

**CONDENSED INTERIM FINANCIAL INFORMATION  
FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2018**



Moving Forward  
With Reliability



Synthetic Products Enterprises Limited

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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. Khawar Anwar Khawaja	Committee Chairman
Mr. Almas Hyder	Member
Dr. S. M. Naqi	Member
Mr. Zia Hyder Naqi	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](mailto: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](http://www.spelgroup.com)

## SYNTHETIC PRODUCTS ENTERPRISES LIMITED

### Directors' Review of the Condensed Interim Financial Information

For the Nine Months and Quarter Ended 31 March 2018

#### Dear Shareholders,

The Directors of Synthetic Products Enterprises Limited are pleased to present your Company's un-audited condensed financial information for the nine months and quarter ended 31 March 2018 along with the Directors' review thereon.

#### Financial Analysis

	Nine Months Ended		Quarter Ended	
	31 March	31 March	31 March	31 March
	2018	2017	2018	2017
	PKR	PKR	PKR	PKR
	Millions	Millions	Millions	Millions
Sales – net	2,094	1,935.8	745.9	715.8
Cost of Sales	(1,619.6)	(1,427.4)	(596.5)	(517)
Gross Profit	474.4	508.4	149.4	198.8
Operating Profit	307	369.7	95.8	149
Profit after tax	238.9	299.4	76.8	119.6
EPS – Basic (PKR)	2.81	3.52	0.90	1.41

The sales revenue for the period under review stood at Rs. 2,094 million registering a growth of 8.2% compared to same period last year. The profitability has changed from Rs. 299 million to Rs. 238million mainly due to increase in the prices of raw material, increased depreciation, overheads and devaluation of local currency. Some of the increased costs will be passed on to customers with a lag of few months and some would be recovered through efficient use of resources.

During the period under review, the company has invested an amount of Rs. 382.9 million on expansion and BMR of the manufacturing facilities as planned.

#### Dividend

The Company is evaluating acquisition or investment/JV in an existing Company mainly engaged with auto sector. Hence, it would need funds, accordingly, the Directors didn't declare dividend to maintain liquidity for the said purpose.

#### Taxation

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. In addition, the Company is entitled to a tax credit under section 65E of the Income Tax Ordinance, 2001.

## SYNTHETIC PRODUCTS ENTERPRISES LIMITED

### Directors' Review of the Condensed Interim Financial Information

For the Nine Months and Quarter Ended 31 March 2018

#### Near Term Outlook

We continue to foresee stronger demand in the foreseeable future considering the growth patterns of the auto and packaging sectors for which we have already increased our production capacities.

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

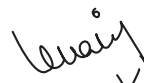
Lahore  
16 April 2018



**Sheikh Naseer Hyder**  
Director



**Abid Saleem Khan**  
Director



**Khalil Ahmad Hashmi**  
Chief Financial Officer

# **CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION**

For the Nine Months and Quarter Ended 31 March 2018

# Condensed Interim Unconsolidated Balance Sheet

As at 31 March 2018 (Un-audited)

		Un-audited 31 March 2018 Rupees	Audited 30 June 2017 Rupees
<b>EQUITY AND LIABILITIES</b>			
<b><u>Share capital and reserves</u></b>			
Authorized share capital of Rs.10 each		<b>1,000,000,000</b>	1,000,000,000
Issued, subscribed and paid up capital	5	<b>850,850,000</b>	850,850,000
Share premium		<b>347,391,050</b>	347,391,050
Accumulated profit		<b>866,200,671</b>	669,744,166
Surplus on revaluation of land		<b>226,943,081</b>	226,943,081
		<b>2,291,384,802</b>	2,094,928,297
<b><u>Non-Current liabilities</u></b>			
Long term finance - secured	6.1	-	-
Diminishing musharika - secured	6.2	<b>219,631,239</b>	192,457,749
Liabilities against assets subject to finance lease	7	<b>10,223,370</b>	9,833,951
Deferred taxation		<b>197,282,058</b>	177,367,893
		<b>427,136,667</b>	379,659,593
<b><u>Current liabilities</u></b>			
Trade and other payables	8	<b>155,127,081</b>	164,075,933
Short term borrowings - <i>secured</i>	9	<b>468,471,608</b>	303,083,692
Current maturity of non-current liabilities	10	<b>48,772,738</b>	39,229,099
Unclaimed dividend		<b>539,928</b>	566,849
Accrued markup		<b>3,593,964</b>	3,640,698
		<b>676,505,319</b>	510,596,271
		<b>3,395,026,788</b>	2,985,184,161

## Contingencies and commitments

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The annexed notes from 1 to 25 form an integral part of these condensed interim unconsolidated financial information.

Lahore

Director

Director

Chief Financial Officer

## Condensed Interim Unconsolidated Balance Sheet

As at 31 March 2018 (Un-audited)

		Un-audited 31 March 2018 Rupees	Audited 30 June 2017 Rupees
<b>ASSETS</b>			
<b><u>Non-current assets</u></b>			
Property, plant and equipment	12	2,130,512,481	1,875,867,724
Intangibles		2,310,821	3,241,687
Investments	13	2,389,963	6,321,302
Long term deposits		14,131,469	13,520,169
		<b>2,149,344,734</b>	<b>1,898,950,882</b>
<b><u>Current assets</u></b>			
Stores, spares and loose tools		22,208,207	20,454,067
Stock-in-trade	14	594,591,204	427,683,515
Trade debts - unsecured, considered good		340,391,127	339,046,438
Income tax - net		221,609,989	183,515,654
Advances, deposits, prepayments and other receivables	15	56,372,850	57,659,496
Cash and bank balances		10,508,677	57,874,109
		<b>1,245,682,054</b>	<b>1,086,233,279</b>
		<b>3,395,026,788</b>	<b>2,985,184,161</b>

The annexed notes from 1 to 25 form an integral part of these condensed interim unconsolidated financial information.

Lahore

Director

Director

Chief Financial Officer



## Condensed Interim Unconsolidated Profit & Loss Account

For the Nine Months and Quarter Ended 31 March 2018 (Un-audited)

		Nine Months Ended		Quarter ended	
		31 March 2018	31 March 2017	31 March 2018	31 March 2017
	Note	Rupees	Rupees	Rupees	Rupees
Sales -net	16	2,094,125,123	1,935,827,797	745,983,641	715,828,768
Cost of sales	17	(1,619,683,133)	(1,427,408,829)	(596,537,669)	(517,003,782)
<b>Gross profit</b>		<b>474,441,990</b>	<b>508,418,968</b>	<b>149,445,972</b>	<b>198,824,986</b>
Administrative expenses		(124,738,253)	(98,720,337)	(40,048,594)	(35,456,735)
Selling and distribution expenses		(42,535,512)	(39,904,825)	(13,540,323)	(14,236,470)
<b>Operating profit</b>		<b>307,168,225</b>	<b>369,793,807</b>	<b>95,857,055</b>	<b>149,131,782</b>
Other income		9,943,431	11,422,348	4,983,205	984,652
Other charges		(25,134,165)	(24,677,947)	(4,835,472)	(9,373,551)
Finance cost	18	(30,870,964)	(23,564,752)	(11,029,575)	(8,063,657)
<b>Profit before taxation</b>		<b>261,106,527</b>	<b>332,973,456</b>	<b>84,975,213</b>	<b>132,679,226</b>
Taxation		(22,107,522)	(33,538,914)	(8,140,477)	(13,060,714)
<b>Profit after taxation</b>		<b>238,999,005</b>	<b>299,434,542</b>	<b>76,834,736</b>	<b>119,618,512</b>
Earnings per share - Basic and diluted	19	2.81	Restated 3.52	0.90	Restated 1.41

The annexed notes from 1 to 25 form an integral part of these condensed interim unconsolidated financial information.

Lahore

Director

Director

Chief Financial Officer

## Condensed Interim Unconsolidated Statement of Comprehensive Income

For the Nine Months and Quarter Ended 31 March 2018 (Un-audited)

	Nine Months Ended		Quarter ended	
	31 March 2018 Rupees	31 March 2017 Rupees	31 March 2018 Rupees	31 March 2017 Rupees
Profit after taxation	238,999,005	299,434,542	76,834,736	119,618,512
Other comprehensive income for the period				
Items that will not be re-classified to profit or loss	-	-	-	-
Items that may be re-classified to profit or loss				
Unrealized Gain/(loss) on re-measurement of available for sale investments	-	(1,632,059)	-	(1,632,059)
<b>Total comprehensive income for the period</b>	<b>238,999,005</b>	<b>297,802,483</b>	<b>76,834,736</b>	<b>117,986,453</b>

The annexed notes from 1 to 25 form an integral part of these condensed interim unconsolidated financial information.

Lahore

Director

Director

Chief Financial Officer

# Condensed Interim Unconsolidated Cash Flow Statement

For the Nine Months Ended 31 March 2018 (Un-audited)

	Note	31 March 2018 Rupees	31 March 2017 Rupees
<b><u>Cash flow from operating activities</u></b>			
<b>Profit before tax</b>		<b>261,106,527</b>	332,973,456
<i>Adjustments for non cash items:</i>			
Depreciation on property, plant and equipment		118,454,188	94,971,027
Amortization on intangible asset		1,545,082	1,312,301
Finance cost		30,870,964	23,564,752
Impairment loss on investments		1,960,047	71,871
Loss on disposal of fixed assets		5,806,406	1,791,113
Provision for Workers' Profit Participation Fund		13,916,977	17,882,570
Provision for Workers' Welfare Fund		3,316,044	6,795,377
		<b>175,869,708</b>	146,389,011
<b>Cash generated from operations before working capital changes</b>		<b>436,976,235</b>	479,362,467
<i>(Increase) / decrease in current assets:</i>			
Stores, spares and loose tools		(1,754,140)	(9,787,649)
Stock-in-trade		(166,907,689)	(127,947,391)
Trade debts		(1,344,689)	(13,892,145)
Advances, deposits, prepayments and other receivable		1,286,646	14,650,135
		<b>(168,719,872)</b>	(136,977,052)
<i>Increase / (decrease) in current liabilities:</i>			
Trade and other payables		11,105,533	26,439,209
		<b>(157,614,339)</b>	(110,537,842)
<b>Cash generated from operations</b>		<b>279,361,896</b>	368,824,625
Workers Welfare Fund paid		(12,412,295)	(4,288,248)
Workers' Profit Participation Fund paid		(24,875,111)	(21,151,351)
Taxes paid		(40,287,692)	(62,152,668)
Finance cost paid		(30,917,698)	(22,461,817)
<b>Net cash generated from operating activities</b>		<b>170,869,100</b>	258,770,541
<b><u>Cash flow from investing activities</u></b>			
Fixed capital expenditure		(379,488,207)	(334,774,770)
Intangibles acquired		(614,216)	(631,019)
Proceeds from disposal of fixed assets		4,020,856	2,653,030
Proceeds from disposal of short term investments		-	75,000,000
Proceeds from disposal of shares		1,971,292	-
Long term investments		-	(9,582,375)
Long term deposits- net		(611,300)	(1,586,824)
<b>Net cash used in investing activities</b>		<b>(374,721,575)</b>	(268,921,957)
<b><u>Cash flow from financing activities</u></b>			
Principal repayment of lease liability		(13,905,034)	(8,056,954)
Long term finance		(19,943,122)	(23,556,606)
Diminishing musharika		67,516,704	21,054,768
Dividend paid		(42,569,421)	(116,025,000)
Short term borrowings - net		38,188,651	136,184,552
<b>Net cash used in financing activities</b>		<b>29,287,778</b>	9,600,760
<b>Net decrease in cash and cash equivalents</b>		<b>(174,564,697)</b>	(550,657)
<b>Cash and cash equivalents at the beginning of the period</b>		<b>23,520,793</b>	792,888
<b>Cash and cash equivalents at the end of the period</b>	20	<b>(151,043,904)</b>	242,231

The annexed notes from 1 to 25 form an integral part of these condensed interim unconsolidated financial information.

Lahore

Director

Director

Chief Financial Officer

## Condensed Interim Unconsolidated Statement of Changes in Equity

### For the Nine Months and Quarter Ended 31 March 2018 (Un-audited)

	Capital Reserve				Revenue Reserve	
	Issued subscribed & paid-up capital	Share Premium	Fair value reserve	Revaluation Surplus	Accumulated profit	Total
----- Rupees -----						
Balance as at 30 June 2016 -audited	773,500,000	347,391,050	-	226,943,081	488,500,699	1,836,334,830
<u>Total comprehensive income</u>						
Profit for the nine months ended 31 March 2017	-	-	-	-	299,434,542	299,434,542
Other comprehensive income/(loss) for the nine months ended 31 March 2017	-	-	(1,632,059)	-	-	(1,632,059)
	-	-	(1,632,059)	-	299,434,542	297,802,483
<u>Transactions with owners of the Company</u>						
Final cash dividend for year ended 30 June 2016 @ Re 1 per share	-	-	-	-	(77,350,000)	(77,350,000)
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)	-
	77,350,000	-	-	-	(193,375,000)	(116,025,000)
Balance as at 31 March 2017 - un-audited	850,850,000	347,391,050	(1,632,059)	226,943,081	594,560,241	2,018,112,313
<u>Total comprehensive income</u>						
Profit for the three months period ended 30 June 2017	-	-	-	-	119,358,484	119,358,484
Other comprehensive income for the three months period ended 30 June 2017	-	-	1,632,059	-	(1,632,059)	-
	-	-	1,632,059	-	117,726,425	119,358,484
<u>Transactions with owners of the Company</u>						
Interim cash dividend for the year ended 30 June 2017 @ Rs. 0.5 per share	-	-	-	-	(42,542,500)	(42,542,500)
	-	-	-	-	(42,542,500)	(42,542,500)
Balance as at 30 June 2017 -audited	850,850,000	347,391,050	-	226,943,081	669,744,166	2,094,928,297
<u>Total comprehensive income</u>						
Profit for the nine months ended 31 March 2018	-	-	-	-	238,999,005	238,999,005
Other comprehensive income for the nine months ended 31 March 2018	-	-	-	-	-	-
	-	-	-	-	238,999,005	238,999,005
<u>Transactions with owners of the Company</u>						
Final cash dividend for the year ended 30 June 2017 @ Rs. 0.5 per share	-	-	-	-	(42,542,500)	(42,542,500)
	-	-	-	-	(42,542,500)	(42,542,500)
Balance as at 31 March 2018- unaudited	850,850,000	347,391,050	-	226,943,081	866,200,671	2,291,384,802

The annexed notes from 1 to 25 form an integral part of these condensed interim unconsolidated financial information.

**Lahore**

**Director**

**Director**

**Chief Financial Officer**

FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2018

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# Notes to the Condensed Interim Unconsolidated Financial Information

For the Nine Months & Quarter Ended 31 March 2018 (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 31 March 2018 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** These condensed interim unconsolidated 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 Standards (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

- Provisions of and directives issued under the Companies Act, 2017.

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

**2.3** 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 nine months period 31 March 2017.

**2.5** This condensed interim unconsolidated financial information is unaudited and being submitted to the shareholders as required under Section 237 of the Companies Act, 2017 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 Nine Months & Quarter Ended 31 March 2018 (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 except that pursuant to the requirements of IAS 7 "Statement of cash flows" a disclosure of reconciliation of movements of liabilities to cash flows arising from financing activities has been given in note 22 to the condensed interim unconsolidated financial information and as per Companies Act 2017 surplus on revaluation of Land becomes part of Equity and has been shown in statement of changes in equity.
- 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 :

Standard or interpretation	Effective date (accounting periods beginning on or after)
IFRIC 23 - Uncertainty over Income Tax Treatments	01 January 2019
IFRS 15 - Revenue from Contract with customer	01 July 2018
IFRS 9 - Financial Instruments	01 July 2018
IAS 28 - Investments in Associates and Joint Ventures	01 January 2019
IFRS 3 - Business Combinations	01 January 2019
IFRS 11 - Joint ventures	01 January 2019
IAS - 12 Income Taxes	01 January 2019
IAS - 23 Borrowing cost	01 January 2019

## 5 Issued, subscribed and paid-up capital

Un-audited 31 March 2018	Audited 30 June 2017		Un-audited 31 March 2018	Audited 30 June 2017
---- Number of shares ----			Rupees	Rupees
19,791,940	19,791,940	Ordinary shares of Rs. 10 each, fully paid in cash	197,919,400	197,919,400
57,628,060	57,628,060	Fully paid bonus shares of Rs. 10 each	576,280,600	576,280,600
7,665,000	7,665,000	Shares of Rs. 10 each, issued under scheme of amalgamation	76,650,000	76,650,000
<b>85,085,000</b>	<b>85,085,000</b>		<b>850,850,000</b>	<b>850,850,000</b>

# Notes to the Condensed Interim Unconsolidated Financial Information

For the Nine Months & Quarter Ended 31 March 2018 (Un-audited)

		Un-audited 31 March 2018 Rupees	Audited 30 June 2017 Rupees
<b>6 Long term finance - secured</b>	<i>Note</i>		
These comprise of:			
<b>6.1</b>	Loan from customer	<b>4,599,281</b>	24,542,403
	Less: Current maturity presented under current liabilities	<b>(4,599,281)</b>	(24,542,403)
		<b>-</b>	-
<b>6.1.1</b>	During the period/ year, the Company has made repayments amounting to Rs. 19.9 million (30 June 2017: Rs. 24.96 million).		
		Un-audited 31 March 2018 Rupees	Audited 30 June 2017 Rupees
<b>6.2 Diminishing musharika - secured</b>	<i>Note</i>		
	- United Bank Limited	<b>159,669,005</b>	92,152,301
	- Bank Islami Pakistan Limited (BIPL)	<b>102,000,000</b>	102,000,000
		<b>261,669,005</b>	194,152,301
	Less: Current maturity presented under current liabilities	<b>(42,037,766)</b>	(1,694,552)
		<b>219,631,239</b>	192,457,749
<b>6.2.1</b>	During the period/ year, the Company has made repayments amounting to Rs. 0.23 million (30 June 2017: Rs. Nil).		
<b>6.2.2</b>	During the period/ year, the Company has made repayments amounting to Rs. Nil (30 June 2017: Rs. Nil).		
		Un-audited 31 March 2018 Rupees	Audited 30 June 2017 Rupees
<b>7 Liabilities against assets subject to finance lease</b>	<i>Note</i>		
	Lease liability	<b>12,359,061</b>	22,826,095
	Less: Current maturity presented under current liabilities	<b>(2,135,691)</b>	(12,992,144)
		<b>10,223,370</b>	9,833,951
<b>7.1</b>	During the period / year, the Company has made repayments amounting to Rs. 13.9 million (30 June 2017: Rs. 9.6 million).		
		Un-audited 31 March 2018 Rupees	Audited 30 June 2017 Rupees
<b>8 Trade and other payables</b>			
	Trade creditors - Local	<b>30,876,458</b>	72,318,511
	Accrued liabilities	<b>55,708,207</b>	35,470,069
	Advances from customers	<b>37,169,965</b>	8,628,819
	Workers' Profit Participation Fund	<b>13,916,977</b>	24,875,111
	Workers' Welfare Fund	<b>3,316,044</b>	12,412,295
	Payable to Provident Fund Trust	<b>1,507,914</b>	1,291,311
	Withholding tax payable	<b>1,352,490</b>	672,602
	Others	<b>11,279,026</b>	8,407,215
		<b>155,127,081</b>	164,075,933

# Notes to the Condensed Interim Unconsolidated Financial Information

For the Nine Months and quarter ended 31 March 2018 (Un-audited)

		Un-audited 31 March 2018 Rupees	Audited 30 June 2017 Rupees
<b>9 Short term borrowings - secured</b>	<b>Note</b>		
Running finance		161,552,581	34,353,316
Finance against trust receipt		306,919,027	268,730,376
		<b>468,471,608</b>	<b>303,083,692</b>
<b>9.1 Type of loan</b>			
Interest/mark-up based loans		201,668,493	215,352,067
Islamic mode of financing		266,803,115	87,731,625
		<b>468,471,608</b>	<b>303,083,692</b>
<b>10 Current maturity of non-current liabilities</b>			
Long term finance - secured	6.1	4,599,281	24,542,403
Diminishing Musharika - secured	6.2	42,037,766	1,694,552
Liabilities against assets subject to finance lease	7	2,135,691	12,992,144
		<b>48,772,738</b>	<b>39,229,099</b>

## 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, except the following:

**11.1.1** The Deputy Commissioner Inland Revenue had issued an assessment order on 27 June 2015 against SPEL Packaging Industries (Private) Limited (which was merged with Company in financial year 2011-12) in respect of TY 2009 and assessed Rs. 53.2 million payable by the Company. The Company filed an appeal before the Commissioner Inland Revenue (Appeals) which was decided against the Company. The management filed a second appeal before the Tribunal which has been decided in favor of the Company.

**11.1.2** The Additional Commissioner Inland Revenue has issued an order on 28th February 2018 against the Company in respect of Tax Year 2012 raising a demand of Rs. 1.32 million. The Company has filed an appeal before the Commissioner Inland Revenue (Appeals).

### 11.2 Commitments

*Commitments under irrevocable letters of credit for:*

		Un-audited 31 March 2018 Rupees	Audited 30 June 2017 Rupees
	<b>Note</b>		
- purchase of machinery		162,695,800	75,322,478
- purchase of raw material and its related components		239,611,425	112,121,261
		<b>402,307,225</b>	<b>187,443,739</b>
<b>12 Property, plant and equipment</b>			
Operating fixed assets	12.1	1,915,399,636	1,665,004,747
Capital work in progress - at cost	12.2	215,112,845	210,862,977
		<b>2,130,512,481</b>	<b>1,875,867,724</b>



## Notes to the Condensed Interim Unconsolidated Financial Information

For the Nine Months and quarter ended 31 March 2018 (Un-audited)

	Note	Un-audited 31 March 2018 Rupees	Audited 30 June 2017 Rupees
<b>12.1 Operating fixed assets</b>			
Opening written down value		1,665,004,747	1,471,554,511
Add: Additions during the period / year (cost)	12.1.1	378,676,339	335,123,821
Less: Disposals during the period/ year at written down value		(9,827,262)	(9,091,574)
Less: Depreciation charge for the period / year		(118,454,188)	(132,582,011)
<b>Closing written down value</b>		<b>1,915,399,636</b>	<b>1,665,004,747</b>
<b>12.1.1 Additions during the period / year:</b>			
Land		-	16,184,391
Buildings on freehold land		113,025,966	49,451,436
Plant and machinery - owned		253,629,024	241,383,167
Office equipment		3,295,593	3,966,675
Tools and equipment		346,767	1,093,286
Computer equipment		160,500	789,990
Furniture and fittings		1,242,489	1,086,363
Vehicles - owned		3,538,000	14,711,303
Vehicles - leased		3,438,000	6,457,210
		<b>378,676,339</b>	<b>335,123,821</b>
<b>12.2 Capital work in progress - at cost</b>			
Balance at the beginning of the period / year		210,862,977	43,782,702
Add: Additions during the period / year		369,618,463	452,955,526
Less: Transfers to fixed assets during the period / year		(365,368,595)	(285,875,251)
		<b>215,112,845</b>	<b>210,862,977</b>
<b>13 Investments</b>			
Investment in subsidiary	13.1	19,171	80,807
Available for sale, listed equity security	13.2	2,370,792	6,240,495
		<b>2,389,963</b>	<b>6,321,302</b>

# Notes to the Condensed Interim Unconsolidated Financial Information

For the Nine Months and Quarter Ended 31 March 2018 (Un-audited)

## 13.1 Investment in subsidiary

### SPEL Pharmatec (Private) Limited

830,000 (30 June 2017: 600,002) fully paid ordinary shares of Rs. 10 each Capital held: 100% (30 June 2017: 100%)

	Un-audited 31 March 2018 Rupees	Audited 30 June 2017 Rupees
Cost	8,300,000	6,000,020
Advance for purchase of shares	-	2,299,980
	8,300,000	8,300,000
Less: Accumulated impairment	(8,280,829)	(8,219,193)
	19,171	80,807

## 13.2 Available for sale, listed equity security

### Roshan Packages Limited

67,210 (30 June 2017: 111,100) fully paid ordinary shares having face value of Rs. 10 each.

During the period, the Company has received bonus shares @ 10% i.e. 11,110 shares and disposed off 55,000 shares.

	Un-audited 31 March 2018 Rupees	Audited 30 June 2017 Rupees
Cost - Opening	9,582,375	9,582,375
Less: Disposal during the period	(4,743,750)	-
Cost - Closing	4,838,625	9,582,375
Accumulated Impairment - opening balance	(3,341,880)	-
Less: Accumulated impairment on disposal during the period	2,759,350	-
Impairment for the period charged to profit and loss account	(1,885,303)	(3,341,880)
Accumulated Impairment - closing balance	(2,467,833)	(3,341,880)
Fair value	2,370,792	6,240,495

## 14 Stock-in-trade

Raw and packing material	398,025,261	303,792,891
Stock in transit	125,821,846	75,100,903
Work in process	25,704,679	15,444,755
Finished goods	45,039,418	33,344,966
	594,591,204	427,683,515

# Notes to the Condensed Interim Unconsolidated Financial Information

For the Nine Months and Quarter Ended 31 March 2018 (Un-audited)

	Un-audited 31 March 2018 Rupees	Audited 30 June 2017 Rupees
<b>15 Advances, deposits, prepayments and other receivables</b>		
<i>Advances - unsecured, considered good</i>		
- to employees	316,587	235,040
- to suppliers for raw material	6,229,949	8,510,639
Amounts paid against future shipments	10,945,325	14,794,751
Short term deposits	677,858	7,483,948
Sales tax receivable - net	29,054,436	18,171,037
Prepaid insurance	1,295,356	3,407,767
Other receivables	7,853,339	5,056,314
	<b>56,372,850</b>	<b>57,659,496</b>
	<b>Nine months ended (Un-audited)</b>	
	<b>31 March</b>	<b>31 March</b>
	<b>2018</b>	<b>2017</b>
	<b>Rupees</b>	<b>Rupees</b>
<b>16 Sales - net</b>		
Local sales	2,456,391,558	2,261,057,689
Export sales	10,416,216	12,072,267
Less: Sales tax	(372,682,651)	(337,302,159)
	<b>2,094,125,123</b>	<b>1,935,827,797</b>
<b>17 Cost of sales</b>		
Raw and packing materials consumed	1,222,786,031	1,073,736,338
Stores, spare parts and loose tools consumed	6,501,026	6,950,384
Salaries, wages and benefits	161,371,152	146,978,451
Electricity, fuel and water charges	113,945,747	103,306,124
Depreciation on property, plant and equipment	106,608,769	85,473,925
Repair and maintenance	20,834,417	24,183,443
Sorting charges	964,672	2,101,029
Insurance	6,648,654	4,434,389
Oil and lubricants	1,977,041	2,002,415
	<b>1,641,637,509</b>	<b>1,449,166,498</b>
<i>Work in process:</i>		
- At beginning of the period	15,444,755	14,663,894
- At end of the period	(25,704,679)	(18,713,372)
<b>Cost of goods manufactured</b>	<b>1,631,377,585</b>	<b>1,445,117,020</b>
<i>Finished goods:</i>		
- At beginning of the period	33,344,966	21,322,450
- At end of the period	(45,039,418)	(39,030,642)
<b>Cost of sales</b>	<b>1,619,683,133</b>	<b>1,427,408,829</b>

# Notes to the Condensed Interim Unconsolidated Financial Information

For the Nine Months and quarter ended 31 March 2018 (Un-audited)

		Nine months ended (Un-audited)	
		31 March 2018 Rupees	31 March 2017 Rupees
<b>18 Finance cost</b>			
Mark-up on:			
- short term borrowings		15,308,900	18,485,536
- long term finance - secured		884,530	2,413,483
- diminishing musharika		12,611,893	55,571
- lease finance		936,330	1,458,438
Bank charges		1,129,311	1,151,724
		<b>30,870,964</b>	<b>23,564,752</b>

## 19 Earnings per share - basic and diluted

### 19.1 Basic earnings per share

	Unit	2018	2017
Profit for the year after taxation	Rupees	238,999,005	299,434,542
Weighted average number of ordinary shares in issue during the period	Number	85,085,000	85,085,000
Earnings per share	Rupees	2.81	3.52

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 issued Bonus Shares @ 10% during the year 2016-17 accordingly, the earnings per share of the comparative period have been re-stated.

### 19.2 Diluted earnings per share

There is no dilutive effect on the basic earnings per share of the company.

		31 March 2018 Rupees	31 March 2017 Rupees
<b>20 Cash and cash equivalents</b>			
Short term running finance- secured		(161,552,581)	(16,781,407)
Cash and bank balances		10,508,677	17,023,639
		<b>(151,043,904)</b>	<b>242,231</b>

# Notes to the Condensed Interim Unconsolidated Financial Information

For the Nine Months and Quarter Ended 31 March 2018 (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.

		Nine months ended 31 March 2018 (Un-audited)			
		Fair Value			
	Note	Loans and receivables		Other financial liabilities	
		Total		Rupees	
		Level 1	Level 2	Level 3	
On-Balance sheet financial instruments					
31 March 2018 - ( Un-audited)					
Financial assets measured at fair value					
Available for sale investment					
<u>Financial assets not measured at fair value</u>					
Bank balances					
Deposits and other receivables					
Long term deposits					
Trade debts - unsecured, considered good	21.2				
Financial liabilities measured at fair value					
<u>Financial liabilities not measured at fair value</u>					
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				

## For the Nine Months and Quarter Ended 31 March 2018 (Un-audited)

**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 Nine Months and Quarter Ended 31 March 2018 (Un-audited)

## 22 Reconciliation of movements of liabilities to cash flows arising from financing activities.

	Nine months ended 31 March 2018 (Un-audited)					
	Liabilities					
	Long term finances	Diminishing Musharika	Liabilities against assets subject to finance lease	Short term borrowings	Unclaimed dividend	Total
----- Rupees -----						
Balance as at 01 July 2017	24,542,403	194,152,301	22,826,095	303,083,692	566,849	545,171,340
<u>Changes from financing activities</u>						
Repayment of short term borrowings - net	-	-	-	38,188,651	-	38,188,651
Long term loans repaid	(19,943,122)	-	-	-	-	(19,943,122)
Diminishing Musharka receipts	-	67,752,186	-	-	-	67,752,186
Repayment of Diminishing Musharika	-	(235,482)	-	-	-	(235,482)
Repayment of finance lease liabilities	-	-	(13,905,034)	-	-	(13,905,034)
Dividends paid	-	-	-	-	(42,569,421)	(42,569,421)
<b>Total changes from financing cash flows</b>	<b>(19,943,122)</b>	<b>67,516,704</b>	<b>(13,905,034)</b>	<b>38,188,651</b>	<b>(42,569,421)</b>	<b>29,287,778</b>
<u>Other changes</u>						
Change in running finance	-	-	-	127,199,265	-	127,199,265
New finance leases	-	-	3,438,000	-	-	3,438,000
Dividend declared	-	-	-	-	42,542,500	42,542,500
<b>Total liability related other changes</b>	<b>-</b>	<b>-</b>	<b>3,438,000</b>	<b>127,199,265</b>	<b>42,542,500</b>	<b>173,179,765</b>
<b>Closing as at 31 March 2018</b>	<b>4,599,281</b>	<b>261,669,005</b>	<b>12,359,061</b>	<b>468,471,608</b>	<b>539,928</b>	<b>747,638,883</b>

# Notes to the Condensed Interim Unconsolidated Financial Information

For the Nine Months and Quarter Ended 31 March 2018 (Un-audited)

Nine months ended 31 March 2017 (Un-audited)						
	Liabilities					
	Long term finances	Diminishing Musharika	Liabilities against assets subject to finance lease	Short term borrowings	Unclaimed dividend	Total
----- Rupees -----						
Balance as at 01 July 2016	54,510,451	11,069,800	35,707,712	251,844,351	275,607	353,407,921
<b>Changes from financing activities</b>						
Repayment of short term borrowings - net	-	-	-	102,695,934	-	102,695,934
Long term loans repaid	(23,556,606)	-	-	-	-	(23,556,606)
Diminishing Musharka receipts	-	29,602,938	-	-	-	29,602,938
Repayment of Diminishing Musharika	-	(8,548,170)	-	-	-	(8,548,170)
Repayment of finance lease liabilities	-	-	(13,990,000)	-	-	(13,990,000)
Dividends paid	-	-	-	-	(115,768,698)	(115,768,698)
<b>Total changes from financing cash flows</b>	<b>(23,556,606)</b>	<b>21,054,768</b>	<b>(13,990,000)</b>	<b>102,695,934</b>	<b>(115,768,698)</b>	<b>(29,564,602)</b>
<b>Other changes</b>						
New finance leases	-	-	5,933,046	-	-	5,933,046
Dividend declared	-	-	-	-	116,025,000	116,025,000
<b>Total liability related other changes</b>	<b>-</b>	<b>-</b>	<b>5,933,046</b>	<b>-</b>	<b>116,025,000</b>	<b>121,958,046</b>
<b>Closing as at 31 March 2017</b>	<b>30,953,845</b>	<b>32,124,568</b>	<b>27,650,758</b>	<b>354,540,285</b>	<b>531,909</b>	<b>445,801,365</b>



# Notes to the Condensed Interim Unconsolidated Financial Information

For the Nine Months and Quarter Ended 31 March 2018 (Un-audited)

## 23 Transactions with related parties

Related parties comprise of subsidiary company, associated undertaking, key management personnel (including chief executive and directors), post employment benefit plan and entities in which the directors have significant influence. Details of transactions and balances with related parties are as follows:

			Nine months ended (Un-audited)	
			31 March 2018 Rupees	31 March 2017 Rupees
<b>23.1 Related parties</b>	<b>Nature of Relationship</b>	<b>Nature of transaction</b>		
Provident Fund Trust	Post employment benefit fund	Contribution	12,820,223	10,958,738
Directors	Directorship	Dividend - as shareholders		
		- Cash	30,242,057	82,854,953
		- Bonus	-	55,236,610
Remuneration of Key Management Personnel		Remuneration		
- Directors	Directorship		35,058,793	30,185,746
- Executive employees	Employer-Employee		21,711,168	14,186,508
			(Un-audited) 31 March 2018 Rupees	(Audited) 30 June 2017 Rupees

## 23.2 Balances with related parties

Advance for purchase of	Wholly owned subsidiary	-	2,299,980
Shares Provident Fund Trust	Post employment benefit fund	1,507,914	1,291,311

## 24 Date of authorization

This condensed interim unconsolidated financial information has been approved by the Board of Directors of the Company and authorized for issue in their meeting held on 16 April 2018.

## 25 General

Figures have been rounded off to the nearest rupee. Comparative figures have been rearranged and restated wherever required. However, these restatements and rearrangements were immaterial.

Lahore

Director

Director

Chief Financial Officer

## **CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION**

For the Nine Months and quarter ended 31 March 2018 (Un-audited)

## Condensed Interim Consolidated Balance Sheet

As at 31 March 2018 (Un-audited)

		Un-audited 31 March 2018 Rupees	Audited 30 June 2017 Rupees
<b>EQUITY AND LIABILITIES</b>			
<b><u>Share capital and reserves</u></b>			
Authorized share capital of Rs.10 each		<b>1,000,000,000</b>	1,000,000,000
Issued, subscribed and paid up capital	5	<b>850,850,000</b>	850,850,000
Share premium		<b>347,391,050</b>	347,391,050
Accumulated profit		<b>863,734,914</b>	667,278,409
Surplus on revaluation of land		<b>226,943,081</b>	226,943,081
		<b>2,288,919,045</b>	2,092,462,540
<b><u>Non-Current liabilities</u></b>			
Long term finance - secured	6.1	-	-
Diminishing musharika - secured	6.2	<b>219,631,239</b>	192,457,749
Liabilities against assets subject to finance lease	7	<b>10,223,370</b>	9,833,951
Deferred taxation		<b>199,747,815</b>	179,833,650
		<b>429,602,424</b>	382,125,350
<b><u>Current liabilities</u></b>			
Trade and other payables	8	<b>155,127,081</b>	164,125,933
Short term borrowings - secured	9	<b>468,471,608</b>	303,083,692
Current maturity of non-current liabilities	10	<b>48,772,738</b>	39,229,099
Unclaimed dividend		<b>539,928</b>	566,849
Accrued markup		<b>3,593,964</b>	3,640,698
		<b>676,505,319</b>	510,646,271
		<b>3,395,026,788</b>	2,985,234,161

### Contingencies and commitments

11

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

Lahore

Director

Director

Chief Financial Officer

## Condensed Interim Consolidated Balance Sheet

As at 31 March 2018 (Un-audited)

		Un-audited 31 March 2018 Rupees	Audited 30 June 2017 Rupees
<b>ASSETS</b>			
<u><b>Non-current assets</b></u>			
Property, plant and equipment	12	2,130,512,481	1,875,882,763
Intangibles		2,310,821	3,241,687
Investments	13	2,370,792	6,240,495
Long term deposits		14,131,469	13,520,169
		<b>2,149,325,563</b>	1,898,885,114
<u><b>Current assets</b></u>			
Stores, spares and loose tools		22,208,207	20,454,067
Stock-in-trade	14	594,591,204	427,683,515
Trade debts - unsecured, considered good		340,391,127	339,046,438
Income tax - net		221,609,989	183,612,452
Advances, deposits, prepayments and other receivables	15	56,372,850	57,659,496
Cash and bank balances		10,527,848	57,893,079
		<b>1,245,701,225</b>	1,086,349,047
		<b>3,395,026,788</b>	2,985,234,161

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

Lahore

Director

Director

Chief Financial Officer

## Condensed Interim Consolidated Profit & Loss Account

For the Nine Months and Quarter Ended 31 March 2018 (Un-audited)

	Note	Nine Months Ended		Quarter ended	
		31 March 2018 Rupees	31 March 2017 Rupees	31 March 2018 Rupees	31 March 2017 Rupees
Sales -net	16	2,094,125,123	1,935,827,797	745,983,641	715,828,768
Cost of sales	17	(1,619,683,133)	(1,427,408,829)	(596,537,669)	(517,003,782)
<b>Gross profit</b>		<b>474,441,990</b>	<b>508,418,968</b>	<b>149,445,972</b>	<b>198,824,986</b>
Administrative expenses		(124,739,250)	(98,720,337)	(40,049,591)	(35,456,735)
Selling and distribution expenses		(42,535,512)	(39,904,825)	(13,540,323)	(14,236,470)
<b>Operating profit</b>		<b>307,167,228</b>	<b>369,793,807</b>	<b>95,856,058</b>	<b>149,131,782</b>
Other income		9,993,736	11,422,348	5,033,510	984,652
Other charges		(25,183,403)	(24,677,947)	(4,884,710)	(9,373,551)
Finance cost	18	(30,871,034)	(23,564,752)	(11,029,645)	(8,063,657)
<b>Profit before taxation</b>		<b>261,106,527</b>	<b>332,973,456</b>	<b>84,975,213</b>	<b>132,679,226</b>
Taxation		(22,107,522)	(33,538,914)	(8,140,477)	(13,060,714)
<b>Profit after taxation</b>		<b>238,999,005</b>	<b>299,434,542</b>	<b>76,834,736</b>	<b>119,618,512</b>

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

Lahore

Director

Director

Chief Financial Officer

## Condensed Interim Consolidated Statement of Comprehensive Income

For the Nine Months and Quarter Ended 31 March 2018 (Un-audited)

	Nine Months Ended		Quarter ended	
	31 March 2018 Rupees	31 March 2017 Rupees	31 March 2018 Rupees	31 March 2017 Rupees
Profit after taxation	238,999,005	299,434,542	76,834,736	119,618,512
Other comprehensive income for the period				
Items that will not be re-classified to profit or loss	-	-	-	-
Items that may be re-classified to profit or loss				
Unrealized Gain/(loss) on re-measurement of available for sale investments	-	(1,632,059)	-	(1,632,059)
<b>Total comprehensive income for the period</b>	<b>238,999,005</b>	<b>297,802,483</b>	<b>76,834,736</b>	<b>117,986,453</b>

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

Lahore

Director

Director

Chief Financial Officer

# Condensed Interim Consolidated Cash Flow Statement

For the Nine Months Ended 31 March 2018 (Un-audited)

	Note	31 March 2018 Rupees	31 March 2017 Rupees
<b><u>Cash flow from operating activities</u></b>			
<b>Profit before tax</b>		<b>261,106,527</b>	332,973,456
<b><u>Adjustments for non cash items:</u></b>			
Depreciation on property, plant and equipment		118,455,185	94,971,463
Amortization on intangible asset		1,545,082	1,312,301
Finance cost		30,871,034	23,564,752
Impairment loss on investments		1,898,411	-
Loss on disposal of fixed assets		5,820,448	1,791,113
Provision for Workers' Profit Participation Fund		13,916,977	17,882,570
Provision for Workers' Welfare Fund		3,316,044	6,795,377
		<b>175,823,181</b>	146,317,576
<b>Cash generated from operations before working capital changes</b>		<b>436,929,708</b>	479,291,032
<b><u>(Increase) / decrease in current assets:</u></b>			
Stores, spares and loose tools		(1,754,140)	(9,787,649)
Stock-in-trade		(166,907,689)	(127,947,391)
Trade debts		(1,344,689)	(13,892,145)
Advances, deposits, prepayments and other receivable		1,286,646	14,650,134
		<b>(168,719,872)</b>	(136,977,053)
<b><u>Increase / (decrease) in current liabilities:</u></b>			
Trade and other payables		11,055,533	26,396,944
		<b>(157,664,339)</b>	(110,580,108)
<b>Cash generated from operations</b>		<b>279,265,369</b>	368,710,924
Workers Welfare Fund paid		(12,412,295)	(4,288,248)
Workers' Profit Participation Fund paid		(24,875,111)	(21,151,351)
Taxes paid		(40,190,894)	(62,153,603)
Finance cost paid		(30,917,768)	(22,461,817)
<b>Net cash generated from operating activities</b>		<b>170,869,301</b>	258,655,905
<b><u>Cash flow from investing activities</u></b>			
Fixed capital expenditure		(379,488,207)	(334,774,770)
Intangibles acquired		(614,216)	(631,019)
Proceeds from disposal of fixed assets		4,020,856	2,653,030
Proceeds from disposal of short term investments		-	75,000,000
Proceeds from disposal of shares		1,971,292	-
Long term investments		-	(9,582,375)
Long term deposits- net		(611,300)	(1,586,824)
<b>Net cash used in investing activities</b>		<b>(374,721,575)</b>	(268,921,957)
<b><u>Cash flow from financing activities</u></b>			
Principal repayment of lease liability		(13,905,034)	(8,056,954)
Long term finance		(19,943,122)	(23,556,606)
Diminishing musharika		67,516,704	21,054,768
Dividend paid		(42,569,421)	(116,025,000)
Short term borrowings - net		38,188,651	136,184,552
<b>Net cash used in financing activities</b>		<b>29,287,778</b>	9,600,760
<b>Net decrease in cash and cash equivalents</b>		<b>(174,564,496)</b>	(665,293)
<b>Cash and cash equivalents at the beginning of the period</b>		<b>23,539,763</b>	925,317
<b>Cash and cash equivalents at the end of the period</b>	19	<b>(151,024,733)</b>	260,024

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

Lahore

Director

Director

Chief Financial Officer

## Condensed Interim Consolidated Statement of Changes in Equity

### For the Nine Months and Quarter Ended 31 March 2018 (Un-audited)

	Capital Reserve				Revenue Reserve	
	Issued subscribed & paid-up capital	Share Premium	Fair value reserve	Revaluation Surplus	Accumulated profit	Total
	----- Rupees -----					
<b>Balance as at 30 June 2016 -audited</b>	773,500,000	347,391,050	-	226,943,081	486,142,173	1,833,976,304
<b><u>Total comprehensive income</u></b>						
Profit for the nine months ended 31 March 2017	-	-	-	-	299,434,542	299,434,542
Other comprehensive income/(loss) for the nine months ended 31 March 2017	-	-	(1,632,059)	-	-	(1,632,059)
	-	-	(1,632,059)	-	299,434,542	297,802,483
<b><u>Transactions with owners of the Company</u></b>						
Final cash dividend for year ended 30 June 2016 @ Re 1 per share	-	-	-	-	(77,350,000)	(77,350,000)
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)	-
	77,350,000	-	-	-	(193,375,000)	(116,025,000)
<b>Balance as at 31 March 2017 - un-audited</b>	<b>850,850,000</b>	<b>347,391,050</b>	<b>(1,632,059)</b>	<b>226,943,081</b>	<b>592,201,715</b>	<b>2,015,753,787</b>
<b><u>Total comprehensive income</u></b>						
Profit for the three months period ended 30 June 2017	-	-	-	-	119,251,253	119,251,253
Other comprehensive income for the three months period ended 30 June 2017	-	-	1,632,059	-	(1,632,059)	-
	-	-	1,632,059	-	117,619,194	119,251,253
<b><u>Transactions with owners of the Company</u></b>						
Interim cash dividend for the year ended 30 June 2017 @ Rs. 0.5 per share	-	-	-	-	(42,542,500)	(42,542,500)
	-	-	-	-	(42,542,500)	(42,542,500)
<b>Balance as at 30 June 2017 -audited</b>	<b>850,850,000</b>	<b>347,391,050</b>	<b>-</b>	<b>226,943,081</b>	<b>667,278,409</b>	<b>2,092,462,540</b>
<b><u>Total comprehensive income</u></b>						
Profit for the nine months ended 31 March 2018	-	-	-	-	238,999,005	238,999,005
Other comprehensive income for the nine months ended 31 March 2018	-	-	-	-	-	-
	-	-	-	-	238,999,005	238,999,005
<b><u>Transactions with owners of the Company</u></b>						
Final cash dividend for the year ended 30 June 2017 @ Rs. 0.5 per share	-	-	-	-	(42,542,500)	(42,542,500)
	-	-	-	-	(42,542,500)	(42,542,500)
<b>Balance as at 31 March 2018- unaudited</b>	<b>850,850,000</b>	<b>347,391,050</b>	<b>-</b>	<b>226,943,081</b>	<b>863,734,914</b>	<b>2,288,919,045</b>

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

**Lahore**

**Director**

**Director**

**Chief Financial Officer**



# Notes to the Condensed Interim Consolidated Financial Information

For the Nine Months and Quarter Ended 31 March 2018 (Un-audited)

## 1 Reporting entity

- 1.1** 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 was incorporated on 01 November 2013 under the Companies Ordinance, 1984 as a private limited company. The principal business of the Subsidiary company is trading and manufacturing of medical devices, machines, disposable items, surgical instruments, drugs and pharmaceuticals. The registered office of the Company is situated at 127-S, Quaid-e-Azam Industrial Estate, Kot Lakhpat, Lahore. The Board of Directors of the Subsidiary Company in its meeting held on 31 July 2017 has decided to liquidate the Subsidiary Company within twelve month of the balance sheet date. Accordingly, the financial statements of the Subsidiary Company has been prepared using non-going concern basis of accounting and the auditor of the Subsidiary Company in their auditor's report has included an emphasis of matter paragraph referring to this fact in the Subsidiary Company's financial statements.

## 2 Basis of preparation

- 2.1** This condensed interim consolidated financial information comprises the condensed interim consolidated balance sheet of the Company, as at 31 March 2018 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** These condensed interim consolidated 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 Standards (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
  - Provisions of and directives issued under the Companies Act, 2017.
- Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.
- 2.3** 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 nine months period 31 March 2017.
- 2.5** This condensed interim consolidated financial information is unaudited and being submitted to the shareholders as required under Section 237 of the Companies Act, 2017 and the Listing Regulations of Pakistan Stock Exchange Limited.

## 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.

# Notes to the Condensed Interim Consolidated Financial Information

For the Nine Months and Quarter Ended 31 March 2018 (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 except that pursuant to the requirements of IAS 7 "Statement of cash flows" a disclosure of reconciliation of movements of liabilities to cash flows arising from financing activities has been given in note 21 to the condensed interim unconsolidated financial information and as per Companies Act, 2017 surplus on revaluation of Land becomes part of Equity and has been shown in statement of changes in equity.
- 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 :

Standard or interpretation	Effective date (accounting periods beginning on or after)
IFRIC 23 - Uncertainty over Income Tax Treatments	01 January 2019
IFRS 15 - Revenue from Contract with customer	01 July 2018
IFRS 9 - Financial Instruments	01 July 2018
IAS 28 - Investments in Associates and Joint Ventures	01 January 2019
IFRS 3 - Business Combinations	01 January 2019
IFRS 11 - Joint ventures	01 January 2019
IAS - 12 Income Taxes	01 January 2019
IAS - 23 Borrowing cost	01 January 2019

## 5 Issued, subscribed and paid-up capital

Un-audited 31 March 2018	Audited 30 June 2017		Un-audited 31 March 2018 Rupees	Audited 30 June 2017 Rupees
---- Number of shares ----				
19,791,940	19,791,940	Ordinary shares of Rs. 10 each, fully paid in cash	197,919,400	197,919,400
57,628,060	57,628,060	Fully paid bonus shares of Rs. 10 each	576,280,600	576,280,600
7,665,000	7,665,000	Shares of Rs. 10 each, issued under scheme of amalgamation	76,650,000	76,650,000
<u>85,085,000</u>	<u>85,085,000</u>		<u>850,850,000</u>	<u>850,850,000</u>

# Notes to the Condensed Interim Consolidated Financial Information

For the Nine Months and Quarter Ended 31 March 2018 (Un-audited)

		Un-audited 31 March 2018 Rupees	Audited 30 June 2017 Rupees
<b>6 Long term finance - secured</b>	<i>Note</i>		
These comprise of:			
<b>6.1</b>	Loan from customer	<b>6.1.1</b>	
	Less: Current maturity presented under current liabilities	<b>4,599,281</b> <b>(4,599,281)</b>	24,542,403 (24,542,403)
		<b>-</b>	<b>-</b>
<b>6.1.1</b>	During the period/ year, the Company has made repayments amounting to Rs. 19.9 million (30 June 2017: Rs. 24.96 million).		
		Un-audited 31 March 2018 Rupees	Audited 30 June 2017 Rupees
<b>6.2 Diminishing musharika - secured</b>	<i>Note</i>		
	- United Bank Limited	<b>6.2.1</b>	
	- Bank Islami Pakistan Limited (BIPL)	<b>6.2.2</b>	
		<b>159,669,005</b> <b>102,000,000</b> <b>261,669,005</b>	92,152,301 102,000,000 194,152,301
	Less: Current maturity presented under current liabilities	<b>(42,037,766)</b>	(1,694,552)
		<b>219,631,239</b>	<b>192,457,749</b>
<b>6.2.1</b>	During the period/ year, the Company has made repayments amounting to Rs. 0.23 million (30 June 2017: Rs. Nil).		
<b>6.2.2</b>	During the period/ year, the Company has made repayments amounting to Rs. Nil (30 June 2017: Rs. Nil).		
		Un-audited 31 March 2018 Rupees	Audited 30 June 2017 Rupees
<b>7 Liabilities against assets subject to finance lease</b>	<i>Note</i>		
	Lease liability	<b>7.1</b>	
	Less: Current maturity presented under current liabilities	<b>12,359,061</b> <b>(2,135,691)</b> <b>10,223,370</b>	22,826,095 (12,992,144) 9,833,951
<b>7.1</b>	During the period / year, the Company has made repayments amounting to Rs. 13.9 million (30 June 2017: Rs. 9.6 million).		
		Un-audited 31 March 2018 Rupees	Audited 30 June 2017 Rupees
<b>8 Trade and other payables</b>			
	Trade creditors - Local	<b>30,876,458</b>	72,318,511
	Accrued liabilities	<b>55,708,207</b>	35,520,069
	Advances from customers	<b>37,169,965</b>	8,628,819
	Workers' Profit Participation Fund	<b>13,916,977</b>	24,875,111
	Workers' Welfare Fund	<b>3,316,044</b>	12,412,295
	Payable to Provident Fund Trust	<b>1,507,914</b>	1,291,311
	Withholding tax payable	<b>1,352,490</b>	672,602
	Others	<b>11,279,026</b>	8,407,215
		<b>155,127,081</b>	<b>164,125,933</b>

# Notes to the Condensed Interim Consolidated Financial Information

For the Nine Months and Quarter Ended 31 March 2018 (Un-audited)

		Un-audited 31 March 2018 Rupees	Audited 30 June 2017 Rupees
<b>9 Short term borrowings - secured</b>	<i>Note</i>		
Running finance		161,552,581	34,353,316
Finance against trust receipt		306,919,027	268,730,376
		<b>468,471,608</b>	<b>303,083,692</b>
<b>9.1 Type of loan</b>			
Interest/mark-up based loans		201,668,493	215,352,067
Islamic mode of financing		266,803,115	87,731,625
		<b>468,471,608</b>	<b>303,083,692</b>
<b>10 Current maturity of non-current liabilities</b>			
Long term finance - secured	6.1	4,599,281	24,542,403
Diminishing Musharika - secured	6.2	42,037,766	1,694,552
Liabilities against assets subject to finance lease	7	2,135,691	12,992,144
		<b>48,772,738</b>	<b>39,229,099</b>

## 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, except the following:

**11.1.1** The Deputy Commissioner Inland Revenue had issued an assessment order on 27 June 2015 against SPEL Packaging Industries (Private) Limited (which was merged with Company in financial year 2011-12) in respect of TY 2009 and assessed Rs. 53.2 million payable by the Company. The Company filed an appeal before the Commissioner Inland Revenue (Appeals) which was decided against the Company. The management filed a second appeal before the Tribunal which has been decided in favor of the Company.

**11.1.2** The Additional Commissioner Inland Revenue has issued an order on 28th February 2018 against the Company in respect of Tax Year 2012 raising a demand of Rs. 1.32 million. The Company has filed an appeal before the Commissioner Inland Revenue (Appeals).

### 11.2 Commitments

*Commitments under irrevocable letters of credit for:*

		Un-audited 31 March 2018 Rupees	Audited 30 June 2017 Rupees
	<i>Note</i>		
- purchase of machinery		162,695,800	75,322,478
- purchase of raw material and its related components		239,611,425	112,121,261
		<b>402,307,225</b>	<b>187,443,739</b>
<b>12 Property, plant and equipment</b>			
Operating fixed assets	12.1	1,915,399,636	1,665,019,786
Capital work in progress - at cost	12.2	215,112,845	210,862,977
		<b>2,130,512,481</b>	<b>1,875,882,763</b>

# Notes to the Condensed Interim Consolidated Financial Information

For the Nine Months and Quarter Ended 31 March 2018 (Un-audited)

		Un-audited 31 March 2018 Rupees	Audited 30 June 2017 Rupees
<b>12.1 Operating fixed assets</b>			
Opening written down value		1,665,019,786	1,471,571,292
Add: Additions during the period / year (cost)	12.1.1	378,676,339	335,123,821
Less: Disposals during the period/ year at written down value		(9,841,304)	(9,091,574)
Less: Depreciation charge for the period / year		(118,455,185)	(132,583,753)
<b>Closing written down value</b>		<b>1,915,399,636</b>	<b>1,665,019,786</b>
<b>12.1.1 Additions during the period / year:</b>			
Land		-	16,184,391
Buildings on freehold land		113,025,966	49,451,436
Plant and machinery - owned		253,629,024	241,383,167
Office equipment		3,295,593	3,966,675
Tools and equipment		346,767	1,093,286
Computer equipment		160,500	789,990
Furniture and fittings		1,242,489	1,086,363
Vehicles - owned		3,538,000	14,711,303
Vehicles - leased		3,438,000	6,457,210
		<b>378,676,339</b>	<b>335,123,821</b>
<b>12.2 Capital work in progress - at cost</b>			
Balance at the beginning of the period / year		210,862,977	43,782,702
Add: Additions during the period / year		369,618,463	452,955,526
Less: Transfers to fixed assets during the period / year		(365,368,595)	(285,875,251)
		<b>215,112,845</b>	<b>210,862,977</b>
<b>13 Investments</b>			
Available for sale, listed equity security	13.1	2,370,792	6,240,495

## 13.1 Available for sale, listed equity security

### Roshan Packages Limited

67,210 (30 June 2017: 111,100) fully paid ordinary shares having face value of Rs. 10 each.

During the period, the Company has received bonus shares @ 10% i.e. 11,110 shares and disposed off 55,000 shares.

## Notes to the Condensed Interim Consolidated Financial Information

For the Nine Months and Quarter Ended 31 March 2018 (Un-audited)

	Un-audited 31 March 2018 Rupees	Audited 30 June 2017 Rupees
Cost - Opening	9,582,375	9,582,375
Less: Disposal during the period	(4,743,750)	
Cost - Closing	4,838,625	9,582,375
Accumulated Impairment - opening balance	(3,341,880)	-
Less: Accumulated impairment on disposal during the period	2,759,350	-
Impairment for the period charged to profit and loss account	(1,885,303)	(3,341,880)
Accumulated Impairment - closing balance	(2,467,833)	(3,341,880)
Fair value	2,370,792	6,240,495
<b>14 Stock-in-trade</b>		
Raw and packing material	398,025,261	303,792,891
Stock in transit	125,821,846	75,100,903
Work in process	25,704,679	15,444,755
Finished goods	45,039,418	33,344,966
	594,591,204	427,683,515
<b>15 Advances, deposits, prepayments and other receivables</b>		
<i>Advances - unsecured, considered good</i>		
- to employees	316,587	235,040
- to suppliers for raw material	6,229,949	8,827,835
Amounts paid against future shipments	10,945,325	14,794,751
Short term deposits	677,858	7,483,948
Sales tax receivable - net	29,054,436	18,171,037
Prepaid insurance	1,295,356	3,407,767
Other receivables	7,853,339	5,056,314
	56,372,850	57,976,692
Provision against doubtful receivables	-	(317,196)
	56,372,850	57,659,496
<b>Nine months ended (Un-audited)</b>		
	31 March 2018 Rupees	31 March 2017 Rupees
Local sales	2,456,391,558	2,261,057,689
Export sales	10,416,216	12,072,267
Less: Sales tax	(372,682,651)	(337,302,159)
	2,094,125,123	1,935,827,797

## Notes to the Condensed Interim Consolidated Financial Information

For the Nine Months and Quarter Ended 31 March 2018 (Un-audited)

	Nine months ended (Un-audited)	
	31 March 2018 Rupees	31 March 2017 Rupees
<b>17 Cost of sales</b>		
Raw and packing materials consumed	1,222,785,133	1,073,736,338
Stores, spare parts and loose tools consumed	6,501,026	6,950,384
Salaries, wages and benefits	161,371,152	146,978,451
Electricity, fuel and water charges	113,945,747	103,306,124
Depreciation on property, plant and equipment	106,609,667	85,473,925
Repair and maintenance	20,834,417	24,183,443
Sorting charges	964,672	2,101,029
Insurance	6,648,654	4,434,389
Oil and lubricants	1,977,041	2,002,415
	<b>1,641,637,509</b>	<b>1,449,166,498</b>
<i>Work in process:</i>		
- At beginning of the period	15,444,755	14,663,894
- At end of the period	(25,704,679)	(18,713,372)
<b>Cost of goods manufactured</b>	<b>1,631,377,585</b>	<b>1,445,117,020</b>
<i>Finished goods:</i>		
- At beginning of the period	33,344,966	21,322,450
- At end of the period	(45,039,418)	(39,030,642)
<b>Cost of sales</b>	<b>1,619,683,133</b>	<b>1,427,408,829</b>
<b>18 Finance cost</b>		
<i>Mark-up on:</i>		
- short term borrowings	15,308,900	18,485,536
- long term finance - secured	884,530	2,413,483
- diminishing musharika	12,611,893	55,571
- lease finance	936,330	1,458,438
Bank charges	1,129,381	1,151,724
	<b>30,871,034</b>	<b>23,564,752</b>
<b>19 Cash and cash equivalents</b>		
Short term running finance- secured	(161,552,581)	(16,781,407)
Cash and bank balances	10,527,848	17,041,432
	<b>(151,024,733)</b>	<b>260,024</b>

# Notes to the Condensed Interim Consolidated Financial Information

For the Nine Months and Quarter Ended 31 March 2018 (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.

		Nine months ended 31 March 2018 (Un-audited)				
		Fair Value				
	Note	Rupees		-----		
		Loans and receivables	Other financial liabilities	Total	Level 1	Level 2      Level 3
On-Balance sheet financial instruments						
31 March 2018 - ( Un-audited)						
Financial assets measured at fair value						
Available for sale investment		-	-	-	-	-
		2,370,792	-	2,370,792	2,370,792	-
		<b>2,370,792</b>	-	<b>2,370,792</b>	<b>2,370,792</b>	-
Financial assets not measured at fair value						
Bank balances		10,439,377	-	10,439,377	-	-
Deposits and other receivables		8,531,197	-	8,531,197	-	-
Long term deposits		14,131,469	-	14,131,469	-	-
Trade debts - unsecured, considered good	20.2	340,391,127	-	340,391,127	-	-
		<b>373,493,170</b>	-	<b>373,493,170</b>	-	-
Financial liabilities measured at fair value						
		-	-	-	-	-
		-	-	-	-	-
Financial liabilities not measured at fair value						
Long term finances and diminishing musharika		-	266,268,286	266,268,286	-	-
Liabilities against assets subject to finance lease		-	12,359,061	12,359,061	-	-
Trade and other payables		-	99,767,065	99,767,065	-	-
Short term borrowing		-	468,471,608	468,471,608	-	-
Accrued mark up	20.2	-	3,593,964	3,593,964	-	-
		-	<b>850,459,984</b>	<b>850,459,984</b>	-	-



# Notes to the Condensed Interim Consolidated Financial Information

For the Nine Months and Quarter Ended 31 March 2018 (Un-audited)

20.1

Carrying Amount		30 June 2017 (Audited)			Fair Value	
		Rupees				
Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	
-	-	-	-	-	-	-
6,240,495	-	6,240,495	6,240,495	-	-	-
<b>6,240,495</b>	<b>-</b>	<b>6,240,495</b>	<b>6,240,495</b>	<b>-</b>	<b>-</b>	<b>-</b>

Note

## On-Balance sheet financial instruments

### 30 June 2017 - ( Audited)

#### Financial assets measured at fair value

Available for sale investment

#### Financial assets not measured at fair value

Bank balances 57,868,079  
Deposits and other receivables 12,540,262  
Long term deposits 13,520,169  
Trade debts - unsecured, considered good 339,046,438  
**422,974,948**

20.2

#### Financial liabilities measured at fair value

#### Financial liabilities not measured at fair value

Long term finances and diminishing musharika 218,694,704  
Liabilities against assets subject to finance lease 22,826,095  
Trade and other payables 118,103,955  
Short term borrowing 303,083,692  
Accrued mark up 3,640,698

20.2

-	<b>666,349,144</b>	<b>666,349,144</b>	-	-	-
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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 consolidated financial information.

# Notes to the Condensed Interim Consolidated Financial Information

For the Nine Months and Quarter Ended 31 March 2018 (Un-audited)

## 21 Reconciliation of movements of liabilities to cash flows arising from financing activities.

	Nine months ended 31 March 2018 (Un-audited)					
	Liabilities					
	Long term finances	Diminishing Musharika	Liabilities against assets subject to finance lease	Short term borrowings	Unclaimed dividend	Total
Balance as at 01 July 2017	24,542,403	194,152,301	22,826,095	303,083,692	566,849	545,171,340
<b>Changes from financing activities</b>						
Repayment of short term borrowings - net	-	-	-	38,188,651	-	38,188,651
Long term loans repaid	(19,943,122)	-	-	-	-	(19,943,122)
Diminishing Musharka receipts	-	67,752,186	-	-	-	67,752,186
Repayment of Diminishing Musharika	-	(235,482)	-	-	-	(235,482)
Repayment of finance lease liabilities	-	-	(13,905,034)	-	-	(13,905,034)
Dividends paid	-	-	-	-	(42,569,421)	(42,569,421)
<b>Total changes from financing cash flows</b>	<b>(19,943,122)</b>	<b>67,516,704</b>	<b>(13,905,034)</b>	<b>38,188,651</b>	<b>(42,569,421)</b>	<b>29,287,778</b>
<b>Other changes</b>						
Change in running finance	-	-	-	127,199,265	-	127,199,265
New finance leases	-	-	3,438,000	-	-	3,438,000
Dividend declared	-	-	-	-	42,542,500	42,542,500
<b>Total liability related other changes</b>	<b>-</b>	<b>-</b>	<b>3,438,000</b>	<b>127,199,265</b>	<b>42,542,500</b>	<b>173,179,765</b>
<b>Closing as at 31 March 2018</b>	<b>4,599,281</b>	<b>261,669,005</b>	<b>12,359,061</b>	<b>468,471,608</b>	<b>539,928</b>	<b>747,638,883</b>

# Notes to the Condensed Interim Consolidated Financial Information

For the Nine Months and Quarter Ended 31 March 2018 (Un-audited)

Nine months ended 31 March 2017 (Un-audited)						
	Liabilities					
	Long term finances	Diminishing Musharika	Liabilities against assets subject to finance lease	Short term borrowings	Unclaimed dividend	Total
Balance as at 01 July 2016	54,510,451	11,069,800	35,707,712	251,844,351	275,607	353,407,921
<u>Changes from financing activities</u>						
Repayment of short term borrowings - net	-	-	-	102,695,934	-	102,695,934
Long term loans repaid	(23,556,606)	-	-	-	-	(23,556,606)
Diminishing Musharika receipts	-	29,602,938	-	-	-	29,602,938
Repayment of Diminishing Musharika	-	(8,548,170)	-	-	-	(8,548,170)
Repayment of finance lease liabilities	-	-	(13,990,000)	-	-	(13,990,000)
Dividends paid	-	-	-	-	(115,768,698)	(115,768,698)
<b>Total changes from financing cash flows</b>	<b>(23,556,606)</b>	<b>21,054,768</b>	<b>(13,990,000)</b>	<b>102,695,934</b>	<b>(115,768,698)</b>	<b>(29,564,602)</b>
<u>Other changes</u>						
New finance leases	-	-	5,933,046	-	-	5,933,046
Dividend declared	-	-	-	-	116,025,000	116,025,000
<b>Total liability related other changes</b>	<b>-</b>	<b>-</b>	<b>5,933,046</b>	<b>-</b>	<b>116,025,000</b>	<b>121,958,046</b>
<b>Closing as at 31 March 2017</b>	<b>30,953,845</b>	<b>32,124,568</b>	<b>27,650,758</b>	<b>354,540,285</b>	<b>531,909</b>	<b>445,801,365</b>

# Notes to the Condensed Interim Consolidated Financial Information

For the Nine Months and Quarter Ended 31 March 2018 (Un-audited)

## 22 Transactions with related parties

Related parties comprise of subsidiary company, associated undertaking, key management personnel (including chief executive and directors), post employment benefit plan and entities in which the directors have significant influence. Details of transactions and balances with related parties are as follows:

			Nine months ended (Un-audited)	
			31 March 2018	31 March 2017
			Rupees	Rupees
<b>22.1 Related parties</b>	<b>Nature of Relationship</b>	<b>Nature of transaction</b>		
Provident Fund Trust Directors	Post employment benefit fund Directorship	Contribution	12,820,223	10,958,738
		Dividend - as shareholders		
		- Cash	30,242,057	82,854,953
		- Bonus	-	55,236,610
Remuneration of Key Management Personnel		Remuneration		
- Directors	Directorship		35,058,793	30,185,746
- Executive employees	Employer-Employee		21,711,168	14,186,508
			(Un-audited)	(Audited)
			31 March 2018	30 June 2017
			Rupees	Rupees

## 22.2 Balances with related parties

Provident Fund Trust	Post employment benefit fund	1,507,914	1,291,311
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## 23 Date of authorization

This condensed interim consolidated financial information has been approved by the Board of Directors of the Company and authorized for issue in their meeting held on 16 April 2018.

## 24 General

Figures have been rounded off to the nearest rupee. Comparative figures have been rearranged and restated wherever required. However, these restatements and rearrangements were immaterial.

Lahore

Director

Director

Chief Financial Officer

## ڈائریکٹرز کا جائزہ

### مستقبل قریب کا جائزہ

ہم مستقبل قریب میں ہیکینگ اور آڈیٹسٹری میں ترقی کے پیٹرن اور اپنی پیداواری صلاحیت کی ترقی کیلئے پر عزم ہیں۔ ہم اپنے گاہکوں کو بروقت اور معیاری مصنوعات فراہم کرنے کیلئے کوشاں ہیں یہی ہمارے قابل اعتماد ہونے کی دلیل ہے۔ معیشت مثبت انداز میں بڑھ رہی ہے۔ ہمارے گاہک اپنی پیداواری وسعت کی جانب گامزن ہیں جس کی وجہ سے مثبت نتائج کی اُمید ہے۔

### اعتراف

ہم کمپنی کی مصنوعات پر اعتماد کے لئے اپنے صارفین کا شکریہ ادا کرنا چاہتے ہیں۔ ہم اپنے ڈیلرز، سپلائرز، بینکاروں، حصص یافتگان اور ملازمین سمیت دیگر تمام اسٹیک ہولڈرز کے شکرگزار ہیں۔

اسلمدا  
خلیل احمد ہاشمی  
چیف فنانشل آفیسر

عابد سلیم خان  
ڈائریکٹر

شیخ نصیر حیدر  
ڈائریکٹر

لاہور

16 اپریل 2018

## ڈائریکٹرز کا جائزہ

### محترم شیئر ہولڈرز

سینٹھیک پراڈکٹس انٹرپرائزز لمیٹڈ کے بورڈ آف ڈائریکٹرز 31 مارچ 2018 کو ختم ہونے والی سہ ماہی اور نو ماہ کے لئے آپ کی کمپنی کی غیر آڈٹ شدہ مالیاتی معلومات ڈائریکٹرز کے جائزے کے ساتھ پیش کر رہے ہیں۔

### مالی تجزیہ

	Nine Months Ended		Quarter Ended	
	31 March	31 March	31 March	31 March
	2018	2017	2018	2017
	PKR	PKR	PKR	PKR
	Millions	Millions	Millions	Millions
Sales – net	2,094	1,935.8	745.9	715.8
Cost of Sales	(1,619.6)	(1,427.4)	(596.5)	(517)
Gross Profit	474.4	508.4	149.4	198.8
Operating Profit	307	369.7	95.8	149
Profit after tax	238.9	299.4	76.8	119.6
EPS – Basic (PKR)	2.81	3.52	0.90	1.41

زیر جائزہ مدت کے دوران نیٹ آمدنی 2,094 ملین روپے ہوئی جو کہ گزشتہ سال کی اسی مدت کے مقابلے میں 8.2 فیصد زیادہ ہے۔ منافع 299.4 ملین روپے سے 238.9 ملین روپے ہو گیا ہے جس کی بنیادی وجہ خام مال کی قیمتوں اور دیگر اور ہیز میں اضافہ اور روپے کی قدر میں کمی ہے۔ اضافی لاگت کا کچھ حصہ چند ماہ میں گاؤں کو منتقل ہو جانے کا اور کچھ حصہ پر بہتر کارکردگی سے قابو پایا جائے گا۔

زیر جائزہ مدت کے دوران کمپنی نے 382.9 ملین روپے کی رقم مینوفیکچرنگ کی سہولیات کی توسیع کے لئے خرچ کی ہے۔

### ڈیویڈنڈ

SPEL ایک اور کمپنی کے حصول / سرمایہ کاری / جوائنٹ وینچر کرنے کی تیاری کر رہی ہے۔ جس کے لیے فنڈز درکار ہوں گے۔ لہذا ڈائریکٹرز نے ڈیویڈنڈ نہ دینے کا فیصلہ کیا ہے تاکہ liquidity کو برقرار رکھا جاسکے۔

### میکسیشن

کمپنی نے اگم ٹیکس آرڈیننس، 2001 کے سیکشن 65E کے تحت پلانٹ اور مشینری میں سرمایہ کاری کے 10 فیصد ٹیکس کریڈٹ کلیم کیا ہے۔ اس کے علاوہ کمپنی اگم ٹیکس آرڈیننس، 2001 کے سیکشن 65E کے تحت ٹیکس کریڈٹ کی اہل ہے۔

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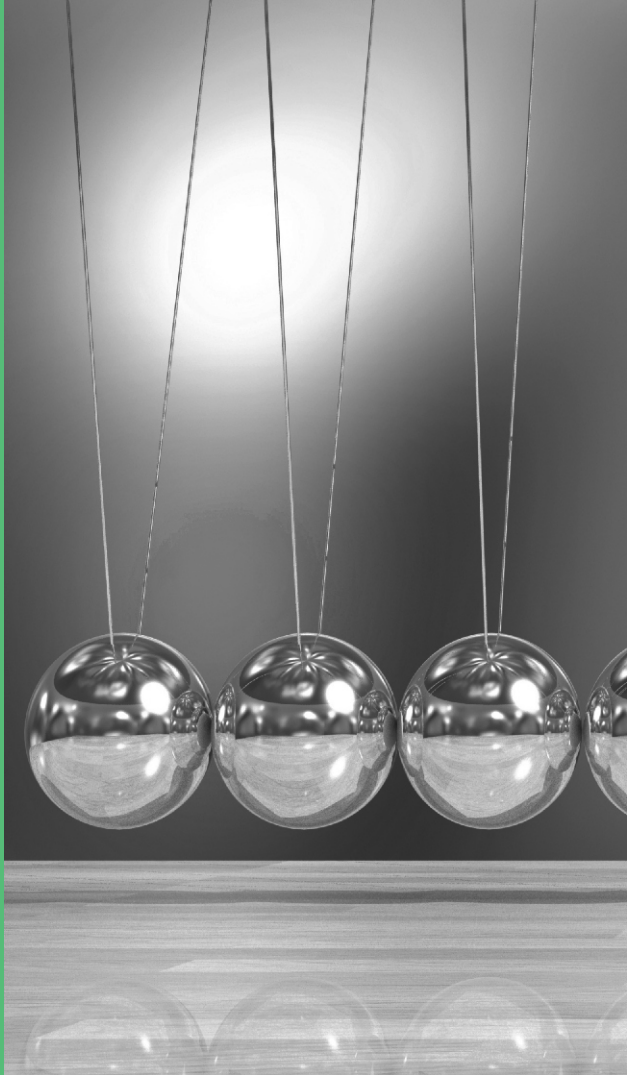


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