

**2025**



**Pakistan Synthetics Limited**

# **ANNUAL REPORT**

# TABLE OF CONTENTS

|  |    |
|--|----|
| Company Information                        | 2  |
| Company Profile                            | 4  |
| Product Information                        | 5  |
| Performance of the Company at a Glance     | 6  |
| Review Report by the Chairman              | 8  |
| Directors' Report                          | 9  |
| Mission Statement & Vision                 | 22 |
| Statement of Ethics and Business Practices | 23 |
| Statement of Compliance with the COCG      | 24 |
| Review Report on Statement of Compliance   | 28 |
| Independent Auditor's Report               | 29 |
| Statement of Financial Position            | 34 |
| Statement of Profit or Loss                | 35 |
| Statement of Comprehensive Income          | 36 |
| Statement of Changes in Equity             | 37 |
| Statement of Cash Flows                    | 38 |
| Notes to the Financial Statements          | 39 |
| Pattern of Shareholding                    | 82 |
| Notice of Annual General Meeting           | 84 |
| Form of Proxy                              | 88 |

---

# Pakistan Synthetics Limited

## COMPANY INFORMATION



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



# Pakistan Synthetics Limited

## COMPANY PROFILE



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 (formerly they were listed on all Stock Exchanges of Pakistan) with effect from 27 June 1995. The principal activity of the Company is manufacturing and sale of Plastic and Crown Caps, PET Resin, PET Preform and BOPET Resin. The registered office of the Company is situated in Karachi.

Due to continuing depressed polyester staple fibre market situation, the Board had decided on April 20, 2015 to convert polyester staple fibre plant into PET Resin manufacturing plant by making necessary

modifications and addition then to existing plant. PET Resin manufacturing facility has started its commercial production in October 2016.

The commencement of PET Resin manufacturing has enabled the Company to go further downstream in packaging industry and provide complete one window solution to beverage industry customers which has shown continuous growth over years. The Company is now poised to participate in growing needs of beverage consumption by playing an integral role by being a priority one-window supplier to multinational bottlers and local brand owners in Pakistan.

---

# Pakistan Synthetics Limited

## PRODUCT INFORMATION



### Plastic and Crown Caps

The role of caps and closure is to seal and preserve the product inside each bottle. Pakistan Synthetics Limited (PSL) provides bottlers capping solutions that provide secure sealing, safe opening, consistent and consumer friendly removal torques, effective tamper evidence and application optimization. PSL understands how important excellent application performance and line efficiency are for bottlers. The caps by PSL reflect the bottler's individual brand identity; we have a wide range of colors and offer customized printing while fully maintaining product integrity and safety.

### PET Resin and PET Preform

Polyethylene terephthalate (PET) is the most common thermoplastic polymer resin of the polyester family. Because PET is an excellent water and moisture barrier material, plastic bottles made from PET are used for soft drinks, still water, edible oil industry and pharmaceutical sector. The convenience attached with plastic packaging is paramount in increasing the consumption of PET in Pakistan.

# Pakistan Synthetics Limited

## PERFORMANCE OF THE COMPANY AT A GLANCE

----- ENDED 30 JUNE -----

2025    2024    2023    2022    2021    2020    2019    2018    2017    2016  
Rupees in million

### STATISTICAL SUMMARY

|                                |        |        |        |        |       |       |       |       |       |       |
|--------------------------------|--------|--------|--------|--------|-------|-------|-------|-------|-------|-------|
| Gross Sales                    | 20,036 | 16,425 | 17,036 | 14,491 | 8,547 | 7,780 | 8,213 | 6,001 | 3,404 | 2,006 |
| Profit /(loss) before taxation | 637    | 558    | 1,372  | 1,481  | 1,055 | (99)  | (150) | 37    | (30)  | 96    |
| Taxation                       | 270    | 210    | 574    | 495    | 307   | 1     | 26    | 80    | 69    | (4)   |
| Profit /(loss) after taxation  | 367    | 348    | 798    | 986    | 748   | (99)  | (124) | 117   | 39    | 92    |
| Gross assets employed          | 11,199 | 11,183 | 9,608  | 8,560  | 5,705 | 5,100 | 5,934 | 6,060 | 4896  | 3,874 |
| Paid up capital                | 1,387  | 1,387  | 1,387  | 925    | 841   | 841   | 560   | 560   | 560   | 560   |
| Share holder equity            | 4,628  | 4,261  | 3,911  | 3,115  | 2,345 | 1,602 | 1,196 | 1,336 | 1,222 | 1,240 |

### EARNINGS AND PAYOUT

Rs.per share of Rs.10 each

|                           |       |       |       |       |       |        |        |       |       |       |
|---------------------------|-------|-------|-------|-------|-------|--------|--------|-------|-------|-------|
| Earnings/(Loss) par share | 2.65  | 2.51  | 5.75  | 7.11  | 8.09  | (1.39) | (2.21) | 2.09  | 0.69  | 1.63  |
| Break-up value            | 33.37 | 30.72 | 28.19 | 33.69 | 25.36 | 19.06  | 21.34  | 23.86 | 21.82 | 22.12 |
| Cash Dividend             | -     | -     | -     | -     | 2.50  | -      | -      | -     | -     | 1.00  |
| Bonus issue %             | -     | -     | 50%   |       | 10%   |        |        |       |       |       |

### FINANCIAL RATIOS

RATIOS


|                                     |        |        |        |        |        |        |        |       |        |        |
|-------------------------------------|--------|--------|--------|--------|--------|--------|--------|-------|--------|--------|
| Current assets: Current Liabilities | 1.12:1 | 1.12:1 | 1.08:1 | 1.19:1 | 1.16:1 | 0.94:1 | 0.78:1 | 1:1   | 0.99:1 | 1.01:1 |
| Long Term Debt : Equity             | 17:83  | 17:83  | 21:79  | 25:75  | 19:81  | 18:82  | 31:69  | 30:70 | 26:74  | 26:74  |

### PRODUCTION

Quantity

|                         |         |         |         |         |         |         |         |         |         |         |
|-------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| PET Resin               | 22,599  | 26,693  | 22,397  | 22,221  | 25,312  | 24,499  | 25,121  | 25,782  | 20,952  | -       |
| Plastic and Crown Caps  | 541,419 | 443,333 | 619,121 | 625,325 | 543,820 | 434,861 | 459,345 | 495,057 | 409,253 | 404,813 |
| PET Preforms - Octabins | 35,951  | 33,011  | 38,034  | 29,831  | 20,582  | 12,360  | 5,986   | 1,771   | -       | -       |





THE ONLY PLACE  
**success**  
COMES BEFORE  
**work**  
IS THE DICTIONARY

(Vince Lombardi)

---

# Pakistan Synthetics Limited

## Review Report by the Chairman

Dear Stakeholders,

I am pleased to present the Chairman's Review Report to our valued shareholders and all other stakeholders, reflecting on the Company's performance, the Board's oversight role, and the progress made towards our strategic objectives for the year ended June 30, 2025.

The Board continued to demonstrate strong strategic oversight and governance discipline. Key areas of focus included:

- Providing clear strategic direction and guiding management through evolving market conditions
- Monitoring performance and addressing key risk areas with diligence
- Maintaining high standards of corporate governance in line with regulatory and stakeholder Expectations.

The Board Committees – functioned with independence, proficiency, and strict adherence to their Terms of Reference. Our Board comprises eight Directors, including four Independent Directors,

During the year, previous Board completed its term and new election of the Board was held on March 25, 2025. The Board's overall performance and effectiveness has been assessed as Satisfactory. Improvement is an ongoing process leading to action plans. The overall assessment as satisfactory is based on an evaluation of integral components, including vision, mission and values; engagement in strategic planning; formulation of policies; monitoring the organization's business activities; monitor financial resource management; effective fiscal oversight and efficiency in carrying out the Board's business.

The Board has an appropriate mix of skills and experience. The Board comprises members with rich professional experience in various domains, having strong financial and analytical abilities and independent perspectives. The Board keeps abreast of trends and issues affecting the market in which the Company operates and provides appropriate direction and oversight on a timely basis to ensure optimal utilization of resources. All Directors fully participated and contributed in the decision-making process of the Board.

On behalf of the Board, I express my sincere appreciation to our customers, employees, suppliers, the Government and all stakeholders who have supported the Company's business performance.



-----  
Khurshid Akhter  
Chairman

**Date: September 29, 2025**



---

# Pakistan Synthetics Limited

## DIRECTOR'S REPORT

### REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30 JUNE 2025

The Directors are pleased to present their report, together with the Audited Financial Statements of the Company for the year ended 30 June 2025.

#### OVERVIEW OF THE ECONOMY:

Country's economy maintained its fiscal consolidation during the outgoing year, supported by strengthened macroeconomic fundamentals, prudent fiscal management, and a notable improvement in the external sector. The Rupee (PKR) remained relatively stable against the US Dollar, aided by an improved current account position and an increase in the Country's foreign exchange reserves. The monetary policy stance also played a crucial role in reinforcing macroeconomic stability. During the year, SBP reduced the policy rate from 20% to 11%. This moderation in interest rates, along with exchange rate stability and a buildup in foreign exchange reserves, have contributed to improved macroeconomic stability.

#### FINANCIAL AND OPERATING PERFORMANCE

During the Financial year 2025, Company posted a 22.27% increase in sales revenue compared to last year. This growth is driven by higher sales volumes as compared to last year. The cost of sales increased by 27%, reaching to PKR 14.896 billion, compared to PKR 11.725 billion in the last year. This rise was mainly due to an increase in gas prices, besides the corresponding impact of increased sales volumes. Administrative expenses rose, mainly due to enhanced contributions towards Corporate Social Responsibility (CSR) activities, compared to the same period last year. The increase in other operating expenses reflects the impact of exchange loss of Rs. 52m as against exchange gain of Rs. 7.4 million last year. Reduction in finances cost was attributed to the gradual downward trend in interest rates during the year. Moreover, the Company's investment in an associate, which reported a loss for the year, led to a share of the loss amounting to Rs. 204.548 million. After accounting for all expenses, the Company reported a net profit after tax of Rs. 367.452 million for the year ended June 30, 2025. (compared to Rs. 347.766 million in 2024).

#### EARNING PER SHARE

The Basic earnings per share was Rs. 2.65 as compared to Rs. 2.51 last year.

#### DIVIDEND

The Board of Directors have not recommended any cash dividend for the year ended 30 June, 2025. The decision was taken in order to meet long term financial commitments of the Company in the upcoming year.

#### FUTURE OUTLOOK

The country's economy is showing signs of stabilization, with a cautiously optimistic outlook

---

# Pakistan Synthetics Limited

## DIRECTOR'S REPORT

for the business sector. A decline in interest rates and easing inflation are expected to provide support over the medium term. However, persistently high taxes, duties, and fuel costs continue to exert pressure on the industry. Manufacturers are increasingly finding it difficult to pass these rising costs on to consumers, which may negatively impact profit margins going forward.

In response to ongoing energy challenges, the Company is proactively investing in renewable energy solutions—including solar power and other alternatives—to enhance operational efficiency and mitigate the impact of rising costs.

Subsequent to the year-end, the nation experienced an unprecedented spell of monsoon rains and flooding, which caused significant economic losses and adversely affected a large portion of the rural population in Punjab and Khyber Pakhtunkhwa. These floods have disrupted economic activity in the affected and neighboring regions, dampened demand, and are likely to exert upward pressure on inflation—potentially reversing recent positive trends. As a result, sales volumes in the upcoming period may be negatively impacted. Furthermore, logistical disruptions and inflationary pressures are expected to increase input costs and compress margins.

Despite these challenges, Management remains committed to maintaining the Company's market share and sustaining profit margins. To support continued growth, strategic investments have been made in existing operations to meet the evolving and diverse needs of customers.

### FORWARD LOOKING STATEMENT

The Company remains committed to its strategy of sustainable growth. In light of the evolving operating environment, the focus continues to be on driving value chain efficiencies and optimizing raw material inventory levels to better manage costs—ultimately supporting profitability and growth in upcoming periods. The Company's Management will closely monitor developments and ensure that cost fluctuations are fairly and effectively reflected in pricing strategies

### INVESTMENT IN ASSOCIATE

Petpak Films demonstrated improved performance in FY2025, with operational and sales momentum strengthening compared to the challenges faced in its first year of operations. While certain pressures remain, the trajectory is positive, supported by better capacity utilization and a growing focus on exports.

The investment in associate is accounted for in the financial statements using equity method of accounting as per international accounting standard 28 (IAS-28). For the year ended June 30, 2025, PPFL has reported net loss after tax of Rs. 1,122 million (2024: 1,378 million).

Accordingly, proportionate share of loss amounting to Rs. 204.548 million (2024: 318.922 million) has been recorded in the financial statements.

---

# Pakistan Synthetics Limited

## DIRECTOR'S REPORT

### PRINCIPAL RISKS AND UNCERTAINTIES

The Company continues to employ Risk Management Framework to ensure proactive identification, evaluation and assessment of risks. The Company is exposed to certain inherent risks and uncertainties. However, we consider the following as key risks:

- \* Adverse movement in foreign exchange rates and commodity prices
- \* Adverse movement in industrial utilities pricing
- \* Adverse movement in policy rate of State Bank of Pakistan

All highlighted risks are prioritized according to their impact and likelihood and actions are devised accordingly.

### ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Board ensures the adequacy of internal control activities either directly or through its committees. The Board also reviews the Company's financial operations and position at regular intervals by means of regular meetings, reviewing interim accounts, reports, profitability reviews and other financial and statistical information.

### IMPACT OF COMPANY'S BUSINESS ON THE ENVIRONMENT

Protection of the environment remains a critical component of Company's vision. The Company's production has no negative impact on the environment as our plant and operations comply with international and national environmental standards.

### CORPORATE SOCIAL RESPONSIBILITY:

The Company is fully conscious of its responsibilities as a good Socially Responsible Corporate Citizen. Pakistan Synthetics Limited is committed to offer high quality Packaging Products originating from company, conforming to the legal, statutory and regulatory requirement to enforce and assuring workers & consumer's safety during all pre-production, production and post-production processes.

With an objective to ease the burden of increasing cost of living to local community, mainly in form of medical, education and occupational support, Pakistan Synthetics Limited has contributed Rs. 129.770 million (2024: Rs. 79.114m) to local Welfare organization which is renowned and actively involved in helping local communities in field of Health, Education, livelihood etc.

### CONTRIBUTION TO THE NATIONAL EXCHEQUER

During the year the Company has contributed more than Rs. 3,744 million (2024: Rs. 3,408 million) to the Government Treasury on account of Income taxes, sales tax and other duties.

---

# Pakistan Synthetics Limited

## DIRECTOR'S REPORT

### WEBSITE

All our stakeholders and general public can visit the Company's website, [www.pslpet.com](http://www.pslpet.com), which has a designated section for investors containing relevant information.

### SUBSEQUENT EVENT

The Directors report that no material change or commitment has taken place, other than those disclosed which has affected the financial position of the company from the end of the financial year up to the date of this report.

### CODE OF CORPORATE GOVERNANCE AND ACCOUNTING FRAMEWORK

The Company has complied with all material requirements of the Listed Companies (Code of Corporate Governance) Regulation 2019.

Following are the statements on financial and corporate governance and control framework:

- a) The financial statements, prepared by the management of the Company, present fairly its state of affairs, the results of its operations, cash flows and changes in equity.
- b) The Company has maintained proper books of accounts.
- c) Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- d) International Accounting and Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.
- e) The system of internal control and other such procedures, which are in place, are sound in design and have been effectively implemented and monitored on an ongoing basis by the management. The process of review will continue and any weakness in control will be removed. The Board of Directors oversees the system of internal control.
- f) There are no significant doubts upon the Company's ability to continue as a going concern.
- g) There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.
- h) There has been no default on payment on any debt.
- i) The Company has developed an efficient and effective Environment Management Plan to ensure that all necessary measures are identified and implemented in order

# Pakistan Synthetics Limited

## DIRECTOR'S REPORT

to protect the environment and comply with the environmental legislation. The Plan has been approved from relevant authorities. Further, The Company has also provided appropriate training to employees of the Company to work on environment management plan whereby employees were trained to ensure safe handling, storage and transportation of hazardous chemicals and to follow other environmental requirements.

- j) Key operating and financial data for the last ten years in summarized form is annexed.
- k) Information about outstanding taxes and levies are given in the Notes to the Financial Statements.
- l) Statement of pattern of shareholding is annexed.

### COMPOSITION OF THE BOARD OF DIRECTORS

Composition of the Board of Directors is as under;

|                                |   |
|--------------------------------|---|
| Independent Directors:         | 4 |
| Other Non-Executive Directors: | 2 |
| Executive Directors:           | 2 |

The total number of directors is eight as per the following:

|    |         |       |
|----|---------|-------|
| a. | Male:   | Seven |
| b. | Female: | One   |

### MEETING OF THE BOARD OF DIRECTORS

During the year, four (04) meetings of the Board of Directors were held. Attendance by each Director was as follows: -

| NAME OF DIRECTOR                              | NO OF MEETING ATTENDANCE |
|---|--------------------------|
| I. Mr. Yakoob Haji Karim - Chief Executive    | 4                        |
| II. Mr. Noman Yakoob - Executive              | 4                        |
| III. Mr. Abid Umer - Non Executive            | 4                        |
| IV. Mr. Mubbashir Amin - Non Executive        | 3                        |
| V. Mr. Khurshid Akhtar - Non - Executive      | 4                        |
| VI. Mr. Ali Kamal - NIT - Independent         | 4                        |
| VII. Ms. Sadaf Shabbir - Independent          | 4                        |
| VIII. Mr. Faraz Younus Bandukda - Independent | 4                        |

Leave of absence was granted to Directors who could not attend the Board meetings.



# Pakistan Synthetics Limited

## DIRECTOR'S REPORT

### MEETING OF THE AUDIT COMMITTEE

During the year, four (04) meetings of the Audit Committee were held. Attendance by each Director was as follows: -

| NAME OF DIRECTOR              | NO OF MEETING ATTENDANCE |
|-------------------------------|--------------------------|
| I. Mr. Ali Kamal-NIT          | 4                        |
| II. Mr. Faraz Younus Bandukda | 4                        |
| III. Mr. Mubbashir Amin       | 3                        |

### MEETING OF THE HR AND REMUNERATION COMMITTEE

During the year, one (01) meeting of the HR and Remuneration Committee was held. Attendance by each Director was as follows: -

| NAME OF DIRECTOR             | NO OF MEETING ATTENDANCE |
|------------------------------|--------------------------|
| I. Mr. Faraz Younus Bandukda | 1                        |
| II. Mr. Mubbashir Amin       | 1                        |
| III. Mr. Noman Yakoob        | 1                        |

### NOMINATION AND RISK MANAGEMENT COMMITTEE:

The name of members of nomination and risk management committee are as follows:

|      |                       |
|------|-----------------------|
| I.   | Mr. Yakoob Haji Karim |
| II.  | Mr. Noman Yakoob      |
| III. | Mr. Mubbashir Amin    |

### REMUNERATION POLICY OF NON-EXECUTIVE DIRECTORS

The fee of the Directors for attending the Board and Committee meetings of the Company is determined by the Board from time to time.

### POLICY ON GENDER PAY GAP

The Company is committed to fostering an inclusive and equitable workplace where all employees are treated with respect, equality and fairness. Employee's compensation is determined solely based on seniority, experience, roles, responsibilities and performance, regardless of gender. The company promotes an inclusive work environment by ensuring equitable representation at all levels within the organization.

### AUDITORS

The financial statements of the company for the current year 2024-25 were audited by, BDO Ebrahim & Co., Chartered Accountants. The auditors will retire at the end of the Annual General Meeting. Being eligible, they have offered themselves for re-appointment.

---

# Pakistan Synthetics Limited

## DIRECTOR'S REPORT

The Board has recommended the appointment of BDO Ebrahim & Co., Chartered Accountants, as auditors for the year ending on June 30, 2026, as recommended by the Audit Committee, subject to the approval of the members at the upcoming Annual General Meeting.

### CREDIT RATING:

The Company has been assigned a long term rating of "A-" and a short term rating of "A2" by the Pakistan Credit Rating Agency Limited on April 25, 2025.

### ACKNOWLEDGEMENT

The Management would like to place on record its appreciation for dedication and hard work rendered by its employees and workers.

For and on behalf of the Board of Directors



---

YAKOOB HAJI KARIM  
CHIEF EXECUTIVE



---

KHURSHID AKHTAR  
CHAIRMAN

Karachi  
Dated: September 29, 2025

## 30 جون 2025 کو ختم ہونے والے سال کے لیے ڈائریکٹرز کی رپورٹ

ڈائریکٹرز 30 جون 2025 کو ختم ہونے والے سال کے لیے کمپنی کے آڈٹ شدہ مالیاتی بیانات کے ساتھ اپنی رپورٹ پیش کرنے پر خوش ہیں۔

### معیشیت کا جائزہ:

ملکی معیشیت نے رواں سال کے دوران اپنے مالی استحکام کو برقرار رکھا، جس کی مدد میکرو اکنامک بنیادوں کو مضبوط بنانے، دانشمندانہ مالیاتی انتظام اور بیرونی شعبے میں قابل ذکر بہتری کی مدد سے ہوئی۔ کرنٹ اکاؤنٹ پوزیشن میں بہتری اور ملک کے زرمبادلہ کے ذخائر میں اضافے کی وجہ سے امریکی ڈالر کے مقابلے میں روپے (پاکستانی روپیہ) نسبتاً مستحکم رہا۔ مالیاتی پالیسی کے موقف نے میکرو اکنامک استحکام کو تقویت دینے میں بھی اہم کردار ادا کیا۔ سال کے دوران اسٹیٹ بینک نے پالیسی ریٹ کو 20 فیصد سے کم کر کے 11 فیصد کر دیا۔ شرح سود میں اس اعتدال کے ساتھ ساتھ زرمبادلہ کی شرح میں استحکام اور زرمبادلہ کے ذخائر میں اضافے نے میکرو اکنامک استحکام کو بہتر بنانے میں اہم کردار ادا کیا ہے۔

### مالی اور آپریٹنگ کارکردگی

مالی سال 2025 کے دوران، کمپنی نے گزشتہ سال کے مقابلے میں سیلرز یونیٹوں میں 22.27 فیصد اضافہ کیا۔ یہ اضافہ پچھلے سال کے مقابلے میں زیادہ فروخت کے حجم کی وجہ سے ہوا ہے۔ فروخت کی لاگت میں 27 فیصد اضافہ ہوا جو گزشتہ سال کے 11.725 ارب روپے کے مقابلے میں 14.896 ارب روپے تک پہنچ گیا۔ یہ اضافہ بنیادی طور پر گیس کی قیمتوں میں اضافے کی وجہ سے ہوا، اس کے علاوہ فروخت کے حجم میں اضافے کے اسی اثر کی وجہ سے ہوا۔ انتظامی اخراجات میں اضافہ ہوا، بنیادی طور پر کارپوریٹ سماجی ذمہ داری (سی ایس آر) کی سرگرمیوں میں اضافے کی وجہ سے، پچھلے سال کی اسی مدت کے مقابلے میں۔ دیگر آپریٹنگ اخراجات میں اضافہ گزشتہ سال 7.4 ملین روپے کے ایکسچینج منافع کے مقابلے میں 52 ملین روپے کے ایکسچینج خسارے کے اثرات کی عکاسی کرتا ہے۔ مالی لاگت میں کمی کی وجہ سے سال کے دوران سود کی شرحوں میں بتدریج کمی کارخانہ ہے۔ مزید برآں، کمپنی کی ایک ایسوسی ایٹ میں سرمایہ کاری، جس نے سال کے لیے نقصان کی اطلاع دی، جس کے نتیجے میں نقصان کا حصہ 204.548 ملین روپے رہا۔ تمام اخراجات کا حساب کتاب کرنے کے بعد، کمپنی نے 30 جون 2025 کو ختم ہونے والے سال کے لیے 367.452 ملین روپے کے ٹیکس کے بعد خالص منافع کی اطلاع دی۔ (2024 میں 347.766 ملین روپے کے مقابلے میں)۔

### فی حصص آمدنی

بنیادی فی حصص آمدنی 2.65 روپے تھی جو کہ گزشتہ سال 2.51 روپے تھی۔

### ڈیویڈنڈ

بورڈ آف ڈائریکٹرز نے 30 جون 2025 کو ختم ہونے والے سال کے لیے کسی نقد منافع کی سفارش نہیں کی ہے۔ یہ فیصلہ آنے والے سال میں کمپنی کے طویل مدتی مالی وعدوں کو پورا کرنے کے لئے لیا گیا ہے۔

### مستقبل کا نقطہ نظر

کاروباری شعبے کے لیے محتاط طور پر امید نقطہ نظر کے ساتھ ملک کی معیشیت استحکام کے آثار دکھا رہی ہے۔ شرح سود میں کمی اور افراط زر میں کمی سے درمیانی مدت میں مدد ملنے کی توقع ہے۔ تاہم، مسلسل زیادہ ٹیکس، ڈیوٹی اور ایندھن کے اخراجات صنعت پر دباؤ ڈالتے رہتے ہیں۔ مینوفیکچررز کو تیزی سے ان بڑھتی ہوئی لاگوں کو صارفین پر منتقل کرنا مشکل ہو رہا ہے، جس سے مستقبل میں منافع کے مارجن پر منفی اثر پڑ سکتا ہے۔

## 30 جون 2025 کو ختم ہونے والے سال کے لیے ڈائریکٹرز کی رپورٹ

توانائی کے جاری چیلنجوں کے جواب میں، کمپنی آپریشنل کارکردگی کو بڑھانے اور بڑھتی ہوئی لاگت کے اثرات کو کم کرنے کے لیے شمسی توانائی اور دیگر متبادل سمیت قابل تجدید توانائی کے حل میں فعال طور پر سرمایہ کاری کر رہی ہے۔

سال کے اختتام کے بعد، ملک نے مانسون کی بارشوں اور سیلاب کے ایک بے مثال دور کا تجربہ کیا، جس کی وجہ سے کافی معاشی نقصان ہوا اور پنجاب اور خیبر پختونخوا میں دیہی آبادی کا ایک بڑا حصہ بری طرح متاثر ہوا۔ ان سیلابوں نے متاثرہ اور پڑوسی علاقوں میں معاشی سرگرمیوں کو متاثر کیا ہے، مانگ کو کم کیا ہے، اور افراط زر پر اوپر کی طرف دباؤ ڈالنے کا امکان ہے۔ ممکنہ طور پر حالیہ مثبت رجحانات کو الٹ دیا ہے۔ نتیجے کے طور پر، آنے والے عرصے میں فروخت کے حجم پر منفی اثر پڑ سکتا ہے۔ مزید برآں، لاجسٹک رکاوٹوں اور افراط زر کے دباؤ سے ان پٹ لاگت میں اضافہ اور مارجن کو کم کرنے کی توقع کی جاتی ہے۔

ان چیلنجوں کے باوجود، انتظامیہ کمپنی کے مارکیٹ شیئر کو برقرار رکھنے اور منافع کے مارجن کو برقرار رکھنے کے لیے پرعزم ہے۔ مسلسل ترقی کی حمایت کرنے کے لیے، صارفین کی بدلتی ہوئی اور متنوع ضروریات کو پورا کرنے کے لیے موجودہ کارروائیوں میں اسٹریٹجک سرمایہ کاری کی گئی ہے۔

### مستقبل کے حوالے سے بیان

کمپنی پائیدار ترقی کی اپنی حکمت عملی کے لیے پرعزم ہے۔ ابھرتے ہوئے آپریٹنگ ماحول کی روشنی میں، ویلیو چین کی افادیت کو چلانے اور اخراجات کو بہتر طریقے سے منظم کرنے کے لئے خام مال کی انویسٹر کی سطح کو بہتر بنانے پر توجہ مرکوز کی جا رہی ہے۔ بالآخر آنے والے ادوار میں منافع اور نمو کی حمایت کرتی ہے۔ کمپنی کی انتظامیہ پیشرفت کی قریب سے نگرانی کرے گی اور اس بات کو یقینی بنائے گی کہ قیمتوں کے تعین کی حکمت عملیوں میں لاگت کے اتار چڑھاؤ منصفانہ اور مؤثر طریقے سے ظاہر ہوں

### ایسوسی ایٹ میں سرمایہ کاری

پیشاپاک فلز نے مالی سال 2025 میں بہتر کارکردگی کا مظاہرہ کیا، آپریشنل اور فروخت کی رفتار کو اپنے آپریشنز کے پہلے سال میں درپیش چیلنجوں کے مقابلے میں مضبوط بنایا۔ اگرچہ کچھ دباؤ باقی ہے، لیکن رفتار مثبت ہے، جس کی حمایت بہتر صلاحیت کے استعمال اور برآمدات پر بڑھتی ہوئی توجہ سے ہوتی ہے۔ ایسوسی ایٹ میں سرمایہ کاری کا حساب بین الاقوامی اکاؤنٹنگ اسٹینڈرڈ 28 (آئی اے ایس-28) کے مطابق اکاؤنٹنگ کے ایکویٹی طریقہ کار کا استعمال کرتے ہوئے مالی بیانات میں کیا جاتا ہے۔ 30 جون کو ختم ہونے والے سال کے لیے، پی پی ایف ایل نے 1,122 ملین روپے (2024: 1,378 ملین) کے بعد ٹیکس کے بعد خالص نقصان کی اطلاع دی ہے۔ اس کے 2025 مطابق، مالی بیانات میں 204.548 ملین روپے (2024: 318.922 ملین) کے نقصان کا تناسب حصہ درج کیا گیا ہے۔

### بنیادی خطرات اور غیر یقینی صورتحال

کمپنی خطرات کی فعال شناخت، تشخیص اور تشخیص کو یقینی بنانے کے لیے رسک مینجمنٹ فریم ورک کا استعمال جاری رکھے ہوئے ہے۔ کمپنی کو کچھ موروثی خطرات اور غیر یقینی صورتحال کا سامنا کرنا پڑتا ہے۔ تاہم، ہم مندرجہ ذیل کو اہم خطرات کے طور پر سمجھتے ہیں:

- غیر ملکی زرمبادلہ کی شرحوں اور اجناس کی قیمتوں میں منفی اتار چڑھاؤ
- صنعتی افادیت کی قیمتوں کے تعین میں منفی نقل و حرکت
- اسٹیٹ بینک آف پاکستان کی پالیسی ریٹ میں منفی اتار چڑھاؤ

تمام نمایاں خطرات کو ان کے اثرات اور امکانات کے مطابق ترجیح دی جاتی ہے اور اس کے مطابق اقدامات وضع کیے جاتے ہیں۔

## 30 جون 2025 کو ختم ہونے والے سال کے لیے ڈائریکٹر کی رپورٹ

### داخلی مالیاتی کنٹرول کی مناسبت

بورڈ براہ راست یا اپنی کمیٹیوں کے ذریعے داخلی کنٹرول کی سرگرمیوں کی مناسبت کو یقینی بناتا ہے۔ بورڈ باقاعدگی سے اجلاسوں، عبوری اکاؤنٹس، رپورٹس، منافع بخش جائزوں اور دیگر مالی اور شماریاتی معلومات کا جائزہ لینے کے ذریعے باقاعدگی سے وقفے وقفے سے کمپنی کے مالی آپریشنز اور پوزیشن کا بھی جائزہ لیتا ہے۔

### ماحول پر کمپنی کے کاروبار کے اثرات

ماحولیات کا تحفظ کمپنی کے وژن کا ایک اہم جزو ہے۔ کمپنی کی پیداوار کا ماحول پر کوئی منفی اثر نہیں پڑتا ہے کیونکہ ہمارا پلانٹ اور آپریشنز بین الاقوامی اور قومی ماحولیاتی معیارات کی تعمیل کرتے ہیں۔

### کارپوریٹ سماجی ذمہ داری:

کمپنی ایک اچھے سماجی طور پر ذمہ دار کارپوریٹ شہری کے طور پر اپنی ذمہ داریوں سے پوری طرح آگاہ ہے۔ پاکستان سنٹھیکس لمیٹڈ کمپنی سے شروع ہونے والی اعلیٰ معیار کی پیکیجنگ مصنوعات پیش کرنے کے لئے پرعزم ہے، جو تمام پری پروڈکشن، پروڈکشن اور پوسٹ پروڈکشن کے عمل کے دوران کارکنوں اور صارفین کی حفاظت کو یقینی بنانے کے لئے قانونی، قانونی اور ریگولیٹری تقاضوں کے مطابق ہے۔

خاص طور پر طبی، تعلیم اور پیشہ ورانہ معاونت کی شکل میں مقامی کمیونٹی پر بڑھتی ہوئی زندگی کے بوجھ کو کم کرنے کے مقصد سے پاکستان سنٹھیکس لمیٹڈ نے مقامی فلاحی تنظیم کو 129.770 ملین روپے (79.114:2024 ملین روپے) کا عطیہ دیا ہے جو صحت، تعلیم، معاش وغیرہ کے شعبے میں مقامی کمیونٹی کی مدد کرنے میں مشہور اور فعال طور پر شامل ہے۔

### قومی خزانے میں حصہ

سال کے دوران کمپنی نے انکم ٹیکس، سیلز ٹیکس اور دیگر محصولات کی مد میں سرکاری خزانے میں 3,744 ملین روپے (3,408:2024 ملین روپے) سے زیادہ کا تعاون کیا ہے۔

### ویب سائٹ

ہمارے تمام اسٹیک ہولڈرز اور عام لوگ کمپنی کی ویب سائٹ، [www.pslpet.com](http://www.pslpet.com) ملاحظہ کر سکتے ہیں، جس میں متعلقہ معلومات پر مشتمل سرمایہ کاروں کے لئے ایک مخصوص سیکشن ہے۔

### مابعد واقعات

ڈائریکٹرز نے رپورٹ کیا ہے کہ کوئی مادی تبدیلی یا عزم نہیں ہوا ہے، سوائے ان کے جو انکشاف کیا گیا ہے جس نے مالی سال کے اختتام سے لے کر اس رپورٹ کی تاریخ تک کمپنی کی مالی پوزیشن کو متاثر کیا ہے۔

### کوڈ آف کارپوریٹ گورننس اینڈ اکاؤنٹنگ فریم ورک

کمپنی نے لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشن 2019 کی تمام مادی ضروریات کی تعمیل کی ہے۔

مالیاتی اور کارپوریٹ گورننس اور کنٹرول فریم ورک کے بارے میں بیانات درج ذیل ہیں:

- کمپنی کی انتظامیہ کے ذریعہ تیار کردہ مالی بیانات، اس کی صورت حال، اس کے آپریشنز کے نتائج، نقد بہاؤ اور ایکوٹی میں تبدیلیوں کو منصفانہ طور پر پیش کرتے ہیں۔
- کمپنی نے اکاؤنٹس کی مناسب کتابوں کو برقرار رکھا ہے۔



## 30 جون 2025 کو ختم ہونے والے سال کے لیے ڈائریکٹرز کی رپورٹ

- (ت) مالی بیانات کی تیاری میں مناسب اکاؤنٹنگ پالیسیاں مستقل طور پر لاگو کی گئی ہیں اور اکاؤنٹنگ کے تخمینے معقول اور دانشمندانہ فیصلے پر مبنی ہیں۔
- (ث) مالیاتی بیانات کی تیاری میں بین الاقوامی اکاؤنٹنگ اینڈ رپورٹنگ اسٹینڈرڈز پر عمل کیا گیا ہے جیسا کہ پاکستان میں لاگو ہوتا ہے۔
- (ج) داخلی کنٹرول کا نظام اور اس طرح کے دیگر طریقہ کار، جو موجود ہیں، ڈیزائن میں مضبوط ہیں اور انتظامیہ کی طرف سے مسلسل بنیادوں پر موثر طریقے سے نافذ اور نگرانی کی گئی ہے۔ نظر ثانی کا عمل جاری رہے گا اور کنٹرول میں کسی بھی کمزوری کو دور کیا جائے گا۔ بورڈ آف ڈائریکٹرز داخلی کنٹرول کے نظام کی نگرانی کرتا ہے۔
- (ح) کمپنی کی جاری رکھنے کی صلاحیت پر کوئی خاص شکوک و شبہات نہیں ہیں۔
- (خ) کارپوریٹ گورننس کے بہترین طریقوں سے کوئی مادی انحراف نہیں ہوا ہے، جیسا کہ لسٹنگ کے ضوابط میں تفصیل سے بیان کیا گیا ہے۔
- (د) کسی بھی قرض کی ادائیگی میں کوئی ڈیفالٹ نہیں ہوا ہے۔
- (ذ) کمپنی نے ایک موثر اور موثر ماحولیاتی انتظام کا منصوبہ تیار کیا ہے تاکہ اس بات کو یقینی بنایا جاسکے کہ ماحول کے تحفظ اور ماحولیاتی قانون کی تعمیل کے لیے تمام ضروری اقدامات کی نشاندہی کی جائے اور ان پر عمل درآمد کیا جائے۔ اس منصوبے کو متعلقہ حکام سے منظور کر لیا گیا ہے۔ مزید برآں، کمپنی نے کمپنی کے ملازمین کو ماحولیاتی انتظام کے منصوبے پر کام کرنے کے لیے مناسب تربیت بھی فراہم کی ہے جس کے تحت ملازمین کو خطرناک کیمیکلز کی محفوظ ہینڈلنگ، ذخیرہ کرنے اور نقل و حمل کو یقینی بنانے اور دیگر ماحولیاتی ضروریات پر عمل کرنے کی تربیت دی گئی ہے۔
- (ر) پچھلے دس سالوں کے کلیدی آپریٹنگ اور مالیاتی اعداد و شمار کا خلاصہ شکل میں منسلک ہے۔
- (ز) بقایا ٹیکسوں اور محصولات کے بارے میں معلومات مالیاتی بیانات کے نوٹس میں دی گئی ہیں۔
- (س) شیئرز ہولڈنگ کے پیٹرن کا بیان منسلک ہے۔

### بورڈ آف ڈائریکٹرز کی تشکیل

بورڈ آف ڈائریکٹرز کی تشکیل درج ذیل ہے:

|   |                              |
|---|------------------------------|
| 4 | آزاد ڈائریکٹرز:              |
| 2 | دیگر نان ایگزیکٹو ڈائریکٹرز: |
| 2 | ایگزیکٹو ڈائریکٹرز:          |

درج ذیل کے مطابق ڈائریکٹرز کی کل تعداد آٹھ ہے:

|            |     |
|------------|-----|
| ا. مرد:    | سات |
| ب. خواتین: | ایک |

### بورڈ آف ڈائریکٹرز کا اجلاس

سال کے دوران بورڈ آف ڈائریکٹرز کے چار (04) اجلاس منعقد ہوئے۔ ہر ڈائریکٹر کی حاضری درج ذیل تھی:-

## 30 جون 2025 کو ختم ہونے والے سال کے لیے ڈائریکٹرز کی رپورٹ

| ڈائریکٹر کا نام                        | میٹنگ میں حاضری کی تعداد |
|--|--------------------------|
| آ. جناب یعقوب حاجی کریم - چیف ایگزیکٹو | 4                        |
| ب. جناب نعمان یعقوب - ایگزیکٹو         | 4                        |
| ج. جناب عابد عمر - نان ایگزیکٹو        | 4                        |
| د. جناب مبشر امین - نان ایگزیکٹو       | 3                        |
| ه. جناب خورشید اختر - نان ایگزیکٹو     | 4                        |
| و. جناب علی کمال - این آئی ٹی - آزاد   | 4                        |
| ز. مس صدف شبیر - آزاد                  | 4                        |
| ح. جناب فراز یونس بندو کڈا - آزاد      | 4                        |

ان ڈائریکٹرز کو غیر حاضری کی چھٹی دی گئی جو بورڈ کے اجلاسوں میں شرکت نہیں کر سکتے تھے۔

### آڈٹ کمیٹی کا اجلاس

سال کے دوران آڈٹ کمیٹی کے چار (04) اجلاس ہوئے۔ ہر ڈائریکٹر کی حاضری درج ذیل تھی:-

| ڈائریکٹر کا نام               | میٹنگ میں حاضری کی تعداد |
|-------------------------------|--------------------------|
| آ. جناب علی کمال - این آئی ٹی | 4                        |
| ب. جناب فراز یونس بندو کڈا    | 4                        |
| ج. جناب مبشر امین             | 3                        |

### ایچ آر اور معاوضہ کمیٹی کی میٹنگ

سال کے دوران، ایچ آر اینڈ معاوضہ کمیٹی کا ایک (01) اجلاس ہوا۔ ہر ڈائریکٹر کی حاضری درج ذیل تھی:-

| ڈائریکٹر کا نام            | میٹنگ میں حاضری کی تعداد |
|----------------------------|--------------------------|
| آ. جناب فراز یونس بندو کڈا | 1                        |
| ب. جناب مبشر امین          | 1                        |
| ج. جناب نعمان یعقوب        | 1                        |

### نامزدگی اور رسک مینجمنٹ کمیٹی:

نامزدگی اور رسک مینجمنٹ کمیٹی کے اراکین کے نام درج ذیل ہیں:

- جناب یعقوب حاجی کریم
- جناب نعمان یعقوب
- جناب مبشر امین

## 30 جون 2025 کو ختم ہونے والے سال کے لیے ڈائریکٹرز کی رپورٹ

نان ایگزیکٹو ڈائریکٹرز کی معاوضے کی پالیسی

کمپنی کے بورڈ اور کمیٹی کے اجلاسوں میں شرکت کے لئے ڈائریکٹرز کی فیس کا تعین بورڈ کے ذریعہ وقتاً فوقتاً کیا جاتا ہے۔

### صنعتی تنخواہ کے فرق سے متعلق پالیسی

کمپنی ایک جامع اور مساوی کام کی جگہ کو فروغ دینے کے لیے پر عزم ہے جہاں تمام ملازمین کے ساتھ احترام، مساوات اور انصاف کے ساتھ سلوک کیا جاتا ہے۔ ملازم کے معاوضے کا تعین صنف سے قطع نظر سناریو، تجربے، کردار، ذمہ داریوں اور کارکردگی کی بنیاد پر کیا جاتا ہے۔ کمپنی تنظیم کے اندر تمام سطحوں پر مساوی نمائندگی کو یقینی بنا کر ایک جامع کام کے ماحول کو فروغ دیتی ہے۔

### آڈیٹرز

رواں سال 2024-25 کے لیے کمپنی کے مالی بیانات کا آڈٹ بی ڈی او ابراہیم اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس نے کیا تھا۔ آڈیٹرز سالانہ جزل میٹنگ کے اختتام پر ریٹائر ہو جائیں گے۔ اہل ہونے کی وجہ سے، انہوں نے خود کو دوبارہ تقرری کے لئے پیش کیا ہے۔ بورڈ نے بی ڈی او ابراہیم اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کو 30 جون 2026 کو ختم ہونے والے سال کے لیے آڈیٹرز کے طور پر مقرر کرنے کی سفارش کی ہے، جیسا کہ آڈٹ کمیٹی کی سفارش کی گئی ہے، آئندہ سالانہ جزل میٹنگ میں ممبران کی منظوری سے مشروط۔

### کریڈٹ کی درجہ بندی:

کمپنی کو 25 اپریل 2025 کو پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ کی جانب سے طویل مدتی ریٹنگ "اے" اور "اے-2" کی قلیل مدتی ریٹنگ دی گئی ہے۔

### اعتراف

انتظامیہ اپنے ملازمین اور کارکنوں کی لگن اور محنت کے لئے اپنی تعریف کو ریکارڈ پر رکھنا چاہتی ہے۔

### بورڈ آف ڈائریکٹرز کے لئے اور کی طرف سے



خورشید اختر  
چیرمین



یعقوب حاجی کریم  
چیف ایگزیکٹو

کراچی

تاریخ: 29 ستمبر، 2025

---

# Pakistan Synthetics Limited

## MISSION STATEMENT

### OUR MISSION

Our Mission is to be the most efficient manufacturer of high performance packaging requirements of industry in Pakistan.



### OUR VISION

To be an End-to-End solution provider for our partners, instead of working in a vendor-supplier model whereby all needs of our customers is catered by Pakistan Synthetics Limited.

---

# Pakistan Synthetics Limited

## STATEMENT OF ETHICS AND BUSINESS PRACTICES

- PSL resolves to always place the Company's interest first;
- PSL resolves to excel through resource management namely, human (Professional & technical both), financial and other infrastructural facilities and to ensure reasonable return to all the stakeholders;
- PSL conducts business as a responsible and law abiding corporate member of society to achieve its legitimate commercial objectives and supports unconditionally the compliance with the Best Practices of Corporate Governance for the betterment of the corporate culture;
- PSL expects from its employees full integrity, total honesty, fair and impartial practices in all aspects of its business;
- PSL resolves to adopt fair and ethical marketing practices and to prepare itself to face the challenges of open markets under WTO by supplying its customers quality Polyester Staple Fibre at competitive prices;
- PSL resolves not to compromise on principles.



# Pakistan Synthetics Limited

## Statement of Compliance with Listed Companies [Code of Corporate Governance]

### Regulations, 2019

### For the year ended June 30, 2025

The Company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are eight as per the following details:
  - a. Male: seven
  - b. Female: one
2. The composition of the board is as follows:

|                                |                                      |
|--------------------------------|--------------------------------------|
| Independent Directors:         | Four (including one female Director) |
| Executive Director:            | Two                                  |
| Other Non-Executive Directors: | Two                                  |
3. The Directors have confirmed that none of them is serving as a Director in more than seven listed companies, including this Company;
4. The Company has prepared a 'Code of Conduct' and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures;
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/Shareholders as empowered by the relevant provisions of the Companies Act, 2017 ['Act'] and these Regulations;
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;
8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
9. Six out of eight members of Board of Directors comply with the requirements of Directors' Training as required under clause 19 of the Listed Companies (Code of Corporate Governance) Regulations, 2019.
10. No new appointment or change in terms and conditions of Chief Financial Officer, Internal Auditor and Company Secretary took place during the year. The Board has complied with relevant requirements of the Regulations in this regard.

# Pakistan Synthetics Limited

11. Chief financial officer and Chief executive officer duly endorse the financial statements before approval of the Board;
12. The Board has formed following Committees as required under CCG, 2019 which comprises of members given below:

|    | Name of Members           | Audit Committee       |
|----|---------------------------|-----------------------|
| 1. | Mr. Ali Kamal             | Chairman of Committee |
| 2. | Mr. Faraz Younus Bandukda | Member                |
| 3. | Mr. Mubbashir Amin        | Member                |

|    | Name of Members           | Human Resource and Remuneration Committee |
|----|---------------------------|---|
| 1. | Mr. Faraz Younus Bandukda | Chairman of Committee                     |
| 2. | Mr. Mubbashir Amin        | Member                                    |
| 3. | Mr. Noman Yakoob          | Member                                    |

|    | Name of Members    | Nomination Committee  |
|----|--------------------|-----------------------|
| 1. | Mr. Noman Yakoob   | Chairman of Committee |
| 2. | Mr. Yakoob Karim   | Member                |
| 3. | Mr. Mubbashir Amin | Member                |

|    | Name of Members    | Risk Management Committee |
|----|--------------------|---------------------------|
| 1. | Mr. Yakoob Karim   | Chairman of Committee     |
| 2. | Mr. Noman Yakoob   | Member                    |
| 3. | Mr. Mubbashir Amin | Member                    |

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;
14. The frequency of meetings of the committee were as per following:

| Name of Committee                         | Number of Meetings held during year from July 1, 2024 to June 30, 2025 |
|---|--|
| Audit Committee                           | Four   |
| Human Resource and Remuneration Committee | One  |
| Risk Management Committee                 | Four   |
| Nomination Committee                      | One  |

15. The Board has set up an effective Internal Audit function experienced for the purpose and are conversant with the policies and procedures of the Company.
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of

# Pakistan Synthetics Limited

the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company;

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
18. We confirm that all the requirements of regulations 3, 6, 7, 8, 10(6), 27, 32, 33 and 36 of the Regulations have been complied with;
19. The Board has assigned the responsibilities to an existing board committee to provide governance and oversight in relation to company's initiatives on environmental, social and governance matters.
20. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 (non- mandatory requirements) are below:

| S.No | Requirement   | Explanation   | Reg. No.         |
|------|---|---|------------------|
| 1    | The board is responsible for governance and oversight of sustainability risks and opportunities and takes appropriate measures to address it. Further, the Board ensures that the Company's sustainability and DE&I related strategies are periodically reviewed and monitored. | The Board has assigned oversight responsibilities related to Sustainability and Diversity, Equity & Inclusion (DE&I) to the Risk Management Committee (RMC). The RMC will be responsible for ensuring that sustainability-related risks and opportunities are effectively identified and managed. Also, it will ensure that company's sustainability and DE&I related strategies are periodically reviewed and monitored in future. | 10A<br>(1)(3)(4) |
| 2    | It is encouraged that:<br>(i) by June 30, 2020 at least half of the directors on their Boards;<br>(ii) by June 30, 2021 at least 75% of the directors on their Boards; and<br>(iii) by June 30, 2022 all  | Currently, 6 out of 8 directors have obtained DTP certification and one director is exempt.<br><br>The Company will arrange training for the remaining director and head of department in the ensuing year to comply with the   | 19<br>(1)(3)     |

# Pakistan Synthetics Limited

| S.No | Requirement  | Explanation | Reg. No. |
|------|--|-------------|----------|
|      | <p>the directors on their Boards have acquired the prescribed certification under any director training program offered by institutions, local or foreign, that meet the criteria specified by the Commission and approved by it.</p> <p>(iv) Companies are also encouraged to arrange training of at least one head of department every year under the Directors'</p> |             |          |



**Yakoob Haji Karim**

Chief Executive officer

Karachi: September 29, 2025



**Khurshid Akhtar**

Chairman

**INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF PAKISTAN SYNTHETICS LIMITED  
ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES (CODE OF CORPORATE  
GOVERNANCE) REGULATIONS, 2019**

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Pakistan Synthetics Limited (the Company) for the year ended June 30, 2025 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2025.

KARACHI

DATED: OCTOBER 01, 2025

UDIN:CR202510166c740BwmFb



**BDO EBRAHIM & CO.**

**CHARTERED ACCOUNTANTS**

Engagement Partner: Tariq Feroz Khan

**BDO Ebrahim & Co. Chartered Accountants**

BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.



## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PAKISTAN SYNTHETICS LIMITED

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the annexed financial statements of **PAKISTAN SYNTHETICS LIMITED** (the Company), which comprise the statement of financial position as at June 30, 2025, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2025 and of the profit, its other comprehensive income, its cash flows and the changes in equity for the year then ended.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| S. No | Key audit matters  | How the matter was addressed in our audit  |
|-------|--|--|
| 1.    | <b>Capital Expenditure</b>   |  |
|       | Refer notes 6.2.1 to the financial statements.<br><br>The Company has incurred significant amount of capital expenditure including transfer from capital work in progress to operating assets during the year of Rs. 841.68 million which represents 24.62% of the total property, plant and equipment as at the reporting date which is material to the financial statements involves significant assumptions and judgements. | Our audit procedures amongst others, included the following:<br><br><ul style="list-style-type: none"> <li>We obtained understanding of the company's process with respect to capital expenditure and related controls relevant to such process;</li> <li>We performed substantive audit procedures through inspection of related</li> </ul> |



| S. No | Key audit matters   | How the matter was addressed in our audit   |
|-------|---|---|
|       | <p>We focused on capital expenditure incurred during the year as this represents a significant transaction for the year and involves certain judgmental areas, such as management's estimates about the useful life of assets and capitalization of elements of eligible components of cost as per the applicable financial reporting standards. Therefore, we have identified this as a key audit matter.</p>  | <p>documents supporting various components of the capitalized costs;</p> <ul style="list-style-type: none"> <li>We also considered whether the items of cost capitalized meet the recognition criteria of an asset in accordance with the applicable financial reporting standards;</li> <li>We reviewed management's estimates about the useful life of assets so capitalized and consequent depreciation rates used by the company; and</li> <li>We assessed the adequacy of consolidated financial statements disclosures in accordance with the applicable financial reporting framework.</li> </ul>  |
| 2.    | <b>Valuation of stock-in-trade</b>  |   |
|       | <p>Refer note 5.7 &amp; 12 to the financial statements.</p> <p>As at the reporting date, the value of the stock amounts to 2,974 million which represents 26.56% of the total assets as at the reporting date which form the integral part of the Company's financial statements.</p> <p>The cost of stock-in-trade has different components, which involves judgment in relation to the allocation of overheads costs and in determining the net realizable value (estimated selling price in ordinary course of business less estimated cost of completion and estimated costs necessary to make the sale) of stock-in-trade items in line with accounting policy.</p> <p>Due to above factors, we have considered the existence and valuation of stock-in-trade as a key audit matter.</p> | <p><b>Our audit procedures, amongst others included the following:</b></p> <ul style="list-style-type: none"> <li>Obtained an understanding of internal controls over purchases and valuation of stock in trade and their design, implementation and operating effectiveness of controls;</li> <li>Observed the physical inventory count at the year end and performed tests to identify any obsolete or damaged in the inventory;</li> <li>Performed test of details, on sample basis, for the purchases including both local and import with supporting documentation;</li> <li>Recalculated the actual overhead costs and checked allocation of labor and overhead costs to the finished goods and work in process;</li> <li>obtained an understanding of management's determination of net realizable value (NRV) and the key estimates adopted, including future selling prices, future costs to complete work in process and costs necessary to make the sale and their basis; and</li> </ul> |



| S. No | Key audit matters | How the matter was addressed in our audit   |
|-------|-------------------|---|
|       |                   | <ul style="list-style-type: none"> <li>Compared NRV, on a sample basis, to the cost of finished goods to assess whether any adjustments are required to value inventory in accordance with applicable accounting and reporting standards.</li> <li>Evaluated the adequacy of the disclosures presented in the financial statements regarding stock in trade in accordance with the applicable financial reporting framework.</li> </ul> |

#### Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information, included in the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

#### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Tariq Feroz Khan.

KARACHI

DATED: **01 OCT 2025**

UDIN: AR202510166CBDkd0WRc

  
BDO EBRAHIM & CO.  
CHARTERED ACCOUNTANTS

# Pakistan Synthetics Limited

## STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2025

|  | Note | 2025<br>(Rupees in '000) | 2024              |
|--|------|--------------------------|-------------------|
| <b>ASSETS</b>  |      |                          |                   |
| <b>NON-CURRENT ASSETS</b>  |      |                          |                   |
| Property, plant and equipment  | 6    | 3,418,755                | 2,925,706         |
| Right-of-use assets  | 7    | 2,472                    | 12,359            |
| Long term loan to employees  | 8    | 490                      | -                 |
| Long term deposits   | 9    | 4,209                    | 4,209             |
| Deferred taxation  | 22   | 44,412                   | 10,553            |
| Investment in associates   | 10   | 974,895                  | 1,179,443         |
|  |      | <b>4,445,233</b>         | <b>4,132,271</b>  |
| <b>CURRENT ASSETS</b>  |      |                          |                   |
| Stores and spares  | 11   | 515,112                  | 588,566           |
| Stock-in-trade   | 12   | 2,973,788                | 3,335,639         |
| Trade debts  | 13   | 2,600,289                | 2,691,511         |
| Loans and advances   | 14   | 35,662                   | 77,468            |
| Short term deposits and prepayments  | 15   | 91,880                   | 98,400            |
| Short term investments   | 16   | 5,249                    | 8,187             |
| Other receivables  |      | 2,030                    | 2,032             |
| Taxation - net   |      | 501,644                  | 239,941           |
| Cash and bank balances   | 17   | 27,625                   | 9,113             |
|  |      | <b>6,753,279</b>         | <b>7,050,857</b>  |
| <b>TOTAL ASSETS</b>  |      | <b>11,198,512</b>        | <b>11,183,128</b> |
| <b>EQUITY AND LIABILITIES</b>  |      |                          |                   |
| <b>SHARE CAPITAL AND RESERVES</b>  |      |                          |                   |
| Authorised share capital<br>140,000,000 (June 30, 2024: 140,000,000)<br>ordinary shares of Rs. 10 each |      | <b>1,400,000</b>         | <b>1,400,000</b>  |
| Issued, subscribed and paid-up capital   | 18   | <b>1,386,990</b>         | <b>1,386,990</b>  |
| Reserves   |      | <b>3,240,980</b>         | <b>2,873,528</b>  |
|  |      | <b>4,627,970</b>         | <b>4,260,518</b>  |
| <b>NON-CURRENT LIABILITIES</b>   |      |                          |                   |
| Long term borrowings   | 19   | <b>701,592</b>           | <b>549,892</b>    |
| Lease liability  | 20   | -                        | 2,880             |
| Deferred income  | 21   | <b>41,426</b>            | <b>60,980</b>     |
|  |      | <b>743,018</b>           | <b>613,752</b>    |
| <b>CURRENT LIABILITIES</b>   |      |                          |                   |
| Trade and other payables   | 23   | <b>3,149,619</b>         | <b>2,260,044</b>  |
| Short term borrowings  | 24   | <b>2,417,611</b>         | <b>3,726,456</b>  |
| Accrued markup   | 25   | <b>43,052</b>            | <b>61,804</b>     |
| Current portion of long term borrowings  | 19   | <b>187,628</b>           | <b>214,003</b>    |
| Current portion of lease liabilities   | 20   | <b>3,788</b>             | <b>14,864</b>     |
| Current portion of deferred income   | 21   | <b>20,501</b>            | <b>26,290</b>     |
| Unclaimed dividend   |      | <b>5,325</b>             | <b>5,397</b>      |
|  |      | <b>5,827,524</b>         | <b>6,308,858</b>  |
| <b>TOTAL EQUITY AND LIABILITIES</b>  |      | <b>11,198,512</b>        | <b>11,183,128</b> |
| <b>CONTINGENCIES AND COMMITMENTS</b>   |      |                          |                   |
|  | 26   |                          |                   |

The annexed notes from 1 to 48 form an integral part of these financial statements.

**YAKOOB HAJI KARIM**  
CHIEF EXECUTIVE

**NOMAN YAKOOB**  
DIRECTOR

**SHAHID YAQOOB**  
CHIEF FINANCIAL OFFICER

# Pakistan Synthetics Limited

## STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED JUNE 30, 2025

|  | Note | 2025<br>(Rupees in '000) | 2024         |
|--|------|--------------------------|--------------|
| Revenue from contracts with customers          | 27   | 16,872,295               | 13,799,512   |
| Cost of sales                                  | 28   | (14,896,271)             | (11,725,396) |
| Gross profit                                   |      | 1,976,024                | 2,074,116    |
| Administrative and general expenses            | 29   | (259,994)                | (210,145)    |
| Distribution and selling costs                 | 30   | (122,169)                | (232,387)    |
| Other operating expenses                       | 31   | (103,058)                | (45,668)     |
| (Charge) / reversal for expected credit losses | 13.1 | (13,698)                 | 90,915       |
|  |      | (498,919)                | (397,285)    |
| Operating profit                               |      | 1,477,105                | 1,676,831    |
| Other income                                   | 32   | 29,811                   | 44,055       |
| Finance costs                                  | 33   | (664,893)                | (844,303)    |
| Share of loss on investment in associates      | 10.3 | (204,548)                | (318,922)    |
| Profit before tax                              |      | 637,475                  | 557,661      |
| Taxation                                       | 34   | (270,023)                | (209,896)    |
| Profit for the year                            |      | 367,452                  | 347,765      |
| Earnings per share - basic and diluted         | 35   | 2.65                     | 2.51         |

The annexed notes from 1 to 48 form an integral part of these financial statements.



**YAKOOB HAJI KARIM**  
CHIEF EXECUTIVE



**NOMAN YAKOOB**  
DIRECTOR



**SHAHID YAQOOB**  
CHIEF FINANCIAL OFFICER



# Pakistan Synthetics Limited

## STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2025

|  | 2025<br>(Rupees in '000) | 2024           |
|--|--------------------------|----------------|
| Profit for the year  | 367,452                  | 347,765        |
| Other comprehensive income   |                          |                |
| Items that will not be subsequently reclassified in profit or loss : |                          |                |
| Remeasurement gain on post employment benefit obligation-net of tax  | -                        | 2,192          |
| Total comprehensive income for the year                              | <u>367,452</u>           | <u>349,957</u> |

The annexed notes from 1 to 48 form an integral part of these financial statements.



YAKOOB HAJI KARIM  
CHIEF EXECUTIVE



NOMAN YAKOOB  
DIRECTOR



SHAHID YAQOOB  
CHIEF FINANCIAL OFFICER

# Pakistan Synthetics Limited

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2025

| Issued,<br>subscribed<br>and paid-up<br>capital | Reserves           |                  |                    |  | Total<br>reserves | Total |
|---|--------------------|------------------|--------------------|--|-------------------|-------|
|   | Capital<br>reserve | Revenue reserves |                    |  |                   |       |
|   |                    | Share<br>premium | General<br>reserve |  |                   |       |

(Rupees in '000)

Balance as at July 01, 2023 1,386,990 140,100 292,450 2,091,021 2,523,571 3,910,561

Total comprehensive income for the  
year ended June 30, 2024

|                            |   |   |   |         |         |         |
|----------------------------|---|---|---|---------|---------|---------|
| Profit for the year        | - | - | - | 347,765 | 347,765 | 347,765 |
| Other comprehensive income | - | - | - | 2,192   | 2,192   | 2,192   |
| Total comprehensive income | - | - | - | 349,957 | 349,957 | 349,957 |

Balance as at June 30, 2024 1,386,990 140,100 292,450 2,440,979 2,873,528 4,260,518

Balance as at July 01, 2024 1,386,990 140,100 292,450 2,440,979 2,873,528 4,260,518

Total comprehensive income for the  
year ended June 30, 2025

|                            |   |   |   |         |         |         |
|----------------------------|---|---|---|---------|---------|---------|
| Profit for the year        | - | - | - | 367,452 | 367,452 | 367,452 |
| Other comprehensive income | - | - | - | -       | -       | -       |
| Total comprehensive income | - | - | - | 367,452 | 367,452 | 367,452 |

Balance as at June 30, 2025 1,386,990 140,100 292,450 2,808,431 3,240,980 4,627,970

The annexed notes from 1 to 48 form an integral part of these financial statements.



**YAKOOB HAJI KARIM**  
CHIEF EXECUTIVE



**NOMAN YAKOOB**  
DIRECTOR



**SHAHID YAQOOB**  
CHIEF FINANCIAL OFFICER

# Pakistan Synthetics Limited

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2025

|  | Note | 2025<br>(Rupees in '000) | 2024        |
|--|------|--------------------------|-------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                            |      |                          |             |
| Cash generated from / (used in) from operations                        | 40   | 3,423,795                | (275,113)   |
| Staff gratuity paid  |      | -                        | (170,520)   |
| Financial charges paid   |      | (651,077)                | (702,851)   |
| Taxes paid   |      | (574,761)                | (783,605)   |
| Net cash generated from / (used in) operating activities               |      | 2,197,957                | (1,932,089) |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                            |      |                          |             |
| Capital expenditure  |      | (963,999)                | (132,280)   |
| Proceeds from disposal of property, plant and equipment                |      | 6,999                    | 7,000       |
| Investment in associate  |      | -                        | (100,000)   |
| Profit on saving accounts received                                     |      | 1,356                    | 2,425       |
| Net cash used in investing activities                                  |      | (955,644)                | (222,855)   |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                            |      |                          |             |
| Payment of lease liability   |      | (14,864)                 | (13,763)    |
| Repayment of long term borrowings                                      |      | (220,018)                | (170,870)   |
| Proceeds from long term borrowings                                     |      | 320,000                  | -           |
| Dividend paid  |      | (73)                     | -           |
| Short term murabaha, salam and istisna                                 |      | (567,272)                | 1,070,915   |
| Net cash (used in) / generated from financing activities               |      | (482,228)                | 886,282     |
| Net increase / (decrease) in cash and cash equivalents during the year |      | 760,085                  | (1,268,662) |
| Cash and cash equivalents at beginning of the year                     |      | (1,556,085)              | (287,423)   |
| Cash and cash equivalents at end of the year                           |      | (796,000)                | (1,556,085) |
| <b>CASH AND CASH EQUIVALENTS COMPRISE:</b>                             |      |                          |             |
| Cash and bank balances   | 17   | 27,625                   | 9,113       |
| Running finance and running musharakah                                 | 24   | (823,625)                | (1,565,197) |
|  |      | (796,000)                | (1,556,085) |

The annexed notes from 1 to 48 form an integral part of these financial statements.



**YAKOOB HAJI KARIM**  
CHIEF EXECUTIVE



**NOMAN YAKOOB**  
DIRECTOR



**SHAHID YAQOOB**  
CHIEF FINANCIAL OFFICER

# Pakistan Synthetics Limited

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

### 1. STATUS AND NATURE OF BUSINESS

Pakistan Synthetics Limited ("the Company") was incorporated on November 18, 1984 as a private limited company in Pakistan under repealed Companies Ordinance, 1984 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.

### 2. GEOGRAPHICAL LOCATIONS AND ADDRESSES

Geographical locations and addresses of all the business units are as under:

#### Location

Karachi

Office no. 1504, 15th Floor, Emerald Tower, Block 5, Clifton, Karachi

Registered office

Port Qasim

Plot No. A-5, N.W.I.Z., Port Qasim Authority, Karachi

Production plant

Hub

F-1,2,3, 13, 14 & 15, Hub Industrial Trading Estate

District Labella, Balochistan

Production plant

### 3. BASIS OF PREPARATION

#### 3.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. 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.

---

# Pakistan Synthetics Limited

## 3.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except as stated otherwise, in the relevant notes to the financial statements.

## 3.3 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.

## 3.4 Significant accounting estimates and judgements

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to estimates are recognized prospectively.

Information about judgments made in applying accounting policies that have the most significant effects on the amount recognized in the financial statements and to the carrying amount of the assets and liabilities and assumptions and estimation uncertainties that may have a significant risk resulting in a material adjustment in the subsequent year are set forth below:

- Property, plant and equipment - (Note 6.1)
- Stock-in-trade and stores and spares - (Note 11&12)
- Financial instruments
- Staff retirement benefits
- Taxation - (Note 34)
- Contingencies and provisions - (Note 26)

## 4. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS

### 4.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2025

The following standards, amendments and interpretations are effective for the year ended June 30, 2025. These standards, amendments and interpretations are either not relevant to the Company's operations or did not have significant impact on the financial statements other than certain additional disclosures.

# Pakistan Synthetics Limited

"Effective date  
(annual periods  
beginning on or  
after)"

Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements January 01, 2024

Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions January 01, 2024

Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current January 01, 2024

Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants January 01, 2024

Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements January 01, 2024

Amendments to the Fourth schedule to the Companies Act, 2017 made in respect of shariah related disclosure. August 15, 2024

## 4.2 New accounting standards, amendments and interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding the classification and measurement of financial instruments January 01, 2026

Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments January 01, 2026

Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability January 01, 2025

Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs) January 01, 2026



# Pakistan Synthetics Limited

"Effective date  
(annual periods  
beginning on or  
after)"

Amendments to IFRS 9 'Financial Instruments' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs) January 01, 2026

IFRS 17 Insurance Contracts January 01, 2027

Certain annual improvements have also been made to a number of IFRSs and IASs.

IFRS 1 'First-time Adoption of International Financial Reporting Standards' has been issued by IASB effective from July 01, 2009. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)

IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023. However SECP has notified the timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2026.

IFRS 18 'Presentation and Disclosures in Financial Statements' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)

IFRS 19 'Subsidiaries without Public Accountability: Disclosures' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)

## 5. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies set out below have been applied consistently to all the periods presented in these financial statements.

### 5.1 Property, plant and equipment

#### Operating assets

#### Initial recognition

The cost of an item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the entity and the costs of such item can be measured reliably.

Recognition of the cost in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by the management.

---

# Pakistan Synthetics Limited

## Measurement

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. The cost of property, plant and equipment includes:

- (a) its purchase price including import duties, non refundable purchase taxes after deducting trade discounts and rebates;
- (b) any other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management; and
- (c) borrowing costs, if any.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent expenditure incurred to replace a significant component of an item of property, plant and equipment is capitalised and the asset so replaced is retired. Other subsequent expenditure is capitalised only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the items can be measured reliably. All other expenditures (including normal repairs and maintenance) is recognised in the statement of profit or loss as an expense when it is incurred.

## Depreciation

Depreciation on all items is charged on straight line basis method. The useful lives for depreciation are indicated in note 6.1 to these financial statements. Depreciation on additions to property, plant and equipment is charged from the month the asset is available for use up to the month prior to disposal. The useful lives and residual values of property, plant and equipment are reviewed, and adjusted if appropriate, at each statement of financial position date.

## Gains and losses on disposal

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment, and is recognised in the statement of profit or loss.

## Capital work in progress

Capital work in progress is stated at cost less impairment loss, if any and consists of expenditures incurred (including any borrowing cost, if applicable) and advances made in the course of their construction and installation. Transfers are made to relevant asset category as and when assets are available for intended use.

---

# Pakistan Synthetics Limited

## 5.2 Right of use asset

The right-of-use asset is initially measured at cost which is the initial measurement of lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct cost incurred. Subsequently, to the initial measurement, the right of use asset is measured at cost less accumulated depreciation and impairment loss if any.

The right-of-use asset is subsequently depreciated using straight line method from the commencement date to the earlier of the end of useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those of property, plant and equipment.

## 5.3 Investment in associate

Entities in which the Company has significant influence directly or indirectly but not control and which are neither subsidiaries nor joint venture of the Company are associates and are accounted for under the equity method of accounting (equity accounted investees).

Under the equity method of accounting, the investment in associate is initially recognized at cost and adjusted thereafter the associates' share of profit or loss and movements in other comprehensive income. Share of post acquisition profit / loss of associates and other comprehensive income or loss is recognized in the consolidated statement of profit or loss and the statement of comprehensive income, respectively. Distributions received from associates reduce the carrying amount of investment. When the Company's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that investment is reduced to nil and the recognition of further losses is discontinued. If the associate subsequently reports profits, the company resumes recognizing its share of those profits.

The carrying amount of investment in associate is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the investment is estimated which is higher of its value in use and its fair value less costs to sell. An impairment loss is recognized if the carrying amount exceeds its recoverable amount and is charged to the statement of profit or loss. An impairment loss is reversed if there has been a change in estimates used to determine the recoverable amount but limited to the extent of carrying amount that would have been determined if no impairment loss had been recognized. A reversal of impairment loss is recognized in the statement of profit or loss.

Unrealised gains / losses arising from transactions with associated companies are eliminated against the investment in the associates to the extent of Company's interest in the associates. Unrealised losses are eliminated in the same way as unrealised gains except that they are only eliminated to the extent that there is no evidence of impairment.

---

# Pakistan Synthetics Limited

## 5.4 Financial Instruments

### 5.4.1 Financial Assets

#### Classification, recognition, and measurement

Financial assets are classified into appropriate categories at amortized cost, fair value through other comprehensive income or at fair value through profit or loss. The management determines the classification of financial assets into appropriate categories based on the Company's business model for managing the financial assets and the contractual terms of the cash flows:

#### At amortised cost

Financial assets are measured at amortized cost when:

- The asset is held within a business model whose objective is to hold financial assets in order to hold contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### At fair value through other comprehensive income (FVOCI)

Financial assets are measured at fair value through other comprehensive income when:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### Other financial assets

All financial assets which do not fall into the first two categories are stated at fair value through profit or loss (FVTPL).

#### Initial recognition and subsequent measurement

All financial assets are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial assets at amortized cost are initially recognised at fair value and are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses, if any. Interest income and impairment losses are recognised in the statement of comprehensive income.

---

# Pakistan Synthetics Limited

Financial assets carried at fair value through other comprehensive income are initially and subsequently measured at fair value, with gains and losses arising from changes in fair value recognised in other comprehensive income.

Financial assets carried at fair value through profit or loss are initially recorded at fair value and transaction costs are expensed in the statement of profit or loss. Realized and unrealized gains and losses arising from changes in the fair values of the financial assets held at fair value through profit or loss are included in the statement of comprehensive income in the period in which they arise.

## Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all the risk and rewards of ownership. On derecognition of a financial asset, in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the statement of profit or loss.

### 5.4.2 Financial liabilities

All financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are recognized initially at fair value less any directly attributable transaction cost. Subsequently to initial recognition, these are measured at amortized cost using the effective interest rate method.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of comprehensive income.

Financial assets and financial liabilities are only offset and the net amount reported in the statement of financial position when there is a legally enforceable right to set off the recognized amounts and the Company intends to settle on a net basis.

### 5.4.3 Off-setting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements only when there is legally enforceable right to set-off the recognised amounts and the company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

---

# Pakistan Synthetics Limited

## 5.5 Impairment

### 5.5.1 Financial assets

The Company assesses on a forward-looking basis the expected credit losses (ECL) associated with its debt instruments carried at amortized cost and at fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

The Company measures ECL of a financial instrument in a way that reflects:

- a) an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- b) the time value of money; and
- c) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

### 5.5.2 Impairment of Non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets at each reporting date to identify circumstances indicating occurrence of impairment loss or reversal of previous impairment losses. An impairment loss is recognized in the statement of profit or loss other than revaluation asset which is recognized in revaluation reserve, for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sale and value in use. Reversal of impairment loss is restricted to the original cost of the asset.

## 5.6 Stores, spares and loose tools

Stores, spares and chemicals are valued at weighted average cost except for items in transit, which are stated at invoice value plus other charges paid thereon till the reporting date. A provision is made for slow moving and obsolete stores, spares and chemicals.



---

# Pakistan Synthetics Limited

## 5.7 Stock-in-trade

Stock-in-trade is valued at the lower of cost and net realizable value. Cost is determined as follows:

**Raw material** Weighted average cost comprising purchase price, transportation and other overheads. Items in transit are stated at invoice value and other charges incurred till the reporting date.

**Work in process and finished goods** Weighted average cost comprising direct cost of raw material, labor and appropriate portion of production overheads.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make sales.

A provision is made for slow moving and obsolete items of stock-in-trade. The entire amount is charged as provision against slow moving and obsolete items which remain unused for a period of 5 years. The Corporation assesses the provision basis based on technical evaluation and historical pattern of use of any stock-in-trade item. When the slow moving and obsolete item is used after 5 years, the provision recognized is reversed in the statement of profit or loss.

## 5.8 Trade receivables and other receivables

These are recognised initially are carried at original invoice amount being the fair value of the consideration to be received in future. An allowance for Expected Credit Loss (ECL) is made against trade debts on the basis of lifetime expected credit loss model.

- (a). The amount of provision against ECL is charged to the statement of comprehensive income.

Trade debts and other receivables considered irrecoverable are written-off.

## 5.9 Cash and cash equivalents

Cash and cash equivalents consist of bank balances, cash in hand and short-term running finance.

## 5.10 Leases

### Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date discounted using the rate of the entity's incremental borrowing rate being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

---

# Pakistan Synthetics Limited

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is re-measured if there is a change in future lease payments arising from a change in assessment of whether extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised. The corresponding adjustment is made to the carrying amount of the right-of-use asset is recorded in statement of profit or loss if the carrying amount of right-of-use asset has been reduced to zero.

The company has not elected to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of less than 12 months and leases of low-value assets.

## Right-of-use assets

The right-of-use asset is initially measured at cost which is the initial measurement of lease liability, and subsequently at cost less any accumulated depreciation and impairment losses, if any. The right-of-use asset is depreciated using the straight-line method over the lease term, as disclosed in the respective note.

### 5.11 Government grant

Government grants are not recognized until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grant will be received.

The benefits of a long-term finance at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair market value of loan based on prevailing market interest rates.

Government grants related long-term finances are recognized in statement of profit or loss on a systematic basis over the periods in which the Company recognizes as finance cost related to long term finances at market rate of interest.

### 5.12 Taxation and levy

#### 5.12.1 Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the statement of profit or loss, except to the extent that it relates to items recognised directly in equity or in statement of comprehensive income, in which case it is recognised in equity or in statement of comprehensive income respectively. In making the estimates for income taxes currently payable by the Company, the management looks at the current income tax law and the decisions of appellate authorities on certain issues in the past.

#### a) Current

Provision for current taxation is based on taxable income at current rates of taxation after taking into account tax credits and tax rebates available, if any, in

---

# Pakistan Synthetics Limited

accordance with the provisions of the Income Tax Ordinance, 2001. The charge for current tax also includes adjustments for prior years or otherwise considered necessary for such years.

## b) **Deferred**

Deferred tax is provided in full, using the balance sheet method, providing for temporary differences arising at the reporting date between the carrying amounts of assets and liabilities for financial reporting purposes and tax base.

Deferred tax liabilities are recognised for all taxable temporary differences.

The deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits for the foreseeable future will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the periods when the asset is realized or the liability is settled, based on the tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

### 5.12.2 Levy

The Company accounts for current tax calculated on taxable income using the notified tax rate as an income tax and any tax charged under the income tax laws which is not based on the taxable income recorded as a levy in accordance with the Guidance on Accounting for Minimum Taxes and Final taxes issued by the Institute of Chartered Accountants of Pakistan. The minimum tax and final taxes which are not calculated on the 'taxable profit' but calculated on turnover or other basis are recognized as a levy in the Statement of profit or loss under the scope of IFRIC 21/IAS37.

### 5.13 Trade and other payables

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in future for goods and services.

### 5.14 Mark-up bearing borrowings and borrowing costs

Mark-up bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, loans and borrowings are stated at amortized cost with any difference between proceeds (net of transactions costs) and redemption value is recognised in the unconsolidated statement of profit or loss over the period of borrowings using effective interest method. Finance costs are accounted for on an accrual basis and are reported under accrued finance costs to the extent of the amount remaining unpaid.

---

# Pakistan Synthetics Limited

Loans and borrowings are classified as current liabilities unless the Corporation has unconditional right to defer settlement of the liability for at least twelve months after the unconsolidated statement of financial position date.

## 5.15 Staff retirement benefits and other benefits

### Defined Contribution plan

A defined contribution plan is a post - employment benefit plan under which a Company's pays fixed contribution into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in the statement of comprehensive income when they are due.

The Company operates provident fund model (the Plan) for eligible employees of the Company.

### Compensated absences

The Company accounts for its liability towards accumulated compensated absences for the permanent employees as per the service rules of the Company.

## 5.16 Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer. Revenue from operations of the Company are recognised when the goods are provided, and thereby the performance obligations are satisfied. Revenue consists of Plastic caps, Crown caps, PET Resin, BoPET Resin and Preform which generally include single performance obligation. The Company's contract performance obligations are fulfilled at the point in time when the goods are delivered to the customer. Invoices are generated and revenue is recognised at that point in time, as the control has been transferred to the customers. Revenue is measured at fair value of the consideration received or receivable, excluding amount of sales tax.

Dividend income is recognized when the Company's right to receive the payment is established. Return on savings accounts is recognized on time proportion basis, taking effect of the effective interest rate.

## 5.17 Foreign currency translation

Transactions in foreign currencies are translated into Pakistani Rupees at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into Pakistani Rupees at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into Pakistani Rupees at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a

---

# Pakistan Synthetics Limited

foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in the statement of profit or loss.

## 5.18 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, and it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are reviewed at each reporting date and adjusted to reflect current best estimate.

## 5.19 Asset held under Ijarah financing

Assets held under Ijarah financing are accounted for using the guidelines of Islamic Financial Accounting Standard-2 (IFAS 2), "Ijarah". The assets are not recognised on the Company's statement of financial position and payments made under Ijarah financing are recognised in the statement of profit or loss on a straight line basis over the term of the lease.

## 5.20 Dividend and appropriation

Dividend distribution to the Company's shareholders and appropriation to / from reserves is recognised in the period in which these are approved.

## 5.21 Operating segment

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of the Company that makes strategic decisions. The financial statements are prepared on the basis of single reporting segment consistent with the information reviewed by the chief operating decision maker of the Company.

## 5.22 Earnings per share

The Company presents basic and diluted earnings per share (EPS) for the shareholders. Basic EPS is calculated by dividing the profit after tax attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is determined by adjusting the profit or loss attributable to the ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

## 5.23 Contract liabilities

A contract liability is recognised if a payment is received from a customer before the

# Pakistan Synthetics Limited

Company transfers the related goods. Contract liabilities are recognised as revenue when the Company transfers control of the related goods to the customer.

## 5.24 Contingent liabilities and contingent assets

A contingent liability is disclosed when:

- there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company; or; or
- there is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is disclosed when:

- there is possibility that asset arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Corporation. Contingent assets are not recognized but are disclosed when an inflow of economic benefits is probable. When an inflow is virtually certain, an asset is recognized in the unconsolidated financial statements.

| 6. PROPERTY, PLANT AND EQUIPMENT | Note | 2025<br>(Rupees in '000) | 2024             |
|----------------------------------|------|--------------------------|------------------|
| Operating fixed assets           | 6.1  | 2,892,449                | 2,765,183        |
| Capital work-in-progress         | 6.2  | 526,306                  | 160,523          |
|                                  |      | <u>3,418,755</u>         | <u>2,925,706</u> |



# Pakistan Synthetics Limited

## 6.1 Operating fixed assets

|                                   | Leasehold<br>land<br>(Note 6.1.2) | Building on<br>leasehold<br>(Note 6.1.2) | Plant and<br>machinery | Solar Panels   | Vehicles       | Office<br>Improvements | Furniture<br>and Office<br>Equipment | Computer<br>accessories | Total            |
|-----------------------------------|-----------------------------------|--|------------------------|----------------|----------------|------------------------|--------------------------------------|-------------------------|------------------|
| (Rupees in '000)                  |                                   |  |                        |                |                |                        |                                      |                         |                  |
| <b>Net carrying value basis</b>   |                                   |  |                        |                |                |                        |                                      |                         |                  |
| <b>year ended June 30, 2025</b>   |                                   |  |                        |                |                |                        |                                      |                         |                  |
| Opening net book value            | 116,075                           | 537,124                                  | 2,006,942              | -              | 102,129        | 964                    | 1,678                                | 271                     | 2,765,183        |
| Addition (at cost)                | -                                 | -  | 400,707                | 112,630        | 84,879         | -                      | -                                    | -                       | 598,216          |
| Disposal (at NBV)                 | -                                 | -  | -                      | -              | (4,001)        | -                      | -                                    | -                       | (4,001)          |
| Depreciation charged              | (2,708)                           | (38,355)                                 | (396,075)              | (8,276)        | (20,025)       | (643)                  | (708)                                | (160)                   | (466,950)        |
| <b>Closing net book value</b>     | <b>113,367</b>                    | <b>498,769</b>                           | <b>2,011,574</b>       | <b>104,354</b> | <b>162,983</b> | <b>321</b>             | <b>970</b>                           | <b>111</b>              | <b>2,892,449</b> |
| <b>Gross carrying value basis</b> |                                   |  |                        |                |                |                        |                                      |                         |                  |
| <b>year ended June 30, 2025</b>   |                                   |  |                        |                |                |                        |                                      |                         |                  |
| Cost                              | 130,603                           | 838,908                                  | 6,857,330              | 112,630        | 246,699        | 5,189                  | 20,815                               | 7,429                   | 8,219,602        |
| Accumulated depreciation          | (17,236)                          | (340,140)                                | (4,845,756)            | (8,276)        | (83,716)       | (4,868)                | (19,845)                             | (7,318)                 | (5,327,154)      |
| <b>Closing net book value</b>     | <b>113,367</b>                    | <b>498,769</b>                           | <b>2,011,574</b>       | <b>104,354</b> | <b>162,983</b> | <b>321</b>             | <b>970</b>                           | <b>111</b>              | <b>2,892,449</b> |
| <b>Net carrying value basis</b>   |                                   |  |                        |                |                |                        |                                      |                         |                  |
| <b>year ended June 30, 2024</b>   |                                   |  |                        |                |                |                        |                                      |                         |                  |
| Opening net book value            | 118,789                           | 575,625                                  | 2,376,540              | -              | 73,067         | 1,605                  | 2,403                                | 366                     | 3,148,395        |
| Addition (at cost)                | -                                 | -  | -                      | -              | 50,536         | -                      | -                                    | 265                     | 50,801           |
| Disposal (at NBV)                 | -                                 | -  | -                      | -              | (6,906)        | -                      | -                                    | -                       | (6,906)          |
| Depreciation charged              | (2,714)                           | (38,501)                                 | (369,598)              | -              | (14,568)       | (641)                  | (725)                                | (360)                   | (427,106)        |
| <b>Closing net book value</b>     | <b>116,075</b>                    | <b>537,124</b>                           | <b>2,006,942</b>       | <b>-</b>       | <b>102,129</b> | <b>964</b>             | <b>1,678</b>                         | <b>271</b>              | <b>2,765,183</b> |
| <b>Gross carrying value basis</b> |                                   |  |                        |                |                |                        |                                      |                         |                  |
| <b>year ended June 30, 2024</b>   |                                   |  |                        |                |                |                        |                                      |                         |                  |
| Cost                              | 130,603                           | 838,908                                  | 6,456,623              | -              | 165,820        | 5,189                  | 20,815                               | 7,429                   | 7,625,387        |
| Accumulated depreciation          | (14,528)                          | (301,785)                                | (4,449,681)            | -              | (63,691)       | (4,225)                | (19,137)                             | (7,158)                 | (4,860,204)      |
| <b>Closing net book value</b>     | <b>116,075</b>                    | <b>537,124</b>                           | <b>2,006,942</b>       | <b>-</b>       | <b>102,129</b> | <b>964</b>             | <b>1,678</b>                         | <b>271</b>              | <b>2,765,183</b> |
| Useful life (in years)            | 30 - 99                           | 20                                       | 5 - 20                 | 10             | 8              | 5                      | 5 - 10                               | 3                       |                  |

Note 2025 2024  
(Rupees in '000)

### 6.1.1 Depreciation charge for the year has been allocated as follows:

|                                     |    |                |                |
|-------------------------------------|----|----------------|----------------|
| Cost of sales                       | 28 | 447,819        | 409,405        |
| Administrative and general expenses | 29 | 14,349         | 13,276         |
| Distribution and selling costs      | 30 | 4,783          | 4,425          |
|                                     |    | <b>466,950</b> | <b>427,106</b> |

### 6.1.2 Particulars of immovable property (i.e. land and building) in the name of the Company are as follows:

| Particulars                             | Location  | Total area        |
|---|---|-------------------|
| Leasehold Land<br>(plant with building) | F-1,2,3 & 13, 14 & 15, Hub Industrial Trading Estate District Labella, Balochis tan | 65,500 Sq. Meters |
| Leasehold Land<br>(plant with building) | Plot No. A-5, N.W.I.Z., Port Qasim Authority, Karachi                               | 20,234 Sq. Meters |
| Leasehold Land<br>(plant with building) | Mouza Pathra, Tehsil Hub District Lasbella, Baluchistan                             | 28,328 Sq. Meters |
| Leasehold Land<br>(plant with building) | A-114 to A-123, Hub Industrial Trading Estate District Labella, Baluchistan         | 15,000 Sq. Meters |

# Pakistan Synthetics Limited

6.1.3 The total aggregate book value of all the assets which were disposed during the year was not exceeding five million rupees.

|   | Note | 2025<br>(Rupees in '000) | 2024           |
|---|------|--------------------------|----------------|
| 6.2 Capital work-in-progress              |      |                          |                |
| Advance against equipments                |      | 391,821                  | 71,049         |
| Advance against construction/ civil works |      | 83,485                   | 89,474         |
| Advance for purchase of land              |      | 51,000                   | -              |
| 6.2.1                                     |      | <u>526,306</u>           | <u>160,523</u> |

6.2.1 The movement of capital work-in-progress (cost) is as under:

| Note                                    | As at July 1,<br>2024 | Additions      | Transfers        | As at June<br>30, 2025 |
|---|-----------------------|----------------|------------------|------------------------|
| ----- (Rupees in '000) -----            |                       |                |                  |                        |
| Plant and machinery                     | 71,049                | 758,349        | (437,577)        | 391,821                |
| Advance against construction/civil work | 89,474                | 32,331         | (38,320)         | 83,485                 |
| Advance for purchase of land 6.2.3      | -                     | 51,000         | -                | 51,000                 |
|   | <u>160,523</u>        | <u>841,680</u> | <u>(475,897)</u> | <u>526,306</u>         |
|   | As at July 1,<br>2023 | Additions      | Transfers        | As at June<br>30, 2024 |
| ----- (Rupees in '000) -----            |                       |                |                  |                        |
| Plant and machinery                     | -                     | 71,049         | -                | 71,049                 |
| Advance against construction/civil work | 77,434                | 12,040         | -                | 89,474                 |
|   | <u>77,434</u>         | <u>83,089</u>  | <u>-</u>         | <u>160,523</u>         |

6.2.3 This represents advance given against purchase of land. The Company plans to expand its business in future.

|                                  | Note | 2025<br>(Rupees in '000) | 2024          |
|----------------------------------|------|--------------------------|---------------|
| 7. RIGHT-OF-USE ASSET            |      |                          |               |
| Balance as at July 01,           |      | 12,359                   | 22,246        |
| Depreciation charge for the year | 7.1  | (9,887)                  | (9,887)       |
| Balance as at June 30,           |      | <u>2,472</u>             | <u>12,359</u> |
| Useful life (in years)           |      | 5                        | 5             |

7.1 The right of use asset relates to rental agreement of head office. Depreciation charge on right-of-use asset for the year has been allocated as follows:

|                                     | Note | 2025<br>(Rupees in '000) | 2024         |
|-------------------------------------|------|--------------------------|--------------|
| Administrative and general expenses | 29   | 7,415                    | 7,415        |
| Distribution and selling costs      | 30   | 2,472                    | 2,472        |
|                                     |      | <u>9,887</u>             | <u>9,887</u> |

# Pakistan Synthetics Limited

Note 2025 2024  
(Rupees in '000)

## 8. LONG TERM LOAN TO EMPLOYEES

|                         |     |            |          |
|-------------------------|-----|------------|----------|
| Secured-considered good |     |            |          |
| Employees               | 8.1 | 1,837      | 515      |
| Less: Current portion   | 14  | (1,347)    | (515)    |
|                         |     | <u>490</u> | <u>-</u> |

### 8.1 Movement of loan to employees:

|                            |  |              |            |
|----------------------------|--|--------------|------------|
| Balance as at July 01,     |  | 515          | 4,804      |
| Additions during the year  |  | 2,620        | 2,934      |
| Repayments during the year |  | (1,298)      | (7,222)    |
| Balance as at June 30,     |  | <u>1,837</u> | <u>515</u> |

- 8.1.1** These loans are interest free and granted to executives and employees of the Company in accordance with the Company's policy for purchase of cars, motor cycles, household appliances and construction or renovation of house.

## 9. LONG TERM DEPOSITS

|  |     |              |              |
|--|-----|--------------|--------------|
| Utility deposits                         |     | 1,746        | 1,746        |
| Security deposits                        | 9.1 | 3,556        | 3,556        |
|  |     | <u>5,302</u> | <u>5,302</u> |
| Less: allowance for expected credit loss |     | (1,094)      | (1,094)      |
|  | 9.2 | <u>4,209</u> | <u>4,209</u> |

- 9.1** These deposits do not carry any interest or markup.

- 9.2** This amount represents deposits given to various parties, including Rs. 2.782 million paid by the company in respect of its rented Head Office premises.

## 10. INVESTMENT IN ASSOCIATES

|                                |  |                |                  |
|--------------------------------|--|----------------|------------------|
| PetPak Films (Private) Limited |  | <u>974,895</u> | <u>1,179,443</u> |
|--------------------------------|--|----------------|------------------|

- 10.1** This represents shareholding of 18.24% (2024: 23.08%) comprising of 150,000,000 shares (2024: 150,000,000) of Petpak Films (Private) Limited an associate company. Original cost of the shares was Rs. 10/share.

- 10.2** During the year, the associate company has issued right shares which were not exercised by the company. Hence, there was a decrease in holding of Petpak Films (Private) Limited.

# Pakistan Synthetics Limited

Note 2025 2024  
(Rupees in '000)

## 10.3 Movement of investment in associate are as follows:

|                            |                |                  |
|----------------------------|----------------|------------------|
| Balance as at July 01,     | 1,179,443      | 1,398,365        |
| Investment during the year | -              | 100,000          |
| Share of loss for the year | (204,548)      | (318,922)        |
| Balance as at June 30,     | <u>974,895</u> | <u>1,179,443</u> |

## 10.4. Financial details / position of associate are as follows:

|                      |            |            |
|----------------------|------------|------------|
| Total assets         | 14,771,008 | 14,063,723 |
| Total liabilities    | 9,268,224  | 8,139,874  |
| Revenue for the year | 6,599,650  | 1,869,248  |
| Loss for the year    | 1,121,603  | 1,378,607  |

## 11. STORES, SPARES AND LOOSE TOOLS

|   |                |                |
|---|----------------|----------------|
| Stores and spares in hand                             | 563,593        | 536,668        |
| in transit  | -              | 100,379        |
|   | <u>563,593</u> | <u>637,047</u> |
| Less: Provision against slow moving stores and spares | (48,481)       | (48,481)       |
|   | <u>515,112</u> | <u>588,566</u> |

## 12. STOCK-IN-TRADE

|                                  |                  |                  |
|----------------------------------|------------------|------------------|
| Raw and packing material in hand | 748,845          | 751,113          |
| in transit                       | 832,568          | 337,091          |
|                                  | <u>1,581,413</u> | <u>1,088,204</u> |
| Work-in-process                  | 380,522          | 78,114           |
| Finished goods                   | 1,011,853        | 2,169,321        |
|                                  | <u>2,973,788</u> | <u>3,335,639</u> |

## 13. TRADE DEBTS

|  |                  |                  |
|--|------------------|------------------|
| Considered good                            | 2,600,289        | 2,691,511        |
| Considered doubtful                        | 240,215          | 226,517          |
|  | <u>2,840,504</u> | <u>2,918,028</u> |
| Less: Allowance for expected credit losses | (240,215)        | (226,517)        |
|  | <u>2,600,289</u> | <u>2,691,511</u> |

### 13.1 Allowance for expected credit losses

|                             |                |                |
|-----------------------------|----------------|----------------|
| Balance as on July 01       | 226,517        | 317,433        |
| Provision made for the year | 13,698         | -              |
| Reversal during the year    | -              | (90,916)       |
| Balance as on June 30       | <u>240,215</u> | <u>226,517</u> |

# Pakistan Synthetics Limited

Note 2025 2024  
(Rupees in '000)

## 14. LOANS AND ADVANCES

|   |   |               |               |
|---|---|---------------|---------------|
| Unsecured - considered good                     |   |               |               |
| Current maturity of long term loan to employees | 8 | 1,347         | 515           |
| Advance   |   | 38,109        | 80,748        |
| - to suppliers                                  |   | (3,794)       | (3,795)       |
| Less: Allowance for expected credit loss        |   | <u>35,662</u> | <u>77,468</u> |

## 15. SHORT TERM DEPOSITS AND PREPAYMENTS

|   |  |               |               |
|---|--|---------------|---------------|
| Deposits- against letters of credit and bank guarantees |  | 80,650        | 88,027        |
| Short term deposits                                     |  | 9,394         | 8,582         |
| Prepayments   |  | 1,835         | 1,791         |
|   |  | <u>91,880</u> | <u>98,400</u> |

## 16. SHORT TERM INVESTMENTS-AT FAIR VALUE THROUGH PROFIT OR LOSS(FVTPL)

|                            |      |              |              |
|----------------------------|------|--------------|--------------|
| Listed securities (shares) | 16.1 | 4,403        | 7,428        |
| Mutual funds               | 16.2 | 846          | 759          |
|                            |      | <u>5,249</u> | <u>8,187</u> |

**16.1** This represents investment in shares of Octopus Digital Limited. As at June 30, 2025 the Company held 85,486 shares (2024:85,486) carried at market price and the fair value was Rs. 51.50 (2024: 86.87) per share.

**16.2** The particulars of mutual funds units are as follows:

| 2025                 | 2024   | Name of mutual fund     | 2025              |            | 2024              |            |
|----------------------|--------|-------------------------|-------------------|------------|-------------------|------------|
| Number of units      |        |                         | Cost/Market value | Fair Value | Cost/Market value | Fair Value |
| ----- (Rupees) ----- |        |                         |                   |            |                   |            |
| 82,196               | 73,888 | ABL Islamic Income Fund | 10.30             | 846,343    | 10.28             | 759,319    |

Note 2025 2024  
(Rupees in '000)

## 16.3 Movement of investments:

|   |    |              |              |
|---|----|--------------|--------------|
| Balance as at July 01,  |    | 8,187        | 3,846        |
| Amount of additional units  |    | 85           | 109          |
| Unrealized (loss) / gain on remeasurement of investments for the year | 31 | (3,023)      | 4,232        |
| Balance as at June 30,  |    | <u>5,249</u> | <u>8,187</u> |



# Pakistan Synthetics Limited

|                                   | Note | 2025<br>(Rupees in '000) | 2024  |
|-----------------------------------|------|--------------------------|-------|
| <b>17. CASH AND BANK BALANCES</b> |      |                          |       |
| Cash in hand                      |      | 1,389                    | 1,288 |
| Bank balances                     |      |                          |       |
| With Islamic banks                |      |                          |       |
| - current accounts                |      | 9,198                    | 5,735 |
| - saving accounts                 | 17.1 | 997                      | 197   |
|                                   |      | 10,195                   | 5,932 |
| With conventional banks           |      |                          |       |
| - current accounts                |      | 15,553                   | 1,851 |
| - saving accounts                 | 17.2 | 488                      | 43    |
|                                   |      | 16,041                   | 1,894 |
|                                   |      | 27,625                   | 9,113 |

**17.1** Rate of profit on saving accounts with Islamic banks is 8.5% to 10.25% per annum respectively (2024: 9.00% to 20.50% per annum).

**17.2.** Rate of profit on saving accounts with conventional banks is 10.25% to 19% per annum respectively (2024: 9.00% to 20.50% per annum).

## 18 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

| 2025<br>(Number of shares) | 2024        |  | 2025<br>(Rupees in '000) | 2024      |
|----------------------------|-------------|--|--------------------------|-----------|
| 65,380,000                 | 65,380,000  | Ordinary shares of Rs.10/- each<br>fully paid in cash                | 653,800                  | 653,800   |
| 73,319,000                 | 73,319,000  | Ordinary shares of Rs.10/- each<br>issued as fully paid bonus shares | 733,190                  | 733,190   |
| 138,699,000                | 138,699,000 |  | 1,386,990                | 1,386,990 |

|  | Note | 2025<br>(Rupees in '000) | 2024 |
|--|------|--------------------------|------|
|--|------|--------------------------|------|

## 19. LONG TERM BORROWINGS - SECURED

### Loans from Islamic financial institutions

|  |      |           |           |
|--|------|-----------|-----------|
| Long Term Finance Facility -<br>Diminishing Musharakah   | 19.1 | 456,989   | 230,992   |
| Islamic Temporary Economic Refinance Facility<br>(ITERF) | 19.2 | 494,158   | 620,173   |
|  |      | 951,147   | 851,165   |
| Less: deferred income - government grant                 | 21   | (61,927)  | (87,270)  |
| Current portion shown under current liabilities          |      | (187,628) | (214,003) |
|  |      | 701,592   | 549,892   |

# Pakistan Synthetics Limited

Note 2025 2024  
(Rupees in '000)

## 19.1 Diminishing musharakah consists of:

|                       |        |                |                |
|-----------------------|--------|----------------|----------------|
| Askari Bank Limited   | 19.1.1 | 25,408         | 43,962         |
| Bank Alfalah Limited  | 19.1.2 | 320,000        | 12,400         |
| Bank AL Habib Limited | 19.1.3 | 111,581        | 174,630        |
|                       |        | <b>456,989</b> | <b>230,992</b> |

**19.1.1** The Company has obtained facility of Rs. 72 million under Diminishing Musharakah financing arrangements for the purpose of capital expenditures which are secured against 1st Pari Passu charge over all present and future plant and machinery of the Company, duly registered with Securities and Exchange Commission of Pakistan (SECP) with 15% margin. The facility carries profit at the rate of 3 months KIBOR + 1% per annum with a floor of 4% and cap of 25% per annum. The tenure of the facility is five years including one year grace period. The principal is repayable in 16 equal quarterly instalments and the last instalment is payable on December 15, 2026.

**19.1.2** The Company has obtained facilities of Rs. 320 million under Diminishing Musharakah financing arrangement with for the purpose of capital expenditures which is secured against 1st exclusive/specific hypothecation charge of Rs. 400 million over imported plant and machinery financed through this facility, duly registered with Securities and Exchange Commission of Pakistan (SECP). This carries profit at the rate of 6 months KIBOR plus 2% per annum with a floor of 7% and cap of 35% per annum. The tenor of facility is eight years including one year grace period. The principal amount is repayable in 28 equal quarterly instalments and last installment is payable on September 30, 2033.

**19.1.3** (i) The Company has obtained facility Rs. 92.71 million under Diminishing Musharakah financing arrangement for the purpose of capital expenditure which is secured against registered pari passu hypothecation charge over plant and machinery for Rs. 106.433 million. This carries profit at the rate of 6 months KIBOR plus 1% per annum with a floor of 6% and cap of 20% per annum. The tenure of facility is four years including one year grace period. The principal amount is repayable in 36 equal monthly instalments and last instalment is payable on March 16, 2026.

(ii) The Company has also obtained facility of Rs. 128.59 million under Diminishing Musharakah financing arrangement for the purpose of capital expenditure which is secured against registered pari passu hypothecation charge over plant and machinery for Rs. 150 million. This carries profit at the rate of 6 months KIBOR plus 1% per annum with a floor of 6% and cap of 25% per annum. The tenure of facility is four years including one year grace period. The principal amount is repayable in 36 equal monthly instalments and last instalment is payable on March 28, 2028.

**19.2** The Company has obtained loans under SBP Islamic Temporary Economic Refinance Facility (ITERF) from various Islamic banks. SBP introduced this scheme to support the companies for purchase of plant and machinery at subsidized rate of borrowings.

# Pakistan Synthetics Limited

(i) The Company has obtained financing facility of Rs. 300 million under SBP Islamic Temporary Economic Refinance Facility (ITERF) which are secured against 1st exclusive charge over plant and machinery of the Company, duly registered with SECP. The rate of markup on these loans is 3.75% per annum. The tenure of these loans is seven years including two years grace period and is repayable in twenty equal quarterly instalments commencing after the grace period. The last instalment is payable in October 2028.

(ii) The Company also has financing facility of Rs. 80 million under SBP Islamic Temporary Economic Refinance Facility (ITERF) which are secured against 1st pari pasu charge over plant and machinery with 25% margin. The rate of markup on this loan is 4% per annum. The tenure of the loan is ten years including two years grace period and is repayable in thirty-two equal quarterly instalments commencing after the grace period and the last instalment is payable in February 2031.

(iii) The Company also has obtained financing facility of Rs. 350 million under SBP Islamic Temporary Economic Refinance Facility (ITERF) which are secured against 1st exclusive charge over the Company's plant and machinery financed through the facility and 1st Pari Passu charge over the Company's existing un-encumbered plant and machinery to cover 25% margin requirement. The rate of markup on these loans is 3% and 3.5% per annum. The tenure of these loans is five years including one year grace period and ten years including two years grace period and is repayable in sixteen and thirty-two equal quarterly instalments commencing after the grace period and the last instalment is payable in December 2031.

## 19.3 Ijarah financing

The Company had car ijarah facility from Askari Bank Limited - Islamic banking branch amounting to Rs. 68 million (2024: Rs. 68 million).

## 20. LEASE LIABILITY

This represents head office acquired for a fixed period of 5 years ending September 30, 2025. The lease payments have been discounted using incremental borrowing rate of the company applicable at inception of lease which is 10% per annum.

|                        | Note | 2025<br>(Rupees in '000) | 2024          |
|------------------------|------|--------------------------|---------------|
| Balance as at July 01, |      | 17,744                   | 29,316        |
| Accretion of interest  |      | 908                      | 2,190         |
| Less: lease payments   |      | (14,864)                 | (13,763)      |
| Balance as at June 30, | 20.1 | <u>3,788</u>             | <u>17,744</u> |

### 20.1 Maturity analysis-contractual cash flow

|                       |              |               |
|-----------------------|--------------|---------------|
| Less than one year    | 3,788        | 14,864        |
| Two to five years     | -            | 2,880         |
| Total lease liability | <u>3,788</u> | <u>17,744</u> |

# Pakistan Synthetics Limited

2025                      2024  
(Rupees in '000)

## 21. DEFERRED INCOME

|  |               |               |
|--|---------------|---------------|
| Balance as at July 01,   | 87,270        | 116,111       |
| Amortisation during the year                                   | (25,343)      | (28,841)      |
| Balance as at June 30,   | 61,927        | 87,270        |
| Less: Current portion of deferred income -<br>government grant | (20,501)      | (26,290)      |
|  | <u>41,426</u> | <u>60,980</u> |

- 21.1 The value of benefits of below-market interest rate on the loan has been accounted for as government grant under IAS 20-government grant. The below-market interest rate are ranging between 3% to 4% (2024: 3% to 4%).

Note                      2025                      2024  
(Rupees in '000)

## 22. DEFERRED TAXATION

Deferred tax comprises of taxable / (deductible) temporary differences in respect of the following:

|  |                  |                  |
|--|------------------|------------------|
| Taxable temporary difference                         |                  |                  |
| Accelerated tax depreciation                         | 236,676          | 209,082          |
| Deductible temporary differences                     |                  |                  |
| Net impact of right of use asset and lease liability | (382)            | (1,561)          |
| Provision for advances                               | (1,101)          | (1,101)          |
| Provision for doubtful debts                         | (69,487)         | (65,690)         |
| Provision for stores & spares                        | (14,059)         | (14,059)         |
| Provision for doubtful deposits                      | (317)            | (317)            |
| Provision for Sindh infrastructure cess              | (38,315)         | (38,315)         |
| Unrealised exchange loss                             | (3,287)          | (498)            |
| Unrealised gain on investments                       | (1,727)          | (1,838)          |
| Other income impact of GIDC                          | -                | (3,294)          |
| Share of loss on investment in associate             | (152,413)        | (92,962)         |
|  | <u>(281,088)</u> | <u>(219,635)</u> |
|  | <u>(44,412)</u>  | <u>(10,553)</u>  |

## 23. TRADE AND OTHER PAYABLES

|   |      |                  |                  |
|---|------|------------------|------------------|
| Trade creditors including bills payable     |      | 1,959,794        | 1,411,273        |
| Workers' Profit Participation Fund          | 23.1 | 34,212           | 30,177           |
| Contract Liabilities                        | 23.2 | 311,103          | 11,430           |
| Gas Infrastructure Development cess payable |      | 169,623          | 168,640          |
| Accrued expenses                            | 23.3 | 495,216          | 379,206          |
| Workers' Welfare Fund                       |      | 13,000           | 15,492           |
| Compensated absences                        |      | 26,509           | 33,569           |
| Withholding tax payable                     |      | 18,978           | 18,978           |
| Sales tax payable                           |      | 98,957           | 165,913          |
| Others                                      |      | 22,228           | 25,367           |
|   |      | <u>3,149,619</u> | <u>2,260,044</u> |

# Pakistan Synthetics Limited

|  | Note | 2025<br>(Rupees in '000) | 2024      |
|--|------|--------------------------|-----------|
| <b>23.1 Workers' Profit Participation Fund</b> |      |                          |           |
| Balance as at July 01                          |      | <b>30,177</b>            | 263,667   |
| Interest accrued on funds                      | 33   | <b>5,333</b>             | 65,270    |
|  |      | <b>35,510</b>            | 328,937   |
| Less: payment during the year                  |      | <b>(35,510)</b>          | (328,937) |
| Allocation for the year                        |      | <b>34,212</b>            | 30,177    |
| Balance as at June 30                          |      | <b>34,212</b>            | 30,177    |

**23.2** Revenue recognized from contract liabilities during the year amounted to Rs. 11.43 million (2024: Rs. 196.3 million).

**23.3** This includes provision for Sindh Infrastructure Cess of Rs. 312.72 million (2024: Rs. 183.75 million) and payable to Sui Southern Gas Company of Rs. 102.82 million (2024: Rs. 111.56 million).

In 2017, Provincial Assembly of Sindh vide its Sindh Development and Maintenance of Infrastructure Cess Act, 2017 dated April 12, 2017 has levied infrastructure cess on the goods entering the province from outside the country by air or sea.

The Company had challenged the levy of infrastructure cess in the Honourable High Court of Sindh (HSC). The Court granted an interim relief whereby the Company was required to pay 50% of the cess amount and furnish bank guarantee for remaining 50%. On 4 June 2021, the levy of Infrastructure cess case was upheld by the Honourable High Court of Sindh (HSC), therefore, the Company along with other industrial importers challenged the decision of the HSC in the Supreme Court of Pakistan (SCP). On September 01, 2021, the SCP granted an interim relief whereby, the petitioners were required to furnish fresh bank guarantees against 100% of the amount of Infrastructure Cess involved.

The Company has furnished bank guarantee of Rs. 312.72 million as on June 30, 2025 (2024: Rs 183.75 million) to the Director, Excise and Taxation, Karachi. However, as a matter of prudence, full cost has been charged in the statement of profit or loss.

|  | Note | 2025<br>(Rupees in '000) | 2024      |
|--|------|--------------------------|-----------|
| <b>24. SHORT TERM BORROWINGS - SECURED</b> |      |                          |           |
| Conventional financing                     |      |                          |           |
| Running finance under mark-up arrangement  | 24.1 | <b>137,396</b>           | 412,107   |
|  |      | <b>137,396</b>           | 412,107   |
| Islamic financing                          |      |                          |           |
| Murabaha                                   | 24.2 | <b>403,308</b>           | 193,701   |
| Istisna                                    | 24.2 | <b>1,190,678</b>         | 1,967,557 |
| Running musharakah                         | 24.3 | <b>686,229</b>           | 1,153,090 |
|  |      | <b>2,417,611</b>         | 3,726,456 |



# Pakistan Synthetics Limited

- 24.1.** This represents the facility of running finance for the purpose to meet working capital requirements. The rate of mark-up is one month average Kibor plus spread-12.33% to 21.83% (2024: 22.7% to 23.6%) per annum. The facility is renewable on the expiry of twelve months. The arrangement is secured against registered joint Pari Passu hypothecation charge over Company's stocks and book debts. The financing facility available under this arrangement amounted to Rs. 344.1 million (2024: Rs. 900 million) out of which the amount remained unutilized as at June 30, 2025 was Rs. 206.70 million (2024: Rs. 487.89 million).
- 24.2.** The financing facility under Murabaha and Istisna financing arrangement obtained to meet working capital requirements. These loans are secured through 1st Pari Passu hypothecation charge over stocks and receivables with 25% margin. These loans carry profit at rates ranging from 11.74% to 23.69% per annum (2024: 18.10% to 24.18% per annum). The facility amount remained unutilized as at June 30, 2025 is Rs. 1,607 million (2024: Rs. 738.68 million).
- 24.3.** This represents facility for Running Musharakah for the purpose to meet the working capital requirements. The rate of mark-up is 12.33% to 21.35% annual per annum (2024: 21.78% to 23.91% per annum). The facility is renewable on the expiry of twelve months. The arrangement is secured against joint Pari Passu charge over stocks and receivables with 25% margin and 1st Pari Passu hypothecation charge over all present and future stocks and / or receivables of the Company, duly registered with SECP. The financing facility available under this arrangement amounted to Rs. 1,750 million (2024: Rs. 1,400 million) out of which the amount remained unutilized as at 30 June 2025 is Rs. 1,213.77 million (2024: Rs. 246.91 million).

**2025                      2024**  
**(Rupees in '000)**

## **25. ACCRUED MARKUP**

### **Long term borrowing** **Islamic**

|   |              |       |
|---|--------------|-------|
| Diminishing Musharakah                                | <b>1,996</b> | 4,750 |
| Islamic Temporary Economic Refinance Facility (ITERF) | <b>5,177</b> | 5,182 |
|   | <b>7,173</b> | 9,932 |

### **Short term borrowing**

|                              |               |        |
|------------------------------|---------------|--------|
| Conventional-running finance | <b>2,379</b>  | 6,623  |
| Islamic-running musharka     | <b>33,498</b> | 45,249 |
|                              | <b>35,879</b> | 51,872 |
|                              | <b>43,052</b> | 61,804 |

## **26. CONTINGENCIES AND COMMITMENTS**

### **26.1 Contingencies**

In 2011, the Gas Infrastructure Development Cess (GIDC) was levied via GIDC Act, 2011 and further the rate of cess was amended via Finance Bill 2012 - 2013 which was challenged in the Honourable Supreme Court of Pakistan (SCP). The SCP declared GIDC Act, 2011 to be unconstitutional and ultra vires on the grounds that GIDC is a 'Fee' and not a 'Tax' and in the alternative it is not covered by any entry

---

# Pakistan Synthetics Limited

relating to imposition or levy of tax under Part-I of the Federal Legislative list and on either counts the 'cess' could not have been introduced through a money bill under the Constitution.

During 2015, Government passed a new law Gas Infrastructure Development Cess Act, 2015 (the Act) by virtue of which all prior enactments have been declared infructuous. The said Act levies GID Cess at Rs. 200/MMBTU on captive power consumption and at Rs.100/MMBTU on industrial connection from the date of passing of that Act with retrospective application against which the Company had obtained a stay order from the Honourable High Court of Sindh (SHC). Accordingly, the Company started recognizing charge against GIDC from the date of passing of the Act.

In the year 2020, Supreme Court of Pakistan (SCP) vide its judgement dated August 13, 2020 dismissed all the previous appeals filed by various industrial and commercial entities with respect to the legality and validity of levy and demand of GIDC and decided the case against the industry. The Supreme Court has also held that "the provisions of Section 8 of the Act, which give retrospective effect to the charge and recovery of 'Cess' levied from the year 2011 are also declared to be valid being within the legislative competence of the Parliament.". The Company, along with other parties filed a view petition with the Supreme Court of Pakistan to seek relief of the pre-act cess payable imposed under the GIDC Act 2015.

However, in November 2020, the Supreme Court of Pakistan has dismissed all the review petitions with a relief for payment of GIDC in 48 monthly installments and clarified that the remedy to seek relief granted under Section 8(2) of the GIDC Act, 2015 lies else where and not in review petition. Therefore, the Company, along with other parties, have filed a petition in the High Court of Sindh (SHC) challenging the levy of GIDC Cess to the industrial gas connection in violation of section 8(2) of GIDC Cess Act, 2015 and the SHC has issued a stay order dated December 24, 2020 restraining any coercive action against the Company. Accordingly, management in consultation with its legal advisor has not recognized provision approximately amounting to Rs. 69.8 million (inclusive of sales tax) pertaining to period from 2011 to 2015 as it is confident that the Company has strong grounds of appeal in this respect.

Considering these events and developments in GIDC case, the Institute of Chartered Accountants of Pakistan (ICAP) released financial reporting guidance on the "Accounting of GIDC" via Circular No. 1/2021 dated January 19, 2021 (the Circular) which discusses key accounting considerations for gas consumer companies. Keeping in view the financial reporting guidance of ICAP and giving due consideration to the latest available information and the expected timing of the settlement (i.e. in 48 monthly instalment commencing from August 2020, as referred to in the aforementioned decision on the review petition by the SCP), the Company has remeasured its previously undiscounted provision at its present value using the risk free rate to incorporate the effect of time value of money arising from the expected settlement based on an instalment plan and has accordingly, recognized remeasurement gain amounting to Rs. 0.908 million during the year ended 30 June 2025. Further, as at June 30, 2025, GIDC provision has been disclosed in the current liabilities of statement of financial position.

# Pakistan Synthetics Limited

## 26.2 Commitments

### 26.2.1 Letters of credit

The Company has facilities of Rs. 4,600 million (2024: Rs. 3,650 million) for opening letters of credit. At June 30, 2025, the open letters of credits for stock in trade, stores and spares and capital commitment amounted to Rs. 2,566.75 million (2024: Rs. 1,008.931 million).

The facility for opening letter of guarantees from a banking company amounted to Rs. 700 million (2024: Rs. 425 million). Bank guarantees amounting to Rs. 538.86 million (2024: Rs. 329.84 million) have been issued in favour of Sui Southern Gas Company Limited and Collector of Customs for payment of gas bills and clearance of import consignment while submitting bank guarantee against excise duty and income tax to be deposited with national exchequer at import stage.

|  | Note | 2025<br>(Rupees in '000) | 2024              |
|--|------|--------------------------|-------------------|
| <b>27. REVENUE FROM CONTRACTS WITH CUSTOMERS</b> |      |                          |                   |
| Gross-local sales                                |      | <b>20,035,968</b>        | 16,424,609        |
| Export sales                                     | 27.1 | <b>15,082</b>            | -                 |
| Less: sales tax                                  |      | <b>(3,178,755)</b>       | (2,625,097)       |
|  |      | <b><u>16,872,295</u></b> | <u>13,799,512</u> |

**27.1** These goods were sold to a party located in Afghanistan (USD: 36,225)

|                                    | Note  | 2025<br>(Rupees in '000) | 2024              |
|------------------------------------|-------|--------------------------|-------------------|
| <b>28. COST OF SALES</b>           |       |                          |                   |
| Raw and packing material consumed  | 28.1  | <b>11,206,011</b>        | 10,387,781        |
| Salaries, wages and other benefits | 28.2  | <b>484,022</b>           | 491,748           |
| Fuel and power                     |       | <b>981,922</b>           | 857,124           |
| Depreciation                       | 6.1.1 | <b>447,819</b>           | 409,405           |
| Stores and spares consumed         |       | <b>559,369</b>           | 193,518           |
| Travelling and conveyance          |       | <b>70,080</b>            | 70,125            |
| Rent, rates and taxes              |       | <b>152,077</b>           | 87,523            |
| Insurance                          |       | <b>56,226</b>            | 44,762            |
| Repairs and maintenance            |       | <b>33,316</b>            | 33,931            |
| Printing and stationary            |       | <b>71</b>                | 156               |
| Communication                      |       | <b>499</b>               | 322               |
| General expenses                   |       | <b>49,800</b>            | 38,863            |
|                                    |       | <b><u>14,041,211</u></b> | <u>12,615,257</u> |
| Opening stock of work-in-process   |       | <b>78,114</b>            | 343,106           |
| Closing stock of work-in-process   | 12    | <b>(380,522)</b>         | (78,114)          |
| Cost of goods manufactured         |       | <b><u>13,738,804</u></b> | <u>12,880,249</u> |
| Opening stock of finished goods    |       | <b>2,169,321</b>         | 1,014,468         |
| Closing stock of finished goods    | 12    | <b>(1,011,853)</b>       | (2,169,321)       |
|                                    |       | <b><u>14,896,271</u></b> | <u>11,725,396</u> |

# Pakistan Synthetics Limited

2025                      2024  
(Rupees in '000)

## 28.1 Raw and packing material consumed

|                 |                   |                   |
|-----------------|-------------------|-------------------|
| - Opening stock | 1,088,204         | 1,843,229         |
| - Purchases     | 11,699,220        | 9,632,755         |
|                 | <b>12,787,424</b> | <b>11,475,984</b> |
| - Closing stock | (1,581,413)       | (1,088,204)       |
|                 | <b>11,206,011</b> | <b>10,387,781</b> |

**28.2** Salaries, wages and other benefits include Rs. 13.390 million (2024: Rs. 32.578 million) in respect of contribution to staff provident fund.

Note                      2025                      2024  
(Rupees in '000)

## 29. ADMINISTRATIVE AND GENERAL EXPENSES

|  |             |                |                |
|--|-------------|----------------|----------------|
| Salaries and other benefits                | 29.1        | 48,864         | 49,070         |
| Charity and donation                       | 29.2        | 137,270        | 88,114         |
| Depreciation                               | 6.1.1 & 7.1 | 21,764         | 20,691         |
| Legal and professional charges             |             | 5,228          | 6,846          |
| Printing, stationary and subscription fees |             | 8,603          | 10,078         |
| Travelling and conveyance                  |             | 11,318         | 12,480         |
| Insurance                                  |             | 9,922          | 7,899          |
| Repair and maintenance                     |             | 3,688          | 3,384          |
| Communication                              |             | 3,298          | 2,847          |
| Fuel and power                             |             | 2,508          | 1,964          |
| Auditor's remuneration                     | 29.3        | 2,812          | 2,444          |
| Other expenses                             |             | 4,719          | 4,328          |
|  |             | <b>259,994</b> | <b>210,145</b> |

**29.1** Salaries and other benefits include Rs. 1.232 million (2024: Rs. 4.798 million) in respect of contribution to staff provident fund.

## 29.2 Donations

Details of donations given to a single party exceeding Rs. 1 million or 10% of the Company's total amount of donations, whichever is higher:

|                     |         |        |
|---------------------|---------|--------|
| Dhoraji Association | 129,770 | 79,114 |
|---------------------|---------|--------|

No director of the Company has any interest in Dhoraji Association.

2025                      2024  
(Rupees in '000)

## 29.3 Auditor's remuneration

|                        |              |              |
|------------------------|--------------|--------------|
| Annual audit           | 1,400        | 1,200        |
| Half yearly review     | 650          | 500          |
| Other certifications   | 350          | 324          |
| Out of pocket expenses | 412          | 420          |
|                        | <b>2,812</b> | <b>2,444</b> |

# Pakistan Synthetics Limited

|   | Note        | 2025<br>(Rupees in '000) | 2024           |
|---|-------------|--------------------------|----------------|
| <b>30. DISTRIBUTION AND SELLING COSTS</b>   |             |                          |                |
| Salaries and other benefits                 | 30.1        | 16,288                   | 16,357         |
| Outward freight and handling charges        |             | 87,128                   | 197,440        |
| Depreciation                                | 6.1.1 & 7.1 | 7,255                    | 6,897          |
| Sales promotion, maintenance and warranties |             | 120                      | -              |
| Printing and stationery                     |             | 2,868                    | 3,360          |
| Travelling and conveyance                   |             | 3,773                    | 4,160          |
| Repair and maintenance                      |             | 1,229                    | 1,128          |
| Communication                               |             | 1,099                    | 949            |
| Fuel and power                              |             | 836                      | 655            |
| Other expenses                              |             | 1,572                    | 1,442          |
|   |             | <b>122,169</b>           | <b>232,387</b> |

**30.1** Salaries and other benefits include Rs. 0.410 million (2024: Rs. 1.6 million) in respect of contribution to staff provident fund.

|  | Note | 2025<br>(Rupees in '000) | 2024          |
|--|------|--------------------------|---------------|
| <b>31. OTHER OPERATING EXPENSES</b>            |      |                          |               |
| Exchange loss - net                            |      | 52,823                   | -             |
| Workers' Profit Participation Fund             |      | 34,212                   | 30,177        |
| Workers' Welfare Fund                          |      | 13,000                   | 15,492        |
| Unrealised loss on remeasurement of investment | 16   | 3,023                    | -             |
|  |      | <b>103,058</b>           | <b>45,668</b> |

## 32. OTHER INCOME

### Income and loss from financial instrument

|  |       |       |
|--|-------|-------|
| Profit on saving accounts                      | 1,356 | 2,426 |
| Dividend income                                | 114   | 128   |
| Unrealised gain on remeasurement of investment | -     | 4,232 |
| Exchange gain - net                            | -     | 7,426 |

### Income from non-financial instrument

|  |               |               |
|--|---------------|---------------|
| Gain on disposal of property, plant and equipment  | 2,999         | 94            |
| Amortisation of deferred income - government grant | 25,343        | 28,841        |
| Net remeasurement gain on provision of GIDC        | -             | 908           |
|  | <b>29,811</b> | <b>44,055</b> |



# Pakistan Synthetics Limited

Note 2025 2024  
(Rupees in '000)

## 33. FINANCE COSTS

### Islamic

Long term

- Diminishing musharakah
- Islamic Temporary Economic Refinance Facility (ITERF)

|        |         |
|--------|---------|
| 31,706 | 62,821  |
| 45,562 | 53,272  |
| 77,268 | 116,093 |

### Short term

- Conventional-Short term running finance
- Short term murabaha
- Short term istisna
- Short term running musharakah

|         |         |
|---------|---------|
| 17,429  | 42,476  |
| 85,656  | 44,146  |
| 278,960 | 392,513 |
| 186,807 | 164,780 |
| 568,851 | 643,915 |

Interest on workers' profit participation fund 23.1  
Interest expense on lease liability  
Interest expense on GIDC  
Bank charges

|         |         |
|---------|---------|
| 5,333   | 65,270  |
| 908     | 2,190   |
| 984     | 6,653   |
| 11,548  | 10,181  |
| 18,773  | 84,295  |
| 664,893 | 844,303 |

## 34. TAXATION

Current  
Deferred

|          |          |
|----------|----------|
| 303,881  | 284,523  |
| (33,858) | (74,627) |
| 270,023  | 209,896  |

### 34.1 Relationship between income tax expense and accounting profit

Accounting profit for the year  
Tax at the applicable tax rate of 29% (2024: 29%)  
Super tax @ 10% (2024: 10%)  
Tax effect of permanent differences  
Others

|         |          |
|---------|----------|
| 637,475 | 557,661  |
| 184,868 | 161,722  |
| 63,748  | 55,766   |
| 2,960   | 2,960    |
| 18,448  | (10,553) |
| 270,023 | 209,895  |
| 270,023 | 209,895  |

## 35. 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. There is no dilutive effect on the basic earnings per share of the Company.

# Pakistan Synthetics Limited

|  | 2025<br>(Rupees in '000) | 2024    |
|--|--------------------------|---------|
| Profit after tax   | 367,452                  | 347,765 |
|  | ----- (Number) -----     |         |
| Weighted average number of ordinary shares outstanding during the year | 138,699                  | 138,699 |
| Earnings per share - basic and diluted (Rupees)                        | 2.65                     | 2.51    |

## 36. REMUNERATION OF CHIEF EXECUTIVE, DIRECTOR AND EXECUTIVES

The aggregate amounts charged in the financial statements for remuneration, including all benefits, to the Chief Executive, Directors and Executives of the Company were as follows:

|                         | Chief Executive              |       | Executive Director |       | Executives |        | Total  |        |
|-------------------------|------------------------------|-------|--------------------|-------|------------|--------|--------|--------|
|                         | 2025                         | 2024  | 2025               | 2024  | 2025       | 2024   | 2025   | 2024   |
|                         | ----- (Rupees in '000) ----- |       |                    |       |            |        |        |        |
| Managerial remuneration | 6,000                        | 6,000 | 4,800              | 4,800 | 44,813     | 54,368 | 55,613 | 65,168 |
| Retirement benefits     | -                            | -     | -                  | -     | 1,846      | 3,868  | 1,846  | 3,868  |
| Leave encashment        | -                            | -     | -                  | -     | 2,201      | 3,257  | 2,201  | 3,257  |
| Other allowances        | -                            | -     | -                  | -     | 7,082      | 7,505  | 7,082  | 7,505  |
|                         | 6,000                        | 6,000 | 4,800              | 4,800 | 55,942     | 68,998 | 66,742 | 79,798 |
| Number of persons       | 1                            | 1     | 1                  | 1     | 11         | 13     | 13     | 15     |

**36.1** The Chief Executive and certain executives of the Company are provided with free use of company vehicle.

**36.2** Executives are also provided with medical facilities in accordance with their entitlements.

**36.3** An aggregate amount of Rs. 2,580,000 (2024: Rs. 1600,000) was paid to Directors during the year on account of meeting fees.

## 37. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

### Financial risk management

The Board of Directors of the Company has the overall responsibility for the establishment and over sight of the Company's risk management framework. The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

# Pakistan Synthetics Limited

## 37.1 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations. Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economics, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

### 37.1.2 Exposure to credit risk

Credit risk of the Company arises principally from the trade debts, loan to employees, deposits, other receivables and bank balances. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk is as follows:

|                    | 2025<br>(Rupees in '000) | 2024             |
|--------------------|--------------------------|------------------|
| Trade debts- gross | 2,840,504                | 2,918,028        |
| Loan to employees  | 1,837                    | 515              |
| Deposits           | 4,209                    | 12,791           |
| Other receivables  | 2,032                    | 2,032            |
| Bank balances      | 26,235                   | 7,825            |
|                    | <u>2,874,818</u>         | <u>2,941,191</u> |

### 37.1.3 Concentration of credit risk

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. In order to avoid excessive concentrations of risk, management focuses on the maintenance of a diversified portfolio of customers. Identified concentrations of credit risks are controlled and managed accordingly. Management does not consider that it has any concentration of credit risk.

**37.1.4** The credit quality of Company's bank balances can be assessed with reference to external credit ratings are as follows:

# Pakistan Synthetics Limited

| Bank                            | Rating Agency | Long term | Short term |
|---------------------------------|---------------|-----------|------------|
| Bank Islami Pakistan Limited    | PACRA         | AA-       | A1         |
| Soneri Bank Limited             | PACRA         | A         | -          |
| Bank Alfalah Limited            | PACRA         | AAA       | A1+        |
| Bank Al Habib Limited           | PACRA         | AA+       | -          |
| The Bank of Punjab              | PACRA         | AA+       | A1+        |
| Askari Bank Limited             | PACRA         | AA        | -          |
| MCB Bank Limited                | PACRA         | AAA       | A1+        |
| Dubai Islami Bank Limited       | VIS           | AA        | A1+        |
| Al Baraka Bank Limited          | VIS           | AA-       | A1         |
| Faysal Bank Limited             | PACRA         | AA        | A1+        |
| Bank of Khyber Limited          | VIS           | AA-       | A1         |
| Habib Bank Limited              | VIS           | AA+       | -          |
| Habib Metropolitan Bank Limited | PACRA         | AA+       | A1+        |
| JS Bank Limited                 | PACRA         | AA        | A1+        |
| United Bank Limited             | VIS           | AAA       | A1+        |
| Allied Bank Limited             | PACRA         | AAA       | A1+        |

## Impairment losses and past due balances

The following table provides information about the exposure to credit risk and ECLs for trade debts as at reporting date.

|                             | 2025             |                        | 2024      |                        |                 |
|-----------------------------|------------------|------------------------|-----------|------------------------|-----------------|
|                             | Gross            | Expected credit losses | Gross     | Expected credit losses | Credit Impaired |
|                             | (Rupees in '000) |                        |           |                        |                 |
| Current (not past due)      | 2,462,162        | 54,168                 | 2,617,386 | 57,770                 | No              |
| 1-90 days past due          | 119,757          | 10,539                 | 137,577   | 12,003                 | No              |
| 91-150 days past due        | 35,934           | 5,031                  | 823       | 202                    | No              |
| 151-210 days past due       | 39,870           | 7,177                  | -         | -                      | No              |
| 211-270 days past due       | 12,598           | 3,779                  | -         | -                      | No              |
| 271-360 days past due       | 13,060           | 4,440                  | -         | -                      | Yes             |
| More than 360 days past due | 157,124          | 155,082                | 162,242   | 156,542                | Yes             |
|                             | 2,840,504        | 240,215                | 2,918,028 | 226,517                |                 |

## 37.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. For the purpose the Company has credit facilities available from banks and financial support from associated company. The company liquidity risk category is as follows:

Following are the contractual maturities of undiscounted financial liabilities, including interest payments (based on the remaining period to maturity):

# Pakistan Synthetics Limited

| 2025   |                              |                    |                    |                  |
|--|------------------------------|--------------------|--------------------|------------------|
| Contractual cash flows   |                              |                    |                    |                  |
| Carrying amount  | Total contractual cash flows | Upto one year      | Two to five years  |                  |
| ----- (Rupees in '000) -----                                       |                              |                    |                    |                  |
| <b>Non-derivative</b>  |                              |                    |                    |                  |
| <b>Financial liabilities</b>                                       |                              |                    |                    |                  |
| Long term borrowings including deferred income and mark up thereon | 958,320                      | (958,320)          | (200,956)          | (757,364)        |
| Trade and other payables   | 3,003,450                    | (3,003,450)        | (3,003,450)        | -                |
| Short-term borrowings including mark up thereon                    | 2,417,611                    | (2,417,611)        | (2,417,611)        | -                |
| Lease Liabilities  | 3,788                        | (3,788)            | (3,788)            | -                |
|  | <u>6,383,169</u>             | <u>(6,383,169)</u> | <u>(5,625,805)</u> | <u>(757,364)</u> |
|  |                              |                    |                    |                  |
| 2024   |                              |                    |                    |                  |
| Contractual cash flows   |                              |                    |                    |                  |
| Carrying amount  | Total contractual cash flows | Upto one year      | Two to five years  |                  |
| ----- (Rupees in '000) -----                                       |                              |                    |                    |                  |
| <b>Non-derivative</b>  |                              |                    |                    |                  |
| <b>Financial liabilities</b>                                       |                              |                    |                    |                  |
| including deferred income and mark up thereon                      | 861,097                      | (861,097)          | (250,225)          | (610,872)        |
| Trade and other payables   | 2,025,804                    | (2,025,804)        | (2,025,804)        | -                |
| Short-term borrowings including mark up thereon                    | 3,726,456                    | (3,726,456)        | (3,726,456)        | -                |
| Lease Liabilities  | 17,744                       | (17,744)           | (2,880)            | (14,864)         |
|  | <u>6,631,100</u>             | <u>(6,631,101)</u> | <u>(6,005,365)</u> | <u>(625,736)</u> |

All the financial liabilities of the Company are unsecured, except as mentioned in note 19 and note 24 to these financial statements.

## 37.3 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. Market risk comprises of currency risk, inherent rate risk and other risk. The Company is exposed to currency risk, price risk and interest rate risk only.

### 37.3.1 Currency risk

Foreign currency risk is the risk that the value of a financial asset or liability will fluctuate due to a change in foreign exchange rates. It arises mainly where receivables and payables exist due to transactions entered into foreign currencies.

The Company is exposed to currency risk on bank balance and import of raw materials that are denominated in a foreign currency. The Company's exposure to foreign currency risk is as follows:



# Pakistan Synthetics Limited

|                              | 2025        |            |       |
|------------------------------|-------------|------------|-------|
|                              | Rupees      | US Dollars | Euro  |
|                              | (In '000)   |            |       |
| Foreign creditors            | (1,311,363) | (4,371)    | (209) |
| Gross balance sheet exposure | (1,311,363) | (4,371)    | (209) |

|  | 2024      |            |       |
|--|-----------|------------|-------|
|  | Rupees    | US Dollars | Euro  |
|  | (In '000) |            |       |
| Foreign creditors                              | (644,907) | (1,937)    | (351) |
| Gross statement of financial position exposure | (644,907) | (1,937)    | (351) |

The following exchange rates has been applied:

|             | Average rate |        | Reporting date rate |        |
|-------------|--------------|--------|---------------------|--------|
|             | 2025         | 2024   | 2025                | 2024   |
| USD to PKR  | 281.77       | 278.44 | 284.10              | 278.80 |
| Euro to PKR | 310.57       | 299.95 | 332.83              | 298.41 |

## Sensitivity analysis

A five percent depreciation of the rupee against the following currencies at 30 June would have decreased the equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates remain constant.

|      | Equity and profit or loss |                 |
|------|---------------------------|-----------------|
|      | 2025                      | 2024            |
|      | (Rupees in '000)          |                 |
| USD  | (62,090)                  | (27,002)        |
| EURO | (3,478)                   | (5,237)         |
|      | <u>(65,568)</u>           | <u>(32,239)</u> |

## 37.3.2 Interest rate risk

Interest rate risk is the risk that the fair value on future cash flows of a financial instrument will fluctuate because of change in market interest rates. Interest rate exposure arises from long term finance and short term borrowings.

At the reporting date, the interest rate profile of the Company's significant interest bearing financial instruments is as follows:

# Pakistan Synthetics Limited

|                                  | Interest rate    |                 | Carrying amount    |                    |
|----------------------------------|------------------|-----------------|--------------------|--------------------|
|                                  | 2025             | 2024            | 2025               | 2024               |
|                                  | (Percentage)     |                 | (Rupees in '000)   |                    |
| <b>Fixed rate instruments</b>    |                  |                 |                    |                    |
| Lease liability                  | 10.0%            | 10.0%           | 3,788              | 17,744             |
| <b>Variable rate instruments</b> |                  |                 |                    |                    |
| Bank balances (saving accounts)  | 10.25% to 19%    | 9% to 20.5%     | 1,485              | 240                |
| Variable rate instruments        |                  |                 |                    |                    |
| Long term borrowings             | 3% to 22.87%     | 3% to 24.09%    | (958,320)          | (861,097)          |
| Short term borrowings            | 11.74% to 23.91% | 18.1% to 24.18% | (2,417,611)        | (3,726,456)        |
|                                  |                  |                 | <u>(3,375,930)</u> | <u>(4,587,553)</u> |

## Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, change in interest rates at the reporting date would not affect statement of profit or loss.

## Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased / (decreased) profit for the year by Rs. 33.76 million (2024: Rs. 45.87 million). This analysis assumes that all other variables, in particular foreign currency. The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year and assets / liabilities of the Company.

## Interest rate analysis of the financial instruments

A summary of the Company's interest rate gap position, analysed by the earlier of contractual repricing or maturity date is as follows:

|   | Carrying value     |                    |
|---|--------------------|--------------------|
|   | 2025               | 2024               |
|   | (Rupees in '000)   |                    |
| <b>Financial assets</b>                   |                    |                    |
| Bank balance                              | 1,485              | 240                |
| <b>Financial liability</b>                |                    |                    |
| Borrowing from banks                      | (3,375,930)        | (4,587,553)        |
| Lease liability                           | (3,788)            | (17,744)           |
| Net balance exposed to interest rate risk | <u>(3,378,234)</u> | <u>(2,450,336)</u> |

Loan to employees amounting to Rs. 1.837 million (2024: Rs. 0.514 million) as mentioned in note 8.1 have not been included in the above table as it is not material.

# Pakistan Synthetics Limited

## Reconciliation of movements of liabilities to cash flows arising from financing activities

|   | 2025   |   |                 |                    |           |
|---|--|---|-----------------|--------------------|-----------|
|   | Other Short term borrowings including markup thereon | Long term borrowings including deferred income and markup thereon | Lease liability | Unclaimed dividend | Total     |
|   | ----- (Rupees in '000) -----                         |   |                 |                    |           |
| Balance as at July 01 2024  | 2,161,259  | 861,097   | 17,744          | 5,397              | 3,045,496 |
| Changes from financing cash flows:                                |  |   |                 |                    |           |
| Repayments of long term borrowings                                | -  | (220,018)   | -               | -                  | (220,018) |
| Proceeds from long term borrowings                                | -  | 320,000   | -               | -                  | 320,000   |
| Lease rentals paid  | -  | -   | (14,864)        | -                  | (14,864)  |
| Dividend paid   | -  | -   | -               | (73)               | (73)      |
| Changes in short term borrowings relating to financing activities | (515,261)  | -   | -               | -                  | (515,261) |
| Total changes from financing activities                           | (515,261)  | 99,982  | (14,864)        | (73)               | (430,217) |
| Other changes:  |  |   |                 |                    |           |
| Amortisation of government grant                                  | -  | (25,343)  | -               | -                  | (25,343)  |
| Finance cost  | 364,616  | 77,268  | 908             | -                  | 442,793   |
| Finance cost paid   | (416,628)  | (54,684)  | -               | -                  | (471,312) |
| Total loan related other changes                                  | (52,012)   | (2,759)   | 908             | -                  | (53,862)  |
| Total equity related other changes                                | -  | -   | -               | -                  | -         |
| Balance as at 30 June 2025  | 1,593,986  | 958,320   | 3,788           | 5,324              | 2,561,417 |

|   | 2024   |   |                 |                    |           |
|---|--|---|-----------------|--------------------|-----------|
|   | Other Short term borrowings including markup thereon | Long term borrowings including deferred income and markup thereon | Lease liability | Unclaimed dividend | Total     |
|   | ----- (Rupees in '000) -----                         |   |                 |                    |           |
| Balance as at July 01 2023  | 1,090,344  | 1,039,231   | 29,316          | 5,397              | 2,164,288 |
| Changes from financing cash flows:                                |  |   |                 |                    |           |
| Repayments of long term borrowings                                | -  | (170,870)   | -               | -                  | (170,870) |
| Proceeds from long term borrowings                                | -  | -   | -               | -                  | -         |
| Lease rentals paid  | -  | -   | (13,763)        | -                  | (13,763)  |
| Dividend paid   | -  | -   | -               | -                  | -         |
| Changes in short term borrowings relating to financing activities | 867,049  | -   | -               | -                  | 867,049   |
| Total changes from financing activities                           | 867,049  | (170,870)   | (13,763)        | -                  | 682,416   |
| Other changes:  |  |   |                 |                    |           |
| Amortisation of government grant                                  | -  | (28,841)  | -               | -                  | (28,841)  |
| Finance cost  | 436,659  | 120,273   | 2,190           | -                  | 559,123   |
| Finance cost paid   | (232,793)  | (98,696)  | -               | -                  | (331,489) |
| Total loan related other changes                                  | 203,866  | (7,264)   | 2,190           | -                  | 198,793   |
| Total equity related other changes                                | -  | -   | -               | -                  | -         |
| Balance as at 30 June 2024  | 2,161,259  | 861,097   | 17,744          | 5,397              | 3,045,496 |

---

# Pakistan Synthetics Limited

## 37.3.3 Price risk

Price risk is the risk that the fair value or the future cashflows of a financial instrument will fluctuate because of changes in the market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual financial instruments or its issuer, or factors affecting all similar financial instruments traded in the market. The Company is exposed to changes in fair value or cash flows of its investment in associate.

## 38. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The different levels of fair valuation method have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy:

# Pakistan Synthetics Limited

June 30, 2025

Fair value

|  | Level 1 | Level 2 | Level 3 | Total |
|--|---------|---------|---------|-------|
| ----- Rupees -----                             |         |         |         |       |
| <b>Financial assets measured at fair value</b> |         |         |         |       |
| Listed securities (shares)                     | 4,403   | -       | -       | 4,403 |
| Mutual funds                                   | -       | 846     | -       | 846   |

June 30, 2024

Fair value

|  | Level 1 | Level 2 | Level 3 | Total    |
|--|---------|---------|---------|----------|
| ----- Rupees -----                             |         |         |         |          |
| <b>Financial assets measured at fair value</b> |         |         |         |          |
| Listed securities (shares)                     | 7,428   | -       | -       | 7,428.00 |
| Mutual funds                                   | -       | 759     | -       | 759.00   |

- 38.1** The fairvalue of the securities have been assessed through market value deployed at Pakistan Stock Exchange(PSX) website.
- 38.2** The fairvalue of the mutual funds have been assessed through out MUFAP's website.
- 38.3** All other assets and liabilities carrying amount is approximately equal to there fairvalues.

## 39. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

|   | 2025             | 2024    |
|---|------------------|---------|
|   | (Rupees in '000) |         |
| <b>Key management personnel compensation</b>                        |                  |         |
| Managerial remunerations  | 55,613           | 65,168  |
| Others  | 11,129           | 14,630  |
| Consultancy services by Mr. Mubbashir Amin (Non-Executive Director) | 3,933            | 2,400   |
| Payable to Mr. Mubbashir Amin against consultancy services          | -                | 200     |
| Investment in Associated Company - Petpak Films (Private) Ltd.      | -                | 100,000 |
| Share of loss on investment - Petpak Films (Private) Ltd.           | 204,548          | 318,922 |
| Sales of Goods to Petpak Films (Private) Ltd.                       | 570,318          | -       |

- 39.1** The following are the related parties of the Company and there has been no transactions during the year and balances with these related parties other than those disclosed in the financial statements:



# Pakistan Synthetics Limited

| Name of the Related Party                      | Relationship                           |
|--|--|
| Amna Industries (Private) Limited              | Associated Company-common directorship |
| Petpak Films (Private) Limited                 | Associated Company-common 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 |

**39.2** No associated company owns any shares of the Company.

|  | Note | 2025<br>(Rupees in '000) | 2024 |
|--|------|--------------------------|------|
|--|------|--------------------------|------|

## 40. CASH (USED IN) / GENERATED FROM OPERATIONS

|  |  |                  |             |
|--|--|------------------|-------------|
| Profit before tax  |  | <b>637,475</b>   | 557,661     |
| Adjustment for non-cash charges and other items:         |  |                  |             |
| Depreciation on property, plant and equipment 6.1.1      |  | <b>466,950</b>   | 427,106     |
| Depreciation on right of use asset 7.1                   |  | <b>9,887</b>     | 9,887       |
| Gain on disposal of property, plant and equipment        |  | <b>(2,999)</b>   | (94)        |
| Share of loss on investment in associates 10             |  | <b>204,548</b>   | 318,922     |
| Provision / (Reversal) against expected credit loss 13.1 |  | <b>13,698</b>    | (90,916)    |
| Unrealised loss /(gain) remeasurement of                 |  |                  |             |
| Short term investment 32                                 |  | <b>3,023</b>     | (4,341)     |
| Interest expense on lease liability 33                   |  | <b>908</b>       | 2,190       |
| Amortisation of deferred income - government grant 32    |  | <b>(25,343)</b>  | (28,841)    |
| Finance costs 33   |  | <b>657,668</b>   | 770,190     |
| Charge for staff gratuity                                |  | -                | 34,353      |
| Net remeasurement gain on provision of GIDC 33           |  | -                | (908)       |
| Interest expense on GIDC 33                              |  | <b>984</b>       | 6,653       |
| Unrealised exchange loss                                 |  | -                | 1,717       |
| Profit on saving accounts 32                             |  | <b>(1,356)</b>   | (2,426)     |
|  |  | <b>1,327,969</b> | 1,443,494   |
| Working capital changes                                  |  |                  |             |
| Decrease / (Increase) in current assets:                 |  |                  |             |
| Stores and spares  |  | <b>73,455</b>    | (298,965)   |
| Stock in trade   |  | <b>361,851</b>   | (134,836)   |
| Trade debts  |  | <b>77,523</b>    | (1,173,004) |
| Loans and advances                                       |  | <b>42,638</b>    | (147,632)   |
| Short term deposits and prepayments                      |  | <b>6,520</b>     | 565         |
|  |  | <b>561,988</b>   | (1,753,872) |
| Increase / (decrease) in current liabilities:            |  |                  |             |
| Trade and other payables                                 |  | <b>897,685</b>   | (522,395)   |
|  |  | <b>1,459,673</b> | (2,276,267) |
| Long term loan to employees - net                        |  | <b>(1,322)</b>   | -           |
| Net cash generated / (used in) from operations           |  | <b>3,423,795</b> | (275,113)   |

# Pakistan Synthetics Limited

2025      2024  
(Rupees in '000)

## 41. PLANT CAPACITY AND PRODUCTION

|   |             |         |         |
|---|-------------|---------|---------|
| Capacity available - Plastic and crown caps | Cartons     | 558,570 | 558,570 |
| Actual production - Plastic and crown caps  | Cartons     | 541,419 | 443,333 |
| Capacity available - PET resin              | Metric tons | 28,000  | 28,000  |
| Actual production - PET resin               | Metric tons | 22,599  | 26,693  |
| Capacity available - PET preform            | Octabins    | 52,000  | 52,000  |
| Actual production - PET preform             | Octabins    | 35,951  | 33,011  |

41.1 Since the production of crown / plastic caps, PET resin and PET preform is purely demand driven therefore variance is mainly attributed to the reduced or increased demand.

## 42. CAPITAL RISK MANAGEMENT

The objective of the Company when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and to maintain a strong capital base to support the sustained development of its businesses.

2025      2024  
(Rupees in '000)

|                              |           |           |
|------------------------------|-----------|-----------|
| Long term borrowings         | 951,147   | 763,895   |
| Lease liability              | 3,788     | 17,744    |
| Accrued markup               | 43,052    | 61,804    |
| Short term borrowings        | 2,417,611 | 3,726,456 |
| Total Debt                   | 3,415,597 | 4,569,898 |
| Less: cash and bank balances | 27,625    | (9,113)   |
| Net debt                     | 3,443,222 | 4,560,786 |
| Share Capital                | 1,386,990 | 1,386,990 |
| Reserve                      | 3,240,980 | 2,873,528 |
| Total Equity                 | 4,627,970 | 4,260,518 |
| Total Capital                | 8,071,192 | 8,821,304 |
| Gearing Ratio                | 43%       | 52%       |

## 43. SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reports issued to the chief operating decision maker. The chief executive officer has been identified as the chief operating decision maker who is responsible for allocating resources and assessing performance of the operating segments.

## 44. NUMBER OF EMPLOYEES

2025      2024  
(Number)

|  |     |     |
|--|-----|-----|
| Total employees of the Company at year end       | 393 | 429 |
| Average employees of the Company during the year | 401 | 428 |

# Pakistan Synthetics Limited

## 45. SHARIAH COMPLIANT DISCLOSURE

2025      2024  
(Rupees in '000)

### Statement of Financial Position

#### Shariah complaint

|                      |    |           |           |
|----------------------|----|-----------|-----------|
| Long-term borrowing  | 19 | 951,147   | 851,165   |
| Short-term borrowing | 24 | 2,280,215 | 3,314,349 |
| Accrued markup       | 25 | 40,671    | 55,181    |
| Short term deposits  | 15 | 80,650    | 88,027    |
| Investment           | 16 | 846       | 759       |
| Bank balances        | 17 | 10,195    | 5,932     |

#### Non-Shariah complaint

|                |    |       |       |
|----------------|----|-------|-------|
| Accrued markup | 25 | 2,379 | 6,623 |
|----------------|----|-------|-------|

Relationship with Shariah-compliant financial institutions

#### Islamic banks

The Company has facilities with Islamic Bank for short-term amounting to Rs. 2,280 million.

## 46. CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever considered necessary, for the purpose of comparison and better presentation. Following reclassifications were made:

| Rearranged /      |                             | 2024           |
|-------------------|-----------------------------|----------------|
| Reclassified from | Reclassified to             | Rupees in '000 |
| Taxation - net    | Other payable               | 22,658         |
| Loan and Advances | Short term deposits         | 88,027         |
| OTHER INCOME      | STATEMENT OF PROFIT OR LOSS | 90,915         |

## 47. GENERAL

Figures have been rounded of to the nearest rupee.

## 48. AUTHORIZATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Company on September 29, 2025.



**YAKOOB HAJI KARIM**  
CHIEF EXECUTIVE



**NOMAN YAKOOB**  
DIRECTOR



**SHAHID YAQOOB**  
CHIEF FINANCIAL OFFICER

# Pakistan Synthetics Limited

## PATTERN OF SHAREHOLDING - FORM "34

SHAREHOLDERS STATISTICS AS AT JUNE 30, 2025

| Number of     | SHARE HOLDING |   |          | TOTAL SHARES       |
|---------------|---------------|---|----------|--------------------|
| Share Holders | FROM          |   | TO       | HELD               |
| 372           | 1             | - | 100      | 11,630             |
| 393           | 101           | - | 500      | 105,120            |
| 140           | 501           | - | 1000     | 112,220            |
| 350           | 1001          | - | 5000     | 755,750            |
| 52            | 5001          | - | 10000    | 367,416            |
| 15            | 10001         | - | 15000    | 190,241            |
| 7             | 15001         | - | 20000    | 125,971            |
| 5             | 20001         | - | 25000    | 119,469            |
| 4             | 25001         | - | 30000    | 108,329            |
| 1             | 30001         | - | 35000    | 31,000             |
| 5             | 35001         | - | 40000    | 187,275            |
| 1             | 45001         | - | 50000    | 47,000             |
| 1             | 50001         | - | 55000    | 51,742             |
| 1             | 70001         | - | 75000    | 72,435             |
| 1             | 145001        | - | 150000   | 150,000            |
| 1             | 150001        | - | 155000   | 150,959            |
| 1             | 240001        | - | 245000   | 241,312            |
| 1             | 400001        | - | 405000   | 400,698            |
| 1             | 3760001       | - | 3765000  | 3,760,025          |
| 1             | 10860001      | - | 10865000 | 10,864,317         |
| 1             | 10885001      | - | 10890000 | 10,887,849         |
| 1             | 11160001      | - | 11165000 | 11,161,537         |
| 1             | 11855001      | - | 11860000 | 11,856,793         |
| 1             | 21985001      | - | 21990000 | 21,985,438         |
| 1             | 32060001      | - | 32065000 | 32,060,397         |
| 1             | 32890001      | - | 32895000 | 32,894,077         |
| <b>1359</b>   |               |   |          | <b>138,699,000</b> |

# Pakistan Synthetics Limited

## PATTERN OF SHAREHOLDING

AS ON 30 JUNE 2025

| S. NO. | CATEGORIES OF SHAREHOLDERS | NUMBER OF SHAREHOLDERS | TOTAL SHARES HELD | PERCENTAGE |
|--------|----------------------------|------------------------|-------------------|------------|
| 1      | INDIVIDUAL                 | 1,320                  | 138,211,426       | 99.65%     |
| 2      | NIT / ICP                  | 3                      | 3,630             | 0.00%      |
| 3      | INVESTMENT COMPANIES       | 12                     | 25,941            | 0.02%      |
| 4      | INSURANCE COMPANIES        | 2                      | 2,244             | 0.00%      |
| 5      | COMMERCIAL BANK            | 2                      | 2,626             | 0.00%      |
| 6      | JOINT STOCK COMPANIES      | 14                     | 35,324            | 0.03%      |
| 7      | MODARABA                   | 3                      | 1,815             | 0.00%      |
| 8      | OTHERS                     | 3                      | 415,994           | 0.30%      |
|        |                            | 1,359                  | 138,699,000       | 100.00%    |

Following trade in shares by Directors, Executives and their spouses and minor children was made during the year;

|  |   |                    |
|--|---|--------------------|
| NIT and ICP  |   |                    |
| 1  | Investment Corporation of Pakistan      | 2,970              |
| 2  | National Bank of Pakistan Trustee Dept. | 495                |
| 3  | National Bank of Pakistan Trustee Wing  | 165                |
|  |   | <u>3,630</u>       |
| Directors, CEO & their Spouses   |   |                    |
| 1  | Mr. Noman Yakoob - Director             | 36,654,102         |
| 2  | Mr. Yakoob Haji Karim - Director        | 32,060,397         |
| 3  | Mrs. Nida Noman Yaqoob                  | 11,856,793         |
| 4  | Mrs. Shahida Yakoob                     | 10,864,317         |
| 5  | Mr. Faraz Younus Bandukda - Director    | 1,237              |
| 6  | Mr. Mubbashir Amin - Director           | 825                |
| 7  | Mr. Abid Umer - Director                | 825                |
| 8  | Mr. Khurshid Akhtar - Director          | 825                |
| 9  | Ms. Sadaf Shabbir - Director            | 750                |
|  |   | <u>91,440,071</u>  |
| Executives   |   | Nil                |
| Public Sector Companies & Corporation  |   | Nil                |
| Banks, Development Finance Institutions, Banking<br>Finance Institutions, Insurance Companies, Modarabas |   | 483,944            |
| Mutual Fund  |   | Nil                |
| Individuals  |   | 46,771,355         |
|  | Total                                   | <u>138,699,000</u> |
| Shareholders holding 10% or more   |   |                    |
|  | Mr. Noman Yakoob                        | 26.43% 36,654,102  |
|  | Mr. Yakoob Haji Karim                   | 23.12% 32,060,397  |
|  | Mr. Anis Yaqoob                         | 15.85% 21,987,913  |

---

# Pakistan Synthetics Limited

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 40th Annual General Meeting of the shareholders of Pakistan Synthetics Limited will be held on Monday, October 27, 2025 at 11:00 a.m. in Meeting Hall at 2nd Floor of Institute of Chartered Accountants of Pakistan (ICAP) located at Chartered Accountant Avenue, Clifton, Karachi, Pakistan to transact the following business:

### ORDINARY BUSINESS

1. To confirm the minutes of the 21st Extraordinary General Meeting of the Company held on March 25, 2025.
2. To receive, consider and adopt the Audited Financial Statements of the Company together with Directors' and Auditors' Report thereon for the year ended June 30, 2025.
3. To appoint Auditors of the Company and to fix their remuneration. The retiring auditors, M/s. BDO Ebrahim & Co., Chartered Accountants being eligible have offered themselves for reappointment.

To transact any other business with the permission of the Chair.

**By the Order of the Board**

Dated: October 03, 2025  
Karachi

**MUHAMMAD IMRAN  
COMPANY SECRETARY**



---

# Pakistan Synthetics Limited

## NOTICE OF ANNUAL GENERAL MEETING

### 1. Closure of Share Transfer Books

The Share Transfer Books of the Company will remain closed from Monday, October 20, 2025 to Monday October 27, 2025 (both days inclusive). Transfers received at the office of the Company's share registrar M/s. F.D. Registrar Services (Private) Limited, 1705, 17th Floor, Saima Trade Tower-A, I.I. Chundrigar Road, Karachi, at the close of business on October 17, 2025 will be treated in time to attend the 40th Annual General Meeting of the Company.

### 2. Participation in General Meeting

- a. A member entitled to attend and vote at the meeting may appoint another member as his/her proxy to attend and vote. Votes may be given either personally or by proxy or by attorney, and in case of a corporation by a representative duly authorized.
- b. The instrument of proxy, duly executed should be deposited at the Registered Office of the Company at least 48 hours before the time of the 40th Annual General Meeting.
- c. In case of a corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

### 3. Virtual Participation in the AGM Proceedings

In order to attend the AGM through an electronic facility, shareholders are requested to get themselves registered with the Company providing the requisite details at their earliest but not later than 48 hours before the time of the AGM (i.e., by 12:00 noon on October 25, 2025) through an e-mail to be sent at [headoffice@pslpet.com](mailto:headoffice@pslpet.com).

Shareholders are advised to provide their particulars, along with the scanned copy of their CNIC and that of their proxies, if so appointed. Moreover, in the case of a corporate member, the scanned copy of the resolution of the Board of Directors/Power of Attorney with a specimen signature of the nominee must also be provided.

The details of an electronic facility (Video-link and the login credentials) will be sent to the interested shareholders, their provided e-mail addresses. Accordingly, the shareholders will be able to participate in AGM proceedings through their smartphones or computer devices.

### 4. Change of Address

The Shareholders are requested to notify if there is any change in their addresses and the contact numbers immediately to our Share Registrar, M/s. F.D. Registrar Services (Private) Limited.

# Pakistan Synthetics Limited

## NOTICE OF ANNUAL GENERAL MEETING

### 5. Submission of CNIC & Bank Account details

CNIC numbers and bank account details of shareholders are mandatorily required for dividend distribution. Shareholders are therefore requested to submit a copy of their CNIC and bank detail (If not already provided) to the Share Registrar, M/s. F.D. Registrar Services (Private) Limited.

### 6. Transmission of Financial Statements and Notices through email

As per S.R.O. 452(I)/2025 the notice of general meeting shall be circulated to members through email in addition to annual audited financial statements, however, if shareholders, in addition, request for hard copy of Audited Financial Statements, the same shall be provided free of cost within seven (7) days of receipt of such written request. Furthermore, no gifts will be distributed at the meeting.

### 7. Uncollected Shares and Unclaimed Dividend

Shareholders who have not yet collected their dividend / physical shares are advised to contact our Share Registrar immediately to collect / enquire about their unclaimed dividend or shares.

### 8. Transmission of Annual Report

In terms of approval of the shareholders of the Company in 20th Extraordinary General Meeting held on 21 June, 2023 and pursuant to SECP's Notification No. SRO 389(1)/2023 dated 21 March 2023, the Annual Report for the financial year ended on 30 June 2025 of the Company may be viewed and downloaded by scanning the QR code or visiting the company website at the link provided below:

|   |   |
|---|---|
| <b>WEBLINK</b><br><a href="https://pslpet.com/annual-reports/">https://pslpet.com/annual-reports/</a> | <b>QR CODE</b><br> |
|---|---|

The shareholders who wish to receive a hard copy of the Annual report may send his request to the Company Secretary to [headoffice@pslpet.com](mailto:headoffice@pslpet.com). The Company then will provide a free-of-cost hard copy of the Annual Report to the shareholders within one week of the request.

### 9. Deposit of Physical Shares into CDC Account As per Section 72 of the Companies Act, 2017 every listed company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the SECP. Shareholders having physical shareholding are accordingly required to open their account with investors account services of CDC or sub account with any of the brokers and convert their physical shares in book entry form. This will facilitate the shareholder in many ways, including safe custody and sale of shares, any time they want, as the trading of physical shares is not permitted as per existing regulations of the Pakistan Stock Exchange Limited.

---

# Pakistan Synthetics Limited

## NOTICE OF ANNUAL GENERAL MEETING

### 10. Availability on Website

The notice of the Annual General Meeting has been placed on the website of the Company [www.pslpet.com](http://www.pslpet.com)

# Pakistan Synthetics Limited

## FORM OF PROXY

### 40TH ANNUAL GENERAL MEETING

I/We \_\_\_\_\_

of \_\_\_\_\_

being a member(s) of Pakistan Synthetics Limited holding \_\_\_\_\_

Ordinary shares hereby appoint \_\_\_\_\_

of \_\_\_\_\_ or failing him/her \_\_\_\_\_

of \_\_\_\_\_ who is / are also member(s) of Pakistan Synthetics Limited as my / or proxy in my / our absence to attend and vote for me / us and on my / our behalf at 40th Annual General Meeting of the Company to be held on 27 October, 2025 and / or any adjournment thereof.

As witness my / our hand / seal this \_\_\_\_\_ day of \_\_\_\_\_ 2025.

Signed by the said \_\_\_\_\_

In the presence of 1. \_\_\_\_\_

2. \_\_\_\_\_

Please Quote Folio # /  
Participant ID # & A/C &

Signature on Revenue  
Stamp of Appropriate  
Value

#### IMPORTANT

1. This Proxy Form, duly completed and signed must be must be received at the Registered Office of the Company at Office # 1504, 155h Floor, Emerald Tower, Clifton, Block-5, Karachi. Not less than 48 hours before The time of holding the meeting.
2. No person shall act as proxy unless he himself is a member of the Company except that a corporation may appoint a person who is not a member.
3. If a member appoints more than one proxy and more than One instruments of proxy are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.

#### FOR CDC ACCOUNT HOLDERS/ CORPORATE ENTITIES:

In addition to the above the following requirements have to be met:

1. The Proxy Form shall be witnessed by two persons whose name addresses and CNIC numbers shall be mentioned on the Form.
2. Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished will the Proxy Form.

# پاکستان سینتھیکس لمیٹڈ

مختار نامہ (پراکسی فارم)

میں / ہم

ساکن

بحیثیت رکن (ممبر) پاکستان سینتھیکس لمیٹڈ مقرر کرتا ہوں / کرتی ہوں / کرتے ہیں مئی / مسماۃ

ساکن

کویاں کی غیر حاضری میں مئی / مسماۃ

ساکن

کوجو خود بھی پاکستان سینتھیکس لمیٹڈ کارکن ہے کہ وہ بطور میرا / ہمارا مختار نامہ (پراکسی) پاکستان سینتھیکس لمیٹڈ کے سالانہ اجلاس عام میں جو

27 اکتوبر 2025 کو منعقد ہو رہا ہے یا اس کے کسی ملتوی شدہ اجلاس میں شرکت کرے اور وہ میری / ہماری جگہ میری / ہماری طرف سے حق رائے دہی استعمال کرے۔

مورخہ 2025 کو میرے / ہمارے دستخط سے جاری ہوا۔

دستخط

| فولیو نمبر | سی ڈی سی کھاتہ نمبر | حصص کی تعداد |
|------------|---------------------|--------------|
|            |                     |              |

گواہ نمبر 2

دستخط

نام

کمپیوٹر انڈسٹری قومی شناختی کارڈ نمبر

پتہ

گواہ نمبر 1

دستخط

نام

کمپیوٹر انڈسٹری قومی شناختی کارڈ نمبر

پتہ

ہدایات:

- 1- مختار (پراکسی) کا کمپنی کارکن (ممبر) ہونا ضروری ہے۔
- 2- ممبر (رکن) کے دستخط، نمونہ شدہ دستخط / اندراج شدہ دستخط سے مماثلت ہونا ضروری ہے۔
- 3- سی ڈی سی اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر کو مختار نامہ (پراکسی فارم) کے ہمراہ کمپیوٹر انڈسٹری قومی شناختی کارڈ یا پاسپورٹ کی مصدقہ نقل منسلک کرنا ضروری ہے۔ کارپوریٹ ادارے کے نمائندوں کو معمول کے مطابق دستاویزات ساتھ لانا ضروری ہے۔
- 4- مختار نامہ (پراکسی فارم) مکمل پُر شدہ کمپنی کے رجسٹرڈ آفس میں اجلاس کے مقرر وقت سے کم از کم 48 گھنٹے قبل جمع کرنا ضروری ہے۔

If undelivered please return to:

**PAKISTAN SYNTHETICS LIMITED**

Office # 1504, 15th Floor, Emerald Tower,  
Block 5, Clifton, Karachi.