

Condensed Interim Financial Information
For the Half Year and Quarter Ended
31 December 2016

Reliable

No Matter What...



Synthetic Products Enterprises Limited

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Company Information

The Board of Directors

Mr. Almas Hyder	Chairman
Mr. Zia Hyder Naqi	CEO
Dr. S. M. Naqi	Director
Dr. Syed Salman Ali Shah	Director
Mr. Muhammad Tabassum Munir	Director
Mr. Khawar Anwar Khawaja	Director
Mr. Raza Haider Naqi	Director
Mr. Sheikh Naseer Hyder	Director
Mr. Abid Saleem Khan	Director

Company Secretary

Mr. Khalil Ahmad Hashmi FCA

Audit Committee

Dr. Syed Salman Ali Shah	Committee Chairman
Mr. Almas Hyder	Member
Dr. S. M. Naqi	Member
Mr. Muhammad Tabassum Munir	Member

HR & R Committee

Mr. Almas Hyder	Committee Chairman
Dr. S. M. Naqi	Member
Mr. Zia Hyder Naqi	Member
Mr. Khawar Anwar Khawaja	Member
Mr. Abid Saleem Khan	Member

Finance Committee

Mr. Almas Hyder	Committee Chairman
Dr. Syed Salman Ali Shah	Member
Mr. Khawar Anwar Khawaja	Member
Mr. Zia Hyder Naqi	Member
Mr. Muhammad Tabassum Munir	Member

Registered Office

127-S, Quid-e-Azam Industrial
Estate Kot Lakhpat Lahore
Ph: 042 111 005 005
Fax: 024-35118507

Statutory Auditors

KPMG Taseer Hadi & Co.
Chartered Accountants

Head of Internal Audit

Mr. Abu Bakar ACA

Tax Advisors

A. F. Ferguson & Co.
Chartered Accountants

Legal Advisors

Cornelius Lane and Mufti

Share Registrar

THK Associates (Private) Limited
1st Floor, 40-C Block 6, P.E.C.H.S
Karachi.

Phone: +92 (21) 111-000-322

Email: secretariat@thk.com.pk

Bankers

Habib Bank Limited
MCB Bank Limited
Standard Chartered Bank (Pakistan)
Limited
Bank Islami Pakistan Limited
United Bank Limited
Meezan Bank Limited
Allied Bank Limited

Factory

4-km Off Feroz Pur Road Raiwind
Lilliani Link Road, Pandoki Lahore.

Stock Symbol

SPEL

Website

www.spelgroup.com

SYNTHETIC PRODUCTS ENTERPRISES LIMITED

Directors' Review of the Condensed Interim Financial Information

For the Half Year and Quarter Ended 31 December 2016

Dear Shareholders,

The Directors of Synthetic Products Enterprises Limited are pleased to present your Company's un-audited condensed financial information for the half year and quarter ended 31 December 2016 along with the Directors' review thereon.

Financial Analysis

	Half Year Ended		Quarter Ended	
	31 Dec 2016 PKR Millions	31 Dec 2015 PKR Millions	31 Dec 2016 PKR Millions	31 Dec 2015 PKR Millions
Sales – net	1,219.9	1,090.6	570.3	514
Cost of Sales	(910.4)	(831.5)	(425.5)	(403)
Gross Profit	309.5	259.1	144.8	111
Operating Profit	220.6	183.2	100.8	71.9
Profit after tax	179.8	134.9	89.9	48.3
EPS – Basic (PKR)	2.32	1.74	1.16	0.63

The sales revenue for the second quarter stood at Rs. 570.3 million registering a growth of 11% compared to same period last year. The half year's sales stood at Rs. 1,220 million registering a growth of 12% compared to same period last year. This has resulted in an increased operating profit of Rs. 220.6 million and increased net profit of Rs. 179.8 Million for the period under review. The sales shows a drop of 12% in comparison with the immediate preceding quarter; this is consistent with the historical trends and seasonality of the business operations. The other income of the quarter under review has decreased as compared to same period last year, mainly due to investing of cash with banks. The encashed funds have been utilized for procurement of plant and machinery.

The earnings per share for the quarter under review have increased to Rs. 2.32 as compared to earnings per share of Rs. 1.74 in the corresponding period. The Directors are pleased to declare a 10% interim bonus dividend i.e. one (1) share for every ten (10) shares held.

During the quarter under review, the company has invested an amount of Rs. 206.4 million for expansion and BMR of the manufacturing facilities as planned.

SYNTHETIC PRODUCTS ENTERPRISES LIMITED

Directors' Review of the Condensed Interim Financial Information

For the Half Year and Quarter Ended 31 December 2016

Taxation

The Company is entitled to a tax credit under section 65E of the Income Tax Ordinance, 2001 at the rate of 41% of tax payable on account of investing in plant and machinery financed through new equity, which has been claimed in the quarter under review. The company is entitled to claim such credit upto Tax Year 2020.

In addition, the Company has claimed a tax credit under section 65B of the Income Tax Ordinance, 2001 at the rate of 10% of the amount invested in plant and machinery and also adjusted a carried forward tax credit u/s 65B arisen after filing the income tax return for the Tax Year 2016.

Rahim Yar Khan Project

The activities on Rahim Yar Khan Project are as per the plan, the plant and machinery has been acquired and the construction of building has started and the project is expected to be complete by the end of 2017.

Near Term Outlook

We continue to foresee strong demand in the second half of the financial year 2016-17 considering the growth patterns of the auto and food & FMCG sectors for which we have already enhanced the production capacities.

We remain committed to supplying quality products and to deliver on time to our customers as that's the promise of reliability.

The foresight on economy is positive. Our customers too are expanding their facilities which should effect our future growth positively.

Acknowledgement

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



Zia Hyder Naqi
Chief Executive Officer



Abid Saleem Khan
Director

Lahore
28 January 2017

CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION

For the Half Year and Quarter Ended 31 December 2016

SYNTHETIC PRODUCTS ENTERPRISES LIMITED

Auditors' Report to the Members on Review of Interim Financial Information For the Half Year and Quarter Ended 31 December 2016

Introduction

We have reviewed the accompanying condensed interim unconsolidated balance sheet of **Synthetic Products Enterprises Limited** ("the Company") as at 31 December 2016 and the related condensed interim unconsolidated profit and loss account, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated cash flow statement, condensed interim unconsolidated statement of changes in equity and notes to the accounts for the six month period then ended (here-in-after referred as the "interim unconsolidated financial information"). Management is responsible for the preparation and presentation of this condensed interim unconsolidated financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim unconsolidated financial information based on our review.

Scope of review

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

Conclusion

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

Other matters

The figures of the condensed interim unconsolidated profit and loss account and condensed interim unconsolidated statement of comprehensive income for the quarter ended 31 December 2016, have not been reviewed as we are required to review only the cumulative figures for the half year ended 31 December 2016.

Date: 28 January 2017

Lahore



**KPMG Taseer Hadi & Co.
Chartered Accountants
(M. Rehan Chughtai)**

Condensed Interim Unconsolidated Balance Sheet

As at 31 December 2016 (Un-audited)

	Note	(Un-audited) 31 December 2016 Rupees	(Audited) 30 June 2016 Rupees
EQUITY AND LIABILITIES			
<u>Share capital and reserves</u>			
Authorized share capital of Rs.10 each		1,000,000,000	1,000,000,000
Issued, subscribed and paid up capital	5	773,500,000	773,500,000
Share premium		347,391,050	347,391,050
Advance for shares		-	-
Accumulated profit		552,291,729	488,500,699
		1,673,182,779	1,609,391,749
Surplus on revaluation of land		226,943,081	226,943,081
<u>Non-current liabilities</u>			
Long term finance - <i>secured</i>	6.1	11,356,895	24,585,369
Diminishing musharika - <i>secured</i>	6.2	-	-
Liabilities against assets subject to finance lease	7	8,712,227	16,746,867
Deferred taxation		176,846,934	159,370,532
		196,916,056	200,702,768
<u>Current liabilities</u>			
Trade and other payables		150,492,411	128,044,640
Short term borrowings - <i>secured</i>	8	396,286,799	251,844,351
Current maturity of non-current liabilities	9	54,410,725	59,955,727
Accrued markup		4,811,980	4,142,042
		606,001,915	443,986,760
		2,703,043,831	2,481,024,358

Contingencies and commitments

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The annexed notes from 1 to 21 form an integral part of this condensed interim unconsolidated financial information.



Zia Hyder Naqi
Chief Executive Officer



Abid Saleem Khan
Director

Condensed Interim Unconsolidated Balance Sheet

As at 31 December 2016 (Un-audited)

		(Un-audited) 31 December 2016 Rupees	(Audited) 30 June 2016 Rupees
ASSETS			
<i>Note</i>			
<u>Non-current assets</u>			
Property, plant and equipment	11	1,659,923,970	1,515,337,213
Intangibles		3,861,926	4,291,029
Investments - related parties	12	393,809	438,245
Long term deposits		12,875,745	17,231,046
		1,677,055,450	1,537,297,533
<u>Current assets</u>			
Stores, spares and loose tools		18,096,633	17,329,657
Stock-in-trade		435,118,596	316,544,988
Trade debts - unsecured, considered good		265,253,916	281,157,522
Income tax		203,979,344	146,348,210
Advances, deposits, prepayments and other receivables	13	61,050,166	56,283,534
Short term investments		61,050,166	56,283,534
Cash and bank balances		2,650,000	75,000,000
		39,839,726	51,062,914
		1,025,988,381	943,726,825
		2,703,043,831	2,481,024,358

The annexed notes from 1 to 21 form an integral part of this condensed interim unconsolidated financial information.



Zia Hyder Naqi
Chief Executive Officer



Abid Saleem Khan
Director

Condensed Interim Unconsolidated Profit & Loss Account

For the half year and quarter ended 31 December 2016 (Un-audited)

	Note	Half year ended		Quarter ended	
		31 December 2016	31 December 2015	31 December 2016	31 December 2015
		Rupees	Rupees	Rupees	Rupees
Sales -net	14	1,219,999,029	1,090,638,903	570,354,900	514,058,016
Cost of sales	15	(910,405,047)	(831,516,776)	(425,502,740)	(403,012,807)
Gross profit		309,593,982	259,122,127	144,852,160	111,045,209
Administrative expenses		(63,263,602)	(54,287,029)	(31,680,820)	(28,630,544)
Selling and distribution expenses		(25,668,355)	(21,558,939)	(12,345,930)	(10,470,897)
Operating profit		220,662,025	183,276,159	100,825,410	71,943,768
Other income		10,437,696	28,661,717	6,891,558	15,047,235
Other charges		(15,304,396)	(13,431,416)	(7,232,657)	(5,305,810)
Finance cost	16	(15,501,095)	(22,808,664)	(8,500,500)	(10,926,585)
Profit before taxation		200,294,230	175,697,796	91,983,811	70,758,608
Taxation		(20,478,200)	(40,742,416)	(1,992,068)	(22,410,033)
Profit after taxation		179,816,030	134,955,380	89,991,743	48,348,575
Earnings per share - Basic and diluted		2.32	1.74	1.16	0.63

The annexed notes from 1 to 21 form an integral part of this condensed interim unconsolidated financial information.



Zia Hyder Naqi
Chief Executive Officer



Abid Saleem Khan
Director

Condensed Interim Unconsolidated Statement of Comprehensive Income

For the half year and quarter ended 31 December 2016 (Un-audited)

	Half year ended		Quarter ended	
	31 December 2016 Rupees	31 December 2015 Rupees	31 December 2016 Rupees	31 December 2015 Rupees
Profit after taxation	179,816,030	134,955,380	89,991,743	48,348,575
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	179,816,030	134,955,380	89,991,743	48,348,575

The annexed notes from 1 to 21 form an integral part of this condensed interim unconsolidated financial information.



Zia Hyder Naqi
Chief Executive Officer



Abid Saleem Khan
Director

Condensed Interim Unconsolidated Cash Flow Statement

For the half year and quarter ended 31 December 2016 (Un-audited)

	31 December 2016	31 December 2015
	Rupees	Rupees
<u>Cash flow from operating activities</u>	Note	
Profit before taxation	200,294,230	175,697,796
<i>Adjustments for non cash items:</i>		
Depreciation on property, plant and equipment	11.1 61,723,184	39,004,203
Amortization of intangibles	429,103	718,782
(Gain) / loss on disposal of property, plant and equipment	1,791,113	(85,724)
Finance cost	16 15,501,095	22,808,664
Impairment loss on investment in subsidiary	44,436	382,525
Provision for Workers' Profit Participation Fund	10,688,154	9,455,718
Provision for Workers' Welfare Fund	2,780,693	3,593,173
	92,957,778	75,877,341
Cash generated from operations before working capital changes	293,252,008	251,575,137
<i>(Increase) / decrease in current assets:</i>		
Stores, spares and loose tools	(766,976)	4,125,680
Stock-in-trade	(118,573,608)	(1,213,625)
Trade debts	15,903,606	69,461,365
Advances, deposits, prepayments and other receivable	(4,766,632)	(36,897,433)
	(108,203,610)	35,475,987
<i>Increase / (decrease) in current liabilities:</i>		
Trade and other payables	33,287,690	(32,492,440)
	(74,915,920)	2,983,547
Cash generated from operations	218,336,088	254,558,684
Workers Welfare Fund paid	(3,350,969)	(4,989,831)
Workers' Profit Participation Fund paid	(21,214,099)	-
Taxes paid	(60,632,932)	(48,565,574)
Finance cost paid	(14,831,157)	(19,745,882)
Net cash generated from operating activities	118,306,931	181,257,397
<u>Cash flow from investing activities</u>		
Fixed capital expenditure	(206,404,874)	(156,076,123)
Intangibles acquired	-	(753,648)
Proceeds from disposal of short term investments	72,350,000	55,500,000
Proceeds from disposal of property, plant and equipment	2,653,030	336,455
Investments - related parties	-	1,700,000
Long term deposits- net	4,105,901	(1,036,300)
Net cash used in investing activities	(127,295,943)	(100,329,616)
<u>Cash flow from financing activities</u>		
Principal repayment of lease liability	(9,615,876)	(25,800,672)
Long term finance and diminishing musharika repaid	(21,292,050)	(9,035,920)
Short term borrowings -net	138,826,645	138,052,236
Cash dividend paid	(115,768,698)	(38,616,213)
Net cash (used in) / generated from financing activities	(7,849,979)	64,599,431
(Decrease) / Increase in cash and cash equivalents	(16,838,991)	145,527,212
Cash and cash equivalents at beginning of the period	792,888	(151,704,231)
Cash and cash equivalents at end of the period	17 (16,046,103)	(6,177,019)

The annexed notes from 1 to 21 form an integral part of this condensed interim unconsolidated financial information.



Zia Hyder Naqi
Chief Executive Officer



Abid Saleem Khan
Director

Condensed Interim Unconsolidated Statement of Changes in Equity

For the half year and quarter ended 31 December 2016 (Un-audited)

	Issued subscribed & paid-up capital	Advance against share capital	Capital Reserve	Revenue reserve	Total
			Share Premium	Accumulated profit	
----- Rupees -----					
Balance as at 30 June 2015 -audited	773,500,000	-	347,391,050	210,060,018	1,330,951,068
<u>Total comprehensive income</u>					
Profit for the half year ended 31 December 2015	-	-	-	134,955,380	134,955,380
Other comprehensive income for the half year ended 31 December 2015	-	-	-	-	-
	-	-	-	134,955,380	134,955,380
<u>Transactions with owners of the Company</u>					
Final cash dividend for the year ended	-	-	-	(38,675,000)	(38,675,000)
Refund of advance against shares	-	-	-	-	-
Balance as at 31 December 2015 - un-audited	773,500,000	-	347,391,050	306,340,398	1,427,231,448
<u>Total comprehensive income</u>					
Profit for the half year ended 30 June 2016	-	-	-	220,835,301	220,835,301
Other comprehensive income for the half year ended 30 June 2016	-	-	-	-	-
	-	-	-	220,835,301	220,835,301
<u>Transactions with owners of the Company</u>					
Interim cash dividend for the year ended 30 June 2015@ Rs. 0.5 per share	-	-	-	(38,675,000)	(38,675,000)
	-	-	-	(38,675,000)	(38,675,000)
Balance as at 30 June 2016 -audited	773,500,000	-	347,391,050	488,500,699	1,609,391,749
<u>Total comprehensive income</u>					
Profit for the half year ended 31 December 2016	-	-	-	179,816,030	179,816,030
Other comprehensive income for the half year ended 31 December 2016	-	-	-	-	-
	-	-	-	179,816,030	179,816,030
<u>Transactions with owners of the Company</u>					
Final cash dividend for the year ended 30 June 2016@ Rs. 1.0 per share	-	-	-	(77,350,000)	(77,350,000)
Interim cash dividend for the year ended 30 June 2017@ Rs. 0.5 per share	-	-	-	(38,675,000)	(38,675,000)
Balance as at 31 December 2016- unaudited	773,500,000	-	347,391,050	552,291,729	1,673,182,779

The annexed notes from 1 to 21 form an integral part of this condensed interim unconsolidated financial information.



Zia Hyder Naqi
Chief Executive Officer



Abid Saleem Khan
Director

Notes to the Condensed Interim Unconsolidated Financial Information

For the half year and quarter ended 31 December 2016 (Un-audited)

1 Reporting entity

Synthetic Products Enterprises Limited ("the Company") was incorporated in Pakistan on 16 May 1982 under the Companies Act, 1913 (now the Companies Ordinance, 1984) as a private limited company. The Company converted into public limited company on 21 July 2008 and subsequently listed on Pakistan Stock Exchange on 10 February 2015. The registered office of the Company is situated at 127-S, Quaid-e-Azam Industrial Estate, Kot Lakhpat, Lahore. The Company is principally engaged in the manufacturing and sale of plastic auto parts, plastic packaging for food and FMCG industry and moulds & dies.

2 Basis of preparation

- 2.1 This condensed interim unconsolidated financial information comprises the condensed interim unconsolidated balance sheet of the Company, as at 31 December 2016 and the related condensed interim unconsolidated profit and loss account, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated cash flow statement and condensed interim unconsolidated statement of changes in equity together with the notes forming part thereof.
- 2.2 This condensed interim unconsolidated financial information of the Company for the six months period ended 31 December 2016 has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.
- 2.3 This condensed interim unconsolidated financial information does not include all of the information required for full annual financial statements and should be read in conjunction with the annual unconsolidated financial statements for the year ended 30 June 2016.

Notes to the Condensed Interim Unconsolidated Financial Information

For the half year and quarter ended 31 December 2016 (Un-audited)

2.4 Comparative unconsolidated balance sheet numbers are extracted from the annual audited unconsolidated financial statements of the Company for the year ended 30 June 2016, whereas comparatives of condensed interim unconsolidated profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity are stated from unaudited condensed interim unconsolidated financial information of the Company for the six months period ended 31 December 2015.

2.5 This condensed interim unconsolidated financial information is unaudited and being submitted to the shareholders as required under Section 245 of the Companies Ordinance, 1984 and the Listing Regulations of Pakistan Stock Exchange Limited.

3 Judgments and estimates

In preparing this interim unconsolidated financial information, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied to the unconsolidated financial statements for the year ended 30 June 2016.

4 Statement of consistency in accounting policies

4.1 The accounting policies and the methods of computation adopted in the preparation of this condensed interim unconsolidated financial information are same as those applied in the preparation of the unconsolidated financial statements for the year ended 30 June 2016.

4.2 There were certain other new standards and amendments to the approved accounting standards which became effective during the period but are considered not to be relevant or have any significant effect on the Company's operations and are, therefore, not disclosed.

Notes to the Condensed Interim Unconsolidated Financial Information

For the half year and quarter ended 31 December 2016 (Un-audited)

4.3 The following amendments and interpretations of approved accounting standards will be effective for accounting periods as detailed below :

Standard or interpretation	Effective date (accounting periods beginning on or after)
IAS 12 - Income taxes	01 January 2017
IAS 7 - Statement of Cash Flows	01 January 2017
IFRS 2 - Share-based Payments	01 January 2017
IAS 40 - Investment Property	01 January 2017
IFRS 12 - Disclosure of Interest in other Entities	01 January 2017
IAS 28 - Investments in Associates and Joint Ventures	01 January 2018
IFRIC 25 - Foreign Currency Transactions and advance Consideration	01 January 2018

5 Issued, subscribed and paid-up capital

(Un-audited) 31 December 2016 --- Number of shares ---	(Audited) 30 June 2016		(Un-audited) 31 December 2016 Rupees	(Audited) 30 June 2016 Rupees
19,791,940	19,791,940	Ordinary shares of Rs. 10 each, fully paid in cash	197,919,400	197,919,400
49,893,060	49,893,060	Fully paid bonus shares of Rs. 10 each	498,930,600	498,930,600
7,665,000	7,665,000	Shares of Rs. 10 each, issued under scheme of amalgamation	76,650,000	76,650,000
<u>77,350,000</u>	<u>77,350,000</u>		<u>773,500,000</u>	<u>773,500,000</u>

Notes to the Condensed Interim Unconsolidated Financial Information

For the half year and quarter ended 31 December 2016 (Un-audited)

	(Un-audited) 31 December 2016 Rupees	(Audited) 30 June 2016 Rupees
<i>Note</i>		
6 Long term finance - secured		
These comprise of:		
6.1 Long term finance		
- Standard Chartered Bank (Pakistan) Limited - secured	1,668,588	5,005,728
- Loan from customer	37,248,593	49,504,723
6.1.1	38,917,181	54,510,451
Less: Current maturity presented under current liabilities	(27,560,286)	(29,925,082)
	11,356,895	24,585,369

6.1.1 During the period / year, the Company has made repayments amounting to Rs. 15.59 million (30 June 2016: Rs. 8.66 million).

	(Un-audited) 31 December 2016 Rupees	(Audited) 30 June 2016 Rupees
<i>Note</i>		
6.2 Diminishing musharika		
United Bank Limited - I	655,520	1,638,800
United Bank Limited - II	4,715,500	9,431,000
	5,371,020	11,069,800
Less: Current maturity presented under current liabilities	(5,371,020)	(11,069,800)
	-	-

6.2.1 During the period / year, the Company has made repayments amounting to Rs. 0.98 million (30 June 2016: Rs. 1.97 million).

6.2.2 During the period / year, the Company has made repayments amounting to Rs. 4.72 million (30 June 2016: 9.43 Million).

Notes to the Condensed Interim Unconsolidated Financial Information

For the half year and quarter ended 31 December 2016 (Un-audited)

	(Un-audited) 31 December 2016 Rupees	(Audited) 30 June 2016 Rupees
6.3 Type of loans		
Interest / mark-up based loans	38,917,181	54,510,451
Islamic mode of financing	5,371,020	11,069,800
	<u>44,288,201</u>	<u>65,580,251</u>

		(Un-audited) 31 December 2016 Rupees	(Audited) 30 June 2016 Rupees
7 Liabilities against assets subject to finance lease	<i>Note</i>		
Lease liability	7.1	30,191,646	35,707,712
Less: Current maturity presented under current liabilities		(21,479,419)	(18,960,845)
		<u>8,712,227</u>	<u>16,746,867</u>

7.1 During the period / year, the Company has made repayments amounting to Rs. 9.25 million (30 June 2016: Rs. 51.76 million).

		(Un-audited) 31 December 2016 Rupees	(Audited) 30 June 2016 Rupees
8 Short term borrowings - secured	<i>Note</i>		
Running finance		55,885,829	50,270,026
Short term borrowings		340,400,970	201,574,325
		<u>396,286,799</u>	<u>251,844,351</u>
8.1 Type of loans			
Interest / mark-up based loans		182,815,871	95,332,958
Islamic mode of financing		213,470,928	156,511,393
		<u>396,286,799</u>	<u>251,844,351</u>

Notes to the Condensed Interim Unconsolidated Financial Information

For the half year and quarter ended 31 December 2016 (Un-audited)

		(Un-audited) 31 December 2016 Rupees	(Audited) 30 June 2016 Rupees
9	Current maturity of non-current liabilities		
	Long term finance	6.1 27,560,286	29,925,082
	Diminishing musharika - <i>secured</i>	6.2 5,371,020	11,069,800
	Liabilities against assets subject to finance lease 7	21,479,419	18,960,845
		54,410,725	59,955,727

10 Contingencies and commitments

10.1 Contingencies

There is no significant change in the status of contingencies as reported in the published annual financial statements of the Company for the year ended 30 June 2016, except for the following:

The Chief Commissioner Inland Revenue had rejected the Company's application filed under section 122B of the Income Tax Ordinance, 2001 for issuance of exemption certificate under section 148 of the Income Tax Ordinance, 2001 for import of plant & machinery. However subsequent to the period end, this order has been challenged in Honorable Lahore High Court (the Court) through W.P. No. 449-17 and the Court has granted stay against the order issued by Chief Commissioner Inland Revenue. Management is confident of favorable outcome of this matter.

		(Un-audited) 31 December 2016 Rupees	(Audited) 30 June 2016 Rupees
10.2	Commitments		
	<i>Commitments under irrevocable letters of credit for:</i>		
	- purchase of machinery	118,518,220	63,077,729
	- purchase of raw material	146,069,980	148,896,931
		264,588,200	211,974,660

		(Un-audited) 31 December 2016 Rupees	(Audited) 30 June 2016 Rupees
11	Property, plant and equipment		
	Operating fixed assets	11.1 1,509,431,903	1,471,554,511
	Capital work in progress	11.2 150,492,067	43,782,702
		1,659,923,970	1,515,337,213

Notes to the Condensed Interim Unconsolidated Financial Information

For the half year and quarter ended 31 December 2016 (Un-audited)

	(Un-audited) 31 December	(Audited) 30 June
	2016 Rupees	2016 Rupees
11.1 Operating fixed assets		
Opening written down value	1,471,554,511	990,506,538
Add: Additions during the period / year 11.1.1	104,044,719	570,599,419
Less: Disposals during the period/ year at written down value	(4,444,143)	(431,435)
Less: Depreciation charge for the period / year	(61,723,184)	(89,120,011)
Closing written down value	<u>1,509,431,903</u>	<u>1,471,554,511</u>
11.1.1 Additions during the period / year:		
Freehold land	-	56,726,925
Buildings on freehold land	54,000	8,112,710
Plant and machinery - owned	90,026,597	480,822,787
Office equipment	297,998	2,210,004
Tools and equipment	200,351	2,759,371
Computer equipment	202,590	729,273
Furniture and fittings	1,058,112	4,709,944
Vehicles - owned	7,855,861	7,780,405
Vehicles - leased	4,349,210	6,748,000
	<u>104,044,719</u>	<u>570,599,419</u>
11.2 Capital work in progress		
Balance at the beginning of the period / year	43,782,702	39,838,683
Add: Additions during the period / year	195,505,273	336,438,284
Less: Transfers to fixed assets during the period / year	(88,795,908)	(332,494,265)
	<u>150,492,067</u>	<u>43,782,702</u>
12 Investments - related parties		
<u>SPEL Pharmatec (Private) Limited</u>		
600,002 (30 June 2016: 600,002) fully paid ordinary shares of Rs. 10 each Capital held: 100% (30 June 2016: 100%)		
Cost	6,000,020	6,000,020
Advance for purchase of shares	2,299,980	2,299,980
	<u>8,300,000</u>	<u>8,300,000</u>
Less: Accumulated impairment	(7,906,191)	(7,861,755)
	<u>393,809</u>	<u>438,245</u>

Notes to the Condensed Interim Unconsolidated Financial Information

For the half year and quarter ended 31 December 2016 (Un-audited)

	(Un-audited) 31 December 2016 Rupees	(Audited) 30 June 2016 Rupees
13 Advances, deposits, prepayments and other receivables	<i>Note</i>	
Advances - unsecured, considered good		
- to employees	89,217	451,987
- to suppliers for raw material	5,028,965	3,130,679
Amounts paid against future shipments	10,472,571	6,486,686
Short term deposits	5,387,702	249,400
Sales tax receivable - net	29,175,542	36,277,281
Interest receivable	7,013	430,228
Prepaid insurance	2,369,381	4,128,457
Others	8,519,775	5,128,816
	61,050,166	56,283,534
	Half year ended (Un-audited)	
	31 December	31 December
	2016	2015
	Rupees	Rupees
14 Sales - net		
Local	1,422,995,249	1,270,420,742
Export	8,338,437	8,836,475
Less: Sales tax	(211,334,657)	(188,618,314)
	1,219,999,029	1,090,638,903
15 Cost of sales		
Raw and packing materials consumed	674,516,992	638,273,714
Stores, spare parts and loose tools consumed	4,377,513	3,817,729
Salaries, wages and benefits	98,004,450	75,861,359
Electricity, fuel and water charges	69,571,559	58,452,523
Depreciation on property, plant and equipment	55,472,988	35,750,687
Repair and maintenance	16,548,625	17,549,995
Sorting charges	728,612	375,194
Insurance	2,971,228	3,815,052
Oil and lubricants	1,449,945	1,325,015
	923,641,912	835,221,268
Work in progress		
- At beginning of the period	11,658,090	12,712,071
- At end of the period	(18,174,511)	(17,506,696)
Cost of goods manufactured	917,125,491	830,426,643
Finished goods		
- At beginning of the period	19,298,362	20,660,042
- At end of the period	(26,018,806)	(19,569,909)
Cost of sales	910,405,047	831,516,776

Notes to the Condensed Interim Unconsolidated Financial Information

For the half year and quarter ended 31 December 2016 (Un-audited)

	Note	Half year ended (Un-audited)	
		31 December 2016 Rupees	31 December 2015 Rupees
16 Finance cost			
<i>Mark-up on:</i>			
- short term borrowings		11,725,648	15,965,865
- long term finance		2,067,479	2,356,877
- diminishing musharikasecured		51,083	1,092,284
- lease finance		1,046,632	2,818,270
Bank charges		610,253	575,368
		15,501,095	22,808,664
17 Cash and cash equivalents			
Short term running finance- secured	8	(55,885,829)	(115,965,581)
Cash and bank balances		39,839,726	109,788,562
		(16,046,103)	(6,177,019)

Notes to the Condensed Interim Unconsolidated Financial Information

For the half year and quarter ended 31 December 2016 (Un-audited)

18 Financial instruments-fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Carrying Amount		Fair Value			
	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3
On-Balance sheet financial instruments						
31 December 2016- (Un-audited)						
Financial assets measured at fair value						
Financial assets not measured at fair value						
Cash and bank balances	39,839,726	-	39,839,726	-	-	-
Deposits and other receivables	13,914,490	-	13,914,490	-	-	-
Long term deposits	12,875,745	-	12,875,745	-	-	-
Trade debts - unsecured, considered good	265,253,916	-	265,253,916	-	-	-
Short term investments	2,650,000	-	2,650,000	-	-	-
	334,533,877	-	334,533,877	-	-	-
18.2						
Financial liabilities measured at fair value						
Financial liabilities not measured at fair value						
Long term finances and diminishing musharika	-	44,288,201	44,288,201	-	-	-
Liabilities against assets subject to finance lease	-	30,191,646	30,191,646	-	-	-
Trade and other payables	-	115,165,703	115,165,703	-	-	-
Short term borrowing	-	396,286,799	396,286,799	-	-	-
Accrued mark up	-	4,811,980	4,811,980	-	-	-
	-	590,744,329	590,744,329	-	-	-
18.2						

Notes to the Condensed Interim Unconsolidated Financial Information

For the half year and quarter ended 31 December 2016 (Un-audited)

19 Transactions with related parties

Related parties comprise of subsidiary company, associated undertaking, key management personnel (including chief executive and directors), post employment benefit plan and entities in which the directors have significant influence. Details of transactions and balances with related parties is as follows:

		Half year ended (Un-audited)	
		31 December 2016 Rupees	31 December 2015 Rupees
19.1 Related Parties	Nature of transaction		
SPEL Pharmatec (Private) Limited - subsidiary	Refund of advance for issuance of shares	-	1,700,000
Provident Fund Trust	Contribution	7,268,870	5,883,244
Directors	Dividend - as shareholders	82,854,953	27,624,817
Remuneration of Key Management	Remuneration		
- Directors		19,706,100	15,591,002
- Executive employees		16,837,656	12,911,998
		(Un-audited) 31 December 2016 Rupees	(Audited) 30 June 2016 Rupees
19.2 Balances with related parties			
Advance for purchase of shares - subsidiary company		2,299,980	2,299,980
Provident Fund Trust		1,235,027	1,122,499

20 Date of authorization

This condensed interim unconsolidated financial information has been approved by the Board of Directors of the Company and authorized for issue in their meeting held on _____.

21 General

Figures have been rounded off to the nearest rupee.



Zia Hyder Naqi
Chief Executive Officer



Abid Saleem Khan
Director

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CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

For the half year and quarter ended 31 December 2016 (Un-audited)

Condensed Interim Consolidated Balance Sheet

As at 31 December 2016 (Un-audited)

		(Un-audited) 31 December 2016 Rupees	(Audited) 30 June 2016 Rupees
EQUITY AND LIABILITIES			
<i>Note</i>			
<u>Share capital and reserves</u>			
Authorized share capital of Rs.10 each		1,000,000,000	1,000,000,000
Issued, subscribed and paid up capital	5	773,500,000	773,500,000
Share premium		347,391,050	347,391,050
Accumulated profit		549,933,203	486,142,173
		1,670,824,253	1,607,033,223
Surplus on revaluation of land		226,943,081	226,943,081
<u>Non-current liabilities</u>			
Long term finance - <i>secured</i>	6.1	11,356,895	24,585,369
Diminishing musharika - <i>secured</i>	6.2	-	-
Liabilities against assets subject to finance lease	7	8,712,227	16,746,867
Deferred taxation		179,205,460	161,729,058
		199,274,582	203,061,294
<u>Current liabilities</u>			
Trade and other payables		150,573,976	128,169,404
Short term borrowings - <i>secured</i>	8	396,286,799	251,844,351
Current maturity of non-current liabilities	9	54,410,725	59,955,727
Accrued markup		4,811,980	4,142,042
		606,083,480	444,111,524
		2,703,125,396	2,481,149,122
Contingencies and commitments	10		

The annexed notes from 1 to 20 form an integral part of this condensed interim consolidated financial information.



Zia Hyder Naqi
Chief Executive Officer



Abid Saleem Khan
Director

Condensed Interim Consolidated Balance Sheet

As at 31 December 2016 (Un-audited)

		(Un-audited) 31 December 2016 Rupees	(Audited) 30 June 2016 Rupees
ASSETS			
<u>Non-current assets</u>			
Property, plant and equipment	11	1,659,940,315	1,515,353,994
Intangibles		3,861,926	4,291,029
Long term deposits		12,875,745	17,231,046
		1,676,677,986	1,536,876,069
<u>Current assets</u>			
Stores, spares and loose tools		18,096,633	17,329,657
Stock-in-trade		435,118,596	316,544,988
Trade debts - unsecured, considered good		265,253,916	281,157,522
Income tax		204,075,948	146,444,813
Advances, deposits, prepayments and other receivables	12	61,367,363	56,600,730
Short term investments		2,650,000	75,000,000
Cash and bank balances		39,884,954	51,195,343
		1,026,447,410	944,273,053
		2,703,125,396	2,481,149,122

The annexed notes from 1 to 20 form an integral part of this condensed interim consolidated financial information.



Zia Hyder Naqi
Chief Executive Officer



Abid Saleem Khan
Director

Condensed Interim Consolidated Profit & Loss Account

For the half year and quarter ended 31 December 2016 (Un-audited)

	Note	Half year ended		Quarter ended	
		31 December 2016	31 December 2015	31 December 2016	31 December 2015
		Rupees	Rupees	Rupees	Rupees
Sales -net	13	1,219,999,029	1,090,730,051	570,354,900	514,058,016
Cost of sales	14	(910,405,047)	(831,726,653)	(425,502,740)	(403,012,807)
Gross profit		309,593,982	259,003,398	144,852,160	111,045,209
Administrative expenses		(63,263,602)	(54,287,029)	(31,637,384)	(28,630,544)
Selling and distribution expenses		(25,668,355)	(21,844,347)	(12,345,930)	(10,491,902)
Operating profit		220,662,025	182,872,022	100,868,846	71,922,763
Other income		10,437,696	28,699,097	6,891,558	15,047,235
Other charges		(15,304,396)	(13,048,891)	(7,277,093)	(5,271,443)
Finance cost	15	(15,501,095)	(22,808,664)	(8,499,500)	(10,924,179)
Profit before taxation		200,294,230	175,713,564	91,983,811	70,774,376
Taxation		(20,478,200)	(40,743,327)	(1,992,068)	(22,410,944)
Profit after taxation		179,816,030	134,970,237	89,991,743	48,363,432

The annexed notes from 1 to 20 form an integral part of this condensed interim consolidated financial information.



Zia Hyder Naqi
Chief Executive Officer



Abid Saleem Khan
Director

Condensed Interim Consolidated Statement of Comprehensive Income

For the half year and quarter ended 31 December 2016 (Un-audited)

	Half year ended		Quarter ended	
	31 December 2016 Rupees	31 December 2015 Rupees	31 December 2016 Rupees	31 December 2015 Rupees
Profit after taxation	179,816,030	134,970,237	89,991,743	48,363,432
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	179,816,030	134,970,237	89,991,743	48,363,432

The annexed notes from 1 to 20 form an integral part of this condensed interim consolidated financial information.



Zia Hyder Naqi
Chief Executive Officer



Abid Saleem Khan
Director

Condensed Interim Consolidated Cash Flow Statement

For the half year and quarter ended 31 December 2016 (Un-audited)

		31 December 2016 Rupees	31 December 2015 Rupees
<u>Cash flow from operating activities</u>			
	Note		
Profit before taxation		200,249,794	175,331,039
<i>Adjustments for non cash items:</i>			
Depreciation on property, plant and equipment	11.1	61,723,620	39,005,186
Amortization of intangibles		429,103	718,782
(Gain) / loss on disposal of property, plant and equipment		1,791,113	(85,724)
Finance cost	15	15,501,095	22,808,664
Impairment loss on investment in subsidiary		44,436	382,525
Provision for Workers' Profit Participation Fund		10,688,154	9,455,718
Provision for Workers' Welfare Fund		2,780,693	3,593,173
		<u>92,958,214</u>	<u>75,878,324</u>
Cash generated from operations before working capital changes		293,208,008	251,209,363
<i>(Increase) / decrease in current assets:</i>			
Stores, spares and loose tools		(766,976)	4,125,680
Stock-in-trade		(118,573,608)	(1,213,625)
Trade debts		15,903,606	69,437,881
Advances, deposits, prepayments and other receivable		(4,766,633)	(36,525,259)
		<u>(108,203,611)</u>	<u>35,824,677</u>
<i>Increase / (decrease) in current liabilities:</i>			
Trade and other payables		33,244,491	(32,607,510)
		(74,959,120)	3,217,167
Cash generated from operations		218,248,888	254,426,530
Workers Welfare Fund paid		(3,350,969)	(4,989,831)
Workers' Profit Participation Fund paid		(21,214,099)	-
Taxes paid		(60,632,933)	(48,565,574)
Finance cost paid		(14,831,157)	(19,745,882)
Net cash generated from operating activities		118,219,730	181,125,243
<u>Cash flow from investing activities</u>			
Fixed capital expenditure		(206,404,874)	(156,076,123)
Intangibles acquired		-	(753,648)
Proceeds from disposal of short term investments		72,350,000	57,103,302
Proceeds from disposal of property, plant and equipment		2,653,030	336,455
Long term deposits- net		4,105,901	(1,036,300)
Net cash used in investing activities		(127,295,943)	(100,426,314)
<u>Cash flow from financing activities</u>			
Principal repayment of lease liability		(9,615,876)	(25,800,672)
Long term finance and diminishing musharika repaid		(21,292,050)	(9,035,920)
Short term borrowings -net		138,826,645	138,052,236
Cash dividend paid		(115,768,698)	(38,616,213)
Net cash (used in) / generated from financing activities		(7,849,979)	64,599,431
(Decrease) / Increase in cash and cash equivalents		(16,926,192)	145,298,360
Cash and cash equivalents at beginning of the period		925,317	(151,362,528)
Cash and cash equivalents at end of the period	16	(16,000,875)	(6,064,168)

The annexed notes from 1 to 20 form an integral part of this condensed interim consolidated financial information.



Zia Hyder Naqi
Chief Executive Officer



Abid Saleem Khan
Director

Condensed Interim Consolidated Statement of Changes in Equity

For the half year and quarter ended 31 December 2016 (Un-audited)

	Issued subscribed & paid-up capital	Capital Reserve Share Premium	Revenue reserve Accumulated profit	Total
----- Rupees -----				
Balance as at 30 June 2015 -audited	773,500,000	347,391,050	207,808,962	1,328,700,012
<u>Total comprehensive income</u>				
Profit for the half year ended 31 December 2015	-	-	134,970,237	134,970,237
Other comprehensive income for the half year ended 31 December 2015	-	-	-	-
	-	-	134,970,237	134,970,237
<u>Transactions with owners of the Company</u>				
Final cash dividend for the year ended 30 June 2015 @ Rs. 0.5 per share	-	-	(38,675,000)	(38,675,000)
Balance as at 31 December 2015 - un-audited	773,500,000	347,391,050	304,104,199	1,424,995,249
<u>Total comprehensive income</u>				
Profit for the half year ended 30 June 2016	-	-	220,712,974	220,712,974
Other comprehensive income for the half year ended 30 June 2016	-	-	-	-
	-	-	220,712,974	220,712,974
<u>Transactions with owners of the Company</u>				
Interim cash dividend for the year ended 30 June 2015 @ Rs. 0.5 per share	-	-	(38,675,000)	(38,675,000)
	-	-	(38,675,000)	(38,675,000)
Balance as at 30 June 2016 -audited	773,500,000	347,391,050	486,142,173	1,607,033,223
<u>Total comprehensive income</u>				
Profit for the half year ended 31 December 2016	-	-	179,816,030	179,816,030
Other comprehensive income for the half year ended 31 December 2016	-	-	-	-
	-	-	179,816,030	179,816,030
<u>Transactions with owners of the Company</u>				
Final cash dividend for the year ended 30 June 2016 @ Rs. 1.0 per share	-	-	(77,350,000)	(77,350,000)
Interim cash dividend for the year ended 30 June 2017 @ Rs. 0.5 per share	-	-	(38,675,000)	(38,675,000)
Balance as at 31 December 2016- unaudited	773,500,000	347,391,050	549,933,203	1,670,824,253

The annexed notes from 1 to 20 form an integral part of this condensed interim consolidated financial information.



Zia Hyder Naqi
Chief Executive Officer



Abid Saleem Khan
Director

Notes to the Condensed Interim Consolidated Financial Information

For the half year and quarter ended 31 December 2016 (Un-audited)

1 Reporting entity

1.1 Synthetic Products Enterprises Limited - ("the Holding Company")

Synthetic Products Enterprises Limited ("the Company") was incorporated in Pakistan on 16 May 1982 under the Companies Act 1913 (now the Companies Ordinance, 1984) as a private limited company. The Company converted into public limited company on 21 July 2008 and subsequently on Pakistan Stock Exchange on 10 February 2015. The registered office of the Company is situated at 127-S, Quaid-e-Azam Industrial Estate, Kot Lakhpat, Lahore. It is principally engaged in the manufacturing and sale of plastic packaging for food and FMCG products, plastic auto parts, moulds and dies.

1.2 SPEL Pharmatec (Private) Limited ("the Subsidiary Company")

During the year 2013 the Holding Company acquired 100% shares in its newly incorporated Subsidiary Company from the date of its incorporation on 01 November 2013. The principal business of the Subsidiary Company is trading and manufacturing of medical devices, machines, disposable items, surgical instruments, drugs and pharmaceuticals. The registered office of the Company is situated at 127-S, Quaid-e-Azam Industrial Estate, Kot Lakhpat, Lahore. SPEL Pharmatec (Private) Limited is dormant and has ceased its commercial operations.

2 Basis of preparation

2.1 This condensed interim consolidated financial information comprises the condensed interim consolidated balance sheet of the Company, as at 31 December 2016 and the related condensed interim consolidated profit and loss account, condensed interim consolidated statement of comprehensive income, condensed interim consolidated cash flow statement and condensed interim consolidated statement of changes in equity together with the notes forming part thereof.

2.2 This condensed interim consolidated financial information of the Company for the six months period ended 31 December 2016 has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

2.3 This condensed interim consolidated financial information does not include all of the information required for full annual financial statements and should be read in conjunction with the annual consolidated financial statements for the year ended 30 June 2016.

Notes to the Condensed Interim Consolidated Financial Information

For the half year and quarter ended 31 December 2016 (Un-audited)

2.4 Comparative consolidated balance sheet numbers are extracted from the annual audited consolidated financial statements of the Company for the year ended 30 June 2016, whereas comparatives of condensed interim consolidated profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity are stated from unaudited condensed interim consolidated financial information of the Company for the six months period ended 31 December 2015.

2.5 This condensed interim consolidated financial information is unaudited and being submitted to the shareholders as required under Section 245 of the Companies Ordinance, 1984 and the Listing Regulations of Pakistan Stock Exchange Limited.

3 Judgments and estimates

In preparing this interim consolidated financial information, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the year ended 30 June 2016.

4 Statement of consistency in accounting policies

4.1 The accounting policies and the methods of computation adopted in the preparation of this condensed interim unconsolidated financial information are same as those applied in the preparation of the unconsolidated financial statements for the year ended 30 June 2016.

4.2 There were certain other new standards and amendments to the approved accounting standards which became effective during the period but are considered not to be relevant or have any significant effect on the Company's operations and are, therefore, not disclosed.

Notes to the Condensed Interim Consolidated Financial Information

For the half year and quarter ended 31 December 2016 (Un-audited)

- 4.3 The following amendments and interpretations of approved accounting standards will be effective for accounting periods as detailed below :

Standard or interpretation	Effective date (accounting periods beginning on or after)
IAS 12 - Income taxes	01 January 2017
IAS 7 - Statement of Cash Flows	01 January 2017
IFRS 2 - Share-based Payments	01 January 2017
IAS 40 - Investment Property	01 January 2017
IFRS 12 - Disclosure of Interest in other Entities	01 January 2017
IAS 28 - Investments in Associates and Joint Ventures	01 January 2018
IFRIC 25 - Foreign Currency Transactions and advance Consideration	01 January 2018

5 Issued, subscribed and paid-up capital

(Un-audited) 31 December 2016 --- Number of shares ---	(Audited) 30 June 2016		(Un-audited) 31 December 2016 Rupees	(Audited) 30 June 2016 Rupees
19,791,940	19,791,940	Ordinary shares of Rs. 10 each, fully paid in cash	197,919,400	197,919,400
49,893,060	49,893,060	Fully paid bonus shares of Rs. 10 each	498,930,600	498,930,600
7,665,000	7,665,000	Shares of Rs. 10 each, issued under scheme of amalgamation	76,650,000	76,650,000
<u>77,350,000</u>	<u>77,350,000</u>		<u>773,500,000</u>	<u>773,500,000</u>

Notes to the Condensed Interim Consolidated Financial Information

For the half year and quarter ended 31 December 2016 (Un-audited)

	Note	(Un-audited) 31 December 2016 Rupees	(Audited) 30 June 2016 Rupees
6 Long term finance - secured			
These comprise of:			
6.1	Long term finance		
	- Standard Chartered Bank (Pakistan) Limited - secured	1,668,588	5,005,728
	- Loan from customer	37,248,593	49,504,723
	6.1.1	38,917,181	54,510,451
	Less: Current maturity presented under current liabilities	(27,560,286)	(29,925,082)
		<u>11,356,895</u>	<u>24,585,369</u>

6.1.1 During the period / year, the Company has made repayments amounting to Rs. 15.59 million (30 June 2016: Rs. 8.66 million).

	Note	(Un-audited) 31 December 2016 Rupees	(Audited) 30 June 2016 Rupees
6.2 Diminishing musharika			
	United Bank Limited - I	655,520	1,638,800
	United Bank Limited - II	4,715,500	9,431,000
		5,371,020	11,069,800
	Less: Current maturity presented under current liabilities	(5,371,020)	(11,069,800)
		<u>-</u>	<u>-</u>

6.2.1 During the period / year, the Company has made repayments amounting to Rs. 0.98 million (30 June 2016: Rs. 1.97 million).

6.2.2 During the period / year, the Company has made repayments amounting to Rs. 4.72 million (30 June 2016: 9.43 Million).

		(Un-audited) 31 December 2016 Rupees	(Audited) 30 June 2016 Rupees
6.3 Type of loans			
	Interest / mark-up based loans	38,917,181	54,510,451
	Islamic mode of financing	5,371,020	11,069,800
		<u>44,288,201</u>	<u>65,580,251</u>

Notes to the Condensed Interim Consolidated Financial Information

For the half year and quarter ended 31 December 2016 (Un-audited)

		(Un-audited) 31 December 2016 Rupees	(Audited) 30 June 2016 Rupees
7 Liabilities against assets subject to finance lease	<i>Note</i>		
Lease liability	7.1	30,191,646	35,707,712
Less: Current maturity presented under current liabilities		(21,479,419)	(18,960,845)
		<u>8,712,227</u>	<u>16,746,867</u>

7.1 During the period / year, the Company has made repayments amounting to Rs. 9.25 million (30 June 2016: Rs. 51.76 million).

		(Un-audited) 31 December 2016 Rupees	(Audited) 30 June 2016 Rupees
8 Short term borrowings - secured	<i>Note</i>		
Running finance		55,885,829	50,270,026
Short term borrowings		340,400,970	201,574,325
		<u>396,286,799</u>	<u>251,844,351</u>
8.1 Type of loans			
Interest / mark-up based loans		182,815,871	95,332,958
Islamic mode of financing		213,470,928	156,511,393
		<u>396,286,799</u>	<u>251,844,351</u>
9 Current maturity of non-current liabilities			
Long term finance	6.1	27,560,286	29,925,082
Diminishing musharika -secured	6.2	5,371,020	11,069,800
Liabilities against assets subject to finance lease	7	21,479,419	18,960,845
		<u>54,410,725</u>	<u>59,955,727</u>

Notes to the Condensed Interim Consolidated Financial Information

For the half year and quarter ended 31 December 2016 (Un-audited)

10 Contingencies and commitments

10.1 Contingencies

There is no significant change in the status of contingencies as reported in the published annual financial statements of the Company for the year ended 30 June 2016, except for the following:

The Chief Commissioner Inland Revenue had rejected the Company's application filed under section 122B of the Income Tax Ordinance, 2001 for issuance of exemption certificate under section 148 of the Income Tax Ordinance, 2001 for import of plant & machinery. However subsequent to the period end, this order has been challenged in Honorable Lahore High Court (the Court) through W.P. No. 449-17 and the Court has granted stay against the order issued by Chief Commissioner Inland Revenue. Management is confident of favorable outcome of this matter.

	(Un-audited) 31 December 2016 Rupees	(Audited) 30 June 2016 Rupees
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10.2 Commitments

Commitments under irrevocable letters of credit for:

- purchase of machinery	118,518,220	63,077,729
- purchase of raw material	146,069,980	148,896,931
	<u>264,588,200</u>	<u>211,974,660</u>

11 Property, plant and equipment

Note

Operating fixed assets	11.1	1,509,448,248	1,471,571,292
Capital work in progress	11.2	150,492,067	43,782,702
		<u>1,659,940,315</u>	<u>1,515,353,994</u>

11.1 Operating fixed assets

Opening written down value		1,471,571,292	990,525,286
Add: Additions during the period / year	11.1.1	104,044,719	570,599,419
Less Disposals during the period/ year at written down value		(4,444,143)	(431,435)
Less Depreciation charge for the period / year		(61,723,620)	(89,121,978)
Closing written down value		<u>1,509,448,248</u>	<u>1,471,571,292</u>

Notes to the Condensed Interim Consolidated Financial Information

For the half year and quarter ended 31 December 2016 (Un-audited)

	(Un-audited) 31 December 2016 Rupees	(Audited) 30 June 2016 Rupees
	<i>Note</i>	
11.1.1 Additions during the period / year:		
Freehold land	-	56,726,925
Buildings on freehold land	54,000	8,112,710
Plant and machinery - owned	90,026,597	480,822,787
Office equipment	297,998	2,210,004
Tools and equipment	200,351	2,759,371
Computer equipment	202,590	729,273
Furniture and fittings	1,058,112	4,709,944
Vehicles - owned	7,855,861	7,780,405
Vehicles - leased	4,349,210	6,748,000
	104,044,719	570,599,419
11.2 Capital work in progress		
Balance at the beginning of the period / year	43,782,702	39,838,683
Add: Additions during the period / year	195,505,273	336,438,284
Less: Transfers to fixed assets during the period / year	(88,795,908)	(332,494,265)
	150,492,067	43,782,702
12 Advances, deposits, prepayments and other receivables		
Advances - unsecured, considered good		
- to employees	89,217	451,987
- to suppliers for raw material	5,346,162	3,447,875
Amounts paid against future shipments	10,472,571	6,486,686
Short term deposits	5,387,702	249,400
Sales tax receivable - net	29,175,542	36,277,281
Interest receivable	7,013	430,228
Prepaid insurance	2,369,381	4,128,457
Others	8,519,775	5,128,816
	61,367,363	56,600,730
Half year ended (Un-audited)		
	31 December 2016 Rupees	31 December 2015 Rupees
13 Sales - net		
Local	1,422,995,249	1,270,511,890
Export	8,338,437	8,836,475
Less: Sales tax	(211,334,657)	(188,618,314)
	1,219,999,029	1,090,730,051

Notes to the Condensed Interim Consolidated Financial Information

For the half year and quarter ended 31 December 2016 (Un-audited)

	Half year ended (Un-audited)	
	31 December 2016 Rupees	31 December 2015 Rupees
14 Cost of sales		
Raw and packing materials consumed	674,516,992	638,273,714
Stores, spare parts and loose tools consumed	4,377,513	3,817,729
Salaries, wages and benefits	98,004,450	75,861,359
Electricity, fuel and water charges	69,571,559	58,452,523
Depreciation on property, plant and equipment	55,472,988	35,750,687
Repair and maintenance	16,548,625	17,549,995
Sorting charges	728,612	375,194
Insurance	2,971,228	3,815,052
Oil and lubricants	1,449,945	1,325,015
	923,641,912	835,221,268
<u>Work in progress</u>		
- At beginning of the period	11,658,090	12,712,071
- At end of the period	(18,174,511)	(17,296,819)
Cost of goods manufactured	917,125,491	830,636,520
<u>Finished goods</u>		
- At beginning of the period	19,298,362	20,660,042
- At end of the period	(26,018,806)	(19,569,909)
Cost of sales	910,405,047	831,726,653
15 Finance cost		
<i>Mark-up on:</i>		
- short term borrowings	11,725,648	15,965,865
- long term finance	2,067,479	2,356,877
- diminishing musharika- secured	51,083	1,092,284
- lease finance	1,046,632	2,818,270
Bank charges	610,253	575,368
	15,501,095	22,808,664
16 Cash and cash equivalents		
Short term running finance- secured	8 (55,885,829)	(115,965,581)
Cash and bank balances	39,884,954	109,901,413
	(16,000,875)	(6,064,168)

Notes to the Condensed Interim Consolidated Financial Information

For the half year and quarter ended 31 December 2016 (Un-audited)

17 Financial instruments-fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Carrying Amount		Fair Value			
	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3
	Rupees					
	-	-	-	-	-	-
	-	-	-	-	-	-
	39,884,954	-	39,884,954	-	-	-
	13,914,490	-	13,914,490	-	-	-
	12,875,745	-	12,875,745	-	-	-
	265,253,916	-	265,253,916	-	-	-
	2,650,000	-	2,650,000	-	-	-
	334,579,105	-	334,579,105	-	-	-
17.2						
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	44,288,201	44,288,201	-	-	-
	-	30,191,646	30,191,646	-	-	-
	-	115,247,268	115,247,268	-	-	-
	-	396,286,799	396,286,799	-	-	-
	-	4,811,980	4,811,980	-	-	-
	-	590,825,894	590,825,894	-	-	-
17.2						

On-Balance sheet financial instruments

Note

31 December 2016- (Un-audited)

Financial assets measured at fair value

Financial assets not measured at fair value

Cash and bank balances
 Deposits and other receivables
 Long term deposits
 Trade debts - unsecured, considered good
 Short term investments

Financial liabilities measured at fair value

Financial liabilities not measured at fair value

Long term finances and diminishing musharika
 Liabilities against assets subject to finance lease
 Trade and other payables
 Short term borrowing
 Accrued mark up

Notes to the Condensed Interim Consolidated Financial Information

For the half year and quarter ended 31 December 2016 (Un-audited)

17.1 Financial instruments-fair values	Carrying Amount		Fair Value			
	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3
On-Balance sheet financial instruments						
30 June 2016						
Financial assets measured at fair value						
Financial assets not measured at fair value						
Cash and bank balances	51,195,343	-	51,195,343	-	-	-
Deposits and other receivables	5,808,444	-	5,808,444	-	-	-
Long term deposits	17,231,046	-	17,231,046	-	-	-
Trade debts - unsecured, considered good	281,157,522	-	281,157,522	-	-	-
Short term investments	75,000,000	-	75,000,000	-	-	-
	430,392,355	-	430,392,355	-	-	-
17.2						
Financial liabilities measured at fair value						
Financial liabilities not measured at fair value						
Long term finances and diminishing musharika	-	65,580,251	65,580,251	-	-	-
Liabilities against assets subject to finance lease	-	-	-	-	-	-
Trade and other payables	-	35,707,712	35,707,712	-	-	-
Short term borrowing	-	91,539,808	91,539,808	-	-	-
Accrued mark up	-	251,844,351	251,844,351	-	-	-
	-	4,142,042	4,142,042	-	-	-
	-	448,689,400	448,689,400	-	-	-
17.2						

Note

On-Balance sheet financial instruments

30 June 2016

Financial assets measured at fair value

Financial assets not measured at fair value

Cash and bank balances
Deposits and other receivables
Long term deposits
Trade debts - unsecured, considered good
Short term investments

17.2

Financial liabilities measured at fair value

Financial liabilities not measured at fair value

Long term finances and diminishing musharika
Liabilities against assets subject to finance lease
Trade and other payables
Short term borrowing
Accrued mark up

17.2

17.2 The Company has not disclosed the fair values of these financial assets and liabilities as these are for short term or reprice over short term. Therefore, their carrying amounts are reasonable approximation of fair value.

17.3 Land has been carried at revalued amounts determined by professional valuers (level 3 measurement) based on their assessment of the market values. The valuations are conducted by the valuation experts appointed by the Company. The valuation experts used a market based approach to arrive at the fair value of the Company's land. The effect of changes in the unobservable inputs used in the valuation can not be determined with certainty, accordingly a qualitative disclosure of sensitivity has not been presented in this condensed interim consolidated financial information.

Notes to the Condensed Interim Consolidated Financial Information

For the half year and quarter ended 31 December 2016 (Un-audited)

18 Transactions with related parties

Related parties comprise of subsidiary company, associated undertaking, key management personnel (including chief executive and directors), post employment benefit plan and entities in which the directors have significant influence. Details of transactions and balances with related parties is as follows:

		<u>Half year ended (Un-audited)</u>	
		31 December 2016 Rupees	31 December 2015 Rupees
18.1 Related Parties	Nature of transaction		
Provident Fund Trust	Contribution	7,268,870	5,883,244
Directors	Dividend - as shareholders	82,854,953	27,624,817
Remuneration of Key Management	Remuneration		
- Directors		19,706,100	15,591,002
- Executive employees		16,837,656	12,911,998
		(Un-audited) 31 December	(Audited) 30 June
		2016 Rupees	2016 Rupees

18.2 Balances with related parties

Provident Fund Trust	1,235,027	1,122,499
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19 Date of authorization

This condensed interim consolidated financial information has been approved by the Board of Directors of the Company and authorized for issue in their meeting held on _____.

20 General

Figures have been rounded off to the nearest rupee.



Zia Hyder Naqi
Chief Executive Officer



Abid Saleem Khan
Director

ڈائریکٹرز کا جائزہ

محترم شیئر ہولڈرز

سینٹھیک پراڈکٹس انٹرپرائز لمیٹڈ کے بورڈ آف ڈائریکٹرز ۳۱ دسمبر ۲۰۱۶ کو ختم ہونے والی سہ ماہی اور نصف سال کے لئے آپ کی کمپنی کی غیر آڈٹ شدہ مالیاتی معلومات ڈائریکٹرز اور آڈیٹر کے جائزے کے ساتھ پیش کر رہے ہیں۔

مالی تجزیہ

	Half Year Ended		Quarter Ended	
	31 Dec 2016 PKR Millions	31 Dec 2015 PKR Millions	31 Dec 2016 PKR Millions	31 Dec 2015 PKR Millions
Sales – net	1,219.9	1,090.6	570.3	514
Cost of Sales	(910.4)	(831.5)	(425.5)	(403)
Gross Profit	309.5	259.1	144.8	111
Operating Profit	220.6	183.2	100.8	71.9
Profit after tax	179.8	134.9	89.9	48.3
EPS – Basic (PKR)	2.32	1.74	1.16	0.63

دوسری سہ ماہی میں فروخت آمدنی 570.3 ملین روپے ہوئی جو کہ گزشتہ سال کی اسی مدت کے مقابلے میں 11 فیصد زیادہ ہے۔ نصف سال کی فروخت آمدنی 1220 ملین روپے ہوئی جو کہ گزشتہ سال کی اسی مدت کے مقابلے میں 12 فیصد زیادہ ہے اس کے نتیجے میں آپریٹنگ منافع 220.6 ملین روپے اور خالص منافع 179.8 ملین روپے ہوا۔ سبزیوں میں گزشتہ سہ ماہی کے مقابلے میں 12 فیصد کمی ہے جو کہ کاروبار کی تاریخی رجحانات اور seasonality کی وجہ سے ہے۔ زیر جائزہ سہ ماہی کے دیگر آمدنی گزشتہ سال کی اسی مدت، کے مقابلے میں کمی آئی ہے جو کہ بینکوں میں سرمایہ کاری کی وجہ سے یہ فنڈز پلانٹ اور مشینری کی خریداری کے لئے استعمال کئے گئے ہیں۔

زیر جائزہ مدت کے لئے فی شیئر آمدنی 2.32 روپے تک بڑھ گئی ہے جو کہ پچھلے سال اسی مدت میں فی شیئر آمدنی 1.74 روپے تھی۔ بورڈ آف ڈائریکٹرز نے مالی سال 2017 جون کے لئے فی شیئر 10% (1 شیئر ہر 10 شیئرز پر) کے عبوری بونس ڈیویڈنڈ کا اعلان کیا ہے۔ زیر جائزہ مدت کے دوران کمپنی نے 206.4 ملین روپے کی رقم سرمایہ کاری مینیجمنٹ کی سہولیات کی توسیع کے لئے خرچ کی ہے۔

ٹیکسیشن

کمپنی انکم ٹیکس آرڈیننس، ۲۰۰۱ کے سیکشن 65E کے تحت واجب ادائیگی کے 41% کے برابر ٹیکس کریڈٹ کرنے کی اہل ہے جس کی بنیاد پلانٹ اور مشینری میں New Equity سے سرمایہ کاری ہے۔ کمپنی یہ ٹیکس کریڈٹ ٹیکس سال ۲۰۲۰ تک کلیم کرنے کی اہل ہے اس کے علاوہ کمپنی نے انکم ٹیکس آرڈیننس ۲۰۰۱ کے سیکشن 65B کے تحت پلانٹ اور مشینری میں سرمایہ کاری کے 10 فیصد ٹیکس کریڈٹ کلیم کیا ہے اور ٹیکس سال ۲۰۱۶ کے ریٹرن فائل کروانے کے بعد اس سال کا باقی ٹیکس کریڈٹ بھی ایڈجسٹ کیا ہے۔

رحیم یارخان پروجیکٹ

رحیم یارخان پروجیکٹ پراسرگرمیاں پلان کے مطابق جاری ہیں اور اس منصوبے کی 2017 کے آخر تک مکمل ہونے کی امید ہے۔

ڈائریکٹرز کا جائزہ

مستقبل قریب کا جائزہ

ہم مالی سال 30 جون 2017 کے دوسرے نصف حصہ میں آٹو انڈسٹری اور ہینجنگ انڈسٹری میں ترقی کے پیرن کو مد نظر رکھتے ہوئے اپنی پیداواری صلاحیت کی ترقی کیلئے پُر عزم ہیں۔

ہم معیار کی مصنوعات کی بروقت فراہمی کے لئے اور کمپنی کے طویل مدت کامیابی کے لئے کوشاں ہیں۔

اعتراف

ہم کمپنی کی مصنوعات پر اعتماد کے لئے اپنے قابل قدر صارفین کا شکریہ ادا کرنا چاہتے ہیں۔ ہم اپنے ڈیلرز، سپلائرز، بینکاروں، حصص یافتگان اور مسلسل مدد فراہم کرنے کے لئے ملازمین سمیت دیگر تمام اسٹیک ہولڈرز کے شکرگزار ہیں۔


عابد سلیم خان
ڈائریکٹر


ضیاء حیدر قرقی
چیف ایگزیکٹو آفیسر
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