



Synthetic Products Enterprises Limited

NINE MONTHLY REPORT
31 MARCH 2023



STRONG, RELIABLE, INNOVATIVE

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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

CFO and Company Secretary

Mr. Khalil Ahmad Hashmi, FCA

Audit Committee

Mr. Haroon Sharif	Committee Chairman
Mr. Almas Hyder	Member
Mr. Khawar Anwar Khawaja	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
Mr. Haroon Sharif	Member
Dr. Syed Sohail Hussain Naqvi	Member
Mr. Sheikh Naseer Hyder	Member

Registered Office

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

Advisor to the Company

Dr. Sheikh Muhammad Naqi

Statutory Auditors

KPMG Taseer Hadi & Co.
Chartered Accountants

Head of Internal Audit

Mr. Abu Bakar, FCA

Tax Advisors

A. F. Ferguson & Co.
Chartered Accountants

Legal Advisors

Cornelius Lane and Mufti Advocates & Solicitors

Share Registrar

THK Associates (Pvt) Ltd
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
Bank Islami Pakistan Limited
United Bank Limited
Meezan Bank Limited
Allied Bank Limited
Habib Metropolitan Bank Limited
Askari 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.

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

Stock Symbol

SPEL

Website

www.spelgroup.com

SYNTHETIC PRODUCTS ENTERPRISES LIMITED

Directors' Review of the Condensed Interim Financial Information For the Period ended 31 March 2023

Dear Shareholders,

The Directors of Synthetic Products Enterprises Limited are pleased to present your Company's reviewed condensed interim financial information for the nine month and quarter ended 31 March 2023 along with the Directors' review thereon.

Financial Analysis

	Nine Months Ended		Quarter Ended	
	31 March 2023 PKR Millions	31 March 2022 PKR Millions	31 March 2023 PKR Millions	31 March 2022 PKR Millions
Sales – net	4,751.09	4,454.97	1,724.95	1,675.26
Cost of Sales	3,801.85	3,553.83	1,284.46	1,316.21
Gross Profit	949.24	901.14	440.49	359.05
Operating Profit	724.12	699.77	363.50	291.14
Profit before tax	606.37	615.82	316.31	256.24
Profit after tax	414.73	477.23	214.26	190.29
EPS – Basic (PKR)	2.08	2.24	1.07	0.95

The period under review presented several challenges due to the overall economic situation, including slowdown in the auto sector due to import restrictions, sudden and exorbitant increases in energy prices, and massive currency devaluation affecting raw material prices. Despite these challenges, the Company was able to attain a growth in the topline by focusing on sales in the FMCG and Food Packaging sectors and by implementing a review of the prices of its products.

In the recent quarter, the Company achieved healthy gross margins as compared to the gross margins of the preceding quarters, which were eroded due to higher electricity rates, rising currency exchange rates, and higher inflation. The Company has taken necessary remedial measures to address these issues.

We remain committed to providing our customers with the best possible service and quality products. We are closely monitoring the situation and taking steps to adapt to the changing market conditions.

Outlook

The demand for food and FMCG packaging seems to remain stable in the near future, and the Company will continue to focus on serving this industry. Our sales to these sectors now constitute around 75% of the total sales volume, and we are committed to providing our customers with the highest quality products and reliable delivery services.

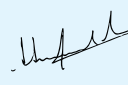
Our culture of integrity and commitment to quality will ensure the long-term success of the Company, even in challenging economic times. We remain vigilant in monitoring the situation and taking necessary actions to adapt to changing market conditions while maintaining our promise of reliability.

Acknowledgment

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
17 April 2023

سینتھیک پراڈکٹس انٹرپرائزز لمیٹڈ

ڈائریکٹرز کا جائزہ

31 مارچ 2023 کو ختم ہونے والی مدت کے لیے

محترم شیئر ہولڈرز

سینتھیک پراڈکٹس انٹرپرائزز لمیٹڈ کے بورڈ آف ڈائریکٹرز 31 مارچ 2023 کو ختم ہونے والی مدت کے لیے آپ کی کمپنی کی مالیاتی معلومات ڈائریکٹرز کے جائزے کے ساتھ پیش کر رہے ہیں۔

مالیاتی جائزہ

Quarter Ended		Nine Months Ended		
31 March 2022 PKR Millions	31 March 2023 PKR Millions	31 March 2022 PKR Millions	31 March 2023 PKR Millions	
1,675.26	1,724.95	4,454.97	4,751.09	سیلز
1,316.21	1,284.46	3,553.83	3,801.85	کاسٹ آف سیلز
359.05	440.49	901.14	949.24	گراس منافع
291.14	363.50	699.77	724.12	آپریٹنگ منافع
256.24	316.31	615.82	606.37	قبل از ٹیکس منافع
190.29	214.26	477.23	414.73	بعد از ٹیکس منافع
0.95	1.07	2.24	2.08	EPS (PKR)

زیر جائزہ مدت میں مجموعی اقتصادی صورتحال کی وجہ سے ہمیں کئی چیلنجز کا سامنا رہا۔ جس میں درآمدی پابندیوں کی وجہ سے آؤٹسکیر میں سست روی، توانائی کی قیمتوں میں اچانک اور بے بہا اضافہ، اور خام مال کی قیمتوں کو متاثر کرنے والی کرنسی کی قدر میں بڑے پیمانے پر تبدیلی قابل ذکر ہیں۔ ان چیلنجز کے باوجود، کمپنی نے ایف ایم سی جی اور فوڈ بیکیجنگ کے سیکٹرز میں پروڈکشن اور فروخت پر مطلوبہ توجہ دی اور اپنی مصنوعات کی قیمتوں کے ایڈجسٹ کر کے ٹاپ لائن میں بہتری حاصل کی۔

حالیہ ماہی میں، کمپنی نے پچھلی سہ ماہیوں کے مجموعی مارجن کے مقابلے میں بہتر مجموعی مارجن حاصل کیے، جو بجلی کی بلند شرح، کرنسی کی شرح تبادلہ میں اضافے، اور زیادہ افراط زر کی وجہ سے کم ہو گئے تھے۔ کمپنی نے ان مسائل سے نمٹنے کے لئے ضروری تدارک کے اقدامات کئے ہیں۔

ہم اپنے صارفین کو بہترین مکمل سروس اور معیاری مصنوعات فراہم کرنے کے لئے پرعزم ہیں۔ ہم صورتحال پر گہری نظر رکھے ہوئے ہیں اور مارکیٹ کے بدلنے والے حالات ہم آہنگ ہونے کے لئے اقدامات کر رہے ہیں۔

مستقبل قریب کا جائزہ

مستقبل قریب میں فوڈ اور FMCG بیکیجنگ کی ڈیمانڈ مستحکم نظر آتی ہے، اور کمپنی ان سیکٹرز پر اپنی توجہ برقرار رکھے گی۔ ان سیکٹرز میں ہماری فروخت اب کل فروخت کا تقریباً 75 فیصد ہے، اور ہم اپنے صارفین کو اعلیٰ ترین معیار کی مصنوعات اور قابل اعتماد ڈیلیوری خدمات فراہم کرنے کے لیے پرعزم ہیں۔ ہمارا ایمانداری کا کلچر اور معیار سے وابستگی مشکل معاشی حالات میں بھی کمپنی کی کامیابی کو یقینی بنانے گا۔ ہم اپنے اعتماد کے وعدے کو برقرار رکھیں گے اور آنے والی صورتحال اور مارکیٹ کے بدلنے ہوئے حالات سے نبرد آزما ہونے کے لیے ضروری اقدامات کرتے رہیں گے۔

اعتراف

ہم اپنے قابل قدر گاہکوں کا ہماری 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

چیف ایگزیکٹو آفیسر

لاہور

17 اپریل 2023

Synthetic Products Enterprises Limited

Condensed Interim Statement of Financial Position

As at 31 March 2023

		Un-audited 31 March 2023 Rupees	Audited 30 June 2022 Rupees
	Note		
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital of Rs. 5 each (30 June 2022: Rs. 5 each)		1,500,000,000	1,500,000,000
Issued, subscribed and paid-up capital	5	998,680,080	998,680,080
Share premium		358,627,893	358,627,893
Accumulated profit		2,479,501,205	2,068,318,014
Fair value reserve on investment		-	(3,130,185)
Surplus on revaluation of land		827,709,345	827,709,345
Shareholders' equity		4,664,518,523	4,250,205,147
LIABILITIES			
Non-current liabilities			
Long term loans - secured	6	548,578,910	621,875,264
Deferred grant	7	89,876,130	105,444,915
Lease liabilities	8	18,200,921	12,782,948
Deferred taxation		356,492,610	337,230,019
		1,013,148,571	1,077,333,146
Current liabilities			
Trade and other payables	9	408,374,120	324,184,344
Short term borrowings	10	183,723,920	286,379,626
Contract Liabilities		9,169,472	30,749,820
Current maturity of long term liabilities	11	145,387,371	170,916,056
Unclaimed dividend		4,061,485	4,113,241
Accrued mark up		24,518,201	32,285,053
		775,234,569	848,628,140
		6,452,901,663	6,176,166,433

Contingencies and commitments

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The annexed notes from 1 to 28 form an integral part of these condensed interim financial statements.

Lahore

Chief Executive Officer

Director

Chief Financial Officer

		Un-audited 31 March 2023 Rupees	Audited 30 June 2022 Rupees
	Note		
ASSETS			
<u>Non-current assets</u>			
Property, plant and equipment			
- Operating fixed assets	13.1	3,826,549,959	3,759,428,716
- Capital work in progress	13.2	101,821,973	210,127,307
- Right of use assets	13.3	52,442,347	44,574,361
Intangible assets		456,834	536,557
Long term investments		-	1,198,491
Long term deposits		24,484,517	20,091,817
		4,005,755,630	4,035,957,249
 <u>Current assets</u>			
Stores, spares and loose tools		60,129,196	48,701,294
Stock-in-trade	14	1,107,265,453	1,255,763,341
Trade debts - unsecured	15	742,816,996	605,194,117
Advance income tax - net of provision		97,596,628	88,470,411
Advances, deposits, prepayments and other receivables		169,477,770	41,821,990
Short term investments	16	231,108,485	-
Cash and bank balances	17	38,751,505	100,258,031
		2,447,146,033	2,140,209,184
		6,452,901,663	6,176,166,433

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 2023

	Note	Nine Months Ended		Quarter ended	
		31 March	31 March	31 March	31 March
		2023	2022	2023	2022
		Rupees	Rupees	Rupees	Rupees
Sales - net	18	4,751,090,881	4,454,967,043	1,724,948,199	1,675,263,942
Cost of sales	19	(3,801,854,355)	(3,553,833,482)	(1,284,464,619)	(1,316,214,690)
Gross profit		949,236,526	901,133,561	440,483,580	359,049,252
Administrative expenses		(190,788,345)	(172,883,975)	(64,977,971)	(57,051,459)
Selling and distribution expenses		(34,332,060)	(28,474,760)	(12,007,909)	(10,855,745)
Operating profit		724,116,121	699,774,826	363,497,700	291,142,048
Other income		37,611,368	34,612,348	12,420,113	10,901,871
Other charges		(55,107,850)	(48,287,702)	(32,722,704)	(19,811,020)
Finance cost	20	(100,247,493)	(70,279,314)	(26,884,002)	(25,992,863)
Profit before taxation		606,372,146	615,820,158	316,311,107	256,240,036
Taxation		(191,641,741)	(168,593,438)	(102,054,072)	(65,952,121)
Profit after taxation		414,730,405	447,226,720	214,257,035	190,287,915
Earnings per share - basic and diluted	21	2.08	2.24	1.07	0.95

The annexed notes from 1 to 28 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 2023

	Nine Months Ended		Quarter ended	
	31 March	31 March	31 March	31 March
	2023	2022	2023	2022
	Rupees	Rupees	Rupees	Rupees
Profit after taxation	414,730,405	447,226,720	214,257,035	190,287,915
Other comprehensive income/(loss) for the period				
Item that will not be recognized to profit or loss:				
Fair value income/(loss) on investments at FVOCI	(417,029)	(1,175,098)	(100,874)	(98,395)
Total comprehensive income for the period	414,313,376	446,051,622	214,156,161	190,189,520

The annexed notes from 1 to 28 form an integral part of these condensed interim financial statements.

Synthetic Products Enterprises Limited

Condensed Interim Statement of Changes in Equity (Un-audited)

For the nine months and quarter ended 31 March 2023

	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 2021 - audited	924,703,780	432,604,193	330,031,765	(1,671,998)	1,675,496,038	3,361,163,778
Total comprehensive income						
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
Transactions with owners of the Company						
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)	-	-	-	-
1st Interim cash dividend for the year ended 30 June 2022 @ Re. 0.25 per share	-	-	-	-	(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
Total comprehensive income						
Profit for quarter ended 30 June 2022	-	-	-	-	91,698,453	91,698,453
Other comprehensive income for the quarter ended 30 June 2022						
Surplus on revaluation of land			497,677,580			497,677,580
Fair value (loss) on investment classified as FVOCI				(283,089)		(283,089)
	-	-	497,677,580	(283,089)	91,698,453	589,092,944
Transactions with owners of the Company						
2nd Interim cash dividend for the year ended 30 June 2022 @ Rs. 0.25 per share	-	-	-	-	(49,934,004)	(49,934,004)
	-	-	-	-	(49,934,004)	(49,934,004)
Balance as at 30 June 2022 - audited	998,680,080	358,627,893	827,709,345	(3,130,185)	2,068,318,014	4,250,205,147
Profit for the nine months period ended 31 March 2023	-	-	-	-	414,730,405	414,730,405
Other comprehensive income for the nine months period ended 31 March 2023						
Fair value (loss) on investment classified as FVOCI	-	-	-	(417,029)	-	(417,029)
Loss realized on disposal of investment classified as FVOCI	-	-	-	3,547,214	(3,547,214)	-
	-	-	-	3,130,185	411,183,191	414,313,376
Balance as at 31 March 2023 - unaudited	998,680,080	358,627,893	827,709,345	-	2,479,501,205	4,664,518,523

The annexed notes from 1 to 28 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 nine months ended 31 March 2023

		31 March 2023 Rupees	31 March 2022 Rupees
	Note		
Cash flows from operating activities			
Profit before taxation		606,372,146	615,820,158
<i>Adjustments for non cash items:</i>			
Depreciation on operating fixed assets	13.1	228,597,447	192,296,648
Depreciation on right of use assets	13.3	5,815,089	3,042,708
Amortization of intangibles		79,723	79,723
Finance cost	20	100,247,493	70,279,314
Loss/(Gain) on disposal of property, plant and equipment		2,919,732	(220,362)
Amortization of deferred grant		(14,750,439)	(7,997,197)
Expected credit loss charged/(reversal) for the period	15.1	8,679,355	(5,915,092)
Provision for Workers' Profit Participation Fund and Workers' Welfare Fund		45,640,914	46,352,055
		377,229,314	297,917,797
Operating profit before working capital changes		983,601,460	913,737,955
<i>Decrease/(Increase) in current assets:</i>			
Stores, spares and loose tools		(11,427,902)	(11,769,038)
Stock-in-trade		148,497,888	(428,903,580)
Trade debts - unsecured		(146,302,234)	(109,799,427)
Advances, deposits, prepayments and other receivables		(127,655,780)	(5,186,523)
		(136,888,028)	(555,658,568)
<i>Decrease/(Increase) in current liabilities:</i>			
Trade and other payables		97,117,276	34,040,289
Contract liabilities		(21,580,348)	(10,181,208)
		75,536,928	23,859,081
Cash generated from operations		922,250,360	381,938,468
Workers' Profit Participation Fund paid		(45,536,411)	(34,274,835)
Workers' Welfare Fund paid		(13,032,003)	(12,241,601)
Mark up paid on Islamic mode of financing		(25,541,665)	(21,632,327)
Interest paid on conventional loans		(67,722,241)	(35,970,802)
Taxes paid		(181,505,367)	(84,365,570)
Long term deposits - net		(4,392,700)	(1,339,200)
		(337,730,387)	(189,824,335)
Net cash generated from/ (used in) operating activities		584,519,973	192,114,133
Cash flow from investing activities			
Fixed capital expenditure		(212,186,070)	(803,683,973)
Proceeds from disposal of property, plant and equipment		24,930,706	9,246,857
Proceeds from disposal of long term investments		781,463	-
Net cash used in investing activities		(186,473,901)	(794,437,116)
Cash flow from financing activities			
Principal repayment of lease liability		(9,230,276)	(6,293,272)
Long term loan received		-	481,412,901
Long term loan repaid		(58,675,754)	(44,384,351)
Diminishing musharika paid		(57,830,622)	(96,282,309)
Dividend paid		(51,756)	(96,035,400)
Short term borrowings - net		(123,287,513)	238,425,567
Net cash (used in)/ generated from financing activities		(249,075,921)	476,843,137
Net increase/(decrease) in cash and cash equivalents		148,970,151	(125,479,846)
Cash and cash equivalents at beginning of the period		56,065,918	133,543,329
Cash and cash equivalents at end of the period	22	205,036,069	8,063,483

The annexed notes from 1 to 28 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 2023

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 2023 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 2022. 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 2022, 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 2022.

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 2022.

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 2022.

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

The following amendments and interpretations of approved accounting standards will be effective for accounting periods as detailed below:

Amendments and interpretations of approved accounting standards

–	Amendments to IAS 1 - Classification of liabilities as current or non-current	1-Jan-24
–	Amendments to IAS 1 - Non-current liabilities with covenants	1-Jan-24
–	Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies	1-Jan-23
–	Amendments to IAS 8 - Definition of Accounting Estimates	1-Jan-23
–	Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1-Jan-23
–	Amendment to IFRS 16 - Lease Liability in a Sale and Leaseback	1-Jan-24

5 Issued, subscribed and paid-up capital

	Un-audited 31 March 2023	Audited 30 June 2022	Un-audited 31 March 2023	Audited 30 June 2022
	--- Number of shares ---		Rupees	Rupees
Ordinary shares of Rs. 5 (30 June 2022: Rs. 5) each, fully paid in cash	47,547,836	47,547,836	237,739,180	237,739,180
Fully paid bonus shares of Rs. 5 (30 June 2022: Rs. 5) each, fully paid in cash	136,858,180	136,858,180	684,290,900	684,290,900
Shares of Rs.5 (30 June 2022 Rs: 5) each, issued under scheme of amalgamation	15,330,000	15,330,000	76,650,000	76,650,000
	199,736,016	199,736,016	998,680,080	998,680,080

5.1 Directors hold 132,599,822 (30 June 2022: 132,299,822) ordinary shares of Rs. 5 (30 June 2022: Rs 5) each of the Company.

		Un-audited 31 March 2023 Rupees	Audited 30 June 2022 Rupees
Note			
6	Long term loans - secured		
	Type of loans		
6.1	Islamic mode of financing - Diminishing Musharika		
	- United Bank Limited	6.1.1 -	8,294,910
	- Habib Bank Limited	6.1.2 61,684,138	111,219,850
	Less: Current maturity	(36,328,560)	(74,342,549)
		25,355,578	45,172,211
6.2	Conventional loans		
	- Habib Bank Limited - Salary Refinance	6.2.1 -	28,720,441
	- MCB Bank Limited - For renewable energy	6.2.2 104,507,444	108,854,111
	- MCB and Allied Bank Limited - TERF	6.2.3 416,636,994	425,681,220
	- Habib Bank Limited - Demand Finance	104,000,000	104,000,000
	- Loan from customer	6.2.4 85,863,480	102,427,899
	- Less: Impact of government grant	(110,396,222)	(125,146,661)
	- Less: Current maturity	(77,388,364)	(67,833,957)
		523,223,332	576,703,053
		548,578,910	621,875,264
6.1.1	During the period / year, the Company has made repayments amounting to Rs. 8.29 million (30 June 2022: Rs. 38.51 million).		
6.1.2	During the period / year, the Company has made repayments amounting to Rs. 49.53 million (30 June 2022: Rs. 66.04 million).		
6.2.1	During the period / year, the Company has made repayments amounting to Rs. 28.72 million (30 June 2022: Rs. 57.44 million).		
6.2.2	During the period / year, the Company has made repayments amounting to Rs. 4.34 million (30 June 2022: Rs. 1.14 million).		
6.2.3	During the period / year, the Company has made repayments amounting to Rs. 9.2 million (2022: nil).		
6.2.4	During the period / year, the Company has made repayments amounting to Rs. 16.56 million (2022: Rs. 5.21 million).		
		Un-audited 31 March 2023 Rupees	Audited 30 June 2022 Rupees
7	Deferred grant		
	Balance at the beginning of the period / year	125,146,661	3,221,601
	Recognized during the period / year	-	134,847,932
	Amortization during the period / year	(14,750,439)	(12,922,872)
	Balance at the end of the period / year	110,396,222	125,146,661
	Non - current portion	89,876,130	105,444,915
	Current portion	20,520,092	19,701,746
8	Lease liabilities		
	Lease liability	29,351,276	21,820,752
	Less: Current maturity presented under current liabilities	(11,150,355)	(9,037,804)
		18,200,921	12,782,948
8.1	During the period / year, the Company has made repayments amounting to Rs. 6.61 million (30 June 2022: Rs. 7.25 million).		

		Un-audited 31 March 2023 Rupees	Audited 30 June 2022 Rupees
	Note		
9 Trade and other payables			
Trade and other creditors		167,042,616	125,307,511
Accrued liabilities		102,487,912	94,491,845
Workers' profit participation fund		32,600,654	45,536,412
Workers' welfare fund		12,979,848	12,971,590
Withholding tax payable		1,964,723	2,051,344
Sales tax payable		50,133,645	16,032,386
Provident fund payable		2,653,862	2,282,292
Others		38,510,860	25,510,964
		408,374,120	324,184,344
10 Short term borrowings			
Secured:			
- Conventional Interest / mark-up based loans	10.1	78,080,883	128,955,699
- Islamic mode of financing	10.2	30,643,037	157,423,927
		108,723,920	286,379,626
Unsecured:			
- Interest free financing	10.3	75,000,000	-
		183,723,920	286,379,626
Types of short term borrowings			
10.1 Conventional Interest / mark-up based loans			
Short term running finance		34,180,883	42,743,699
Finance against trust receipts		43,900,000	86,212,000
		78,080,883	128,955,699
10.2 Islamic mode of financing			
Murabaha and istisna		-	155,975,513
Running musharika		30,643,037	1,448,414
		30,643,037	157,423,927
10.3	This relates to interest free loan received from one of the Company's customer under the customer's vendor support program. The loan is repayable within twelve months from the reporting date.		
		Un-audited 31 March 2023 Rupees	Audited 30 June 2022 Rupees
	Note		
11 Current maturity of long term liabilities			
Long term loans - secured	6	113,716,924	142,176,506
Deferred grant	7	20,520,092	19,701,746
Lease liabilities	8	11,150,355	9,037,804
		145,387,371	170,916,056

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 2022.

12.2 Commitments

Commitments under irrevocable letters of credit for:

	<i>Note</i>	Un-audited 31 March 2023 Rupees	Audited 30 June 2022 Rupees
- purchase of machinery		45,185,188	28,057,200
- purchase of raw material		787,426,152	575,694,452
		832,611,339	603,751,652

13 Property, plant and equipment

Operating fixed assets	<i>13.1</i>	3,826,549,959	3,759,428,716
Capital work in progress	<i>13.2</i>	101,821,973	210,127,307
Right of use assets	<i>13.3</i>	52,442,347	44,574,361
		3,980,814,279	4,014,130,384

13.1 Operating fixed assets

Opening written down value		3,759,428,716	2,404,803,631
Add: Additions during the period / year (cost)	<i>13.1.1</i>	320,491,404	1,133,430,183
Add: Revaluation surplus on land		-	497,677,580
Less: Disposals during the period / year at written down value		(24,772,714)	(7,548,102)
Less: Depreciation charge for the period / year		(228,597,447)	(268,934,576)
Closing written down value		3,826,549,959	3,759,428,716

13.1.1 Additions during the period / year:

Freehold Land		1,017,919	975,020
Buildings on freehold land		4,403,813	11,865,427
Buildings on leasehold land		112,500	89,832,150
Plant and machinery		307,125,973	993,490,667
Office equipment		128,311	2,206,923
Tools and equipment		4,876,006	24,394,365
Computer equipment		1,277,945	2,420,836
Furniture and fittings		191,638	825,735
Vehicles		1,357,300	7,419,060
		320,491,404	1,133,430,183

13.2 Capital work in progress

Balance at the beginning of the period / year		210,127,307	349,520,613
Add: Additions during the period / year		209,270,892	977,599,554
Less: Transfers to operating fixed assets		(317,576,226)	(1,116,992,860)
Balance at the end of the period / year		101,821,973	210,127,307

13.3 Right of use assets

Opening written down value		44,574,361	30,498,020
Add: Additions during the period / year (cost)		16,760,800	20,945,590
Less: Matured/Transferred during the period / year at written down value		(3,077,725)	(2,423,742)
Less: Depreciation charge for the period / year		(5,815,089)	(4,445,507)
Closing written down value		52,442,347	44,574,361

		Un-audited 31 March 2023 Rupees	Audited 30 June 2022 Rupees
14	Stock-in-trade		
	Raw and packing material	813,692,852	946,496,907
	Stock in transit	51,219,694	48,225,954
	Work in process	102,529,489	76,359,299
	Finished goods	139,823,417	184,681,181
		1,107,265,453	1,255,763,341
14.1	The amount of stock-in-trade recognized as an expense during the period/ year on account of adjustment to net realizable value (NRV) amounted to Rs. 8.76 million (30 June 2022: Rs. 2.72 million).		
		Un-audited 31 March 2023 Rupees	Audited 30 June 2022 Rupees
15	Trade debts - unsecured		
	Considered good	742,816,996	605,194,117
	Considered doubtful	12,304,089	3,624,734
		755,121,085	608,818,851
	Less: Impairment loss allowance (ECL)	(12,304,089)	(3,624,734)
		742,816,996	605,194,117
15.1	Movement of impairment loss allowance		
	Balance as at 01 July	3,624,734	8,756,245
	Expected credit loss charge for the period/ year	8,679,355	-
	Reversal for expected credit loss	-	(5,131,511)
	Balance as at 30 June	12,304,089	3,624,734
16	Short term investments		
	This represents term deposits and treasury bills having maturity of one month to three months and carrying mark-up ranging from 15.08% to 20.80% per annum.		
		Un-audited 31 March 2023 Rupees	Audited 30 June 2022 Rupees
	Note		
17	Cash and bank balances		
	Cash in hand	937,487	390,500
	Cash at bank		
	- Conventional banks	17.1 17,216,121	50,092,196
	- Islamic banks	17.2 20,597,897	49,775,335
		37,814,019	99,867,531
		38,751,505	100,258,031
17.1	Conventional Banks		
	- current accounts in local currency	2,211,483	40,520,305
	- current accounts in foreign currency	10,264,301	5,181,470
	- savings accounts in local currency	17.1.1 4,740,338	4,390,421
		17,216,121	50,092,196
17.2	Islamic Banks		
	- current accounts in local currency	20,582,407	23,190,361
	- savings accounts in local currency	17.2.1 15,491	26,584,974
		20,597,897	49,775,335
17.1.1	These carry return at 12.25% to 14.46% per annum (30 June 2022: 5.5% to 12.25% per annum).		
17.2.1	These carry return at 5.00% to 7.00% per annum (30 June 2022: 2.50% to 5.20% per annum). This represents deposits placed under an arrangement permissible under Shariah.		

		Nine months ended (Un-audited)	
		31 March	31 March
		2023	2022
		Rupees	Rupees
18 Sales - net			
Local		5,636,449,450	5,247,194,884
Export		44,302,729	26,545,911
		5,680,752,179	5,273,740,795
Less: Sales tax		(851,630,535)	(783,551,031)
Discounts		(78,030,763)	(35,222,721)
		4,751,090,881	4,454,967,043
18.1 Disaggregation of Revenue			
18.1.1 Primary Products			
Automobile parts and accessories sector		1,258,069,984	1,772,601,084
Food and personal care products sector - packaging		3,493,020,897	2,682,365,958
		4,751,090,881	4,454,967,043
18.1.2 Primary Geographical Markets (Net Sales)			
Pakistan		4,707,169,320	4,428,421,132
Turkey		2,852,823	2,798,041
Belgium		3,252,519	6,198,902
France		7,484,391	4,899,416
Italy		11,968,327	9,575,319
United Kingdom		10,566,423	790,806
United States of America		7,797,078	2,283,425
		4,751,090,881	4,454,967,043
19 Cost of sales			
Raw and packing materials consumed		2,748,115,367	2,715,716,602
Stores, spare parts and loose tools consumed		12,335,087	14,242,163
Salaries, wages and benefits		289,146,756	285,930,860
Security expenses		10,584,136	9,339,278
Electricity, fuel and water charges		395,533,884	285,233,520
Depreciation on property, plant and equipment		203,694,618	172,834,586
Depreciation on right of use asset		5,815,089	3,042,708
Repair and maintenance		46,627,144	64,970,501
Insurance		7,703,585	6,783,668
Oil and lubricants		3,047,005	2,979,922
		3,722,602,671	3,561,073,808
<i>Work in process:</i>			
- At beginning of the period		76,359,299	57,528,624
- At end of the period		(102,529,489)	(72,121,487)
Cost of goods manufactured		3,696,432,481	3,546,480,945
<i>Finished goods:</i>			
- At beginning of the period		184,681,181	137,763,695
- At end of the period		(139,823,417)	(172,599,808)
		3,741,290,245	3,511,644,832
Freight and forwarding		60,564,110	42,188,650
Cost of goods sold		3,801,854,355	3,553,833,482

		Nine months ended (Un-audited)	
		31 March 2023 Rupees	31 March 2022 Rupees
	<i>Note</i>		
20 Finance cost			
<i>Mark-up on:</i>			
- long term finance - <i>secured</i>	20.1	68,223,462	44,745,297
- lease liabilities		599,021	543,961
- short term borrowings - <i>secured</i>	20.2	31,029,347	24,479,126
Bank charges		395,663	510,930
		100,247,493	70,279,314
20.1 Long term finance - secured			
Conventional interest/mark-up based loans		56,670,880	30,408,882
Islamic mode of financing		11,552,582	14,336,414
		68,223,462	44,745,297
20.2 Short term borrowings - secured			
Conventional interest/mark-up based loans		16,728,905	16,277,296
Islamic mode of financing		14,300,441	8,201,830
		31,029,347	24,479,126
21 Earnings per share - basic and diluted			
21.1 Basic earnings per share			
Profit for the period after taxation	Rupees	414,730,405	447,226,720
Weighted average number of ordinary shares in issue during the period	Number	199,736,016	199,736,016
Earnings per share	Rupees	2.08	2.24
21.2 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 2023 Rupees	31 March 2022 Rupees
22 Cash and cash equivalents			
Short term running finance		(34,180,883)	(24,201,156)
Running musharika		(30,643,037)	(9,139,535)
Cash and bank balances		38,751,505	41,404,173
Short term investments		231,108,485	-
		205,036,069	8,063,483

23 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 2023 (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	-	-	-	-	-	-
<u>Financial assets at amortized cost</u>						
Cash and bank balances	-	38,751,505	-	38,751,505	-	-
Deposits and other receivables	-	8,092,568	-	8,092,568	-	-
Long term deposits	-	10,439,805	-	10,439,805	-	-
Trade debts - unsecured, considered good	-	742,816,996	-	742,816,996	-	-
	-	800,100,873	-	800,100,873	-	-
<u>Financial liabilities measured at amortized cost</u>						
Long term finances and diminishing musharika	-	-	772,692,056	772,692,056	-	-
Lease Liabilities	-	-	29,351,276	29,351,276	-	-
Trade and other payables	-	-	308,041,388	308,041,388	-	-
Unclaimed dividend	-	-	4,061,485	4,061,485	-	-
Short term borrowing	-	-	183,723,920	183,723,920	-	-
Accrued mark up	-	-	24,518,201	24,518,201	-	-
	-	-	1,322,388,326	1,322,388,326	-	-

23.1

	30 June 2022 (Audited)						
	Carrying Amount				Fair Value		
	Investments - FVOCI	Financial assets at amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
	----- Rupees -----						
<i>Note</i>							

Financial assets measured at fair value

Investment classified at FVOCI	1,198,491	-	-	1,198,491	1,198,491	-	-
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Financial assets at amortized cost

Cash and bank balances	-	100,258,031	-	100,258,031	-	-	-
Deposits and other receivables	-	444,401	-	444,401	-	-	-
Long term deposits	-	10,439,805	-	10,439,805	-	-	-
Trade debts - unsecured, considered good	-	605,194,117	-	605,194,117	-	-	-
	-	716,336,354	-	716,336,354	-	-	-

Financial liabilities measured at amortized cost

Long term finances and diminishing musharika	-	-	889,198,431	889,198,431	-	-	-
Trade and other payables	-	-	245,310,320	245,310,320	-	-	-
Unclaimed dividend	-	-	4,113,241	4,113,241	-	-	-
Lease Liabilities	-	-	21,820,752	21,820,752	-	-	-
Short term borrowing	-	-	286,379,626	286,379,626	-	-	-
Accrued mark up	-	-	32,285,053	32,285,053	-	-	-
23.2	-	-	1,479,107,423	1,479,107,423	-	-	-

23.2 The Company has not disclosed the fair values of these financial assets and liabilities as these reprice over a short term. Therefore, their carrying amounts are reasonable approximation of fair value.

23.3 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 after performing inquiries in the vicinity of land and information obtained from estate dealers of the area. 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."

24 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	31 March
				2023	2022
				Rupees	Rupees
24.1	Related parties	Relationship	Transactions		
	Provident Fund Trust	Post employment benefit fund	Contribution	23,613,574	19,783,224
	Directors and relatives	Directors and relatives	Cash Dividend (as Shareholder)	-	68,810,887
			Bonus Shares (as Shareholder)	-	52,839,570
			Remuneration/Advisory fee	21,005,667	20,430,694
		Non-Executive Directors	Meeting Fee	1,125,000	1,400,000
	Key Management Personnel	Key Management Personnel (Employer-Employee)	Remuneration	33,361,062	31,325,770
			Cash Dividend as shareholder	-	44,485
			Bonus shares as shareholder (Other than directors)	-	34,210
				(Un-audited)	(Audited)
				31 March	30 June
				2023	2022
				Rupees	Rupees
24.2	Balances with related parties				
	Provident Fund Trust	Post employment benefit fund		2,653,862	2,282,292

24.3 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.

25 Operating segments

25.1 Basis of segmentation

The Company has nine manufacturing units, which are its reportable segments. These units offer more than one products, and are managed separately.

The Company's Chief Executive Officer reviews the internal management reports of each unit separately on a monthly basis for the purpose decision making about allocating resources to the segment and assessing its performance.

25.2 Information about reportable segments

Information related to each reportable segments is set out below.

	Unit 1	Unit 2	Unit 3	Unit 4	Unit 5	Unit 6	Unit 7	Unit 8	Unit 9	Total
----- Rupees -----										
Segment net sales (31 March 2023)	<u>468,208,438</u>	<u>1,057,129,637</u>	<u>899,033,387</u>	<u>314,500,000</u>	<u>904,328,950</u>	<u>440,690,221</u>	<u>194,929,485</u>	<u>361,350,594</u>	<u>110,920,169</u>	<u>4,751,090,881</u>
Segment assets - plant and machinery (31 March 2023)	<u>141,164,937</u>	<u>274,050,449</u>	<u>809,073,323</u>	<u>123,466,254</u>	<u>383,922,472</u>	<u>196,585,606</u>	<u>146,558,302</u>	<u>295,795,851</u>	<u>81,858,386</u>	<u>2,452,475,580</u>
	Unit 1	Unit 2	Unit 3	Unit 4	Unit 5	Unit 6	Unit 7	Unit 8	Unit 9	Total
----- Rupees -----										
Segment net sales (31 March 2022)	<u>518,603,512</u>	<u>959,398,176</u>	<u>1,474,767,549</u>	<u>157,250,000</u>	<u>591,482,628</u>	<u>258,808,075</u>	<u>202,692,168</u>	<u>238,882,001</u>	<u>53,082,934</u>	<u>4,454,967,043</u>
Segment assets - plant and machinery (30 June 2022)	<u>166,793,432</u>	<u>248,793,293</u>	<u>525,835,666</u>	<u>79,611,271</u>	<u>353,082,097</u>	<u>72,801,823</u>	<u>36,178,742</u>	<u>109,225,521</u>	<u>-</u>	<u>1,592,321,845</u>
									Un-audited 31 March 2023 Rupees	Audited 30 June 2022 Rupees

25.3 Reconciliations of information on reportable segments to IFRS measures

25.3.1 Assets

Total assets for reportable segments	<u>2,452,475,580</u>	1,592,321,845
Other unallocated amounts	<u>4,000,426,083</u>	4,583,844,588
Total assets	<u>6,452,901,663</u>	<u>6,176,166,433</u>

26 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 2022.

27 Non adjusting events after the reporting date

- 27.1 The shareholders of the Company in its Extraordinary General Meeting held on 24 March 2023 have approved to buy back shares of the Company through Pakistan Stock Exchange Limited upto maximum of 9,986,801 shares constituting 5% of the issued and paid up ordinary shares of the face value of Rs. 5/- each and to held these as Treasury Shares under Section 88 of the Companies Act, 2017 read with Listed Companies (Buy Back of Shares) Regulations, 2019. The purchase period has been started on 31 March 2023 and shall end on 20 September 2023 or till such date the purchase is complete, whichever is earlier. The Company has bought back 1,000,000 shares upto the date of approval of these financial statements.
- 27.2 The Board of Directors of the Company in its meeting held on 17 April 2023 has approved an interim cash dividend of Rs. 0.25 per share i.e 5%.

28 General

- 28.1 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 17 April 2023 .
- 28.2 Figures have been rounded off to the nearest rupee.

Lahore



Chief Executive Officer



Director



Chief Financial Officer



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