



Synthetic Products Enterprises Limited

31 March 2024

A man in a grey t-shirt is shown from the side, aiming a bow at a target. The target is a circular archery target with concentric rings of yellow, red, blue, and black, and a central bullseye. The background is dark and out of focus.

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

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

Pandoki Plant

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

RYK Plant

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

Karachi Plant

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

Lahore Plant

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 Nine months and Quarter ended 31 March 2024*

Dear Shareholders,

The Directors of Synthetic Products Enterprises Limited are pleased to present your Company's un-audited condensed interim financial information for the nine months and quarter ended 31 March 2024 along with the Directors' review thereon.

Financial Analysis

	Nine Months Ended		Quarter Ended	
	31 Mar 2024 PKR Millions	31 Mar 2023 PKR Millions	31 Mar 2024 PKR Millions	31 Mar 2023 PKR Millions
Sales – net	4,741.72	4,751.09	1,691.93	1,724.95
Cost of Sales	(3,851.83)	(3,801.85)	(1,385.28)	(1,284.46)
Gross Profit	889.88	949.24	306.65	440.48
Operating Profit	609.94	724.12	218.17	363.50
Profit before tax	574.84	606.37	207.70	316.31
Profit after tax	378.66	414.73	144.03	214.28
EPS – Basic (PKR)	1.98	2.08	0.75	1.07

The period under review presented several challenges due to the overall economic situation, including a slowdown in the auto sector, higher cost of electricity & manpower, and other inflationary pressures. These factors have impacted the top line and bottom line of the Company. The company is taking necessary actions to increase its top line and to improve the financial performance.

Outlook

Our sales to the Food and Personal Care Products sector during the period under review, is above 75% of the total sales volume and the demand in this sector seems to be positive in the near future. We are working towards improving our sales in the export sector and 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.



Chief Executive Officer

Lahore
25 April 2024



Director

سینتھیٹک پرائڈکٹس انٹرنیشنل لمیٹڈ ڈائریکٹرز کا جائزہ

محترم شیئر ہولڈرز

سینتھیٹک پرائڈکٹس انٹرنیشنل لمیٹڈ کے ڈائریکٹرز 31 مارچ 2024 کو ختم ہونے والی مدت کے لیے آپ کی کمپنی کی مالیاتی معلومات اپنے جائزے کے ساتھ پیش کر رہے ہیں۔

مالیاتی جائزہ

Quarter Ended		Nine Months Ended		
31 Mar 2023	31 Mar 2024	31 Mar 2023	31 Mar 2024	
PKR Millions	PKR Millions	PKR Millions	PKR Millions	
1,724.95	1,691.93	4,751.09	4,741.72	سیلز
(1,284.46)	(1,385.28)	(3,801.85)	(3,851.83)	کاسٹ آف سیلز
440.48	306.65	949.24	889.88	گراس منافع
363.50	218.17	724.12	609.94	آپریٹنگ منافع
316.31	207.70	606.37	574.84	قبل از ٹیکس منافع
214.28	144.03	414.73	378.66	بعد از ٹیکس منافع
1.07	0.75	2.08	1.98	EPS (PKR)

زیر جائزہ مدت نے مجموعی اقتصادی صورتحال کی وجہ سے کئی چیلنجز پیش کیے، جس میں آٹو سیکٹر میں سست روی، بجلی اور افرادی قوت کی زیادہ قیمت، اور دیگر افراط زر کے دباؤ وغیرہ شامل ہیں۔ ان عوامل نے کمپنی کی ٹاپ لائن اور بوٹم لائن کو متاثر کیا ہے۔ کمپنی اپنی ٹاپ لائن کو بڑھانے اور مالیاتی کارکردگی کو بہتر بنانے کے لیے ضروری اقدامات کر رہی ہے۔

مستقبل قریب کا جائزہ

زیر جائزہ مدت کے دوران فوڈ اینڈ پرسیونل کیئر پروڈکٹس کے شعبے کو ہماری فروخت، فروخت کے کل حجم کے 75 فیصد سے زیادہ ہے اور مستقبل قریب میں اس شعبے کی مانگ بہتر دکھائی دیتی ہے۔ ہم برآمدی شعبے میں اپنی فروخت کو بہتر بنانے کے لیے کام کر رہے ہیں اور اپنے صارفین کو اعلیٰ ترین معیار کی مصنوعات اور قابل اعتماد ڈیلیوری خدمات فراہم کرنے کے لیے پرعزم ہیں۔

صارفین کو بہترین خدمات اور اعلیٰ معیار کی مصنوعات فراہم کرنے کے لیے ہم پرعزم ہیں۔ ہم موجودہ صورتحال پہ نظر رکھے ہوئے ہیں اور اپنی کامیابی کو یقینی بنانے کے لیے مارکیٹ کے بدلتے ہوئے حالات کے 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



چیف ایگزیکٹو آفیسر

لاہور

25 اپریل 2024

Synthetic Products Enterprises Limited

Condensed Interim Statement of Financial Position

As at 31 March 2024

	Note	Un-audited 31 March 2024 Rupees	Audited 30 June 2023 Rupees
EQUITY AND LIABILITIES			
<u>Share capital and reserves</u>			
Authorized share capital of Rs.5 each (30 June 2023: 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		2,789,966,057	2,506,184,337
Surplus on revaluation of land		827,709,345	827,709,345
Shareholders' equity		4,860,078,337	4,635,838,912
LIABILITIES			
<u>Non-current liabilities</u>			
Long term loans - secured	6	391,448,753	500,752,181
Deferred grant	7	70,150,443	84,783,158
Lease liabilities	8	36,979,917	18,931,971
Deferred taxation		461,003,082	452,801,701
		959,582,195	1,057,269,011
<u>Current liabilities</u>			
Trade and other payables		935,318,679	530,019,851
Short term borrowings	9	366,690,067	371,575,980
Contract Liabilities		24,390,513	11,226,518
Current maturity of long term liabilities	10	272,048,323	203,475,618
Unclaimed dividend		5,027,754	4,425,800
Accrued mark up		43,849,906	34,834,375
		1,647,325,242	1,155,558,142
		7,466,985,774	6,848,666,065

Contingencies and commitments

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The annexed notes from 1 to 26 form an integral part of these condensed interim financial statements.

Lahore


Chief Executive Officer


Director


Chief Financial Officer

	<i>Note</i>	Un-audited 31 March 2024 Rupees	Audited 30 June 2023 Rupees
ASSETS			
<u>Non-current assets</u>			
Property, plant and equipment	<i>12</i>		
- Operating fixed assets	<i>12.1</i>	3,987,715,412	4,026,511,265
- Capital work in progress	<i>12.2</i>	232,277,724	94,686,807
- Right of use assets	<i>12.3</i>	86,130,649	74,502,000
Intangible assets		292,830	372,553
Long term deposits		43,984,771	26,284,517
		4,350,401,386	4,222,357,142
<u>Current assets</u>			
Stores, spares and loose tools		79,757,763	64,226,737
Stock-in-trade	<i>13</i>	1,598,326,406	1,528,409,077
Trade debts - unsecured	<i>14</i>	684,729,791	628,874,655
Advance income tax - net of provision		112,210,525	69,507,738
Advances, deposits, prepayments and other receivables		37,859,725	87,219,759
Short term investments	<i>15</i>	513,585,812	210,417,567
Cash and Bank	<i>16</i>	90,114,366	37,653,390
		3,116,584,388	2,626,308,923
		7,466,985,774	6,848,666,065

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 2024

	Note	Nine Months Ended		Quarter Ended	
		31 March 2024 Rupees	31 March 2023 Rupees	31 March 2024 Rupees	31 March 2023 Rupees
Sales - net	17	4,741,722,850	4,751,090,881	1,691,928,749	1,724,948,199
Cost of sales	18	(3,851,843,991)	(3,801,854,355)	(1,385,278,418)	(1,284,464,619)
Gross profit		889,878,859	949,236,526	306,650,331	440,483,580
Administrative expenses		(245,224,472)	(190,788,345)	(82,938,975)	(64,977,971)
Selling and distribution expenses		(34,715,833)	(34,332,060)	(5,542,658)	(12,007,909)
Operating profit		609,938,554	724,116,121	218,168,698	363,497,700
Other income		99,262,062	37,611,368	36,484,373	12,420,113
Other charges		(52,310,525)	(55,107,850)	(18,019,426)	(32,722,704)
Finance cost	19	(82,048,300)	(100,247,493)	(28,937,153)	(26,884,002)
Profit before taxation		574,841,791	606,372,146	207,696,492	316,311,107
Taxation		(196,185,425)	(191,641,741)	(63,669,950)	(102,054,072)
Profit after taxation		378,656,366	414,730,405	144,026,542	214,257,035
Earnings per share - basic and diluted	20	1.98	2.08	0.75	1.07

The annexed notes from 1 to 26 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 2024

	Nine Months Ended		Quarter Ended	
	31 March 2024 Rupees	31 March 2023 Rupees	31 March 2024 Rupees	31 March 2023 Rupees
Profit after taxation	378,656,366	414,730,405	144,026,542	214,257,035
<i>Other comprehensive income/(loss) for the period</i>				
<i>Item that will not be recognized to profit or loss:</i>				
Fair value loss on investments at FVOCI	-	(417,029)	-	(100,874)
Total comprehensive income for the period	378,656,366	414,313,376	144,026,542	214,156,161

The annexed notes from 1 to 26 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 2024

	Issued subscribed and paid-up capital	Capital Reserve			Revenue Reserve		Total
		Treasury share reserve	Share Premium	Surplus on revaluation of land	Fair value reserve on investment	Accumulated profit	
----- 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 nine months ended 31 March 2023	-	-	-	-	-	414,730,405	414,730,405
Other comprehensive loss 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
<u>Total comprehensive income</u>							
Profit for quarter ended 30 June 2023	-	-	-	-	-	76,367,136	76,367,136
Other comprehensive income for the quarter ended 30 June 2023	-	-	-	-	-	-	-
	-	-	-	-	-	76,367,136	76,367,136
<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
<u>Total comprehensive income</u>							
Profit for the nine months period ended 31 March 2024	-	-	-	-	-	378,656,366	378,656,366
Other comprehensive income for the nine months period ended 31 March 2024	-	-	-	-	-	-	-
	-	-	-	-	-	378,656,366	378,656,366
<u>Transactions with owners of the Company</u>							
Purchase of treasury shares	-	(59,542,295)	-	-	-	-	(59,542,295)
Final cash dividend for the year ended 30 June 2023 @ Rs. 0.5 per share	-	-	-	-	-	(94,874,646)	(94,874,646)
	-	(59,542,295)	-	-	-	(94,874,646)	(154,416,941)
Balance as at 31 March 2024 - unaudited	998,680,080	(114,905,038)	358,627,893	827,709,345	-	2,789,966,057	4,860,078,337

The annexed notes from 1 to 26 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 2024

	31 March 2024 Rupees	31 March 2023 Rupees
	Note	
<u>Cash flows from operating activities</u>		
Profit before taxation		574,841,791
606,372,146		606,372,146
<i>Adjustments for non cash items:</i>		
Depreciation on operating fixed assets	12.1	239,579,300
Depreciation on right of use assets	12.3	11,021,892
Amortization of intangibles		79,723
Finance cost	19	82,048,300
Gain on disposal of property, plant and equipment		(7,202,533)
Amortization of deferred grant		(15,568,785)
Expected credit loss charged for the period	14.1	4,833,442
Net realisable value adjustment for the period		10,447,257
Provision for Workers' Profit Participation Fund and Workers' Welfare Fund		43,267,662
		368,506,258
Operating profit before working capital changes		943,348,049
983,601,460		983,601,460
<i>Decrease/(Increase) in current assets:</i>		
Stores, spares and loose tools		(15,531,026)
Stock-in-trade		(80,364,586)
Trade debts - unsecured		(60,688,578)
Advances, deposits, prepayments and other receivables		49,360,034
		(107,224,156)
(11,427,902)		(11,427,902)
148,497,888		148,497,888
(146,302,234)		(146,302,234)
(127,655,780)		(127,655,780)
		(136,888,028)
<i>(Decrease)/Increase in current liabilities:</i>		
Trade and other payables		422,534,982
Contract liabilities		13,163,995
		435,698,977
97,117,276		97,117,276
(21,580,348)		(21,580,348)
75,536,928		75,536,928
Cash generated from operations		1,271,822,870
922,250,360		922,250,360
Workers' Profit Participation Fund paid		(46,165,096)
Workers' Welfare Fund paid		(14,338,720)
Mark up paid on Islamic mode of financing		(22,102,257)
Interest paid on conventional loans		(35,361,727)
Taxes paid		(230,686,831)
Long term deposits - net		(17,700,254)
		(366,354,885)
Net cash generated from operating activities		905,467,985
584,519,973		584,519,973
<u>Cash flow from investing activities</u>		
Fixed capital expenditure		(350,099,721)
Short term investment made		(303,168,245)
Proceeds from disposal of property, plant and equipment		24,232,349
Proceeds from disposal of long term investments		-
Net cash used in investing activities		(629,035,617)
(417,582,386)		(417,582,386)
<u>Cash flow from financing activities</u>		
Principal repayment of lease liability		(35,414,538)
Lease finance availed		49,914,850
Purchase of treasury shares		(59,542,295)
Long term loan repaid-net		(59,598,585)
Diminishing musharika paid		(20,172,219)
Dividend paid		(94,272,692)
Short term borrowings - repaid		(9,517,783)
Net cash used in financing activities		(228,603,262)
(249,075,921)		(249,075,921)
Net increase/(decrease) in cash and cash equivalents		47,829,106
(82,138,334)		(82,138,334)
Cash and cash equivalents at beginning of the period		(250,569,590)
56,065,918		56,065,918
Cash and cash equivalents at end of the period	21	(202,740,484)
		(26,072,416)

The annexed notes from 1 to 26 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 2024

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 2024 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 condensed interim financial statements for the period ended 31 March 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.

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 Company adopted Disclosure of Accounting policies (Amendments to IAS 1 and IFRS Practice Statement 2) from 01 January 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments required the disclosure of 'material', rather than significant, accounting policies. The amendment also provides guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and is of the view that Material accounting policies (2022: Significant accounting policies) are in line with the requirement and does not need any material changes.

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are same as those applied in the preparation of the annual audited financial statements for the year ended 30 June 2023.

4.2 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	01 January 2024
– Amendments to IFRS 17 - Insurance Contracts	01 January 2023
– Amendments to IAS 1 - Non-current liabilities with covenants	01 January 2024
– Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies	01 January 2023
– Amendments to IAS 8 - Definition of Accounting Estimates	01 January 2023
– Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction	01 January 2023
– Amendment to IFRS 16 - Lease Liability in a Sale and Leaseback	01 January 2024

5 Issued, subscribed and paid-up capital

	Un-audited 31 March 2024	Audited 30 June 2023	Un-audited 31 March 2024	Audited 30 June 2023
	----- Number of shares -----		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 **149,876,812** (30 June 2023: 132,599,822) ordinary shares of Rs.5 (30 June 2023:Rs.5) each of the Company.

	Un-audited 31 March 2024	Audited 30 June 2023
	Rupees	
	<i>Note</i>	Rupees

6 Long term loans - secured

Type of loans

6.1 *Islamic mode of financing - Diminishing Musharika*

- Habib Bank Limited	6.1.1	25,000,015	45,172,234
Less: Current maturity		(25,000,015)	(26,066,654)
		-	19,105,580

6.2 *Conventional loans*

- MCB Bank Limited - For renewable energy	6.2.1	94,270,637	103,361,555
- MCB and Allied Bank Limited - TERF	6.2.2	395,064,224	415,560,363
- Habib Bank Limited - Demand Finance		-	104,000,000
- Habib Bank Limited	6.2.3	84,166,667	-
- Loan from customer	6.2.4	75,685,285	85,863,480
- Less: Impact of government grant		(89,876,128)	(105,444,915)
- Less: Current maturity		(167,861,932)	(121,693,882)
		391,448,753	481,646,601
		391,448,753	500,752,181

6.1.1 During the period/ year, the Company has made repayments amounting to Rs. 20.17 million (30 June 2023: Rs. 66.04 million).

6.2.1 During the period/ year, the Company has made repayments amounting to Rs. 9.09 million (30 June 2023:Rs. 5.49 million).

6.2.2 During the period/ year, the Company has made repayments amounting to Rs. 20.49 million (30 June 2023: 9.23 million).

6.2.3 During the period, the Company obtained loan amounting to Rs. 101 million at interest rate of 3 months SBP Rate + 1%. The loan is repayable in 8 quarterly instalments of Rs. 18.8 million each. During the period Company has made repayments amounting to Rs. 16.83 million (30 June 2023: nil)

6.2.4 During the period/ year, the Company has made repayments amounting to Rs. 10.17 (30 June 2023: Rs. 16.56 million).

		Un-audited 31 March 2024 Rupees	Audited 30 June 2023 Rupees
7	Deferred grant		
	Balance at the beginning of the period / year	105,444,915	125,146,661
	Amortization during the period / year	(15,568,785)	(19,701,746)
	Balance at the end of the period / year	89,876,130	105,444,915
	Non - current portion	70,150,443	84,783,158
	Current portion	19,725,687	20,661,757
8	Lease liabilities		
	Lease liability	96,440,608	53,985,296
	Less: Current maturity presented under current liabilities	(59,460,691)	(35,053,325)
		36,979,917	18,931,971
8.1	During the period/ year, the Company has made repayments amounting to Rs. 35.33 million (30 June 2023: Rs. 16.74 million).		
		Un-audited 31 March 2024 Rupees	Audited 30 June 2023 Rupees
9	Short term borrowings		
	Secured:		
	- Conventional Interest / mark-up based loans	122,686,681	193,637,902
	- Islamic mode of financing	231,503,386	115,438,078
		354,190,067	309,075,980
	Unsecured:		
	- Interest free financing	12,500,000	62,500,000
		366,690,067	371,575,980
	Types of short term borrowings		
9.1	Conventional Interest / mark-up based loans		
	Short term running finance	107,821,769	172,784,902
	Finance against trust receipts	14,864,912	20,853,000
		122,686,681	193,637,902
9.2	Islamic mode of financing		
	Murabaha and istisna	46,470,305	-
	Running musharika	185,033,081	115,438,078
		231,503,386	115,438,078
9.3	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.		
		Un-audited 31 March 2024 Rupees	Audited 30 June 2023 Rupees
10	Current maturity of long term liabilities		
	Long term loans - secured	192,861,947	147,760,536
	Deferred grant	19,725,685	20,661,757
	Lease liabilities	59,460,691	35,053,325
		272,048,323	203,475,618

11 Contingencies and commitments

11.1 Contingencies

The Company, being a trans-provincial entity, discharges its WWF liability by depositing the amount under the relevant Federal law i.e. Workers Welfare Fund Ordinance, 1971. However, the Deputy Commissioner Sindh Revenue Board (SRB) through orders issued on 28 November 2023 raised demand on account of WWF amounting to Rs. 6.3 million for FY 2019-20, Rs.13 million for FY 2020-21 and Rs. 13.6 million for FY 2021-22 and directed the Company to deposit these amounts into the account of Sindh's Worker Welfare Fund. The Company has filed appeals against these orders before the Commissioner SRB (Appeals-III) and obtained a stay order against the recovery on 01 January 2024. The matter is still pending for adjudication. Based on the opinion of advisor, the Company is expecting a favourable outcome.

		Un-audited 31 March 2024	Audited 30 June 2023
	<i>Note</i>	Rupees	Rupees
11.2 Commitments			
- purchase of machinery		58,684,085	244,266,699
- purchase of raw material		709,021,165	310,118,522
		767,705,250	554,385,221

12 Property, plant and equipment

Operating fixed assets	<i>12.1</i>	3,987,715,412	4,026,511,265
Capital work in progress	<i>12.2</i>	232,277,724	94,686,807
Right of use assets	<i>12.3</i>	86,130,649	74,502,000
		4,306,123,785	4,195,700,072

12.1 Operating fixed assets

Opening written down value		4,026,511,265	3,759,428,716
Add: Additions during the period / year (cost)	<i>12.1.1</i>	212,508,804	604,455,554
Less: Disposals during the period / year at written down value		(11,725,357)	(26,296,719)
Less: Depreciation charge for the period / year		(239,579,300)	(311,076,287)
Closing written down value		3,987,715,412	4,026,511,265

12.1.1 Additions during the period / year:

Freehold Land		-	1,017,919
Buildings on freehold land		5,206,572	23,340,268
Buildings on leasehold land		-	112,500
Plant and machinery		201,645,246	558,384,532
Office equipment		424,030	889,431
Tools and equipment		116,389	16,644,788
Computer equipment		2,412,946	1,643,778
Furniture and fittings		893,621	191,638
Vehicles		1,810,000	2,230,700
		212,508,804	604,455,554

12.2 Capital work in progress

Balance at the beginning of the period / year		94,686,807	210,127,307
Add: Additions during the period / year		348,042,376	504,500,076
Less: Transfers to operating fixed assets		(210,451,459)	(619,940,576)
Balance at the end of the period / year		232,277,724	94,686,807

12.3 Right of use assets

Opening written down value		74,502,000	44,574,361
Add: Additions during the period / year (cost)		27,955,000	47,862,229
Less: Matured / Transferred during the period / year at written down value		(5,304,459)	(9,406,554)
Less: Depreciation charge for the period / year		(11,021,892)	(8,528,036)
Closing written down value		86,130,649	74,502,000

		Un-audited 31 March 2024 Rupees	Audited 30 June 2023 Rupees
13 Stock-in-trade			
Raw and packing material		1,020,606,934	1,006,408,951
Stock in transit		211,098,098	205,578,012
Work in process		174,823,841	125,531,231
Finished goods		191,797,533	190,890,883
		1,598,326,406	1,528,409,077
14 Trade debts - unsecured			
Considered good		684,729,791	628,874,655
Considered doubtful		9,156,273	4,322,831
		693,886,064	633,197,486
Less: Impairment loss allowance (ECL)	14.1	(9,156,273)	(4,322,831)
		684,729,791	628,874,655
14.1 Movement of impairment loss allowance			
Opening balance		4,322,831	3,624,734
Expected credit loss charge for the period / year		4,833,442	698,097
Closing balance		9,156,273	4,322,831
15 Short term investments			
This represents term deposits and treasury bills having maturity of three months to one year and carrying mark-up ranging from 21.5% to 23.50% per annum. (30 June 2023: 21.90% - 22.00% per annum)			
		Un-audited 31 March 2024 Rupees	Audited 30 June 2023 Rupees
16 Cash and bank balances			
Cash in hand		872,197	1,100,950
Cash at bank			
- Conventional banks	16.1	18,383,447	26,053,841
- Islamic banks	16.2	70,858,722	10,498,599
		89,242,169	36,552,440
		90,114,366	37,653,390
16.1 Conventional Banks			
- current accounts in local currency		5,703,211	15,258,766
- current accounts in foreign currency		12,635,554	10,781,716
- savings accounts in local currency	16.1.1	44,682	13,359
		18,383,447	26,053,841
16.2 Islamic Banks			
- current accounts in local currency		10,829,813	10,384,763
- savings accounts in local currency	16.2.1	60,028,909	113,836
		70,858,722	10,498,599
16.1.1	These carry return at 15.08% per annum to 20.50% per annum (30 June 2023: 15.08% to 20.05% per annum).		
16.2.1	These carry return at 8.00% per annum to 20% per annum (30 June 2023: 5% to 8% per annum). This represents deposits placed under an arrangement permissible under Shariah.		

	Nine Months Ended (Un-audited)	
	31 March	31 March
	2024	2023
	Rupees	Rupees
17 Sales - net		
Local	5,686,653,780	5,636,449,450
Export	107,686,532	44,302,729
	5,794,340,312	5,680,752,179
Less: Sales tax	(900,552,515)	(851,630,535)
Discounts	(152,064,947)	(78,030,763)
	4,741,722,850	4,751,090,881
17.1 Disaggregation of Revenue		
17.1.1 Primary Products		
Automobile parts and accessories sector	1,029,411,891	1,258,069,984
Food and personal care products sector - packaging	3,712,310,959	3,493,020,897
	4,741,722,850	4,751,090,881
17.1.2 Primary Geographical Markets (Net Sales)		
Pakistan	4,634,036,318	4,707,169,320
Turkey	4,852,545	2,852,823
Belgium	-	3,252,519
Hungary	61,744,067	-
France	4,990,510	7,484,391
Italy	20,234,341	11,968,327
United Kingdom	6,635,693	10,566,423
United States of America	9,229,376	7,797,078
Total	4,741,722,850	4,751,090,881
18 Cost of sales		
Raw and packing materials consumed	2,612,067,306	2,748,115,367
Stores, spare parts and loose tools consumed	16,461,799	12,335,087
Salaries, wages and benefits	326,261,634	289,146,756
Security expenses	15,170,180	10,584,136
Electricity, fuel and water charges	512,641,989	395,533,884
Depreciation on property, plant and equipment	223,139,957	203,694,618
Depreciation on right of use asset	11,021,893	5,815,089
Repair and maintenance	74,151,836	46,627,144
Insurance	8,964,098	7,703,585
Oil and lubricants	2,653,153	3,047,005
	3,802,533,845	3,722,602,671
<i>Work in process:</i>		
- At beginning of the period	125,531,231	76,359,299
- At end of the period	(174,823,841)	(102,529,489)
Cost of goods manufactured	3,753,241,235	3,696,432,481
<i>Finished goods:</i>		
- At beginning of the period	190,890,883	184,681,181
- At end of the period	(191,797,533)	(139,823,417)
	3,752,334,585	3,741,290,245
Freight and forwarding	99,509,406	60,564,110
	3,851,843,991	3,801,854,355

		Nine Months Ended (Un-audited)	
		31 March 2024 Rupees	31 March 2023 Rupees
	<i>Note</i>		
19 Finance cost			
<i>Mark-up on:</i>			
- long term finance - <i>secured</i>	<i>19.1</i>	51,912,329	68,223,462
- lease liabilities		10,381,101	599,021
- short term borrowings - <i>secured</i>	<i>19.2</i>	18,922,982	31,029,347
Bank charges		831,888	395,663
		82,048,300	100,247,493
19.1 Long term finance - secured			
Conventional interest/mark-up based loans		45,481,461	56,670,880
Islamic mode of financing		6,430,868	11,552,582
		51,912,329	68,223,462
19.2 Short term borrowings - secured			
Conventional interest/mark-up based loans		7,898,447	16,728,905
Islamic mode of financing		11,024,535	14,300,441
		18,922,982	31,029,347
20 Earnings per share - basic and diluted			
20.1 Basic earnings per share			
Profit for the period after taxation	<i>Rupees</i>	378,656,366	414,730,405
Weighted average number of ordinary shares in issue during the period	<i>Number</i>	191,022,751	199,736,016
Earnings per share	<i>Rupees</i>	1.98	2.08
20.2 Weighted average number of ordinary shares			
Outstanding number of shares		199,736,016	199,736,016
Less: Effect of treasury shares		(8,713,265)	-
		191,022,751	199,736,016
20.3 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 2024 Rupees	31 March 2023 Rupees
21 Cash and cash equivalents			
Short term running finance		(107,821,769)	(34,180,883)
Running musharika		(185,033,081)	(30,643,037)
Cash and bank balances		90,114,366	38,751,505
		(202,740,484)	(26,072,416)

22 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 2024 (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	-	90,114,366	-	90,114,366	-	-	-
Deposits and other receivables	-	45,154,208	-	45,154,208	-	-	-
Long term deposits	-	10,439,805	-	10,439,805	-	-	-
Trade debts - unsecured, considered good	-	684,729,791	-	684,729,791	-	-	-
	-	830,438,170	-	830,438,170	-	-	-

Financial liabilities measured at amortized cost

Long term finances and diminishing musharika	-	-	590,020,161	590,020,161	-	-	-
Lease Liabilities	-	-	96,440,608	96,440,608	-	-	-
Trade and other payables	-	-	902,361,281	902,361,281	-	-	-
Unclaimed dividend	-	-	5,027,754	5,027,754	-	-	-
Short term borrowing	-	-	366,690,067	366,690,067	-	-	-
Accrued mark up	-	-	43,849,906	43,849,906	-	-	-
	-	-	2,004,389,777	2,004,389,777	-	-	-

22.1

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
<i>Note</i> ----- Rupees -----						

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	-	-	-
	-	<u>890,853,392</u>	-	<u>890,853,392</u>	-	-	-

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	-	-	-
22.2	-	-	<u>1,679,992,168</u>	<u>1,679,992,168</u>	-	-	-

22.2 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.

22.3 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.

23 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 2024 Rupees	31 March 2023 Rupees	
23.1	Related parties	Relationship	Transactions		
	Provident Fund Trust	Post employment benefit fund	Contribution	28,304,369	23,613,574
	Directors and relatives	Directors and relatives	Cash dividend - as shareholders	75,217,954	-
		Directors - Other than key management personnel	Remuneration / Advisory Fee	22,136,401	21,005,667
		Non-Executive Directors	Meeting Fee	1,735,000	1,125,000
	Key Management Personnel	Key Management Personnel (Employer-Employee)	Remuneration	45,478,141	33,361,062
			Cash dividend - as shareholders	29,455	-
				(Un-audited) 31 March 2024 Rupees	(Audited) 30 June 2023 Rupees
23.2	Balances with related parties				
	Provident Fund Trust	Post employment benefit fund		3,224,817	2,682,715

23.3 Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Company considers Director, whole time Directors, Chief Financial Officer and Company Secretary to be its key management personnel.

Operating segments

24.1 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 Director 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.

24.2 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 2024)	<u>451,264,800</u>	<u>1,139,195,458</u>	<u>575,927,656</u>	<u>37,909,402</u>	<u>1,354,282,232</u>	<u>320,954,157</u>	<u>279,667,310</u>	<u>481,751,627</u>	<u>100,770,211</u>	<u>4,741,722,850</u>
Segment assets - plant and machinery (31 March 2024)	<u>131,801,560</u>	<u>325,370,342</u>	<u>669,891,646</u>	<u>110,320,331</u>	<u>429,440,561</u>	<u>132,423,877</u>	<u>462,229,343</u>	<u>282,652,035</u>	<u>78,910,873</u>	<u>2,623,040,568</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 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 (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 31 March 2024 Rupees	Audited 30 June 2023 Rupees

24.3 Reconciliations of information on reportable segments to IFRS measures

24.3.1 Assets

Total assets for reportable segments	2,623,040,568	2,633,847,129
Other unallocated amounts	4,843,945,206	4,214,818,936
Total assets	7,466,985,774	6,848,666,065

25 Financial risk management

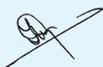
The Company's financial risk management objective and policies are consistent with that disclosed in the annual financial statements of the Company for the year ended 30 June 2023.

26 General

26.1 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 April 2024.**

26.2 Figures have been rounded off to the nearest rupee.

Lahore



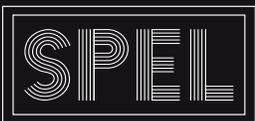
Chief Executive Officer



Director



Chief Financial Officer



Synthetic Products Enterprises Limited

127-S QIE Township Kot Lakhpat Lahore.

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