

# Synthetic Products Enterprises Limited

*Interim Financial Statements  
For the Quarter Ended 30 Sept 2018*

**SYNTHETIC PRODUCTS ENTERPRISES LIMITED**

Directors' Review of the Condensed Interim Financial Information

For the Quarter ended 30 September 2018

**Dear Shareholders,**

The Directors of Synthetic Products Enterprises Limited are pleased to present your Company's unaudited condensed interim financial information for the quarter ended 30 September 2018 along with the Directors' review thereon.

**Financial Analysis**

	Quarter Ended	
	30 Sep 2018	30 Sep 2017
	PKR	PKR
	Millions	Millions
Sales – net	876	746
Cost of Sales	(710)	(558)
Gross Profit	165	188
Operating Profit	105	131
Profit after tax	76	100
EPS – Basic (PKR)	0.90	1.18

During the period under review revenue has increased by 17% as compared to same period of last year. However, the gross profit ratio for the period under review has been reduced to 18.91% mainly due to currency devaluation, increased cost of raw material, other inflationary pressures. The currency has significantly devalued in the first quarter of FY 2018 which has been recovered partially, till the end of the quarter.

During the quarter under review, the company has invested an amount of Rs. 92.5 million for expansion and BMR of the manufacturing facilities as planned.

**Near Term Outlook**

Despite increasing competition in packaging business, the Company would continue its efforts to improve shareholders' value by increasing and diversifying revenue and expanding customer base, investment in new technology and production efficiencies. The Company will continue exploring new investment opportunities, as part of its diversification strategy.

SPEL remain committed to supply quality products and to deliver on time to its customers as it is our promise of reliability.

The foresight on economy is positive. Few of our customers 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.

  
\_\_\_\_\_  
Chief Executive Officer  
\_\_\_\_\_  
Director

Lahore  
27 October 2018

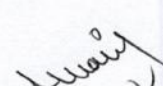
Synthetic Products Enterprises Limited  
Condensed Interim Statement of Financial Position  
As at September 30, 2018

		Un-audited 30 September 2018 Rupees	Audited 30 June 2018 Rupees
	Note		
<b>EQUITY AND LIABILITIES</b>			
<b><u>Share capital and reserves</u></b>			
Authorized share capital of Rs.10 each		1,000,000,000	1,000,000,000
Issued, subscribed and paid-up capital	5	850,850,000	850,850,000
Share premium		347,391,050	347,391,050
Accumulated profit		1,047,896,687	971,473,935
Surplus on revaluation of land		330,031,765	330,031,765
<b>Shareholders' equity</b>		<b>2,576,169,502</b>	<b>2,499,746,750</b>
<b><u>Liabilities</u></b>			
<b><u>Non-Current liabilities</u></b>			
Diminishing musharika - secured	6	326,580,567	310,923,487
Liabilities against assets subject to finance lease	7	11,429,836	12,208,479
Deferred taxation		204,028,341	186,779,290
		<b>542,038,744</b>	<b>509,911,256</b>
<b><u>Current liabilities</u></b>			
Trade and other payables	8	130,779,053	166,419,800
Provident fund payable		1,604,141	1,530,934
Unclaimed dividend		538,355	539,928
Short term borrowings - secured	9	401,156,196	246,351,036
Current maturity of long term liabilities	10	74,686,304	60,675,483
Accrued mark up		5,072,914	5,363,909
		<b>613,836,963</b>	<b>480,881,090</b>
		<b>3,732,045,209</b>	<b>3,490,539,096</b>
<b>Contingencies and commitments</b>	11		

The annexed notes from 1 to 26 form an integral part of these condensed interim financial information.

Lahore   
Chief Executive Officer

  
Director

  
Chief Financial Officer




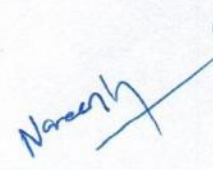
Synthetic Products Enterprises Limited  
Condensed Interim Statement of Financial Position  
As at September 30, 2018

		Un-audited 30 September 2018 Rupees	Audited 30 June 2018 Rupees
	Note		
<b>ASSETS</b>			
<u>Non-current assets</u>			
Property, plant and equipment	12	2,243,812,430	2,194,145,949
Intangibles		1,444,558	1,949,348
Investments	13	1,586,827	1,893,306
Long term deposits		23,959,441	11,083,272
		<u>2,270,803,256</u>	<u>2,209,071,875</u>
 <u>Current assets</u>			
Stores, spares and loose tools		19,875,138	26,890,679
Stock-in-trade	14	691,532,721	627,419,730
Trade debts - unsecured, considered good		411,447,998	325,901,613
Income tax - net		250,453,475	223,378,563
Advances to suppliers and employees	15	42,332,224	37,272,684
Deposits and short term prepayments	16	11,656,810	12,765,895
Other receivables	17	9,807,185	10,418,992
Cash and bank balances		24,136,402	17,419,065
		<u>1,461,241,953</u>	<u>1,281,467,221</u>
		<u><u>3,732,045,209</u></u>	<u><u>3,490,539,096</u></u>

The annexed notes from 1 to 26 form an integral part of these condensed interim financial information.

Lahore

  
Chief Executive Officer

  
Director


  
Chief Financial Officer

**Synthetic Products Enterprises Limited**  
**Condensed Interim Statement of Profit or Loss (Un-audited)**  
**For the quarter ended 30 September 2018**

		<b>Quarter Ended</b>	
		<b>30 September 2018</b>	<b>30 September 2017</b>
		<b>Rupees</b>	<b>Rupees</b>
		<i>Note</i>	
<b>Sales:</b>			
Local		1,035,832,374	869,736,185
Export		3,091,209	6,035,450
		1,038,923,583	875,771,635
Less: Sales tax		(162,579,359)	(129,704,155)
<b>Net sales</b>		<b>876,344,224</b>	<b>746,067,480</b>
Cost of sales	18	(710,629,940)	(558,216,342)
<b>Gross profit</b>		<b>165,714,284</b>	<b>187,851,138</b>
Administrative expenses		(43,391,877)	(40,040,270)
Selling and distribution expenses		(16,334,616)	(16,406,804)
<b>Operating profit</b>		<b>105,987,791</b>	<b>131,404,064</b>
Other income		2,909,762	3,778,902
Other charges		(7,852,036)	(16,052,012)
Finance cost	19	(11,962,483)	(9,397,509)
<b>Profit before taxation</b>		<b>89,083,034</b>	<b>109,733,445</b>
Taxation		(12,660,282)	(9,038,560)
<b>Profit after taxation</b>		<b>76,422,752</b>	<b>100,694,885</b>
<b>Earnings per share - basic and diluted</b>	20	<b>0.90</b>	<b>1.18</b>

The annexed notes from 1 to 26 form an integral part of these condensed interim financial information.

Lahore

  
**Chief Executive Officer**

  
**Director**

  
**Chief Financial Officer**




Synthetic Products Enterprises Limited  
Condensed Interim Statement of Comprehensive Income (Un-audited)  
For the quarter ended 30 September 2018

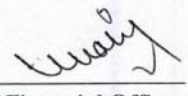
	Quarter ended	
	30 September 2018 Rupees	30 September 2017 Rupees
Profit after taxation	76,422,752	100,694,885
Other comprehensive income for the period	-	-
<b>Total comprehensive income for the period</b>	<b>76,422,752</b>	<b>100,694,885</b>

The annexed notes from 1 to 26 form an integral part of these condensed interim financial information.

Lahore

  
Chief Executive Officer

  
Director

  
Chief Financial Officer

**Synthetic Products Enterprises Limited**  
**Condensed Interim Statement of Cash Flow (Un-audited)**  
**For the quarter ended 30 September 2018**

	30 September 2018 Rupees	30 September 2017 Rupees
<i>Note</i>		
<b><u>Cash flow from operating activities</u></b>		
<b>Profit before tax</b>	<b>89,083,034</b>	<b>109,733,445</b>
<i>Adjustments for non cash items:</i>		
Depreciation on property, plant and equipment	42,132,441	36,266,484
Amortization of intangibles	504,789	474,080
Finance cost	11,962,483	9,397,509
Impairment loss on available for sale investment	306,480	457,740
Loss / (Gain) on disposal of property, plant and equipment	(36,688)	7,072,303
Provision for Workers' Profit Participation Fund & Workers' Welfare Fund	6,783,718	8,132,769
	<u>61,653,223</u>	<u>61,800,885</u>
<b>Cash generated from operations before working capital changes</b>	<b>150,736,257</b>	<b>171,534,330</b>
<i>(Increase) / decrease in current assets:</i>		
Stores, spares and loose tools	7,015,541	(9,087,608)
Stock-in-trade	(64,112,991)	(25,105,978)
Trade debts	(85,546,385)	22,860,117
Advances to suppliers and employees	(5,059,540)	4,179,911
Deposits and short term prepayments	1,109,085	5,096,431
Other receivables	611,807	(7,851,448)
	<u>(145,982,483)</u>	<u>(9,908,575)</u>
<i>Increase / (decrease) in current liabilities:</i>		
Trade and other payables	(22,137,303)	(27,788,106)
Provident fund payable	73,207	167,115
	<u>(22,064,096)</u>	<u>(27,620,991)</u>
<b>Cash generated from operations</b>	<b>(17,310,322)</b>	<b>134,004,764</b>
Workers' Profit Participation Fund & Workers Welfare Fund paid	(20,287,162)	(24,875,111)
Taxes paid	(22,486,143)	(21,649,968)
Finance cost paid	(12,253,478)	(10,886,016)
<b>Net cash generated from operating activities</b>	<b>(72,337,105)</b>	<b>76,593,669</b>
<b><u>Cash flow from investing activities</u></b>		
Fixed capital expenditure	(92,504,234)	(129,746,705)
Proceeds from disposal of property, plant and equipment	742,000	1,832,800
Long term deposits - net	(12,876,169)	(5,487,702)
<b>Net cash used in investing activities</b>	<b>(104,638,403)</b>	<b>(133,401,607)</b>
<b><u>Cash flow from financing activities</u></b>		
Principal repayment of lease liability	(1,075,268)	(5,199,527)
Long term finance	-	(6,517,094)
Diminishing musharika - net	29,964,526	21,292,592
Cash dividend paid	(1,573)	-
Short term borrowings - net	91,029,620	(61,239,973)
<b>Net cash (used in) / generated from financing activities</b>	<b>119,917,305</b>	<b>(51,664,002)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(57,058,203)</b>	<b>(108,471,940)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>(66,153,820)</b>	<b>23,520,793</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>(123,212,023)</b>	<b>(84,951,147)</b>

The annexed notes from 1 to 26 form an integral part of these condensed interim financial information.

Lahore

Chief Executive Officer

Director

Chief Financial Officer



Synthetic Products Enterprises Limited  
Condensed Interim Statement of Changes in Equity (Un-audited)  
For the quarter ended 30 September 2018

	Capital Reserve			Revenue Reserve	
	Issued subscribed & paid-up capital	Share Premium	Revaluation Surplus	Accumulated profit	Total
<b>Balance as at 30 June 2017 - restated</b>	850,850,000	347,391,050	226,943,081	669,744,166	2,094,928,297
<b><u>Total comprehensive income</u></b>					
Profit for the Three months ended 30 September 2017	-	-	-	100,694,885	100,694,885
Other comprehensive income / (loss) for the three months ended 30 September 2017	-	-	-	-	-
	-	-	-	100,694,885	100,694,885
<b>Balance as at 30 September 2017 - un-audited</b>	850,850,000	347,391,050	226,943,081	770,439,051	2,195,623,182
<b><u>Total comprehensive income</u></b>					
Profit for the nine months period ended 30 June 2018	-	-	-	243,577,384	243,577,384
Other comprehensive income for the nine months period ended 30 June 2018	-	-	103,088,684	-	103,088,684
	-	-	103,088,684	243,577,384	346,666,068
<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 30 June 2018 - audited</b>	850,850,000	347,391,050	330,031,765	971,473,935	2,499,746,750
<b><u>Total comprehensive income</u></b>					
Profit for the Three months ended 30 September 2018	-	-	-	76,422,752	76,422,752
Other comprehensive income for the Three months ended 30 September 2018	-	-	-	-	-
	-	-	-	76,422,752	76,422,752
<b>Balance as at 30 September 2018 - unaudited</b>	850,850,000	347,391,050	330,031,765	1,047,896,687	2,576,169,502

The annexed notes from 1 to 26 form an integral part of these condensed interim financial information.

Lahore

Chief Executive Officer

Director

Chief Financial Officer



**Synthetic Products Enterprises Limited**  
**Notes to the Condensed Interim Financial Statements (Un-audited)**  
**For the quarter ended 30 September 2018**

**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. The production facilities of the Company are located at following geographical locations:

- Sue-e-Asal Lalyani Road, Pandoki
- Quaid -e- Azam Industrial Estate, Rahim Yar Khan, and
- Quaid-e-Azam Industrial Estate, Kot Lakhpat, Lahore

**2 Basis of preparation**

**2.1** These condensed interim financial information comprises the condensed interim balance sheet of the Company, as at September 30, 2018 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes forming part thereof.

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

- International Accounting 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 financial information does not include all of the information required for full annual financial statements and should be read in conjunction with the annual financial statements for the year ended 30 June 2018.

**2.4** Comparative balance sheet numbers are extracted from the annual audited financial statements of the Company for the year ended 30 June 2018, whereas comparatives of condensed interim profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity are stated from unaudited condensed interim financial information of the Company for the Three months period ended 30 September 2018.

**2.5** This condensed interim 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 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 financial statements for the year ended 30 June 2018.

#### 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 financial information are same as those applied in the preparation of the financial statements for the year ended 30 June 2018.
- 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
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 30 September 2018	Audited 30 June 2018		Un-audited 30 September 2018	Audited 30 June 2018
---- 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
<u>85,085,000</u>	<u>85,085,000</u>		<u>850,850,000</u>	<u>850,850,000</u>



		Un-audited 30 September 2018 Rupees	Audited 30 June 2018 Rupees
<b>6 Diminishing musharika - secured</b>	<i>Note</i>		
- United Bank Limited	6.1	153,017,486	158,077,010
- Bank Islami Pakistan Limited (BIPL)	6.2	97,750,000	102,000,000
- Habib Bank Limited Islamic	6.3	147,124,050	107,850,000
		397,891,536	367,927,010
Less: Current maturity presented under current liabilities		(71,310,969)	(57,003,523)
		<u>326,580,567</u>	<u>310,923,487</u>
<b>6.1</b>	During the period / year, the Company has made repayments amounting to Rs. 5.05 million (30 June 2018: Rs. 0.80 million).		
<b>6.2</b>	During the period / year, the Company has made repayments amounting to Rs. 4.25 million (30 June 2018: Rs. Nil).		
<b>6.3</b>	During the period / year, the Company has made repayments amounting to Rs. Nil (30 June 2018: Rs. Nil).		
<b>7 Liabilities against assets subject to finance lease</b>			
Lease liability	7.1	14,805,171	15,880,439
Less: Current maturity presented under current liabilities		(3,375,335)	(3,671,960)
		<u>11,429,836</u>	<u>12,208,479</u>
<b>7.1</b>	During the period / year, the Company has made repayments amounting to Rs. 1.07 million (30 June 2018: Rs. 3.59 million).		
<b>8 Trade and other payables</b>			
Trade creditors - Local		52,284,153	68,156,342
Accrued liabilities		45,760,419	45,655,262
Advances from customers		5,853,953	12,661,509
Workers' Profit Participation Fund		3,219,953	20,075,169
Workers' Welfare Fund		11,381,840	8,030,068
Withholding tax payable		965,276	663,323
Others		11,313,459	11,178,127
		<u>130,779,053</u>	<u>166,419,800</u>
<b>9 Short term borrowings - secured</b>			
Running finance		147,348,425	83,572,885
Finance against trust receipt		253,807,771	162,778,151
		<u>401,156,196</u>	<u>246,351,036</u>
<b>9.1 Type of loan</b>			
Conventional interest / mark-up based loans		220,993,374	133,553,046
Islamic mode of financing		180,162,822	112,797,990
		<u>401,156,196</u>	<u>246,351,036</u>
<b>10 Current maturity of long term liabilities</b>			
Diminishing Musharika - secured	6	71,310,969	57,003,523
Liabilities against assets subject to finance lease	7	3,375,335	3,671,960
		<u>74,686,304</u>	<u>60,675,483</u>

		Un-audited 30 September 2018 Rupees	Audited 30 June 2018 Rupees
	Note		
<b>11 Contingencies and commitments</b>			
<b>11.1 Contingencies</b>			
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 2018, except the following:			
11.1.1	The Deputy Commissioner (Audit), Inland Revenue has issued an order in respect of Tax Year 2015 raising a demand of Rs. 8.12 million. The Company has filed an appeal before the Commissioner Inland Revenue Appeals, decision of which is expected in favor of the Company, therefore, no provision is recorded in these financial statements.		
<b>11.2 Commitments</b>			
<i>Commitments under irrevocable letters of credit for:</i>			
- purchase of machinery		70,995,150	115,582,800
- purchase of raw material and its related components		109,586,608	130,421,974
		<u>180,581,758</u>	<u>246,004,774</u>
<b>12 Property, plant and equipment</b>			
Operating fixed assets	12.1	2,157,715,822	2,016,335,058
Capital work in progress - at cost	12.2	86,096,608	177,810,891
		<u>2,243,812,430</u>	<u>2,194,145,949</u>
<b>12.1 Operating fixed assets</b>			
Opening written down value		2,016,335,058	1,665,004,747
Add: Additions during the period / year (cost)	12.1.1	184,218,517	420,602,495
Add: Revaluation Surplus on Land		-	103,088,684
Less: Disposals during the period / year at written down value		(705,312)	(13,650,338)
Less: Depreciation charge for the period / year		(42,132,441)	(158,710,530)
Closing written down value		<u>2,157,715,822</u>	<u>2,016,335,058</u>
<b>12.1.1 Additions during the period / year:</b>			
Land		-	-
Buildings on freehold land		31,010,868	113,025,966
Plant and machinery - owned		149,987,694	287,781,761
Office equipment		193,000	4,397,883
Tools and equipment		2,145,255	346,767
Computer equipment		217,400	348,450
Furniture and fittings		135,000	1,736,668
Vehicles - owned		529,300	4,183,000
Vehicles - leased		-	8,782,000
		<u>184,218,517</u>	<u>420,602,495</u>
<b>12.2 Capital work in progress - at cost</b>			
Balance at the beginning of the period / year		177,810,891	210,862,977
Add: Additions during the period / year		91,888,707	368,576,784
Less: Transfers to fixed assets during the period / year		(183,602,990)	(401,628,870)
		<u>86,096,608</u>	<u>177,810,891</u>



	Note	Un-audited 30 September 2018 Rupees	Audited 30 June 2018 Rupees
<b>13 Investments</b>			
Available for sale, listed equity security	13.1	1,586,827	1,893,306
		<u>1,586,827</u>	<u>1,893,306</u>
<b>13.1 Available for sale, listed equity security</b>			
<b><u>Roshan Packages Limited</u></b>			
67,210 (30 June 2018: 67,210) fully paid ordinary shares having face value of Rs. 10 each.			
Cost - Opening		5,269,875	9,582,375
Less: Disposal during the period		-	(4,312,500)
Cost - Closing		5,269,875	5,269,875
Accumulated Impairment - opening balance		(3,376,569)	(3,341,880)
Less: Accumulated impairment on disposal during the period		-	-
Impairment for the period charged to profit and loss account		(306,479)	(2,373,584)
Impairment reversed due to disposal during the year		-	2,338,895
Accumulated Impairment - closing balance		(3,683,048)	(3,376,569)
Fair value		<u>1,586,827</u>	<u>1,893,306</u>
<b>14 Stock-in-trade</b>			
Raw and packing material		440,631,862	404,759,554
Stock in transit		74,037,986	58,723,097
Work in process		140,009,486	125,584,790
Finished goods		36,853,387	38,352,289
		<u>691,532,721</u>	<u>627,419,730</u>
<b>15 Advances to suppliers and employees</b>			
<i>Considered good - unsecured:</i>			
Advances for supplies and services		16,774,984	17,243,438
Amounts paid against future shipments		25,306,315	19,751,739
		42,081,299	36,995,177
<i>Considered good - secured:</i>			
Amounts due from employees		250,925	277,507
		<u>42,332,224</u>	<u>37,272,684</u>
<b>16 Deposits and short term prepayments</b>			
Short term deposits	16.1	9,244,955	9,244,955
Prepaid insurance		2,411,855	3,520,940
		<u>11,656,810</u>	<u>12,765,895</u>
16.1 This includes deposits with banking company against margin on guarantees amounting to Rs. 8.5 million.			
<b>17 Other receivables</b>			
<i>Advances - unsecured, considered good</i>			
Sales tax receivable - net		5,573,977	6,368,605
Other receivables		4,233,208	4,050,387
		<u>9,807,185</u>	<u>10,418,992</u>

## 18 Cost of sales

	Quarter ended (Un-audited)	
	30 September 2018 Rupees	30 September 2017 Rupees
Raw and packing materials consumed	560,635,078	429,978,410
Stores, spare parts and loose tools consumed	1,796,398	2,666,089
Salaries, wages and benefits	61,271,660	60,503,649
Security guard expense	2,295,271	1,520,437
Electricity, fuel and water charges	44,654,490	42,363,831
Depreciation on property, plant and equipment	37,919,197	32,633,485
Repair and maintenance	9,880,445	6,237,287
Sorting charges	1,938,358	-
Insurance	1,970,852	2,588,391
Oil and lubricants	1,193,985	267,368
	<u>723,555,734</u>	<u>578,758,947</u>

### Work in process:

- At beginning of the period	125,584,790	15,497,540
- At end of the period	(140,009,486)	(19,335,480)

### Cost of goods manufactured

	<u>709,131,038</u>	<u>574,921,007</u>
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### Finished goods:

- At beginning of the period	38,352,289	21,743,888
- At end of the period	(36,853,387)	(38,448,553)

### Cost of sales

	<u>710,629,940</u>	<u>558,216,342</u>
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## 19 Finance cost

### Mark-up on:

- diminishing musharika	4,797,959	3,476,114
- lease finance	190,657	378,874
- short term borrowings	6,775,527	4,611,088
- advance from customers	-	425,458
Bank charges	198,340	505,975
	<u>11,962,483</u>	<u>9,397,509</u>

## 20 Earnings per share - basic and diluted

### 20.1 Basic earnings per share

Profit for the year after taxation	<i>Rupees</i>	<u>76,422,752</u>	<u>100,694,885</u>
Weighted average number of ordinary shares in issue during the period	<i>Number</i>	<u>85,085,000</u>	<u>85,085,000</u>
Earnings per share	<i>Rupees</i>	<u>0.90</u>	<u>1.18</u>

### 20.2 Diluted earnings per share

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

## 21 Cash and cash equivalents

Short term running finance- secured	(147,348,425)	(88,067,868)
Cash and bank balances	24,136,402	3,116,721
	<u>(123,212,023)</u>	<u>(84,951,147)</u>



## 22 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.

		Quarter ended 30 September 2018 (Un-audited)					
		Fair Value					
		Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3
On-Balance sheet financial instruments	Note	----- Rupees -----					
<b>30 September 2018 - (Un-audited)</b>							
Financial assets measured at fair value		-	-	-	-	-	-
Available for sale investment		1,586,827	-	1,586,827	1,586,827	-	-
		<u>1,586,827</u>	<u>-</u>	<u>1,586,827</u>	<u>1,586,827</u>	<u>-</u>	<u>-</u>
<b><u>Financial assets not measured at fair value</u></b>							
Bank balances		23,988,144	-	23,988,144	-	-	-
Deposits and other receivables		11,656,810	-	11,656,810	-	-	-
Long term deposits		23,959,441	-	23,959,441	-	-	-
Trade debts - unsecured, considered good		411,447,998	-	411,447,998	-	-	-
	22.2	<u>471,052,393</u>	<u>-</u>	<u>471,052,393</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities measured at fair value		-	-	-	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b><u>Financial liabilities not measured at fair value</u></b>							
Long term finances and diminishing musharika		-	397,891,536	397,891,536	-	-	-
Liabilities against assets subject to finance lease		-	14,805,171	14,805,171	-	-	-
Trade and other payables		-	109,358,031	109,358,031	-	-	-
Short term borrowing		-	401,156,196	401,156,196	-	-	-
Accrued mark up		-	5,072,914	5,072,914	-	-	-
	22.2	<u>-</u>	<u>928,283,848</u>	<u>928,283,848</u>	<u>-</u>	<u>-</u>	<u>-</u>

		30 June 2018 (Audited)					
		Carrying Amount			Fair Value		
		Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3
On-Balance sheet financial instruments	Note	----- Rupees -----					
<b>30 June 2018 - (Audited)</b>							
<b>Financial assets measured at fair value</b>							
Available for sale investment		1,893,306	-	1,893,306	1,893,306	-	-
		<u>1,893,306</u>	<u>-</u>	<u>1,893,306</u>	<u>1,893,306</u>	<u>-</u>	<u>-</u>
<b><u>Financial assets not measured at fair value</u></b>							
Bank balances		17,419,065	-	17,419,065	-	-	-
Deposits and other receivables		13,295,342	-	13,295,342	-	-	-
Long term deposits		11,083,272	-	11,083,272	-	-	-
Trade debts - unsecured, considered good		325,901,613	-	325,901,613	-	-	-
	22.2	<u>367,699,292</u>	<u>-</u>	<u>367,699,292</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Financial liabilities measured at fair value</b>							
		-	-	-	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b><u>Financial liabilities not measured at fair value</u></b>							
Long term finances and diminishing musharika		-	367,927,010	367,927,010	-	-	-
Liabilities against assets subject to finance lease		-	15,880,439	15,880,439	-	-	-
Trade and other payables		-	124,989,731	124,989,731	-	-	-
Unclaimed dividend		-	539,928	539,928	-	-	-
Short term borrowing		-	246,351,036	246,351,036	-	-	-
Accrued mark up		-	5,363,909	5,363,909	-	-	-
	22.2	<u>-</u>	<u>761,052,053</u>	<u>761,052,053</u>	<u>-</u>	<u>-</u>	<u>-</u>

22.2 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.

22.3 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.



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

Three months ended 30 September 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 2018	-	367,927,010	15,880,439	246,351,036	539,928	630,698,413
<b><u>Changes from financing activities</u></b>						
Repayment of short term borrowings - net	-	-	91,029,620	-	-	91,029,620
Long term loans repaid	-	-	-	-	-	-
Diminishing Musharka receipts	-	39,274,050	-	-	-	39,274,050
Repayment of Diminishing Musharika	-	(9,309,524)	-	-	-	(9,309,524)
Repayment of finance lease liabilities	-	-	(1,075,268)	-	-	(1,075,268)
Dividends paid	-	-	-	(1,573)	-	(1,573)
<b>Total changes from financing cash flows</b>	-	29,964,526	(1,075,268)	91,029,620	(1,573)	119,917,305
<b><u>Other changes</u></b>						
Change in running finance	-	-	63,775,540	-	-	63,775,540
New finance leases	-	-	-	-	-	-
Dividend declared	-	-	-	-	-	-
<b>Total liability related other changes</b>	-	-	63,775,540	-	-	63,775,540
<b>Closing as at 30 September 2018</b>	-	397,891,536	14,805,171	401,156,196	538,355	814,391,258

Three months ended 30 September 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 2017	24,542,403	194,152,301	22,826,095	303,083,692	566,849	545,171,340
<b><u>Changes from financing activities</u></b>						
Repayment of short term borrowings - net	-	-	-	(7,525,421)	-	(7,525,421)
Long term loans repaid	(6,517,094)	-	-	-	-	(6,517,094)
Diminishing Musharka receipts	-	21,292,592	-	-	-	21,292,592
Repayment of Diminishing Musharika	-	-	-	-	-	-
Repayment of finance lease liabilities	-	-	(5,199,527)	-	-	(5,199,527)
Dividends paid	-	-	-	-	(68,832)	(68,832)
<b>Total changes from financing cash flows</b>	<b>(6,517,094)</b>	<b>21,292,592</b>	<b>(5,199,527)</b>	<b>(7,525,421)</b>	<b>(68,832)</b>	<b>1,981,718</b>
<b><u>Other changes</u></b>						
New finance leases	-	-	-	-	-	-
Dividend declared	-	-	-	-	-	-
<b>Total liability related other changes</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Closing as at 30 September 2017</b>	<b>18,025,309</b>	<b>215,444,893</b>	<b>17,626,568</b>	<b>295,558,271</b>	<b>498,017</b>	<b>547,153,058</b>

## 24 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:

				Quarter ended (Un-audited)	
				30 September 2018 Rupees	30 September 2017 Rupees
24.1	Related parties	Relationship	Transactions		
	Provident Fund Trust	Post employment benefit fund	Contribution	4,874,173	4,050,767
	Key Management Personnel	Directors	Remuneration	12,722,073	12,937,483
		Executive employees	Remuneration	7,986,000	8,741,267
				(Un-audited) 30 September 2018 Rupees	(Audited) 30 June 2018 Rupees
24.2	Balances with related parties				
	Provident Fund Trust	Post employment benefit fund		1,604,141	1,530,934


## 25 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 27-10-2018.

## 26 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

  
Chief Executive Officer

  
Director

  
Chief Financial Officer



## ڈائریکٹرز کا جائزہ

محترم شیئر ہولڈرز

سینٹھنک پراڈکٹس انٹرپرائزز لمیٹڈ کے بورڈ آف ڈائریکٹرز ۳۰ ستمبر ۲۰۱۸ کو ختم ہونے والی سہ ماہی کے لئے آپ کی کمپنی کی غیر آڈٹ شدہ مالیاتی معلومات ڈائریکٹرز کے جائزے کے ساتھ پیش کر رہے ہیں۔

مالی تجزیہ

30 Sep 2017	30 Sep 2018	
PKR in Millions	PKR in Millions	
746	876	سیلز
(558)	(710)	کاسٹ آف سیلز
188	165	خام منافع
131	105	آپریٹنگ منافع
100	76	خالص منافع
1.18	0.90	EPS(PKR)

زیر جائزہ مدت میں سیلز آمدن میں پچھلے سال اسی مدت کے مقابلے میں 17 فیصد اضافہ ہوا ہے۔ جبکہ کرنسی کی قدر میں کمی اور خام مال کی قیمتوں میں اضافے کی وجہ سے خام منافع کی شرح 18.91 فیصد ہو گئی ہے۔ زیر جائزہ مدت کے دوران کرنسی کی قدر میں نمایاں طور پر کمی ہوئی جو کہ سہ ماہی کے آخر تک جزوی طور پر ایڈجسٹ ہوئی۔

زیر جائزہ مدت کے دوران کمپنی نے 92.5 ملین روپے کی رقم مینوفیکچرنگ سہولیات اور BMR پر خرچ کی۔

مستقبل قریب کا جائزہ

ٹیکسٹائل کے کاروبار میں بڑھتے ہوئے مقابلہ کے باوجود کمپنی شیئر ہولڈرز کی قدر کو بڑھانے کے لئے کوشاں ہے جس کے لئے کمپنی آمدن کے ذرائع بڑھانے، جدید ٹیکنالوجی اور پیداواری صلاحیت کو بڑھانے پر عمل پیرا ہے۔

ہم معیار کی مصنوعات کی بروقت فراہمی کے لئے اور کمپنی کے طویل المیعاد کامیابی کے لئے کوشاں ہیں۔ معیشت مثبت انداز میں بڑھ رہی ہے۔ ہمارے چند گاہک اپنی پیداواری سہولیات کو توسیع دے رہے ہیں جو کہ ہمارے لئے بہتر ثابت ہوگا۔

اعتراف

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

Naveed

ڈائریکٹر

چیف ایگزیکٹو آفیسر

لاہور

۲۷ اکتوبر ۲۰۱۸