



Synthetic Products Enterprises Limited

30 September 2023

RESILIENT & FOCUSED

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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

Advisor to the Board

Dr. Sheikh Muhammad Naqi

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

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 quarter ended 30 September 2023*

Dear Shareholders,

The Directors of Synthetic Products Enterprises Limited are pleased to present your Company's un-audited condensed interim financial information for the quarter ended 30 September 2023 along with the Directors' review thereon.

Financial Analysis

	Quarter Ended	
	30 Sep 2023 PKR Millions	30 Sep 2022 PKR Millions
Sales – net	1,694.78	1,490.00
Cost of Sales	(1,377.09)	(1,296.69)
Gross Profit	317.69	193.31
Operating Profit	224.33	119.68
Profit before tax	204.53	80.42
Profit after tax	123.44	57.75
EPS – Basic (PKR)	0.64	0.29

The period under review presented several challenges due to the overall economic situation, including slowdown in the auto sector. Despite these challenges, the Company was able to attain a growth in the topline by focusing on sales in the Food and Personal Care Products sector.

In the quarter under review, the company successfully improved its gross margins, which had previously been impacted by higher electricity rates, fluctuating currency exchange rates, and increased inflation. To address these issues, the company took necessary remedial actions, demonstrating its commitment to sound financial management.

Outlook

Our sales to the Food and Personal Care Products sector during the quarter under review, is 83% of the total sales volume and the demand in this sector seems to remain stable in the near future, and we are committed to providing our customers with the highest quality products and reliable delivery services.

Our dedication to providing customers with exceptional service and high-quality products remains unwavering. We are vigilantly monitoring the situation and proactively adapting to evolving market conditions, ensuring our continued resilience and success.

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.



Director

Lahore
25 October 2023



Director

سینتھیٹک پراڈکٹس انٹرپرائزز لمیٹڈ ڈائریکٹرز کا جائزہ

محترم شیئر ہولڈرز

سینتھیٹک پراڈکٹس انٹرپرائزز لمیٹڈ کے بورڈ آف ڈائریکٹرز 30 ستمبر 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

30 ستمبر 2022	30 ستمبر 2023	
(ملین روپے)	(ملین روپے)	
1,490.00	1,694.78	سیلز
(1,296.69)	(1,377.09)	کاسٹ آف سیلز
193.31	317.69	گراس منافع
119.68	224.33	آپریٹنگ منافع
80.42	204.53	قبل از ٹیکس منافع
57.75	123.44	بعد از ٹیکس منافع
0.29	0.64	EPS (PKR)

زیر جائزہ مدت میں مجموعی اقتصادی صورتحال کی وجہ سے کئی چیلنجز درپیش رہے۔ ان چیلنجز کے باوجود، کمپنی فوڈ اور پرسنل کیئر پروڈکٹس کے شعبے میں فروخت پر توجہ مرکوز کرتے ہوئے ٹاپ لائن میں گروتھ حاصل کرنے میں کامیاب رہی۔

زیر جائزہ سہ ماہی میں، کمپنی نے کامیابی کے ساتھ اپنے مجموعی مارجنز کو بہتر کیا، جو پہلے بجلی کی بلند قیمت، کرنسی کی شرح تبادلہ میں اتار چڑھاؤ، اور بڑھتے ہوئے افراط زر سے متاثر ہوا تھا۔ ان مسائل کو حل کرنے کے لیے، کمپنی نے درست مالیاتی انتظام کے لیے اپنی وابستگی کا مظاہرہ کرتے ہوئے ضروری اقدامات کیے ہیں۔

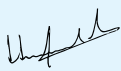
مستقبل قریب کا جائزہ

زیر نظر سہ ماہی کے دوران فوڈ اینڈ پرسنل کیئر پروڈکٹس کے شعبے میں ہماری فروخت، فروخت کے کل حجم کا 83 فیصد رہی اور مستقبل قریب میں اس شعبے کی مانگ مستحکم نظر آتی ہے، اور ہم اپنے صارفین کو اعلیٰ ترین مصنوعات فراہم کرنے کے لیے پرعزم ہیں۔

صارفین کو بہترین خدمات اور اعلیٰ معیار کی مصنوعات فراہم کرنے کے لیے ہم پرعزم ہیں۔ ہم چوکسی کے ساتھ صورتحال پہ نظر رکھے ہوئے ہیں اور اپنی مسلسل لچک کے ساتھ کامیابی کو یقینی بنانے کے لیے مارکیٹ کے بدلتے ہوئے حالات مطابق اپنے آپ کو ایڈجسٹ کر رہے ہیں۔

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


ڈائریکٹر

لاہور

25 اکتوبر 2023

Synthetic Products Enterprises Limited

Condensed Interim Statement of Financial Position

As at 30 September 2023

	Note	Un-audited 30 September 2023 Rupees	Audited 30 June 2023 Rupees
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
Treasury shares		(114,905,038)	(55,362,743)
Share premium		358,627,893	358,627,893
Accumulated profit		2,629,623,105	2,506,184,337
Surplus on revaluation of land		827,709,345	827,709,345
Shareholders' equity		4,699,735,385	4,635,838,912
LIABILITIES			
Non-current liabilities			
Long term loans - secured	6	372,135,911	500,752,181
Deferred grant	7	79,751,351	84,783,158
Lease liabilities	8	23,116,930	18,931,971
Deferred taxation		460,279,652	452,801,701
		935,283,844	1,057,269,011
Current liabilities			
Trade and other payables	9	700,038,527	530,019,851
Short term borrowings	10	168,997,325	371,575,980
Contract Liabilities		15,273,484	11,226,518
Current maturity of long term liabilities	11	224,462,818	203,475,618
Unclaimed dividend		4,410,867	4,425,800
Accrued mark up		36,970,130	34,834,375
		1,150,153,151	1,155,558,142
		6,785,172,380	6,848,666,065

Contingencies and commitments

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

Lahore

Director

Director

Chief Financial Officer

		Un-audited 30 September 2023 Rupees	Audited 30 June 2023 Rupees
	Note		
ASSETS			
<u>Non-current assets</u>			
Property, plant and equipment			
- Operating fixed assets	13.1	3,958,288,525	4,026,511,265
- Capital work in progress	13.2	162,354,596	94,686,807
- Right of use assets	13.3	83,517,415	74,502,000
Intangible assets		345,979	372,553
Long term deposits		24,034,117	26,284,517
		4,228,540,632	4,222,357,142
 <u>Current assets</u>			
Stores, spares and loose tools		67,944,974	64,226,737
Stock-in-trade	14	1,271,394,712	1,528,409,077
Trade debts - unsecured	15	606,185,095	628,874,655
Advance income tax - net of provision		108,983,715	69,507,738
Advances, deposits, prepayments and other receivables		33,324,304	87,219,759
Short term investments	16	389,830,136	210,417,567
Cash and bank balances	17	78,968,813	37,653,390
		2,556,631,748	2,626,308,923
		6,785,172,380	6,848,666,065

Lahore

Director

Director

Chief Financial Officer

Synthetic Products Enterprises Limited

Condensed Interim Statement of Profit or Loss (Un-audited)

For the quarter ended 30 September 2023

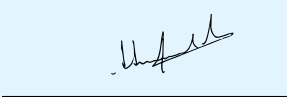
		Quarter ended	
		30 September	30 September
		2023	2022
	Note	Rupees	Rupees
Sales - net	18	1,694,783,771	1,490,004,543
Cost of sales	19	(1,377,091,148)	(1,296,690,880)
Gross profit		317,692,623	193,313,663
Administrative expenses		(79,607,685)	(64,999,860)
Selling and distribution expenses		(13,750,579)	(8,636,431)
Operating profit		224,334,359	119,677,372
Other income		24,932,731	10,580,441
Other charges		(16,773,324)	(7,377,803)
Finance cost	20	(27,961,069)	(42,455,850)
Profit before taxation		204,532,697	80,424,160
Taxation		(81,093,929)	(22,677,789)
Profit after taxation		123,438,768	57,746,371
Earnings per share - basic and diluted	21	0.64	0.29

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

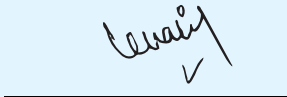
Lahore



Director



Director



Chief Financial Officer

Synthetic Products Enterprises Limited

Condensed Interim Statement of Comprehensive Income (Un-audited)

For the quarter ended 30 September 2023

	Quarter ended	
	30 September 2023 Rupees	30 September 2022 Rupees
Profit after taxation	123,438,768	57,746,371
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	-	87,912
Total comprehensive income for the period	123,438,768	57,834,283

The annexed notes from 1 to 27 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 quarter ended 30 September 2023

			Capital Reserve			Revenue Reserve		
	Issued subscribed and paid-up capital	Treasury share reserve	Share Premium	Surplus on revaluation of land	Fair value reserve on investment	Accumulated profit	Total	
	----- Rupees -----							
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	
<u>Total comprehensive income</u>								
Profit for the quarter ended 30 September 2022	-		-	-	-	57,746,371	57,746,371	
Other comprehensive income/(loss) for the period:								
Fair value income on investment classified as FVOCI	-		-	-	87,912	-	87,912	
	-	-	-	-	87,912	57,746,371	57,834,283	
Balance as at 30 September 2022 - unaudited	998,680,080	-	358,627,893	827,709,345	(3,042,273)	2,126,064,385	4,308,039,430	
<u>Total comprehensive income</u>								
Profit for nine months period ended 30 June 2023	-	-	-	-	-	433,351,169	433,351,169	
Other comprehensive income for the period:								
Fair value (loss) on investment classified as FVOCI	-	-	-	-	(504,940)	-	(504,940)	
Loss of investment classified as FVOCI realized on disposal	-	-	-	-	3,547,213	(3,547,213)	-	
	-		-	-	3,042,273	429,803,956	432,846,229	
<u>Transactions with owners of the Company</u>								
Purchase of treasury shares	-	(55,362,743)	-	-	-	-	(55,362,743)	
1st Interim cash dividend for the year ended 30 June 2023								
@ Rs. 0.25 per share	-	-	-	-	-	(49,684,004)	(49,684,004)	
	-	(55,362,743)	-	-	-	(49,684,004)	(105,046,747)	
Balance as at 30 June 2023 - audited	998,680,080	(55,362,743)	358,627,893	827,709,345	-	2,506,184,337	4,635,838,912	
Profit for the quarter ended 30 September 2023	-		-	-	-	123,438,768	123,438,768	
Other comprehensive income/(loss) for the period:	-				-	-	-	
	-	-	-	-	-	123,438,768	123,438,768	
<u>Transactions with owners of the Company</u>								
Purchase of treasury shares	-	(59,542,295)	-	-	-	-	(59,542,295)	
Balance as at 30 September 2023 - unaudited	998,680,080	(114,905,038)	358,627,893	827,709,345	-	2,629,623,105	4,699,735,385	

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

Lahore

Director

Director

Chief Financial Officer

Synthetic Products Enterprises Limited

Condensed Interim Statement of Cash Flows (Un-audited)

For the quarter ended 30 September 2023

	Note	30 September 2023 Rupees	30 September 2022 Rupees
Cash flows from operating activities			
Profit before taxation		204,532,697	80,424,160
<i>Adjustments for non cash items:</i>			
Depreciation on operating fixed assets	13.1	78,423,246	74,181,742
Depreciation on right of use assets	13.3	3,027,958	1,527,497
Amortization of intangibles		26,574	26,574
Finance cost	20	27,961,069	42,455,850
Loss/(Gain) on disposal of property, plant and equipment		(1,934,373)	-
Amortization of deferred grant		(5,124,393)	(5,188,913)
Expected credit loss charged/(reversal) for the period	15.1	(394,432)	-
Provision for Workers' Profit Participation Fund and Workers' Welfare Fund		15,394,937	5,836,052
		117,380,586	118,838,802
Operating profit before working capital changes		321,913,283	199,262,962
<i>Decrease/(Increase) in current assets:</i>			
Stores, spares and loose tools		(3,718,237)	(6,633,791)
Stock-in-trade		257,014,365	(177,508,682)
Trade debts - unsecured		23,083,992	(11,803,246)
Advances, deposits, prepayments and other receivables		53,895,455	5,974,549
		330,275,575	(189,971,170)
<i>Decrease/(Increase) in current liabilities:</i>			
Trade and other payables		200,788,837	(66,469,978)
Contract liabilities		4,046,966	(19,208,850)
		204,835,803	(85,678,828)
Cash generated from operations		857,024,661	(76,387,036)
Workers' Profit Participation Fund paid		(46,165,096)	(40,000,000)
Mark up paid on Islamic mode of financing		(5,719,779)	(7,998,963)
Interest paid on conventional loans		(14,981,141)	(31,078,400)
Taxes paid		(113,091,955)	(77,230,695)
Long term deposits - net		2,250,400	(1,136,500)
		(177,707,572)	(157,444,558)
Net cash generated from/ (used in) operating activities		679,317,089	(233,831,594)
Cash flow from investing activities			
Fixed capital expenditure		(77,868,295)	(19,021,702)
Proceeds from disposal of property, plant and equipment		4,991,000	-
Net cash used in investing activities		(72,877,295)	(19,021,702)
Cash flow from financing activities			
Principal repayment of lease liability		(8,623,236)	(3,336,641)
Repurchase of treasury shares		(59,542,295)	-
Long term loan repaid		(107,636,012)	(14,195,281)
Diminishing musharika paid		(7,316,670)	(21,446,412)
Dividend paid		(14,933)	(49,000)
Short term borrowings - net		(45,853,000)	52,553,978
Net cash (used in)/ generated from financing activities		(228,986,146)	13,526,644
Net increase/(decrease) in cash and cash equivalents		377,453,648	(239,326,652)
Cash and cash equivalents at beginning of the period		(40,152,023)	56,065,918
Cash and cash equivalents at end of the period	22	337,301,625	(183,260,734)

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

Lahore

Director

Director

Chief Financial Officer

Synthetic Products Enterprises Limited

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

For the quarter ended 30 September 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 30 September 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 2023. 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 2023, 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 30 September 2023.

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 2023.

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 2023.

5 Issued, subscribed and paid-up capital

	Un-audited 30 September 2023	Audited 30 June 2023	Un-audited 30 September 2023	Audited 30 June 2023
	--- Number of shares ---		Rupees	Rupees
Ordinary shares of Rs. 5 (30 June 2023: 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 2023: 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 2023 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 132,597,822 (30 June 2023: 132,599,822) ordinary shares of Rs. 5 (30 June 2023: Rs 5) each of the Company.

			Un-audited 30 September 2023 Rupees	Audited 30 June 2023 Rupees
	Note			
6 Long term loans - secured				
Type of loans				
6.1 Islamic mode of financing - Diminishing Musharika				
- Habib Bank Limited	6.1.1		37,855,564	45,172,234
Less: Current maturity			(25,000,000)	(26,066,654)
			12,855,564	19,105,580
6.2 Conventional loans				
- MCB Bank Limited - For renewable energy	6.2.1		100,331,249	103,361,555
- MCB and Allied Bank Limited - TERF	6.2.2		414,954,657	415,560,363
- Habib Bank Limited - Demand Finance			-	104,000,000
- Loan from customer	6.2.3		85,863,480	85,863,480
- Less: Impact of government grant			(100,320,520)	(105,444,915)
- Less: Current maturity			(141,548,519)	(121,693,882)
			359,280,347	481,646,601
			372,135,911	500,752,181
6.1.1	During the period / year, the Company has made repayments amounting to Rs. 7.31 million (30 June 2023: Rs. 66.04 million).			
6.2.1	During the period / year, the Company has made repayments amounting to Rs. 3.03 million (30 June 2023: Rs. 5.49 million).			
6.2.2	During the period / year, the Company has made repayments amounting to Rs. 0.60 million (30 June 2023: 9.23 million).			
6.2.3	During the period / year, the Company has made repayments amounting to Rs. nil (30 June 2023: Rs. 16.56 million).			
			Un-audited 30 September 2023 Rupees	Audited 30 June 2023 Rupees
7 Deferred grant				
Balance at the beginning of the period / year			105,444,915	125,146,661
Recognized during the period / year			-	-
Amortization during the period / year			(5,124,393)	(19,701,746)
Balance at the end of the period / year			100,320,522	105,444,915
Non - current portion			79,751,351	84,783,158
Current portion			20,569,171	20,661,757
8 Lease liabilities				
Lease liability			60,462,060	53,985,296
Less: Current maturity presented under current liabilities			(37,345,130)	(35,053,325)
			23,116,930	18,931,971
8.1	During the period / year, the Company has made repayments amounting to Rs. 8.62 million (30 June 2023: Rs. 16.74 million).			

		Un-audited 30 September 2023 Rupees	Audited 30 June 2023 Rupees
	Note		
9 Trade and other payables			
Trade and other creditors		242,909,705	342,568,055
Accrued liabilities		110,708,817	79,997,009
Workers' profit participation fund		10,996,382	46,165,096
Workers' welfare fund		21,885,351	17,486,798
Withholding tax payable		3,048,775	2,472,157
Sales tax payable		28,474,748	-
Provident fund payable		3,252,098	2,682,715
Others		278,762,651	38,648,021
		700,038,527	530,019,851
10 Short term borrowings			
Secured:			
- Conventional Interest / mark-up based loans	10.1	91,170,210	193,637,902
- Islamic mode of financing	10.2	40,327,115	115,438,078
		131,497,325	309,075,980
Unsecured:			
- Interest free financing	10.3	37,500,000	62,500,000
		168,997,325	371,575,980
Types of short term borrowings			
10.1 Conventional Interest / mark-up based loans			
Short term running finance		91,170,210	172,784,902
Finance against trust receipts		-	20,853,000
		91,170,210	193,637,902
10.2 Islamic mode of financing			
Murabaha and istisna		-	-
Running musharika		40,327,115	115,438,078
		40,327,115	115,438,078
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 30 September 2023 Rupees	Audited 30 June 2023 Rupees
	Note		
11 Current maturity of long term liabilities			
Long term loans - secured	6	166,548,519	147,760,536
Deferred grant	7	20,569,169	20,661,757
Lease liabilities	8	37,345,130	35,053,325
		224,462,818	203,475,618

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 2023.

12.2 Commitments

Commitments under irrevocable letters of credit for:

	Note	Un-audited 30 September 2023 Rupees	Audited 30 June 2023 Rupees
- purchase of machinery		70,245,600	244,266,699
- purchase of raw material		377,604,309	310,118,522
		447,849,909	554,385,221

13 Property, plant and equipment

Operating fixed assets	13.1	3,958,288,525	4,026,511,265
Capital work in progress	13.2	162,354,596	94,686,807
Right of use assets	13.3	83,517,415	74,502,000
		4,204,160,536	4,195,700,072
13.1 Operating fixed assets			
Opening written down value		4,026,511,265	3,759,428,716
Add: Additions during the period / year (cost)	13.1.1	10,200,506	604,455,554
Add: Revaluation surplus on land		-	-
Less: Disposals during the period / year at written down value		-	(26,296,718)
Less: Depreciation charge for the period / year		(78,423,246)	(311,076,287)
Closing written down value		3,958,288,525	4,026,511,265
13.1.1 Additions during the period / year:			
Freehold Land		-	1,017,919
Buildings on freehold land		2,369,907	23,340,268
Buildings on leasehold land		-	112,500
Plant and machinery		6,228,965	558,384,532
Office equipment		-	889,431
Tools and equipment		-	16,644,788
Computer equipment		969,238	1,643,778
Furniture and fittings		81,696	191,638
Vehicles		550,700	2,230,700
		10,200,506	604,455,554
13.2 Capital work in progress			
Balance at the beginning of the period / year		94,686,807	210,127,307
Add: Additions during the period / year		77,268,145	504,500,076
Less: Transfers to operating fixed assets		(9,600,356)	(619,940,576)
Balance at the end of the period / year		162,354,596	94,686,807
13.3 Right of use assets			
Opening written down value		74,502,000	44,574,361
Add: Additions during the period / year (cost)		15,100,000	47,862,229
Less: Matured/Transferred during the period / year at written down value		(3,056,627)	(9,406,554)
Less: Depreciation charge for the period / year		(3,027,958)	(8,528,036)
Closing written down value		83,517,415	74,502,000

		Un-audited 30 September 2023 Rupees	Audited 30 June 2023 Rupees
14	Stock-in-trade		
	Raw and packing material	654,740,604	1,006,408,951
	Stock in transit	345,972,236	205,578,012
	Work in process	117,282,802	125,531,231
	Finished goods	153,399,070	190,890,883
		1,271,394,712	1,528,409,077
		Un-audited 30 September 2023 Rupees	Audited 30 June 2023 Rupees
15	Trade debts - unsecured		
	Considered good	606,185,095	628,874,655
	Considered doubtful	3,928,399	4,322,831
		610,113,494	633,197,486
	Less: Impairment loss allowance (ECL)	(3,928,399)	(4,322,831)
		606,185,095	628,874,655
15.1	Movement of impairment loss allowance		
	Opening Balance	4,322,831	3,624,734
	Expected credit loss charge for the period/ year	-	698,097
	Reversal for expected credit loss	(394,432)	-
	Closing Balance	3,928,399	4,322,831
16	Short term investments		
	This represents term deposits and treasury bills having maturity of three months to one year and carrying mark-up ranging from 21.98% to 23.50% per annum.		
		Un-audited 30 September 2023 Rupees	Audited 30 June 2023 Rupees
	Note		
17	Cash and bank balances		
	Cash in hand	471,216	1,100,950
	Cash at bank		
	- Conventional banks	17.1 77,072,898	26,053,841
	- Islamic banks	17.2 1,424,700	10,498,599
		78,497,598	36,552,440
		78,968,813	37,653,390
17.1	Conventional Banks		
	- current accounts in local currency	65,636,193	15,258,766
	- current accounts in foreign currency	11,422,751	10,781,716
	- savings accounts in local currency	17.1.1 13,954	13,359
		77,072,898	26,053,841
17.2	Islamic Banks		
	- current accounts in local currency	777,353	10,384,763
	- savings accounts in local currency	17.2.1 647,347	113,836
		1,424,700	10,498,599
17.1.1	These carry return at 20.50% per annum (30 June 2023: 15.08% to 20.05% per annum).		
17.2.1	These carry return at 8.00% per annum (30 June 2023: 5% to 8% per annum). This represents deposits placed under an arrangement permissible under Shariah.		

	Quarter ended (Un-audited)	
	30 September	30 September
	2023	2022
	Rupees	Rupees
18 Sales - net		
Local	2,085,146,015	1,750,344,497
Export	6,782,164	18,812,258
	2,091,928,179	1,769,156,755
Less: Sales tax	(330,964,806)	(261,437,348)
Discounts	(66,179,602)	(17,714,864)
	1,694,783,771	1,490,004,543
18.1 Disaggregation of Revenue		
18.1.1 Primary Products		
Automobile parts and accessories sector	295,435,003	381,645,987
Food and personal care products sector - packaging	1,399,348,769	1,108,358,556
	1,694,783,771	1,490,004,543
18.1.2 Primary Geographical Markets (Net Sales)		
Pakistan	1,688,001,607	1,471,192,285
Turkey	2,787,344	1,147,889
Hungary	618,595	-
France	-	4,342,699
Italy	3,376,225	4,330,368
United Kingdom	-	4,703,643
United States of America	-	4,287,660
Total	1,694,783,771	1,490,004,543
19 Cost of sales		
Raw and packing materials consumed	899,947,890	904,314,200
Stores, spare parts and loose tools consumed	5,716,796	3,625,105
Salaries, wages and benefits	113,371,560	106,429,948
Security expenses	2,922,457	3,342,541
Electricity, fuel and water charges	178,460,402	155,551,082
Depreciation on property, plant and equipment	75,093,467	71,257,846
Depreciation on right of use asset	3,027,958	1,527,496
Repair and maintenance	26,183,816	15,704,441
Insurance	2,902,108	2,371,465
Oil and lubricants	723,413	829,283
	1,308,349,867	1,264,953,407
<i>Work in process:</i>		
- At beginning of the period	125,531,231	76,359,299
- At end of the period	(117,282,802)	(78,931,294)
Cost of goods manufactured	1,316,598,296	1,262,381,412
<i>Finished goods:</i>		
- At beginning of the period	190,890,883	184,681,181
- At end of the period	(153,399,070)	(171,075,779)
	1,354,090,109	1,275,986,814
Freight and forwarding	23,001,039	20,704,066
	1,377,091,148	1,296,690,880

		Quarter ended (Un-audited)	
		30 September 2023	30 September 2022
		Rupees	Rupees
Note			
20	Finance cost		
Mark-up on:			
- long term finance - secured	20.1	21,021,469	23,928,928
- lease liabilities		349,523	270,176
- short term borrowings - secured	20.2	6,396,126	18,101,241
Bank charges		193,951	155,505
		27,961,069	42,455,850
20.1	Long term finance - secured		
Conventional interest/mark-up based loans		18,467,510	19,454,436
Islamic mode of financing		2,553,959	4,474,492
		21,021,469	23,928,928
20.2	Short term borrowings - secured		
Conventional interest/mark-up based loans		2,925,676	10,698,223
Islamic mode of financing		3,470,450	7,403,018
		6,396,126	18,101,241
21	Earnings per share - basic and diluted		
21.1	Basic earnings per share		
Profit for the period after taxation	Rupees	123,438,768	57,746,371
Weighted average number of ordinary shares in issue during the period	Number	193,597,813	199,736,016
Earnings per share	Rupees	0.64	0.29
21.2	Weighted average number of ordinary shares		
Outstanding number of shares		199,736,016	199,736,016
Less: Effect of treasury shares		(6,138,203)	-
		193,597,813	199,736,016
21.2	Diluted earnings per share		
There is no dilutive effect on the basic earnings per share of the Company.			
		Quarter ended (Un-audited)	
		30 September 2023	30 September 2022
		Rupees	Rupees
22	Cash and cash equivalents		
Short term running finance		(91,170,210)	(74,717,847)
Running musharika		(40,327,115)	(133,018,480)
Cash and bank balances		78,968,813	24,475,593
Short term investments		389,830,136	-
		337,301,625	(183,260,734)

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.

Quarter ended 30 September 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 at amortized cost						
Cash and bank balances	-	78,968,813	-	78,968,813	-	-
Deposits and other receivables	-	12,972,717	-	12,972,717	-	-
Long term deposits	-	10,439,805	-	10,439,805	-	-
Trade debts - unsecured, considered	-	606,185,095	-	606,185,095	-	-
	-	708,566,430	-	708,566,430	-	-
Financial liabilities measured at amortized cost						
Long term finances and diminishing musharika	-	-	639,004,950	639,004,950	-	-
Lease Liabilities	-	-	60,462,060	60,462,060	-	-
Trade and other payables	-	-	632,381,173	632,381,173	-	-
Unclaimed dividend	-	-	4,410,867	4,410,867	-	-
Short term borrowing	-	-	168,997,325	168,997,325	-	-
Accrued mark up	-	-	36,970,130	36,970,130	-	-
	-	-	1,542,226,505	1,542,226,505	-	-

23.1

	30 June 2023 (Audited)						
	Carrying Amount				Fair Value		
	Investments - FVOCI	Financial assets at amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
	Rupees						
Note							

Financial assets at amortized cost

Cash and bank balances	-	37,653,390	-	37,653,390	-	-	-
Deposits and other receivables	-	3,467,975	-	3,467,975	-	-	-
Long term deposits	-	10,439,805	-	10,439,805	-	-	-
Short term Investment	-	210,417,567	-	210,417,567	-	-	-
Trade debts - unsecured, considered good	-	628,874,655	-	628,874,655	-	-	-
	-	890,853,392	-	890,853,392	-	-	-

Financial liabilities measured at amortized cost

Long term finances and diminishing musharika	-	-	753,957,632	753,957,632	-	-	-
Lease Liabilities	-	-	53,985,296	53,985,296	-	-	-
Trade and other payables	-	-	461,213,085	461,213,085	-	-	-
Unclaimed dividend	-	-	4,425,800	4,425,800	-	-	-
Short term borrowing	-	-	371,575,980	371,575,980	-	-	-
Accrued mark up	-	-	34,834,375	34,834,375	-	-	-
23.2	-	-	1,679,992,168	1,679,992,168	-	-	-

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:

				Quarter ended (Un-audited)	
				30 September 2023	30 September 2022
				Rupees	Rupees
24.1	Related parties	Relationship	Transactions		
	Provident Fund Trust	Post employment benefit fund	Contribution	9,237,011	7,060,020
	Directors and relatives	Directors and relatives	Remuneration/Advisory fee	6,775,667	6,032,829
		Non-Executive Directors	Meeting Fee	475,000	375,000
	Key Management Personnel	Key Management Personnel (Employer-Employee)	Remuneration	15,174,308	9,942,881
				(Un-audited) 30 September 2023	(Audited) 30 June 2023
24.2	Balances with related parties			Rupees	Rupees
	Provident Fund Trust	Post employment benefit fund		3,252,098	2,682,715

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 (30 September 2023)	<u>242,786,777</u>	<u>429,980,178</u>	<u>192,190,624</u>	<u>-</u>	<u>485,080,791</u>	<u>72,632,770</u>	<u>131,853,044</u>	<u>103,244,379</u>	<u>37,015,209</u>	<u>1,694,783,771</u>
Segment assets - plant and machinery (30 September 2023)	<u>142,853,805</u>	<u>311,550,791</u>	<u>742,884,474</u>	<u>116,112,453</u>	<u>446,788,559</u>	<u>148,764,803</u>	<u>296,016,295</u>	<u>285,837,951</u>	<u>83,176,326</u>	<u>2,573,985,456</u>
	Unit 1	Unit 2	Unit 3	Unit 4	Unit 5	Unit 6	Unit 7	Unit 8	Unit 9	Total
	----- Rupees -----									
Segment net sales (30 September 2022)	<u>135,441,945</u>	<u>327,280,085</u>	<u>323,476,108</u>	<u>86,500,000</u>	<u>252,439,545</u>	<u>157,343,584</u>	<u>74,114,519</u>	<u>81,541,442</u>	<u>51,867,315</u>	<u>1,490,004,543</u>
Segment assets - plant and machinery (30 June 2023)	<u>146,516,734</u>	<u>319,120,399</u>	<u>756,744,828</u>	<u>119,089,694</u>	<u>457,713,555</u>	<u>152,579,283</u>	<u>303,606,456</u>	<u>293,167,128</u>	<u>85,309,052</u>	<u>2,633,847,129</u>
									Un-audited 30 September 2023 Rupees	Audited 30 June 2023 Rupees

25.3 Reconciliations of information on reportable segments to IFRS measures

25.3.1 Assets

Total assets for reportable segments	<u>2,573,985,456</u>	2,633,847,129
Other unallocated amounts	<u>4,211,186,924</u>	4,214,818,936
Total assets	<u>6,785,172,380</u>	<u>6,848,666,065</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 2023.

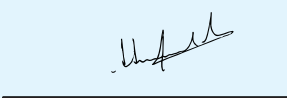
27 General

- 27.1 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 25 October 2023.
- 27.2 Figures have been rounded off to the nearest rupee.

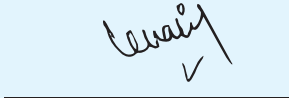
Lahore



Director



Director



Chief Financial Officer



Synthetic Products Enterprises Limited

127-S QIE Township Kot Lakhpat Lahore.
Phone: 042 111 005 005 | Fax: 042 351 18507