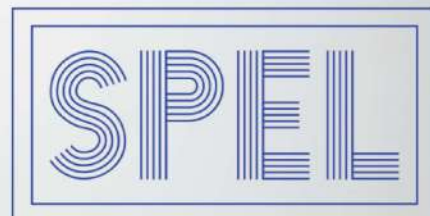


MOVING FORWARD

NINE MONTHLY REPORT
MARCH 2022



Synthetic Products Enterprises Limited



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Company Information

The Board of Directors

Mr. Almas Hyder	Chairman
Mr. Zia Hyder Naqi	CEO
Mr. Haroon Sharif	Director
Dr. Syed Sohail Hussain Naqvi	Director
Mr. Khawar Anwar Khawaja	Director
Mr. Raza Haider Naqi	Director
Dr. Nighat Arshad	Director
Mr. Sheikh Naseer Hyder	Director
Mr. Abid Saleem Khan	Director

Chief Financial Officer

Mr. Khalil Ahmad Hashmi FCA

Company Secretary

Mr. Muhammad Kamran Farooq ACMA

Audit Committee

Mr. Haroon Sharif	Committee Chairman
Mr. Almas Hyder	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. Syed Sohail Hussain Naqvi	Member
Mr. Abid Saleem Khan	Member

Finance Committee

Mr. Almas Hyder	Committee Chairman
Mr. Haroon Sharif	Member
Mr. Zia Hyder Naqi	Member
Dr. Syed Sohail Hussain Naqvi	Member
Mr. Sheikh Naseer Hyder	Member
Mr. Abid Saleem Khan	Member

Risk Management Committee

Mr. Zia Hyder Naqi	Committee Chairman
Dr. Syed Sohail Hussain Naqvi	Member
Mr. Haroon Sharif	Member
Mr. Sheikh Naseer Hyder	Member

Registered Office

127-S, Quid-e-Azam Industrial
Estate Kot Lakhpat Lahore

Ph: 042 111 005 005

Fax: 024-35118507

Statutory Auditors

KPMG Taseer Hadi & Co.

Chartered Accountants

Head of Internal Audit

Mr. Abu Bakar ACA

Tax Advisors

A. F. Ferguson & Co.

Chartered Accountants

Legal Advisors

Cornelius Lane and Mufti

Share Registrar

THK Associates (Private) Limited
Plot No. 32-C, Jami Commercial
Street 2, DHA, Phase VII, Karachi
Pakistan.

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

Habib Metropolitan Bank Limited

Factories

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

41- Rahim Yar Khan Industrial Estate,
KLP Road, Rahim Yar Khan.

12-A Down Stream Industrial Unit,
Pakistan Steel, Karachi.

Stock Symbol

SPEL

Website

www.spelgroup.com

SYNTHETIC PRODUCTS ENTERPRISES LIMITED

Directors' Review of the Condensed Interim Financial Information

For the Nine Months & Quarter ended 31 March 2022

Dear Shareholders,

The Directors of Synthetic Products Enterprises Limited are pleased to present your Company's reviewed condensed interim financial information for the half year and quarter ended 31 March 2022 along with the Directors' review thereon.

Financial Analysis

	Nine Months Ended		Quarter Ended	
	31 Mar 2022 PKR Millions	31 Mar 2021 PKR Millions	31 Mar 2022 PKR Millions	31 Mar 2021 PKR Millions
Sales – net	4,454.96	2,872.22	1,675.26	1,155.28
Cost of Sales	(3,553.83)	(2,259.58)	(1,316.21)	(899.42)
Gross Profit	901.13	612.64	359.04	255.85
Operating Profit	699.77	462.10	291.14	206.46
Profit after tax	447.22	305.75	190.28	144.23
EPS – Basic (PKR)	2.24	1.53 <i>Restated</i>	0.95	0.72 <i>Restated</i>

During the period under review, your Company has registered 55% growth in its turnover and 46% growth in the net profit after tax as compared to nine months of the last year.

During the period under review, the Company has invested an amount of Rs.803 Million for expansion and BMR of the manufacturing facilities as planned.

The Board is pleased to announce second interim cash dividend @ 0.25 per share i.e. 5%

Outlook

We are positive on the stability of both Auto & FMCG sector and inherent strengths and abilities of the Company's management to develop strategies to maintain the pattern of growth.

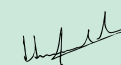
SPEL remain committed to supply quality products and to deliver on time to its customers as it is our promise of reliability.

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



Director

Lahore
21 April 2022

Synthetic Products Enterprises Limited

Condensed Interim Statement of Financial Position

As at 31 March 2022

		Un-audited 31 March 2022 Rupees	Audited 30 June 2021 Rupees
	Note		
EQUITY AND LIABILITIES			
<u>Share capital and reserves</u>			
Authorized share capital of Rs. 5 each (2021: Rs. 10 each)		1,500,000,000	1,000,000,000
Issued, subscribed and paid-up capital	5	998,680,080	924,703,780
Share premium		358,627,893	432,604,193
Accumulated profit		2,026,553,565	1,675,496,038
Fair value reserve on investment		(2,847,096)	(1,671,998)
Surplus on revaluation of land		330,031,765	330,031,765
Shareholders' equity		3,711,046,207	3,361,163,778
LIABILITIES			
<u>Non-current liabilities</u>			
Long term loans - secured	6	525,858,580	289,882,825
Lease liabilities	7	8,754,845	6,332,188
Deferred income -Government grant	8	116,883,977	322,160
Deferred taxation		262,423,847	219,550,050
		913,921,249	516,087,223
<u>Current liabilities</u>			
Trade and other payables	9	326,085,584	292,209,676
Short term borrowings	10	319,680,586	112,370,444
Contract Liabilities		15,035,306	25,216,514
Current maturity of long term liabilities	11	194,570,219	213,518,377
Unclaimed dividend		3,003,944	2,870,151
Accrued mark up		21,680,669	9,004,485
		880,056,308	655,189,647
		5,505,023,764	4,532,440,648

Contingencies and commitments

12

The annexed notes from 1 to 27 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 Financial Position

As at 31 March 2022

		Un-audited 31 March 2022 Rupees	Audited 30 June 2021 Rupees
	Note		
ASSETS			
<u>Non-current assets</u>			
Property, plant and equipment			
- Operating fixed assets	13.1	3,163,433,267	2,404,803,631
- Capital work in progress	13.2	195,283,116	349,520,613
- Right of use assets	13.3	34,980,302	30,498,020
Intangibles		274,602	354,325
Long term investments	14	1,481,580	2,656,679
Long term deposits		16,145,417	14,806,217
		3,411,598,284	2,802,639,485
<u>Current assets</u>			
Stores, spares and loose tools		61,264,221	49,495,183
Stock-in-trade	15	1,137,211,784	708,308,204
Trade debts - unsecured		709,643,226	593,928,707
Advance income tax - net of provision		124,978,033	166,332,104
Advances, deposits, prepayments and other receivables		18,924,043	13,737,520
Short term investments		-	130,000,000
Cash and bank balances		41,404,173	67,999,445
		2,093,425,480	1,729,801,163
		5,505,023,764	4,532,440,648

Contingencies and commitments


12

The annexed notes from 1 to 27 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 Profit or Loss (Un-audited)

For the nine months and quarter ended 31 March 2022

		nine months Ended		Quarter ended	
		31 March 2022 Rupees	31 March 2021 Rupees	31 March 2022 Rupees	31 March 2021 Rupees
	Note				
Sales - net	16	4,454,967,043	2,872,229,094	1,675,263,942	1,155,282,782
Cost of sales	17	(3,553,833,482)	(2,259,583,278)	(1,316,214,690)	(899,424,978)
Gross profit		901,133,561	612,645,816	359,049,252	255,857,804
Administrative expenses		(172,883,975)	(125,533,412)	(57,051,459)	(42,117,411)
Selling and distribution expenses		(28,474,760)	(25,012,214)	(10,855,745)	(7,278,524)
Operating profit		699,774,826	462,100,190	291,142,048	206,461,869
Other income		34,612,348	33,405,318	10,901,871	15,867,649
Other charges		(48,287,702)	(34,813,242)	(19,811,020)	(15,982,481)
Finance cost	18	(70,279,314)	(37,470,745)	(25,992,863)	(12,717,420)
Profit before taxation		615,820,158	423,221,521	256,240,036	193,629,617
Taxation		(168,593,438)	(117,463,387)	(65,952,121)	(49,390,806)
Profit after taxation		447,226,720	305,758,134	190,287,915	144,238,811
			Re-stated		Re-stated
Earnings per share - basic and diluted	19	2.24	1.53	0.95	0.72

The annexed notes from 1 to 27 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 nine months and quarter ended 31 March 2022


	Nine Months Ended		Quarter ended	
	31 March 2022 Rupees	31 March 2021 Rupees	31 March 2022 Rupees	31 March 2021 Rupees
Profit after taxation	447,226,720	305,758,134	190,287,915	144,238,811
<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	(1,175,098)	652,339	(98,395)	(1,000,929)
Total comprehensive income for the period	446,051,622	306,410,473	190,189,520	143,237,882

The annexed notes from 1 to 27 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 nine months and quarter ended 31 March 2022

	Capital Reserve			Revenue Reserve		Total
	Issued subscribed and paid-up capital	Share Premium	Surplus on revaluation of land	Fair value reserve on investment	Accumulated profit	
	----- Rupees -----					
Balance as at 30 June 2020 - audited	884,884,000	347,391,050	330,031,765	(2,486,683)	1,303,751,651	2,863,571,783
<u>Total comprehensive income</u>						
Profit for the nine months period ended 31 March 2021	-	-	-	-	305,758,134	305,758,134
Other comprehensive income for the nine months period ended 31 March 2021	-	-	-	652,339	-	652,339
	-	-	-	652,339	305,758,134	306,410,473
<u>Transactions with owners of the Company</u>						
Final cash dividend for the year ended 30 June 2020 @ Rs. 1 per share	-	-	-	-	(88,488,400)	(88,488,400)
Ordinary shares issued during the year (@ Rs. 32 each including premium of Rs. 22 per share)	39,819,780	87,603,516	-	-	-	127,423,296
Transaction cost incurred for issuance of ordinary shares	-	(2,390,373)	-	-	-	(2,390,373)
	39,819,780	85,213,143	-	-	(88,488,400)	36,544,523
Balance as at 31 March 2021 - un-audited	924,703,780	432,604,193	330,031,765	(1,834,344)	1,521,021,385	3,206,526,779
<u>Total comprehensive income</u>						
Profit for quarter ended 30 June 2021	-	-	-	-	154,474,653	154,474,653
Other comprehensive income for the quarter ended 30 June 2021	-	-	-	162,346	-	162,346
	-	-	-	162,346	154,474,653	154,636,999
Balance as at 30 June 2021 - audited	924,703,780	432,604,193	330,031,765	(1,671,998)	1,675,496,038	3,361,163,778
Profit for the nine months period ended 31 March 2022	-	-	-	-	447,226,720	447,226,720
Other comprehensive income for the nine months period ended 31 March 2022	-	-	-	(1,175,098)	-	(1,175,098)
	-	-	-	(1,175,098)	447,226,720	446,051,622
<u>Transactions with owners of the Company</u>						
Final cash dividend for the year ended 30 June 2021 @ Re. 0.50 per share			-	-	(46,235,189)	(46,235,189)
Bonus shares issued during the period	73,976,300	(73,976,300)				-
Interim cash dividend for the year ended 30 June 2022 @ Re. 0.25 per share	73,976,300	(73,976,300)	-	-	(49,934,004)	(49,934,004)
	73,976,300	(73,976,300)	-	-	(96,169,193)	(96,169,193)
Balance as at 31 March 2022 - unaudited	998,680,080	358,627,893	330,031,765	(2,847,096)	2,026,553,565	3,711,046,207

The annexed notes from 1 to 27 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)

MOVING FORWARD

For the nine months ended 31 March 2022

	Note	31 March 2022 Rupees	31 March 2021 Rupees
<u>Cash flows from operating activities</u>			
Profit before taxation		615,820,158	423,221,521
<i>Adjustments for non cash items:</i>			
Depreciation on operating fixed assets		192,296,648	135,732,692
Depreciation on right of use assets		3,042,708	2,841,821
Amortization of intangibles		79,723	108,586
Finance cost		70,279,314	37,470,745
(Gain)/Loss on disposal of property, plant and equipment		(220,362)	(6,620,691)
Reversal of provision for ECL		(5,915,092)	-
Provision for Workers' Profit Participation Fund and Workers' Welfare Fund		46,352,055	32,353,701
		305,914,994	201,886,854
Operating profit before working capital changes		921,735,152	625,108,375
<i>Decrease/(Increase) in current assets:</i>			
Stores, spares and loose tools		(11,769,038)	(15,681,305)
Stock-in-trade		(428,903,580)	(38,015,279)
Trade debts - unsecured		(109,799,427)	(116,976,597)
Advances, deposits, prepayments and other receivables		(5,186,523)	24,553,242
		(555,658,568)	(146,119,939)
<i>Increase/(Decrease) in current liabilities:</i>			
Trade and other payables		34,040,289	67,098,890
Contract liabilities		(10,181,208)	12,794,982
		23,859,081	79,893,872
		(531,799,487)	(66,226,067)
Cash (used in)/ generated from operations		389,935,665	558,882,308
Workers' Profit Participation Fund & Workers Welfare Fund paid		(46,516,436)	(23,269,676)
Finance cost paid		(57,603,130)	(35,507,200)
Taxes paid		(84,365,570)	(50,578,242)
Long term deposits - net		(1,339,200)	(3,985,258)
		(189,824,336)	(113,340,376)
Net cash (used in)/ generated from operating activities		200,111,329	445,541,932
<u>Cash flow from investing activities</u>			
Fixed capital expenditure		(803,683,973)	(471,954,317)
Shor term investments made		-	-
Proceeds from disposal of property, plant and equipment		9,246,857	20,047,172
Net cash used in investing activities		(794,437,116)	(451,907,145)
<u>Cash flow from financing activities</u>			
Principal repayment of lease liability		(6,293,272)	(6,473,164)
Long term loan received		473,415,704	143,819,526
Long term loan repaid		(44,384,351)	-
Diminishing musharika paid -net		(96,282,309)	(79,892,803)
Dividend paid		(96,035,400)	(87,703,305)
Net receipt against right issue		-	125,032,923
Short term borrowings - net		238,425,567	(21,557,069)
Net cash generated from/(used in) financing activities		468,845,940	73,226,108
Net increase/(decrease) in cash and cash equivalents		(125,479,847)	66,860,895
Cash and cash equivalents at beginning of the period		133,543,329	(111,507,298)
Cash and cash equivalents at end of the period	20	8,063,483	(44,646,403)

The annexed notes from 1 to 27 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 nine months and quarter ended 31 March 2022

1 Legal status and nature of business

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

- Sue-e-Asal Lalyani Road, Pandoki, Lahore
- Quaid-e-Azam Industrial Estate, Kot Lakhpat, Lahore
- Rahim Yar Khan Industrial Estate, Rahim Yar Khan, and
- Pakistan Steel Industrial Estate ,Bin Qasim, Karachi

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

Where the provision 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.

These condensed interim financial statements comprise the condensed interim statement of financial position of the Company, as at 31 March 2022 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.

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 2021. 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.

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 2021, 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 period ended 31 March 2021.

These condensed interim financial statements are being submitted to the shareholders as required under Section 237 of the Companies Act, 2017 ("the Act") and are unaudited but subject to limited scope review by external auditors as required by the Act and Code of Corporate Governance Regulations, 2019.

2.2 Functional and presentation currency

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

3 Judgments and estimates

The preparation of these condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. 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 2021.

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 2021.

4.2 Standards, interpretations and amendments to published approved accounting standards that are not yet effective

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 1 January 2022

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37) effective for the annual periods beginning on or after 1 January 2022
- Classification of liabilities as current or non-current (Amendments to IAS 1) amendments apply retrospectively for the annual periods beginning on or after 1 January 2023

The following annual improvements to IFRS Standards 2018-2020 are effective for annual reporting periods beginning on or after 1 January 2022.

- IFRS 9 – The amendment clarifies that an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf, when it applies the '10 percent' test.
- IFRS 16 – The amendment partially amends Illustrative Example 13 accompanying IFRS 16 by excluding the illustration of reimbursement of leasehold improvements by the lessor. The objective of the amendment is to resolve any potential confusion that might arise in lease incentives.
- IAS 41 – The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16) effective for annual periods beginning on or after 1 January 2022 clarifies that sales proceeds and costs of items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management
- Reference to the Conceptual Framework (Amendments to IFRS 3). An entity shall apply those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2022.

- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) – the Board has issued amendments on the application of materiality to disclosure of accounting policies and to help companies provide useful accounting policy disclosures.

The Board also amended IFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 with earlier application.

- Definition of Accounting Estimates (Amendments to IAS 8) – The amendments introduce a new definition for accounting estimates clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty.
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) – The amendments narrow the scope of the initial recognition exemption (IRE) so that it does not apply to transactions that give rise to equal and offsetting temporary differences.
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) – The amendment amends accounting treatment on loss of control of business or assets.

5 Issued, subscribed and paid-up capital

	Un-audited 31 March 2022	Audited 30 June 2021	Un-audited 31 March 2022	Audited 30 June 2021
	- - - - Number of shares - - - -		Rupees	
Ordinary shares of Rs. 5 (30 June 2021: Rs10) each, fully paid in cash	47,547,836	23,773,918	237,739,180	237,739,180
Fully paid bonus shares of Rs. 5 (30 June 2021: Rs10) each, fully paid in cash	136,858,180	61,031,460	684,290,900	610,314,600
Shares of Rs.5 (30 June 2021 Rs: 10) each, issued under scheme of amalgamation	15,330,000	7,665,000	76,650,000	76,650,000
	199,736,016	92,470,378	998,680,080	924,703,780

5.1 Reconciliation of Share capital

		2022		
	Note	Number of shares	Price per share	Rupees
Balance as at 30 June 2021		92,470,378	10	924,703,780
Issue of Bonus shares	5.1.1	7,397,630	10	73,976,300
		99,868,008		998,680,080
Effect of sub-division of shares		99,868,008		-
	5.1.2	199,736,016	5	998,680,080

- 5.1.1** During the period company issued bonus shares at the rate of 8 shares for every 100 shares as at 30 June 2021. Bonus shares have been issued from share premium account.
- 5.1.2** On 28 October 2021 the shareholders of company resolved to reduce the face value of shares of the Company by way of increasing the number of shares (sub-division). The sub-division has been performed in the ratio of 2 shares with face value of Rs 5 per share for every share of Rs 10 per share.
- 5.1.3** Directors hold 132,065,222 (30 Jun 2021: 65,914,626) ordinary shares of Rs.5 (30 Jun 2021:Rs 10) each of the Company.

6 Long term loans - secured

		Un-audited 31 March 2022 Rupees	Audited 30 June 2021 Rupees
	Note		
Type of loans			
6.1	Islamic mode of financing - Diminishing Musharika		
- United Bank Limited	6.1.1	17,063,386	46,809,983
- Bank Islami Pakistan Limited	6.1.2	8,500,000	25,500,000
- Habib Bank Limited	6.1.3	127,731,754	177,267,466
Less: Current maturity		(91,610,981)	(130,062,680)
		61,684,159	119,514,769
6.2	Conventional loans		
- Habib Bank Limited - Salary Refinance	6.2.1	43,080,660	86,161,324
- MCB Bank Limited - For renewable energy	6.2.2	110,000,000	41,252,000
- MCB and Allied Bank Limited - TERF	6.2.3	412,500,425	15,806,685
- Loan from customer	6.2.4	106,340,663	107,644,350
Add: Unwinding of loan		7,973,964	-
Less: Impact of government grant		(135,094,764)	(3,221,601)
Less: Current maturity		(80,626,527)	(77,274,702)
		464,174,421	170,368,056
		525,858,580	289,882,825

6.1.1 During the period / year, the Company has made repayments amounting to Rs. 29.74 million (30 June 2021: Rs. 39.97 million).

6.1.2 During the period / year, the Company has made repayments amounting to Rs. 17.00 million (30 June 2021: Rs. 25.5 million).

6.1.3 During the period / year, the Company has made repayments amounting to Rs. 49.53 million (30 June 2021: Rs. 46.84 million).

6.2.1 During the period / year, the Company has made repayments amounting to Rs. 43.08 million (30 June 2021: Rs. 28.72 million).

6.2.2 The Company has obtained loan from MCB Bank Limited for the purpose of installation of Solar System of 582.56 KWp and 756 KWp under the SBP Long Term Loan Under Renewable Energy Scheme. Solar System of 582.56 KWp has been installed and 756KWp is in the process of installation. Initially the loan has been disbursed as Long Term Demand Finance facility from MCB Bank Limited. Demand Finance amounting 41.25 million related to installed system of 582.56 KWp has been converted into LTFF on September 2021 and remaining amount of Rs. 68.75 million will be converted to LTFF after completion of the project. The loan is repayable in 36 equal quarterly installments with grace period of one year. The rate of mark up on Demand Finance is 3 months KIBOR plus 0.5%, however after conversion to LTFF the rate of mark up would be 2% plus a spread of 1.99%.

6.2.3 This includes Syndicated Temporary Economic Refinance Facility ("TERF") offered by MCB Bank limited ("MCB") and Allied Bank limited ("ABL") for setting up a new manufacturing plant in Karachi and for Balancing, Modernization and Replacement ("BMR") of existing plant and machinery ("Project") amounting to Rs. 420.20 million. The total facility available amounts to Rs. 500 million. The financing is secured against exclusive hypothecation charge over specific Fixed Assets (excluding land & building) of the Company with 25% margin. It carries Markup at the rate of 3MK + 0.5% p.a. payable on quarterly basis. The principal amount is repayable in 32 quarterly instalments, commencing from the end of the 25th month from the date of first Drawdown. The facility has 10 years tenor inclusive of grace period of 2 years commencing from the date of first drawdown. Initially, the banks disbursed the amount of Rs 429.43 million as demand finance for retirement of related LCs and subsequently converted the loan amount of Rs 420.20 million to SBP - TERF facility after necessary approval of the State Bank of Pakistan, remaining Rs. 9.23 million is yet to be approved. The agreed mark-up rate on TERF facility is the rate of SBP rate i.e. 1 % plus bank spread of 1.05%. The difference between fair value of loan and loan proceeds has been recognized as deferred grant as per requirements of IAS 20 (Accounting for Government grants and disclosure of Government assistance) and as per the opinion of Accounting Standards Board of the Institute of Chartered Accountants of Pakistan in November 2020.

6.2.4 During the period / year, the Company has made repayments amounting to Rs. 1.30 million (30 June 2021: Rs. nil).

		Un-audited 31 March 2022 Rupees	Audited 30 June 2021 Rupees
7 Lease liabilities			
Lease liability		12,876,768	9,613,742
Less: Current maturity presented under current liabilities		(4,121,923)	(3,281,554)
		8,754,845	6,332,188

7.1 During the period / year, the Company has made repayments amounting to Rs. 6.14 million (30 June 2021: Rs. 2.95 million).

8 Deferred income - Government grant

Due to the effects of pandemic, State Bank of Pakistan took various steps to support the economy. SBP introduced a refinance scheme for the payment of salaries and wages at subsidized rate of 3% per annum. The principal amount of loan is payable in eight quarterly installments commencing from 1 January 2021 which is secured against first exclusive charge over fixed assets comprising of the machinery. Company has repaid amount of Rs. 43 million during the period. Furthermore Company also availed Syndicated Temporary Economic Refinance Facility ("TERF") offered by MCB Bank limited ("MCB") and Allied Bank limited ("ABL") amounting to Rs 420.20 million. Difference between market rate and implicit rate as agreed by SBP has been recognized as government grant.

	<i>Note</i>	Un-audited 31 March 2022 Rupees	Audited 30 June 2021 Rupees
9 Trade and other payables			
Trade and other creditors		147,746,104	134,679,179
Accrued liabilities		103,332,961	83,324,391
Workers' profit participation fund		33,108,611	34,274,835
Workers' welfare fund		13,187,506	12,185,663
Withholding tax payable		2,167,153	1,363,593
Sales tax payable		3,629,802	9,504,255
Provident fund payable		2,278,456	1,844,990
Others		20,634,991	15,032,770
		326,085,584	292,209,676
10 Short term borrowings			
<i>Secured:</i>			
- Conventional Interest / mark-up based loans	10.1	215,283,271	53,501,668
- Islamic mode of financing	10.2	104,397,315	58,868,776
		319,680,586	112,370,444
Types of short term borrowings			
10.1 Conventional Interest / mark-up based loans			
Short term running finance		24,201,156	53,501,668
Finance against trust receipts		191,082,115	-
		215,283,271	53,501,668
10.2 Islamic mode of financing			
Murabaha and istisna		95,257,780	47,914,328
Running musharika		9,139,535	10,954,448
		104,397,315	58,868,776
11 Current maturity of long term liabilities			
Long term loans - secured	6	172,237,508	207,337,382
Lease liabilities	7	4,121,923	3,281,554
Deferred grant	8	18,210,787	2,899,441
		194,570,219	213,518,377

12 Contingencies and commitments

12.1 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 2021.

12.2 Commitments

12.2.1 Commitments under irrevocable letters of credit for:

		Un-audited 31 March 2022 Rupees	Audited 30 June 2021 Rupees
	Note		
- purchase of machinery		47,453,069	507,650,239
- purchase of raw material		714,807,935	573,432,473
		762,261,004	1,081,082,712
13 Property, plant and equipment			
Operating fixed assets	13.1	3,163,433,267	2,404,803,631
Capital work in progress	13.2	195,283,116	349,520,613
Right of use assets	13.3	34,980,302	30,498,020
		3,393,696,685	2,784,822,264
13.1 Operating fixed assets			
Opening written down value		2,404,803,631	2,177,776,341
Add: Additions during the period / year (cost)	13.1.1	957,921,469	430,443,653
Less: Disposals during the period / year at written down value		(6,995,185)	(16,046,532)
Less: Depreciation charge for the period / year		(192,296,648)	(187,369,831)
Closing written down value		3,163,433,267	2,404,803,631
13.1.1 Additions during the period / year:			
Buildings on freehold land		10,916,227	35,294,201
Buildings on leasehold land		63,253,256	111,713,534
Plant and machinery		864,121,984	237,032,839
Office equipment		533,592	1,704,825
Tools and equipment		14,632,991	24,112,824
Computer equipment		1,199,720	2,302,981
Furniture and fittings		-	1,553,942
Vehicles		3,263,700	16,728,506
		957,921,469	430,443,653

	Un-audited 31 March 2022 Rupees	Audited 30 June 2021 Rupees
13.2 Capital work in progress		
Balance at the beginning of the period / year	349,520,613	139,779,945
Add: Additions during the period / year	796,498,164	611,024,101
Less: Transfers to fixed assets	(950,735,661)	(401,283,433)
	195,283,116	349,520,613
13.3 Right of use asset		
Opening written down value	30,498,020	26,916,350
Add: Additions during the period / year (cost)	9,556,300	9,215,580
Less: Disposals/Transferred during the period / year at written down value	(2,031,310)	(2,915,725)
Less: Depreciation charge for the period / year	(3,042,708)	(2,718,185)
Closing written down value	34,980,302	30,498,020
14 Long term investments		
Investment classified as FVOCI	1,481,580	2,656,679

This represents 80,652 ordinary shares having face value of Rs. 10 each (30 June 2021: 80,652 ordinary shares) in Roshan Packages Limited.

	Un-audited 31 March 2022 Rupees	Audited 30 June 2021 Rupees
15 Stock-in-trade		
Raw and packing material	797,103,093	481,931,033
Stock in transit	95,387,396	31,084,852
Work in process	72,121,487	57,528,624
Finished goods	172,599,808	137,763,695
	1,137,211,784	708,308,204

		nine months ended (Un-audited)	
		31 March 2022	31 March 2021
		Rupees	Rupees
16 Sales - net			
Local		5,247,194,884	3,392,076,729
Export		26,545,911	16,419,814
		5,273,740,795	3,408,496,543
Less: Sales tax		(783,551,031)	(508,199,029)
Discounts		(35,222,721)	(28,068,420)
		4,454,967,043	2,872,229,094
17 Cost of sales			
Raw and packing materials consumed		2,715,716,602	1,666,846,660
Stores, spare parts and loose tools consumed		14,242,163	9,279,848
Salaries, wages and benefits		285,930,860	203,030,726
Security expenses		9,339,278	6,066,879
Electricity, fuel and water charges		285,233,520	208,779,025
Depreciation on property, plant and equipment		172,834,586	121,847,538
Depreciation on right of use asset		3,042,708	2,841,821
Repair and maintenance		64,970,501	36,706,792
Insurance		6,783,668	5,317,529
Oil and lubricants		2,979,922	3,046,558
		3,561,073,808	2,263,763,376
<i>Work in process:</i>			
- At beginning of the period		57,528,624	39,664,866
- At end of the period		(72,121,487)	(48,264,394)
Cost of goods manufactured		3,546,480,945	2,255,163,848
<i>Finished goods:</i>			
- At beginning of the period		137,763,695	73,275,422
- At end of the period		(172,599,808)	(107,417,650)
		3,511,644,832	2,221,021,620
Freight and forwarding		42,188,650	38,561,658
Cost of goods sold		3,553,833,482	2,259,583,278
18 Finance cost			
<i>Mark-up on:</i>			
- long term finance - secured		44,745,297	29,977,248
- lease liabilities		543,961	469,066
- short term borrowings - secured		24,479,126	5,890,519
Bank charges		510,930	1,133,912
		70,279,314	37,470,745
19 Earnings per share - basic and diluted			
19.1 Basic earnings per share			
Profit for the period after taxation	Rupees	447,226,720	305,758,134
Weighted average number of ordinary shares in issue during the period	Number	199,736,016	Re-stated 199,736,016
Earnings per share	Rupees	2.24	Re-stated 1.53
19.1.1	The earnings per share of comparative period has been restated using weighted average number of shares calculated after taking into impact of bonus issue and share split.		
19.2 Diluted earnings per share			
There is no dilutive effect on the basic earnings per share of the Company.			
		Nine months ended (Un-audited)	
		31 March 2022	31 March 2021
		Rupees	Rupees
20 Cash and cash equivalents			
Short term running finance		(24,201,156)	(44,995,591)
Running musharika		(9,139,535)	(18,438,585)
Cash and bank balances		41,404,173	18,787,773
		8,063,483	(44,646,403)

21 Financial instruments - fair values

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

	nine months ended 31 March 2022 (Un-audited)						
	Carrying Amount			Fair Value			
	Investments at FVOCI	Financial assets at amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
	----- Rupees -----						
Financial assets measured at fair value							
Investment classified at FVOCI	1,481,580	-	-	1,481,580	1,481,580	-	-
<u>Financial assets at amortized cost</u>							
Cash and bank balances	-	41,404,173	-	41,404,173	-	-	-
Deposits and other receivables	-	776,412	-	776,412	-	-	-
Long term deposits	-	16,145,417	-	16,145,417	-	-	-
Trade debts - unsecured, considered good	-	709,643,226	-	709,643,226	-	-	-
	-	767,969,228	-	767,969,228	-	-	-
<u>Financial liabilities measured at amortized cost</u>							
Long term finances and diminishing musharika	-	-	825,216,888	825,216,888	-	-	-
Lease Liabilities	-	-	12,876,768	12,876,768	-	-	-
Trade and other payables	-	-	271,714,056	271,714,056	-	-	-
Unclaimed dividend	-	-	3,003,944	3,003,944	-	-	-
Short term borrowing	-	-	319,680,586	319,680,586	-	-	-
Accrued mark up	-	-	21,680,669	21,680,669	-	-	-
	-	-	1,454,172,911	1,454,172,911	-	-	-

21.1

30 June 2021 (Audited)						
Carrying Amount				Fair Value		
Investments - FVOCI	Financial assets at amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
Note				Rupees		

Financial assets measured at fair value

Investment classified at FVOCI	2,656,679	-	-	2,656,679	2,656,679	-	-
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Financial assets at amortized cost

Cash and bank balances	-	67,999,445	-	67,999,445	-	-	-
Deposits and other receivables	-	283,231	-	283,231	-	-	-
Long term deposits	-	10,439,805	-	10,439,805	-	-	-
Short term Investment	-	130,000,000	-	130,000,000	-	-	-
Trade debts - unsecured, considered good	-	593,928,707	-	593,928,707	-	-	-
	-	802,651,188	-	802,651,188	-	-	-

Financial liabilities measured at amortized cost

Long term finances and diminishing musharika	-	-	539,854,554	539,854,554	-	-	-
Trade and other payables	-	-	233,036,340	233,036,340	-	-	-
Unclaimed dividend	-	-	2,870,151	2,870,151	-	-	-
Lease Liabilities	-	-	9,613,742	9,613,742	-	-	-
Short term borrowing	-	-	112,370,444	112,370,444	-	-	-
Accrued mark up	-	-	9,004,485	9,004,485	-	-	-
21.2	-	-	906,749,716	906,749,716	-	-	-

21.2 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.

21.3 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.

22 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:

				nine months ended (Un-audited)	
				31 March 2022 Rupees	31 March 2021 Rupees
22.1	Related parties	Relationship	Transactions		
	Provident Fund Trust	Post employment benefit fund	Contribution	19,783,224	15,411,996
	Directors and relatives	Directors and relatives	Cash Dividend (as Shareholder)	68,810,887	62,086,735
			Right Shares (as Shareholder)	-	94,251,712
			Bonus Shares (as Shareholder)	52,839,570	-
			Remuneration	20,430,694	16,030,534
			Meeting Fee	1,400,000	1,250,000
			Purchase of vehicle	-	2,850,000
	Key Management Personnel	Key Management Personnel (Employer-Employee)	Remuneration	31,325,770	26,940,330
			Cash Dividend as shareholder	44,485	2,237
			Righ Shares as shareholder	-	1,297,184
			Bonus shares as shareholder (Other than directors)	34,210	-
			(Un-audited) 31 March 2022 Rupees	(Audited) 30 June 2021 Rupees	
22.2	Balances with related parties				
	Provident Fund Trust	Post employment benefit fund		2,278,456	1,844,990
22.3	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.				

23 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 2021.

24 Non adjusting events after balance sheet date

The Board of Directors of the Company in its meeting held on 21 April 2022 has approved second interim cash dividend of Rs. 0.25 per share i.e 5%.

25 Impact of COVID-19 (CORONA VIRUS)

The pandemic of COVID-19 that has rapidly spread all across the world has not only endangered human lives but has also adversely impacted the globaleconomy. However, after implementing all the necessary Standard Operating Procedures (SOPs) to ensure safety of employees, the Company continued to carry out its operations and has taken all necessary steps to ensure smooth and adequate continuation of its business. Furthermore, in the prior year the Company obtained SBP COVID-19 relief facility, under "SBP refinance scheme for payment of wages and salaries" introduced by Government of Pakistan amounting to Rs. 114.88 million, for paying salaries as explained in note 8 to these financial statements. Moreover, in prior and current period the Company has availed the TERF facility issued by SBP for the import of machineries amounting to Rs. 420 million. The management believes that the Company has sufficient liquidity available to continue to meet its financial commitments for the foreseeable future when they become due.

26 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 21 April 2022.

27 General

Figures have been rounded off to the nearest rupee.


Lahore



Chief Executive Officer



Director



Chief Financial Officer

سینتھیٹک پراڈکٹس انٹرپرائزز لمیٹڈ ڈائریکٹرز کا جائزہ

محترم شیئر ہولڈرز

سینتھیٹک پراڈکٹس انٹرپرائزز لمیٹڈ کے بورڈ آف ڈائریکٹرز ۳۱ مارچ ۲۰۲۲ کو ختم ہونے والی مدت کے لیے آپ کی کمپنی کی مالیاتی معلومات ڈائریکٹرز کے جائزے کے ساتھ پیش کر رہے ہیں۔

مالیاتی جائزہ

۳۱ مارچ ۲۰۲۱ (ملین روپے)	۳۱ مارچ ۲۰۲۲ (ملین روپے)	۳۱ مارچ ۲۰۲۱ (ملین روپے)	۳۱ مارچ ۲۰۲۲ (ملین روپے)	
1,155.28	1,675.26	2,872.22	4,454.96	سیلز
(899.42)	(1,316.21)	(2,259.58)	(3,553.83)	کاسٹ آف سیلز
255.85	359.04	312.64	901.13	گراس منافع
206.46	291.14	462.10	699.77	آپریٹنگ منافع
144.23	190.28	35.75	447.22	بعد از ٹیکس منافع
0.72	0.95	1.53	2.24	EPS (PKR)

Re-stated

Re-stated

زیر نظر مدت کو دوران آپ کی کمپنی نے سیلز میں 55 فیصد اضافہ اور بعد از ٹیکس منافع میں گزشتہ سال نو ماہ کی مدت کے مقابلے میں 46 فیصد اضافہ حاصل کیا ہے۔

زیر نظر مدت کے دوران کمپنی نے 803 ملین روپے کی خطیر رقم مینوفیکچرنگ کی سہولیات میں اضافے اور BMR پر خرچ کی۔

بورڈ آف ڈائریکٹرز نے سیکیڈ انٹیرم کیش ڈیویڈنڈ @ 0.25 فی شیئر یعنی 5% کا اعلان کیا ہے۔

مستقبل قریب کا جائزہ


ہم آٹو اور ایف ایم سی جی سیکٹر دونوں کے استحکام اور کمپنی کی انتظامیہ کی صلاحیتوں پر پر عزم ہیں جو کہ ترقی کے انداز کو برقرار رکھنے کے لیے مثبت حکمت عملی تیار کرینگے۔

کمپنی اپنے گاہکوں کو معیاری مصنوعات کی ہر وقت فراہمی پہنچانے کے لیے کوشاں ہے جو کہ ہمارے قابل اعتماد ہوئے کا ثبوت ہے۔

اعتراف

ہم اپنے قابل قدر گاہکوں کا کمپنی کی مصنوعات پر اعتماد کے لیے شکریہ ادا کرنا چاہتے ہیں۔ ہم اپنے ڈیلرز، سپلائرز، بینکرز، شیئر ہولڈرز اور ملازمین سمیت دیگر تمام اسٹیک ہولڈرز کے بھی مشکور ہیں۔


ڈائریکٹر


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۲۱ اپریل ۲۰۲۲

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