



PAKISTAN SYNTHETICS LIMITED
HALF YEARLY ACCOUNTS (UN-AUDITED)
31 DECEMBER 2018

Pakistan Synthetics Limited

COMPANY INFORMATION

BOARD OF DIRECTORS	UMER HAJI KARIM ANWAR HAJI KARIM YAKOOB HAJI KARIM PIR MOHAMMAD A. KALIYA ABID UMER SAJID HAROON ALI KAMAL NOMAN YAKOOB	CHAIRMAN-NON-EXECUTIVE CHIEF EXECUTIVE -EXECUTIVE EXECUTIVE NON- EXECUTIVE NON- EXECUTIVE NON- EXECUTIVE NON- EXECUTIVE NON- EXECUTIVE
AUDIT COMMITTEE	ALI KAMAL – CHAIRMAN PIR MOHAMMAD A. KALIYA ABID UMER	
HUMAN RESOURCE AND REMUNERATION COMMITTEE	SAJID HAROON – CHAIRMAN YAKOOB HAJI KARIM ABID UMER	
CHIEF FINANCIAL OFFICER	SALEEM ADVANI	
COMPANY SECRETARY	MUBBASHIR AMIN	
BANKERS	HABIB BANK LIMITED HABIB METROPOLITAN BANK LIMITED BANK AL HABIB LIMITED ASKARI BANK LIMITED MEEZAN BANK LIMITED BANK OF PUNJAB LIMITED BANK AL-FALAH LIMITED BANK ISLAMI PAKISTAN LIMITED	
AUDITORS	KPMG TASEER HADI & CO. CHARTERED ACCOUNTANTS	
HEAD OF INTERNAL AUDIT	NABIL YAQOOB	
REGISTRAR	F.D REGISTRAR SERVICES (SMC-PVT.) LTD. OFF: # 1705 17TH FLOOR SAIMA TRADE TOWER-A I.I. CHUNDRIGAR ROAD, KARACHI.	
LEGAL ADVISOR	TASAWUR ALI HASHMI ADVOCATE	
REGISTERED OFFICE	3RD FLOOR, KARACHI DOCK LABOUR BOARD BUILDING, 58-WEST WHARF ROAD, KARACHI-74000	
FACTORY	F,1, 2, 3, & F.13, 14 & 15 HUB INDUSTRIAL TRADING ESTATE DISTRICT LASBELLA, BALOCHISTAN PLOT # A-5, N.W.I.Z, PORT QASIM AUTHORITY, KARACHI	

Pakistan Synthetics Limited

DIRECTORS' REPORT

DIRECTORS' REPORT

The Board of Directors is pleased to present unaudited financial information for the half year ended 31 December 2018 to the shareholders of the Company.

OPERATING PERFORMANCE

During the period under review, the Company produced 11,951 MT of Resin as against 13,322 MT of Resin during the corresponding period last year and sold 13,273 MT of Resin as against 11,649 MT of Resin during the corresponding period last year. Further, the Company has successfully commissioned PET preform manufacturing plant on 16 May, 2018. During the period under review, the Company produced 726 octabins of preform.

Moreover, during the period under review the Company produced 187,334 cartons of plastic and crown caps as against 217,534 cartons during the corresponding period last year and sold 158,109 cartons as against 158,131 cartons during the corresponding period last year.

FINANCIAL RESULTS

The Company has presented fibre segment as discontinued operation. Summarize financial results of continuing and discontinued operations are as below,

Continuing operations

During the period under review, the company's gross turnover of continuing operations increased to Rs. 3,250.58 million from Rs. 2,283.80 million during the corresponding period last year.

The Company posted loss before tax from continuing operations of Rs. 126.68 million as against loss before tax of Rs. 45.37 million in the corresponding period last year. The net loss after tax stood from continuing operations at Rs. 89.89 million as against net loss after tax of Rs. 24.94 million in the corresponding period last year. Loss is mainly attributable to exchange loss of Rs. 178.56 million (2017: exchange loss of Rs. 57.14 million).

Discontinued operations

During the period under review, the company's gross turnover of discontinued operations increased to Rs. 11.12 million from Rs. 0.56 million during the corresponding period last year.

The Company posted profit before tax from discontinued operations of Rs. 0.36 million as against loss before tax of Rs. 30.83 million in the corresponding period last year. The net loss after tax stood from discontinued operations at Rs. 1.89 million as against net loss after tax of Rs. 21.77 million in the corresponding period last year.

Pakistan Synthetics Limited

DIRECTORS' REPORT

EARNING PER SHARE

The net loss per share for the period under review was Rs. 1.64 as compared to net loss per share of Rs. 0.83 in the corresponding period last year.

FUTURE OUTLOOK

During the last year, the Company has successfully commissioned PET Preform manufacturing plant, Your Company has achieved vertical intergration by entering into Perform Manufacturing to consume its own product and sell directly to beverage manufactuirng units. The Company already enjoys good reputation in industry and selling its plastic and crown caps to all beverage units. We expect healthy growth in Company's sale in the years to come.

It may be pointed out that widening trade deficit already resulting in devaluation of Pak Rupee by 33% since December 2017 has badly affected our profitability. As almost all of the raw materials used by the Company are imported. cost of raw material has shoot up with depreciation in value of rupee, However passing on the impact to customer in existing competitive market was the biggest challenge to address. We foresee further devaluation of Pak Rupee in near future that might impact profitability of the Company in future. Besides risk of devaluation in Pak Rupee, volatility in raw material prices in international markets, increase in gas prices, hike in inflation rate and policy rate of State Bank of Pakistan will also have adverse impact on the profitability of the Company.

ACKNOWLEDGEMENT

The management recognizes sincere efforts of the employees and appreciates the pleasant relations that remained throughout the period between the management and the employees of the Company.

For and on behalf of the Board of Directors

*Date: 26 February 2019
Karachi*

ANWAR HAJI KARIM
CHIEF EXECUTIVE

YAKOOB HAJI KARIM
DIRECTOR

Pakistan Synthetics Limited

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION TO THE MEMBERS OF PAKISTAN SYNTHETICS LIMITED

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Pakistan Synthetics Limited (“the Company”) as at 31 December 2018 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows, and notes to the financial statements for the six months period then ended (here-in-after referred to as the “condensed interim financial information”). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim 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 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 as applicable in Pakistan 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 financial information is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Pakistan Synthetics Limited

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION TO THE MEMBERS OF PAKISTAN SYNTHETICS LIMITED

Other matters

The figures of the condensed interim financial information for the quarter ended 31 December 2018, have not been reviewed and we do not express a conclusion thereon.

The engagement partner on this engagement resulting in this independent auditor's review report is Muhammad Nadeem

*Date: 26 February 2019
Karachi*

KPMG Taseer Hadi & Co.
Chartered Accountants

Pakistan Synthetics Limited

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018

	Note	31 December 2018 (Unaudited) (Rupees in '000)	30 June 2018 (Audited)
ASSETS			
Non - current assets			
Property, plant and equipment	5	2,127,453	2,195,300
Intangible assets		631	842
Long term loans to employees - secured		3,986	4,526
Long term deposits and prepayments	6	1,253	4,362
Deferred taxation - net		142,980	108,439
		<u>2,276,303</u>	<u>2,313,469</u>
Current assets			
Stores and spares		208,199	201,674
Stock-in-trade	7	2,455,810	2,250,892
Trade debts	8	514,606	644,967
Loans and advances		17,537	17,039
Short term deposits and prepayments		17,625	22,344
Other receivables	9	22,321	107,183
Taxation - net		469,509	437,875
Cash and bank balances		92,433	64,258
		<u>3,798,040</u>	<u>3,746,232</u>
Total assets		<u>6,074,343</u>	<u>6,059,701</u>
EQUITY AND LIABILITIES			
Shareholder's equity			
Authorised share capital of 70,000,000 ordinary shares of Rs. 10 each		<u>700,000</u>	<u>700,000</u>
Issued, subscribed and paid-up capital		560,400	560,400
General reserve		292,450	292,450
Unappropriated profit		391,050	482,823
		<u>1,243,900</u>	<u>1,335,673</u>
Non-current liabilities			
Long term finances - secured	10	338,537	377,853
Long term payable - secured		-	572,423
Staff retirement benefits		26,963	23,834
		<u>365,500</u>	<u>974,110</u>
Current liabilities			
Trade and other payables		2,877,927	2,787,303
Accrued markup		25,534	21,779
Short term borrowings - secured	11	772,815	729,709
Unclaimed dividend		4,239	16,847
Current portion of long term finance		263,426	194,280
Current portion of long term payable	12	521,002	-
		<u>4,464,943</u>	<u>3,749,918</u>
Total equity and liabilities		<u>6,074,343</u>	<u>6,059,701</u>
Contingencies and commitments			
	13		

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

ANWAR HAJI KARIM
CHIEF EXECUTIVE

SALEEM ADVANI
CHIEF FINANCIAL OFFICER

YAKOOB HAJI KARIM
DIRECTOR

Pakistan Synthetics Limited

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED) FOR THE SIX MONTHS PERIOD AND QUARTER ENDED 31 DECEMBER 2018

	Note	Six months period ended		Quarter ended	
		31 December 2018	31 December 2017	31 December 2018	31 December 2017
----- (Rupees in '000) -----					
Net sales	14	2,820,506	1,990,626	1,333,532	818,443
Cost of sales		(2,560,483)	(1,851,086)	(1,270,208)	(779,006)
Gross profit		260,023	139,540	63,324	39,437
Distribution and selling expenses		(28,378)	(25,322)	(6,811)	(8,522)
Administration expenses		(37,395)	(23,939)	(24,310)	(11,967)
Other operating expenses		(179,136)	(67,418)	(144,546)	(43,585)
		(244,909)	(106,679)	(175,667)	(64,074)
Other income		3,600	15,251	1,799	13,811
Profit / (loss) from operations		18,714	48,112	(110,544)	(10,826)
Finance costs		(145,390)	(93,482)	(77,381)	(51,247)
Loss before taxation		(126,676)	(45,370)	(187,925)	(62,073)
Taxation - net	15	36,789	20,427	53,240	25,486
(Loss) after taxation for the period		(89,887)	(24,943)	(134,685)	(36,587)
(Loss) after taxation from discontinued operation	17	(1,886)	(21,766)	(2,108)	(21,766)
(Loss) after taxation for the period		(91,773)	(46,709)	(136,793)	(58,353)
----- (Rupees) -----					
(Loss) per share - basic and diluted		(1.64)	(0.83)	(2.44)	(1.04)

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

ANWAR HAJI KARIM
CHIEF EXECUTIVE

SALEEM ADVANI
CHIEF FINANCIAL OFFICER

YAKOUB HAJI KARIM
DIRECTOR

Pakistan Synthetics Limited

CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UNAUDITED) FOR THE SIX MONTHS PERIOD AND QUARTER ENDED 31 DECEMBER 2018

	Six months period ended		Quarter ended	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
	----- (Rupees in '000) -----			
Loss for the period	(91,773)	(46,709)	(136,793)	(58,353)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	(91,773)	(46,709)	(136,793)	(58,353)

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

ANWAR HAJI KARIM
CHIEF EXECUTIVE

SALEEM ADVANI
CHIEF FINANCIAL OFFICER

YAKOOB HAJI KARIM
DIRECTOR

Pakistan Synthetics Limited

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED) FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2018

	Issued, subscribed and paid-up capital	General reserve	Unappropriated profit	Total reserves	Total
------(Rupees in '000)-----					
Balances as at 30 June 2017	560,400	292,450	369,061	661,511	1,221,911
Total comprehensive income for the period ended 31 December 2017					
Loss for the period	-	-	(46,709)	(46,709)	(46,709)
Other comprehensive income	-	-	-	-	-
	-	-	(46,709)	(46,709)	(46,709)
Balance as at 31 December 2017	<u>560,400</u>	<u>292,450</u>	<u>322,352</u>	<u>614,802</u>	<u>1,175,202</u>
Balances as at 30 June 2018	560,400	292,450	482,823	775,273	1,335,673
Total comprehensive income for the period ended 31 December 2018					
Loss for the period	-	-	(91,773)	(91,773)	(91,773)
Other comprehensive income	-	-	-	-	-
	-	-	(91,773)	(91,773)	(91,773)
Balance as at 31 December 2018	<u>560,400</u>	<u>292,450</u>	<u>391,050</u>	<u>683,500</u>	<u>1,243,900</u>

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

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CHIEF EXECUTIVE

SALEEM ADVANI
CHIEF FINANCIAL OFFICER

YAKOOB HAJI KARIM
DIRECTOR

Pakistan Synthetics Limited

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED) FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2018

	Note	31 December 2018	31 December 2017
(Rupees in '000)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash generated from operations	19	236,928	104,803
Staff gratuity paid		(516)	(634)
Finance costs paid		(141,635)	(89,537)
Long term loans to employees - net		113	476
Long term deposit and prepayments		3,109	(10,512)
Long term payable		(51,421)	401,204
Taxes paid		(31,634)	(35,660)
Net cash generated from operating activities		14,944	370,140
CASH FLOWS FROM INVESTING ACTIVITIES			
Net cash used in investing activities - capital expenditure		(47,097)	(557,182)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(12,608)	-
Long term diminishing musharka - net		29,830	213,986
Short term foreign currency loan and money market loan - net		6,055	(403,435)
Net cash flow / (used in) financing activities		23,277	(189,449)
Net increase in cash and cash equivalents		(8,876)	(376,491)
Cash and cash equivalents at beginning of the period		(365,451)	(103,916)
Cash and cash equivalents at end of the period		(374,327)	(480,407)
CASH AND CASH EQUIVALENTS COMPRISE:			
Cash and bank balances		92,433	38,519
Running finance under mark-up arrangement		(466,760)	(518,926)
		(374,327)	(480,407)

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

ANWAR HAJI KARIM
CHIEF EXECUTIVE

SALEEM ADVANI
CHIEF FINANCIAL OFFICER

YAKOOB HAJI KARIM
DIRECTOR

Pakistan Synthetics Limited

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2018

1. STATUS AND NATURE OF BUSINESS

Pakistan Synthetics Limited ("the Company") was incorporated on 18 November 1984 as a private limited company in Pakistan and subsequently converted into a public limited company on 30 December 1987. The shares of the Company are listed on Pakistan Stock Exchange with effect from 27 June 1995. The principal activity of the Company is manufacturing and sale of Plastic Caps, Crown Caps, PET resin, PET Preform and BOPET resin. The registered office of the Company is situated at 3rd floor, K.D.L.B. Building, 58, West Wharf, Karachi.

Further, PET Preform manufacturing plant of the Company commenced commercial production on 16 May, 2018.

The manufacturing facility of the Company is situated at F-1,2,3 and 13,14 & 15, Hub Industrial Trading Estate, District Lasbella Balochistan and Plot No. A-5, N.W.I.Z, Port Qasim Authority, Karachi having sales offices located at Karachi.

2. BASIS OF PREPARATION

2.1 Statement of compliance

This condensed interim financial information of the Company for the six months period ended 31 December 2018 has been prepared in accordance with the requirements of the International Accounting Standards 34 "Interim Financial Reporting" and Islamic Financial Accounting Standards (IFASs) issued by Institute of Chartered Accountant of Pakistan and provisions of and directives issued under the Companies Act, 2017. In case requirements differ, the provisions of and directives issued under the Companies Act, 2017, have been followed.

This condensed interim financial information of the Company does not include all of the information required for annual financial statements and should be read in conjunction with the annual financial statements of the Company as at and for the year ended 30 June 2018. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements.

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

2.2 Basis of measurement

These condensed interim financial information has been prepared under the historical cost convention, except for derivatives, if any, which are stated at fair value and the Company's liability under its defined benefit plan (gratuity) which is stated at present value of defined benefit obligations.

2.3 Functional and presentation currency

This condensed interim financial information is presented in Pakistan Rupees which is also the Company's functional currency. All financial information presented in Pakistan Rupees has been rounded off to the nearest thousand Rupee except where stated otherwise.

Pakistan Synthetics Limited

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2018

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of audited annual financial statements of the Company as at and for the year ended 30 June 2018 except for the adoption of new standard effective as of 1 July 2018 as stated below:

3.2 Changes in significant accounting policy

The Company has adopted IFRS 15 'Revenue from Contracts with Customers' from 01 July 2018 which is effective from annual periods beginning on or after 01 July 2018. There are other new standards which are effective from 01 July 2018 but they do not have a material effect on the Company's condensed interim financial information.

During the period, the Company has adopted IFRS 15 'Revenue from Contracts with Customers'. The details of new significant accounting policy adopted and the nature and effect of the changes to previous accounting policy are set out below:

3.2.1 IFRS 15 'Revenue from Contracts with Customers'

The Company manufactures and contracts with customers for the sale of Plastic caps, Crown caps, PET Resin, BoPET Resin and Preform which generally include single performance obligation. Management has concluded that revenue from sale of goods be recognised at the point in time when control of the asset is transferred to the customer, which is when the goods are dispatched to the customer. Invoices are generated and revenue is recognised at that point in time, as the risks of loss have been transferred to the customers. The above is generally consistent with the timing and amounts of revenue the Company recognised in accordance with the previous standard, IAS 18. Therefore, the adoption of IFRS 15 which replaced IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations, did not have an impact on the timing and amounts of revenue recognition of the Company. Therefore, adoption of IFRS 15 at 01 July 2018, did not have an effect on the condensed interim financial information.

3.2.2 Standards, interpretations and amendments to published approved accounting standards that are not yet effective

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 01 January 2019:

- IFRIC 23 'Uncertainty over Income Tax Treatments' (effective for annual periods beginning on or after 01 January 2019) clarifies the accounting for income tax when there is uncertainty over income tax treatments under IAS 12. The interpretation requires the uncertainty over tax treatment be reflected in the measurement of current and deferred tax. The application of interpretation is not likely to have an impact on the Company's condensed interim financial information.
- IFRS 9 and amendment – Prepayment Features with Negative Compensation (effective for reporting period / year ending on or after 30 June 2019 and for annual periods beginning on or after 1 January 2019 respectively). IFRS 9 replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39.

Pakistan Synthetics Limited

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2018

Securities and Exchange Commission of Pakistan vide S.R.O 229 (I) / 2019 dated 14 February 2019 has modified the effective date for applicability of IFRS 9 'Financial Instruments' in place of IAS 39 'Financial Instruments: Recognition and Measurement' from annual periods beginning on or after 1 July 2018 to reporting period / year ending on or after 30 June 2019 (earlier application is permitted). The management has completed an initial assessment of changes required in classification and measurement of financial instruments on adoption of the standard and has also carried out an initial exercise to calculate impairment required under expected credit loss model. Based on initial assessment the management considered that there is no significant change in the recognition criteria or carrying value of the financial assets or liabilities except for classification of financial assets from loan and receivables as per IAS 39 to amortized cost as per IFRS 9 and no additional significant impairment is expected.

- IFRS 16 'Leases' (effective for annual period beginning on or after 01 January 2019). IFRS 16 replaces existing leasing guidance, including IAS 17 'Leases', IFRIC 4 'Determining whether an Arrangement contains a Lease', SIC-15 'Operating Leases- Incentives' and SIC-27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'. IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard i.e. lessors continue to classify leases as finance or operating leases. The Company is currently in the process of analyzing the potential impact of its lease arrangements that will result in recognition of right to use assets and liabilities on adoption of the standard.
- Amendment to IAS 28 'Investments in Associates and Joint Ventures' - Long Term Interests in Associates and Joint Ventures (effective for annual period beginning on or after 01 January 2019). The amendment will affect companies that finance such entities with preference shares or with loans for which repayment is not expected in the foreseeable future (referred to as long-term interests or 'LTI'). The amendment and accompanying example state that LTI are in the scope of both IFRS 9 and IAS 28 and explain the annual sequence in which both standards are to be applied. The amendments are not likely to have an impact on the Company's condensed interim financial information.
- Amendments to IAS 19 'Employee Benefits'- Plan Amendment, Curtailment or Settlement (effective for annual periods beginning on or after 01 January 2019). The amendments clarify that on amendment, curtailment or settlement of a defined benefit plan, a company now uses updated actuarial assumptions to determine its current service cost and net interest for the period; and the effect of the asset ceiling is disregarded when calculating the gain or loss on any settlement of the plan and is dealt with separately in other comprehensive income. The application of amendments is not likely to have an impact on the Company's condensed interim financial information.
- Amendment to IFRS 3 'Business Combinations' – Definition of a Business (effective for business combinations for which the acquisition date is on or after the beginning of annual period beginning on or after 01 January 2020). The IASB has issued amendments aiming to resolve the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The amendments clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments include an election to use a concentration test. The standard is effective for transactions in the future and therefore would not have an impact on past financial statements.

Pakistan Synthetics Limited

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2018

- Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (effective for annual periods beginning on or after 01 January 2020). The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. In addition, the IASB has also issued guidance on how to make materiality judgements when preparing their general purpose financial statements in accordance with IFRS Standards.
- Annual Improvements to IFRS Standards 2015–2017 Cycle - the improvements address amendments to following approved accounting standards:
- IFRS 3 Business Combinations and IFRS 11 Joint Arrangement - the amendment aims to clarify the accounting treatment when a company increases its interest in a joint operation that meets the definition of a business. A company remeasures its previously held interest in a joint operation when it obtains control of the business. A company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.
- IAS 12 Income Taxes - the amendment clarifies that all income tax consequences of dividends (including payments on financial instruments classified as equity) are recognized consistently with the transaction that generates the distributable profits.
- IAS 23 Borrowing Costs - the amendment clarifies that a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.

The above amendments are effective from annual period beginning on or after 1 January 2019 and are not likely to have an impact on the Company's condensed interim financial information.

4. ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of condensed interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reporting amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience. Actual results may differ from these estimates.

The significant judgements made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements as at and for the year ended 30 June 2018.

The financial risk management objectives and policies adopted by the Company are consistent with those disclosed in the annual financial statements as at and for the year ended 30 June 2018.

5. PROPERTY, PLANT AND EQUIPMENT

	31 December 2018 (Unaudited) (Rupees in '000)	30 June 2018 (Audited)
Operating fixed assets	2,109,187	2,180,308
Capital work in progress	18,266	14,992
	<u>2,127,453</u>	<u>2,195,300</u>

Pakistan Synthetics Limited

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2018

5.1 Following are the additions to property, plant and equipment during the period:

	For the six months period ended	
	31 December 2018	31 December 2017
	(Rupees in '000)	
<i>Additions / transfers from CWIP:</i>		
Building on leasehold land	4,226	-
Plant and machinery	37,217	67,663
Vehicles	1,752	48
Furniture and equipment	251	98
Computer accessories	376	-
	<u>43,822</u>	<u>67,809</u>

Additions to operating fixed assets include transfers of Rs. 14.263 million (31 December 2017: Rs. Nil) from capital work in progress.

Additions to capital work in progress amounted to Rs. 17.538 million (31 December 2017: Rs. 488.110 million) during the period.

6. LONG TERM DEPOSITS AND PREPAYMENTS

	31 December 2018 (Unaudited)	30 June 2018 (Audited)
	(Rupees in '000)	
Deposits		
- Utility deposits	1,609	1,609
- Security deposits	738	738
Provision for doubtful deposits	(1,094)	(1,094)
	<u>1,253</u>	<u>1,253</u>
Long term prepayments	6.1 10,512	18,038
Less: current portion of long term prepayments	(10,512)	(14,929)
	-	3,109
	<u>1,253</u>	<u>4,362</u>

6.1 This represent payments made in advance in respect of LC confirmation charges at the rate of 3.6% per annum and is charged to profit and loss account over the period of two years.

7. STOCK IN TRADE

Raw and packing material		
- in hand	7.1 615,088	456,855
- in transit	368,437	387,319
	<u>983,525</u>	<u>844,174</u>
Work-in-process	13,408	66,918
Finished goods	1,465,946	1,346,185
Provision for slow moving and obsolete stock	(7,069)	(6,385)
	<u>1,458,877</u>	<u>1,339,800</u>
	<u>2,455,810</u>	<u>2,250,892</u>

Pakistan Synthetics Limited

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2018

7.1 This includes raw and packing material pertaining to discontinued fibre operations amounting to Rs. 34.916 million (30 June 2018: 45.351 million).

8. TRADE DEBTS

		31 December 2018 (Unaudited) (Rupees in '000)	30 June 2018 (Audited)
Considered good - unsecured	8.1	421,908	644,967
Considered good - secured		92,698	-
Considered doubtful		<u>234,110</u>	<u>223,618</u>
		748,716	868,585
Provision for doubtful debts		<u>(234,110)</u>	<u>(223,618)</u>
		<u>514,606</u>	<u>644,967</u>

8.1 This includes trade debts pertaining to discontinued operations amounting to Rs. 251.675 million (30 June 2018: Rs. 251.675 million) out of which balances amounting to Rs. 234.110 million (30 June 2018: 223.618 million) have been fully provided and the remaining balance amounting to Rs. 29.990 million (30 June 2018: Rs. 29.990 million) for which Al Karam Textile (Private) Limited, an associated company has provided an undertaking for its recovery.

9. OTHER RECEIVABLES

Sales tax refundable		20,237	61,312
Derivative financial asset	9.1	-	42,557
others		<u>2,084</u>	<u>3,314</u>
		<u>22,321</u>	<u>107,183</u>

9.1 The Company entered into forward exchange contracts for USD 3.826 million and a cross forward contract for Euro into USD. As at 30 June 2018, the fair values of these contracts were positive by Rs. 42.557 million resulting in recognition of an asset.

10. LONG TERM FINANCES - SECURED

Long term finances utilised under diminishing musharka		601,963	572,133
Less: Current portion of long term finances		<u>(263,426)</u>	<u>(194,280)</u>
		<u>338,537</u>	<u>377,853</u>

The Company has entered into Diminishing Musharka arrangements with four different banks as under:

Meezan Bank Limited	10.1	158,443	183,305
Askari Bank Limited - Islamic Banking Services	10.2	162,020	208,828
MCB Islamic Bank Limited	10.3	157,500	180,000
Bank Al-Falah Limited - Islamic Banking Division	10.4	<u>124,000</u>	-
		<u>601,963</u>	<u>572,133</u>

Pakistan Synthetics Limited

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2018

- 10.1** The Company entered into Diminishing Musharka arrangements with Meezan Bank Limited amounting to Rs. 140.77 million, Rs. 63.64 million and Rs. 42.02 million. These carry profit at the rate of 6 months average KIBOR + 0.6% per annum, 6 months KIBOR + 0.7% per annum and 6 months KIBOR + 0.7% per annum respectively, with a floor of 6% per annum and cap of 24% per annum and is payable on semi-annual basis. The tenor of facilities is upto five years with grace period of 1 year from the date of drawdown. The principal is payable in 8 equal semi-annual installments and last installment is payable on 25 January 2020, 15 November 2022 and 29 November 2022 respectively. These facilities are secured against 1st exclusive charge over specific fixed asset of the Company with 25% margin to be covered through 1st pari-passu charge over general plant and machinery.
- 10.2** This represents Diminishing Musharka arrangements entered with Askari Bank Limited - Islamic Banking Services amounting to Rs. 38.83 million, Rs. 54.25 million and Rs. 300 million. The first two tranches carry profit at the rate of 3 months average KIBOR + 0.5% per annum with a floor of 7% and cap of 25% per annum and is payable on quarterly basis in arrears. Further, third tranche carry profit at the rate of 3 months average KIBOR + 0.8% per annum with a floor of 4% and cap of 25%. The tenor of the facilities are five years from the date of drawdown. The principal is payable in 20 and 16 equal quarterly installments and last installment is payable on 20 June 2019, 09 July 2019 and 27 November 2020 respectively. The facilities are secured against registered hypothecation charges over specific plant and machinery of plastic and crown along with general plant and machinery of the Company.
- 10.3** The Company has entered into Diminishing Musharka arrangements with MCB Islamic Bank Limited amounting to Rs. 180 million. This carry profit at the rate of 6 months KIBOR plus 0.5% per annum with a floor of 5% and cap of 20% per annum and is payable on quarterly basis in arrears. The tenor of facility is upto three years with grace period of 1 year from the date of drawdown. The principal is payable in 8 equal quarterly installments and last installment is payable on 27 November 2020. This facility is secured against 1st exclusive charge over general plant and machinery and Personal Guarantee of Sponsor Directors.
- 10.4** The Company has entered into Diminishing Musharka arrangements with Bank Al-Falah Limited - Islamic Banking Branch amounting to Rs. 124 million. This carry profit at the rate of 6 months KIBOR plus 0.85% per annum with a floor of 7% and cap of 20% per annum. The tenor of facility is five years. The principal amount is payable in 10 equal semi-annual installments and last installment is payable on 5 July 2023. This facility is secured against 1st exclusive hypothecation charge over imported plant and machinery financed through the facility alongwith pari passu hypothecation charge over general plant and machinery of the company.

11. SHORT TERM BORROWINGS - SECURED

	31 December 2018 (Unaudited)	30 June 2018 (Audited)
	(Rupees in '000)	
Conventional		
Short term import finance under mark-up arrangement	11.1	6,055
Running finance under mark-up arrangement	11.2	429,760
Money market loan under mark-up arrangement	11.3	300,000
	<u>772,815</u>	<u>729,760</u>

Pakistan Synthetics Limited

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2018

- 11.1** The facility for short term import finance is available from an associated banking company for the purpose of retiring import documents coming under L/Cs Contracts. The rate of mark-up on this financing arrangement is agreed at 3.5%. The arrangement is secured against 1st pari passu hypothecation over Company's stock and trade debts.
- 11.2** The facility for running finance available from an associated banking company is for the purpose of meeting working capital requirements. The rate of mark-up is KIBOR plus 1.00% (30 June 2018: KIBOR plus 1.00%) per annum. This facility mature within twelve months and is renewable. The arrangement is secured against first pari-passu charge by way of registered hypothecation over Company's stock and trade debts.
- 11.3** The facility for money market loan is available from an associated banking company for the purpose of meeting working capital requirement. The rate of mark-up on this financing arrangement is agreed at KIBOR plus 0.50% (30 June 2018: KIBOR plus 0.50%) per annum. The arrangement is secured against registered hypothecation over Company's stock and trade debts.

12. LONG TERM PAYABLE - SECURED

This includes amount payable to a supplier amounting to USD 3.826 million equivalent to Rs. 521.002 million (30 June 2018: Rs. 448.423 million) under letter of credit (LC) to purchase Huksy molding machine. This carry markup at the rate of 3.05% per annum. The LC is maturing on 14 September 2019. During the period loan payable of Rs. 124 million to Sacmi Imola S.C. has been paid.

13. CONTINGENCIES AND COMMITMENTS

13.1 Contingencies

There are no changes in the status of contingencies as disclosed in the annual financial statements for the year ended 30 June 2018

13.2 Commitments

The Company has facilities of Rs. 2,645 million (30 June 2018: Rs. 2,233 million) for opening letters of credit including Rs. 900 million from an associated banking company (30 June 2018: Rs. 900 million). At 31 December 2018, the open letters of credits for stock in trade, stores and spares and capital commitment amounted to Rs. 286.754 million (30 June 2018: Rs. 445.354 million) including Rs. 4.24 million from an associated banking company (30 June 2018: Rs. 182.121 million).

14. NET SALES

	31 December 2018 (Unaudited)	31 December 2017 (Unaudited)
	(Rupees in '000)	
Local - Crowns and plastic caps	760,233	686,975
Local - PET resin	2,486,475	1,476,430
Export - PET resin	-	2,578
Pre-form	3,870	-
Raw material	-	117,604
Waste packing material	-	212
	<u>3,250,578</u>	<u>2,283,799</u>
Sales tax	(430,072)	(293,173)
Net sales	<u>2,820,506</u>	<u>1,990,626</u>

Pakistan Synthetics Limited

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2018

14.1 Pakistan is the primary geographical market of the Company. Revenue is disaggregated by major product lines and timing of revenue recognition for each product line is at the point in time when control of the asset is transferred to the customer (refer note 3.2.1).

15. TAXATION - NET

As per the requirements of section 113 of the Income Tax Ordinance, 2001 provision for minimum tax has not been recorded in this condensed interim financial information as the company anticipates that it will be adjusted against tax liability arising on future taxable income.

16. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

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

16.1 Related party transactions:

Six months period ended	
31 December 2018	31 December 2017

(Rupees in '000)

Key management personnel compensation

Managerial remuneration	16.3	<u>17,052</u>	<u>17,116</u>
Others		<u>14,047</u>	<u>13,687</u>

Associated banking companies

Bank Al-Habib Limited (common directorship)

Bank collection charges paid		<u>669</u>	<u>2,290</u>
Bank guarantee commission		<u>208</u>	<u>362</u>
Interest income on bank deposits		<u>1</u>	<u>-</u>
Mark up on short term import finance under markup arrangement		<u>194</u>	<u>1,076</u>
Mark up on short term Murabaha		<u>387</u>	<u>4,295</u>
Mark up on short term borrowings		<u>34,321</u>	<u>23,157</u>
Discounting charges paid		<u>747</u>	<u>3,022</u>

Bank Islami Pakistan Limited (common directorship)

Mark up on short term Istisna		<u>8,208</u>	<u>177</u>
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Pakistan Synthetics Limited

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2018

16.2 Related party balances:

31 December 30 June
2018 2018
(Unaudited) (Audited)
(Rupees in '000)

Associated banking companies

Bank Al-Habib Limited (common directorship)

Current account balance	5	6,098
Saving account balance	440	-
Short term borrowings	772,815	729,707
Short term Murabaha	-	36,203
Accrued markup	15,118	10,120

Bank Islami Pakistan Limited (common directorship)

Current account balance	40,397	1,031
Short term Istisna	206,471	248,072

16.3 The directors and most of the executives of the Company are provided with free use of Company maintained cars.

17. (LOSS) / PROFIT AFTER TAXATION FROM DISCONTINUED OPERATION

On 20 April 2015, the Board of Directors had decided to convert existing polyester staple fibre plant into PET resin manufacturing plant by making necessary modifications in existing plant.

	Six months period ended		Quarter ended	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
	(Rupees in '000)			
Gross sales	11,121	562	4,441	562
Sales tax	(324)	(11)	(129)	(11)
Net sales	10,797	551	4,312	551
Cost of sales	(10,435)	(1,162)	(4,172)	(1,162)
Gross (loss) / profit	362	(611)	140	(611)
Administration expenses	-	(30,221)	-	(30,221)
Profit / (Loss) before taxation	362	(30,832)	140	(30,832)
Taxation - net	(2,248)	9,066	(2,248)	9,066
Loss after taxation for the period	(1,886)	(21,766)	(2,108)	(21,766)
	(Rupees)			
Loss per share - basic and diluted	(0.03)	(0.39)	(0.04)	(0.39)

Pakistan Synthetics Limited

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2018

18. OPERATING SEGMENTS

Segment results

	*Six months period ended 31 December					
	2018	2017	2018	2017	2018	2017
	Polyester Staple Fibre (Discontinued operations)		Crown / plastic caps and PET resin (Continued operations)		Total	
	----- (Rupees in '000) -----					
External revenues	10,797	551	2,820,506	1,990,626	2,831,303	1,991,177
Reportable segment (loss) / profit before tax	362	(30,832)	(126,676)	11,310	(126,314)	(19,522)
	Quarter ended 31 December					
	2018	2017	2018	2017	2018	2017
	Polyester Staple Fibre (Discontinued operations)		Crown / plastic caps and PET resin (Continued operations)		Total	
	----- (Rupees in '000) -----					
External revenues	4,312	551	1,333,532	818,443	1,337,844	818,994
Reportable segment profit / (loss) before tax	140	(30,832)	(187,925)	(5,393)	(187,785)	(36,225)

Reconciliation of reportable segment profit or loss is as follows:

	Six months period ended		Quarter ended	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
	----- (Rupees in '000) -----			
Total loss for reportable segments before tax	(126,314)	(19,522)	(187,785)	(36,225)
Unallocated other expenses	-	(56,680)	-	(56,680)
Taxation	34,541	29,493	50,992	34,552
(Loss) after tax	(91,773)	(46,709)	(136,793)	(58,353)

Revenue from sale of crown / plastic caps and PET resin represents 99.88% (2017: 99.98%) of the gross sales of the Company.

100% (2017: 99.89%) of the gross sales of the Company are made to customers located in Pakistan.

All non-current assets of the Company at 31 December 2018 are located in Pakistan.

Sales to two major customer (2017: two customer) of the Company is more than 10% of total sales of the Company during the period aggregating to 59.51% (2017: 59.55%).

Segment assets	*Polyester Staple Fibre		Crown / plastic caps and PET resin		Total	
	As at 31 December 2018 (Unaudited)	As at 30 June 2018 (Audited)	As at 31 December 2018 (Unaudited)	As at 30 June 2018 (Audited)	As at 31 December 2018 (Unaudited)	As at 30 June 2018 (Audited)
	(Discontinued operation)		(Continued operation)			
	----- (Rupees in '000) -----					
Segment assets	64,906	75,662	5,138,719	5,312,155	5,203,625	5,387,817
Segment liabilities	-	-	4,623,880	4,298,431	4,623,880	4,298,431

Reconciliation of segment assets with total assets in the balance sheet is as follows:

	31 December 2018 (Unaudited)	30 June 2018 (Audited)
	----- (Rupees in '000) -----	
Total assets for reportable segments	5,203,625	5,387,817
Unallocated assets	870,718	671,884
Total assets as per balance sheet	6,074,343	6,059,701

Pakistan Synthetics Limited

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2018

*Stock-in-trade is stated at their net realisable values. Appropriate impairment has been recorded against doubtful trade debts. All other assets are stated at their realisable values. All liabilities are stated at settlement values.

For the purpose of monitoring segment performance and allocating resources between segments:

- all assets are allocated to reportable segments except advance against investment, investment, sales tax refundable, taxation - net and cash and bank balances.
- all liabilities are allocated to reportable segments other than workers' welfare fund, workers' profit participation fund, unclaimed dividend, sales tax payable, provision for government levies, staff retirement benefits and deferred tax liabilities.

The above balances are not allocated to reportable segments as these are managed on total Company's basis.

19. CASH GENERATED FROM OPERATIONS

	31 December 2018	'31 December 2017
	(Rupees in '000)	
Loss before tax	(126,314)	(76,202)
Adjustments for:		
Depreciation	114,944	122,900
Amortization	211	-
Provision for staff gratuity	3,645	2,012
Finance costs	145,390	93,482
Provision for doubtful debts	10,491	30,221
Provision for slow moving and obsolete stock	685	94
Stores and spares	(6,525)	(5,592)
Stock in trade	(205,602)	(245,356)
Trade debts	119,869	403,210
Loans and advances	(71)	(9,237)
Short term deposits and prepayments	4,719	(16,626)
Other receivables	84,862	(31,915)
Trade and other payables	90,624	(162,188)
Net cash generated from operations	236,928	104,803

20. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in annual financial statement of the Company as at and the year ended 30 June 2018.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Level 1 : Fair value measurements using quoted (unadjusted) in active markets for identical asset or liability.

Level 2 : Fair value measurements using inputs other than quoted prices included within 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 : Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

Pakistan Synthetics Limited

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2018

31 December 2018 (Unaudited)									
Carrying amount					Fair value				
Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total	
----- (Rupees in '000) -----									
On-balance sheet financial instruments									
Financial assets measured at fair value									
-	-	-	-	-	-	-	-	-	-
Financial assets not measured at fair value									
Loan to employees	-	6,009	-	6,009	-	-	-	-	-
Long term deposits	-	1,253	-	1,253	-	-	-	-	-
Trade debts	-	514,606	-	514,606	-	-	-	-	-
Deposits	-	7,113	-	7,113	-	-	-	-	-
Other receivables	-	2,084	-	2,084	-	-	-	-	-
Bank balances	-	92,325	-	92,325	-	-	-	-	-
-	-	623,390	-	623,390	-	-	-	-	-
Financial liabilities not measured at fair value									
Long term financing	-	-	601,963	601,963	-	-	-	-	-
Long term payables	-	-	521,002	521,002	-	-	-	-	-
Trade and other payables	-	-	2,702,673	2,702,673	-	-	-	-	-
Short term borrowings	-	-	772,815	772,815	-	-	-	-	-
-	-	-	4,598,453	4,598,453	-	-	-	-	-

30 June 2018 (Audited)									
Carrying amount					Fair value				
Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total	
On-balance sheet financial instruments									
Financial assets measured at fair value									
-	-	-	-	-	-	-	-	-	-
Financial assets not measured at fair value									
Loan to employees	-	6,122	-	6,122	-	-	-	-	-
Long term deposits	-	1,253	-	1,253	-	-	-	-	-
Trade debts	-	644,967	-	644,967	-	-	-	-	-
Deposits	-	7,415	-	7,415	-	-	-	-	-
Other receivables	-	45,871	-	45,871	-	-	-	-	-
Bank balances	-	64,188	-	64,188	-	-	-	-	-
-	-	769,816	-	769,816	-	-	-	-	-
Financial liabilities not measured at fair value									
Long term financing	-	-	572,133	572,133	-	-	-	-	-
Long term payables	-	-	572,423	572,423	-	-	-	-	-
Trade and other payables	-	-	2,662,909	2,662,909	-	-	-	-	-
Short term borrowings	-	-	729,709	729,709	-	-	-	-	-
-	-	-	4,537,174	4,537,174	-	-	-	-	-

The Company has not disclosed the fair values for all other financial assets and financial liabilities, as these are either short term in nature or reprice periodically. Therefore, their carrying amounts are reasonable approximation of fair value.

21. GENERAL

This condensed interim financial information has been authorised for issue on 26 February 2019 by the Board of Directors of the Company.

ANWAR HAJI KARIM
CHIEF EXECUTIVE

SALEEM ADVANI
CHIEF FINANCIAL OFFICER

YAKOUB HAJI KARIM
DIRECTOR

If undelivered please return to:

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