

Synthetic Products Enterprises Limited

Financial Information

For the period Ended 30 September 2019

Company Information

The Board of Directors

Mr. Almas Hyder	Chairman
Mr. Zia Hyder Naqi	CEO
Dr. S. M. Naqi	Director
Mr. Haroon Sharif	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
Dr. Nighat Arshad	Director

Audit Committee

Mr. Haroon Sharif	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
Mr. Zia Hyder Naqi	Member
Dr. Nighat Arshad	Member
Mr. Abid Saleem Khan	Member

Finance Committee

Mr. Almas Hyder	Committee Chairman
Mr. Haroon Sharif	Member
Mr. Zia Hyder Naqi	Member
Mr. Sheikh Naseer Hyder	Member
Mr. Muhammad Tabassum Munir	Member
Mr. Abid Saleem Khan	Member

Chief Financial Officer

Mr. Khalil Ahmad Hashmi FCA

Company Secretary

Mr. Muhammad Kamran Farooq ACMA

Registered Office

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

Statutory Auditors

KPMG Taseer Hadi & Co.
Chartered Accountants

Head of Internal Audit

Mr. Abu Bakar ACA

Tax Advisors

A. F. Ferguson & Co.
Chartered Accountants

Legal Advisors

Cornelius Lane and Mufti

Share Registrar

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

Bankers

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

Factory

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

Stock Symbol

SPEL

Website

www.spelgroup.com

SYNTHETIC PRODUCTS ENTERPRISES LIMITED

Directors' Review of the Condensed Interim Financial Information

For the Quarter ended 30 September 2019

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 2019 along with the Directors' review thereon.

Financial Analysis

		Quarter Ended	
		30 Sep 2019	30 Sep 2018
		PKR	PKR
		Millions	Millions
Sales – net		955.5	876.3
Cost of Sales		789.1	721.1
Gross Profit		166.3	155.1
Operating Profit		118.1	105.9
Profit before tax		94.2	89.3
Profit after tax		73.9	76.6
EPS – Basic (PKR)		0.87	0.90

During the period under review revenue has increased by 9% as compared to same period of last year, and the gross profit ratio and Profit before tax ratio is maintained at 17% and 10% respectively despite gradual increase in discount rate by State Bank of Pakistan and other inflationary pressures.

During the quarter under review, the company has invested an amount of Rs. 37 million for expansion and BMR of the manufacturing facilities as planned.

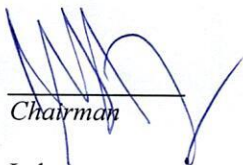
Outlook

Despite the uncertainties in the economy we are positive on the stability of our markets and inherent strengths and abilities of the Company's management to develop strategies to maintain the pattern of growth.

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

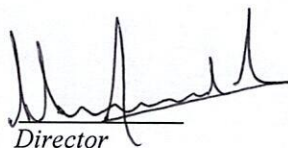
Acknowledgement

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.



Chairman

Lahore
26 October 2019



Director

Synthetic Products Enterprises Limited
Condensed Interim Statement of Financial Position
As at 30 September 2019

		Un-audited 30 September 2019 Rupees	Audited 30 June 2019 Rupees
EQUITY AND LIABILITIES			
<u>Share capital and reserves</u>			
Authorized share capital of Rs. 10 each		1,000,000,000	1,000,000,000
Issued, subscribed and paid-up capital	5	850,850,000	850,850,000
Share premium		347,391,050	347,391,050
Accumulated profit		1,203,992,345	1,130,023,021
Fair value reserve on investment		(3,280,549)	(3,162,588)
Surplus on revaluation of land		330,031,765	330,031,765
Shareholders' equity		2,728,984,611	2,655,133,248
Liabilities			
<u>Non-current liabilities</u>			
Diminishing musharika - secured	6	235,720,219	262,445,152
Liabilities against assets subject to finance lease	7	7,359,480	8,942,868
Deferred taxation		215,561,412	208,044,803
		458,641,111	479,432,823
<u>Current liabilities</u>			
Trade and other payables	8	131,760,035	166,244,288
Unclaimed dividend		1,730,714	1,730,714
Short term borrowings - secured	9	235,178,901	309,138,985
Current maturity of long term liabilities	10	108,648,182	107,736,813
Accrued mark up		8,923,677	6,183,440
		486,241,509	591,034,240
		3,673,867,231	3,725,600,311

Contingencies and commitments 11

The annexed notes 1 to 27 form an integral part of these condensed interim financial information.


Director


Director

		Un-audited 30 September 2019 Rupees	Audited 30 June 2019 Rupees
ASSETS			
<u>Non-current assets</u>			
Property, plant and equipment	12	2,184,616,110	2,230,298,887
Intangibles		80,838	98,163
Investments	13	911,368	1,077,511
Long term deposits		9,871,559	10,472,359
Long term receivable	14	73,594,947	56,654,840
		2,269,074,822	2,298,601,760
<u>Current assets</u>			
Stores, spares and loose tools		20,559,478	25,680,954
Stock-in-trade	15	541,727,702	568,886,295
Trade debts - unsecured, considered good		521,951,194	487,002,926
Income tax - net		267,822,870	259,542,569
Advances, deposits, prepayments and other receivables	16	32,346,233	43,864,705
Cash and bank balances		20,384,932	42,021,102
		1,404,792,409	1,426,998,551
		3,673,867,231	3,725,600,311


Chief Financial Officer

Synthetic Products Enterprises Limited
Condensed Interim Statement of Profit or Loss (Un-audited)

For the quarter ended 30 September 2019

		Quarter Ended	
		30 September 2019	30 September 2018
		Rupees	Rupees
	<i>Note</i>		
Sales-net	17	955,514,949	876,344,224
Cost of sales	18	(789,130,934)	(721,189,476)
Gross profit		166,384,015	155,154,748
Administrative expenses		(42,009,508)	(43,884,590)
Selling and distribution expenses		(6,237,927)	(5,282,367)
Operating profit		118,136,580	105,987,791
Other income		10,010,072	2,909,762
Other charges		(11,489,716)	(7,634,436)
Finance cost	19	(22,365,198)	(11,962,483)
Profit before taxation		94,291,738	89,300,634
Taxation		(20,322,414)	(12,660,282)
Profit after taxation		73,969,324	76,640,352
		Rupees	Rupees
Earnings per share - basic and diluted	20	0.87	0.90

The annexed notes 1 to 27 form an integral part of these condensed interim financial information.


 Director


 Director


 Chief Financial Officer

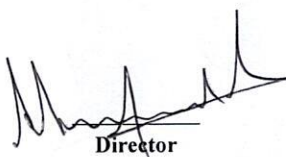
Synthetic Products Enterprises Limited
Condensed Interim Statement of Comprehensive Income (Un-audited)
For the quarter ended 30 September 2019

	Quarter Ended	
	30 September 2019 Rupees	30 September 2018 Rupees
Profit after taxation	73,969,324	76,640,352
<u>Other comprehensive (loss) / income</u>		
<i>Item that will not be subsequently reclassified in profit or loss:</i>		
– Fair value loss on investment classified as FVOCI		
- net of related deferred tax	(117,961)	(217,600)
Total comprehensive income for the year	73,851,363	76,422,752

The annexed notes 1 to 27 form an integral part of these condensed interim financial information.



Director



Director



Chief Financial Officer

Synthetic Products Enterprises Limited
Condensed Interim Statement of Changes in Equity (Un-audited)
For the quarter ended 30 September 2019

As at 30 June 2018

Total comprehensive income

Profit for the Three months ended 30 September 2018
Other comprehensive income / (loss) for the three months ended 30 September 2018

Balance as at 30 September 2018 - un-audited

Total comprehensive income

Profit for the nine months ended 30 June 2019
Other comprehensive income / (loss) for the nine months ended 30 June 2019

Transactions with owners of the Company

Final cash dividend for the year ended
30 June 2018 @ Re. 1 per share

Balance as at 30 June 2019

Total comprehensive income


Profit for the Three months ended 30 September 2019
Other comprehensive income / (loss) for the three months ended 30 September 2019

As at 30 September 2019

Issued, subscribed and paid-up capital	Capital reserve			Revenue reserve	Total
	Share premium	Surplus on revaluation of land	Fair value reserve on investment	Accumulated profit	
----- Rupees -----					
850,850,000	347,391,050	330,031,765	(2,448,013)	973,921,948	2,499,746,750
				76,640,352	76,640,352
			(217,600)		(217,600)
-	-	-	(217,600)	76,640,352	76,422,752
850,850,000	347,391,050	330,031,765	(2,665,613)	1,050,562,300	2,576,169,502
				164,545,721	164,545,721
			(496,975)		(496,975)
-	-	-	(496,975)	164,545,721	164,048,746
				(85,085,000)	(85,085,000)
-	-	-	-	(85,085,000)	(85,085,000)
850,850,000	347,391,050	330,031,765	(3,162,588)	1,130,023,021	2,655,133,248
				73,969,324	73,969,324
			(117,961)		(117,961)
-	-	-	(117,961)	73,969,324	73,851,363
850,850,000	347,391,050	330,031,765	(3,280,549)	1,203,992,345	2,728,984,611

The annexed notes 1 to 27 form an integral part of these condensed interim financial information.


Director


Director


Chief Financial Officer

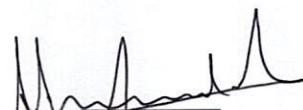
Synthetic Products Enterprises Limited
Condensed Interim Statement of Cash Flow (Un-audited)

For the quarter ended 30 September 2019

	Note	30 September 2019 Rupees	30 September 2018 Rupees
<u>Cash flows from operating activities</u>			
Profit before taxation		94,291,738	89,083,034
<i>Adjustments for non cash items:</i>			
Depreciation on property, plant and equipment		44,442,448	42,132,441
Amortization of intangibles		17,326	504,789
Finance cost		22,365,198	11,962,483
Impairment loss on available for sale investment		-	306,480
Loss / (Gain) on disposal of property, plant and equipment		4,281,021	(36,688)
Provision for Workers' Profit Participation Fund & Workers' Welfare Fund		6,853,410	6,783,718
		77,959,403	61,653,223
Operating profit before working capital changes		172,251,141	150,736,257
<i>(Increase) / decrease in current assets:</i>			
Stores, spares and loose tools		5,121,476	7,015,541
Stock-in-trade		27,158,593	(64,112,991)
Trade debts including non-current portion		(51,888,375)	(85,546,385)
Advances, deposits, prepayments and other receivables		11,518,472	(3,338,648)
		(8,089,834)	(145,982,483)
<i>Increase / (decrease) in current liabilities:</i>			
Trade and other payables		(26,337,665)	(22,064,096)
		(34,427,499)	(168,046,579)
Cash generated from / (used in) operations		137,823,642	(17,310,322)
Workers' Profit Participation Fund & Workers Welfare Fund paid		(15,000,000)	(20,287,162)
Taxes paid		(21,037,924)	(22,486,143)
Finance cost paid		(19,624,961)	(12,253,478)
Long term deposits - net		600,800	(12,876,169)
Cash generated from / (used in) operating activities		82,761,557	(85,213,274)
<u>Cash flows from investing activities</u>			
Fixed capital expenditure		(6,333,568)	(92,504,234)
Proceeds from disposal of property, plant and equipment		3,292,877	742,000
Net cash used in investing activities		(3,040,691)	(91,762,234)
<u>Cash flows from financing activities</u>			
Principal repayment of lease liability		(1,832,671)	(1,075,268)
Diminishing musharika paid / acquired - net		(25,564,281)	29,964,526
Short term borrowings - net		620,096	91,029,620
Cash dividend paid		-	(1,573)
Net cash (used in) / generated from financing activities		(26,776,856)	119,917,305
Net increase / (decrease) in cash and cash equivalents		52,944,010	(57,058,203)
Cash and cash equivalents at beginning of the period		(146,969,043)	(66,153,820)
Cash and cash equivalents at end of the period	21	(94,025,033)	(123,212,023)

The annexed notes 1 to 27 form an integral part of these condensed interim financial information.


Director


Director


Chief Financial Officer

Synthetic Products Enterprises Limited

Notes to the Condensed Interim Financial Statements (Un-audited)

For the quarter ended 30 September 2019

1 Corporate and general information

1.1 Legal status and nature of business

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 This condensed interim financial information comprises the condensed interim statement of financial position of the Company, as at 30 September 2019 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flow together with the notes forming part thereof.

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

- International Accounting Standard (IAS) 34, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) 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 or IFAS, 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 2019. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the company's financial position and performance since the last annual financial statements.

2.4 Comparative statement of financial position numbers are extracted from the annual audited financial statements of the Company for the year ended 30 June 2019, whereas comparatives of condensed interim statement of profit or loss, statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flow 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 condensed 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 2019.

4 Significant 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 preceding published annual financial statements of the Company for the year ended 30 June 2019.
- 4.2 During the financial year 2018-19, the Company had adopted IFRS 15 'Revenue from Contracts with Customers' and IFRS 9 'Financial Instruments' from 01 July 2018. Due to the transition methods chosen by the Company in applying these standards, comparative information throughout these condensed interim financial information has not been restated to reflect the requirements of the new standards. The details of new significant accounting policies adopted and the nature and effect of the changes to previous accounting policies is stated in the preceding published annual financial statements of the Company for the year ended 30 June 2019.

5 Issued, subscribed and paid-up capital

Un-audited 30 September 2019	Audited 30 June 2019		Un-audited 30 September 2019	Audited 30 June 2019
---- Number of shares ----			----- 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>

6 Diminishing musharika - secured

Note

Diminishing musharika, Islamic mode of financing:

United Bank Limited	6.1	116,768,179	126,762,208
Bank Islami Pakistan Limited	6.2	70,125,000	76,500,000
Habib Bank Limited	6.3	154,995,249	164,190,501
		341,888,428	367,452,709
Less: Current maturity	10	(106,168,209)	(105,007,557)
		<u>235,720,219</u>	<u>262,445,152</u>

6.1 During the period / year, the Company has made repayments amounting to Rs. 9.99 million (30 June 2019: Rs. 31.3 million).

6.2 During the period / year, the Company has made repayments amounting to Rs. 6.37 million (30 June 2019: Rs. 25.5 million).

6.3 During the period / year, the Company has made repayments amounting to Rs. 9.19 million (30 June 2019: Rs. Nil).

Type of loans

Islamic mode of financing	341,888,428	367,452,709
	<u>341,888,428</u>	<u>367,452,709</u>

7 Liabilities against assets subject to finance lease

Lease liability	9,839,453	11,672,124
Less: Current maturity presented under current liabilities	(2,479,973)	(2,729,256)
	<u>7,359,480</u>	<u>8,942,868</u>

7.1 During the period / year, the Company has made repayments amounting to Rs. 1.83 million (30 June 2019: Rs. 4.97 million).

	Note	Un-audited 30 September 2019	Audited 30 June 2019
8 Trade and other payables			
Trade and other creditors		55,191,662	72,569,616
Accrued liabilities		41,582,682	48,229,876
Contract liabilities		4,887,260	10,606,274
Workers' Profit Participation Fund		5,752,872	15,695,614
Workers' Welfare Fund		6,352,410	4,556,256
Withholding tax payable		1,103,739	545,851
Sales tax payable		1,935,056	-
Provident fund payable		1,672,125	1,476,673
Others		13,282,229	12,564,128
		131,760,035	166,244,288
9 Short term borrowings - secured			
<u>Type of loans</u>			
Conventional Interest / mark-up based loans	9.1	99,604,592	140,172,675
Islamic mode of financing	9.2	135,574,309	168,966,310
		235,178,901	309,138,985
9.1 Conventional interest / markup based loans			
Short term running finance		63,579,994	98,491,557
Finance against trust receipts		36,024,598	41,681,118
		99,604,592	140,172,675
9.2 Islamic mode of financing			
Murabaha and Istisna		84,744,338	78,467,722
Running Musharika		50,829,971	90,498,588
		135,574,309	168,966,310
10 Current maturity of long term liabilities			
Diminishing musharika	6	106,168,209	105,007,557
Liabilities against assets subject to finance lease	7	2,479,973	2,729,256
		108,648,182	107,736,813
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 2019.			
11.2 Commitments			
11.2.1 Commitments under irrevocable letters of credit for:			
- Purchase of machinery		4,049,940	-
- Purchase of raw material		123,777,104	294,417,556
		127,827,044	294,417,556

		Un-audited 30 September 2019	Audited 30 June 2019
	Note		
12 Property, plant and equipment			
Operating fixed assets	12.1	2,152,095,989	2,169,304,688
Capital work in progress	12.2	32,520,121	60,994,199
		<u>2,184,616,110</u>	<u>2,230,298,887</u>
12.1 Operating fixed assets			
Opening written down value		2,169,304,688	2,016,335,058
Add: Additions during the period / year (cost)	12.1.1	37,232,860	355,442,523
Less: Disposals during the period / year at written down value		(7,573,897)	(16,026,009)
Less: Depreciation charge for the period / year		(46,867,662)	(186,446,884)
Closing written down value		<u>2,152,095,989</u>	<u>2,169,304,688</u>
12.1.1 Additions during the period / year:			
Buildings on freehold land		77,285	44,693,865
Plant and machinery - owned		35,914,167	298,910,336
Office equipment		130,000	736,417
Tools and equipment		703,208	3,107,477
Computer equipment		63,000	1,111,400
Furniture and fittings		-	1,424,928
Vehicles - owned		-	4,696,100
Vehicles - leased		345,200	762,000
		<u>37,232,860</u>	<u>355,442,523</u>
12.2 Capital work in progress - at cost			
Balance at the beginning of the period / year		60,994,199	108,193,070
Add: Additions during the period / year		7,341,121	280,659,005
Less: Transfers to fixed assets during the period / year		(35,815,199)	(327,857,876)
		<u>32,520,121</u>	<u>60,994,199</u>
13 Investments			
Investment classified as fair value through other comprehensive income		911,368	1,077,511
		<u>911,368</u>	<u>1,077,511</u>
This represents 80,652 ordinary shares having face value of Rs. 10 each (2019: 80,652 ordinary shares) in Roshan Packages Limited.			
14 Long term receivable			
Total amount receivable		175,462,871	117,559,103
Less: current portion included in trade debts		(101,867,924)	(60,904,263)
Non current portion	14.1	<u>73,594,947</u>	<u>56,654,840</u>
14.1	This represents non-current portion of receivable from a customer recognised at present value using discount rate of one month KIBOR plus 1% . The amount is receivable in 24 equal monthly installments. The effect of unwinding of long term receivable is recognised in other income.		

		Un-audited 30 September 2019 Rupees	Audited 30 June 2019 Rupees
15 Stock-in-trade			
Raw and packing material		439,038,537	325,014,947
Stock in transit		4,427,798	96,681,571
Work in process		48,052,847	88,456,508
Finished goods		50,208,520	58,733,269
		<u>541,727,702</u>	<u>568,886,295</u>
16 Advances, deposits, prepayments and other receivables			
Advances- unsecured, considered good:			
-Advances to suppliers for supplies and services		7,629,479	10,184,291
-Amounts paid against future shipments		8,457,989	5,670,813
Advances- secured, considered good :			
-Amounts due from employees		128,453	116,734
Short term deposits	16.1	9,244,955	9,244,955
Prepaid insurance		2,682,783	2,394,118
Sales tax receivable - net		-	13,279,317
Other receivables		4,202,574	2,974,477
		<u>32,346,233</u>	<u>43,864,705</u>

16.1 This includes deposits with banking company against margin on guarantees amounting to Rs. 8.5 million.

	Quarter ended (Un-audited)	
	30 September 2019 Rupees	30 September 2018 Rupees
17 Sales-net		
Local	1,134,173,517	1,041,367,948
Export	7,370,794	3,091,209
	1,141,544,311	1,044,459,157
Less: Sales tax	(170,436,813)	(162,579,359)
Discount	(15,592,549)	(5,535,574)
	<u>955,514,949</u>	<u>876,344,224</u>

		Quarter ended (Un-audited)	
		30 September 2019	30 September 2018
18	Cost of sales		
	Raw and packing materials consumed	540,785,509	560,635,078
	Stores, spare parts and loose tools consumed	2,549,704	1,796,398
	Salaries, wages and benefits	62,656,763	61,271,660
	Security guard expense	3,031,443	2,295,271
	Electricity, fuel and water charges	69,029,323	44,654,490
	Depreciation on property, plant and equipment	39,998,204	37,919,197
	Repairs and maintenance	8,444,798	9,880,445
	Sorting charges	906,748	1,938,358
	Insurance	1,480,816	1,478,139
	Oil and lubricants	275,801	1,193,985
		<u>729,159,109</u>	<u>723,063,021</u>
	<i>Work in process:</i>		
	- At beginning of the period	88,456,508	125,584,790
	- At end of the period	(48,052,847)	(140,009,486)
	Cost of goods manufactured	<u>769,562,770</u>	<u>708,638,325</u>
	<i>Finished goods</i>		
	- At beginning of the period	58,733,269	38,352,289
	- At end of the period	(50,208,520)	(36,853,387)
		<u>778,087,519</u>	<u>710,137,227</u>
	Other cost of sale-Freight and forwarding	11,043,415	11,052,249
	Total cost of sale	<u><u>789,130,934</u></u>	<u><u>721,189,476</u></u>
19	Finance cost		
	<i>Mark-up on:</i>		
	- long term finance - secured	11,795,914	4,797,959
	- liabilities against assets subject to finance lease	219,323	190,657
	- short term borrowings - secured	9,969,956	6,775,527
	Bank charges	380,005	198,340
		<u><u>22,365,198</u></u>	<u><u>11,962,483</u></u>
20	Earning per share		
20.1	Basic earning per share		
	Profit for the period after taxation	<i>Rupees</i> <u>73,969,324</u>	<u>76,640,352</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>
	Earning per share	<i>Rupees</i> <u>0.87</u>	<u>0.90</u>
	Basic earning 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.		
20.2	Diluted earning per share		
	There is no dilutive effect on the basic earning per share of the Company.		
21	Cash and cash equivalents		
	Short term running finance	(63,579,994)	(85,081,227)
	Running Musharika	(50,829,971)	(62,267,198)
	Cash and bank balances	20,384,932	24,136,402
		<u><u>(94,025,033)</u></u>	<u><u>(123,212,023)</u></u>

22 Fair values of financial instruments

The following table shows the carrying amounts and fair values of financial instruments and non-financial instruments including their levels in the fair value hierarchy:

		30 September 2019						
		Carrying Amount			Fair Value			
		Financial assets		Other financial liabilities				
		Investments	at amortised cost		Total	Level 1	Level 2	Level 3
On-Balance sheet financial instruments		----- Rupees -----						
Note								
30 September 2019								
<u>Financial assets measured at fair value</u>								
Investment at FVOCI		911,368	-	-	911,368	911,368	-	-
		<u>911,368</u>	<u>-</u>	<u>-</u>	<u>911,368</u>	<u>911,368</u>	<u>-</u>	<u>-</u>
<u>Financial assets at amortised cost</u>								
Cash and bank balances		-	20,384,932	-	20,384,932	-	-	-
Deposits and other receivables		-	13,447,529	-	13,447,529	-	-	-
Long term deposits		-	9,871,559	-	9,871,559	-	-	-
Trade debts - unsecured, considered good		-	595,546,141	-	595,546,141	-	-	-
	22.1	<u>-</u>	<u>639,250,161</u>	<u>-</u>	<u>639,250,161</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>	<u>-</u>
<u>Financial liabilities measured at amortised cost</u>								
Long term finances and diminishing musharika		-	-	341,888,428	341,888,428	-	-	-
Liabilities against assets subject to finance lease		-	-	9,839,453	9,839,453	-	-	-
Trade and other payables		-	-	110,056,573	110,056,573	-	-	-
Unclaimed dividend		-	-	1,730,714	1,730,714	-	-	-
Short term borrowing		-	-	235,178,901	235,178,901	-	-	-
Accrued mark up		-	-	8,923,677	8,923,677	-	-	-
	22.1	<u>-</u>	<u>-</u>	<u>707,617,746</u>	<u>707,617,746</u>	<u>-</u>	<u>-</u>	<u>-</u>

On-Balance sheet financial instruments

Note

30 June 2019

Financial assets measured at fair value

Investment at FVOCI

30 June 2019						
Carrying Amount				Fair Value		
Investments	Financial assets at amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
----- Rupees -----						
1,077,511	-	-	1,077,511	1,077,511	-	-
1,077,511	-	-	1,077,511	1,077,511	-	-

Financial assets at amortised cost

Cash and bank balances
Deposits and other receivables
Long term deposits
Trade debts - unsecured, considered good

22.1

-	42,021,102	-	42,021,102	-	-	-
-	12,219,432	-	12,219,432	-	-	-
-	10,472,359	-	10,472,359	-	-	-
-	543,657,766	-	543,657,766	-	-	-
-	608,370,659	-	608,370,659	-	-	-

Financial liabilities measured at fair value

-	-	-	-	-	-	-
-	-	-	-	-	-	-

Financial liabilities measured at amortised cost

Long term finances and diminishing musharika
Liabilities against assets subject
to finance lease
Trade and other payables
Unclaimed dividend
Short term borrowing
Accrued mark up

22.1

-	-	367,452,709	367,452,709	-	-	-
-	-	11,672,124	11,672,124	-	-	-
-	-	133,363,620	133,363,620	-	-	-
-	-	1,730,714	1,730,714	-	-	-
-	-	309,138,985	309,138,985	-	-	-
-	-	6,183,440	6,183,440	-	-	-
-	-	829,541,592	829,541,592	-	-	-

22.1 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.

22.2 Land has been carried at revalued amounts determined by professional valuer (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 these financial statements.

23 Related party transactions and balances

The related parties comprise of associated companies, directors of the Company, key management personnel and post employment retirement plan. Amount due from and due to related parties are shown under respective notes. Other significant transactions and balances with related parties except those disclosed elsewhere are as follows:

Name of parties	Relationship	Transactions	Note	Quarter Ended	
				30 September 2019 Rupees	30 September 2018 Rupees
a) Provident Fund Trust	Post employment benefit fund	Contribution		4,908,287	4,874,173
b) Directors	Directors - Other than key management personnel	Remuneration		4,556,604	4,605,823
	Non-Executive Directors	Meeting Fee		500,000	300,000
c) Key Management Personnel	Key Management Personnel	Remuneration	23.1	11,012,853	10,136,250
				(Un-audited) 30 September 2019 Rupees	(Audited) 30 June 2019 Rupees

Balances with related parties

Provident Fund Trust	Post employment benefit fund	Payable balance at year end	1,672,125	1,476,673
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23.1 Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Company considers Chief Executive Officer, whole time Directors, Chief Financial Officer and Company Secretary to be its key management personnel.

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

30 September 2019					
	Diminishing Musharika	Liabilities against assets subject to finance lease	Short term borrowings	Unclaimed dividend	Total
Balance as at 01 July 2019	367,452,709	11,672,124	309,138,985	1,730,714	689,994,532
<u>Changes from financing activities</u>					
Repayment of short term borrowings - net	-	-	620,096	-	620,096
Diminishing Musharika paid - net	(25,564,281)	-	-	-	(25,564,281)
Repayment of finance lease liabilities	-	(1,832,671)	-	-	(1,832,671)
Total changes from financing cash flows	(25,564,281)	(1,832,671)	620,096	-	(26,776,856)
<u>Other liability related changes</u>					
Assets acquired on finance lease	-	-	-	-	-
Change in running finance	-	-	(74,580,180)	-	(74,580,180)
Total liability related other changes	-	-	(74,580,180)	-	(74,580,180)
Closing as at 30 September 2019	341,888,428	9,839,453	235,178,901	1,730,714	588,637,496
30 June 2019					
	Diminishing Musharika	Liabilities against assets subject to finance lease	Short term borrowings	Unclaimed dividend	Total
Balance as at 01 July 2018	367,927,010	15,880,439	246,351,036	539,928	630,698,413
<u>Changes from financing activities</u>					
Repayment of short term borrowings - net	-	-	(42,629,311)	-	(42,629,311)
Diminishing Musharika paid - net	(474,301)	-	-	-	(474,301)
Repayment of finance lease liabilities	-	(4,970,315)	-	-	(4,970,315)
Dividend paid	-	-	-	(83,894,214)	(83,894,214)
Total changes from financing cash flows	(474,301)	(4,970,315)	(42,629,311)	(83,894,214)	(131,968,141)
<u>Other liability related changes</u>					
Assets acquired on finance lease	-	762,000	-	-	762,000
Change in running finance	-	-	105,417,260	-	105,417,260
Dividend declared	-	-	-	85,085,000	85,085,000
Total liability related other changes	-	762,000	105,417,260	85,085,000	191,264,260
Closing as at 30 June 2019	367,452,709	11,672,124	309,138,985	1,730,714	689,994,532

25 Financial risk management

The Company's financial risk management objective and policies are consistent with that disclosed in the annual financial statements of the Company for the year ended 30 June 2019.


26 Date of authorization

This condensed interim financial information has been approved by the Board of Directors of the Company and authorized for issue in their meeting held on 26 October 2019.

27 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.


Director


Director


Chief Financial Officer

ڈائریکٹرز کا جائزہ

محترم شیئر ہولڈرز

سینٹھنک پراڈکٹس انٹرپرائزز لمیٹڈ کے بورڈ آف ڈائریکٹرز 30 ستمبر 2019 کو ختم ہونے والی مدت کے لئے آپ کی کمپنی کی مالیاتی معلومات ڈائریکٹرز کے جائزے کے ساتھ پیش کر رہے ہیں۔

مالی تجزیہ

زیر جائزہ مدت کے دوران کمپنی کی مالی کارکردگی کا خلاصہ درج ذیل ہے۔

Quarter Ended	Quarter Ended	
30 ستمبر 2018	30 ستمبر 2019	
PKR in Millions	PKR in Millions	
876.3	955.5	سیلز
721.1	789.1	کاسٹ آف سیلز
155.1	166.3	خام منافع
105.9	118.1	آپریٹنگ منافع
89.3	94.2	قبل از ٹیکس منافع
76.6	73.9	خالص منافع
0.90	0.87	EPS (PKR)

زیر جائزہ مدت میں کمپنی نے سیلز آمدن میں گزشتہ سال اسی مدت کے مقابلے میں 9 فیصد اضافہ ریکارڈ کیا ہے۔ اسٹیٹ بینک آف پاکستان کی طرف سے شرح سود میں مسلسل اضافے اور دیگر افراط زر کے دباؤ کے باوجود خام منافع اور قبل از ٹیکس منافع کی شرح 17 فیصد اور 10 فیصد پر برقرار ہے۔

زیر جائزہ مدت کے دوران کمپنی نے 37 ملین روپے کی رقم مینوفیکچرنگ کی سہولت اور BMR پر خرچ کی۔

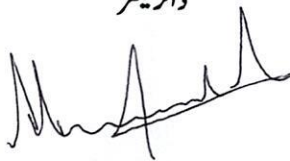
مستقبل قریب کا جائزہ

معیشت میں غیر یقینی صورت حال کے ساتھ ساتھ ہم اپنی مارکیٹ کے استحکام اور کمپنی انتظامیہ کی صلاحیتوں پر بڑا اعتماد ہیں، جو کہ ترقی کے پائین کو برقرار رکھنے کے لئے عمل پیرا ہیں۔ ہم اپنے گاہکوں کو معیار کی مصنوعات کی بروقت فراہمی کے لئے کوشاں ہیں جو کہ ہمارا قابل اعتماد ہونے کا ثبوت ہے۔

اعتراف

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

ڈائریکٹر




26 اکتوبر 2019