

# PAKISTAN SYNTHETICS LIMITED

CORPORATE BRIEFING SESSION



# 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 with effect from 27 June 1995. The principal activity of the Company is manufacturing and sale of Plastic Caps, Crown Caps, PET Resin and PET Preform. The registered office of the Company is situated at 15th floor, Emerald Tower, Block 5, Clifton, Karachi.

# BUSINESS INFORMATION

PSL is the critical packaging supplier to the FMCGS (Beverage industry) besides flexible packaging manufacturers in Pakistan. We provide complete one window solution to beverage industry customers which have shown continuous growth in double digit over years. The Company is now poised to participate in growing needs of beverage consumption by playing an integral role, being a priority one-window supplier to multinational bottlers and local brand owners in Pakistan.

# **VISION AND MISSION STATEMENT**

## **OUR VISION**

To be an End to End solution provider for our partners where all needs of customers are catered

## **OUR MISSION**

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

# BOARD OF DIRECTORS

- ❖ MR. YAKOOB HAJI KARIM ➤ CHIEF EXECUTIVE OFFICER
- ❖ MR. NOMAN YAKOOB ➤ EXECUTIVE DIRECTOR
- ❖ MR. KHURSHID AKHTAR ➤ CHAIRMAN
- ❖ MR. ABID UMER ➤ NON EXECUTIVE DECTOR
- ❖ MR. MUBBASHIR AMIN ➤ NON EXECUTIVE DECTOR
- ❖ MR. ALI KAMAL ➤ INDEPENDENT DIRECTOR
- ❖ MR. FARAZ YOUNUS BANDUKDA ➤ INDEPENDENT DIRECTOR
- ❖ MS. SADAF SHABBIR ➤ INDEPENDENT DIRECTOR

# Financial Position

	JUNE 2022	JUNE 2021
	(Rupees in '000)	
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	3,285,530	2,209,018
Right-of-use asset	32,133	42,020
Long term loan to employees	1,880	1,419
Long term deposits	8,705	9,519
Deferred tax asset - net	-	161,128
	<u>3,328,248</u>	<u>2,423,104</u>
<b>Current assets</b>		
Stores and spares	340,896	315,528
Stock-in-trade	2,594,456	1,670,712
Trade debts	1,818,260	1,028,366
Loans and advances	318,507	75,033
Short term deposits and prepayments	8,815	8,883
Investments classified as at fair value through profit or loss (FVTPL)	5,889	548
Other receivables	91,113	2,032
Taxation - net	-	166,397
Cash and bank balances	54,060	14,167
	<u>5,231,996</u>	<u>3,281,666</u>
<b>TOTAL ASSETS</b>	<u><u>8,560,244</u></u>	<u><u>5,704,770</u></u>

# Financial Position

## EQUITY AND LIABILITIES

### Shareholders' equity

Authorised share capital of  
140,000,000 [30 June 2021: 140,000,000] ordinary shares of Rs. 10 each

Issued, subscribed and paid-up capital

Reserves

### Non-current liabilities

Long term borrowings

Lease liability

Deferred liabilities

Deferred income - government grant

Deferred tax liability - net

### Current liabilities

Trade and other payables

Accrued markup

Short term borrowings

Current portion of lease liability

Unclaimed dividend

Taxation - net

Current portion of long term borrowings

Current portion of deferred income - government grant

## TOTAL EQUITY AND LIABILITIES

JUNE 2022

(Rupees in '000)

JUNE 2021

**1,400,000**

1,400,000

**924,660**

840,600

**2,190,073**

1,504,279

**3,114,733**

2,344,879

**743,741**

302,367

**29,314**

38,808

**129,761**

153,127

**115,618**

33,175

**18,124**

-

**1,036,558**

527,477

**2,971,234**

1,607,319

**19,390**

6,775

**1,183,997**

989,919

**9,495**

7,685

**5,387**

4,219

**51,522**

-

**139,107**

206,060

**28,821**

10,437

**4,408,953**

2,832,414

**8,560,244**

5,704,770

# Profit or Loss Statement

	JUNE 2022 (Rupees in '000)	JUNE 2021
Revenue from contracts with customers	<b>12,311,249</b>	7,250,594
Cost of sales	<b>(9,987,556)</b>	(5,796,701)
Gross profit	<b>2,323,693</b>	1,453,893
Administrative and general expenses	<b>(133,821)</b>	(78,592)
[Provision] / reversal against expected credit losses	<b>(40,298)</b>	11,934
Distribution and selling costs	<b>(199,408)</b>	(127,502)
Other operating expenses	<b>(270,679)</b>	(78,223)
	<b>(644,206)</b>	(272,383)
Operating profit	<b>1,679,487</b>	1,181,510
Other income	<b>50,095</b>	63,391
Finance costs	<b>(248,436)</b>	(189,464)
Profit before tax	<b>1,481,146</b>	1,055,437
Taxation	<b>(494,933)</b>	(307,071)
Profit after tax	<b>986,213</b>	748,366
	----- (Rupees) -----	
Earnings per share - basic and diluted	<b>10.67</b>	8.09



## Financial Position

### ASSETS

#### Non-current assets

Property, plant and equipment  
Right-of-use asset  
Long term loan to employees  
Long term deposits

**Unaudited**  
**2022**  
**September 30**  
**(Rupees in '000)**

**Audited**  
**2022**  
**June 30**

<b>3,252,631</b>	3,285,530
<b>29,661</b>	32,133
<b>1,595</b>	1,880
<b>8,705</b>	8,705
<b>3,292,592</b>	3,328,248

#### Current assets

Stores and spares  
Stock-in-trade  
Trade debts  
Loans and advances  
Short term deposits and prepayments  
Investments classified as at fair value through profit or loss (FVTPL)  
Other receivables  
Cash and bank balances

<b>294,954</b>	340,896
<b>2,813,455</b>	2,594,456
<b>1,902,206</b>	1,818,260
<b>68,233</b>	318,507
<b>6,672</b>	8,815
<b>5,386</b>	5,889
<b>37,240</b>	91,113
<b>38,347</b>	54,060
<b>5,166,493</b>	5,231,996
<b>8,459,085</b>	8,560,244

### TOTAL ASSETS

## Financial Position

### EQUITY AND LIABILITIES

#### Shareholders' equity

Authorised share capital of 140,000,000 (30 June 2022: 140,000,000) ordinary shares of Rs. 10 each

Issued, subscribed and paid-up capital  
Reserves

#### Non-current liabilities

Long term borrowings  
Lease liability  
Deferred liabilities  
Deferred income - government grant  
Deferred tax liability - net

#### Current liabilities

Trade and other payables  
Accrued markup  
Short term borrowings  
Current portion of lease liability  
Unclaimed dividend  
Taxation - net  
Current portion of long term borrowings  
Current portion of deferred income - government grant

### TOTAL EQUITY AND LIABILITIES

	Unaudited 2022 September 30 (Rupees in '000)	Audited 2022 June 30
	<u>1,400,000</u>	<u>1,400,000</u>
	924,660	924,660
	<u>2,468,081</u>	<u>2,190,073</u>
	<b>3,392,741</b>	<b>3,114,733</b>
	<b>717,321</b>	<b>743,741</b>
	<b>27,086</b>	<b>29,314</b>
	<b>137,664</b>	<b>129,761</b>
	<b>113,063</b>	<b>115,618</b>
	<b>491</b>	<b>18,124</b>
	<b>995,625</b>	<b>1,036,558</b>
	<b>2,986,835</b>	<b>2,971,234</b>
	<b>21,292</b>	<b>19,390</b>
	<b>718,936</b>	<b>1,183,997</b>
	<b>9,745</b>	<b>9,495</b>
	<b>5,387</b>	<b>5,387</b>
	<b>165,800</b>	<b>51,522</b>
	<b>131,348</b>	<b>139,107</b>
	<b>31,376</b>	<b>28,821</b>
	<u>4,070,719</u>	<u>4,408,953</u>
	<b>8,459,085</b>	<b>8,560,244</b>

**Condensed Interim Statement of Profit or Loss (Un-audited)**2022  
September 30,  
(Rupees in '000)

2021

Revenue from contracts with customers	3,699,619	2,697,547
Cost of sales	<u>(2,997,638)</u>	<u>(2,093,696)</u>
Gross profit	701,981	603,851
Administrative and general expenses	(32,742)	(21,899)
Distribution and selling costs	(76,004)	(42,634)
Other operating expenses	<u>(127,856)</u>	<u>(70,290)</u>
	<u>(236,602)</u>	<u>(134,823)</u>
Operating profit	465,379	469,028
Other income	1,629	6,886
Finance costs	<u>(69,967)</u>	<u>(32,211)</u>
Profit before tax	397,041	443,703
Taxation	<u>(119,033)</u>	<u>(128,326)</u>
Profit after tax	<u>278,008</u>	<u>315,377</u>

(Rupees)

**Earnings per share - basic and diluted**

3.01

3.41

# PRODUCTION VOLUME

	YEAR ENDED 30 JUNE				
	2022	2021	2020	2019	2018
PRODUCT	Quantity				
PET Resin / Polyester Chips - Tons	22,221	25,312	24,499	25,121	25,782
Plastic and Crown Caps - Cartons	625,325	543,820	434,861	459,345	495,057
PET Preform - Octabins	29,831	20,582	12,360	5,986	1,771

## KEY PERFORMANCE INDICATORS

	YEAR ENDED 30 JUNE				
	2022	2021	2020	2019	2018
<b>PROFITABILITY RATIOS</b>	<b>Ratios</b>				
Gross profit to net sales	<b>18.87%</b>	20.05%	06.99%	09.56%	10.85%
Operating profit to net sales	<b>13.64%</b>	16.30%	04.23%	02.41%	05.08%
Profit/(loss) before tax to net sales	<b>12.03%</b>	14.56%	(01.51%)	(02.14%)	01.59%
Profit/(loss) after tax to net sales	<b>08.01%</b>	10.32%	(01.50%)	(01.76%)	02.23%
Earnings per share	<b>10.67</b>	08.09	(01.39)	(02.21)	02.09
Breakup Value	<b>33.69</b>	25.36	19.06	21.34	23.86
<b>FINANCIAL RATIOS</b>	<b>Ratios</b>				
Current Assets : Current Liabilities	<b>1.19:1</b>	1.16:1	0.94:1	0.78:1	1:1
Long-term Debts : Equity	<b>25:75</b>	19:81	18:82	31:69	30:70

# BUSINESS OVERVIEW AND FUTURE OUTLOOK

Instability in commodity prices continues to pose challenges to the businesses. The recent Russia-Ukraine conflict has further aggravated this volatility resulting in higher fuel and energy prices. The volatility in international market has had a direct impact on our National economy. The ongoing political instability has deteriorated the economic position of the Country. This combination of high international fuel and commodity prices and locally uncertain political environment has exerted pressure on foreign exchange reserves resulting in a significant depreciation of the Pak Rupee against the US Dollar has resulted in massive inflationary pressure for the industry in general and for the petrochemical sector in specific.

# BUSINESS OVERVIEW AND FUTURE OUTLOOK

The recent floods in the country have impacted a major portion of country's population estimated to be around 35 million. This will have negative impact on the spending power of the masses

The Management of the company is actively working to grow its existing market share in the industry while also keeping the profit margins intact. To pursue further growth, investment in existing businesses has been made. The company has a strong belief in its products and is confident of its ability to cater customer wide-ranging product demand. Further the management is committed to maintain its profitability and deliver value to shareholders.

The background features a collection of laboratory glassware, including several test tubes and beakers. Some test tubes are filled with colored liquids (green, pink, blue, yellow), while others are empty. The glassware is arranged in a slightly overlapping manner, creating a sense of depth. The overall aesthetic is clean and scientific.

**QUESTIONS**

**AND**

**ANSWERS**



The image features a collection of test tubes of various colors (clear, blue, green, pink, yellow) arranged in two rows. The front row contains seven test tubes, and the back row contains several more. A red vertical bar is located in the top right corner. The text "THE END" is centered in the middle of the image.

**THE END**