

Synthetic Products Enterprises Limited
Financial Statements
For the period ended 30 September 2020

SYNTHETIC PRODUCTS ENTERPRISES LIMITED

Directors' Review of the Condensed Interim Financial Information

For the Quarter ended 30 September 2020

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 2020 along with the Directors' review thereon.

Financial Analysis

	Quarter Ended	
	30 Sep 2020	30 Sep 2019
	PKR	PKR
	Millions	Millions
Sales – net	896.8	955.5
Cost of Sales	714.0	789.1
Gross Profit	182.8	166.3
Operating Profit	137.4	118.1
Profit before tax	124.2	94.2
Profit after tax	87.6	73.9
EPS – Basic (PKR)	0.99	0.84

After the removal of lock down and restricted business activities the economy was evolving to its normal routine gradually during the period under review.

Despite reduction in the top line, your company delivered a 18% growth in net profit after tax.

During the quarter under review, the company has invested an amount of Rs. 65 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.

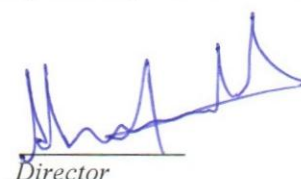
SPEL remain committed to supply quality products and to deliver on time to its customers as it is our promise of reliability.

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.


Chief Executive Officer

Lahore
16 October 2020


Director

Synthetic Products Enterprises Limited
Condensed Interim Statement of Financial Position
As at 30 September 2020

		Un-audited 30 September 2020 Rupees	Audited 30 June 2020 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	884,884,000	884,884,000
Share premium		347,391,050	347,391,050
Accumulated profit		1,391,405,440	1,303,751,649
Fair value reserve on investment		(1,211,139)	(2,486,683)
Surplus on revaluation of land		330,031,765	330,031,765
Shareholders' equity		2,952,501,116	2,863,571,781
LIABILITIES			
<u>Non-Current liabilities</u>			
Long term loans - secured	6	327,021,790	275,419,567
Lease liabilities	7	6,416,239	7,101,936
Deferred taxation		218,882,463	218,909,269
		552,320,492	501,430,772
<u>Current liabilities</u>			
Trade and other payables	8	201,348,201	155,206,554
Unclaimed dividend		2,085,056	2,085,056
Short term borrowings	9	38,847,661	220,106,929
Current maturity of long term liabilities	10	157,947,698	124,344,511
Accrued mark up		1,709,965	5,873,819
		401,938,581	507,616,869
		3,906,760,189	3,872,619,422

Contingencies and commitments

11

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

Lahore

Chief Executive Officer

Director

Chief Financial Officer

		Un-audited 30 September 2020 Rupees	Audited 30 June 2020 Rupees
ASSETS			
<u>Non-current assets</u>			
Property, plant and equipment			
- Operating fixed assets	12.1	2,187,810,427	2,177,776,341
- Capital work in progress	12.2	150,288,028	139,779,945
- Right of use assets	12.3	26,365,797	26,916,350
Intangibles		465,569	489,486
Investments	13	2,797,013	1,808,219
Long term deposits		10,620,959	10,820,959
		2,378,347,793	2,357,591,300
<u>Current assets</u>			
Stores, spares and loose tools		37,887,539	30,214,137
Stock-in-trade	14	551,037,783	639,457,379
Trade debts - unsecured, considered good		494,661,639	509,334,671
Income tax - net		249,052,911	271,851,005
Advances, deposits, prepayments and other receivables		38,922,850	55,291,010
Short term investments		100,000,000	-
Cash and bank balances		56,849,674	8,879,920
		1,528,412,396	1,515,028,122
		3,906,760,189	3,872,619,422

Synthetic Products Enterprises Limited
Condensed Interim Statement of Profit or Loss (Un-audited)
For the quarter ended 30 September 2020


		Quarter Ended	
		30 September 2020 Rupees	30 September 2019 Rupees
	Note		
Sales - net	15	896,893,128	955,514,949
Cost of sales	16	(714,060,424)	(789,130,934)
Gross profit		182,832,704	166,384,015
Administrative expenses		(38,566,008)	(42,009,508)
Selling and distribution expenses		(6,843,021)	(6,237,927)
Operating profit		137,423,675	118,136,580
Other income		7,005,933	10,010,072
Other charges		(10,130,776)	(11,489,716)
Finance cost	17	(10,129,283)	(22,365,198)
Profit before taxation		124,169,549	94,291,738
Taxation		(36,515,758)	(20,322,414)
Profit after taxation		87,653,791	73,969,324
Earnings per share - basic and diluted - restated	18	0.99	Re-stated 0.84

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

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 2020

	Quarter ended	
	30 September 2020 Rupees	30 September 2019 Rupees
Profit after taxation	87,653,791	73,969,324
<u>Other comprehensive income / (loss) for the period</u>		
<i>Item that will not be recognized to profit or loss:</i>		
Fair value gain / (loss) on investments at FVOCI - net of tax	1,275,544	(117,961)
Total comprehensive income for the period	<u>88,929,335</u>	<u>73,851,363</u>

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

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 2020

	Issued subscribed and paid-up capital	Capital Reserve			Revenue Reserve	
	Share Premium	Surplus on revaluation of land	Fair value reserve on investment	Accumulated profit	Total	
	----- Rupees -----					
Balance as at 30 June 2019 - audited	850,850,000	347,391,050	330,031,765	(3,162,588)	1,130,023,021	2,655,133,248
<u>Total comprehensive income</u>						
Profit for the quarter ended 30 September 2019	-	-	-	-	73,969,324	73,969,324
Other comprehensive loss for the quarter ended 30 September 2019	-	-	-	(117,961)	-	(117,961)
	-	-	-	(117,961)	73,969,324	73,851,363
Balance as at 30 September 2019 - un-audited	<u>850,850,000</u>	<u>347,391,050</u>	<u>330,031,765</u>	<u>(3,280,549)</u>	<u>1,203,992,345</u>	<u>2,728,984,611</u>
<u>Total comprehensive income</u>						
Profit for nine months period ended 30 June 2020	-	-	-	-	184,844,304	184,844,304
Other comprehensive income nine months period ended 30 June 2020	-	-	-	793,866	-	793,866
	-	-	-	793,866	184,844,304	185,638,170
<u>Transactions with owners of the Company</u>						
Final cash dividend for the year ended 30 June 2019 @ Rs. 0.6 per share	-	-	-	-	(51,051,000)	(51,051,000)
Bonus issue @ 4%	34,034,000	-	-	-	(34,034,000)	-
	34,034,000	-	-	-	(85,085,000)	(51,051,000)
Balance as at 30 June 2020 - audited	<u>884,884,000</u>	<u>347,391,050</u>	<u>330,031,765</u>	<u>(2,486,683)</u>	<u>1,303,751,649</u>	<u>2,863,571,781</u>
<u>Total comprehensive income</u>						
Profit for the period	-	-	-	-	87,653,791	87,653,791
Other comprehensive income	-	-	-	1,275,544	-	1,275,544
	-	-	-	1,275,544	87,653,791	88,929,335
Balance as at 30 September 2020 - unaudited	<u>884,884,000</u>	<u>347,391,050</u>	<u>330,031,765</u>	<u>(1,211,139)</u>	<u>1,391,405,440</u>	<u>2,952,501,116</u>

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

Lahore

Chief Executive Officer

Director

Chief Financial Officer

Synthetic Products Enterprises Limited
Condensed Interim Statement of Cash Flows (Un-audited)
For the quarter ended 30 September 2020

	Note	30 September 2020 Rupees	30 September 2019 Rupees
<u>Cash flows from operating activities</u>			
Profit before taxation		124,169,549	94,291,738
<i>Adjustments for non cash items:</i>			
Depreciation on operating fixed assets		44,824,211	44,442,448
Depreciation / amortization on right of use assets		550,554	-
Amortization of intangibles		23,917	17,326
Finance cost		10,129,283	22,365,198
Loss / (gain) on disposal of property, plant and equipment		(34,589)	4,281,021
Provision for Workers' Profit Participation Fund and Workers' Welfare Fund		9,421,750	6,853,410
		64,915,126	77,959,403
Operating profit before working capital changes		189,084,675	172,251,141
<i>(Increase) / decrease in current assets:</i>			
Stores, spares and loose tools		(7,673,402)	5,121,476
Stock-in-trade		88,419,596	27,158,593
Trade debts - unsecured, considered good		14,673,032	(51,888,375)
Advances, deposits, prepayments and other receivables		16,368,160	11,518,472
		111,787,386	(8,089,834)
<i>Increase/(Decrease) in current liabilities:</i>			
Trade and other payables		36,719,895	(26,337,665)
		148,507,281	(34,427,499)
Cash generated from operations		337,591,956	137,823,642
Workers' Profit Participation Fund & Workers Welfare Fund paid		-	(15,000,000)
Taxes paid		(13,457,720)	(21,037,924)
Long term deposits - net		200,000	600,800
Net cash generated from operating activities		324,334,236	102,386,518
<u>Cash flow from investing activities</u>			
Capital expenditure incurred		(65,539,691)	(6,333,568)
Proceeds from disposal of property, plant and equipment		207,900	3,292,877
Short term investments		(100,000,000)	-
Net cash used in investing activities		(165,331,791)	(3,040,691)
<u>Cash flow from financing activities</u>			
Principal repayment of lease liability		(1,582,313)	(1,832,671)
Long term loan acquired		112,732,961	-
Diminishing musharika paid / acquired - net		(26,630,935)	(25,564,281)
Finance cost paid		(14,293,136)	(19,624,961)
Short term borrowings - net		(84,719,711)	620,096
Net cash (used in) / generated from financing activities		(14,493,134)	(46,401,817)
Net increase / (decrease) in cash and cash equivalents		144,509,311	52,944,010
Cash and cash equivalents at beginning of the period		(111,507,298)	(146,969,043)
Cash and cash equivalents at end of the period	19	33,002,013	(94,025,033)

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

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 2020

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, Lahore
- Rahim Yar Khan Industrial Estate, Rahim Yar Khan, and
- Quaid-e-Azam Industrial Estate, Kot Lakhpat, Lahore

2 Basis of preparation

2.1 Statement of compliance

2.1.1 These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards 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
- Provision of and directives issued under the Companies Act, 2017.

Where the provision of and directives issues 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.

2.1.2 These condensed interim financial statements comprise the condensed interim statement of financial position of the Company, as at 30 September 2020 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity together with the notes forming part thereof.

2.1.3 These condensed interim financial statements 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 2020. 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.

2.1.4 The comparative statement of financial position presented in these interim financial statements has been extracted from the audited annual financial statements of the Company for the year ended 30 June 2020, whereas comparative condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity has been extracted from the unaudited condensed interim financial statements for the quarter ended 30 September 2019.

2.1.5 These condensed interim financial statements are unaudited and being submitted to the shareholders as required under Section 237 of the Companies Act, 2017 ("the Act").

2.2 Functional and presentation currency

These condensed interim financial statements are presented in Pakistani Rupees which is also the Company's functional currency

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 2020.

4 Significant accounting policies

4.1 The accounting policies adopted for the preparation of the financial statements are the same as those applied in the preparation of the financial statements of the Company for the year ended 30 June 2020.

	Un-audited 30 September 2020	Audited 30 June 2020	Un-audited 30 September 2020	Audited 30 June 2020
----	Number of shares	----	Rupees	Rupees
5 Issued, subscribed and paid-up capital				
Ordinary shares of Rs. 10 each, fully paid in cash	19,791,940	19,791,940	197,919,400	197,919,400
Fully paid bonus shares of Rs. 10 each	61,031,460	61,031,460	610,314,600	610,314,600
Shares of Rs. 10 each, issued under scheme of amalgamation	7,665,000	7,665,000	76,650,000	76,650,000
	<u>88,488,400</u>	<u>88,488,400</u>	<u>884,884,000</u>	<u>884,884,000</u>

			Un-audited 30 September 2020	Audited 30 June 2020
			Rupees	Rupees
	Note			

6 Long term loans - secured

6.1 Diminishing musharika - Islamic mode of financing:

- United Bank Limited	6.1.1	76,792,067	86,786,097
- Bank Islami Pakistan Limited	6.1.2	44,625,000	51,000,000
- Habib Bank Limited	6.1.3	214,303,180	224,565,085
Less: Current maturity		(119,023,749)	(112,773,748)
		216,696,498	249,577,434

6.2 Loan under refinance Scheme - conventional loans

- Habib Bank Limited	98,303,589	34,456,178
Less: Current maturity	(36,863,847)	(8,614,045)
	61,439,742	25,842,133

6.3 Loan from Customer - conventional loans

- Loan from customer	48,885,550	-
Less: Current maturity	-	-
	48,885,550	-
	<u>327,021,790</u>	<u>275,419,567</u>

6.1.1 During the period / year, the Company has made repayments amounting to Rs. 9.99 million (30 June 2020: Rs. 39.97 million).

6.1.2 During the period / year, the Company has made repayments amounting to Rs. 6.37 million (30 June 2020: Rs. 25.5 million).

6.1.3 During the period / year, the Company has made repayments amounting to Rs. 10.26 million (30 June 2020: Rs. 39.62 million).

		Un-audited 30 September 2020 Rupees	Audited 30 June 2020 Rupees
7 Lease liabilities	<i>Note</i>		
Lease liability	7.1	8,476,341	10,058,654
Less: Current maturity presented under current liabilities		(2,060,102)	(2,956,718)
		<u>6,416,239</u>	<u>7,101,936</u>
7.1 During the period / year, the Company has made repayments amounting to Rs. 1.58 million (30 June 2020: Rs. 2.67 million).			
		Un-audited 30 September 2020 Rupees	Audited 30 June 2020 Rupees
8 Trade and other payables	<i>Note</i>		
Trade and other creditors		76,689,378	49,338,878
Accrued liabilities		60,607,695	57,319,970
Contract liabilities		7,561,486	8,379,038
Workers' Profit Participation Fund		24,014,805	17,264,337
Workers' Welfare Fund		8,475,177	5,803,895
Withholding tax payable		1,187,607	900,525
Provident fund payable		1,746,860	1,609,744
Sales tax payable		4,147,352	-
Others		16,917,841	14,590,166
		<u>201,348,201</u>	<u>155,206,554</u>
9 Short term borrowings			
<i>Secured:</i>			
- Conventional Interest / mark-up based loans	9.1	23,847,661	128,460,772
- Islamic mode of financing	9.2	-	76,646,157
		<u>23,847,661</u>	<u>205,106,929</u>
<i>Unsecured:</i>			
- Interest free financing		15,000,000	15,000,000
		<u>38,847,661</u>	<u>220,106,929</u>
Types of short term borrowings			
9.1 Conventional loans			
Short term running finance		23,847,661	77,992,772
Finance against trust receipts		-	50,468,000
		<u>23,847,661</u>	<u>128,460,772</u>
9.2 Islamic mode of financing			
Murabaha and Istisna		-	34,251,711
Running Musharika		-	42,394,446
		<u>-</u>	<u>76,646,157</u>
10 Current maturity of long term liabilities			
Long term loan - secured	6	155,887,596	121,387,793
Lease liabilities	7	2,060,102	2,956,718
		<u>157,947,698</u>	<u>124,344,511</u>

11 Contingencies and commitments

11.1 Contingencies

There is no significant change in the status of contingencies as reported in the preceding published annual financial statements of the Company for the year ended 30 June 2020.

		Un-audited 30 September 2020 Rupees	Audited 30 June 2020 Rupees
11.2 Commitments	<i>Note</i>		
<i>Commitments under irrevocable letters of credit for:</i>			
- purchase of machinery		105,907,723	27,470,000
- purchase of raw material		202,603,429	157,755,066
		<u>308,511,152</u>	<u>185,225,066</u>

12 Property, plant and equipment

Operating fixed assets	12.1	2,187,810,427	2,177,776,341
Capital work in progress	12.2	150,288,028	139,779,945
Right of use assets	12.3	26,365,797	26,916,350
		<u>2,364,464,252</u>	<u>2,344,472,636</u>

12.1 Operating fixed assets

Opening written down value		2,177,776,341	2,141,014,712
Add: Additions during the period / year (cost)	12.1.1	55,031,608	224,766,751
Less: Disposals during the period / year at written down value		(173,311)	(8,879,926)
Add: Transfers during the period		-	1,075,374
Less: Depreciation charge for the period / year		(44,824,211)	(180,200,570)
Closing written down value		<u>2,187,810,427</u>	<u>2,177,776,341</u>

12.1.1 Additions during the period / year:

Land	10,841,400	5,397,400
Buildings on freehold land	28,499,994	4,804,186
Plant and machinery	8,151,982	211,142,923
Office equipment	463,382	1,305,033
Tools and equipment	126,250	1,013,968
Computer equipment	506,800	149,000
Furniture and fittings	-	212,891
Vehicles	6,441,800	741,350
	<u>55,031,608</u>	<u>224,766,751</u>

12.2 Capital work in progress - at cost

Balance at the beginning of the period / year	139,779,945	60,994,199
Add: Additions during the period / year	47,041,971	292,543,478
Less: Transfers to fixed assets during the period / year	(36,533,888)	(213,757,732)
	<u>150,288,028</u>	<u>139,779,945</u>

12.3 Right of use assets

Opening written down value	26,916,350	-
Add: Impact of first time implementation of IFRS 16	-	28,289,979
Add: Additions during the period / year (cost)	-	2,076,000
Less: Disposals/Transferred during the period / year at written down value	-	(1,075,374)
Less: Depreciation charge for the period / year	(550,553)	(2,374,255)
Closing written down value	<u>26,365,797</u>	<u>26,916,350</u>

	Note	Un-audited 30 September 2020 Rupees	Audited 30 June 2020 Rupees
13 Investments			
Investment classified as fair value through other comprehensive income		<u>2,797,013</u>	<u>1,808,219</u>
This represents 80,652 ordinary shares having face value of Rs. 10 each (30 June 2020: 80,652 ordinary shares) in Roshan Packages Limited.			
		Un-audited 30 September 2020 Rupees	Audited 30 June 2020 Rupees
14 Stock-in-trade			
Raw and packing material		320,346,028	444,304,283
Stock in transit		117,355,630	82,212,808
Work in process		44,825,620	39,664,866
Finished goods		<u>68,510,505</u>	<u>73,275,422</u>
		<u>551,037,783</u>	<u>639,457,379</u>
		Quarter ended (Un-audited)	
		30 September 2020 Rupees	30 September 2019 Rupees
15 Sales - net			
Local		1,057,347,515	1,134,173,517
Export		<u>7,558,798</u>	<u>7,370,794</u>
		1,064,906,313	1,141,544,311
Less: Sales tax		(158,533,212)	(170,436,813)
Discounts		<u>(9,479,973)</u>	<u>(15,592,549)</u>
		<u>896,893,128</u>	<u>955,514,949</u>
16 Cost of sales			
Raw and packing materials consumed		498,977,903	540,785,509
Stores, spare parts and loose tools consumed		2,546,658	2,549,704
Salaries, wages and benefits		66,529,422	63,563,511
Security expenses		2,083,086	3,031,443
Electricity, fuel and water charges		76,450,902	69,029,323
Depreciation on property, plant and equipment		40,184,497	39,998,204
Depreciation on right of use asset		550,554	-
Repair and maintenance		8,953,774	8,444,798
Research and development		3,902,086	-
Insurance		1,776,793	1,480,816
Oil and lubricants		<u>1,245,183</u>	<u>275,801</u>
		703,200,858	729,159,109
Work in process:			
- At beginning of the period		39,664,866	88,456,508
- At end of the period		<u>(44,825,620)</u>	<u>(48,052,847)</u>
Cost of goods manufactured		<u>698,040,104</u>	<u>769,562,770</u>
Finished goods:			
- At beginning of the period		73,275,422	58,733,269
- At end of the period		<u>(68,510,505)</u>	<u>(50,208,520)</u>
		702,805,021	778,087,519
Freight and forwarding		<u>11,255,403</u>	<u>11,043,415</u>
Cost of goods sold		<u>714,060,424</u>	<u>789,130,934</u>

17 Finance cost

Mark-up on:

- long term finance - *secured*
- lease liabilities
- short term borrowings - *secured*

Bank charges

Quarter ended (Un-audited)	
30 September 2020 Rupees	30 September 2019 Rupees
8,273,101	11,795,914
150,610	219,323
1,467,640	9,969,956
237,932	380,005
10,129,283	22,365,198

18 Earnings per share - basic and diluted

18.1 Basic earnings per share

Profit for the period after taxation

Rupees **87,653,791** **73,969,324**

Weighted average number of ordinary shares
in issue during the period

Number **88,488,400** **88,488,400**

Earnings per share

Rupees **0.99** **0.84**
Re-stated

18.2 Diluted earnings per share

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

19 Cash and cash equivalents

Short term running finance

Running Musharika

Cash and bank balances

Quarter ended (Un-audited)	
30 September 2020 Rupees	30 September 2019 Rupees
(23,847,661)	(63,579,994)
-	(50,829,971)
56,849,674	20,384,932
33,002,013	(94,025,033)

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.

Quarter ended 30 September 2020 (Un-audited)						
Carrying Amount				Fair Value		
Investments at FVOCI	Amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
----- Rupees -----						
Financial assets measured at fair value						
Investment classified at FVOCI	2,797,013	-	-	2,797,013	-	-
Financial assets at amortized cost						
Long term deposits	-	10,620,959	-	10,620,959	-	-
Trade debts - unsecured, considered good	-	494,661,639	-	494,661,639	-	-
Deposits and other receivables	-	26,701,914	-	26,701,914	-	-
	-	531,984,512	-	531,984,512	-	-
Financial liabilities measured at amortized cost						
Long term finances and Diminishing musharika	-	-	335,720,247	335,720,247	-	-
Lease liabilities	-	-	8,476,341	8,476,341	-	-
Trade and other payables	-	-	155,961,774	155,961,774	-	-
Unclaimed dividend	-	-	2,085,056	2,085,056	-	-
Short term borrowing	-	-	23,847,661	23,847,661	-	-
Accrued mark up	-	-	1,709,965	1,709,965	-	-
	-	-	527,801,044	527,801,044	-	-

20.1

30 June 2020 (Audited)						
Carrying Amount				Fair Value		
Available for sale	Amortized Cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
----- Rupees -----						
Financial assets measured at fair value						
Investment classified at FVOCI	1,808,219	-	-	1,808,219	1,808,219	-
<u>Financial assets at amortized cost</u>						
Cash and bank balances	-	8,879,920	-	8,879,920	-	-
Long term deposits	-	10,820,959	-	10,820,959	-	-
Trade debts - unsecured, considered good	-	509,334,671	-	509,334,671	-	-
Deposits and other receivables	-	27,107,155	-	27,107,155	-	-
	-	556,142,705	-	556,142,705	-	-
<u>Financial liabilities measured at amortized cost</u>						
Long term finances and Diminishing musharika	-	-	396,807,360	396,807,360	-	-
Lease liabilities	-	-	10,058,654	10,058,654	-	-
Trade and other payables	-	-	121,249,014	121,249,014	-	-
Unclaimed dividend	-	-	2,085,056	2,085,056	-	-
Short term borrowing	-	-	205,106,929	205,106,929	-	-
Accrued mark up	-	-	5,873,819	5,873,819	-	-
20.2	-	-	741,180,832	741,180,832	-	-

20.2 The Company has not disclosed the fair values of these financial assets and liabilities as these either are for short term purposes 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 value's (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.

21 Transactions with related parties

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 for those disclosed elsewhere are as follows:

			Quarter ended (Un-audited)	
			30 September 2020 Rupees	30 September 2019 Rupees
21.1	Related parties	Relationship	Transactions	
	Provident Fund Trust	Post employment benefit fund	Contribution	5,052,130 4,908,287
		Directors other than key management personnel	Remuneration	5,194,672 4,556,604
		Non-Executive Directors	Meeting fee	425,000 500,000
	Key Management Personnel	Key Management Personnel	Remuneration	9,778,727 11,012,853
			(Un-audited)	(Audited)
			30 September 2020 Rupees	30 June 2020 Rupees
21.2	Balances with related parties			
	Provident Fund Trust	Post employment benefit fund	1,746,860	1,609,744
21.3	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, full time Directors, Chief Financial Officer and Company Secretary to be its key management personnel.			

22 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 2020.

23 Date of authorization

These condensed interim financial statements has been approved by the Board of Directors of the Company and authorized for issue in their meeting held on 16 October 2020.

24 General

Figures have been rounded off to the nearest rupee.



Chief Executive Officer



Director



Chief Financial Officer

ڈائریکٹرز کا جائزہ

محترم شیئر ہولڈرز

سیٹھ ٹیک پراڈکٹس انٹرپرائزز لمیٹڈ کے بورڈ آف ڈائریکٹرز 30 ستمبر 2020 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 30 ستمبر 2019 PKR in Millions	Quarter Ended 30 ستمبر 2020 PKR in Millions	
955.5	896.8	سیلز
789.1	714.0	کاسٹ آف سیلز
166.3	182.8	خام منافع
118.1	137.4	آپریٹنگ منافع
94.2	124.2	قبل از ٹیکس منافع
73.9	87.6	خالص منافع
0.84	0.99	EPS (PKR)

زیر جائزہ مدت کے دوران لاک ڈاؤن اور کاروباری سرگرمیوں پر پابندی کے خاتمے کے بعد معیشت آہستہ آہستہ اپنے معمول پر آ رہی ہے۔ سیلز میں کمی کے باوجود آپ کی کمپنی نے اٹھارہ فیصد اضافی منافع کمایا ہے۔

زیر جائزہ مدت کے دوران کمپنی نے 65 ملین روپے کی رقم مینوفیکچرنگ کی سہولیات اور B.M.R پر خرچ کی۔

مستقبل قریب کا جائزہ

معیشت میں غیر یقینی صورتحال کے ساتھ ساتھ ہم اپنی مارکیٹ کے استحکام اور کمپنی انتظامیہ کی صلاحیتوں پر بڑا اعتماد ہیں، جو کہ ترقی کے پیرن 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، بکریز، شیئر ہولڈرز اور مسلسل مدد فراہم کرنے کے لئے ملازمین سمیت دیگر تمام اسٹیک ہولڈرز کے شکرگزار ہیں۔

ڈائریکٹر

چیف ایگزیکٹو آفیسر
لاہور

16 اکتوبر 2020