



**PAKISTAN SYNTHETICS LIMITED**

**NINE MONTHS REPORT  
MARCH**

**— 2024 —**

# PAKISTAN SYNTHETICS LIMITED

<b>BOARD OF DIRECTORS</b>	MR. KHURSHID AKHTAR MR. YAKOOB HAJI KARIM MR. NOMAN YAKOOB MR. ABID UMER MR. MUBBASHIR AMIN MR. ALI KAMAL MR. FARAZ YOUNUS BANDUKDA MS. SADAF SHABBIR	CHAIRMAN – INDEPENDENT CHIEF EXECUTIVE EXECUTIVE NON – EXECUTIVE NON – EXECUTIVE INDEPENDENT INDEPENDENT INDEPENDENT
<b>AUDIT COMMITTEE</b>	MR. ALI KAMAL MR. MUBBASHIR AMIN MR. FARAZ YOUNUS BANDUKDA	CHAIRMAN
<b>HUMAN RESOURCE AND REMUNERATION COMMITTEE</b>	MR. FARAZ YOUNUS BANDUKDA MR. MUBBASHIR AMIN MR. NOMAN YAKOOB	CHAIRMAN
<b>CHIEF FINANCIAL OFFICER</b>	MR. SHAHID YAQOOB	
<b>COMPANY SECRETARY</b>	MR. MUHAMMAD IMRAN	
<b>BANKERS</b>	ASKARI BANK LIMITED AL BARAKA BANK PAKISTAN LIMITED BANK AL HABIB LIMITED BANK OF PUNJAB LIMITED BANK AL-FALAH LIMITED BANK ISLAMIC PAKISTAN LIMITED DUBAI ISLAMIC BANK PAKISTAN LIMITED FAYSAL BANK LIMITED HABIB BANK LIMITED HABIB METROPOLITAN BANK LIMITED MEEZAN BANK LIMITED SONERI BANK LIMITED	
<b>AUDITORS</b>	BDO EBRAHIM AND CO. CHARTERED ACCOUNTANTS	
<b>HEAD OF INTERNAL AUDIT</b>	MR. JAFFAR IQBAL	
<b>REGISTRAR</b>	F.D REGISTRAR SERVICES (PVT.) LTD. OFFICE # 1705, 17 <sup>TH</sup> FLOOR, SAIMA TRADE TOWER-A, I.I. CHUNDRIGAR ROAD, KARACHI.	
<b>LEGAL ADVISOR ADVOCATE</b>	TASAWUR ALI HASHMI	
<b>REGISTERED OFFICE</b>	OFFICE # 1504, 15 <sup>TH</sup> FLOOR, EMERALD TOWER, BLOCK 5, CLIFTON, KARACHI	
<b>FACTORY</b>	F-1, 2, 3, & 13, 14 & 15 HUB INDUSTRIAL TRADING ESTATE DISTRICT LASBELLA, BALOCHISTAN.  PLOT # A-5, N.W.I.Z, PORT QASIM AUTHORITY, KARACHI	

# PAKISTAN SYNTHETICS LIMITED

## DIRECTORS' REVIEW

The Board of Directors of Pakistan Synthetics Limited takes pleasure in presenting review of the performance of the Company together with the financial statements for the nine months' period ended March 31, 2024:

### OPERATING AND FINANCIAL PERFORMANCE

During the period under review, the Company recorded net sales revenue of Rs. 9,350.63 million as compared to Rs. 10,252.68 million during the same period last year. This decline is due to decrease in overall quantity sold. Gross profit fall from Rs. 1,908.157 million to 1,425.852 million on account of higher input cost. Increase in input cost mainly attributable to higher fuel, power and raw & packing material cost. The Administrative expenses increased by 29.10% mainly due to impact of rising inflation over each cost component. Distribution expenses which mainly consist of outward freight were declined by 31.07% on account lower sales volume. Decline in other operating expenses represents the impact of extraordinary exchange loss of Rs. 243 million incurred in the corresponding period last year. Higher utilization of short term borrowing facilities and rise in discount rates to its highest ever have resulted in increased Finance cost of the Company from Rs. 271.39 million (March 2023) to Rs. 624.323 million (March 2024). During the current period, the Company has earned a net profit of Rs. 356.533 million as compared to a net profit of Rs. 670.080 million for the same period in the previous year. The profit is translated into earning per share of Rs. 2.57 (2023: Rs. 4.83).

### FUTURE OUTLOOK

The country is facing extra ordinary economic challenges and its impacts are now visible on the industry. The short to medium term outlook is extremely uncertain as both the economic and political landscape shift continuously. Due to high energy tariffs as well as a high cost of borrowing, the cost of doing business has increases substantially. We do not anticipate any substantial improvement in business conditions in the near future due to the high prevailing policy rate, as well as a consistent rise in the cost of energy. The management understand the current local and international economic and political climate and the adverse effect it has had on the company. The management is continuously making efforts for growth in sales volumes and profitability.

### ACKNOWLEDGEMENT

The Directors express gratitude to the Shareholders, customers, vendors, Bankers and other business associates for their unwavering patronage and support. Their continued collaboration is deeply appreciated by the Company's Leadership.

**For and on behalf of the Board of Directors**

**YAKOOB HAJI KARIM  
CHIEF EXECUTIVE**

**NOMAN YAKOOB  
DIRECTOR**

Date: April 29, 2024

Karachi

# PAKISTAN SYNTHETICS LIMITED

## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2024

		March 31, 2024 (Un-audited)	June 30, 2023 (Audited)
	Note	----- (Rupees in '000) -----	
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	2,928,889	3,225,828
Right-of-use assets		14,831	22,246
Long term loan to employees		2,513	1,610
Long term deposits		4,209	4,209
Investment in associates	6	1,480,271	1,398,365
		<u>4,430,713</u>	<u>4,652,258</u>
<b>CURRENT ASSETS</b>			
Stores and spares		410,225	289,601
Stock-in-trade	7	4,213,575	3,200,803
Trade debts	8	2,370,944	1,427,591
Loans and advances		139,590	17,863
Short term deposits and prepayments		24,172	10,938
Short term investments		4,381	3,846
Other receivables		2,032	2,032
Taxation - net		97,897	-
Cash and bank balances	9	22,065	3,052
		<u>7,284,881</u>	<u>4,955,726</u>
<b>TOTAL ASSETS</b>		<u><u>11,715,594</u></u>	<u><u>9,607,984</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorised share capital			
140,000,000 (June 30, 2023: 140,000,000) ordinary shares of Rs. 10 each		1,400,000	1,400,000
Issued, subscribed and paid-up capital			
138,699,000 (June 30, 2023: 138,699,000) ordinary shares of Rs. 10 each		1,386,990	1,386,990
Reserves		2,880,104	2,523,571
		<u>4,267,094</u>	<u>3,910,561</u>
<b>NON-CURRENT LIABILITIES</b>			
Long term borrowings	10	593,191	811,685
Lease liability		6,230	13,485
Deferred liabilities		159,303	151,332
Deferred income - government grant		67,867	85,909
Deferred taxation		28,113	64,074
		<u>854,704</u>	<u>1,126,485</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		2,708,559	2,739,346
Short term borrowings	11	3,560,450	1,380,819
Accrued markup		64,514	23,306
Current portion of long term borrowings	10	214,003	94,239
Current portion of lease liabilities		14,583	15,831
Current portion of deferred government grant		26,290	30,202
Taxation - net		-	281,798
Unclaimed dividend		5,397	5,397
		<u>6,593,796</u>	<u>4,570,938</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>11,715,594</u></u>	<u><u>9,607,984</u></u>
<b>CONTINGENCIES AND COMMITMENTS</b>	12		

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.

  
CHIEF FINANCIAL OFFICER

  
CHIEF EXECUTIVE

  
DIRECTOR

# PAKISTAN SYNTHETICS LIMITED

## CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED) FOR THE NINE MONTHS AND THREE MONTH PERIOD ENDED MARCH 31, 2024

	Note	Nine months period ended		Three months period ended	
		March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
		----- (Rupees in '000) -----			
Revenue from contracts with customers	13	9,350,627	10,252,679	3,898,751	4,442,284
Cost of sales		(7,924,775)	(8,344,522)	(3,315,824)	(3,584,890)
Gross profit		1,425,852	1,908,157	582,927	857,394
Administrative and general expenses		(123,873)	(95,947)	(44,003)	(36,473)
Distribution and selling costs		(152,515)	(221,269)	(73,729)	(96,245)
Other operating expenses		(58,871)	(339,802)	(16,353)	(226,326)
		(335,259)	(657,018)	(134,085)	(359,044)
Operating profit		1,090,593	1,251,139	448,842	498,350
Other income		83,927	19,787	16,139	148
Finance costs		(624,323)	(271,397)	(244,334)	(129,177)
Profit before tax		550,197	999,529	220,647	369,321
Taxation	14	(193,664)	(329,449)	(80,355)	(109,964)
<b>Profit for the period</b>		<b>356,533</b>	<b>670,080</b>	<b>140,292</b>	<b>259,357</b>
		<b>(Rupees)</b>			
<b>Earnings per share - basic and diluted</b>	15	<b>2.57</b>	<b>4.83</b>	<b>1.01</b>	<b>1.87</b>

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE



DIRECTOR

# PAKISTAN SYNTHETICS LIMITED

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE NINE MONTHS AND THREE MONTH PERIOD ENDED MARCH 31, 2024

	Nine months period ended		Three months period ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
	----- (Rupees in '000) -----			
Profit for the period	356,533	670,080	140,292	259,357
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>356,533</u>	<u>670,080</u>	<u>140,292</u>	<u>259,357</u>

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE

DIRECTOR

# PAKISTAN SYNTHETICS LIMITED

## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

Issued, subscribed and paid-up capital	Reserves				Total reserves	Total
	Capital reserve	Revenue reserves		Total		
		Share premium	General reserve			
----- (Rupees in '000) -----						
Balance as at July 01, 2022 (Audited)	924,660	140,100	292,450	1,757,523	2,190,073	3,114,733
Total comprehensive income for the period ended March 31, 2023						
Profit for the period	-	-	-	670,080	670,080	670,080
Other comprehensive income	-	-	-	-	-	-
Balance as at March 31, 2023 (Un-Audited)	924,660	140,100	292,450	2,427,603	2,860,153	3,784,813
Balance as at July 01, 2023 (Audited)	1,386,990	140,100	292,450	2,091,021	2,523,571	3,910,561
Total comprehensive Income for the period ended March 31, 2024						
Profit for the period	-	-	-	356,533	356,533	356,533
Other comprehensive income	-	-	-	-	-	-
Balance as at March 31, 2024 (Un-Audited)	1,386,990	140,100	292,450	2,447,554	2,880,104	4,267,094

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.



**CHIEF FINANCIAL OFFICER**



**CHIEF EXECUTIVE**



**DIRECTOR**

# PAKISTAN SYNTHETICS LIMITED

## CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

		March 31, 2024	March 31, 2023
	Note	----- (Rupees in '000) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash (used in) / generated from operations	16	(785,103)	1,103,960
Staff gratuity paid		(9,057)	(4,509)
Financial charges paid		(504,504)	(186,038)
Taxes paid		(608,562)	(262,102)
Net cash (used in) / generated from operating activities		<u>(1,907,226)</u>	<u>651,311</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure		(22,450)	(194,991)
Proceeds from disposal of property, plant and equipment		-	6,049
Investment in associate		(100,000)	-
Net cash used in investing activities		<u>(122,450)</u>	<u>(188,942)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payment of lease liability		(10,257)	(9,497)
Repayment of long term borrowings		(120,684)	(107,518)
Proceeds from long term borrowings		-	128,588
Investment in Associates		-	(1,050,000)
Short term murabaha, salam and istisna - net		1,703,263	864,576
Net cash flows from / (used in) financing activities		<u>1,572,322</u>	<u>(173,851)</u>
Net decrease in cash and cash equivalents during the period		<u>(457,354)</u>	<u>288,518</u>
Cash and cash equivalents at beginning of the period		<u>(287,423)</u>	<u>(171,179)</u>
Cash and cash equivalents at end of the period		<u><u>(744,777)</u></u>	<u><u>117,339</u></u>
<b>CASH AND CASH EQUIVALENTS COMPRISE:</b>			
Cash and bank balances	9	22,065	160,640
Running Finance and Running Musharakah	11	(766,842)	(43,301)
		<u><u>(744,777)</u></u>	<u><u>117,339</u></u>

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.



**CHIEF FINANCIAL OFFICER**



**CHIEF EXECUTIVE**



**DIRECTOR**



# PAKISTAN SYNTHETICS LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

### 1. STATUS AND NATURE OF BUSINESS

Pakistan Synthetics Limited ("the Company") was incorporated on November 18, 1984 as a private limited company in Pakistan and subsequently converted into a public limited company on December 30, 1987. The shares of the Company are listed on Pakistan Stock Exchange with effect from June 27, 1995. The principal activity of the Company is manufacturing and sale of Plastic Caps, Crown Caps, PET resin, Preform and BOPET resin. The registered office of the company is situated at office no. 1504, 15th Floor, Emerald Tower, Block 5, Clifton, Karachi.

The manufacturing facility of the Company is situated at F-1,2,3 and 13,14 & 15, Hub Industrial Trading Estate, District Lasbella Balochistan and Plot No. A-5, N.W.I.Z, Port Qasim Authority, Karachi.

### 2. BASIS OF PREPARATION

#### 2.1 Statement of compliance

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 as applicable in Pakistan for interim financial reporting comprise of;

- International Accounting Standard (IAS) 34, Interim Financial Reporting, 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 as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act 2017.

Where the provisions 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.

- 2.1.1 These condensed interim financial statements are unaudited and is being submitted to the shareholders as required under section 237 of the Companies Act, 2017.

# PAKISTAN SYNTHETICS LIMITED

**2.1.2** These condensed interim financial statements do not include all the information and disclosures required in an annual audited financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended June 30, 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.

**2.1.3** The comparative statement of financial position presented in these condensed interim financial statements as at June 30, 2023 have been extracted from the annual audited financial statements of the Company for the year ended June 30, 2023, whereas the comparative condensed interim statement of profit or loss and condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows together with the notes thereto for the nine months period ended March 31, 2023 have been extracted from the condensed interim financial statements of the company for the nine months period ended March 31, 2023.

## **2.2 Basis of measurement**

These condensed interim financial statements have been prepared under the historical cost convention, except as stated otherwise.

## **2.3 Functional and presentation currency**

These condensed interim financial statements are presented in Pakistan Rupees ( "Rupees" or "Rs." ) which is the functional currency of the Company.

## **3. MATERIAL ACCOUNTING POLICIES INFORMATION AND CHANGES THEREIN**

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

## **4. ACCOUNTING ESTIMATES AND JUDGEMENTS**

The preparation of condensed interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reporting amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience. Actual results may differ from these estimates.

The significant judgements made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements as at and for the year ended June 30, 2023.

# PAKISTAN SYNTHETICS LIMITED

		March 31, 2024 (Un-audited)	June 30, 2023 (Audited)
	Note	----- (Rupees in '000) -----	
<b>5. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	5.1	2,851,371	3,148,394
Capital work-in-progress		77,518	77,434
		<u>2,928,889</u>	<u>3,225,828</u>
<b>5.1 Operating fixed assets</b>			
Opening net book value		3,148,394	3,181,503
Additions / transfers during the period / year		22,366	381,136
Disposals during the period / year		-	(6,977)
Depreciation charge for the period / year		(319,389)	(407,268)
Closing net book value		<u>2,851,371</u>	<u>3,148,394</u>
<b>6. INVESTMENT IN ASSOCIATES</b>			
Carrying value		1,498,365	1,400,000
Less: share of loss from Associate		(18,094)	(1,635)
	6.1	<u>1,480,271</u>	<u>1,398,365</u>
6.1	This represents shareholding of 23.08% (June 30, 2023: 23.41%) comprising of 150,000,000 shares (June 30, 2023: 140,000,000) of Petpak Films (Private) Limited, original cost of the shares is Rs. 10/share		
6.2	Movement of investment in associate is as follows:		
Opening balance		1,398,365	-
Investment during the Period / Year		100,000	1,400,000
Share of loss for the Period / Year		(18,094)	(1,635)
Closing balance		<u>1,480,271</u>	<u>1,398,365</u>
<b>7 STOCK-IN-TRADE</b>			
Raw and packing material			
in hand		1,052,835	1,620,218
in transit		195,882	223,011
		<u>1,248,717</u>	<u>1,843,229</u>
Work-in-process		857,165	343,106
Finished goods		2,107,693	1,014,468
		<u>4,213,575</u>	<u>3,200,803</u>

# PAKISTAN SYNTHETICS LIMITED

		March 31, 2024 (Un-audited)	June 30, 2023 (Audited)
	Note	----- (Rupees in '000) -----	
<b>8</b>	<b>TRADE DEBTS</b>		
	Unsecured and considered good		
	Trade debts	2,639,266	1,745,024
	Less: allowance for expected credit losses	(268,322)	(317,433)
		<u>2,370,944</u>	<u>1,427,591</u>
<b>8.1</b>	Allowance for expected credit losses		
	Opening balance	317,433	279,544
	(Reversal) / provision for the period / year	(49,111)	37,889
	Closing balance	<u>268,322</u>	<u>317,433</u>
<b>9</b>	<b>CASH AND BANK BALANCES</b>		
	Cash in hand	8,019	785
	With Islamic banks		
	- current accounts	3,804	1,123
	- saving accounts	252	125
		<u>4,056</u>	<u>1,248</u>
	With conventional banks		
	- current accounts	9,990	579
	- saving accounts	-	440
		<u>9,990</u>	<u>1,019</u>
		<u>22,065</u>	<u>3,052</u>

# PAKISTAN SYNTHETICS LIMITED

	March 31, 2024 (Un-audited)	June 30, 2023 (Audited)
Note	----- (Rupees in '000) -----	
<b>10 LONG TERM BORROWINGS - SECURED</b>		
Loans from Islamic financial institutions		
Long Term Finance Facility - Diminishing Musharakah	251,393	313,285
Islamic Temporary Economic Refinance Facility (ITERF)	649,958	708,750
	901,351	1,022,035
Less: Deferred income - government grant	(94,157)	(116,111)
Current portion of loans from Islamic financial institutions		
Long Term Finance Facility - Diminishing Musharakah	(94,003)	(71,739)
Islamic Temporary Economic Refinance Facility (ITERF)	(120,000)	(22,500)
	(214,003)	(94,239)
	593,191	811,685

## 11 SHORT TERM BORROWINGS - SECURED

Conventional		
Running finance under mark-up arrangement	-	60
Islamic		
Murabaha	397,174	149,564
Salam	165,726	
Istisna	2,230,708	940,780
Running Musharakah	766,842	290,415
	3,560,450	1,380,819

## 12 CONTINGENCIES AND COMMITMENTS

### 12.1 Contingencies

There is no change in the status of contingencies except for the matter mentioned in note 27.1.3 as disclosed in the annual financial statements for the year ended June 30, 2023.

**12.1.1** During the period the case decided against the company. The charges of Rs. 38.36 Million were already accounted for and are being paid to the SSGC as per agreed schedule.

### 12.2 Commitments

The Company has facilities of Rs. 3,600 million (June 30, 2023: Rs. 3,150 million) for opening letters of credit. At March 31, 2024, the open letters of credits for stock in trade, stores and spares and capital commitment amounted to Rs. 435 million (June 30, 2023: Rs. 834.835 million).

# PAKISTAN SYNTHETICS LIMITED

	Nine months period ended		Three months period ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
	----- (Rupees in '000) -----			
<b>13. REVENUE FROM CONTRACTS WITH CUSTOMERS</b>				
Gross Sales	11,097,274	12,103,487	4,648,894	5,263,520
Less: Sales Tax	(1,746,647)	(1,850,808)	(750,143)	(821,236)
	<u>9,350,627</u>	<u>10,252,679</u>	<u>3,898,751</u>	<u>4,442,284</u>
<b>14. TAXATION</b>				
Current	228,867	280,700	93,732	47,818
Deferred	(35,203)	48,749	(13,377)	62,146
	<u>193,664</u>	<u>329,449</u>	<u>80,355</u>	<u>109,964</u>
<b>15. EARNINGS PER SHARE - BASIC AND DILUTED</b>				
Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company to the weighted average number of ordinary shares in issue during the period. There is no dilutive effect on the basic earnings per share of the Company.				
Profit for the period	<u>356,533</u>	<u>670,080</u>	<u>140,292</u>	<u>259,357</u>
	----- (Number) -----			
Weighted average number of ordinary shares outstanding during the period (2023: adjusted for Bonus issue)	<u>138,699,000</u>	<u>138,699,000</u>	<u>138,699,000</u>	<u>138,699,000</u>
	----- (Rupees) -----			
Earning per share-basic and diluted (Rupees)	<u>2.57</u>	<u>4.83</u>	<u>1.01</u>	<u>1.87</u>
			<b>March 31, 2024</b>	<b>March 31, 2023</b>
			----- (Rupees in '000) -----	
<b>16. CASH (USED IN) / GENERATED FROM OPERATIONS</b>				
Profit before tax			550,197	999,529
Adjustment for non-cash charges and other items:				
Depreciation on property, plant and equipment			319,390	335,320
Depreciation on right of use asset			7,415	7,416
Gain on disposal of property, plant and equipment			-	(439)
Share of loss on investment in associates			18,094	
Finance costs			567,666	234,183
Amortisation of deferred income - government grant			(21,954)	(14,649)
Interest expense on lease liability			1,754	2,530
Reversal of provision against expected credit loss			(49,111)	17,508
Unrealised (gain) / loss remeasurement of short term investment			(535)	2,517
Charge for staff gratuity			30,000	30,000
Net remeasurement gain on provision of GIDC			-	(2,281)
Interest expense on GIDC			-	13,992
			872,719	626,097

# PAKISTAN SYNTHETICS LIMITED

## Working capital changes

(Increase) / decrease in current assets:

Stores and spares	(120,624)	(41,424)
Stock in trade	(1,012,772)	(1,289,168)
Trade debts	(894,242)	94,519
Loans and advances	(121,727)	201,813
Short term deposits and prepayments	(13,234)	(21,715)
Other receivables	-	(39,580)
	(2,162,599)	(1,095,555)

(Decrease) / Increase in current liabilities:

Trade and other payables	(44,517)	573,191
	(2,207,116)	(522,364)
Long term loan to employees - net	(903)	698
Net cash (used in) / generated from operations	(785,103)	1,103,960

## 17. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The related parties comprise of entities over which the Company is able to exercise significant influence, entities with common directors, major shareholders, staff retirement benefits, directors and key management personnel. Transactions with related parties are entered into at commercial terms, as per the terms of employment and actuarial advice, as the case may be. The name, nature and basis of relationships are:

Name of related party	Nature of relationship	Basis of relationship
Amna Industries (Private) Limited	Associated Company	Common directorship
Petpak Films (Private) Limited	Associated Company	Shareholding & directorship
3M Industries (Private) Limited	Associated Company	Common directorship
Al-Hilal Shariah Advisors (Private) Limited	Associated Company	Common directorship
Al-Hilal Securities Advisors (Private) Limited	Associated Company	Common directorship
Akaz Brands (Private) Limited	Associated Company	Common directorship
Key management personnel	Related parties	Executives

Details of transactions and balances with related parties, other than those which have been specifically disclosed elsewhere in these financial statements are as follows:

	Nine months period ended	
	March 31, 2024	March 31, 2023
	----- (Rupees in '000) -----	
<b>17.1 Transactions during the period</b>		
<b>Key management personnel compensation</b>		
Managerial remunerations	53,595	52,269
Others	8,705	7,344
<b>17.1.1</b>		
The directors and most of the executives of the Company are provided with free use of the Company maintained cars.		
<b>Associated Company</b>		
Petpak Films (Private) Limited- Investment	100,000	-

# PAKISTAN SYNTHETICS LIMITED

March 31,      June 30,  
2024            2023  
(Un-audited)    (Audited)  
(Rupees in '000)

**17.2 Period / Year-end balances**

**Associated Company**

Petpak Films (Private) Limited-  
Investment

1,480,271      1,398,365

**18. FINANCIAL RISK MANAGEMENT**

The financial risk management objectives and policies adopted by the Company are consistent with those disclosed in the annual financial statements as at and for the year ended June 30,2023.

**19. FAIR VALUE OF FINANCIAL INSTRUMENTS**

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

As of the reporting date, except for short term investment none of the financial instruments of the Company are carried at fair value.

During the period, there has been no significant changes in the business circumstances that would affect the fair values of the Company's financial assets and financial liabilities whether those assets or liabilities are recognised at fair value or amortised cost. Further, there have been no transfers between levels of fair value hierarchy used in measuring the fair value of the financial instruments.

The carrying values of all financial assets and liabilities reflected in these condensed interim financial statements approximate their fair values.

**20. CORRESPONDING FIGURES**

Corresponding figures have been rearranged and reclassified, wherever considered necessary, for the purpose of comparison and better presentation. However there were no major reclassification during the period.

**21. DATE OF AUTHORIZATION FOR ISSUE**

These condensed interim financial statements have been authorised for issue on April 29, 2024 by the Board of Directors of the Company.

**22. GENERAL**

Figures have been rounded off to nearest thousand rupees, unless otherwise stated.

**CHIEF FINANCIAL OFFICER**

**CHIEF EXECUTIVE**

**DIRECTOR**