Rupees
ASSETS			
<u>Non-current assets</u>			
Property, plant and equipment	12	1,960,442,841	1,875,867,724
Intangibles		2,767,608	3,241,687
Investments	13	5,863,562	6,321,302
Long term deposits		19,007,871	13,520,169
		1,988,081,882	1,898,950,882
<u>Current assets</u>			
Stores, spares and loose tools		29,541,675	20,454,067
Stock-in-trade	14	452,789,493	427,683,515
Trade debts - unsecured, considered good		316,186,321	339,046,438
Income tax		205,165,622	183,515,654
Advances, deposits, prepayments and other receivables	15	56,234,602	57,659,496
Cash and bank balances		3,116,721	57,874,109
		1,063,034,434	1,086,233,279
		3,051,116,316	2,985,184,161

Lahore


Director


Director

Condensed Interim Unconsolidated Profit & Loss Account

For the quarter ended 30 September 2017 (Un-audited)

	Note	Quarter ended	
		30 September 2017 Rupees	30 September 2016 Rupees
Sales -net	16	746,067,480	649,644,129
Cost of sales	17	(558,036,501)	(484,902,307)
Gross profit		188,030,979	164,741,822
Administrative expenses		(40,732,008)	(31,582,782)
Selling and distribution expenses		(16,154,907)	(13,322,425)
Operating profit		131,144,064	119,836,615
Other income		3,778,902	3,546,138
Other charges		(15,792,012)	(8,071,739)
Finance cost	18	(9,397,509)	(7,000,595)
Profit before taxation		109,733,445	108,310,419
Taxation		(9,038,560)	(18,486,132)
Profit after taxation		100,694,885	89,824,287
Earnings per share - Basic and diluted	19	1.18	1.06

Re-stated

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Lahore


Director


Director

Condensed Interim Unconsolidated Statement of Comprehensive Income

For the quarter ended 30 September 2017 (Un-audited)

	Quarter ended	
	30 September 2017 Rupees	30 September 2016 Rupees
Profit after taxation	100,694,885	89,824,287
Other comprehensive income for the period	-	-
Total comprehensive income for the period	100,694,885	89,824,287

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Lahore


Director


Director

Condensed Interim Unconsolidated Cash Flow Statement

For the quarter ended 30 September 2017 (Un-audited)

	30 September 2017 Rupees	30 September 2016 Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	109,733,445	108,310,419
Adjustments for non cash items:		
Depreciation on property, plant and equipment	36,266,484	30,469,357
Amortization on intangible asset	474,080	430,422
Finance cost	9,397,509	7,000,595
Impairment loss on investments	457,740	44,436
Loss/(Gain) on disposal of fixed assets	7,072,303	-
Provision for Workers Profit Participation Fund & Workers Welfare Fund	8,132,769	8,027,303
	61,800,885	45,972,113
Cash generated from operations before working capital changes	171,534,330	154,282,532
<i>(Increase) / decrease in current assets:</i>		
Stores, spares and loose tools	(9,087,608)	443,886
Stock-in-trade	(25,105,978)	(95,278,367)
Trade debts	22,860,117	(2,948,795)
Advances, deposits, prepayments and other receivable	1,424,894	2,348,388
	(9,908,575)	(95,434,888)
<i>Increase / (decrease) in current liabilities:</i>		
Trade and other payables	(27,620,991)	57,927,334
	(37,529,566)	(37,507,554)
Cash generated from operations	134,004,764	116,774,978
WPPF and WWF paid	(24,875,111)	(21,151,351)
Taxes paid	(21,649,968)	(44,691,044)
Finance cost paid	(10,886,016)	(7,925,310)
	76,593,669	43,007,273
Net cash generated from operating activities		
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(129,746,705)	(83,672,193)
Proceeds from disposal of fixed assets	1,832,800	-
Increase in long term deposits	(5,487,702)	-
	(133,401,607)	(83,672,193)
Net cash used in investing activities		
CASH FLOW FROM FINANCING ACTIVITIES		
Principal repayment of lease liability	(5,199,527)	(5,016,488)
Long term finance	(6,517,094)	(7,740,887)
Diminishing musharika	21,292,592	(2,849,390)
Short term borrowings - net	(61,239,973)	81,709,698
	(51,664,002)	66,102,933
Net cash generated from / (used in) financing activities		
Net (decrease) / increase in cash and cash equivalents	(108,471,940)	25,438,013
Cash and cash equivalents at the beginning of the period	23,520,793	792,888
Cash and cash equivalents at the end of the period	20 (84,951,147)	26,230,901

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Lahore



Director



Director

Condensed Interim Unconsolidated Statement of Changes in Equity

For the quarter ended 30 September 2017 (Un-audited)

	<u>Capital Reserve Revenue reserve</u>			
	Issued subscribed & paid-up capital	Share Premium	Accumulated profit	Total
	----- Rupees -----			
Balance as at 30 June 2016 - audited	773,500,000	347,391,050	488,500,699	1,609,391,749
<u>Total comprehensive income</u>				
Profit for the quarter ended 30 September 2016	-	-	89,824,287	89,824,287
Other comprehensive income for the quarter ended 30 September 2016	-	-	-	-
	-	-	89,824,287	89,824,287
<u>Transactions with owners of the Company</u>				
Final Cash dividend for year ended 30 June 2016 @ Rs. 1 per share	-	-	(77,350,000)	(77,350,000)
	-	-	(77,350,000)	(77,350,000)
Balance as at 30 September 2016 - un-audited	773,500,000	347,391,050	500,974,986	1,621,866,036
<u>Transactions with owners of the Company</u>				
Interim cash dividend for the year ended 30 June 2017 @ Rs. 0.5 per share	-	-	(38,675,000)	(38,675,000)
Issue of bonus shares @ 10% (i.e. 1 share for every 10 shares held)	77,350,000	-	(77,350,000)	-
Interim cash dividend for the year ended 30 June 2017 @ Rs. 0.5 per share	-	-	(42,542,500)	(42,542,500)
	77,350,000	-	(158,567,500)	(81,217,500)
<u>Total comprehensive income</u>				
Profit for nine months period ended 30 June 2017	-	-	327,336,680	327,336,680
Other comprehensive income for nine months period ended 30 June 2017	-	-	-	-
	-	-	327,336,680	327,336,680
Balance as at 30 June 2017 - audited	850,850,000	347,391,050	669,744,166	1,867,985,216
<u>Total comprehensive income</u>				
Profit for quarter ended 30 September 2017	-	-	100,694,885	100,694,885
Other comprehensive income/(loss) for the quarter ended 30 September 2017	-	-	-	-
	-	-	100,694,885	100,694,885
Balance as at 30 September 2017- unaudited	850,850,000	347,391,050	770,439,051	1,968,680,101

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Lahore


Director


Director

Notes to the Condensed Interim Unconsolidated Financial Information

For the quarter ended 30 September 2017 (Un-audited)

1 Reporting entity

Synthetic Products Enterprises Limited ("the Company") was incorporated in Pakistan on 16 May 1982 as a private limited company. The Company converted into public limited company on 21 July 2008 and subsequently listed on Pakistan Stock Exchange on 10 February 2015. The registered office of the Company is situated at 127-S, Quaid-e-Azam Industrial Estate, Kot Lakhpat, Lahore. The Company is principally engaged in the manufacturing and sale of plastic auto parts, plastic packaging for food and FMCG industry and moulds & dies.

2 Basis of preparation

2.1 This condensed interim unconsolidated financial information comprises the condensed interim unconsolidated balance sheet of the Company, as at 30 September 2017 and the related condensed interim unconsolidated profit and loss account, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated cash flow statement and condensed interim unconsolidated statement of changes in equity together with the notes forming part thereof.

2.2 This condensed interim unconsolidated financial information of the Company for the three months period ended 30 September 2017 has 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 requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

On 30 May 2017, the Companies Act, 2017 (the Act) was enacted which replaced and repealed the Companies Ordinance, 1984 (the repealed Ordinance). However, the Securities and Exchange Commission of Pakistan (SECP) through its Circular No. 23 of 2017 dated 04 October 2017 and The Institute of Chartered Accountants of Pakistan (ICAP) through its Circular No 17 of 2017 dated 06 October 2017 have advised the Companies shall prepare their financial statements for financial period ending on or before 31 December 2017 in accordance with the provisions of the repealed Companies Ordinance, 1984.

2.3 This condensed interim unconsolidated financial information does not include all of the information required for full annual financial statements and should be read in conjunction with the annual unconsolidated financial statements for the year ended 30 June 2017.

2.4 Comparative unconsolidated balance sheet numbers are extracted from the annual audited unconsolidated financial statements of the Company for the year ended 30 June 2017, whereas comparatives of condensed interim unconsolidated profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity are stated from unaudited condensed interim unconsolidated financial information of the Company for the three months period ended 30 September 2017.

2.5 This condensed interim unconsolidated financial information is unaudited and being submitted to the shareholders as required under Section 245 of the repealed Companies Ordinance, 1984 and the Listing Regulations of Pakistan Stock Exchange Limited.

3 Judgments and estimates

In preparing this interim unconsolidated financial information, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied to the unconsolidated financial statements for the year ended 30 June 2017.

Notes to the Condensed Interim Unconsolidated Financial Information

For the quarter ended 30 September 2017 (Un-audited)

4 Statement of consistency in accounting policies

- 4.1 The accounting policies and the methods of computation adopted in the preparation of this condensed interim unconsolidated financial information are same as those applied in the preparation of the unconsolidated financial statements for the year ended 30 June 2017.
- 4.2 There were certain other new standards and amendments to the approved accounting standards which became effective during the period but are considered not to be relevant or have any significant effect on the Company's operations and are, therefore, not disclosed.

		Un-audited 30 September 2017 Rupees	Audited 30 June 2017 Rupees
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5 Long term finance - secured

- Loan from customer	5.1	18,025,309	24,542,403
Less: current maturity presented under current liabilities		(18,025,309)	(24,542,403)
		<u><u>-</u></u>	<u><u>-</u></u>

5.1 During the period / year, the Company has made repayments amounting to Rs. 6.51 million (30 June 2017: Rs. 24.96 million).

5.2 Type of Loan

Interest/mark-up based loans	18,025,309	24,542,403
Islamic mode of financing	-	-
	<u>18,025,309</u>	<u>24,542,403</u>

6 Diminishing musharika - secured

- United Bank Limited	6.1	113,444,893	92,152,301
- Bank Islami Pakistan Limited (BIPL)		102,000,000	102,000,000
		215,444,893	194,152,301
Less: current maturity		(12,949,261)	(1,694,552)
		<u>202,495,632</u>	<u>192,457,749</u>

6.1 During the period / year, the Company has made repayments amounting to Rs. Nil (30 June 2017: Rs. 11.07 million).

7 Liabilities against assets subject to finance lease

Lease liability	7.1	17,626,568	22,826,095
Less: current maturity presented under current liabilities		(8,491,407)	(12,992,144)
		<u>9,135,161</u>	<u>9,833,951</u>

7.1 During the period / year, the Company has made repayments amounting to Rs. 5.20 million (30 June 2017: Rs. 18.90 million).

8 Trade and other payables

Trade creditors	34,685,296	72,318,511
Accrued liabilities	45,903,435	35,470,069
Advances from customers	6,300,891	8,628,819
Workers' Profit Participation Fund	5,893,311	24,875,111
Workers' Welfare Fund	14,651,753	12,412,295
Payable to Provident Fund Trust	1,458,426	1,291,311
Withholding tax payable	2,188,089	672,602
Unclaimed dividend	498,017	566,849
Others	8,700,231	8,407,215
	<u>120,279,449</u>	<u>164,642,782</u>

Notes to the Condensed Interim Unconsolidated Financial Information

For the quarter ended 30 September 2017 (Un-audited)

		Un-audited 30 September 2017 Rupees	Audited 30 June 2017 Rupees
9 Short term borrowings - secured			
Short term running finance		88,067,868	34,353,316
Finance against trust receipt		207,490,403	268,730,376
		295,558,271	303,083,692
9.1 Type of Loan			
Interest/mark-up based loans		183,157,103	215,352,067
Islamic mode of financing		112,401,168	87,731,625
		295,558,271	303,083,692
10 Current maturity of non-current liabilities			
Long term finance - secured		18,025,309	24,542,403
Diminishing Musharika - secured		12,949,261	1,694,552
Liabilities against assets subject to finance lease		8,491,407	12,992,144
		39,465,977	39,229,099
11 Contingencies and commitments			
11.1 Contingencies			
There is no significant change in the status of contingencies as reported in the preceding published annual financial statements of the Company for the year ended 30 June 2017.			
11.2 Commitments			
Commitments under irrevocable letters of credit for:			
- purchase of machinery		71,535,570	75,322,478
- purchase of raw material and its related components		184,446,552	112,121,261
		255,982,122	187,443,739
12 Property, plant and equipment			
Operating fixed assets	12.1	1,742,338,424	1,665,004,747
Capital work in progress - at cost	12.2	218,104,417	210,862,977
		1,960,442,841	1,875,867,724
12.1 Operating fixed assets			
Opening written down value		1,665,004,747	1,471,554,511
Add: Additions during the period / year (cost)	12.1.1	122,505,263	335,123,821
Add: Transfers		-	-
Less: Disposals during the period/ year at written down value		(8,905,102)	(9,091,574)
Less: Depreciation charge for the period / year		(36,266,484)	(132,582,011)
Closing written down value		1,742,338,424	1,665,004,747
12.1.1 Additions during the period / year:			
Land		-	16,184,391
Buildings on freehold land		210,857	49,451,436
Plant and machinery - owned		119,395,703	241,383,167
Office equipment		166,203	3,966,675
Tools and equipment		-	1,093,286
Computer equipment		-	789,990
Furniture and fittings		-	1,086,363
Vehicles - owned		2,732,500	14,711,303
Vehicles - leased		-	6,457,210
		122,505,263	335,123,821

Notes to the Condensed Interim Unconsolidated Financial Information

For the quarter ended 30 September 2017 (Un-audited)

	Un-audited 30 September 2017 Rupees	Audited 30 June 2017 Rupees
12.2 Capital work in progress - at cost		
Balance at the beginning of the period / year	210,862,977	43,782,702
Add: Additions during the period / year	125,998,104	452,955,526
Less: Transfers to fixed assets during the period / year	118,756,664	285,875,251
	218,104,417	210,862,977
13 Investments		
Investment in subsidiary	13.1 80,807	80,807
Available for sale, listed equity security	13.2 5,782,755	6,240,495
	5,863,562	6,321,302
13.1 Investment in subsidiary		
<i>SPEL Pharmatec (Private) Limited</i>		
600,002 (30 June 2017: 600,002) fully paid ordinary shares of Rs. 10 each Capital held: 100% (30 June 2017: 100%)		
Cost	6,000,020	6,000,020
Advance for purchase of shares	2,299,980	2,299,980
	8,300,000	8,300,000
Less: Accumulated impairment	(8,219,193)	(8,219,193)
	80,807	80,807
13.2 Available for sale, listed equity security		
<i>Roshan Packages Limited</i>		
111,100 (30 June 2017: 111,100) fully paid ordinary shares having face value of Rs. 10 each		
- Cost	9,582,375	9,582,375
- Accumulated Impairment - opening	(3,341,880)	-
- Impairment for the period charged to profit and loss	(457,740)	(3,341,880)
- Accumulated Impairment - closing	(3,799,620)	(3,341,880)
Fair value	5,782,755	6,240,495
14 Stock-in-trade		
Raw and packing material	302,902,846	303,792,891
Stock in transit	92,102,614	75,100,903
Work in process	19,335,480	15,444,755
Finished goods	38,448,553	33,344,966
	452,789,493	427,683,515
15 Advances, deposits, prepayments and other receivables		
Advances - unsecured, considered good		
- to employees	420,448	235,040
- to suppliers for raw material	11,320,630	8,510,639
Amounts paid against future shipments	7,619,441	14,794,751
Short term deposits	984,826	7,483,948
Sales tax receivable - net	21,626,699	18,171,037
Prepaid insurance	4,810,458	3,407,767
Other receivables	9,452,100	5,056,314
	56,234,602	57,659,496

Notes to the Condensed Interim Unconsolidated Financial Information

For the quarter ended 30 September 2017 (Un-audited)

	Quarter ended (Un-audited)	
	30 September 2017 Rupees	30 September 2016 Rupees
16 Sales - net		
Local sales	869,736,185	756,887,294
Export sales	6,035,450	5,104,851
Less: Sales tax	(129,704,155)	(112,348,016)
	746,067,480	649,644,129
17 Cost of sales		
Raw and packing materials consumed	429,978,410	357,406,928
Stores, spare parts and loose tools consumed	2,666,089	2,460,214
Salaries, wages and benefits	61,844,245	52,983,115
Electricity, fuel and water charges	42,363,831	40,048,966
Depreciation on property, plant and equipment	32,633,485	27,422,421
Repair and maintenance	6,237,287	8,835,379
Insurance	2,588,391	1,381,239
Oil and lubricants	267,368	649,021
	578,579,106	491,187,283
Work in process		
- At beginning of the period	15,497,540	11,658,090
- At end of the period	(19,335,480)	(15,497,540)
Cost of goods manufactured	574,741,166	487,347,833
Finished goods		
- At beginning of the period	21,743,888	19,298,362
- At end of the period	(38,448,553)	(21,743,888)
Cost of sales	558,036,501	484,902,307
18 Finance cost		
Profit / interest / mark-up on:		
- long term finance	-	87,464
- diminishing musharika	3,476,114	206,499
- short term borrowings	4,611,088	5,017,714
- lease finance	378,874	514,232
- advance from customers	425,458	866,671
Bank charges	505,975	308,015
	9,397,509	7,000,595
19 Earnings per share - basic and diluted		
19.1 Basic earnings per share	<i>Unit</i>	
Profit for the year after taxation	<i>Rupees</i>	100,694,885
Weighted average number of ordinary shares in issue during the period	<i>Number</i>	85,085,000
Earnings per share	<i>Rupees</i>	1.18
		1.06
Basic earnings per share has been calculated by dividing the profit attributable to equity holders of the Company by weighted average number of ordinary shares in issue during the year. The Company has issued Bonus Shares @ 10% during the year 2016-17 accordingly, the earnings per share of the comparative period has been re-stated.		
19.2 Diluted earnings per share		
There is no dilutive effect on the basic earnings per share as the Company does not have any convertible instruments in issue as at 30 September 2017 and 30 September 2016.		
20 Cash and cash equivalents		
Short term running finance- secured	(88,067,868)	(12,743,836)
Cash and bank balances	3,116,721	38,974,737
	(84,951,147)	26,230,901

Notes to the Condensed Interim Unconsolidated Financial Information

For the quarter ended 30 September 2017 (Un-audited)

21 Financial instruments-fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	30 September 2017 (Un-audited)			
	Carrying Amount	Fair Value		
	Rupees	Rupees		
		Level 1	Level 2	Level 3
	Loans and receivables	Other financial liabilities	Total	
	5,782,755	-	5,782,755	5,782,755
	5,782,755	-	5,782,755	5,782,755
	3,116,721	-	3,116,721	-
	10,857,374	-	10,857,374	-
	19,007,871	-	19,007,871	-
	316,186,321	-	316,186,321	-
	349,168,287	-	349,168,287	-
	-	-	-	-
	-	-	-	-
	-	233,470,202	233,470,202	-
	-	17,626,568	17,626,568	-
	-	91,245,405	91,245,405	-
	-	295,558,271	295,558,271	-
	-	2,152,191	2,152,191	-
	-	640,052,637	640,052,637	-

On-Balance sheet financial instruments

30 September 2017 - (Un-audited)

Financial assets measured at fair value

Investment in listed securities

Financial assets not measured at fair value

Cash and bank balances

Deposits and other receivables

Long term deposits

Trade debts - unsecured, considered good

Financial liabilities measured at fair value

Financial liabilities not measured at fair value

Long term finances and diminishing musharika

Liabilities against assets subject

to finance lease

Trade and other payables

Short term borrowing

Accrued mark up

Notes to the Condensed Interim Unconsolidated Financial Information

For the quarter ended 30 September 2017 (Un-audited)

Note	30 June 2017 (Audited)		Fair Value		
	Carrying Amount Rupees		Level 1	Level 2	Level 3
	Loans and receivables	Other financial liabilities	Total		
21.1	6,240,495	-	6,240,495	6,240,495	-
	-	-	-	-	-
	57,849,109	-	57,849,109	-	-
	12,540,262	-	12,540,262	-	-
	13,520,169	-	13,520,169	-	-
	339,046,438	-	339,046,438	-	-
	422,955,976	-	422,955,976	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	218,694,704	218,694,704	-	-
	-	22,826,095	22,826,095	-	-
	-	118,053,955	118,053,955	-	-
	-	303,083,692	303,083,692	-	-
	-	3,640,698	3,640,698	-	-
21.2	-	666,299,144	666,299,144	-	-

21.1

On-Balance sheet financial instruments

30 June 2017 - (Audited)

Financial assets measured at fair value

Investment in listed securities

Financial assets not measured at fair value

Cash and bank balances

Deposits and other receivables

Long term deposits

Trade debts - unsecured, considered good

Financial liabilities measured at fair value

Financial liabilities not measured at fair value

Long term finances and diminishing musharika

Liabilities against assets subject

to finance lease

Trade and other payables

Short term borrowing

Accrued mark up

21.2

21.2 The Company has not disclosed the fair values of these financial assets and liabilities as these are for short term or reprice over short term. Therefore, their carrying amounts are reasonable approximation of fair value.

21.3 Land has been carried at revalued amounts determined by professional valuers (level 3 measurement) based on their assessment of the market values. The valuations are conducted by the valuation experts appointed by the Company. The valuation experts used a market based approach to arrive at the fair value of the Company's land. The effect of changes in the unobservable inputs used in the valuation can not be determined with certainty, accordingly a qualitative disclosure of sensitivity has not been presented in this condensed interim unconsolidated financial information.

Notes to the Condensed Interim Unconsolidated Financial Information

For the quarter ended 30 September 2017 (Un-audited)

22 Transactions with related parties

The related parties comprise subsidiary, associated undertaking, key management personnel including directors of the Company, post employment benefit plan and other related parties. The Company in the normal course of business carries out transactions with various related parties and continues to have a policy whereby all such transactions are carried out on permissible basis. Significant transactions with related parties are as follows:

Relationship with the Company	Nature of transaction	Quarter ended	(Un-audited)
		30 September 2017	30 September 2016
		Rupees	Rupees
Post employment benefit plans	Contribution to provident fund trust	4,050,767	3,617,030
Post employment benefit plans	Payable to provident fund trust	1,458,426	1,258,142
Key management personnel	Remuneration and other benefits	24,742,823	21,142,719

23 Date of authorization

This condensed interim financial information has been approved by the Board of Directors of the Company and authorized for issue on 27 October 2017.

24 General

Figures have been rounded off to the nearest rupee.

Lahore


Director


Director

**CONDENSED INTERIM CONSOLIDATED
FINANCIAL INFORMATION**
for the quarter ended 30 September 2017

Condensed Interim Consolidated Balance Sheet

As at 30 September 2017 (Un-audited)

	Note	Un-audited 30 September 2017 Rupees	Audited 30 June 2017 Rupees
EQUITY AND LIABILITIES			
<u>Share capital and reserves</u>			
Authorized share capital of Rs.10 each		1,000,000,000	1,000,000,000
Issued, subscribed and paid up capital		850,850,000	850,850,000
Share Premium		347,391,050	347,391,050
Accumulated profit		767,973,294	667,278,409
		1,966,214,344	1,865,519,459
Surplus on revaluation of land		226,943,081	226,943,081
<u>Non-Current liabilities</u>			
Long term finance - secured	5	-	-
Diminishing musharika - secured	6	202,495,632	192,457,749
Liabilities against assets subject to finance lease	7	9,135,161	9,833,951
Deferred taxation		188,872,210	179,833,650
		400,503,003	382,125,350
<u>Current liabilities</u>			
Trade and other payables	8	120,329,449	164,692,782
Short term borrowings - secured	9	295,558,271	303,083,692
Current maturity of non-current liabilities	10	39,465,977	39,229,099
Accrued markup		2,152,191	3,640,698
		457,505,888	510,646,271
		3,051,166,316	2,985,234,161
Contingencies and commitments	11		

The annexed notes from 1 to 23 form an integral part of these condensed interim consolidated financial information.

This condensed interim consolidated financial information has been signed by two Directors instead of Chief Executive Officer and one Director, as the Chief Executive Officer is for the time being not in Pakistan.

Lahore


Director


Director

Condensed Interim Consolidated Balance Sheet

As at 30 September 2017 (Un-audited)

	Note	Un-audited 30 September 2017 Rupees	Audited 30 June 2017 Rupees
ASSETS			
<u>Non-current assets</u>			
Property, plant and equipment	12	1,960,457,880	1,875,882,763
Intangibles		2,767,608	3,241,687
Investments	13	5,782,755	6,240,495
Long term deposits		19,007,871	13,520,169
		1,988,016,114	1,898,885,114
<u>Current assets</u>			
Stores, spares and loose tools		29,541,675	20,454,067
Stock-in-trade	14	452,789,493	427,683,515
Trade debts - unsecured, considered good		316,186,321	339,046,438
Income tax		205,262,420	183,612,452
Advances, deposits, prepayments and other receivables	15	56,234,602	57,659,496
Cash and bank balances		3,135,691	57,893,079
		1,063,150,202	1,086,349,047
		3,051,166,316	2,985,234,161

Lahore


Director


Director

Condensed Interim Consolidated Profit & Loss Account

For the quarter ended 30 September 2017 (Un-audited)

	Note	Quarter ended	
		30 September 2017 Rupees	30 September 2016 Rupees
Sales -net	16	746,067,480	649,644,129
Cost of sales	17	(558,036,501)	(484,902,307)
Gross profit		188,030,979	164,741,822
Administrative expenses		(40,732,008)	(31,626,218)
Selling and distribution expenses		(16,154,907)	(13,322,425)
Operating profit		131,144,064	119,793,179
Other income		3,778,902	3,546,138
Other charges		(15,792,012)	(8,027,303)
Finance cost	18	(9,397,509)	(7,001,595)
Profit before taxation		109,733,445	108,310,419
Taxation		(9,038,560)	(18,486,132)
Profit after taxation		100,694,885	89,824,287

The annexed notes from 1 to 23 form an integral part of these condensed interim consolidated financial information.

This condensed interim consolidated financial information has been signed by two Directors instead of Chief Executive Officer and one Director, as the Chief Executive Officer is for the time being not in Pakistan.

Lahore


Director


Director

Condensed Interim Consolidated Statement of Comprehensive Income

For the quarter ended 30 September 2017 (Un-audited)

	Quarter ended	
	30 September 2017 Rupees	30 September 2016 Rupees
Profit after taxation	100,694,885	89,824,287
Other comprehensive income for the period	-	-
Total comprehensive income for the period	100,694,885	89,824,287

The annexed notes from 1 to 23 form an integral part of these condensed interim consolidated financial information.

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Lahore


Director


Director

Condensed Interim Consolidated Cash Flow Statement

For the quarter ended 30 September 2017 (Un-audited)

	Note	30 September 2017 Rupees	30 September 2016 Rupees
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax		109,733,445	108,310,419
Adjustments for non cash items:			
Depreciation on property, plant and equipment		36,266,484	30,469,793
Amortization on intangible asset		474,080	430,422
Finance cost		9,397,509	7,001,595
Impairment loss on investments		457,740	-
Loss/(Gain) on disposal of fixed assets		7,072,303	-
Provision for Workers Profit Participation Fund & Workers Welfare Fund		8,132,769	8,027,303
		61,800,885	45,929,113
Cash generated from operations before working capital changes		171,534,330	154,239,532
<i>(Increase) / decrease in current assets:</i>			
Stores, spares and loose tools		(9,087,608)	443,886
Stock-in-trade		(25,105,978)	(95,278,367)
Trade debts		22,860,117	(2,948,795)
Advances, deposits, prepayments and other receivable		1,424,894	2,347,453
		(9,908,575)	(95,435,823)
<i>Increase / (decrease) in current liabilities:</i>			
Trade and other payables		(27,620,991)	57,885,068
		(37,529,566)	(37,550,755)
Cash generated from operations		134,004,764	116,688,777
WPPF and WWF paid		(24,875,111)	(21,151,351)
Taxes paid		(21,649,968)	(44,691,044)
Finance cost paid		(10,886,016)	(7,926,310)
		76,593,669	42,920,072
Net cash generated from operating activities			
CASH FLOW FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(129,746,705)	(83,672,193)
Proceeds from disposal of fixed assets		1,832,800	-
Increase in long term deposits		(5,487,702)	-
Net cash used in investing activities		(133,401,607)	(83,672,193)
CASH FLOW FROM FINANCING ACTIVITIES			
Principal repayment of lease liability		(5,199,527)	(5,016,488)
Long term finance		(6,517,094)	(7,740,887)
Diminishing musharika		21,292,592	(2,849,390)
Short term borrowings - net		(61,239,973)	81,709,698
Net cash generated from / (used in) financing activities		(51,664,002)	66,102,933
Net (decrease) / increase in cash and cash equivalents		(108,471,940)	25,350,812
Cash and cash equivalents at the beginning of the period		23,539,763	925,317
Cash and cash equivalents at the end of the period	19	(84,932,177)	26,276,129

The annexed notes from 1 to 23 form an integral part of these condensed interim consolidated financial information.

This condensed interim consolidated financial information has been signed by two Directors instead of Chief Executive Officer and one Director, as the Chief Executive Officer is for the time being not in Pakistan.

Lahore



Director



Director

Condensed Interim Consolidated Statement of Changes in Equity

For the quarter ended 30 September 2017 (Un-audited)

	<u>Capital Reserve Revenue reserve</u>			
	Issued subscribed & paid-up capital	Share Premium	Accumulated profit	Total
	----- Rupees -----			
Balance as at 30 June 2016 - audited	773,500,000	347,391,050	486,142,173	1,607,033,223
<u>Total comprehensive income</u>				
Profit for the quarter ended 30 September 2016	-	-	89,824,287	89,824,287
Other comprehensive income for the quarter ended 30 September 2016	-	-	-	-
	-	-	89,824,287	89,824,287
<u>Transactions with owners of the Company</u>				
Final Cash dividend for yeaser ended 30 June 2016 @ Rs. 1 per share	-	-	(77,350,000)	(77,350,000)
	-	-	(77,350,000)	(77,350,000)
Balance as at 30 September 2016 - un-audited	773,500,000	347,391,050	498,616,460	1,619,507,510
<u>Transactions with owners of the Company</u>				
Interim cash dividend for the year ended 30 June 2017@ Rs. 0.5 per share	-	-	(38,675,000)	(38,675,000)
Issue of bonus shares @ 10% (i.e. 1 share for every 10 shares held)	77,350,000	-	(77,350,000)	-
Interim cash dividend for the year ended 30 June 2017@ Rs. 0.5 per share	-	-	(42,542,500)	(42,542,500)
	77,350,000	-	(158,567,500)	(81,217,500)
<u>Total comprehensive income</u>				
Profit for nine months period ended 30 June 2017	-	-	327,229,449	327,229,449
Other comprehensive income for nine months period ended 30 June 2017	-	-	-	-
	-	-	327,229,449	327,229,449
Balance as at 30 June 2017 -audited	850,850,000	347,391,050	667,278,409	1,865,519,459
<u>Total comprehensive income</u>				
Profit for quarter ended 30 September 2017	-	-	100,694,885	100,694,885
Other comprehensive income/(loss) for the quarter ended 30 September 2017	-	-	-	-
	-	-	100,694,885	100,694,885
Balance as at 30 September 2017- unaudited	850,850,000	347,391,050	767,973,294	1,966,214,344

The annexed notes from 1 to 23 form an integral part of these condensed interim consolidated financial information.

This condensed interim consolidated financial information has been signed by two Directors instead of Chief Executive Officer and one Director, as the Chief Executive Officer is for the time being not in Pakistan.

Lahore


Director


Director

Notes to the Condensed Interim Consolidated Financial Information

For the quarter ended 30 September 2017 (Un-audited)

1 Reporting entity

1.1 Synthetic Products Enterprises Limited - ("the Company")

Synthetic Products Enterprises Limited ("the Company") was incorporated in Pakistan on 16 May 1982 as a private limited company. The Company converted into public limited company on 21 July 2008 and subsequently listed on Pakistan Stock Exchange on 10 February 2015. The registered office of the Company is situated at 127-S, Quaid-e-Azam Industrial Estate, Kot Lakhpat, Lahore. The Company is principally engaged in the manufacturing and sale of plastic auto parts, plastic packaging for food and FMCG industry and moulds & dies.

1.2 SPEL Pharmatec (Private) Limited ("the Subsidiary Company")

During the year 2013, Synthetic Products Enterprises Limited acquired 100% shares in its newly incorporated Subsidiary Company from the date of its incorporation on 01 November 2013. The principal business of the Subsidiary Company is trading of medical devices, machines, disposable items, surgical instruments, drugs and pharmaceuticals. The registered office of the Subsidiary Company is situated at 127-S, Quaid-e-Azam Industrial Estate, Kot Lakhpat, Lahore. SPEL Pharmatec (Private) Limited is dormant and has ceased its commercial operations.

2 Basis of preparation

2.1 This condensed interim consolidated financial information comprises the condensed interim consolidated balance sheet of the Company, as at 30 September 2017 and the related condensed interim consolidated profit and loss account, condensed interim consolidated statement of comprehensive income, condensed interim consolidated cash flow statement and condensed interim consolidated statement of changes in equity together with the notes forming part thereof.

2.2 This condensed interim consolidated financial information of the Company for the three months period ended 30 September 2017 has 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 requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

On 30 May 2017, the Companies Act, 2017 (the Act) was enacted which replaced and repealed the Companies Ordinance, 1984 (the repealed Ordinance). However, the Securities and Exchange Commission of Pakistan (SECP) through its Circular No. 23 of 2017 dated 04 October 2017 and The Institute of Chartered Accountants of Pakistan (ICAP) through its Circular No 17 of 2017 dated 06 October 2017 have advised the Companies shall prepare their financial statements for financial period ending on or before 31 December 2017 in accordance with the provisions of the repealed Companies Ordinance, 1984.

2.3 This condensed interim consolidated financial information does not include all of the information required for full annual financial statements and should be read in conjunction with the annual consolidated financial statements for the year ended 30 June 2017.

2.4 Comparative consolidated balance sheet numbers are extracted from the annual audited consolidated financial statements of the Company for the year ended 30 June 2017, whereas comparatives of condensed interim consolidated profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity are stated from unaudited condensed interim consolidated financial information of the Company for the three months period ended 30 September 2017.

2.5 This condensed interim consolidated financial information is unaudited and being submitted to the shareholders as required under Section 245 of the Companies Ordinance, 1984 and the Listing Regulations of Pakistan Stock Exchange Limited.

Notes to the Condensed Interim Consolidated Financial Information

For the quarter ended 30 September 2017 (Un-audited)

3 Judgments and estimates

In preparing this interim consolidated financial information, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the year ended 30 June 2017.

4 Statement of consistency in accounting policies

4.1 The accounting policies and the methods of computation adopted in the preparation of this condensed interim consolidated financial information are same as those applied in the preparation of the consolidated financial statements for the year ended 30 June 2017.

4.2 There were certain other new standards and amendments to the approved accounting standards which became effective during the period but are considered not to be relevant or have any significant effect on the Company's operations and are, therefore, not disclosed.

4.3 The following amendments and interpretations of approved accounting standards will be effective for accounting periods as detailed below :

		Un-audited 30 September 2017 Rupees	Audited 30 June 2017 Rupees
5	Long term finance - secured		
	- Loan from customer	18,025,309	24,542,403
	Less: current maturity presented under current liabilities	<u>(18,025,309)</u>	<u>(24,542,403)</u>
		<u>-</u>	<u>-</u>

5.1 During the period / year, the Company has made repayments amounting to Rs. 6.51 million (30 June 2017: Rs. 24.96 million).

5.2 Type of Loan

	Interest/mark-up based loans	18,025,309	24,542,403
	Islamic mode of financing	-	-
		<u>18,025,309</u>	<u>24,542,403</u>

6 Diminishing musharika - secured

	- United Bank Limited	113,444,893	92,152,301
	- Bank Islami Pakistan Limited (BIPL)	102,000,000	102,000,000
		215,444,893	194,152,301
	Less: current maturity	<u>(12,949,261)</u>	<u>(1,694,552)</u>
		<u>202,495,632</u>	<u>192,457,749</u>

6.1 During the period / year, the Company has made repayments amounting to Rs. Nil (30 June 2017: Rs. 11.07 million).

7 Liabilities against assets subject to finance lease

	Lease liability	17,626,568	22,826,095
	Less: current maturity presented under current liabilities	<u>(8,491,407)</u>	<u>(12,992,144)</u>
		<u>9,135,161</u>	<u>9,833,951</u>

7.1 During the period / year, the Company has made repayments amounting to Rs. 5.20 million (30 June 2017: Rs. 18.90 million).

Notes to the Condensed Interim Consolidated Financial Information

For the quarter ended 30 September 2017 (Un-audited)

	Un-audited 30 September 2017 Rupees	Audited 30 June 2017 Rupees
8 Trade and other payables		
Trade creditors	34,685,296	72,318,511
Accrued liabilities	45,953,435	35,520,069
Advances from customers	6,300,891	8,628,819
Workers' Profit Participation Fund	5,893,311	24,875,111
Workers' Welfare Fund	14,651,753	12,412,295
Payable to Provident Fund Trust	1,458,426	1,291,311
Withholding tax payable	2,188,089	672,602
Unclaimed dividend	498,017	566,849
Others	8,700,231	8,407,215
	<u>120,329,449</u>	<u>164,692,782</u>
9 Short term borrowings - secured		
Short term running finance	88,067,868	34,353,316
Finance against trust receipt	207,490,403	268,730,376
	<u>295,558,271</u>	<u>303,083,692</u>
9.1 Type of Loan		
Interest/mark-up based loans	183,157,103	215,352,067
Islamic mode of financing	112,401,168	87,731,625
	<u>295,558,271</u>	<u>303,083,692</u>
10 Current maturity of non-current liabilities		
Long term finance	18,025,309	24,542,403
Diminishing Musharika - secured	12,949,261	1,694,552
Liabilities against assets subject to finance lease	8,491,407	12,992,144
	<u>39,465,977</u>	<u>39,229,099</u>
11 Contingencies and commitments		
11.1 Contingencies		
There is no significant change in the status of contingencies as reported in the preceding published annual financial statements of the Company for the year ended 30 June 2017.		
11.2 Commitments		
Commitments under irrevocable letters of credit for:		
- purchase of machinery	71,535,570	75,322,478
- purchase of raw material and its related components	184,446,552	112,121,261
	<u>255,982,122</u>	<u>187,443,739</u>
12 Property, plant and equipment		
Operating fixed assets	12.1 1,742,353,463	1,665,019,786
Capital work in progress - at cost	12.2 218,104,417	210,862,977
	<u>1,960,457,880</u>	<u>1,875,882,763</u>

Notes to the Condensed Interim Consolidated Financial Information

For the quarter ended 30 September 2017 (Un-audited)

	Un-audited 30 September 2017 Rupees	Audited 30 June 2017 Rupees
12.1 Operating fixed assets		
Opening written down value	1,665,019,786	1,471,571,292
Add: Additions during the period / year (cost)	12.1.1 122,505,263	335,123,821
Add: Transfers	-	-
Less: Disposals during the period/ year at written down value	(8,905,102)	(9,091,574)
Less: Depreciation charge for the period / year	(36,266,484)	(132,583,753)
Closing written down value	1,742,353,463	1,665,019,786
12.1.1 Additions during the period / year:		
Land	-	16,184,391
Buildings on freehold land	210,857	49,451,436
Plant and machinery - owned	119,395,703	241,383,167
Office equipment	166,203	3,966,675
Tools and equipment	-	1,093,286
Computer equipment	-	789,990
Furniture and fittings	-	1,086,363
Vehicles - owned	2,732,500	14,711,303
Vehicles - leased	-	6,457,210
	122,505,263	335,123,821
12.2 Capital work in progress - at cost		
Balance at the beginning of the period / year	210,862,977	43,782,702
Add: Additions during the period / year	125,998,104	452,955,526
Less: Transfers to fixed assets during the period / year	118,756,664	285,875,251
	218,104,417	210,862,977
13 Investments		
Available for sale, listed equity security	13.1 5,782,755	6,240,495
13.1 Available for sale, listed equity security		
<i>Roshan Packages Limited</i>		
111,100 (30 June 2017: 111,100) fully paid ordinary shares having face value of Rs. 10 each		
- Cost	9,582,375	9,582,375
- Accumulated Impairment - opening	(3,341,880)	-
- Impairment for the period charged to profit and loss	(457,740)	(3,341,880)
- Accumulated Impairment - closing	(3,799,620)	(3,341,880)
Fair value	5,782,755	6,240,495
14 Stock-in-trade		
Raw and packing material	302,902,846	303,792,891
Stock in transit	92,102,614	75,100,903
Work in process	19,335,480	15,444,755
Finished goods	38,448,553	33,344,966
	452,789,493	427,683,515

Notes to the Condensed Interim Consolidated Financial Information

For the quarter ended 30 September 2017 (Un-audited)

	Un-audited 30 September 2017 Rupees	Audited 30 June 2017 Rupees
15 Advances, deposits, prepayments and other receivables		
Advances - unsecured, considered good		
- to employees	420,448	235,040
- to suppliers for raw material	11,320,630	8,827,835
Amounts paid against future shipments	7,619,441	14,794,751
Short term deposits	984,826	7,483,948
Sales tax receivable - net	21,626,699	18,171,037
Prepaid insurance	4,810,458	3,407,767
Other receivables	9,452,100	5,056,314
	56,234,602	57,976,692
	Quarter ended (Un-audited)	
	30 September 2017 Rupees	30 September 2016 Rupees
16 Sales - net		
Local sales	869,736,185	756,887,294
Export sales	6,035,450	5,104,851
Less: Sales tax	(129,704,155)	(112,348,016)
	746,067,480	649,644,129
17 Cost of sales		
Raw and packing materials consumed	429,978,410	357,406,928
Stores, spare parts and loose tools consumed	2,666,089	2,460,214
Salaries, wages and benefits	61,844,245	52,983,115
Electricity, fuel and water charges	42,363,831	40,048,966
Depreciation on property, plant and equipment	32,633,485	27,422,421
Repair and maintenance	6,237,287	8,835,379
Insurance	2,588,391	1,381,239
Oil and lubricants	267,368	649,021
	578,579,106	491,187,283
Work in process		
- At beginning of the period	15,497,540	11,658,090
- At end of the period	(19,335,480)	(15,497,540)
Cost of goods manufactured	574,741,166	487,347,833
Finished goods		
- At beginning of the period	21,743,888	19,298,362
- At end of the period	(38,448,553)	(21,743,888)
Cost of sales	558,036,501	484,902,307
18 Finance cost		
Profit / interest / mark-up on:		
- long term finance	-	87,464
- diminishing musharika	3,476,114	206,499
- short term borrowings	4,611,088	5,017,714
- lease finance	378,874	514,232
- advance from customers	425,458	866,671
Bank charges	505,975	309,015
	9,397,509	7,001,595
19 Cash and cash equivalents		
Short term running finance- secured	(88,067,868)	(12,743,836)
Cash and bank balances	3,135,691	39,019,965
	(84,932,177)	26,276,129

Notes to the Condensed Interim Consolidated Financial Information

For the quarter ended 30 September 2017 (Un-audited)

20

Financial instruments-fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	30 September 2017 (Un-audited)				
	Carrying Amount Rupees	Other financial liabilities	Total	Fair Value Rupees	
	Loans and receivables		Level 1	Level 2	Level 3
Investment in listed securities	5,782,755	-	5,782,755	5,782,755	-
	5,782,755	-	5,782,755	5,782,755	-
Financial assets not measured at fair value					
Cash and bank balances	3,135,691	-	3,135,691	-	-
Deposits and other receivables	10,857,374	-	10,857,374	-	-
Long term deposits	19,007,871	-	19,007,871	-	-
Trade debts - unsecured, considered good	316,186,321	-	316,186,321	-	-
	349,187,257	-	349,187,257	-	-
Financial liabilities measured at fair value					
	-	-	-	-	-
	-	-	-	-	-
Financial liabilities not measured at fair value					
Long term finances and diminishing musharika Liabilities against assets subject to finance lease	-	233,470,202	233,470,202	-	-
Trade and other payables	-	17,626,568	17,626,568	-	-
Short term borrowing	-	91,295,405	91,295,405	-	-
Accrued mark up	-	295,558,271	295,558,271	-	-
	-	2,152,191	2,152,191	-	-
	-	640,102,637	640,102,637	-	-

Notes to the Condensed Interim Consolidated Financial Information

For the quarter ended 30 September 2017 (Un-audited)

20.1

	30 June 2017 (Audited)		Fair Value		
	Carrying Amount Rupees		Level 1	Level 2	Level 3
	Loans and receivables	Other financial liabilities	Total		
Note					
On-Balance sheet financial instruments					
30 June 2017 - (Audited)					
Financial assets measured at fair value					
Investment in listed securities	6,240,495	-	6,240,495	-	-
Financial assets not measured at fair value					
Cash and bank balances	57,849,109	-	57,849,109	-	-
Deposits and other receivables	12,540,262	-	12,540,262	-	-
Long term deposits	13,520,169	-	13,520,169	-	-
Trade debts - unsecured, considered good	339,046,438	-	339,046,438	-	-
	422,955,978	-	422,955,978	-	-
Financial liabilities measured at fair value					
	-	-	-	-	-
	-	-	-	-	-
Financial liabilities not measured at fair value					
Long term finances and diminishing musharika	-	218,694,704	218,694,704	-	-
Liabilities against assets subject to finance lease	-	22,826,095	22,826,095	-	-
Trade and other payables	-	118,053,955	118,053,955	-	-
Short term borrowing	-	303,083,692	303,083,692	-	-
Accrued mark up	-	3,640,698	3,640,698	-	-
	-	666,299,144	666,299,144	-	-
20.2					

20.2 The Company has not disclosed the fair values of these financial assets and liabilities as these are for short term or reprice over short term. Therefore, their carrying amounts are reasonable approximation of fair value.

20.3

Land has been carried at revalued amounts determined by professional valuers (level 3 measurement) based on their assessment of the market values. The valuations are conducted by the valuation experts appointed by the Company. The valuation experts used a market based approach to arrive at the fair value of the Company's land. The effect of changes in the unobservable inputs used in the valuation can not be determined with certainty, accordingly a qualitative disclosure of sensitivity has not been presented in this condensed interim unconsolidated financial information.

Notes to the Condensed Interim Consolidated Financial Information

For the quarter ended 30 September 2017 (Un-audited)

21 Transactions with related parties

The related parties comprise subsidiary, associated undertaking, key management personnel including directors of the Company, post employment benefit plan and other related parties. The Company in the normal course of business carries out transactions with various related parties and continues to have a policy whereby all such transactions are carried out on permissible basis. Significant transactions with related parties are as follows:

Relationship with the Company	Nature of transaction	Quarter ended	(Un-audited)
		30 September 2017	30 September 2016
		Rupees	Rupees
Post employment benefit plans	Contribution to provident fund trust	4,050,767	3,617,030
Post employment benefit plans	Payable to provident fund trust	1,458,426	1,258,142
Key management personnel	Remuneration and other benefits	24,742,823	21,142,719

22 Date of authorization

This condensed interim financial information has been approved by the Board of Directors of the Company and authorized for issue on 27 October 2017.

23 General

Figures have been rounded off to the nearest rupee.

This condensed interim consolidated financial information has been signed by two Directors instead of Chief Executive Officer and one Director, as the Chief Executive Officer is for the time being not in Pakistan.

Lahore



Director



Director

ڈائریکٹرز کا جائزہ

سٹیٹ بینک پراڈکٹ انٹرنیشنل لمیٹڈ کے بورڈ آف ڈائریکٹرز 30 ستمبر 2017 کو ختم ہونے کی پہلی سہ ماہی کے لئے آپ کی کمپنی کی غیر آڈٹ شدہ مالیاتی معلوماتی ڈائریکٹرز

سٹیٹ بینک پراڈکٹ انٹرنیشنل لمیٹڈ کے بورڈ آف ڈائریکٹرز 30 ستمبر 2017 کو ختم ہونے کی پہلی سہ ماہی کے لئے آپ کی کمپنی کی غیر آڈٹ شدہ مالیاتی معلوماتی ڈائریکٹرز کے جائزے کے ساتھ پیش کر رہے ہیں۔

مالی تجزیہ

Quarter Ended
30 Sept 30 Sept
2017 2016
PKR Million

Sales – net	746	649.6
Cost of Sales	(558)	(484.9)
Gross Profit	188	164.7
Operating Profit	131	119.8
Profit after tax	100.6	89.8
EPS – Basic (PKR)	1.18	1.06

مالی تجزیہ

پہلی سہ ماہی میں سیلز آمدنی 746 ملین روپے ہوئی جو کہ گزشتہ سال کی اسی مدت کے مقابلے میں 14.8 فیصد زیادہ ہے اس کے نتیجے میں آپریٹنگ منافع 131 ملین روپے اور خالص منافع 100.6 ملین ہوا۔

زیر جائزہ سہ ماہی کے لئے نیٹ سٹیٹرز آمدنی 1.18 روپے تک بڑھ گئی ہے جو کہ پچھلے سال اسی مدت میں فی سٹیٹرز آمدنی 1.06 روپے تھی۔

زیر جائزہ سہ ماہی کے دوران کمپنی نے 129.7 ملین روپے کی رقم سرمایہ کاری مینوفیکچرنگ کی ہولیات کی توسیع کے لئے پلان کے مطابق خرچ کی ہے

ٹیکسیشن

کمپنی انکم ٹیکس آرڈیننس، 2001 کے سیکشن 65E کے تحت ٹیکس کرڈٹ کرنے کی اہل ہے جس کی بنیاد پلانٹ اور مشینری میں New Equity سے سرمایہ کاری ہے۔ کمپنی یہ ٹیکس کرڈٹ ٹیکس سال 2020 تک کلیم کرنے کی اہل ہے اس کے علاوہ کمپنی نے انکم ٹیکس آرڈیننس، 2001 کے سیکشن 65B کے تحت پلانٹ اور مشینری میں سرمایہ کاری کے 10 فیصد ٹیکس کرڈٹ کلیم کیا ہے۔

رجیم یارخان پروجیکٹ

رجیم یارخان پروجیکٹ پر سرگرمیاں پلان کے مطابق جاری ہیں اور اس منصوبے کو جلد مکمل ہونے کی امید ہے۔

مستقبل ترقی کا جائزہ

روایتی طور پر، دوسری سہ ماہی میں سیلز میں کمی آتی ہے۔ ہم مالی سال 30 جون 2018 کے دوسرے نصف حصہ میں آٹو انڈسٹری اور پیکنگ انڈسٹری میں ترقی کے پائرن کو مدنظر رکھتے ہوئے اپنی پیداواری صلاحیت کی ترقی کیلئے پُر عزم ہیں۔

ہم معیار کی مصنوعات کی بروقت فراہمی کے لئے اور کمپنی کے طویل مدت کامیابی کے لئے کوشاں ہیں۔

اعتراف

ہم کمپنی کی مصنوعات پر اعتماد کے لئے اپنے قابل قدر صارفین کا شکریہ ادا کرنا چاہتے ہیں۔ ہم اپنے ڈیلرز، پلاٹرز، بیکاروں، حصص یافتگان اور مسلسل مدد فراہم کرنے کے لئے ملازمین سمیت دیگر تمام اسٹیک ہولڈرز کے شکر گزار ہیں۔

شیخ نصیر حیدر
ڈائریکٹر

ڈائریکٹر
لاہور

27 اکتوبر 2017

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







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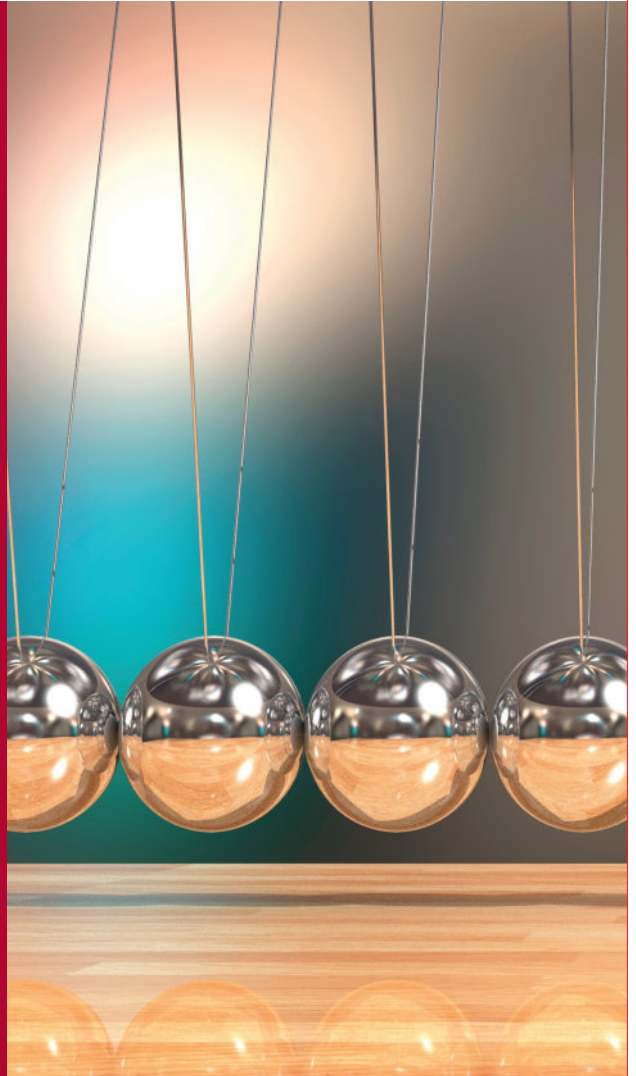


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Synthetic Products Enterprises Limited

127-S Quaid-e-Azam Industrial Estate, Township Kot Lakhpat Lahore
Phone: 042 111 005 005 Fax: 042 351 18507