



Synthetic Products Enterprises Limited



PARTNER YOU CAN TRUST

31 December 2024

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## Company Information

### Board of Directors

Mr. Almas Hyder	Chairman
Mr. Zia Hyder Naqi	CEO
Mr. Haroon Sharif	Director
Dr. Syed Sohail Hussain Naqvi	Director
Mr. Ameen Ahsan	Director
Dr. Nighat Arshad	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. Ameen Ahsan	Member
Dr. Nighat Arshad	Member

### HR & R Committee

Mr. Ameen Ahsan	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. Zia Hyder Naqi	Member
Mr. Haroon Sharif	Member
Dr. Syed Sohail Hussain Naqvi	Member
Mr. Abid Saleem Khan	Member

### Risk Management & Sustainability Committee

Dr. Syed Sohail Hussain Naqvi	Committee Chairman
Mr. Zia Hyder Naqi	Member
Mr. Haroon Sharif	Member
Dr. Nighat Arshad	Member

### Nomination Committee

Mr. Almas Hyder	Committee Chairman
Mr. Zia Hyder Naqi	Member
Dr. Syed Sohail Hussain Naqvi	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 Consultant

A. F. Ferguson & Co.  
Chartered Accountants  
(A Member Firm of the PWC Network)

### 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](mailto: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](http://www.spelgroup.com)

## SYNTHETIC PRODUCTS ENTERPRISES LIMITED

*Directors' Review of the Condensed Interim Financial Information  
For the Half year & quarter ended 31 December 2024*

### Dear Shareholders,

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

### Financial Analysis

	Half Year Ended		Quarter Ended	
	31 Dec 2024 PKR Millions	31 Dec 2023 PKR Millions	31 Dec 2024 PKR Millions	31 Dec 2023 PKR Millions
Sales – net	<b>4,505.57</b>	3,049.79	<b>2,196.50</b>	1,355.01
Cost of Sales	<b>(3,409.22)</b>	(2,466.57)	<b>(1,669.98)</b>	(1,089.47)
Gross Profit	<b>1,096.36</b>	583.22	<b>526.52</b>	265.54
Operating Profit	<b>860.07</b>	391.77	<b>404.78</b>	167.44
Profit before tax	<b>783.23</b>	367.15	<b>353.71</b>	162.61
Profit after tax	<b>462.28</b>	234.63	<b>177.36</b>	111.19
EPS – Basic (PKR)	<b>2.44</b>	1.22	<b>0.93</b>	0.58

### Sales and Profitability

Net sales for the half year increased by 47.7%, reaching PKR 4,505.57 million, compared to PKR 3,049.79 million in the corresponding period of 2024. This substantial growth is attributed to higher demand for our products, improved market conditions, higher export and the company's focused efforts in expanding our customer base. During the year under review, the export sales surged from PKR 28.97 million to PKR 773.93 million, contributing to our overall sales performance.

The gross profit for the half year stood at PKR 1,096.36 million, compared to PKR 583.23 million for the same period last year, reflecting an increase of 87.98%. The gross profit margin improved to 24.3% in the current period, up from 19.1% in the corresponding period last year. This enhancement in the GP margin can be attributed to several factors, including solarization, reduction in energy costs and better absorption of fixed cost components such as depreciation. Better use of resources have collectively improved our operational efficiency.

### Expansion

The Company has capitalized an amount of Rs 198.85 million in expansion and modernization of its production facilities and the company will continue to expand its facilities to cater for the growing market needs.

### Disclosure on Diversity

SPEL (Synthetic Products Enterprises Limited) is committed to promoting gender diversity and fostering a work environment that ensures equal opportunities for all employees. We follow a position-based salary structure with no gender discrimination, ensuring that male and female employees within the same cadre receive equivalent pay. As a result, we are ensuring fair and equitable compensation for all employees.

## Sustainability Reporting

Our Environmental, Social, and Governance (ESG) framework is designed to integrate responsible business practices into every aspect of our operations. We are committed to minimizing our environmental footprint by improving energy efficiency, reducing waste, and adopting sustainable materials. On the social front, we prioritize employee well-being, diversity, equity, and inclusion (DE&I), fostering a culture of innovation and equal opportunity. In terms of governance, we uphold high ethical standards, transparency, and accountability, ensuring compliance with global best practices. The Board actively oversees sustainability-related risks and opportunities, reinforcing our dedication to sustainable growth.

## Outlook

As we move forward, the company remains committed to further strengthening its market position by focusing on operational excellence, product innovation, and expanding into new markets. We are confident that our strategic initiatives will continue to deliver sustainable growth in the long-term.

## Change of Name of the Company

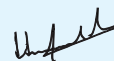
The Board of Directors has decided to change the name of the Company from Synthetic Products Enterprises Limited to "SPEL Limited". This change aligns with our strategic vision, enabling us to adapt and thrive in evolving market conditions. It also reflects our commitment to global sustainability standards and strengthens our international presence.

## Acknowledgment

We would like to thank our valued customers for their confidence and trust in the Company's products. We are also thankful to all other stakeholders including dealers, suppliers, bankers, shareholders and employees for providing continuous support.



*Chief Executive Officer*



*Director*

Lahore  
07 February 2025



## سینتھیٹک پراڈکٹس انٹرپرائزز لمیٹڈ ڈائریکٹرز کا جائزہ

### محترم شیئرز ہولڈرز

سینتھیٹک پراڈکٹس انٹرپرائزز لمیٹڈ کے بورڈ آف ڈائریکٹرز 31 دسمبر 2024 کو ختم ہونے والی مدت کے لیے آپ کی کمپنی کی غیر آڈیٹ شدہ مالیاتی معلومات ڈائریکٹرز کے جائزے کے ساتھ پیش کر رہے ہیں۔

### مالیاتی جائزہ

#### Quarter Ended

**31 Dec 2024**  
**PKR Millions**

**2,196.50**  
**(1,669.98)**  
**526.52**  
**404.78**  
**353.71**  
**177.36**  
**0.93**

#### Half Year Ended

**31 Dec 2024**  
**PKR Millions**

**4,505.57**  
**(3,409.22)**  
**1,096.36**  
**860.07**  
**783.23**  
**462.28**  
**2.44**

سیلز  
کاسٹ آف سیلز  
گراس منافع  
آپریٹنگ منافع  
قبل از ٹیکس منافع  
بعد از ٹیکس منافع  
فی حصص  
آمدنی (روپے)

### سیلز اور منافع

سہ ماہی مدت کی فروخت میں 47.7% اضافہ ہوا، جو بڑھ کر PKR 4,505.57 ملین تک پہنچ گئی، جبکہ پچھلے سال اسی مدت میں یہ رقم PKR 3,049.79 ملین تھی۔ اس نمایاں ترقی کی بنیادی وجوہات میں ہماری مصنوعات کی بڑھتی ہوئی طلب، مارکیٹ کے بہتر حالات، برآمدات میں اضافہ اور کمپنی کی جانب سے کسٹمرز کے دائرہ کار کو وسعت دینے پر خصوصی توجہ شامل ہیں۔ اسی مدت کے دوران، برآمدی فروخت PKR 28.97 ملین سے بڑھ کر PKR 773.93 ملین تک پہنچ گئی، جس نے مجموعی فروخت کے اضافہ میں نمایاں کردار ادا کیا۔

سہ ماہی مدت کے دوران مجموعی منافع PKR 1,096.36 ملین رہا، جو پچھلے سال کی اسی مدت میں PKR 583.23 ملین تھا، یعنی 87.98% کا نمایاں اضافہ ہوا۔ موجودہ مدت میں مجموعی منافع کا مارجن بڑھ کر 24.3% ہو گیا، جبکہ پچھلے سال یہ 19.1% تھا۔ اس بہتری کی بنیادی وجوہات میں سولر انزیشن، توانائی کے اخراجات میں کمی، اور فکسڈ لاگت کے عناصر، جیسے کہ فرسودگی (ڈیپریسی ایشن)، کامؤثر انداز میں جذب ہونا شامل ہیں۔ وسائل کے بہتر استعمال نے مجموعی طور پر ہماری آپریشنل کارکردگی میں نمایاں بہتری پیدا کی ہے۔

### توسیع

کمپنی نے اپنی پیداواری سہولیات کی توسیع اور جدید کاری میں PKR 198.85 ملین کی سرمایہ کاری کی ہے۔ بڑھتی ہوئی مارکیٹ کی ضروریات کو پورا کرنے کے لیے کمپنی اپنی سہولیات میں مزید وسعت دینے کا عمل جاری رکھے گی۔

## صنعتی توازن کے متعلق بیان

سپیل صنعتی توازن کو فروغ دینے اور کام کے ایک ایسے ماحول کو قائم کرنے کے لیے پر عزم ہے جو تمام ملازمین کے لیے یکساں مواقع کو یقینی بناتا ہے۔ ہم صنعتی امتیاز کے بغیر پوزیشن پر مبنی تنخواہ پر عمل پیرا ہیں، اس بات کو یقینی بناتے ہوئے کہ ایک ہی درجے میں کام کرنے والے مرد اور خواتین ملازمین کو برابر تنخواہ ملے۔ نتیجتاً ہم تمام ملازمین کے لیے بلا امتیازان کی قابلیت کے مطابق معاوضے کو یقینی بنارہے ہیں۔

## ماحولیاتی، سماجی اور تنظیمی اقدامات

ہمارا ماحولیاتی، سماجی اور تنظیمی (ESG) فریم ورک ذمہ دارانہ کاروباری طریقوں کے مطابق تمام عملی پہلوؤں کو مد نظر رکھتے ہوئے تیار کیا گیا ہے۔ ہم اپنی ماحولیاتی اثرات کو کم سے کم کرنے کے لیے توانائی کی کارکردگی میں بہتری، فضلہ میں کمی، اور پائیدار مواد کو اپنانے کے لیے پر عزم ہیں۔ سماجی سطح پر، ہم ملازمین کی فلاح و بہبود، توازن، مساوات اور شمولیت (DE&I) کو ترجیح دیتے ہیں۔ تنظیمی معاملات میں ہم اعلیٰ اخلاقی معیارات، شفافیت اور جوابدہی کو مقدم رکھتے ہیں، تاکہ عالمی بہترین طریقوں پر عمل کو یقینی بنایا جاسکے۔ بورڈ sustainability سے متعلق خطرات اور مواقع کی فعال نگرانی کرتا ہے، جو ہمارے پائیدار ترقی کے عزم کو مزید مضبوط کرتا ہے۔

## مستقبل کے امکانات

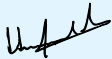
آگے بڑھتے ہوئے، کمپنی عملی مہارت، مصنوعات کی جدت، اور نئے بازاروں میں توسیع پر توجہ مرکوز کرتے ہوئے اپنی مارکیٹ پوزیشن کو مزید مضبوط بنانے کے لیے پر عزم ہے۔ ہمیں یقین ہے کہ ہماری اسٹریٹجک حکمت عملی طویل مدتی پائیدار ترقی کو یقینی بنائے گی۔

## کمپنی کے نام کی تبدیلی

بورڈ آف ڈائریکٹرز نے کمپنی کا نام سنٹھیٹک پروڈکٹس انٹرپرائزز لمیٹڈ سے تبدیل کر کے "سپیل لمیٹڈ" رکھنے کا فیصلہ کیا ہے۔ یہ تبدیلی ہماری اسٹریٹجک وژن کے مطابق ہے، جو ہمیں بدلے ہوئے مارکیٹ حالات میں ڈھلنے اور ترقی کرنے میں مدد دے گی۔ یہ نہ صرف عالمی sustainability کے معیارات کے لیے ہمارے عزم کی عکاسی کرتی ہے بلکہ بین الاقوامی سطح پر ہماری موجودگی کو بھی مزید مستحکم کرتی ہے۔

## اعتراف

ہم اپنے معزز صارفین کا شکریہ ادا کرنا چاہتے ہیں جنہوں نے کمپنی کی مصنوعات پر اعتماد اور بھروسہ کیا۔ ہم تمام دیگر اسٹیک ہولڈرز، بشمول ڈیلرز، سپلائرز، بینکرز، شیئرز ہولڈرز اور ملازمین کے بھی شکر گزار ہیں، جنہوں نے ہمیں مسلسل تعاون فراہم کیا۔



ڈائریکٹر



چیف ایگزیکٹو آفیسر

لاہور

07 فروری 2025



KPMG Taseer Hadi & Co.  
Chartered Accountants  
351 Shadman-1, Jail Road,  
Lahore 54000 Pakistan  
+92 (42) 111-KPMGTH (576484), Fax +92 (42) 3742 9907

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Synthetic Products Enterprises Limited

### Report on Review of Interim Financial Statements

#### Introduction

We have reviewed the accompanying condensed interim statement of financial position of Synthetic Products Enterprises Limited ("the Company") as at 31 December 2024 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows and notes to the condensed interim financial statements for the six-month period then ended (here-in-after referred to as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

#### Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

#### Other matter


The figures for the quarters ended 31 December 2024 and 31 December 2023 in the condensed interim statement of profit or loss and the condensed interim statement of comprehensive income have not been reviewed by us and we do not express a conclusion on them.

The engagement partner on the review resulting in this independent auditor's report is Ahsin Tariq.

Lahore

Date: 27 February 2025

UDIN: RR202410119oE708aPYp

  
KPMG Taseer Hadi & Co.  
Chartered Accountants



# Synthetic Products Enterprises Limited

## Condensed Interim Statement of Financial Position (Un-audited)

As at 31 December 2024

	Note	Un-audited 31 December 2024 Rupees	Audited 30 June 2024 Rupees
<b>EQUITY AND LIABILITIES</b>			
<b><u>Share capital and reserves</u></b>			
Authorized share capital of Rs. 5 each (30 June 2024: Rs. 5 each)		<b>1,500,000,000</b>	1,500,000,000
Issued, subscribed and paid-up capital	5	<b>998,680,080</b>	998,680,080
Treasury shares		<b>(114,905,038)</b>	(114,905,038)
Share premium		<b>358,627,893</b>	358,627,893
Accumulated profit		<b>3,362,758,190</b>	3,052,276,831
Surplus on revaluation of land		<b>827,709,345</b>	827,709,345
<b>Shareholders' equity</b>		<b>5,432,870,470</b>	5,122,389,111
<b>LIABILITIES</b>			
<b><u>Non-current liabilities</u></b>			
Long term loans - secured	6	<b>306,702,138</b>	353,624,878
Deferred grant	7	<b>56,593,402</b>	65,536,099
Lease liabilities	8	<b>109,777,150</b>	11,941,731
Deferred taxation		<b>487,600,144</b>	433,203,097
		<b>960,672,834</b>	864,305,805
<b><u>Current liabilities</u></b>			
Trade and other payables		<b>481,247,909</b>	600,343,233
Short term borrowings	9	<b>273,672,412</b>	210,207,336
Contract Liabilities		<b>26,422,928</b>	93,515,854
Current maturity of long term liabilities	10	<b>258,929,754</b>	353,037,211
Unclaimed dividend		<b>6,284,434</b>	5,025,308
Accrued mark up		<b>51,541,567</b>	54,577,231
		<b>1,098,099,004</b>	1,316,706,173
		<b>7,491,642,308</b>	7,303,401,089

### Contingencies and commitments

11

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

Lahore

Chief Executive Officer

Director

Chief Financial Officer

		Un-audited 31 December 2024 Rupees	Audited 30 June 2024 Rupees
	Note		
<b>ASSETS</b>			
<b><u>Non-current assets</u></b>			
Property, plant and equipment			
- Operating fixed assets	12.1	3,811,115,663	3,798,403,398
- Capital work in progress	12.2	91,927,188	141,906,550
- Right of use assets	12.3	327,414,156	226,377,906
Advances to suppliers		-	19,993,000
Intangible assets		838,049	208,549
Long term deposits		18,252,243	17,829,242
		<b>4,249,547,299</b>	<b>4,204,718,645</b>
 <b><u>Current assets</u></b>			
Stores, spares and loose tools		72,046,615	64,025,147
Stock-in-trade	13	1,627,944,071	1,571,703,297
Trade debts - unsecured	14	860,947,457	712,937,157
Advance income tax - net of provision		37,751,316	108,171,128
Advances, deposits, prepayments and other receivables		76,122,576	93,018,028
Short term investments	15	506,164,595	387,693,281
Cash and Bank	16	61,118,379	161,134,406
		<b>3,242,095,009</b>	<b>3,098,682,444</b>
		<b>7,491,642,308</b>	<b>7,303,401,089</b>

The annexed notes from 1 to 27 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 Profit or Loss (Un-audited)

For the half year and quarter ended 31 December 2024

	Note	Half Year Ended		Quarter Ended	
		31 December 2024 Rupees	31 December 2023 Rupees	31 December 2024 Rupees	31 December 2023 Rupees
Sales - net	17	4,505,573,515	3,049,794,101	2,196,497,530	1,355,010,330
Cost of sales	18	(3,409,217,186)	(2,466,565,573)	(1,669,977,545)	(1,089,474,425)
<b>Gross profit</b>		<b>1,096,356,329</b>	<b>583,228,528</b>	<b>526,519,985</b>	<b>265,535,905</b>
Administrative expenses		(199,795,476)	(162,285,497)	(103,041,720)	(82,677,812)
Selling and distribution expenses		(36,487,724)	(29,173,175)	(18,700,197)	(15,422,596)
<b>Operating profit</b>		<b>860,073,129</b>	<b>391,769,856</b>	<b>404,778,068</b>	<b>167,435,497</b>
Other income		79,327,509	62,777,689	37,078,491	37,844,958
Other charges		(83,330,470)	(34,291,099)	(51,703,480)	(17,517,775)
Finance cost	19	(72,843,857)	(53,111,147)	(36,441,765)	(25,150,078)
<b>Profit before taxation</b>		<b>783,226,311</b>	<b>367,145,299</b>	<b>353,711,314</b>	<b>162,612,602</b>
Taxation		(320,945,580)	(132,515,475)	(176,353,998)	(51,421,546)
<b>Profit after taxation</b>		<b>462,280,731</b>	<b>234,629,824</b>	<b>177,357,316</b>	<b>111,191,056</b>
Earnings per share - basic and diluted	20	2.44	1.22	0.93	0.58

The annexed notes from 1 to 27 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 half year and quarter ended 31 December 2024

	Half Year Ended		Quarter ended	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
	Rupees	Rupees	Rupees	Rupees
Profit after taxation	462,280,731	234,629,824	177,357,316	111,191,056
<b><u>Other comprehensive income/(loss) for the period</u></b>				
<i>Item that will not be recognized to profit or loss:</i>				
Fair value loss on investments at FVOCI	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>462,280,731</b>	<b>234,629,824</b>	<b>177,357,316</b>	<b>111,191,056</b>

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

# Synthetic Products Enterprises Limited

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

For the half year and quarter ended 31 December 2024

Issued subscribed and paid-up capital	Treasury share reserve	Capital Reserve		Revenue Reserve	Total
		Share Premium	Surplus on revaluation of land	Accumulated profit	
----- Rupees -----					

### 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

### Total comprehensive income

Profit for the half year ended 31 December 2023  
Other comprehensive loss for the  
half year ended 31 December 2023

-	-	-	-	234,629,824	234,629,824
-	-	-	-	-	-
-	-	-	-	234,629,824	234,629,824

### Transactions with owners of the Company

Purchase of treasury shares  
Final cash dividend for the year ended 30 June 2023  
@ Rs. 0.5 per share

-	(59,542,295)	-	-	-	(59,542,295)
-	-	-	-	(94,874,646)	(94,874,646)
-	(59,542,295)	-	-	(94,874,646)	(154,416,941)

### Balance as at 31 December 2023 - unaudited

998,680,080 (114,905,038) 358,627,893 827,709,345 2,645,939,515 4,716,051,795

### Total comprehensive income

Profit for the half year ended 30 June 2024  
Other comprehensive loss for the  
half year ended 30 June 2024

-	-	-	-	406,337,316	406,337,316
-	-	-	-	-	-
-	-	-	-	406,337,316	406,337,316

### Balance as at 30 June 2024 - audited

998,680,080 (114,905,038) 358,627,893 827,709,345 3,052,276,831 5,122,389,111

Profit for the half year ended 31 December 2024  
Other comprehensive loss for the  
half year ended 31 December 2024

-	-	-	-	462,280,731	462,280,731
-	-	-	-	-	-
-	-	-	-	462,280,731	462,280,731

### Transactions with owners of the Company

Final cash dividend for the year ended 30 June 2024  
@ Rs. 0.8 per share

-	-	-	-	(151,799,372)	(151,799,372)
-	-	-	-	(151,799,372)	(151,799,372)

### Balance as at 31 December 2024 - unaudited

998,680,080 (114,905,038) 358,627,893 827,709,345 3,362,758,190 5,432,870,470

The annexed notes from 1 to 27 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 half year and quarter ended 31 December 2024

	Note	31 December 2024 Rupees	31 December 2023 Rupees
<b><u>Cash flows from operating activities</u></b>			
<b>Profit before taxation</b>		<b>783,226,311</b>	<b>367,145,299</b>
<i>Adjustments for non cash items:</i>			
Depreciation on operating fixed assets	12.1	155,078,927	158,831,890
Depreciation on right of use assets	12.3	14,106,557	6,935,929
Amortization of intangibles		35,430	53,148
Finance cost	19	72,843,857	53,111,147
Amortization of deferred grant		(9,945,039)	(10,362,612)
Gain on disposal of property, plant and equipment		(6,320,087)	(6,101,360)
Expected credit loss charged for the period		11,442,839	4,833,442
Net realisable value adjustment for the period		(12,602,336)	10,447,257
Provision for Workers' Profit Participation Fund		42,108,941	19,717,748
Provision for Workers' Welfare Fund		16,843,577	7,491,911
		<b>283,592,666</b>	<b>244,958,500</b>
<b>Operating profit before working capital changes</b>		<b>1,066,818,977</b>	<b>612,103,799</b>
<i>Decrease/(Increase) in current assets:</i>			
Stores, spares and loose tools		(8,021,468)	496,939
Stock-in-trade		(43,638,438)	354,331,464
Trade debts - unsecured		(159,453,139)	(2,454,898)
Advances, deposits, prepayments and other receivables		36,888,452	50,734,158
		<b>(174,224,593)</b>	<b>403,107,663</b>
<i>(Decrease)/Increase in current liabilities:</i>			
Trade and other payables		(128,710,136)	113,017,790
Contract liabilities		(67,092,926)	6,386,614
		<b>(195,803,062)</b>	<b>119,404,404</b>
<b>Cash generated from operations</b>		<b>696,791,322</b>	<b>1,134,615,866</b>
Workers' Profit Participation Fund paid		(50,267,769)	(46,165,096)
Workers' Welfare Fund paid		(18,479,057)	(14,338,720)
Mark up paid on Islamic mode of financing		(18,913,292)	(16,163,894)
Interest paid on conventional loans		(47,021,189)	(17,548,775)
Income Taxes paid		(196,128,721)	(175,895,979)
Long term deposits		(423,001)	(4,759,100)
		<b>(331,233,029)</b>	<b>(274,871,564)</b>
<b>Net cash generated from operating activities</b>		<b>365,558,293</b>	<b>859,744,302</b>
<b><u>Cash flow from investing activities</u></b>			
Acquisition of property, plant and equipment		(109,357,855)	(130,835,398)
Acquisition of intangibles		(664,930)	-
Proceeds from disposal of property, plant and equipment		38,466,642	20,883,345
<b>Net cash used in investing activities</b>		<b>(71,556,143)</b>	<b>(109,952,053)</b>
<b><u>Cash flow from financing activities</u></b>			
Principal repayment of lease liability		(84,079,301)	(20,241,564)
Repurchase of treasury shares		-	(59,542,295)
Long term loan repaid		(91,892,376)	(16,114,728)
Diminishing musharika paid		(12,500,016)	(13,922,220)
Short term borrowings - repaid		(29,996,799)	(52,103,000)
Cash dividend paid		(150,540,246)	(94,272,692)
<b>Net cash used in financing activities</b>		<b>(369,008,738)</b>	<b>(256,196,499)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(75,006,588)</b>	<b>493,595,750</b>
<b>Cash and cash equivalents at beginning of the period</b>		<b>368,617,150</b>	<b>(40,152,023)</b>
<b>Cash and cash equivalents at end of the period</b>	21	<b>293,610,562</b>	<b>453,443,727</b>

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

Chief Executive Officer

Director

Chief Financial Officer

# Synthetic Products Enterprises Limited

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

For the half year and quarter ended 31 December 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 December 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 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.

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 2024, 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 December 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 2024.

## **4 Material Accounting policy Information**

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

### **4.1 Newly effective requirements of IFRS effective from 01 July 2024:**

During the period certain amendments to currently effective IFRS have become effective. However these have no significant impact on the condensed interim financial statements of the Company.

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

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective from the dates mentioned below against the respective standard or amendment:

<b><u>Standard or interpretation</u></b>	<b>Effective date (accounting periods beginning on or after)</b>
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	01 January 2025
Lack of Exchangeability (amendments to IAS 21)	01 January 2025
Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)	01 January 2025
Annual Improvements to IFRS Accounting Standards - Amendments to: IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7.	01 January 2025

## 4.3 The Institute of Chartered Accountants of Pakistan (ICAP) vide circular 07/2024 dated 15 May 2024 issued the application guidance on accounting for minimum taxes and final taxes, based on IAS 12 Income Taxes, developed by Accounting Standards Board.

Accordingly, the Company has applied the accounting policy of IAS 12 as per guidance. There is no material impact on the Company's financial statements regarding reclassification and restatement of comparative figures of prior period.

	Un-audited 31 December 2024	Audited 30 June 2024	Un-audited 31 December 2024	Audited 30 June 2024
5 Issued, Subscribed & Paid-Up Capital	----- Number of shares -----		Rupees	Rupees
Ordinary shares of Rs. 5 each (30 June 2024: 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 each (30 June 2024: Rs. 5 each), fully paid in cash	136,858,180	136,858,180	684,290,900	684,290,900
Shares of Rs.5 each (30 June 2024 Rs: 5 each), issued under scheme of amalgamation	15,330,000	15,330,000	76,650,000	76,650,000
	<b>199,736,016</b>	<b>199,736,016</b>	<b>998,680,080</b>	<b>998,680,080</b>

5.1 Directors hold 117,406,832 (30 June 2024: 149,876,812) ordinary shares of Rs. 5 (30 June 2024: Rs 5) each of the Company.

	Note	Un-audited 31 December 2024 Rupees	Audited 30 June 2024 Rupees
6 Long term loans - secured			
Type of loans			
6.1 Islamic mode of financing - Diminishing Musharika			
- Habib Bank Limited	6.1.1	6,250,000	18,750,016
Less: Current maturity		(6,250,000)	(18,750,016)
		-	-
6.2 Conventional loans			
- Habib Bank Limited - Sales and lease back	6.2.1	33,666,667	67,333,333
- MCB Bank Limited - For renewable energy	6.2.2	83,295,292	91,240,321
- MCB and Allied Bank Limited - TERF	6.2.3	356,458,758	382,721,721
- Loan from customers	6.2.4	40,956,872	64,974,590
- Less: Impact of government grant		(74,838,117)	(84,783,156)
- Less: Current maturity		(132,837,334)	(167,861,931)
		<b>306,702,138</b>	<b>353,624,878</b>
		<b>306,702,138</b>	<b>353,624,878</b>

6.1.1 During the period / year, the Company has made repayments amounting to Rs. 12.5 million (30 June 2024: Rs. 26.42 million).

6.2.1 During the period / year, the Company has made repayments amounting to Rs. 33.67 million (30 June 2024: Rs. 33.67 million).

6.2.2 During the period / year, the Company has made repayments amounting to Rs. 7.95 million (30 June 2024: Rs. 12.12 million).

6.2.3 During the period / year, the Company has made repayments amounting to Rs. 26.26 million (30 June 2024: 32.84 million).

6.2.4 During the period / year, the Company has made repayments amounting to Rs. 24.01 million (30 June 2024: 20.89 million).



		Un-audited 31 December 2024 Rupees	Audited 30 June 2024 Rupees
<b>7</b>	<b>Deferred grant</b>		
	Note		
	Balance at the beginning of the period / year	84,783,158	105,444,915
	Amortization during the period / year	(9,945,039)	(20,661,757)
	Balance at the end of the period / year	74,838,119	84,783,158
	Current portion	(18,244,717)	(19,247,059)
	Non-current portion	56,593,402	65,536,099

## 8 Lease liabilities

Lease liability	8.1	211,374,853	159,119,936
Less: Current maturity presented under current liabilities		(101,597,703)	(147,178,205)
		109,777,150	11,941,731

**8.1** During the period, the Company has made repayments amounting to Rs.84.08 million (30June 2024: Rs. 55.49 million).

		Un-audited 31 December 2024 Rupees	Audited 30 June 2024 Rupees
	Note		
<b>9</b>	<b>Short term borrowings</b>		
	<b>Secured:</b>		
- Conventional Interest / mark-up based loans	9.1	155,937,859	80,344,824
- Islamic mode of financing	9.2	117,734,553	129,862,512
		273,672,412	210,207,336
	<b>Types of short term borrowings</b>		
<b>9.1</b>	<b>Conventional Interest / mark-up based loans</b>		
	Short term running finance	155,937,859	80,344,824
		155,937,859	80,344,824
<b>9.2</b>	<b>Islamic mode of financing</b>		
	Murabaha and istisna	-	29,996,799
	Running musharika	117,734,553	99,865,713
		117,734,553	129,862,512

## 10 Current maturity of long term liabilities

Long term loans - secured	6	139,087,334	186,611,947
Deferred grant	7	18,244,717	19,247,059
Lease liabilities	8	101,597,703	147,178,205
		258,929,754	353,037,211

## 11 Contingencies and commitments

### 11.1 Contingencies

There is no significant change in the status of contingencies as reported in the preceding published annual financial statements of the Company for the year ended 30 June 2024.

		Un-audited 31 December 2024 Rupees	Audited 30 June 2024 Rupees
<b>11.2 Commitments</b>			
- Purchase of machinery		346,464,655	132,811,225
- Purchase of raw material		301,082,628	279,564,685
		<b>647,547,283</b>	<b>412,375,910</b>
<b>11.3</b>	Guarantees issued by the banks on behalf of the Company in favour of various parties as at the reporting date amounts to Rs. 25.86 million (30 June 2024: Rs. 145.86 million)		

Note

## 12 Property, plant and equipment

Operating fixed assets	12.1	3,811,115,663	3,798,403,398
Capital work in progress	12.2	91,927,188	141,906,550
Right of use assets	12.3	327,414,156	226,377,906
		<b>4,230,457,007</b>	<b>4,166,687,854</b>
<b>12.1 Operating fixed assets</b>			
Opening written down value		3,798,403,398	4,026,511,265
Add: Additions during the period / year (cost)	12.1.1	178,746,336	280,459,993
Add: Transferred from Right of use assets at written down value	12.3	21,191,411	-
Less: Disposals during the period / year at written down value		(32,146,555)	(201,995,763)
Less: Depreciation charge for the period / year		(155,078,927)	(306,572,097)
<b>Closing written down value</b>		<b>3,811,115,663</b>	<b>3,798,403,398</b>
<b>12.1.1 Additions during the period / year:</b>			
Buildings on freehold land		25,248,416	13,655,300
Plant and machinery		113,876,861	249,060,003
Office equipment		2,842,013	2,066,939
Tools and equipment		1,862,540	6,997,833
Computer equipment		2,893,773	4,531,283
Furniture and fittings		2,776,300	1,028,335
Vehicles		29,246,433	3,120,300
		<b>178,746,336</b>	<b>280,459,993</b>
<b>12.2 Capital work in progress</b>			
Balance at the beginning of the period / year		141,906,550	94,686,807
Add: Additions during the period / year		98,765,421	317,982,517
Less: Transfers to operating fixed assets		(148,744,783)	(270,762,774)
Balance at the end of the period / year		<b>91,927,188</b>	<b>141,906,550</b>
<b>12.3 Right of use assets</b>			
Opening written down value		226,377,906	74,502,000
Add: Additions during the period / year (cost)		136,334,219	177,955,000
Less: Transferred / Matured during the period / year at written down value		(21,191,411)	(8,781,805)
Less: Depreciation charge for the period / year		(14,106,557)	(17,297,289)
<b>Closing written down value</b>		<b>327,414,156</b>	<b>226,377,906</b>

			Un-audited 31 December 2024 Rupees	Audited 30 June 2024 Rupees
<b>13</b>	<b>Stock-in-trade</b>	Note		
	Raw and packing material		1,323,652,066	954,394,915
	Stock in transit		44,605,430	285,191,176
	Work in process		95,473,335	192,396,924
	Finished goods		164,213,240	139,720,282
			<b>1,627,944,071</b>	<b>1,571,703,297</b>
<b>14</b>	<b>Trade debts-unsecured</b>			
	Considered good		860,947,457	712,937,157
	Considered doubtful		22,592,482	11,149,643
			<b>883,539,939</b>	<b>724,086,800</b>
	Less: Impairment loss allowance (ECL)	14.1	(22,592,482)	(11,149,643)
			<b>860,947,457</b>	<b>712,937,157</b>
<b>14.1</b>	<b>Movement of impairment loss allowance</b>			
	Opening balance		11,149,643	4,322,831
	Expected credit loss charge for the period/ year		11,442,839	6,826,812
	Closing balance		<b>22,592,482</b>	<b>11,149,643</b>
<b>15</b>	<b>Short term investments</b>			
	Treasury bills			
	Habib Bank Limited		500,676,554	382,205,240
	MCB Bank Limited		5,488,041	5,488,041
			<b>506,164,595</b>	<b>387,693,281</b>
	This represents treasury bills having maturity of three months to twelve months and carrying mark-up ranging from 11.60% to 18.44% per annum.(30 June 2024: 18.49% - 22.00% per annum).			
<b>16</b>	<b>Cash and bank balances</b>			
	Cash in hand		1,449,172	848,658
	Cash at bank			
	- Conventional banks	16.1	58,266,935	57,573,621
	- Islamic banks	16.2	1,402,272	102,712,127
			<b>59,669,207</b>	<b>160,285,748</b>
			<b>61,118,379</b>	<b>161,134,406</b>
<b>16.1</b>	<b>Conventional Banks</b>			
	- current accounts in local currency		2,236,542	38,066,750
	- current accounts in foreign currency		54,581,704	19,460,226
	- savings accounts in local currency		1,448,689	46,645
			<b>58,266,935</b>	<b>57,573,621</b>
<b>16.2</b>	<b>Islamic Banks</b>			
	- current accounts in local currency		585,281	42,711,961
	- savings accounts in local currency		816,991	60,000,166
			<b>1,402,272</b>	<b>102,712,127</b>

	Note	Half year ended (Un-audited)	
		Un-audited 31 December 2024 Rupees	Un-audited 31 December 2023 Rupees
<b>17 Sales - net</b>			
Local		4,516,054,470	3,701,166,535
Export		773,932,206	28,974,274
		5,289,986,676	3,730,140,809
Less: Sales tax		(709,081,420)	(585,109,389)
Discounts		(75,331,741)	(95,237,319)
		4,505,573,515	3,049,794,101
<b>17.1 Disaggregation of Revenue</b>			
<b>17.1.1 Primary Products</b>			
Automobile parts and accessories sector		966,903,584	599,860,738
Food and personal care products sector - packaging		3,538,669,931	2,449,933,363
		4,505,573,515	3,049,794,101
<b>17.1.2 Primary Geographical Markets (Net Sales)</b>			
Pakistan		3,731,641,309	3,020,819,827
Turkey		2,353,746	3,468,018
Taiwan		812,994	-
Hungary		-	1,768,345
France		-	4,465,178
Italy		9,091,208	3,407,663
United Kingdom		750,911,975	6,635,693
United States of America		10,762,283	9,229,377
Total		4,505,573,515	3,049,794,101
<b>18 Cost of sales</b>			
Raw and packing materials consumed		2,406,565,727	1,625,266,438
Stores, spare parts and loose tools consumed		14,274,884	10,792,626
Salaries, wages and benefits		308,634,791	214,556,675
Security expenses		12,239,440	9,185,625
Electricity, fuel and water charges		322,192,790	317,746,552
Depreciation on property, plant and equipment		138,160,379	148,788,575
Depreciation on right of use asset		14,106,557	6,935,929
Repair and maintenance		64,428,336	51,349,154
Insurance		7,145,740	5,863,918
Oil and lubricants		2,467,826	1,506,849
		3,290,216,470	2,391,992,341
<i>Work in process:</i>			
- At beginning of the period		192,396,924	125,531,231
- At end of the period		(95,473,335)	(116,035,184)
<b>Cost of goods manufactured</b>		3,387,140,059	2,401,488,388
<i>Finished goods:</i>			
- At beginning of the period		139,720,282	190,890,883
- At end of the period		(164,213,240)	(166,862,306)
		3,362,647,101	2,425,516,965
Freight and forwarding		46,570,085	41,048,608
		3,409,217,186	2,466,565,573

		<b>Half year ended (Un-audited)</b>	
		<b>31 December 2024</b>	<b>31 December 2023</b>
<b>19 Finance cost</b>	<i>Note</i>	<b>Rupees</b>	<b>Rupees</b>
<i>Mark-up on:</i>			
- long term finance-secured	19.1	<b>25,640,439</b>	36,596,212
- lease liabilities		<b>19,707,167</b>	4,672,781
- short term borrowings- secured	19.2	<b>27,025,870</b>	11,317,685
Bank charges		<b>470,381</b>	524,469
		<b>72,843,857</b>	<b>53,111,147</b>
<b>19.1 Long term finance - secured</b>			
Conventional interest / mark-up based loans		<b>24,629,079</b>	31,916,207
Islamic mode of financing		<b>1,011,360</b>	4,680,005
		<b>25,640,439</b>	<b>36,596,212</b>
<b>19.2 Short term borrowings - secured</b>			
Conventional interest / mark-up based loans		<b>12,396,137</b>	4,645,799
Islamic mode of financing		<b>14,629,733</b>	6,671,886
		<b>27,025,870</b>	<b>11,317,685</b>
<b>20 Earnings per share - basic and diluted</b>			
<b>20.1 Basic earnings per share</b>			
Profit for the period after taxation	<i>Rupees</i>	<b>462,280,731</b>	234,629,824
Weighted average number of ordinary shares in issue during the period	<i>Number</i>	<b>189,749,215</b>	191,662,999
Earnings per share	<i>Rupees</i>	<b>2.44</b>	1.22
<b>20.2 Weighted average number of ordinary shares</b>			
Outstanding number of shares		<b>199,736,016</b>	199,736,016
Less: Effect of treasury shares		<b>(9,986,801)</b>	(8,073,017)
		<b>189,749,215</b>	<b>191,662,999</b>
<b>20.3 Diluted earnings per share</b>			
There is no dilutive effect on the basic earnings per share of the Company.			
<b>21 Cash and cash equivalents</b>			
Short term running finance		<b>(155,937,859)</b>	(25,072,245)
Running musharika		<b>(117,734,553)</b>	(132,973,974)
Cash and bank balances		<b>61,118,379</b>	157,900,713
Short term investments		<b>506,164,595</b>	453,589,233
		<b>293,610,562</b>	<b>453,443,727</b>



## 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 2024.

## 26 Subsequent event - dividend

The Board of Directors of the Company in its meeting held on 07 February 2025 has approved an interim cash dividend for the period ended 31 December 2024 of Rs. 0.30 per share i.e 6%. These condensed interim financial statements for the period ended 31 December 2024 do not include the effect of the above interim cash dividend which will be accounted for in the period in which it is declared.

## 27 General

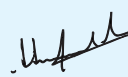
**27.1** These condensed interim financial statements has been approved by the Board of Directors of the Company and authorized for issue in their meeting held on 07 February 2025.

**27.2** Figures have been rounded off to the nearest rupee.

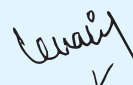
Lahore



Chief Executive Officer



Director



Chief Financial Officer



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