



FIRST
QUARTER
REPORT

SEPTEMBER
2024

PAKISTAN SYNTHETICS LIMITED

BOARD OF DIRECTORS	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
AUDIT COMMITTEE	MR. ALI KAMAL MR. MUBBASHIR AMIN MR. FARAZ YOUNUS BANDUKDA	CHAIRMAN
HUMAN RESOURCE AND REMUNERATION COMMITTEE	MR. FARAZ YOUNUS BANDUKDA MR. MUBBASHIR AMIN MR. NOMAN YAKOOB	CHAIRMAN
CHIEF FINANCIAL OFFICER COMPANY SECRETARY	MR. SHAHID YAKOOB MR. MUHAMMAD IMRAN	
BANKERS	ASKARI BANK LIMITED AL BARAKA BANK PAKISTAN LIMITED BANK AL HABIB LIMITED BANK OF PUNJAB LIMITED BANK OF KHYBER 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 PAK KUWAIT INVESTMENT COMPANY SONERI BANK LIMITED	
AUDITORS	BDO EBRAHIM & CO. CHARTERED ACCOUNTANTS	
HEAD OF INTERNAL AUDIT	MR. JAFFAR IQBAL	
REGISTRAR	F.D REGISTRAR SERVICES (PVT.) LTD. OFFICE # 1705, 17 TH FLOOR, SAIMA TRADE TOWER-A, I.I. CHUNDRIGAR ROAD, KARACHI.	
LEGAL ADVISOR ADVOCATE	TASAWUR ALI HASHMI	
REGISTERED OFFICE	OFFICE # 1504, 15 TH FLOOR, EMERALD TOWER, BLOCK 5, CLIFTON, KARACHI	
FACTORY	F-1, 2, 3, 13, 14 & 15 HUB INDUSTRIAL TRADING ESTATE DISTRIC LASBELLA, BALOCHISTAN. PLOT # A-5, N.W.I.Z, PORT QASIM AUTHORITY, KARACHI	

PAKISTAN SYNTHETICS LIMITED

DIRECTORS' REVIEW

The Board of Directors is pleased to present Condensed Interim Financial Statement for the quarter ended September 30, 2024 to the shareholders of the Company.

OPERATING AND FINANCIAL REVIEW

During the quarter ended September 30, 2024, the Company generated a net revenue of Rs. 3,500.89 million. This figure represents a slight decrease of 3.35% when compared to the Rs. 3,620.85 million earned during the same period last year. Conversely, the cost of sales for the current reporting period amounted to Rs. 2,934.09 million, which showed marginal decrease of 3.83% in comparison to the Rs. 3,051.69 million incurred in the corresponding period of last year. As a result, the gross profit for the quarter under review amounted to Rs. 566 million (2023: 569million). The Administrative and Distribution expenses amounted to Rs. 92.03 million as against Rs. 103.25 million recorded in the same period of last year. Decline in other expenses is mainly on account of higher exchange loss incurred in the corresponding period last year. Finance cost stood at Rs. 206.93 million as compared to Rs. 197.97 same period last year. Share of loss in Associates have reduced the profit before tax by Rs. 74.94 million. After providing all the cost, the Company posted net profit after tax for the quarter amounting to Rs. 97.94 million (2023: 143.86 million). The profit is translated into earning per share of Rs. 0.71 (2023: Rs. 1.04).

FUTURE OUTLOOK

The short to medium-term outlook remains highly uncertain as both the economic and political landscapes are in constant flux. Consumers are facing numerous challenges, including high inflation, rising prices, stagnant incomes, increasing taxes, and steep utility costs. These factors create a daily struggle for many to make ends meet. However, there is potential for improvement as inflation is expected to soften, and the stability of the exchange rate, along with anticipated declines in interest rates over the next year, may provide some relief and stimulate economic activity. The lingering effects of a previously inflated working environment, along with further rising fuel and energy costs, will likely continue to strain demand and negatively impact profit margins.

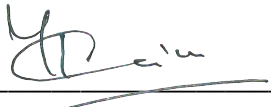
In light of these challenges, our focus remains on enhancing efficiencies to navigate these tough times.

ACKNOWLEDGEMENT

The Board expresses its gratitude to all the valued shareholders, Federal and Provincial Government functionaries, Banks, financial institutions, suppliers and customers for their unwavering commitment and support to the Company.

The Board also extends its appreciation to the management team, executives, staff members and workers of the company for the valuable contributions, services, loyalty & dedication and recognize that they are most valuable assets of the Company.

For and on behalf of the Board of Directors



YAKOOB HAJI KARIM
CHIEF EXECUTIVE



NOMAN YAKOOB
DIRECTOR

Date: 28 October 2024

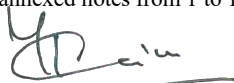
Karachi

PAKISTAN SYNTHETICS LIMITED

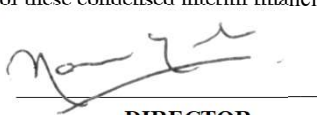
PAKISTAN SYNTHETICS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2024

		Sep 30, 2024 (Unaudited)	June 30, 2024 (Audited)
	Note	----- (Rupees in '000) -----	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	3,152,048	2,925,706
Right-of-use assets		9,887	12,359
Long term deposits		4,209	4,209
Deferred taxation		37,821	10,553
Investment in associates	6	1,104,502	1,179,443
		4,308,467	4,132,270
CURRENT ASSETS			
Stores and spares		541,915	588,566
Stock-in-trade	7	3,571,649	3,335,639
Trade debts	8	3,119,195	2,691,511
Loans and advances		164,090	165,495
Short term deposits and prepayments		24,114	10,373
Short term investments		9,288	8,187
Other receivables		31,394	2,032
Taxation - net		254,131	217,283
Cash and bank balances		27,529	9,113
		7,743,306	7,028,199
TOTAL ASSETS		12,051,773	11,160,469
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital			
140,000,000 (June 30, 2024: 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, 2024: 138,699,000) ordinary shares of Rs. 10 each		1,386,990	1,386,990
Reserves		2,971,468	2,873,528
		4,358,458	4,260,518
NON-CURRENT LIABILITIES			
Long term borrowings		504,392	549,892
Lease liability		-	2,880
Deferred income - government grant		54,748	60,980
		559,140	613,752
CURRENT LIABILITIES			
Trade and other payables		2,533,703	2,237,385
Short term borrowings	9	4,279,148	3,726,456
Accrued markup		74,515	61,804
Current portion of long term borrowings		201,503	214,003
Current portion of lease liabilities		14,597	14,864
Current portion of deferred government grant		25,312	26,290
Unclaimed dividend		5,397	5,397
		7,134,175	6,286,199
TOTAL EQUITY AND LIABILITIES		12,051,773	11,160,469
CONTINGENCIES AND COMMITMENTS			
	10		

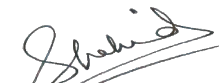
The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

PAKISTAN SYNTHETICS LIMITED

PAKISTAN SYNTHETICS LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2024

		Sep 30, 2024	Sep 30, 2023
	Note	----- (Rupees in '000) -----	
Revenue from contracts with customers	11	3,500,893	3,620,854
Cost of sales		(2,934,084)	(3,051,685)
Gross profit		566,809	569,169
Administrative and general expenses		(30,337)	(41,402)
Distribution and selling costs		(61,690)	(61,852)
Other operating expenses		(16,006)	(35,592)
		(108,033)	(138,846)
Operating profit		458,776	430,323
Other income		8,547	8,852
Finance costs		(206,929)	(197,963)
Share of loss on investment in associate		(74,941)	-
Profit before tax		185,453	241,212
Taxation	12	(87,513)	(97,353)
Profit for the period		97,940	143,859
		(Rupees)	
Earnings per share - basic and diluted	13	0.71	1.04

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE



DIRECTOR



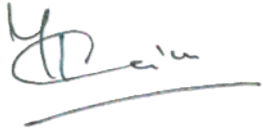
CHIEF FINANCIAL OFFICER

PAKISTAN SYNTHETICS LIMITED

PAKISTAN SYNTHETICS LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2024

	Sep 30, 2024	Sep 30, 2023
	----- (Rupees in '000) -----	
Profit for the period	97,940	143,859
Other comprehensive income		
Items that will not be reclassified to statement of profit or loss:	-	-
Total comprehensive income for the period	<u>97,940</u>	<u>143,859</u>

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

PAKISTAN SYNTHETICS LIMITED

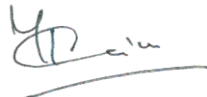
PAKISTAN SYNTHETICS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED SEPTEMBER 30, 2024

Issued, subscribed and paid-up capital	Reserves				Total reserves	Total
	Capital reserve	Revenue reserves				
		Share premium	General reserve	Unappropriated profit		

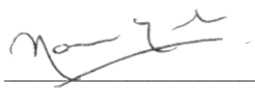
(Rupees in '000)

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 September 30, 2023						
Profit for the period	-	-	-	143,859	143,859	143,859
Balance as at Sep 30, 2023 (Un-Audited)	<u>1,386,990</u>	<u>140,100</u>	<u>292,450</u>	<u>2,234,880</u>	<u>2,667,430</u>	<u>4,054,420</u>
Balance as at July 01, 2024 (Audited)	1,386,990	140,100	292,450	2,440,978	2,873,528	4,260,518
Total comprehensive Income for the period ended September 30, 2024						
Profit for the period	-	-	-	97,940	97,940	97,940
Balance as at Sep 30, 2024 (Un-Audited)	<u>1,386,990</u>	<u>140,100</u>	<u>292,450</u>	<u>2,538,918</u>	<u>2,971,468</u>	<u>4,358,458</u>

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE



DIRECTOR




CHIEF FINANCIAL OFFICER

PAKISTAN SYNTHETICS LIMITED

PAKISTAN SYNTHETICS LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2024

	Sep 30, 2024	Sep 30, 2023
Note	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash generated/(used in) from operations	204,800	(934,915)
Staff gratuity paid	-	(2,003)
Financial charges paid	(184,934)	(124,056)
Taxes paid	(151,629)	(178,097)
Net cash used in operating activities	<u>(131,763)</u>	<u>(1,239,071)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	<u>(333,797)</u>	<u>(30,012)</u>
Investment in associate	-	(100,000)
Net cash used in investing activities	<u>(333,797)</u>	<u>(130,012)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of lease liability	<u>(3,506)</u>	<u>(3,248)</u>
Repayment of long term borrowings	(65,210)	(34,110)
Short term murabaha, salam and istisna - net	<u>775,896</u>	<u>571,020</u>
Net cash flows from financing activities	<u>707,180</u>	<u>533,662</u>
Net increase / (decrease) in cash and cash equivalents during the period	<u>241,621</u>	<u>(835,421)</u>
Cash and cash equivalents at beginning of the period	<u>(1,556,085)</u>	<u>(287,423)</u>
Cash and cash equivalents at end of the period	<u><u>(1,314,464)</u></u>	<u><u>(1,122,844)</u></u>
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances	27,529	7,491
Running Finance and Running Musharakah	<u>(1,341,994)</u>	<u>(1,130,335)</u>
	<u><u>(1,314,464)</u></u>	<u><u>(1,122,844)</u></u>

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

PAKISTAN SYNTHETICS LIMITED

PAKISTAN SYNTHETICS LIMITED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2024

1. STATUS AND NATURE OF BUSINESS

Pakistan Synthetics Limited ("the Company") was incorporated on 18 November 1984 as a private limited company in Pakistan and subsequently converted into a public limited company on 30 December 1987. The shares of the Company are listed on Pakistan Stock Exchange with effect from 27 June 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 comprise of:

- International Financial Reporting Standards (IFRS) 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 provisions of and directives issued under the Companies Act 2017 differ from IFRS or IFAS, the provisions of and directives issued under the Companies Act 2017 have been followed.

These condensed interim financial statements of the Company does not include all of the information required for annual financial statements and should be read in conjunction with the annual audited financial statements of the Company as at and for the year ended 30 June 2024. 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.

These condensed interim financial statements are being submitted to the shareholders as required by listing regulations of Pakistan Stock Exchange vide section 237 of the Companies Act, 2017.

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 financial statements are presented in Pakistan Rupees ('Rupees' or 'Rs.') which is also the Company's functional and presentation currency.

3. **SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of annual audited financial statements of the Company as at and for the year ended 30 June 2024.

4. **ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT**

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 were the same as those that applied to the annual financial statements as at and for the year ended 30 June 2024.

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 30 June 2024.

PAKISTAN SYNTHETICS LIMITED

5. PROPERTY, PLANT AND EQUIPMENT	Note	Sep 2024	June 2024
		(Rupees in '000)	
Operating fixed assets		2,657,729	2,765,183
Capital work-in-progress		494,319	160,523
		<u>3,152,048</u>	<u>2,925,706</u>
5.1	Following are the additions to property, plant and equipment during the period	For the quarter ended	
		Sep 2024	Sep 2023
		(Rupees in '000)	
	<i>Additions to PPE & CWIP:</i>		
	Computer Accessories	-	414
	Capital work-in-progress	333,796	29,500
		<u>333,796</u>	<u>29,914</u>
6. INVESTMENT IN ASSOCIATE			
	Carrying value	1,179,443	1,498,365
	Less: share of loss from Associate	(74,941)	(318,922)
		<u>1,104,502</u>	<u>1,179,443</u>
6.1	This represents shareholding of 23.08% (June 24: 23.08%) comprising of 150,000,000 shares (June 24: 150,000,000) of Petpak Films (Private) Limited, original cost of the shares was Rs. 10/share.		
7. STOCK-IN-TRADE		Sep 2024	June 2024
		(Rupees in '000)	
	Raw and packing material		
	in hand	889,045	751,113
	in transit	281,283	337,091
		<u>1,170,328</u>	<u>1,088,204</u>
	Work-in-process	1,451,308	78,114
	Finished goods	950,013	2,169,321
		<u>3,571,649</u>	<u>3,335,639</u>
8. TRADE DEBTS			
	Unsecured and considered goods		
	Trade debts	3,345,712	2,918,028
	Less: allowance for expected credit losses	(226,517)	(226,517)
		<u>3,119,195</u>	<u>2,691,511</u>

PAKISTAN SYNTHETICS LIMITED

9. SHORT TERM BORROWINGS - SECURED

	Sep 2024	June 2024
	(Rupees in '000)	
Conventional		
Running finance under mark-up arrangement	24,334	412,107
Islamic		
Murabaha	687,294	193,702
Istisna	2,249,860	1,967,557
Running Musharakah	1,317,660	1,153,090
	<u>4,279,148</u>	<u>3,726,456</u>

10. CONTINGENCIES AND COMMITMENTS

10.1 Contingencies

There are no changes in the status of contingencies as disclosed in the annual audited financial statements for the year ended 30 June 2024.

10.2 Commitments

The Company has facilities of Rs. 3,650 million (June 30, 2024: Rs. 3,650 million) for opening letters of credit. At September 30, 2024, the open letters of credits for stock in trade, stores and spares and capital commitment amounted to Rs. 328 million (June 30, 2024: Rs. 1,009 million).

PAKISTAN SYNTHETICS LIMITED

	Sep 30, 2024	Sep 30, 2023
	(UnAudited)	
11. REVENUE FROM CONTRACTS WITH CUSTOMERS		
Gross sales	4,128,339	4,272,939
Less: Sales tax	(627,446)	(652,085)
	3,500,893	3,620,854
12. TAXATION		
Current	114,781	115,259
Deferred	(27,268)	(17,906)
	87,513	97,353
13. EARNINGS PER SHARE - BASIC AND DILUTED		
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 after tax (Rupees in '000)	97,940	143,859
Weighted average number of ordinary shares outstanding during the year	138,699,000	138,699,000
Earnings per share - basic and diluted	0.71	1.04
14. CASH (USED IN) / GENERATED FROM OPERATIONS	Sep 30, 2024	Sep 30, 2023
	(UnAudited)	
Profit before tax	185,453	241,212
Adjustment for non-cash charges and other items:		
Depreciation on property, plant and equipment	107,454	106,247
Depreciation on right of use asset	2,472	2,472
Share of loss on investment in associates	74,941	-
Unrealised gain remeasurement of short term investment	(1,101)	(59)
Interest expense on lease liability	359	657
Amortisation of deferred income - government grant	(7,210)	(7,082)
Finance costs	204,855	180,477
Charge for staff gratuity	-	10,000
Net remeasurement gain on provision of GIDC	-	(1,663)
Interest expense on GIDC	-	227
Unrealised exchange loss	1,717	-
	383,486	291,276

PAKISTAN SYNTHETICS LIMITED

	Sep 30, 2024	Sep 30, 2023
	(Rupees in '000)	
Working capital changes	(364,139)	(1,467,628)
Long term loan to employees - net	-	225
	<u>(364,139)</u>	<u>(1,467,403)</u>
Net cash generated from / (used in) operations	<u>204,800</u>	<u>(934,915)</u>

15. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

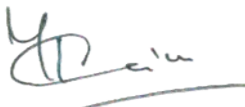
The related parties comprise of entities over which the Company is able to exercise significant influence, entities with common directors, major shareholders, staff retirement benefits, directors and key management personnel. Transactions with related parties are entered into at commercial terms, as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

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

15.1 Related party transactions:	Sep 30, 2024	Sep 30, 2023
	(Rupees in '000)	
<i>Key management personnel compensation</i>		
Managerial remunerations	<u>16,963</u>	<u>16,671</u>
Others	<u>668</u>	<u>1,909</u>
<i>Petpak Films(Private) Limited</i>		
Share of loss on investment in associate	<u>74,941</u>	<u>-</u>
15.2 Related party balances:	Sep 30 2024	June 30, 2024
	(Rupees in '000)	
<i>Petpak Films(Private) Limited</i>		
Investment	<u>1,104,502</u>	<u>1,179,443</u>

16. GENERAL

These condensed interim financial statements have been authorised for issue on October 28, 2024 by the Board of Directors of the Company.


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER