



RUPALI POLYESTER LIMITED

ANNUAL REPORT 2023

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Corporate Data

Board of Directors

Chairman

Shehzad Feerasta

Chief Executive Officer

Nooruddin Feerasta

Directors

Muhammad Rashid Zahir - Non-Executive
Zeeshan Feerasta - Non-Executive
Shahid Hameed - Independent Non-Executive
Amyna Feerasta - Non-Executive
Yaseen M. Sayani - Independent Non-Executive
Abdul Hayee - Non-Executive

Audit Committee

Yaseen M. Sayani - Chairman
Muhammad Rashid Zahir - Member
Zeeshan Feerasta - Member

Human Resource & Remuneration Committee

Shahid Hameed – Chairman
Nooruddin Feerasta - Member
Zeeshan Feerasta - Member

Chief Financial Officer

Muhammad Ahsan Iqbal

Company Secretary

S. Ghulam Shabbir Gilani

Bankers

Askari Bank Limited
Faysal Bank Limited
Habib Metropolitan Bank Limited
Meezan Bank Limited
Bank Alfalah Limited
Habib Bank Limited
MCB Bank Limited
Soneri Bank Limited
The Bank of Punjab

Auditors

RSM Avais Hyder Liaquat Nauman
Chartered Accountants

Registered Office

Rupali House, 241-242 Upper Mall Scheme,
Anand Road, Lahore - 54000 PAKISTAN

Plant

30.2 Kilometer Lahore - Sheikhpura Road
Sheikhpura - 39350 PAKISTAN



Rupali

Our Vision

To consistently maintain the Company's leading status of producing high quality products being first preference of our customers. Also to maintain the standards of performance excellence with long term plans of expansion and diversification.

Our Mission

To develop the Company on sound technical and financial footings with better productivity, excellence in quality and operational efficiencies at lower operating costs by utilizing blend of high professionalism.

To accomplish targeted results through increased earnings for maximum benefit to the Company stakeholders.

To be an equal opportunity employer taking utmost care of the employees for their career progression with better reward and recognition of their abilities and performance.

To fulfil general obligations towards the society, particularly safety, security and other environmental protections.

Our Core Values

- An Organization with well disciplined and professionally managed operational and administrative functions
- Pioneering status in Polyester Fiber manufacturing
- High quality manufacturing standards
- Our products enjoy first preference of downstream users
- Performance excellence in all areas of operations
- Integrity in all our dealings based on commitments
- Very sound internal controls and highly disciplined financial management
- An excellent image and repute amongst corporate sector of the country and worldwide recognition
- High importance to stakeholders with historical background of regular dividend payouts to shareholders when Company in profits

Company Profile

RUPALI POLYESTER LIMITED was incorporated at Karachi in May 1980 as a Public Limited Company and is listed on Pakistan Stock Exchange Limited (formerly Karachi, Lahore and Islamabad Stock Exchanges). It owns and operates composite facilities to manufacture Polyester Staple Fiber and Polyester Filament Yarn. It produces quality products by using latest technology and best quality of raw materials. The Company has the privilege of being one of the pioneers in Pakistan for manufacture of Staple Fiber of highest quality. Since its inception, the Company has been growing steadily through expansion and diversified operations. The assets of the Company have increased to Rs.12,104 million from the initial capital outlay of Rs.150 million.

The Company has a Polymerization Unit with a capacity of 105 metric tons per day, Polyester Filament Yarn capacity of 30 metric tons per day and a Polyester Staple Fiber capacity of 65 metric tons per day. The Company has put up an additional POY line with a capacity of 28 M. Tons per day at a cost of around Rs.162 million. The various products of Rupali are in fact import substitution as these were previously imported from Japan, Indonesia, Taiwan and Korea. Now the Company is importing the basic raw materials only and through value addition is producing the highest quality products locally.

Since inception, the philosophy of the Company's management is to grow on the strength of quality and reliability. To achieve this objective, it is maintaining a well equipped Research & Development Centre for standard maintenance, innovative improvements in

its products and achieving economies in production techniques without compromising on standard and quality of products. Products and services offered by the Company are acknowledged by the customers as quality and reliable products and are the first preference of customers.

The Company gives high priority to customers' satisfaction, tries to maintain uninterrupted supply of its products and provides after sales services, technical support for trouble shooting.

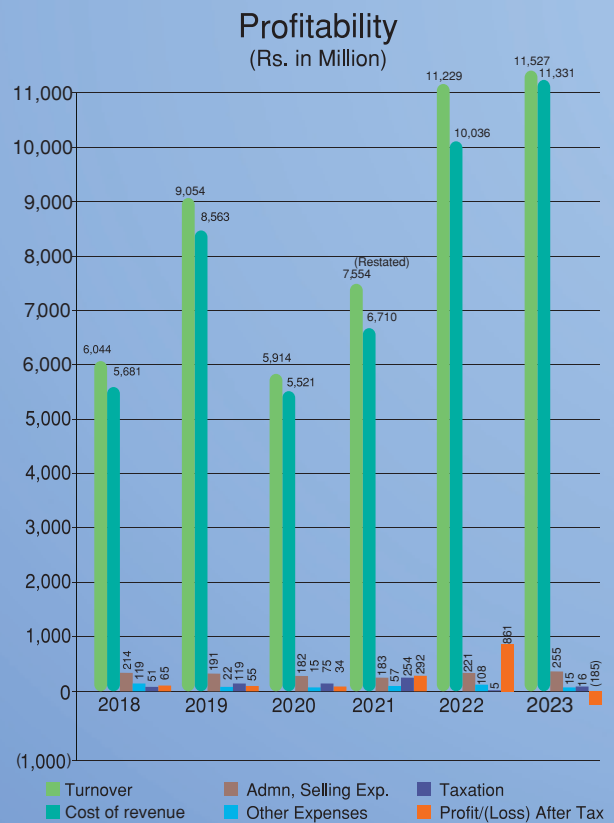
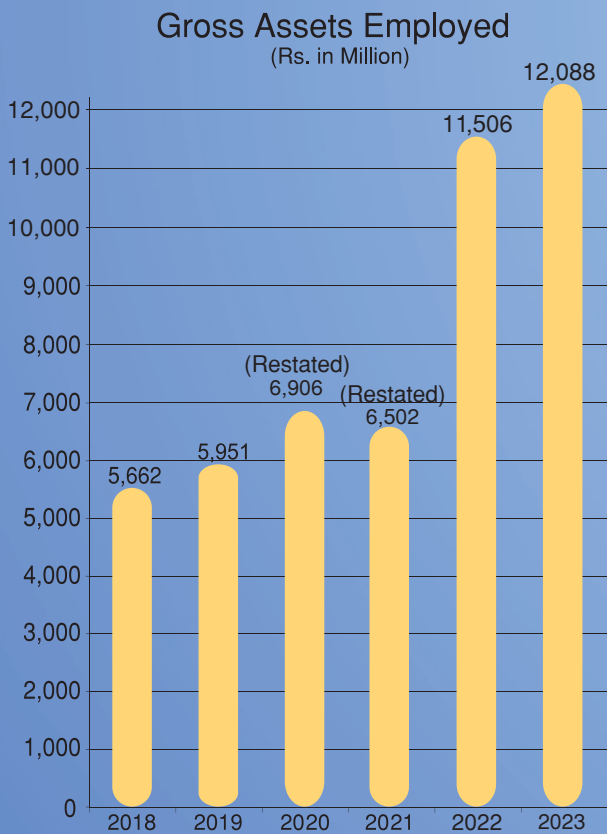
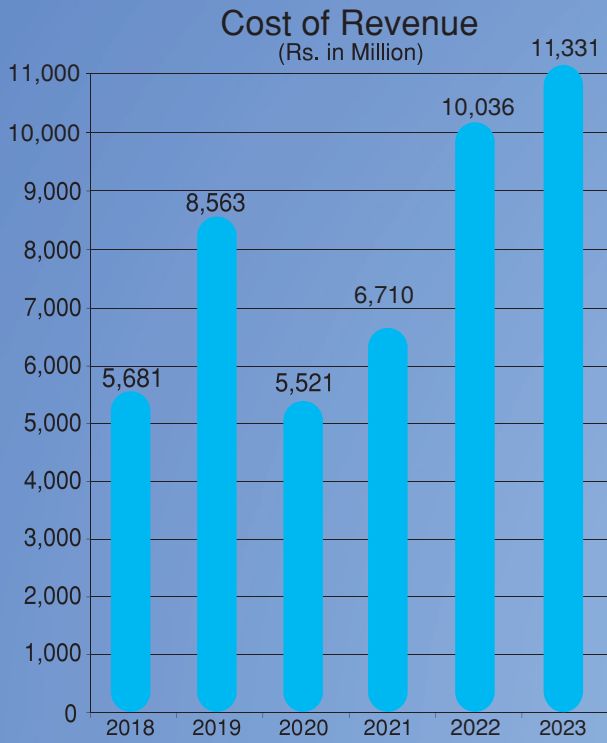
ALHAMDO LILLAH, the Company enjoys high prestige and reputation in the business community, banks, financial institutions and customers. It is also amongst major contributors to the national exchequer.

Financial Highlights

Particulars	UOM	2023	2022	2021	2020
Profit and Loss Account					
Sales - Net	Rs. in thousand	11,526,866	11,229,275	7,554,429	5,914,249
Cost of sales	Rs. in thousand	11,331,350	10,035,836	6,710,396	5,520,731
Gross Profit	Rs. in thousand	195,516	1,193,439	844,033	393,518
Operating profit	Rs. in thousand	(74,696)	864,498	604,317	341,768
Profit before tax	Rs. in thousand	(168,954)	865,731	546,036	108,801
Profit after tax	Rs. in thousand	(184,828)	861,092	292,065	33,510
Income tax - current	Rs. in thousand	145,157	251,712	113,317	88,714
- prior years	Rs. in thousand	(4,664)	613	537	453
- deferred	Rs. in thousand	(124,619)	(247,686)	140,117	(13,876)
Dividend					
Cash dividend	Rs. in thousand	-	170,343	170,343	-
Cash dividend rate	Percentage	-	50	50	-
Balance Sheet					
Share capital	Rs. in thousand	340,685	340,685	340,685	340,685
Reserves	Rs. in thousand	7,095,969	7,456,895	2,796,622	2,504,500
Shareholders equity	Rs. in thousand	7,436,654	7,797,580	3,137,307	2,845,185
No. of ordinary shares	Numbers	34,068,514	34,068,514	34,068,514	34,068,514
Non-Current liabilities	Rs. in thousand	267,853	218,656	181,349	263,369
Current liabilities	Rs. in thousand	4,399,817	3,507,833	3,183,831	3,797,067
Property, Plant and Equipment	Rs. in thousand	7,016,059	6,917,027	3,089,935	3,082,353
Capital work-in-progress	Rs. in thousand	16,062	17,994	147,706	10,402
Long term investments/loans/deposits	Rs. in thousand	4,281	4,281	4,281	4,281
Current assets	Rs. in thousand	3,954,602	3,755,348	2,805,337	3,110,413
Net current assets	Rs. in thousand	(445,215)	247,515	(378,494)	(686,544)
Total liabilities	Rs. in thousand	12,104,324	11,524,069	6,502,487	6,905,621
Total Assets	Rs. in thousand	12,104,324	11,524,069	6,502,487	6,905,621
Ratio Analysis					
Gross profit	Percentage	1.70	10.63	11.17	6.65
Net profit	Percentage	1.60	7.67	3.87	0.57
Inventory turnover	Times	14	12	8	7
Cash dividend per share	Rupees	-	5	5	-
Earnings per share - basic and diluted	Rupees	(5.43)	25.27	8.57	0.98
Debt : equity ratio		0 : 100	0 : 100	0 : 100	4 : 96
Break-up value per share	Rupees	218.29	228.88	92.09	83.51
Market value per share at the end of the year	Rupees	19.00	38.00	34.00	13.20
Production volume					
Production capacity	M. Tons	22,100	22,100	22,100	22,100
Production achieved	M. Tons	30,860	35,458	37,579	26,493
Capacity utilization	Percentage	140	160	170	120
Employees	Numbers	1,262	1,349	1,389	1,344

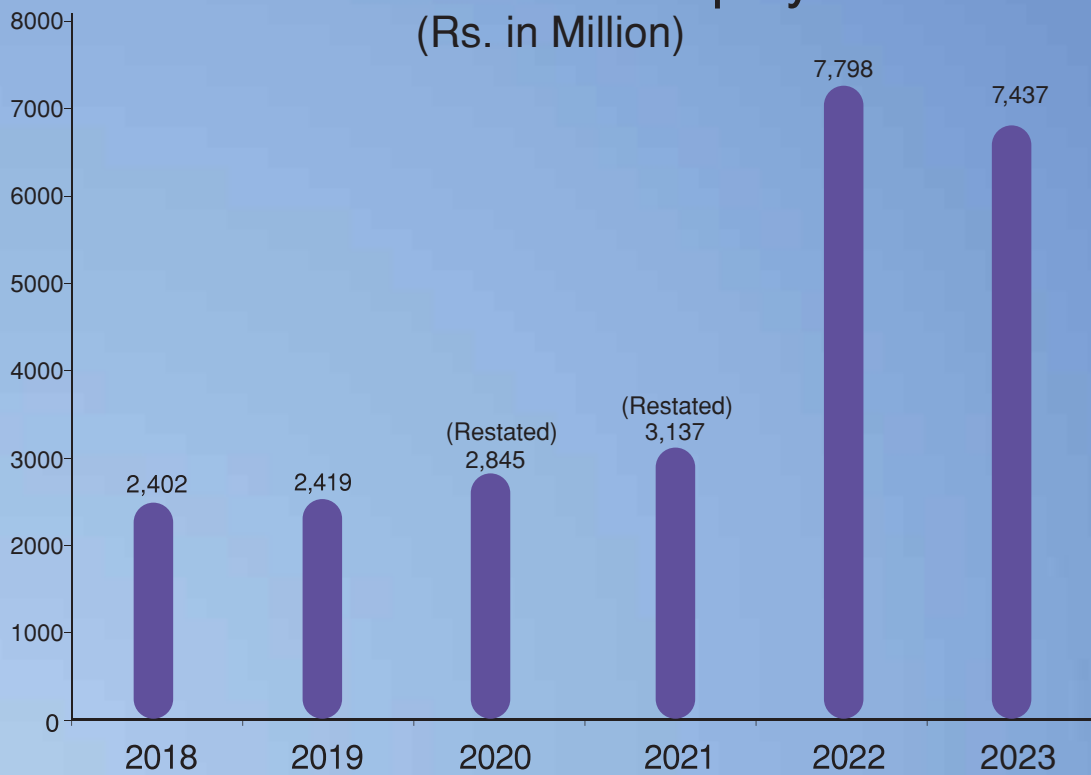
2019	2018	2017	2016	2015	2014
9,053,741	6,044,111	5,025,401	4,890,041	4,841,940	5,952,659
8,562,629	5,680,917	4,887,698	4,969,175	4,982,459	6,219,222
491,112	363,194	137,703	(79,134)	(140,519)	(266,563)
342,664	234,689	(9,384)	(135,807)	(140,519)	(361,421)
174,302	115,822	(123,064)	(270,919)	(401,098)	(479,858)
54,975	64,553	(120,083)	(333,478)	(384,447)	(403,284)
95,670	60,479	43,937	48,900	-	-
574	266	(35,369)	-	-	(30,459)
23,083	(9,477)	(11,549)	13,659	(16,651)	(46,115)
34,069	34,069	-	-	-	-
10	10	-	-	-	-
340,685	340,685	340,685	340,685	340,685	340,685
2,078,613	2,060,942	1,996,389	1,735,615	1,735,615	1,735,615
2,419,298	2,401,627	2,337,074	1,032,799	1,366,277	1,462,789
34,068,514	34,068,514	34,068,514	34,068,514	34,068,514	34,068,514
539,687	554,584	592,176	649,133	658,917	516,553
3,055,610	2,939,533	2,799,721	2,704,858	2,263,206	2,075,711
3,295,511	3,201,449	2,971,353	1,637,969	1,729,858	1,630,402
64,020	234,019	7,972	32,286	17,945	98,324
4,396	4,396	4,396	4,361	4,361	4,361
2,252,188	2,252,399	2,353,222	2,344,460	2,229,181	2,420,290
(803,422)	(687,134)	(446,499)	(360,398)	(34,025)	344,579
6,014,595	5,895,744	5,728,971	4,386,790	4,288,400	4,055,053
6,014,595	5,895,744	5,728,971	4,386,790	4,288,400	4,055,053
5.42	6.01	2.74	(1.62)	(2.90)	(4.47)
0.61	1.07	(2.39)	(6.82)	(7.94)	(6.77)
10	7	8	8	6	7
1	1	-	-	-	-
1.61	1.89	(3.52)	(9.79)	(11.28)	(11.84)
4 : 96	6 : 94	7 : 93	19 : 81	17 : 83	9 : 91
71.01	70.49	68.60	30.32	40.03	42.94
27.55	29.50	19.25	8.98	12.00	17.10
22,100	22,100	22,100	22,100	22,100	22,100
38,495	31,578	31,181	31,951	26,859	28,491
174	143	141	145	121	129
1,468	1,323	1,230	1,198	1,251	968

Graphical Presentation

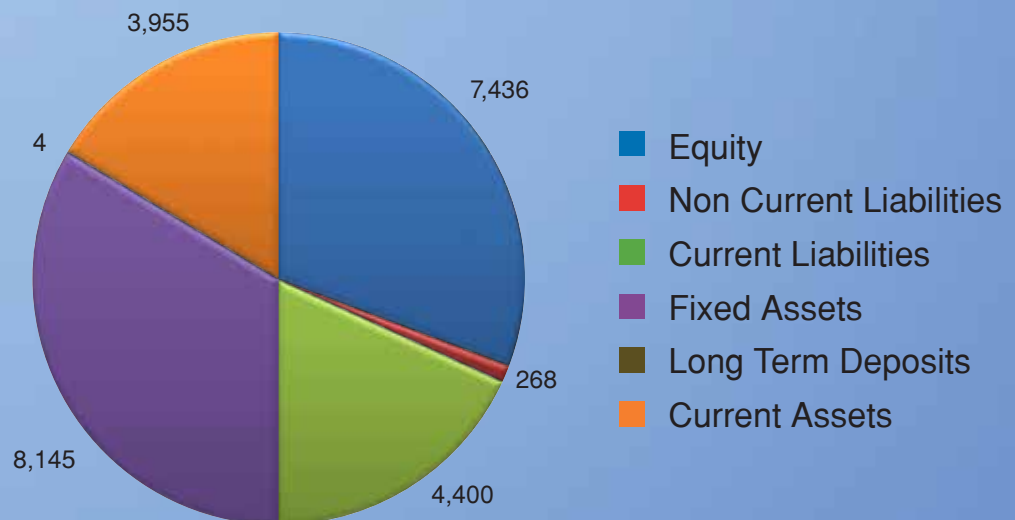


Graphical Presentation

Shareholders Equity (Rs. in Million)



Financial Position 2023 (Rs. in Million)



Chairman's Review

On behalf of the Board of Directors, I am pleased to present to you the Annual Report and Financial Statements of Rupali Polyester Limited for the year ended 30 June 2023. The Company maintained its strong performance during the year despite many challenges including economic and political instability in the country especially throughout second half of FY 2022-23. The uncertain situation has been further aggravated by the unexpected devaluation of Pak Rupee and discontinuation of Regionally Competitive Energy Tariff. The SBP's policy rates also increased during the FY under review which resulted in abnormal increase in finance cost.

Despite these challenges, the Company's Management is relentlessly striving for growing steadily, expanding its operational capabilities and enhancing its shareholders' value. I announce with great pleasure that Rupali Polyester Limited has maintained its operational performance in current year, but the challenges being encountered were main factors that the growth momentum of last year could not be achieved this year. Upto GP level, there was profit – although reflecting a downward trend. The Company's financial results have been presented in greater detail in the Report of the Directors. The Company is playing an important role in country's economic prosperity, through creation of job opportunities, performance of its Corporate Social Responsibility (CSR) and good corporate governance. The Company adheres to sound standards of employee health, safety, environment and security. Our team of professionals is well-versed with the market dynamics and strives for maintaining the momentum of growth. Rupali Polyester Limited functions in the best corporate governance regime with strong internal operational and financial controls. Our Board Members contribute their professional acumen and provide guidance and oversight in reviewing and approving the Company policies for which I place on record my special thanks to them. Their guidance is instrumental in achieving the Company's goals.

The Board's support and guidance was available to the Company in the key policy matters as under:

1. The Company has well thought out vision, mission and values. The vision and mission statements were revisited.
2. Annual targets were set for the Management in key performance areas.
3. The Board provided directions and oversight on the Company's business activities.
4. The Board put in place transparent and robust system of governance under applicable laws and more specifically under the Listed Companies (Code of Corporate Governance) Regulations, 2019.
5. The Board reviewed, discussed and approved business strategy, plan, budgets and financial statements and other reports including internal audit reports. It received clear agendas and supporting written material in sufficient time prior to board and committee meetings.
6. The Board members offered the diversity and right mix of independent and non-executive directors including female director in compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019.
7. The Company will comply with the new changes by the Securities and Commission of Pakistan in the Election of Directors, voting rights to shareholders through Ballot papers.

Furthermore, on behalf of the Board, I would like to express my sincere gratitude to the Company's shareholders for their continued support and appreciate the commitment and valuable services rendered by the employees of the Company in such trying times. I also express my thanks to the Government for giving due consideration to the Industry problems and to our Banks for their confidence in the Company's management.



Shehzad Feerasta
Chairman

Lahore: 18 September 2023

Directors' Report to the Shareholders

With great pleasure, we extend a warm welcome to you on behalf of the Board of Directors to the Company's forty-third Annual General Meeting and present the annual audited financial results for the financial year ended June 30, 2023, along with the auditor's report. Key financial highlights of the annual results of the Company are presented below:

Key Financial Results

	Rupees in thousand
Loss before taxation	(168,954)
Taxation	15,874
Loss after taxation	(184,828)
	Rupees
Earnings per share – basic and diluted	(5.43)

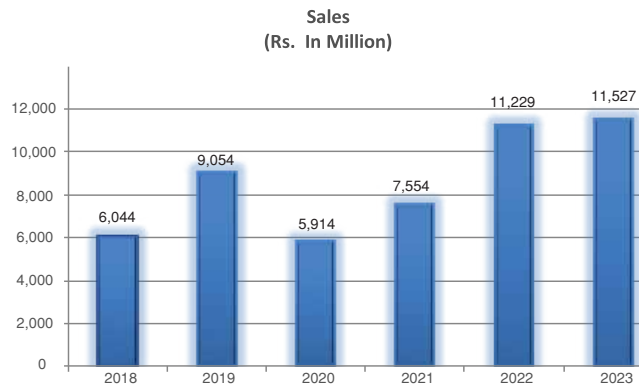
Overview

Pakistan is currently grappling with severe economic challenges, primarily centered around the need to achieve debt sustainability while simultaneously curbing rampant inflation. The financial year 2022-23 has posed numerous obstacles to businesses, hindering their growth and prosperity. Several key factors have remained unfavorable, compounded by political and economic uncertainties within the country.

The fiscal year 2022-23 presented the Company with many challenges, including frequent interest rate hikes, unprecedented depreciation of the Pakistani Rupee (PKR) exchange rate against major currencies, stringent restrictions imposed by the State Bank of Pakistan (SBP) on opening foreign Letters of Credit (LCs) for the import of essential raw materials due to a shortage of foreign exchange, remarkable surge in raw material costs, energy supply crisis, elevated power tariffs, withdrawal of Regionally Competitive Energy Tariff (RCET) benefits which were previously available to export-oriented sectors and increased smuggling of dumped imports. The cumulative impact of these factors disrupted the Company's growth trajectory and eroded profitability.

During the year, the State Bank of Pakistan increased the policy rate to 22 percent, in accordance with the mandates of the IMF. Both the Government and the State Bank of Pakistan have expressed their dedication to implementing additional rate hikes as part of their strategy to tackle the alarming inflation rate, which soared to a staggering level in May-June 2023, significantly diminishing the buying capacity of consumers. Moreover, the Company grappled with the imposition of an additional tax, known as the 'super tax,' which added pressure to its cash flows.

The Company's ability to raise product prices in response to cost escalations was severely constrained by dwindling demand from downstream consumers.



Additionally, the downstream industry experienced adverse effects of severe flooding, leading to an overall slowdown in product uptake. Despite a sluggish downstream market for most of the year, sales revenue managed to closely align with the substantial growth of the previous year, primarily due to improved market conditions in Q4.

The year was marked by soaring input costs, leading to a decline in gross margins compared to the previous fiscal year. The reduced gross margins were insufficient to offset the Company's operating expenses, which were significantly impacted by inflation and interest rate hikes. Consequently, the Company incurred net losses during the fiscal year.

Domestic Polyester Industry

As frequently emphasized on various forums, the influx of dumped imports from China, Malaysia, and Vietnam into Pakistan has significantly impacted domestic industrial units engaged in the production of Polyester Filament Yarn (PFY), which is used in weaving, knitting, and hosiery industries, as well as Polyester Staple Fiber (PSF), which is consumed by the spinning industry. Many of these domestic units have been compelled to reduce their manufacturing operations. To safeguard the interests of these units and promote a thriving domestic industry, there is a pressing need for Government intervention through the imposition of anti-dumping measures, regulatory actions, and additional customs duties to counter the influx of dumped PFY and PSF imports. Such measures will not only provide protection to local investors but also incentivize them to expand their production capacity and initiate new projects. This in turn, will generate employment opportunities for the local population and help in conserving foreign reserves.

The domestic industries producing Polyester Filament Yarn (PFY) and Polyester Staple Fiber (PSF) is encountering substantial challenges, including recurrent increases in interest rates, an extraordinary decline in the exchange rate of the Pakistani Rupee (PKR), heightened power tariffs, rising expenses for raw materials and the termination of Regionally Competitive Energy Tariff (RCET) benefits which were once available to sectors concentrating on exports. Power tariffs have remained high and increased further from July 1, 2023.

Anti-dumping Duty on Polyester Filament Yarn

a) Sunset Review Proceedings

National Tariff Commission (NTC) levied anti-dumping duties (ADDs) on the import of PFY from China & Malaysia in 2017 after finally determining that dumping of PFY was indeed taking place and resulting in significant losses to local manufacturers. After the end of five-year ADD imposition period, NTC issued notice for "initiating the sunset review proceedings" to determine whether ADD should still be imposed on PFY imports. However, the Commission excluded Fully Drawn Yarn ("FDY") from investigated items. Importers have challenged the initiation proceedings in Anti-Dumping Appellate Tribunal.

We hereby express our gratitude on the Commission's decision to begin the Sunset Review proceedings, as there is substantial evidence to show that the sources of the dumping of "PFY" are continuing to dump it or are doing so again. Nonetheless, we articulate our voice with alarm and dismay against leaving out FDY out of the investigation of products under the Sunset Review processes. With due respect, we request the Commission to reassess its decision and include FDY as one of the products being evaluated during the Sunset Review process.

b) Collection of ADDs

The dumping of PFY from China and Malaysia is growing at an alarming pace. The anti-dumping duty remained under litigation since it was imposed in 2017. Appeals were filed in various Courts and in the Anti-Dumping Appellate Tribunal (the Tribunal) by Yarn Traders against imposition of anti-dumping duty. Tribunal vide its judgment dated 3 December 2021 remanded the matter to NTC to re-investigate the petitioners' objections. Pursuant to the Tribunal Judgment,

the NTC after re-investigation, vide Final Determination dated 26 January 2022, reduced the ADD rates on PFY. In earlier Determination of 2017, the maximum and minimum ADD rates were 11.35 – 3.25% which were reduced to 6.82 – 2.78%. Yarn traders again challenged the reduced rates in the Tribunal and the Tribunal remanded the matter to Commission for 'denovo' consideration of paragraphs 13, 14 and 15 in part 'A' of the Commission's report after hearing the appellants. Commission, that was dysfunctional in past, has stopped collecting the ADDs on the pretext that Tribunal has asked for 'denovo' consideration. The PFY manufacturers sought clarification from the Tribunal, which upheld the decision of NTC. The Commission is hearing the appellants as per directions of the Tribunal for the above-said paragraphs in September 2023.

Under this situation, further expansion envisaged by domestic manufacturers worth billions of Rupees may go astray if protection is unavailable from the Government. Therefore, previous rates of ADD need to be restored for at least five years along with a stronger mechanism of Anti- Dumping Duty collection.

Regulatory Duty on Polyester Filament Yarn

After continuing efforts of the domestic PFY industry, Government has re-imposed the regulatory duty on the import of PFY upto 5% on 21 December 2022.

PFY and PSF Market Conditions

The imposition of anti-dumping duties by the National Tariff Commission on Polyester Filament Yarn ("PFY") imports from China and Malaysia has proven beneficial



in safeguarding the domestic industry against the influx of dumped PFY imports. However, it is essential to note that the full advantages of these anti-dumping duties were not fully realized due to extended periods during which they remained inoperative. This was primarily due to legal stays granted by the High Courts to the importers over the past years. Despite the challenges of anti-dumping duties being temporarily inactive, they did provide some relief to the domestic industry by mitigating the impact of dumped imports for the limited periods they were in effect.

Similarly, anti-dumping duties imposed on Polyester Staple Fiber (PSF) imports provided respite for domestic PSF manufacturers. Over the past three years, the domestic industry's average market share has notably increased compared to the Period of Injury resulting from dumping. However, the industry couldn't fully capitalize on this progress, as foreign exporters continued to supply/dump PSF to Pakistan, albeit at reduced levels.

It is pertinent to mention here that once the anti-dumping duties are terminated, dumping reoccurs from previously dumped sources, mainly for the reason that the dumped sources want to offload their high exportable surplus, causing material injury to the domestic industry. Therefore, it is critical to maintain the anti-dumping duties on the dumped products, otherwise the surge in dumped imports will once again push the industry back towards its pre-ADD period.

Circumvention of Anti-Dumping Duty on PFY – Failure to collect Government revenue and protect domestic PFY industry from dumping

Importers and traders dealing with PFY have blatantly evaded the payment of anti-dumping duties (ADDs) amounting to billions of Pakistani rupees over the past many years. The Government has suffered a loss in revenue, and the domestic Polyester Filament Yarn sector has suffered significant harm.

Importers of PFY have made it a customary practice to secure stay orders from various courts without providing a complete disclosure of all relevant facts concerning the imposition of ADDs on imported PFY since 2017. This strategy has allowed them to clear their annual imports without posting any securities or ultimately paying the ADDs during this five-year period.

The National Tariff Commission holds the primary responsibility for ensuring the protection of local polyester filament yarn producers against dumping

and for collecting the notified anti-dumping duty or the necessary security in case of stay orders during the customs clearance of imported shipments. It is imperative for the NTC to continue its vigilant efforts to safeguard the domestic industry from the adverse effects of dumping.



Power Tariff and Gas/RLNG Supply Crisis for Export-Oriented Value-Chain

The Pakistan textile industry and its associated value chain, a cornerstone of the country's economy generating substantial foreign exchange through exports, have diversified their energy sources to meet their needs. This includes drawing power from the national grid and producing their own captive power using resources like furnace oil, coal and Gas/RLNG. However, a significant portion of the textile sector and its value chain heavily relies on gas/RLNG-based captive power plants to compensate for the unreliable electricity supply from the national grid.

A consistent and stable supply of electricity from the national grid and/or access to gas/RLNG for captive power generation at Regionally Competitive Energy Tariffs used to be the most cost-effective sources of power for export-oriented industries. Regrettably, the Government has discontinued the RCET benefits. Furthermore, the prices of furnace oil and coal have surged considerably in the past year due to global fluctuations in crude oil prices. Consequently, it has become economically unviable for the textile industry and its value chain to generate captive power through gas, furnace oil, or coal.

The uninterrupted supply of electricity and Gas/RLNG at rates in line with the RCET is of paramount importance to export-oriented value chains. However, this crucial support has been disrupted currently.

Additionally, the industrial sector in Punjab has grappled with severe shortages of Gas/RLNG during

winters since 2021. Over the past two years, the supply of Gas/RLNG to the Punjab textile industry and its value chain has either completely halted, been provided at low pressure, or curtailed by approximately 50% of the sanctioned load. Many units, including ours, have been forced to operate at significantly reduced capacities, resulting in substantial output losses.

To sustain export-driven economic growth, it is imperative to promote export-oriented value chains, which will ultimately benefit the entire nation in the long term. The current volatile energy situation poses a considerable challenge for businesses in Pakistan. The limited availability of Gas/RLNG, coupled with the high costs associated with captive power production, presents a grave threat to businesses and industries alike.

PFY as Import Substitution

For several years now, we have consistently emphasized in our reports to shareholders the importance of developing and safeguarding the synthetic textile industry, particularly based on Polyester Filament Yarn. This is essential to replace imports and effectively meet the clothing demands of Pakistan's sizable population of 240 million people. To accomplish this goal, it is crucial to maintain the existing import and regulatory duties on all five HS Codes for PFY, namely 5402-3300, 5402.4600, 5402.4700, 5402.5200, and 5402.6200.

Claims made by PYMA (Pakistan Yarn Merchants Association) suggesting that the local PFY sector does not produce specialty yarns are entirely unfounded and undervalue the potential of our domestic industry. An analysis by the National Tariff Commission has substantiated the domestic sector's production capabilities and the state of its manufacturing facilities. It clearly demonstrates that the local PFY industry has the capacity to manufacture a wide range of specialized PFY, including various types of colored yarns.

With ambitious expansion plans amounting to US\$125 million invested by local PFY manufacturers, aiming to recapture a majority share of domestic consumption, exceeding 80% by 2027, it is imperative that this industry receives support. This support should come in the form of maintaining consistent import tariffs and regulatory duties, at least for the next five years. Such measures will facilitate the local PFY industry in sustaining its growth momentum and, simultaneously, reduce the import bill associated with PFY imports.

Credit Mobilization

In the fiscal year under consideration, your Company successfully renewed its working capital facilities, including both fund-based and non-fund-based limits, and completed all necessary documentation requirements with various banks.

It's important to note that the cost of the Company's short-term borrowings is tied to fluctuations in the Karachi Interbank Offer Rate (KIBOR), which exposes its cash flows to interest rate risk. Due to the frequent and upward hikes in KIBOR rates, the interest rates on the Company's bank borrowings have risen significantly since the previous year. Furthermore, given the increased utilization of bank finances due to the significant devaluation of the PKR against the USD, the Company has experienced a substantial increase in its financial charges for the fiscal year 2022-23.

Taxation

The Federal Government, through the Finance Act of 2022, introduced a super tax targeting high-income individuals earning Rs. 150 million or more, with graduated tax rates ranging from 1% to 4%. Furthermore, individuals associated with specific sectors, including export-oriented industries, with incomes exceeding Rs.300 million, were subjected to a super tax at a rate of 10% of their taxable income. This levy was made retroactive, applying from the tax year 2022 onward, placing a substantial tax burden on the industry.

The newly introduced tax was contested by taxpayers, and the cases are currently under litigation in both the High Courts and the Supreme Court of the country. In response to the ongoing litigation and the concerns raised by taxpayers regarding fairness and equality, the Federal Government, through the Finance Act of 2023, revised the graduated tax rates to align them and address the issues raised in court. These changes introduced in the Finance Act of 2023 have not been challenged, and it appears that taxpayers, including export-oriented sectors, will be subject to the super tax from the tax year 2023 onward.

Furthermore, through the Finance Act of 2022, Public Listed Companies were prohibited from adjusting the entire amount of input sales tax under Section 8B of the Sales Tax Act 1990. The carry-forward period for minimum tax under Section 113 of the Income Tax Ordinance was reduced from 5 years to 3 years. In the Finance Act of 2023, income from bonus shares

was categorized as income from other sources, subjecting shareholders to a 10% final tax on such income. Income tax withholding rates were increased by 1%, resulting in excess advance tax payments and delayed refunds from the Federal Board of Revenue (FBR).

These Government measures implemented over the past two years have had adverse consequences on the export-oriented industry, which is a vital pillar of the economy.

OEKO-TEX® Certification

Right quality of raw materials, state-of-the-art production equipment, and a skilled workforce, including professional and technical talents, plays a pivotal role in our ability to manufacture high-quality products. Our products have successfully met the stringent human-ecological standards set by OEKO-TEX® STANDARD 100, and we are proud to announce that we have received renewed certification attesting to our commitment to product quality and safety.

Raw Material Prices

Throughout the fiscal year 2022-23, the prices of PTA (Purified Terephthalic Acid) and MEG (Monoethylene

Glycol) exhibited a fluctuating pattern. In July 2022, the PTA price stood at US\$ 1,000 per metric ton, while by June 2023, it had decreased to US\$ 850 per metric ton. Conversely, the MEG price in July 2022 was US\$ 660 per metric ton, and it had declined to US\$ 560 per metric ton by June 2023. The average prices per metric ton for PTA and MEG during the fiscal year 2022-23 were US\$ 899 and US\$ 550, respectively, in contrast to US\$ 875 and US\$ 705, respectively, during the fiscal year 2021-22.

Nevertheless, any anticipated advantages stemming from the decrease in USD unit prices of PTA and MEG have been nullified by the exorbitant surge in foreign exchange conversion rates, resulting in significant exchange losses for the Company. The prices of raw materials and spare parts, when denominated in the local currency, underwent substantial volatility from the moment of opening Letters of Credit (LC) to the receipt of materials at the plant premises. This volatility was driven by unpredictable fluctuations in exchange rates, which remained exceptionally elevated throughout the year. Consequently, LCs that were initiated for material imports at lower exchange rates ended up being settled at higher rates, leading to substantial exchange losses for the Company.



Sales Revenue and Profits

In the fiscal year 2022-23, the Company's sales revenue demonstrated a modest growth of 3%, equivalent to Rs. 298 million, increasing from Rs. 11.23 billion to Rs. 11.53 billion. This growth was primarily attributed to favorable fluctuations in sale prices and effective marketing campaigns.

However, the Company faced challenges due to competition from low-quality dumped Polyester Filament Yarn available in the market, which resulted from the reduction and non-collection of anti-dumping duties. Additionally, the persistently high inflation eroded the purchasing power of consumers, negatively impacting our sales volumes.

The significant decline in gross profit, plummeting from Rs.1,193.44 million in FY 2021-22 to Rs.195.52 million, was a substantial contributing factor to the overall erosion of profitability. Furthermore, the considerable increase in finance costs, surging from Rs. 72.21 million to Rs. 340.92 million, played a pivotal role in this decline. This increase can be primarily attributed to higher mark-up rates in comparison to the previous fiscal year.

Consequently, the Company reported a pre-tax loss amounting to Rs.168.95 million, a stark contrast to the pre-tax profit of Rs.865.73 million achieved in FY 2021-22. After considering taxes, the Company recorded a post-tax loss of Rs.184.83 million, a significant departure from the post-tax profit of Rs.861.09 million reported in FY 2021-22.

Future Outlook

Presently, Pakistan's economy is grappling with a severe economic crisis, characterized by several challenges including high inflation, sluggish economic activity, low foreign reserves, a depreciating currency, and significant public financial imbalances. The ongoing political uncertainty is exacerbating these issues.

Inflation in the country is on the rise, primarily due to increases in petrol and high-speed diesel (HSD) prices, continuous depreciation of the Pakistani rupee against the US dollar, high interest rates, and hikes in natural gas and electricity tariffs. Additionally, the Government's inability to enforce official commodity prices in the market is contributing to the escalation of prices.

The increased costs of fuel, electricity, and domestic gas have direct and indirect implications for inflation.



Higher transportation costs, resulting from increased fuel prices, lead to price hikes for all transported goods. Moreover, elevated electricity and gas prices impact the prices of various goods, as businesses often pass on these additional expenses to consumers if possible.

While the Standby Agreement with the International Monetary Fund (IMF) initially led to a slight appreciation of the Pakistani Rupee (PKR), driven by improved market confidence and a weaker US Dollar, economic fundamentals have since deteriorated, causing the PKR-Dollar exchange rate to revert to pre-Standby Agreement levels.

Political instability has had far-reaching effects on personal, business, and Governmental levels. To maximize political stability, clear policy announcements are needed to gain the confidence of both local and foreign investors and the business sector. Domestic businesses will bear the extraordinary burdens of high inflation and related input costs until the Government formulates clear policies to rejuvenate, uplift, and promote growth in the industrial sector.

Despite a significant gap between domestic demand and domestic supply, the demand for Polyester Filament Yarn and Polyester Staple Fiber is expected to remain sluggish in the next fiscal year due to the current economic situation.

With the Government's promised protection to foster local production, we have already initiated plans to increase our production capacities through the addition of new, state-of-the-art machines. To support expansion and capital investment, it is imperative for the Government to formulate stable, long-term economic policies aimed at protecting this industry.

Risk Management

Due to sectoral considerations, the Company is vulnerable to inherent risks. The risks that a Company is prepared to take at the strategic and operational levels, as well as its capability to manage them, are crucial in determining its potential to generate sustainable value. The goal of the Company's risk management strategy is to make sure that these risks are promptly identified and dealt with.

The overall charge for monitoring the risk management procedure rests with the Board of Directors. It ensures that choices are consistent with the Company's strategy and risk tolerance. The Board is regularly updated on the significant operational and financial risks facing the Company.

The Chief Executive Officer and senior management, who are in charge of the day-to-day risk management operations, conduct periodic reviews of all risk areas as part of the risk management process.

The Board encourages the Management to develop a strong methodology to predict the possible effects of severe events on the Company's profitability, balance sheet, capital, and liquidity. This will help to further enhance the entire risk management framework.

The Board looks after the Company's risk management process and controls, as well as reviews the Company's risk appetite and strategy with regard to key risks, such as credit risk, liquidity and funding risk, market risk, product risk, and reputational risk, as well as the standards, policies, and procedures for observing and minimizing such risks.

In compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 the Company has a Risk Management Policy. It provides several tiers of accountability and supervision inside the Company and assigns specific managers control over each major risk.

The Board is custodian of the Company's entire risk management procedure. Business units and corporate functions address risks in an institutionalized manner

that is in line with the Company's goals. Our internal audit also plays its role actively. Cross-functional engagement and communication across Company divisions are used to manage the business risk. The Senior Management extensively discusses the risk assessment findings in order to determine what preventive actions are required.

Board of Directors

The present members of the Board of Directors were elected on 27 October 2021 and since then there is no change in the Board. The present composition is in conformity with the provisions of the Listed Companies (Code of Corporate Governance) Regulations, 2019. We will comply with the recent directives issued by the Securities and Exchange Commission of Pakistan with regard to the category-wise election of independent, female and other category directors when the next elections will be held.

The Board determines the appropriate characteristics, skills and experience for the Board as a whole and its individual members with the objective of having a Board with diverse backgrounds and experience in business, Government, education and public service. Characteristics expected of all Directors include independence, integrity, high personal and professional ethics, sound business judgment, ability to participate constructively in deliberations and willingness to exercise authority in a collective manner.

The present remuneration policy of Non-Executive Directors including Independent Directors continues to be reviewed by the Board from time to time.

Remuneration of Directors:

Following are the aggregate amounts of salary / fee and other perquisites of the present Board for FY-2022-23:

Directors' Category	Number	Aggregate Amount of Salary and Fee	Other Perquisites
Executive Directors: Chief Executive Officer (Mr. Nooruddin Feerasta)	One	Nil	Chief Executive Officer is drawing no salary since his first appointment except Company car.
Independent Directors	Two	Nil	Nil
Non-Executive Directors	Five	Nil	Nil

The Board periodically reviews the remuneration policy and a well-defined remuneration policy is in place.

Auditors

M/s. RSM Avais Hyder Liaquat Nauman, Chartered Accountants, were appointed on 21 October 2022. M/s. RSM Avais Hyder Liaquat Nauman, Chartered Accountants, retire and being eligible have offered themselves for re-appointment.

The Board has received recommendations from its Audit Committee for re-appointment of M/s. RSM, Avais Hyder Liaquat Nauman, Chartered Accountants as Auditors of the Company for the year 2023-24.

Pattern of Shareholding

A statement showing the pattern of shareholding in the Company as at 30 June 2023 is annexed.

Other Disclosures

The Company's performance has been sufficiently elaborated in earlier parts of this Report of the Directors, however, the specific disclosure of some mandatory constituents are explained hereunder in terms of the provisions of Section 227 of the Companies Act, 2017, the Listed Companies (Code of Corporate Governance) Regulations, 2019 and Rule Book of Pakistan Stock Exchange Limited:

- During the financial year ended 30 June 2023, following were the directors of the Company. Total number of Directors: 08 (Seven male and one female).

Category	Names
a) Independent Directors*	Mr. Yaseen M. Sayani Mr. Shahid Hameed
b) Non-Executive Directors	Mr. Muhammad Rashid Zahir Mrs. Aymna Feerasta Mr. Shehzad Feerasta Mr. Zeeshan Feerasta Mr. Abdul Hayee
c) Executive Director	Mr. Nooruddin Feerasta

Committees of the Board Audit Committee

1.	Mr. Yaseen M. Sayani	Chairman	(Independent Director)
2.	Mr. Muhammad Rashid Zahir	Member	(Non-Executive Director)
3.	Mr. Zeeshan Feerasta	Member	(Non-Executive Director)

H.R and Remuneration Committee

1.	Mr. Shahid Hameed	Chairman	(Independent Director)
2.	Mr. Nooruddin Feerasta	Member	(Chief Executive Officer)
3.	Mr. Zeeshan Feerasta	Member	(Non-Executive Director)

- The principal activities of the Company remained consistent as manufacture and sale of synthetic

products. There were several developments during the year under review including infrastructural development and refurbishment of manufacturing lines with the aim of cost cutting. Strategic review was undertaken through monitoring of marketing trend for monthly production plans to ensure uninterrupted supply to meet the downstream demands.

- There has been no change in nature of the Company's business.
- The external auditors have issued unqualified audit report for the year ended 30 June 2023.
- Rupali Polyester Limited is not a foreign Company and has no holding or subsidiary Company.
- Pattern of shareholding as on 30 June 2023 is annexed.
- The earnings per share at the year end was Rs. (Rs.5.43)
- The factors contributed towards main achievements as well as the hindrances in growth during the financial year 2022-23 have been elaborated in this Report. Several measures were taken during the year by the Company Management under guidance of the Board of Directors to serve as economic tools to make and keep the unit profitable. The FY 2022-23 faced multiple challenges and our sales revenues could not grow as per our expectations due to unfavourable key factors. The bottom line results during the year under review have shown negative position due to unstable global and domestic economic environment.
- The Company's historical debt repayments and servicing record is excellent and its Management never allowed a situation to arise that may cause default in repayment of debt.
- The Company's internal controls are strong. The Company has implemented sound systems and controls in all spheres of operational and commercial activities with check & balance for regular monitoring. The purchase procedures and SOPs are also sound and the checks and controls are ensured at every stage. This system is functioning smoothly and successfully with no element of delay in meeting requirements as per the delivery schedules. The SOPs of various activities are regularly reviewed and bottlenecks removed for

improvements where required for smooth system functioning. During COVID period, the Company was fully adhering to the proper SOPs.

- There has occurred no material changes and commitments materially affecting the financial position of the Company between the end of the financial year of the Company i.e. 30 June 2023 and the date of the report. Taxation also includes new Super Tax imposed by the Government and is applicable on FY 2021-22 and onwards. However, the results will be under pressure in coming periods because of Pak Rupees depreciation against US Dollar.
- The Company's business suffered setback in current year resulting in net loss. The Management is striving hard for moving steadily towards revival and growth. The overall unfavorable market conditions include dumping of low-cost PSF, PFY and cloth from the regional countries.
- The Company's business operations have no adverse impact on environment. The outlets of wastewater, emissions, gases etc. are kept under the environmental protection parameters and procedures and controls.
- The Company fulfills its Corporate Social Responsibilities by way of donations to various deserving educational institutions and hospitals.
- There have been no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations.
- Compliance wherever not made has been explained as required under CCG 2019.

Related Party Transactions

In compliance with Section 208 and 209 of the Companies Act, 2017 and Related Parties Regulations, 2018 the Company executes transactions with following associated companies, related parties in the ordinary course of business:

- Rupafil Limited
- Rupali Nylon (Private Limited)
- Spintex Limited
- Soneri Bank Limited

The shareholders in its meeting held on 21 October 2022 had given approval through special resolution for transactions to be consummated with related parties during the year 2022-23. The Board of Directors has duly approved/ratified the transactions made in FY 2022-23 with above related parties.

Disclosure Requirements as per Listing Regulations/ Code of Corporate Governance Regulations

Corporate Governance:

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirement set out by the SECP. The Company has also implemented several best governance practices. The report on Corporate Governance under PSX Listing Regulations forms an integral part of the Annual Report. The requisite certificate from the auditors of the Company confirming compliance with the conditions of the Corporate Governance is attached to the Report on Corporate Governance.

Good Corporate Governance has always been the focal point of the Board of Directors of the Company. We are happy to report that your Company by the Grace of ALLAH meets the standard set in the guidelines for good corporate governance and is in compliance with the relevant Regulations. At Rupali Polyester Limited, we ensure that we evolve and follow the Corporate Governance guidelines and best practices sincerely to not just boost long-term shareholder value, but to also respect minority rights. We consider it our inherent responsibility to disclose timely and accurate information regarding our financials and performance, as well as the leadership and governance of the Company. In accordance with the vision set by the Board, the Company aspires to be the global Polyester industry benchmark for value creation and corporate citizenship.

The Company expects to realize its Vision by taking such actions as may be necessary in order to achieve its goals of value creation, safety, environment and people. The Auditors' Certificate regarding compliance of conditions of Corporate Governance are made part of the Annual Report.

During the year, the Company took several initiatives in various aspects of sustainability. At the strategic level, the Company embarked on a scenario planning exercise to envision the future, looking at economic, regulatory and stakeholder scenarios in order to develop our next vision and action plans. In order to

drive the various aspects of sustainability in a more focused way, the Company put together consolidated governance mechanisms with clear demarcation of roles between the Board, its Committees and the Management. During the year, the capital projects for environment have progressed significantly. Following specific statements are being given hereunder:

The Company has initiated steps for energy conservation and improving energy efficiency. Our environment research team in R&D has been working on projects to reduce the environmental impact of our operations while improving resource efficiency. We are happy to report that the Company has made a lot of improvement as a result of its efforts.

Human Resource Management adopts key decisions not just with respect to Human Resource but businesses as a whole. It focuses on improving the way of life, work culture, employee engagement, productivity, effectiveness and efficiency. During the year, several employee centric policies were launched to cater to the needs of the work force and also to keep the Company up to date with external realities.

Policies like adoption leave, physical and emotional well-being, and professional counseling services were launched in the interest of the employees' changing needs. The Company initiated multiple actions to keep the workforce engaged. Actions are being taken to increase professional diversity, providing greater amenities for contractor workforce, improving employee skills and enhancing employee productivity. In addition, policies are being implemented to support affirmative action through training and enabling employment.

We further state that:

- The Company has maintained its books of account as per statutory requirements.
- The Company's financial statements fully present state of affairs fairly, its results of operations, cash flows and changes in equity.
- Appropriate accounting policies and applicable International Accounting Standards and International Financial Reporting Standards were applied in preparation of financial statements, accounting estimates are based on reasonable and prudent judgment, and any departures there from have been adequately disclosed and explained.

- There is no inconsistency in these policies and no material departure from the best practices of corporate governance is allowed.
- These accounts have been prepared on going concern basis and the Management is satisfied regarding going concern status of the Company.
- The system of internal controls of the Company is significantly sound in design and has been effectively implemented and monitored.
- Plant operations remained normal throughout the year. However, the dumped imports from China and Malaysia disturbed our sales targets, which put adverse impact on our sales revenues. The reasons for increase in revenues, cost of sales and increase in finance costs have been highlighted and explained.
- There is no statutory payment because of taxes, duties, levies and charges outstanding other than those in normal business related transactions.
- Company is neither in default nor likely to default any loans, short-term borrowings or any sort of debt instruments.

Investment of Provident Fund

The value of investment in Provident Fund Trust Account inclusive of profit accrued:

As on 30 June 2023 (Unaudited)	As on 30 June 2022 (Audited)
(Rupees in '000)	
23,303	23,845

Audit Committee Meetings Held and Attendance by each Member

Total number of Audit Committee Meetings held during the year under review: 04

Attendance by each Member:

1. Mr. Yaseen M. Sayani	Chairman	04
2. Mr. Muhammad Rashid Zahir	Member	04
3. Mr. Zeeshan Feerasta	Member	04

H.R and Remuneration Committee Meetings and Attendance by each member

Total number of HR and Remuneration Committee Meetings held during the year under review: 04

Attendance by each Member:

1. Mr. Shahid Hameed	Chairman	04
2. Mr. Nooruddin Feerasta	Member	04
3. Mr. Zeeshan Feerasta	Member	04

Board Meetings held and Attendance by each Director

Total number of Board Meetings held during the year under review:	04
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Attendance by each Member:

1. Mr. Nooruddin Feerasta (Chief Executive Officer)	04
2. Mr. Muhammad Rashid Zahir (Non-Executive Director)	04
3. Mrs. Amyna Feerasta (Non-Executive Director)	04
4. Mr. Yaseen M. Sayani (Independent Director)	04
5. Mr. Shehzad Feerasta (Non-Executive Director)	04
6. Mr. Zeeshan Feerasta (Non-Executive Director)	04
7. Mr. Shahid Hameed (Independent Director)	04
8. Mr. Abdul Hayee (Non-Executive Director)	04

Corporate Social Responsibility (CSR)

Your Company attaches high priority to its social responsibilities and is committed to the highest standards of corporate behavior. The Company's CSR responsibilities are fulfilled through selective monetary contributions in the areas of health care, education, environmental protection, water and sanitation, child welfare, infrastructure development and other welfare activities subject to availability of surplus funds. Our CSR activities include contributions to hospitals and welfare programs engaged in assisting under-privileged patients, students and children of various special needs.

Code of Conduct

As a part of continuous adherence to best practices of corporate governance, Rupali Polyester Limited believes in widely disseminating its values and ethics for strict adherence by all employees, contractors, suppliers and others associated with business of the Company. Our

commitment to encouraging ethical and responsible practices is demonstrated by the fact that the Company had a comprehensive Code of Conduct in place well before the introduction of this requirement in 2002 and since then have been reviewed and updated. The Code of Conduct of the Company is reviewed periodically and we ensure compliance at all levels. Furthermore, upon joining the Company, all employees are required to read and understand the Code of Conduct for strict compliance, which demonstrates Company's best corporate governance in practice.

Succession Planning

At Rupali Polyester Limited, there is a proper succession planning and is implemented evaluating the incumbents' talent. The focus is on capability building by encouraging internal lateral moves.

Individuals highlighted for succession are developed through stretched assignments and involvement through internal /external training and on the job education.

Whistleblowing Policy

Rupali Polyester has a well-defined Whistleblowing Policy. Any cases where the Code of Conduct has been violated and to help facilitate strict adherence to it, employees have access to a whistleblowing protocol. Through this program, any employee can confidentially report suspected breach of ethics and Code of the Company by way of anonymity. Any complaints if received are thoroughly investigated to a logical end. The Board Audit Committee as well as the Board oversees this process.

Health, Safety and Environment

The Company is strongly committed towards all aspects of maintaining a safe and healthy environment for our business operations as well as affiliated organizations.

The Company fully recognizes safety as a key component of operational excellence and gives vital importance to the training of employees and contractors. We also try to enhance safety awareness and actively incorporate best practices for the industries overall operational set-up.

Our commitment to environment, health and safety is manifested in our operational activities as no major accident was reported in the year 2023.

There was no reportable occupational illness from our employees or contracted work force in FY 2022-23. Proper fumigation and treatment against viral spread is regularly carried out at plant site and offices

Labor Management Relations

Like previous years, cordial relations were maintained between the Management and the labor force. We extend our appreciation for their dedication and hard work demonstrated at every level for the progress and growth of the Company.

Internal Financial Control Systems and their Adequacy

Your Company has an Internal Control System commensurate with the size scale and complexity of its operations and well-documented procedures for various processes, which are periodically reviewed for changes warranted due to business needs. The Internal Auditor continuously monitors the efficiency of the internal controls/ compliance with the objective of providing to Audit Committee and the Board of Directors an independent objective and reasonable assurance of the adequacy and effectiveness of the Company's risk management control and governance processes. This system of internal control facilitates effective compliance of mandatory requirements under the Act and Listing Regulations.

To maintain its objectivity and independence the Internal Auditor reports to the Chairman of the Audit Committee. The Internal Auditor monitors and evaluates the efficiency and adequacy of the internal control system with reference to the Financial Statement. Based on the report of internal auditor the Management undertakes corrective actions in respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee. During the year under review, no reportable material weakness in the operation was observed. Regular audit and review processes ensure that such systems are reinforced on an ongoing basis.

Approval of Financial Statements

The financial statements for FY 2022-23 prepared as per provisions of Companies Act, 2017 were approved and authorized for their issuance by the Board of Directors on September 18, 2023.

Approval of the Directors' Report and Compliance Statement

The Board of Directors approved the Directors' Report and statement of compliance on September 18, 2023 and authorized their issuance.

A Note of Gratitude

The Directors express their appreciation for the cooperation provided by the Ministries of Finance, Revenue and Economic Affairs, Industries and Production, Communication, and Commerce and Textile. We would also like to convey our gratitude to the Federal Board of Revenue and Government of the Punjab for their cooperation. We appreciate the patronage and confidence placed in the Company by the Development Financial Institutions and commercial banks. We are thankful to our valued customers and expect growing business relationships with them. To our stakeholders, we are grateful for their faith and trust in the Company. We place on record our appreciation of the contribution made by employees at all levels. Our resilience to meet challenges was made possible by their hard work, solidarity, co-operation and support.

On behalf of the Board



Nooruddin Feerasta
Chief Executive Officer



Zeeshan Feerasta
Director

Lahore:
18 September 2023

Whistle Blowing پالیسی

روپالی پولیٹر لمیٹڈ کی ایک اچھی طرح سے طے شدہ Whistle Blowing پالیسی ہے۔ کبھی بھی صورت میں جہاں ضابطہ اخلاق کی خلاف ورزی کی گئی ہو، اور اس پر سختی سے عمل کرنے میں مدد کے لیے، ملازمین کو Whistle Blowing والے پروٹوکول تک رسائی حاصل ہوتی ہے۔ اس پروگرام کے ذریعے، کوئی بھی ملازم اپنی شناخت ظاہر نہ کرنے کے ذریعے کمپنی کے اخلاقیات اور ضابطہ اخلاق کی مشتبہ خلاف ورزی کی خفیہ طور پر اطلاع دے سکتا ہے۔ اگر کوئی شکایت موصول ہوتی ہے تو اس کی منطقی انجام تک مکمل چھان بین کی جاتی ہے۔ بورڈ آف ڈائریکٹرز کے ساتھ ساتھ بورڈ آف اس عمل کی نگرانی کرتا ہے۔

صحت، حفاظت اور ماحول

کمپنی ہماری کاروباری کاروائیوں کے ساتھ ساتھ منسلک تنظیموں کے لیے ایک محفوظ اور صحت مند ماحول کو برقرار رکھنے کے تمام پہلوؤں کے لیے پرعزم ہے۔ کمپنی حفاظت کو مکمل طور پر آپریشنل ایکسیلنس کے ایک اہم جز کے طور پر تسلیم کرتی ہے اور ملازمین اور ٹھیکیداروں کی تربیت کو اہم اہمیت دیتی ہے۔ ہم حفاظت سے متعلق آگاہی کو بڑھانے اور صنعتوں کے مجموعی آپریشنل سیٹ اپ کے لیے بہترین طریقوں کو فعال طور پر شامل کرنے کی بھی کوشش کرتے ہیں۔ ماحولیات، صحت اور حفاظت سے ہماری وابستگی ہماری آپریشنل سرگرمیوں سے ظاہر ہوتی ہے کیونکہ مالی سال 2022-23 میں کوئی بڑا حادثہ نہیں ہوا۔

مالی سال 2022-23 میں ہمارے ملازمین یا معاہدہ شدہ ورکر فورس کی طرف سے کوئی قابل اطلاع پیشہ ورانہ بیماری نہیں تھی۔ پلانٹ کی جگہ اور دفاتر میں وائرل پھیلاؤ کے خلاف مناسب فیو میگیشن اور علاج باقاعدگی سے کیا جاتا ہے۔

لیبر مینجمنٹ تعلقات

پچھلے سالوں کی طرح، انتظامیہ اور لیبر فورس کے درمیان خوشگوار تعلقات برقرار رہے۔ ہم کمپنی کی ترقی اور ترقی کے لیے ہر سطح پر ان کی لگن اور محنت کے لیے اپنی تعریف کرتے ہیں۔

داخلی مالیاتی کنٹرول کے نظام اور ان کی مناسبت

آپ کی کمپنی کے پاس ایک اندرونی کنٹرول سسٹم ہے جو اس کے آپریشنز کے سائز کے پیمانے اور پیچیدگی اور مختلف پروسیجرز کے لیے اچھی طرح سے دستاویزی طریقہ کار کے مطابق ہے، جس کا مقصد قوما کاروباری ضروریات کے پیش نظر تبدیلیوں کے لیے جاننا یا جانا ہے۔ اندرونی آڈیٹ کمیٹی اور بورڈ آف ڈائریکٹرز کو کمپنی کے رسک مینجمنٹ کنٹرول اور گورننس کے عمل کی مناسبت اور تاثیر کی ایک آزاد مقصد اور معقول یقین دہانی فراہم کرنے کے مقصد کے ساتھ اندرونی کنٹرولز / تعین کی کارکردگی کی مسلسل نگرانی کرتا ہے۔ اندرونی کنٹرول کا یہ نظام ایکٹ اور فہرست سازی کے ضوابط کے تحت لازمی تقاضوں کی موثر تعمیل میں سہولت فراہم کرتا ہے۔

اپنی معروضیت اور آزادی کو برقرار رکھنے کے لیے اندرونی آڈیٹ کمیٹی کے چیئرمین کو رپورٹ کرتا ہے۔ اندرونی آڈیٹ مالیاتی بیان کے حوالے سے اندرونی کنٹرول کے نظام کی کارکردگی اور مناسبت کی نگرانی اور جائزہ لیتا ہے۔ اندرونی آڈیٹ کمیٹی کی رپورٹ کی بنیاد پر انتظامیہ متعلقہ شعبوں میں اصلاحی اقدامات کرتی ہے اور اس طرح کنٹرول کو مضبوط کرتی ہے۔ اہم آڈٹ مشاہدات اور اس پر اصلاحی اقدامات آڈٹ کمیٹی کے سامنے پیش کیے جاتے ہیں۔ زیر جائزہ سال کے دوران، آپریشن میں کوئی قابل اطلاع مواد کی کمزوری نہیں دیکھی گئی۔ باقاعدہ آڈٹ اور نظر ثانی کے عمل اس بات کو یقینی بناتے ہیں کہ اس طرح کے نظام کو مسلسل بنیادوں پر تقویت دی جائے۔

مالیاتی گوشواروں کی منظوری

کمپنیز ایکٹ، 2017 کی دفعات کے مطابق تیار کردہ مالی سال 2022-23 کے مالیاتی گوشواروں کو 18 ستمبر 2023 کو بورڈ آف ڈائریکٹرز نے ان کے اجراء کے لیے منظوری دی تھی۔

ڈائریکٹرز کی رپورٹ اور تعمیل کے بیان کی منظوری

بورڈ آف ڈائریکٹرز نے 18 ستمبر 2023 کو ڈائریکٹرز کی رپورٹ اور تعمیل کے بیان کی منظوری دی اور انہیں جاری کرنے کی اجازت دی۔

اظہار تشکر

ڈائریکٹرز مالیات، محصولات اور اقتصادی امور، صنعت و پیداوار، مواصلات، اور کامرس اور ٹیکسٹائل کی وزارتوں کی طرف سے فراہم کردہ تعاون کی تعریف کرتے ہیں۔ ہم فیڈرل بورڈ آف ریونیو اور حکومت پنجاب کا بھی ان کے تعاون پر شکریہ ادا کرنا چاہیں گے۔ ہم ترقیاتی مالیاتی اداروں اور تجارتی بینکوں کی طرف سے کمپنی پر دی گئی سرپرستی اور اعتماد کی تعریف کرتے ہیں۔ ہم اپنے قابل قدر صارفین کے شکر گزار ہیں اور ان کے ساتھ بڑھتے ہوئے کاروباری تعلقات کی توقع کرتے ہیں۔ اپنے اسٹیک ہولڈرز کے، ہم کمپنی پر ان کے اعتماد اور اعتماد کے لیے شکر گزار ہیں۔ ہم ہر سطح پر ملازمین کے تعاون کی تعریف کرتے ہیں۔ چیلنجوں سے نمٹنے کے لیے ہماری پلک ان کی محنت، یکجہتی، تعاون اور حمایت سے ممکن ہوئی۔

منجانب بورڈ آف ڈائریکٹرز



ذیشان فیراستہ
ڈائریکٹر



نورالدین فیراستہ
چیف ایگزیکٹو آفیسر

لاہور

18 ستمبر 2023

انسانی وسائل کی کمیٹی کے اجلاس اور ہر رکن کی شرکت

زیر جائزہ سال کے دوران انسانی وسائل کی کمیٹی کے اجلاسوں کی کل تعداد: 04
ہر رکن کی شرکت:

نام رکن	کتنے اجلاس میں شرکت کی
۱۔ جناب شاہد حمید چیئر مین	04
۲۔ جناب نور الدین فیراستہ ممبر	04
۳۔ جناب ذیشان فیراستہ ممبر	04

بورڈ آف ڈائریکٹرز

زیر جائزہ سال کے دوران منعقدہ بورڈ میٹنگز کی کل تعداد: 04
ہر رکن کی شرکت:

نام رکن	کتنے اجلاس میں شرکت کی
۱۔ جناب نور الدین فیراستہ چیف ایگزیکٹو آفیسر	04
۲۔ جناب محمد رشید ظہران ایگزیکٹو ڈائریکٹر	04
۳۔ محترمہ امینہ فیراستہ نان ایگزیکٹو ڈائریکٹر	04
۴۔ جناب یاسین ایم سیانی آزاد ڈائریکٹر	04
۵۔ جناب شہزاد فیراستہ نان ایگزیکٹو ڈائریکٹر	04
۶۔ جناب ذیشان فیراستہ نان ایگزیکٹو ڈائریکٹر	04
۷۔ جناب شاہد حمید آزاد ڈائریکٹر	04
۸۔ جناب عبدالحی نان ایگزیکٹو ڈائریکٹر	04

کارپوریٹ سماجی ذمہ داری (سی ایس آر)

آپ کی کمپنی اپنی سماجی ذمہ داریوں کو اعلیٰ ترجیح دیتی ہے اور کارپوریٹ رویے کے اعلیٰ ترین معیارات پر کاربند ہے۔ کمپنی کی ایس آر ذمہ داریاں صحت کی دیکھ بھال، تعلیم، ماحولیاتی تحفظ، پانی اور صفائی، بچوں کی بہبود، بنیادی ڈھانچے کی ترقی اور اضافی فنڈز کی دستیابی سے شروع ہوتی ہیں۔ ہماری سرگرمیوں میں منتخب مالیاتی شرائطوں کے ذریعے پوری ہوتی ہیں۔ ہماری سرگرمیوں میں ہیپتالوں اور فلاجی پروگراموں میں شراکتیں شامل ہیں جو کمزور افراد، طلباء اور مختلف خصوصی ضروریات کے بچوں کی مدد میں مصروف ہیں۔

ضابطہ اخلاق

کارپوریٹ گورننس کے بہترین طریقوں کی مسلسل پابندی کے ایک حصے کے طور پر، روپالی پولیسٹر لمیٹڈ کمپنی کے کاروبار سے وابستہ تمام ملازمین، ٹھیکیداروں، سپلائرز اور دیگر افراد کے ذریعے اپنی اقدار اور اخلاقیات کو وسیع پیمانے پر پھیلانے پر یقین رکھتی ہے۔ اخلاقی اور ذمہ دارانہ طرز عمل کی حوصلہ افزائی کے لیے ہماری وابستگی اس حقیقت سے ظاہر ہوتی ہے کہ کمپنی کے پاس 2002 میں اس ضرورت کے متعارف ہونے سے پہلے ایک جامع ضابطہ اخلاق موجود تھا اور اس کے بعد سے اس کا جائزہ لیا گیا اور اسے اپ ڈیٹ کیا گیا۔ کمپنی کے ضابطہ اخلاق کا وقتاً فوقتاً جائزہ لیا جاتا ہے اور ہم ہر سطح پر تعمیل کو یقینی بناتے ہیں۔ مزید برآں، کمپنی میں شامل ہونے پر، تمام ملازمین کو سختی سے تعمیل کے لیے ضابطہ اخلاق کو پڑھنا اور سمجھنا ضروری ہے، جو عملی طور پر کمپنی کی بہترین کارپوریٹ گورننس کو ظاہر کرتا ہے۔

جانشینی کی منصوبہ بندی

روپالی پولیسٹر لمیٹڈ میں، جانشینی کی ایک مناسب منصوبہ بندی ہے اور اس پر عمل آوری کی صلاحیتوں کا اندازہ لگا کر عمل کیا جاتا ہے۔ اندرونی پس منظر کی حرکتوں کی حوصلہ افزائی کرتے ہوئے صلاحیت کی تعمیر پر توجہ مرکوز کی گئی ہے۔ جانشینی کے لیے نمایاں کیے گئے افراد کو اندرونی/بیرونی تربیت اور دوران ملازمت اور تعلیم کے ذریعے وسیع ذمہ داریاں اور شمولیت کے ذریعے تیار کیا جاتا ہے۔

جسمانی اور جذباتی بہبود، اور پیشہ ورانہ مشاورت کی خدمات جیسی پالیسیاں ملازمین کی بدلتی ہوئی ضروریات کے مفاد میں شروع کی گئیں۔ کمپنی نے افرادی قوت کو مصروف رکھنے کے لیے متعدد کارروائیاں شروع کیں۔ پیشہ ورانہ تنوع کو بڑھانے، ٹھیکیدار افرادی قوت کے لیے زیادہ سہولیات فراہم کرنے، ملازمین کی مہارتوں کو بہتر بنانے اور ملازمین کی پیداواری صلاحیت کو بڑھانے کے لیے اقدامات کیے جا رہے ہیں۔ مزید برآں، تربیت اور روزگار کے قابل بنانے کے ذریعے مثبت کارروائی کی حمایت کرنے کے لیے پالیسیاں نافذ کی جا رہی ہیں۔

ہم مزید کہتے ہیں کہ:

- کمپنی نے اپنے حساب کتاب کو قانونی تقاضوں کے مطابق برقرار رکھا ہے۔
- کمپنی کے مالی بیانات پوری طرح سے معاملات کی حالت، اس کے کاموں کے نتائج، نقد بہاؤ اور ایکویٹی میں تبدیلیوں کو پیش کرتے ہیں۔
- مناسب اکاؤنٹنگ پالیسیاں اور قابل اطلاق بین الاقوامی اکاؤنٹنگ معیارات اور بین الاقوامی مالیاتی رپورٹنگ کے معیارات کا اطلاق مالیاتی بیانات کی تیاری میں کیا گیا تھا، اکاؤنٹنگ کے تخمینے معقول اور دانشمندانہ فیصلے پر مبنی ہوتے ہیں، اور وہاں سے کسی بھی عدم عمل مناسب طور پر انکشاف اور وضاحت کی گئی ہے۔
- ان پالیسیوں میں کوئی تضاد نہیں ہے اور کارپوریٹ گورننس کے بہترین طریقوں سے کوئی بڑے عدم کی اجازت نہیں ہے۔
- یہ اکاؤنٹس Going-Concern کی بنیاد پر تیار کیے گئے ہیں اور انتظامیہ کمپنی کی Going-Concern کی حیثیت سے مطمئن ہے۔
- کمپنی کے اندرونی کنٹرول کا نظام ڈیزائن میں نمایاں طور پر درست ہے اور اسے مؤثر طریقے سے لاگو کیا گیا ہے اور اس کی نگرانی کی گئی ہے۔ پلانٹ کی کارروائیاں سال بھر معمول کے مطابق رہیں۔ تاہم، چین اور ملائیشیا سے ڈمپ شدہ درآمدات نے ہمارے سیکڑ اہداف کو متاثر کیا، جس سے ہماری سیکڑ کی آمدنی پر منفی اثر پڑا۔ محصولات میں اضافے، سامان کی فروخت کی لاگت اور مالیاتی لاگت میں اضافے کی وجوہات پر روشنی ڈالی اور وضاحت کی گئی ہے۔
- عام کاروبار سے متعلق لین دین کے علاوہ ٹیکس، ڈیوٹی، لیویز اور چارجز کی کوئی قانونی ادائیگی نہیں ہے۔
- کمپنی نہ تو ڈیفالٹ میں ہے اور نہ ہی کسی قرضے، قلیل مدتی قرضوں یا کسی بھی قسم کے قرض کے آلات کو ڈیفالٹ کرنے کا امکان ہے۔

پراویڈنٹ فنڈ کی سرمایہ کاری

پراویڈنٹ فنڈ ٹرسٹ اکاؤنٹ میں سرمایہ کاری کی قیمت بشمول جمع شدہ منافع:

30 جون 2022 (آڈٹ شدہ)	30 جون 2023 (غیر آڈٹ شدہ)
روپے ہزاروں میں	
23,845	23,303

محاسبی کمیٹی کے اجلاس اور ہر رکن کی شرکت

زیر جائزہ سال کے دوران منعقدہ محاسبی کمیٹی کے اجلاسوں کی کل تعداد: 04

ہر رکن کی شرکت:

نام رکن	کتنے اجلاس میں شرکت کی
۱۔ جناب یاسین ایم سیانی چیئرمین	04
۲۔ جناب محمد رشید ظاہر ممبر	04
۳۔ جناب ذیشان فیراستہ ممبر	04

- کمپنی کا کاروبار، بحالی اور ترقی کی طرف مسلسل بڑھ رہا ہے۔ مجموعی طور پر ناسازگار مارکیٹ کے حالات میں علاقائی ممالک سے کام لگتے ہوئے ایف۔ وائی اور پی ایس ایف کپڑے کی ڈمپنگ شامل ہے۔ ملک کے سیاسی اور معاشی حالات مثبت سمتوں میں طے ہونے تک سست روی کے اثرات کو پورا کرنے میں مزید وقت لگے گا۔
- کمپنی کے کاروباری کاموں کا ماحول پر کوئی منفی اثر نہیں پڑتا ہے۔ گندے پانی، اخراج، گیسوں وغیرہ کے اخراج کو ماحولیاتی تحفظ کے معیار، طریقہ کار اور کنٹرول کے تحت رکھا جاتا ہے۔
- کمپنی اپنی کارپوریٹ سماجی ذمہ داریاں مختلف مستحق تعلیمی اداروں اور ہسپتالوں کو عطیات کے ذریعے پوری کرتی ہے۔
- ریگولیٹریز یا عدالتوں یا ٹریڈ یونٹوں کی طرف سے کوئی اہم اور بڑے احکامات جاری نہیں کیے گئے ہیں جو کہ جاری تشویش کی حیثیت اور کمپنی کے کاموں کو متاثر کرتے ہوں۔
- جہاں کہیں بھی تعمیل نہیں کی گئی ہے اس کی وضاحت سی۔ جی۔ ۲۰۱۹ کے تحت ضرورت کے مطابق کی گئی ہے۔

متعلقہ پارٹیوں سے لین دین

کمپنی ایکٹ، 2017 اور متعلقہ پارٹیز ریگولیشنز، 2018 کے سیکشن 208 اور 209 کی تعمیل میں کمپنی اپنے عام کاروبار میں درج ذیل متعلقہ کمپنیوں، متعلقہ فریقوں کے ساتھ لین دین کرتی ہے:

- روپال لمیٹڈ
 - روپالی ٹائیٹون (پرائیویٹ) لمیٹڈ
 - سپنٹیکس لمیٹڈ
 - سویری بینک لمیٹڈ
- 21 اکتوبر 2022 کو ہونے والی اپنی میٹنگ میں شیئرز ہولڈرز نے سال 2022-23 کے دوران متعلقہ فریقوں کے ساتھ لین دین کے لیے خصوصی قرارداد کے ذریعے منظور دی تھی۔ بورڈ آف ڈائریکٹرز نے مذکورہ بالا متعلقہ فریقوں کے ساتھ مالی سال 2022-23 میں کیے گئے لین دین کی باضابطہ منظوری/توثیق کی ہے۔

سٹنگ کے ضابطوں / کارپوریٹ گورننس کے ضابطوں کے مطابق انکشاف کے تقاضے کارپوریٹ گورننس:

کمپنی کارپوریٹ گورننس کے اعلیٰ ترین معیارات کو برقرار رکھنے اور ایس ای پی کی طرف سے مقرر کردہ کارپوریٹ گورننس کی ضروریات پر عمل کرنے کے لیے عزم ہے۔ کمپنی نے حکمرانی کے کئی بہترین طریقوں کو بھی نافذ کیا ہے۔ پی ایس ایف سٹنگ ریگولیشنز کے تحت کارپوریٹ گورننس پر رپورٹ، سالانہ رپورٹ کا ایک لازمی حصہ ہے۔ کارپوریٹ گورننس کی شرائط کی تعمیل کی تصدیق کرنے والے کمپنی کے آڈیٹرز کی طرف سے مطلوبہ سرٹیفکیٹ کارپوریٹ گورننس کی رپورٹ کے ساتھ منسلک ہے۔

اچھی کارپوریٹ گورننس ہمیشہ کمپنی کے بورڈ آف ڈائریکٹرز کا مرکزی نقطہ رہا ہے۔ ہمیں یہ بتانا ہے کہ خوشی ہو رہی ہے کہ اللہ کے فضل سے آپ کی کمپنی اچھی کارپوریٹ گورننس کے رہنما اصولوں کے طے شدہ معیار پر پورا اترتی ہے اور متعلقہ قواعد و ضوابط کے مطابق ہے۔ روپالی پولیسٹر لمیٹڈ میں ہم اس بات کو یقینی بناتے ہیں کہ ہم کارپوریٹ گورننس کے رہنما اصولوں اور بہترین طریقوں پر خلوص نیت سے عمل کریں تاکہ نہ صرف طویل مدتی حصص یافتگان کی قدر میں اضافہ ہو، بلکہ اقلیتی حقوق کا بھی احترام کیا جائے۔ ہم اپنے مایات اور کارکردگی کے ساتھ ساتھ کمپنی کی قیادت اور حکمرانی کے بارے میں بروقت اور درست معلومات کی اشاعت کرنا اپنی اہم ذمہ داری سمجھتے ہیں۔ بورڈ کے طے کردہ وٹن کے مطابق، کمپنی قدر پیدا کرنے اور کارپوریٹ شہریت کے لیے عالمی پالی ایسٹرانڈسٹری کا بیج مارک بننے کی خواہش رکھتی ہے۔

کمپنی توقع رکھتی ہے کہ قدر کی تخلیق، حفاظت، ماحولیات اور لوگوں کے اپنے اہداف کو حاصل کرنے کے لیے ضروری اقدامات کر کے اپنے وٹن کو پورا کرے گی۔ کارپوریٹ گورننس کی شرائط کی تعمیل سے متعلق آڈیٹرز کے سرٹیفکیٹ کو سالانہ رپورٹ کا حصہ بنایا گیا ہے۔

سال کے دوران، کمپنی نے پائیداری کے مختلف پہلوؤں میں کئی اقدامات کئے۔ تزویراتی سطح پر، کمپنی نے مستقبل کا تصور کرنے کے لیے ایک منظر نامے کی منصوبہ بندی کی مشق کا آغاز کیا، جس میں معاشی، ریگولیٹری اور اسٹیک ہولڈرز کے منظر ناموں کو دیکھتے ہوئے ہمارے اگلے وٹن اور ایکشن پلان کو تیار کیا گیا۔ پائیداری کے مختلف پہلوؤں پر کو زیادہ توجہ مرکوز کرنے کے لیے، کمپنی نے بورڈ، اس کی کمیٹیوں اور انتظامیہ کے درمیان کرداروں کی واضح حد بندی کے ساتھ گورننس نظام کو یکجا کیا ہے۔ سال کے دوران ماحولیات کے لیے سرمایہ کاری کے منصوبوں میں نمایاں پیش رفت ہوئی ہے۔ مندرجہ ذیل مخصوص بیانات یہاں دیئے جا رہے ہیں۔

کمپنی نے توانائی کے تحفظ کے اقدامات شروع کیے ہیں اور توانائی کی کارکردگی کو بہتر بنانے کے لیے اقدامات جاری رکھے ہوئے ہیں۔ R&D میں ہماری ماحولیاتی تحقیقی ٹیم وسائل کی کارکردگی کو بہتر بناتے ہوئے ہمارے کاموں کے ماحولیاتی اثرات کو کم کرنے کے منصوبوں پر کام کر رہی ہے۔ ہمیں یہ بتانا ہے کہ خوشی ہو رہی ہے کہ کمپنی نے اپنی کوششوں کے نتیجے میں کافی بہتری حاصل کی ہے۔

ہیومن ریسورس منجمنٹ کلیدی فیصلوں کو نہ صرف انسانی وسائل کے حوالے سے بلکہ مجموعی طور پر کاروبار کو اپناتا ہے۔ ریٹرز زندگی، کام کی ثقافت، ملازمین کی مصروفیت، پیداوری، تاثیر اور کارکردگی کو بہتر بنانے پر مرکوز ہے۔ سال کے دوران، افرادی قوت کی ضروریات کو پورا کرنے اور کمپنی کو بیرونی حقائق کے ساتھ تازہ ترین رکھنے کے لیے متعدد ملازم مرکوز پالیسیاں شروع کی گئیں۔

بورڈ کی کمیٹیاں محاسبی کمیٹی

عہدہ رکن	نام رکن
(آزاد ڈائریکٹر)	۱۔ جناب یاسین ایم سیانی چیئر مین
(نان ایگزیکٹو ڈائریکٹر)	۲۔ جناب محمد رشید ظاہر ممبر
(نان ایگزیکٹو ڈائریکٹر)	۳۔ جناب ذیشان فیراستہ ممبر

انسانی وسائل کمیٹی

عہدہ رکن	نام رکن
(آزاد ڈائریکٹر)	۱۔ جناب شاہد حمید چیئر مین
(چیف ایگزیکٹو آفیسر)	۲۔ جناب نور الدین فیراستہ ممبر
(نان ایگزیکٹو ڈائریکٹر)	۳۔ جناب ذیشان فیراستہ ممبر

- کمپنی کی بنیادی سرگرمیاں مصنوعات کی تیاری اور فروخت کے طور پر مستقل رہیں۔ زیر جائزہ سال کے دوران متعدد پیشرفت ہوئی جن میں بنیادی ڈھانچے کی ترقی اور لاگت میں کمی کے مقصد کے ساتھ مینوفیکچرنگ لائنوں کی تجدید کاری شامل ہے۔ ماہانہ پیداواری منصوبوں کے لیے مارکیٹنگ کے رجحان کی نگرانی کے ذریعے اسٹریٹجک جائزہ لیا گیا تاکہ بہاؤ کی طلب کو پورا کرنے کے لیے بلا تعطل فراہمی کو یقینی بنایا جاسکے۔
- کمپنی کے کاروبار کی نوعیت میں کوئی تبدیلی نہیں آئی ہے۔
- بیرونی آڈیٹرز نے 30 جون 2023 کو ختم ہونے والے سال کے لیے صاف (Unqualified) آڈٹ رپورٹ جاری کی ہے۔
- روپالی پولیسٹر لیٹنگ کوئی غیر ملکی کمپنی نہیں ہے اور اس کی کوئی ہولڈنگ یا ذیلی کمپنی نہیں ہے۔
- 30 جون 2023 تک شیئر ہولڈنگ کی تفصیل منسلک ہے۔
- سال کے آخر میں فی شیئر آمدنی (5.43) روپے تھی۔
- مالی سال ۲۰۲۲-۲۳ کے دوران اہم کامیابیوں کے ساتھ ساتھ ترقی کی راہ میں حائل رکاوٹوں کو اس رپورٹ میں تفصیل سے بیان کیا گیا ہے۔ سال کے دوران کمپنی ہینجمنٹ کی جانب سے بورڈ آف ڈائریکٹرز کی رہنمائی میں کئی اقدامات کیے گئے تاکہ یونٹ کو منافع بخش بنانے اور اسے برقرار رکھنے کے لیے معاشی آلات کے طور پر کام کیا جاسکے۔ مالی سال ۲۰۲۲-۲۳ میں متعدد چیلنجوں کا سامنا کرنا پڑا اور ناموافق کلیدی عوامل کی وجہ سے ہماری فروخت کی آمدنی ہماری توقعات کے مطابق نہیں بڑھ سکی۔ غیر مستحکم عالمی اور گھریلو اقتصادی ماحول کی وجہ سے زیر جائزہ سال کے دوران نچلے درجے کے نتائج نے منفی پوزیشن ظاہر کی ہے۔
- کمپنی کا تاریخی قرض کی ادائیگی اور سروسنگ ریکارڈ بہترین ہے اور اس کی انتظامیہ نے کبھی بھی ایسی صورت حال پیدا نہیں ہونے دی جو قرض کی ادائیگی میں ڈیفالٹ کا باعث بنے۔
- کمپنی کے اندرونی کنٹرول مضبوط ہیں۔ کمپنی نے باقاعدہ نگرانی کے لیے چیک اینڈ بیلنس کے ساتھ آپریشنل اور تجارتی سرگرمیوں کے تمام شعبوں میں مضبوط سسٹم اور کنٹرول نافذ کیے ہیں۔ خریداری کے طریقہ کار اور ایس او بیز بھی درست ہیں اور ہر مرحلے پر چیک اینڈ کنٹرول کو یقینی بنایا گیا ہے۔ یہ نظام آسانی سے اور کامیابی کے ساتھ کام کر رہا ہے جس میں ترسیل کے نظام الاوقات کے مطابق تقاضوں کو پورا کرنے میں تاخیر کا کوئی عنصر نہیں ہے۔ مختلف سرگرمیوں کے ایس او بیز کا باقاعدگی سے جائزہ لیا جاتا ہے اور جہاں ہموار نظام کے کام کرنے کی ضرورت ہوتی ہے وہاں بہتری کے لیے رکاوٹوں کو دور کیا جاتا ہے۔
- کمپنی کے مالی سال کے اختتام یعنی 30 جون 2023 اور رپورٹ کی تاریخ کے درمیان کمپنی کی مالی حالت کو مادی طور پر متاثر کرنے والی کوئی تبدیلیاں اور وعدے نہیں ہوئے ہیں۔ ٹیکس میں حکومت کی طرف سے عائد کردہ نیا سپر ٹیکس بھی شامل ہے اور اس کا اطلاق مالی سال 2021-22 سے ہوتا ہے۔ تاہم، امریکی ڈالر کے مقابلے میں پاکستانی روپے کی قدر میں کمی اور دیگر عوامل کی وجہ سے آنے والے ادوار میں نتائج دباؤ میں ہوں گے۔
- کمپنی کے کاروبار کو موجودہ سال میں دھچکا لگا جس کے نتیجے میں خالص نقصان ہوا۔ انتظامیہ بحالی اور ترقی کی طرف مستقل طور پر آگے بڑھنے کے لئے سخت کوشش کر رہی ہے۔ مجموعی طور پر ناسازگار مارکیٹ کے حالات میں علاقائی ممالک سے کم لاگت اور ملکی کوالٹی کے پنی ایس ایف، پی ایف وائی اور پکڑے کی ڈیمپنگ شامل ہے۔

ڈائریکٹرز کا معاوضہ:

سال 2022-23 کے دوران موجودہ بورڈ کی تنخواہ یاد گیر مراعات کی تفصیل درج ذیل ہے۔

ڈائریکٹرز کی نگری	تعداد	تنخواہ اور فیس کی مجموعی رقم	دیگر مراعات
ایگزیکٹو ڈائریکٹرز: چیف ایگزیکٹو آفیسر (جناب نور الدین فیراستہ)	ایک	کوئی نہیں	چیف ایگزیکٹو آفیسر اپنی پہلی تقرری کے بعد سے کوئی کار کے علاوہ کوئی تنخواہ نہیں لے رہے۔
آزاد ڈائریکٹران	دو	کوئی نہیں	
غیر ایگزیکٹو ڈائریکٹران	پانچ	کوئی نہیں	

بورڈ وقتاً فوقتاً معاوضے کی پالیسی کا جائزہ لیتا ہے اور ایک اچھی طرح سے طے شدہ معاوضے کی پالیسی موجود ہے۔

محاسب

میسرز آرائس ایم او ایس حیدرلیاقت نعمان، چارٹرڈ اکاؤنٹنٹس کو 21 اکتوبر 2022 کو تعینات کیا گیا۔ میسرز آرائس ایم او ایس حیدرلیاقت نعمان، چارٹرڈ اکاؤنٹنٹس ریٹائر ہو رہے ہیں اور اہل ہونے کی وجہ سے خود کو دوبارہ تقرری کے لیے پیش کرتے ہیں۔

بورڈ کو میسرز آرائس ایم او ایس حیدرلیاقت نعمان، کو کمپنی کے بطور محاسب کی دوبارہ تقرری برائے سال 2023-24 اپنی آڈٹ کمیٹی سے سفارشات موصول ہوئی ہیں۔

شیئر ہولڈنگ کا نمونہ

30 جون 2023 کو کمپنی میں شیئر ہولڈنگ کی تفصیل منسلک ہے۔

دیگر اہتمام

ڈائریکٹرز کی اس رپورٹ کے ابتدائی حصوں میں کمپنی کی کارکردگی کو کافی تفصیل سے بیان کیا گیا ہے، تاہم، کمپنیز ایکٹ، 2017 کے سیکشن 227، لسٹڈ کمپنیز (کارپوریٹ گورننس) ریگولیشنز، 2019 اور پاکستان اسٹاک ایکسچینج لمیٹڈ کی رول بک کی شرائط کے تحت کچھ لازمی اجزاء کے مخصوص انکشافات کی وضاحت کی گئی ہے۔

30 جون 2023 کو ختم ہونے والے مالی سال کے دوران، کمپنی کے ڈائریکٹرز درج ذیل تھے۔ ڈائریکٹرز کی کل تعداد: 08 (سات مرد اور ایک خاتون)۔

کینگری	اسماء
ا۔ آزاد ڈائریکٹرز	جناب یاسین ایم سیانی جناب شاہد حمید
ب۔ نان ایگزیکٹو ڈائریکٹرز	جناب محمد رشید طاہر محترمہ امینہ فیراستہ جناب شہزاد فیراستہ جناب ذیشان فیراستہ جناب عبدالحی
ج۔ ایگزیکٹو ڈائریکٹرز	جناب نور الدین فیراستہ

ایڈھن، بجلی اور گھریلو گیس کے بڑھتے ہوئے اخراجات مہنگائی پر براہ راست اور بالواسطہ اثرات مرتب کرتے ہیں۔ ایڈھن کی بڑھتی ہوئی قیمتوں کے نتیجے میں نقل و حمل کے زیادہ اخراجات، تمام نقل و حمل کے سامان کی قیمتوں میں اضافے کا باعث بنتے ہیں۔ مزید برآں، بجلی اور گیس کی بلند قیمتیں مختلف ایشیا کی قیمتوں پر اثر انداز ہوتی ہیں، کیونکہ اگر ممکن ہو تو کاروبار اکثر ان ایشیائی اخراجات کو صارفین کو منتقل کر دیتے ہیں۔

اگرچہ بین الاقوامی مالیاتی فنڈ (آئی ایم ایف) کے ساتھ اسٹیڈ بانی معاہدے نے ابتدائی طور پر پاکستانی روپے کی قدر میں قدرے اضافہ کیا جو کہ مارکیٹ کے بہتر اعتماد اور کمزور امریکی ڈالر کی وجہ سے کا فرما ہے اس کے بعد سے اقتصادی حالات میں ابتری ہے۔ جس سے ڈالر کی شرح مبادلہ میں اضافہ ہوا اور اسٹیڈ بانی معاہدے سے قفل کی سطح پر واپس جا رہا ہے۔

سیاسی عدم استحکام نے ذاتی، کاروباری اور حکومتی سطحوں پر دور رس اثرات مرتب کیے ہیں۔ زیادہ سے زیادہ سیاسی استحکام کے لیے مقامی اور غیر ملکی سرمایہ کاروں اور کاروباری شعبے کا اعتماد حاصل کرنے کے لیے واضح پالیسی کے اعلانات کی ضرورت ہے۔ جب تک حکومت صنعتی شعبے میں نئے سرے سے، ترقی کرنے اور ترقی کو فروغ دینے کے لیے واضح پالیسیاں تشکیل نہیں دی جاتیں، ملکی کاروبار بلند افراط زر اور متعلقہ لاگت کا غیر معمولی بوجھ برداشت کریں گے۔

ملکی طلب اور رسد کے درمیان نمایاں فرق کے باوجود، موجودہ معاشی صورتحال کی وجہ سے اگلے مالی سال میں پولیسٹر فلامنٹ یارن اور پولیسٹر سٹیپل فائبر کی طلب میں سست روی رہنے کی توقع ہے۔ مقامی پیداوار کو فروغ دینے کے لیے حکومت کے وعدے کے تحفظ کی بنا پر ہم نے پہلے ہی نئی جدید ترین مشینوں کے اضافے کے ذریعے اپنی پیداواری صلاحیتوں کو بڑھانے کے منصوبے شروع کیے ہیں۔ مزید توسیع اور سرمایہ کاری کرنے کے لیے حکومت کے لیے ضروری ہے کہ وہ منگم، طویل مدتی اقتصادی پالیسیاں بنائے جن کا مقصد اس صنعت کو تحفظ فراہم کرنا ہے۔ پی ایف وائی انڈسٹری کو درآمدی متبادل کے ایک بڑے وسائل کے طور پر تیار کیا جانا چاہیے، جس سے ڈپٹنگ کے ذریعے پی ایف وائی کی درآمدات پر ملک کے اہم غیر ملکی زرمبادلہ کے اخراجات کو کم کیا جائے۔

رسک مینجمنٹ

شعبہ جاتی تحفظات کی وجہ سے، کمپنی موروثی خطرات کا شکار ہے۔ وہ خطرات جو کمپنی سٹریٹجک اور آپریشنل سطحوں پر لینے کے لیے تیار ہے، نیز ان کا انتظام کرنے کی اس کی صلاحیت، پائیدار قدر پیدا کرنے کی اس کی صلاحیت کا تعین کرنے کے لیے اہم ہیں۔ کمپنی کی رسک مینجمنٹ حکمت عملی کا مقصد یہ یقینی بنانا ہے کہ ان خطرات کی فوری شناخت اور ان سے نمٹنا جائے۔ رسک مینجمنٹ کے طریقہ کار کی نگرانی کا مجموعی چارج بورڈ آف ڈائریکٹرز کے پاس ہے۔ یہ یقینی بناتا ہے کہ انتخاب کمپنی کی حکمت عملی اور خطرے کی رواداری کے مطابق ہوں۔ بورڈ کو کمپنی کو درپیش اہم آپریشنل اور مالیاتی خطرات کے بارے میں باقاعدگی سے اپ ڈیٹ کیا جاتا ہے۔

چیف ایگزیکٹو آفیسر اور سینئر مینجمنٹ، جو روزمرہ کے رسک مینجمنٹ آپریشنز کے انچارج ہوتے ہیں، رسک مینجمنٹ کے عمل کے حصے کے طور پر تمام خطرے والے علاقوں کا وقتاً فوقتاً جائزہ لیتے ہیں۔ بورڈ انتظامیہ کی حوصلہ افزائی کرتا ہے کہ وہ کمپنی کے منافع، بیلنس شیٹ، سرمائے اور لیکویڈیٹی پر شدید واقعات کے ممکنہ اثرات کی پیش گوئی کرنے کے لیے ایک مضبوط طریقہ کار تیار کرے۔ اس سے رسک مینجمنٹ کے پورے فریم ورک کو مزید بڑھانے میں مدد ملے گی۔

بورڈ کمپنی کے رسک مینجمنٹ کے عمل اور کنٹرولز کی دیکھ بھال کرتا ہے، نیز اہم خطرات، جیسے کہ ریٹ رسک، لیکویڈیٹی اور فنڈنگ رسک، مارکیٹ رسک، پروڈکٹ رسک، اور ساکھ کے خطرے کے حوالے سے کمپنی کی رسک ایپسٹیٹ اور حکمت عملی کا جائزہ لیتا ہے۔ اس طرح کے خطرات کا مشاہدہ کرنے اور ان کو کم کرنے کے معیارات، پالیسیوں اور طریقہ کار کے طور پر۔

لسٹڈ کمپنیز (کوڈ آف کارپوریشن گورننس) کے ضوابط ۲۰۱۹ کی تعمیل میں، کمپنی کے پاس رسک مینجمنٹ پالیسی ہے۔ یہ کمپنی کے اندر جو ابھی اور نگرانی کے کئی درجات فراہم کرتا ہے اور ہر بڑے خطرے پر مخصوص مینیجرز کو کنٹرول تفویض کرتا ہے۔

بورڈ تنظیم کے رسک مینجمنٹ کے پورے طریقہ کار کا نگران ہے۔ کاروباری اکائیاں اور کارپوریشن فنکشنز خطرات کو ادارہ جاتی انداز میں حل کرتے ہیں جو کمپنی کے اہداف کے مطابق ہو۔ ہمارا اندرونی آڈٹ بھی فعال طور پر اپنا کردار ادا کرتا ہے۔ کاروباری رسک کو منظم کرنے کے لیے کمپنی کے ڈویژنوں میں اس فنکشنل مشغولیت اور موصلات کا استعمال کیا جاتا ہے۔ سینئر مینجمنٹ بڑے پیمانے پر خطرے کی تشخیص کے نتائج پر بحث کرتی ہے تاکہ یہ تعین کیا جاسکے کہ کن حفاظتی اقدامات کی ضرورت ہے۔

بورڈ آف ڈائریکٹرز

بورڈ آف ڈائریکٹرز کے موجودہ ممبران کا انتخاب ۲۰۲۱ اکتوبر ۲۰۲۱ کو ہوا تھا اور اس کے بعد سے بورڈ میں کوئی تبدیلی نہیں ہوئی ہے۔ موجودہ کمپوزیشن لسٹڈ کمپنیز (کوڈ آف کارپوریشن گورننس) ریگولیشنز ۲۰۱۹ کی دفعات کے مطابق ہے۔ ہم سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی طرف سے آزاد، خواتین کے زمرہ، اور دیگر زمرے کے ڈائریکٹرز جب اگلے انتخابات ہوں گے۔ انتخابات کے حوالے سے جاری کردہ حالیہ ہدایات کی تعمیل کریں گے۔ بورڈ مجموعی طور پر بورڈ اور اس کے انفرادی اراکین کے لیے مناسب خصوصیات، مہارتوں اور تجربے کا تعین کرتا ہے جس کا مقصد مختلف پس منظر اور کاروبار، حکومت، تعلیم اور عوامی خدمات میں تجربہ رکھنے والا بورڈ ہونا ہے۔ تمام ڈائریکٹرز سے جن خصوصیات کی توقع کی جاتی ہے ان میں آزادی، دیانتداری، اعلیٰ ذاتی اور پیشہ ورانہ اخلاقیات، درست کاروباری فیصلہ، غور و فکر میں تعمیری طور پر حصہ لینے کی صلاحیت اور اجتماعی طور پر اختیار استعمال کرنے کی خواہش شامل ہیں۔ نان ایگزیکٹو ڈائریکٹرز بشمول آزاد ڈائریکٹرز کی موجودہ معاوضے کی پالیسی کا بورڈ وقتاً فوقتاً جائزہ لیتا رہتا ہے۔

نئے متعارف کرائے گئے ٹیکس کے خلاف ٹیکس دہندگان نے قانونی چارہ جوئی کی، اور اس وقت ملک کی عدالت ہائے اعلیٰ اور عدالت عظمیٰ دونوں میں مقدمات زیر سماعت ہیں۔ جاری قانونی چارہ جوئی اور ٹیکس دہندگان کی طرف سے انصاف اور مساوات کے حوالے سے اٹھائے گئے خدشات کے جواب میں، وفاقی حکومت نے فنانس ایکٹ ۲۰۲۳ کے ذریعے، گریجویٹ ٹیکس کی شرحوں کو ہم آہنگ کرنے اور عدالت میں اٹھائے گئے مسائل کو حل کرنے کے لیے نظر ثانی کی۔ فنانس ایکٹ ۲۰۲۳ میں متعارف کرائی گئی ان تبدیلیوں کو چیلنج نہیں کیا گیا ہے، اور ایسا لگتا ہے کہ ٹیکس دہندگان بشمول ایکسپورٹ اور اینڈ سیکٹرز پر ٹیکس سال ۲۰۲۳ سے سیر ٹیکس لاگو ہے۔

مزید برآں، ۲۰۲۲ فنانس ایکٹ کے ذریعے، پبلک سٹوڈیو کمپنیوں کو سب ٹیکس ایکٹ، ۱۹۹۰ کے سیکشن ۸ کے تحت پوری رقم کو ایڈجسٹ کرنے سے منع کیا گیا تھا۔ اکٹم ٹیکس آرڈیننس کے سیکشن ۱۱۳ کے تحت کم از کم ٹیکس کے لیے کیری فارورڈ مدت ۵ سال سے کم کر کے ۳ سال کر دیا گیا۔ ۲۰۲۳ کے فنانس ایکٹ میں، بٹس شیئرز سے ہونے والی آمدنی کو دوسرے ذرائع سے حاصل ہونے والی آمدنی بنا دیا گیا تھا، جس سے شیئرز ہولڈرز کو اس طرح کی آمدنی پر ۱۵ فیصد حتمی ٹیکس عائد کیا گیا تھا۔ اکٹم ٹیکس وڈ ہولڈنگ کی شرح میں ۱۵ فیصد اضافہ کیا گیا جس کے نتیجے میں ایڈوانس ٹیکس کی زائد آمد انگیماں ہوئیں اور فیڈرل بورڈ آف ریونیو (ایف بی آر) کی جانب سے ریونیوز میں تاخیر ہوئی۔ گزشتہ دو سالوں میں نافذ کیے گئے ان حکومتی اقدامات کے برآمدی صنعت پر منفی اثرات مرتب ہوئے ہیں، جو کہ معیشت کا ایک اہم ستون ہے۔

سرٹیفیکیشن OEKO-TEX

درآمد شدہ خام مال، جدید ترین پیداواری آلات اور پیشہ ورانہ اور تکنیکی صلاحیتوں سمیت ہر مندرجہ ذیل افراد کی قوت کا استعمال اعلیٰ معیار کی مصنوعات تیار کرنے کی ہماری صلاحیت میں اہم کردار ادا کرتا ہے۔ ہماری مصنوعات نے کی طرف سے مقرر کیے گئے سخت انسانی ماحولیاتی معیارات کو کامیابی کے ساتھ پورا کیا ہے اور ہمیں یہ اعلان کرتے ہوئے فخر محسوس ہوتا ہے کہ ہمیں مصنوعات کے اعلیٰ معیار اور حفاظت سے متعلق ہماری وابستگی کا اعتراف کرتے ہوئے ہمیں OEKO-TEX® STANDARD 100 تجویز شدہ سرٹیفیکیشن موصول ہوئے ہیں۔

خام مال کی قیمتیں

مالی سال ۲۰۲۲-۲۳ کے دوران PTA (Purified Terephthalic Acid) اور MEG (Monoethylene Glycol) کی قیمتوں میں اتار چڑھاؤ کلچان رہا۔ جولائی ۲۰۲۲ میں، پی ٹی اے کی قیمت ۱۰۰۰ امریکی ڈالر فی میٹرک ٹن تھی جبکہ جون ۲۰۲۳ تک، یہ کم ہو کر ۸۵۰ امریکی ڈالر فی میٹرک ٹن ہو گئی۔ جولائی ۲۰۲۲ میں ایم ای جی کی قیمت ۶۶۰ امریکی ڈالر فی میٹرک ٹن تھی، اور یہ جون ۲۰۲۳ تک گھٹ کر ۵۶۰ امریکی ڈالر فی میٹرک ٹن رہ گئی تھی۔ مالی سال ۲۰۲۲-۲۳ کے دوران پی ٹی اے اور ایم ای جی کی فی میٹرک ٹن اوسط قیمتیں بالترتیب US\$899 اور US\$1550 امریکی ڈالر تھیں۔ جبکہ مالی سال ۲۰۲۱-۲۲ کے دوران اوسط قیمتیں بالترتیب ۸۷۵ امریکی ڈالر اور ۱۷۰۵ امریکی ڈالر رہیں۔

پی ٹی اے اور ایم ای جی کی قیمتوں میں کمی سے پیدا ہونے والے کسی بھی متوقع فوائد کو غیر ملکی کرنسی کی تبدیلی کی شرحوں میں بے تحاشہ اضافے سے منسوخ کر دیا گیا اس کے باوجود LCS کھولنے کے وقت سے لے کر پلانٹ کے احاطے میں مال کی آمد تک کافی اتار چڑھاؤ کا سامنا کرنا پڑا جس کے نتیجے میں کمپنی کے لیے زرمبادلہ کے نقصانات ہوئے۔ خام مال اور فاضل پر زہ جات کے چڑھاؤ کا سامنا کرنا پڑا۔ یہ اتار چڑھاؤ شرح مبادلہ میں غیر متوقع اتار چڑھاؤ کی وجہ سے ہوا، جو سال بھر غیر معمولی طور پر بلند رہا۔ نتیجتاً، کم زرمبادلہ کی شرحوں پر درآمدات کے لیے ایل سیز زیادہ شرحوں پر طے پانگے، جس سے کمپنی کے لیے کافی زرمبادلہ کے نقصانات ہوئے۔

سیلز ریونیو اور منافع

مالی سال ۲۰۲۲-۲۳ میں، کمپنی کے فروخت آمدن میں ۳۳ فیصد کا اضافہ ہوا یعنی ۲۹۸ ملین روپے جو ۱۱۲۳ ملین روپے سے بڑھ کر ۱۱۵۳ ملین روپے ہو گئی یہ ترقی بنیادی طور پر فروخت کی قیمتوں میں سزاگارا اتار چڑھاؤ اور موثر مارکیٹنگ مہمات سے منسوب تھی۔ تاہم، مارکیٹ میں دستیاب کم معیار کے ڈمپڈ پولی ایسٹر فلیمینٹ یارن کی وجہ سے کمپنی کو چیلنجوں کا سامنا کرنا پڑا جس کی وجہ سے ڈی ڈی میں کمی اور عدم وصولی تھی مزید برآں مسلسل بڑھتے ہوئے افراط زر نے صارفین کی قوت خرید کو ختم کر دیا جس سے ہماری فروخت کے حجم پر منفی اثر پڑا۔

مالی سال ۲۰۲۱-۲۲ میں خام منافع میں نمایاں کمی ہوئی جو ۱۹۳.۳۳ ملین روپے سے ۱۹۵.۵۲ ملین روپے گری گئی۔ مزید برآں مالیاتی اخراجات میں خاطر خواہ اضافہ جو ۳۱.۲۱ ملین روپے سے بڑھ کر اس سال ۳۴۰.۹۲ ملین ہو گیا جو منافع کی کمی کی بڑی وجہ ہے۔ یہ اضافہ بنیادی طور پر پچھلے مالی سال کے مقابلے میں زیادہ مارک اپ کی شرحوں اور بینکوں کے قرضوں پر زیادہ انحصار کو قرار دیا جا سکتا ہے۔

نتیجتاً کمپنی نے اس سال ٹیکس سے پہلے ۱۶۸.۹۵ ملین روپے کا نقصان اٹھایا جو کہ ۲۰۲۱-۲۲ میں قبل از ٹیکس منافع ۸۶۵.۵۲ ملین روپے تھا۔ کمپنی نے بعد از ٹیکس ۱۸۳.۸۳ ملین روپے نقصان ریکارڈ کیا۔ جبکہ مالی سال ۲۰۲۱-۲۲ میں بعد از ٹیکس ۸۶۱.۰۹ ملین روپے کا منافع کمایا تھا۔

مستقبل کا جائزہ

اس وقت، پاکستان کی معیشت شدید معاشی بحران سے دوچار ہے، جس میں کئی چیلنجز ہیں جن میں بڑھا ہوا افراط زر، سست اقتصادی سرگرمی، کم غیر ملکی ذخائر، روپے کی قدر میں کمی، اور اہم عوامی مالیاتی عدم توازن شامل ہیں۔ جاری سیاسی غیر یقینی صورتحال ان مسائل کو مزید بڑھا رہی ہے۔

ملک میں ہو گئی بڑھ رہی ہے، جس کی بنیادی وجہ پیٹرول اور ہائی اسپیڈ ڈیزل کی قیمتوں میں اضافہ، امریکی ڈالر کے مقابلے میں پاکستانی روپے کی مسلسل گراوٹ، بلند شرح سود، اور قدرتی گیس اور بجلی کے نرخوں میں اضافہ ہے۔ مزید برآں، مارکیٹ میں ایشیا کی سرکاری قیمتوں کو نافذ کرنے میں حکومت کی نااہلی قیمتوں میں اضافے کا باعث بن رہی ہے۔

پی ایف وائی پر اینٹی ڈپنگ ڈیوٹی کی روک تھام۔ حکومتی محصول جمع کرنے اور مقامی پی ایف وائی کی صنعت کو ڈپنگ سے بچانے میں ناکامی درآمد کنندگان اور تاجروں نے تشریح کی سالوں میں اربوں پاکستانی روپے کی اینٹی ڈپنگ ڈیوٹی کی ادائیگی سے کھلم کھلا چشم پوشی کی ہے جس کی وجہ سے حکومت کو محصولات میں نقصان ہوا ہے، اور مقامی پولیٹر فلیمنٹ یارن کیلبر کو خاصا نقصان پہنچا ہے۔

پی ایف وائی کے درآمد کنندگان نے پی ایف وائی پر ایے ڈی ڈی سے متعلق تمام متعلقہ حقائق کا مکمل انکشاف فراہم کیے بغیر مختلف عدالتوں سے حکم امتناعی حاصل کرنے کا رواج بنا لیا ہے۔ اس حکمت عملی نے انہیں اجازت دی ہے کہ وہ اپنی سالانہ درآمدات کو بغیر کسی سیکورٹیز ادا کے کلیر کر سکیں۔

مقامی پولیٹر فلیمنٹ یارن پر ڈیوٹی کے ڈپنگ کے خلاف تحفظ کو یقینی بنانے اور درآمد شدہ مال کی کسٹم کلیئرٹس کے دوران حکم امتناعی کی صورت میں نوٹیفائیڈ اینٹی ڈپنگ ڈیوٹی یا ضروری سیکورٹی کی وصولی کی بنیادی ذمہ داری کو نبھانے کے لیے این ٹی سی کیلے پی ضروری ہے کہ وہ مقامی صنعت کو ڈپنگ کے منفی اثرات سے بچانے کے لیے اپنی چوکوشیں جاری رکھیں۔

ایکسپورٹ اور اینڈ ویلیو چین کے لیے پاور ٹیرف اور آر ایل این جی/گیس کی فراہمی کا بحران

پاکستان کی ٹیکسٹائل انڈسٹری اور اس سے منسلک ویلیو چین، جو ملکی معیشت کا سنگ بنیاد ہے جو برآمدات کے ذریعے خاطر خواہ زرمبادلہ پیدا کرتی ہے، نے اپنی ضروریات کو پورا کرنے کے لیے مختلف وسائل کا استعمال کرتے ہوئے اپنی توانائی کے ذرائع کو متنوع بنایا ہے۔ اس میں قومی گرڈ سے بجلی حاصل کرنا اور فرنس آئل، کوئلہ اور گیس پر مبنی کیپٹیو پاور پلانٹس پر بہت زیادہ انحصار کرنا شامل ہیں تاہم، ٹیکسٹائل سیکٹور اور اس کی ویلیو چین کا ایک اہم حصہ قومی گرڈ سے بجلی کی ناقابل بھروسہ فراہمی کی خلاف ورزی کے لیے گیس تک رسائی سب سے زیادہ لگائی ذرائع ہو کر رہ گئی تھی۔ افسوس کے ساتھ، حکومت نے پاور جرنیشن کے لیے قومی گرڈ سے بجلی کی مستقل اور مستحکم فراہمی، گیس اور آر ایل این جی کی فراہمی جو علاقائی مسابقتی توانائی نواح پر درآمد پر موزوں کو دستیاب تھی کو بند کر دیا ہے۔ مزید برآں حکومت نے توانائی کے نواح میں اضافہ کر دیا نتیجتاً، ٹیکسٹائل کی صنعت اور اس کی ویلیو چین کے لیے گیس، فرنس آئل یا کوئلے کے ذریعے کیپٹیو پاور پیدا کرنا معاشی طور پر ناقابل عمل ہو گیا ہے۔

گزشتہ دو سالوں کے دوران، پنجاب میں صنعتی شہر کو سردیوں کے دوران بہت کم گیس مہیا کی گئی ہے۔ ہمارے سمیت بہت سے یونٹس کو نمایاں طور پر کم صلاحیتوں پر کام کرنے پر مجبور کیا گیا ہے۔ جس کے نتیجے میں پیداوار میں خاطر خواہ نقصان ہوا ہے۔

برآمدات پر مبنی اقتصادی ترقی کو برقرار رکھنے کے لیے ضروری ہے کہ برآمدات پر مبنی ویلیو چینز کو فروغ دیا جائے، جس سے طویل مدت میں پوری قوم کو فائدہ پہنچے گا۔ توانائی کی موجودہ غیر مستحکم صورتحال پاکستان میں کاروباری اداروں کے لیے کافی چیلنج ہے۔ گیس اور آر ایل این جی کی محدود دستیابی اور بڑھتی ہوئی پیداواری لاگت، کاروبار اور صنعتوں کے لیے یکساں طور پر چیلنج خیز ہے۔

پی ایف وائی کو درآمدی متبادل کے طور پر بنانا

ہم نے اپنی رپورٹس میں حصص یافتگان کو مقامی ٹیکسٹائل کی صنعت کی ترقی اور حفاظت کی اہمیت پر زور دیا ہے۔ پاکستان کی ۲۴۰ ملین آبادی کے لباس کی ضروریات کو موثر طریقے سے پورا کرنے کے لئے ضروری ہے کہ پی ایف وائی کے پانچ ایل اے کو ڈیزینی ۳۳۰۰، ۵۳۰۲، ۴۶۰۰، ۵۳۰۲، ۵۳۰۲، ۵۳۰۲ اور ۵۳۰۲ پر موجود درآمدی اور ریگولیشن ڈیوٹی ڈیوٹی کو برقرار رکھنا بہت ضروری ہے۔

PYMA (پاکستان یارن مرچنٹس ایسوسی ایشن) کے دعوے جو توجیز کرتے ہیں کہ مقامی PFY سیکٹر خصوصی یارن تیار نہیں کرتا ہے مکمل طور پر بنیاد ہیں اور ہماری گھر یلو صنعت کی صلاحیت کو کم اہمیت دیتے ہیں۔ نیشنل ٹیرف کمیشن کے ایک تجزیے نے گھر یلو شعبے کی پیداواری صلاحیتوں اور اس کی مینوفیکچرنگ سہولیات کی حالت کو ثابت کیا ہے۔ وہ یہ واضح طور پر ظاہر کرتا ہے کہ مقامی PFY صنعت میں مختلف قسم کے رکنگ یارن سمیت خصوصی PFY کی وسیع تیاری کرنے کی صلاحیت ہے۔

مقامی پی ایف وائی مینوفیکچررز کی جانب سے ۱۲۵ ملین امریکی ڈالر کی سرمایہ کاری کے توسیعی منصوبوں کے ساتھ، جس کا مقصد ۲۰۲۷ تک ۸۰ فیصد سے زیادہ گھر یلو کھپت کا ایک بڑا حصہ حاصل کرنا ہے، پی ضروری ہے کہ اس صنعت کو تعاون حاصل ہو۔ یہ تعاون کم از کم اگلے پانچ سالوں کے لیے مستقل درآمدی ٹیرف اور ریگولیشن ڈیوٹی کو برقرار رکھنے کی صورت میں ماننا چاہیے۔ اس سے گھر یلو صنعت کو ترقی کرنے میں سازگار سہولت میسر ہو گی۔

کریڈٹ موڈلز تشریح

زیر نظر مالی سال میں، آپ کی کمپنی نے کامیابی کے ساتھ اپنی ورکنگ کیپیٹل کی سہولیات کی تجدید کی، بشمول فنڈ پر مبنی اور غیر فنڈ پر مبنی دونوں حدیں، اور مختلف بینکوں کے ساتھ تمام ضروری دستاویزات کی ضروریات کو پورا کیا ہے۔ کمپنی کے بینک قرضوں پر سود کی شرحوں میں پچھلے سال سے نمایاں اضافہ ہوا ہے۔ کی وجہ سے مالی سال ۲۰۲۲-۲۳ میں کمپنی کے مالیاتی اخراجات میں خاطر خواہ اضافہ ہوا ہے۔

ٹیکس لگانا

وفاقی حکومت نے، فنانس ایکٹ ۲۰۲۲ کے ذریعے، ایک سپر ٹیکس متعارف کرایا جس میں زیادہ آمدنی والے افراد کو ہدف بنایا گیا۔ (۱۵۰ ملین یا اس سے زیادہ، ۱ فیصد سے ۳ فیصد تک ٹیکس کی شرح کے ساتھ)۔ مزید برآں، مخصوص شعبوں سے وابستہ افراد، بشمول برآمدات پر مبنی صنعتیں، جن کی آمدنی ۳۰۰ ملین سے زیادہ ہے، ان کی قابل ٹیکس آمدنی پر ۱۰ فیصد کی شرح سے سپر ٹیکس لگایا گیا۔ اس محصول کو ۲۰۲۲ کے ٹیکس سال سے لاگو کرتے ہوئے، صنعت پر ٹیکس کا کافی بوجھ ڈالا گیا ہے۔

پی ایف وائی پرائیویٹ ڈیپنگ ڈیوٹی (اے ڈی ڈی)

(ا) سن سیٹ جائزہ کی کارروائی

نیشنل ٹیرف کمیشن (این ٹی سی) نے ۲۰۱۷ میں چین اور ملائیشیا سے درآمد شدہ پی ایف وائی پرائیویٹ ڈیپنگ ڈیوٹی لگانے کی بات کا تعین کیا گیا کہ پی ایف وائی کی ڈیپنگ واقعتاً ہو رہی ہے اور اس کے نتیجے میں مقامی مینوفیکچررز کو کافی نقصان ہو رہا ہے۔ اے ڈی ڈی کے نفاذ کی پانچ سالہ مدت کے خاتمے کے بعد، این ٹی سی نے سن سیٹ کے جائزے کی کارروائی شروع کرنے کے لئے نوٹس جاری کیا، یہ تعین کرنے کے لئے کہ آیا اے ڈی ڈی ابھی پی ایف وائی درآمدات پر عائد کیا جانا چاہیے، تاہم کمیشن نے مکمل طور پر تیار کردہ یارن (ایف ڈی وائی) کو تفتیشی مصنوعات سے خارج کر دیا۔ درآمد کنندگان نے ابتدائی کارروائی کو اینٹی ڈیپنگ اپیلیٹ ٹریبونل میں چیلنج کیا ہے۔

ہم سن سیٹ جائزے کی کارروائی شروع کرنے کے لئے کمیشن کے فیصلے پر اظہار تشکر کرتے ہیں، کیونکہ یہ ظاہر کرنے کے لئے ٹھوس شواہد موجود ہیں کہ پی ایف وائی کے ڈیپنگ کے ذرائع ڈمپ کرنا جاری رکھے ہوئے ہیں یا دوبارہ ایسا کر رہے ہیں۔ بہر حال، ہم سن سیٹ جائزے کے عمل کے تحت مصنوعات کی تحقیقات سے مکمل طور پر تیار شدہ یارن (ایف ڈی وائی) کو چھوڑنے کے خلاف خطرے کی گھنٹی اور مایوسی کے ساتھ اپنی آواز کو بیان کرتے ہیں۔ نہایت احترام کے ساتھ، ہم کمیشن سے درخواست کرتے ہیں کہ وہ اپنے فیصلے کا دوبارہ جائزہ لے اور ایف ڈی وائی کو سن سیٹ جائزے کے عمل کے دوران جانچنے جانے والی مصنوعات میں سے ایک کے طور پر شامل کرے۔

(ب) اے ڈی ڈی ڈیز کا محمول

چین اور ملائیشیا سے پی ایف وائی کی ڈیپنگ خطرناک رفتار سے بڑھ رہی ہے۔ اینٹی ڈیپنگ ڈیوٹی 2017 میں لاگو ہونے کے بعد سے قانونی چارہ جوئی میں رہی۔ یارن ٹریڈرز کی طرف سے مختلف عدالتوں اور اپیل ٹریبونل میں اینٹی ڈیپنگ ڈیوٹی کے نفاذ کے خلاف اپیلیں داخل کیں۔ ٹریبونل نے 3 دسمبر 2021 کو اعتراضات کی دوبارہ تحقیقات کیلئے معاملہ کو این ٹی سی میں بھیجا دیا۔ ٹریبونل کے فیصلے کے مطابق دوبارہ تفتیش کے بعد این ٹی سی نے 26 جنوری 2022 کو حتمی تعین کے ذریعے پی ایف وائی پر اے ڈی ڈی شرحوں کو کم کر دیا۔ ٹریبونل نے ۳ دسمبر ۲۰۲۱ کو اپنے فیصلے کے ذریعے درخواست کو اینٹی ڈیپنگ ڈیوٹی کے نفاذ کے خلاف تعین کے ذریعے NTC میں بھیج دیا۔ یارن ٹریڈرز کی طرف سے مختلف عدالتوں اور اینٹی ڈیپنگ اپیلیٹ ٹریبونل (ٹریبونل) میں اپیلیں دائر کی گئیں۔ ۲۰۱۷ کے پہلے تعین میں زیادہ سے زیادہ کم از کم اے ڈی ڈی شرحیں ۱۱.۳۵-۳۲.۲۵ فیصد تھیں جنہیں کم کر کے ۶.۸۲-۲.۷۸ فیصد کر دیا گیا۔ دھاگے کے تاجروں نے کم کئے گئے نرخوں کو ایک بار پھر ٹریبونل میں چیلنج کیا اور ٹریبونل نے اپیل کنندگان کی سماعت کے بعد کمیشن کی رپورٹ کے حصہ اے کے پیرا گراف ۱۳، ۱۴ اور ۱۵ پر از سر نو غور کرنے کے لئے معاملہ کمیشن کو بھیج دیا۔ کمیشن جو ماضی میں غیر فعال تھا، اس نے اس بہانے سے اے ڈی ڈی ڈیز جمع کرنا بند کر دیا کہ ٹریبونل نے معاملہ پر پھر سے غور کرنے کے لئے کہا ہے۔ پی ایف وائی مینوفیکچررز نے ٹریبونل سے وضاحت طلب کی جس نے این ٹی سی کے فیصلے کو برقرار رکھا۔ کمیشن ستمبر ۲۰۲۳ میں مذکورہ بالا پیرا گراف کے لئے ٹریبونل کی ہدایت کے مطابق اپیل کنندگان کی سماعت کر رہا ہے۔

اس صورت حال کے تحت اگر حکومت کی جانب سے تحفظ دستیاب نہ ہو تو مقامی مینوفیکچررز کی طرف سے اربوں روپے ہالیٹ کی مزید توسیع کا تصور زائل ہو سکتا ہے۔ لہذا اینٹی ڈیپنگ ڈیوٹی جمع کرنے کے مضبوط طریقہ کار کے ساتھ اے ڈی ڈی کے سابقہ نرخوں کو کم از کم پانچ سال کے لئے بحال کرنے کی ضرورت ہے۔

پی ایف وائی پریگولیر ڈیوٹی

مقامی صنعت کی مسلسل کوششوں کے بعد حکومت نے پی ایف وائی کی درآمد پر ۲۱ دسمبر 2022 سے 5 فیصد تک ریگولیری ڈیوٹی دوبارہ عائد کر دی ہے۔

پی ایف وائی اور پی ایس ایف مارکیٹ کے حالات

نیشنل ٹیرف کمیشن کے چین اور ملائیشیا سے درآمد ہونے والے پی ایف وائی پرائیویٹ ڈیپنگ ڈیوٹی عائد کرنے سے مقامی صنعت کو تحفظ ملا۔ تاہم، یہ نوٹ کرنا ضروری ہے کہ ان اینٹی ڈیپنگ ڈیوٹیوں کے پی ایف وائی کی گھریلو صنعت کے فائدے مکمل طور پر حاصل نہیں ہوئے کیونکہ اے ڈی ڈی ڈی کی طویل مدت کے دوران غیر موثر رہے۔ اس کی بنیادی وجہ گزشتہ برسوں کے دوران عدالت ہائے اعلیٰ کی طرف سے درآمد کنندگان کو دیئے گئے قانونی حکم امتناع کی وجہ سے تھا۔ اینٹی ڈیپنگ ڈیوٹی کے عارضی طور پر غیر فعال ہونے کے چیلنجوں کے باوجود، انہوں نے ڈمپ شدہ درآمدات کے اثرات کو کم کر کے گھریلو صنعت کو کچھ ریلیف فراہم کیا اگرچہ وہ محدود مدت کے لیے نافذ العمل تھے۔

اسی طرح پی ایس ایف پر عائد ڈیوٹی نے مقامی پی ایس ایف مینوفیکچررز کو مدد فراہم کی۔ پچھلے تین سالوں میں ڈیپنگ کے نتیجے میں نقصان مدت کے عرصہ سے مقابلتاً مقامی صنعت کا اوسط مارکیٹ شیئر خاص طور پر بڑھ گیا ہے۔ تاہم صنعت اس پیشرفت سے پوری طرح فائدہ نہیں اٹھا سکی کیونکہ غیر ملکی درآمد کنندگان نے پاکستان کو سپلائی ڈمپ کرنا جاری رکھا۔

یہاں یہ بات قابل ذکر ہے کہ ایک بار اینٹی ڈیپنگ ڈیوٹی ختم ہونے کے بعد، ڈیپنگ پہلے سے ڈمپ کیے گئے ذرائع سے دوبارہ شروع ہو جاتی ہے، بنیادی طور پر اس وجہ سے کہ ڈمپ کیے جانے والے ذرائع اپنے اضافی قابل درآمد کو آف لوڈ کرنا چاہتے ہیں، جس سے ملکی صنعت کو نقصان پہنچتا ہے۔ لہذا، ڈمپ کی جانے والی مصنوعات پر اینٹی ڈیپنگ ڈیوٹی کو برقرار رکھنا بہت ضروری ہے۔ ورنہ ڈمپ شدہ درآمدات میں اضافہ صنعت کو ایک بار پھر اے ڈی ڈی سے پہلے کی مدت کی طرف دھکیل دے گا۔

ممبران کیلئے ڈائریکٹرز کی رپورٹ

ہم بمسرت بورڈ آف ڈائریکٹرز کی جانب سے کمپنی کے 43 ویں سالانہ اجلاس عام میں آپ کا پرتپاک خیر مقدم کرتے ہیں اور 30 جون 2023 کو ختم ہونے والے مالی سال کے لیے کمپنی کے سالانہ پڑتال شدہ مالیاتی نتائج ہمراہ ممبران کی رپورٹ کے پیش کرتے ہیں۔ کمپنی کے سالانہ نتائج کی جھلکیاں ذیل میں پیش کی گئیں ہیں۔

مالیاتی نتائج

--- روپے ہزاروں میں ---

168,954	- قبل از ٹیکس نقصان
15,874	- ٹیکس
184,828	- بعد از ٹیکس نقصان
(5.43) روپے	- فی حصص نقصان - (بنیادی اور مزید آئینہ مشدہ)

مجموعی جائزہ

پاکستان اس وقت شدید معاشی چیلنجوں سے نبرد آزما ہے، بنیادی طور پر قرضوں کی پائیداری حاصل کرنے کی ضرورت پرمز کوڑے اور ساتھ ہی ساتھ بڑھتے ہوئے اخراجات کو بھی روکنا ہے۔ مالی سال 2023-2024 کے لیے 23 کاروباروں کے لیے بے شمار کاوشیں کھڑی کی ہیں، جو ان کی ترقی اور خوشحالی میں حائل ہیں۔ ملک کے اندر سیاسی اور اقتصادی بے یقینی کی وجہ سے کئی اہم عوامل ناموافق رہے ہیں۔

مالی سال 2023-2024 میں کمپنی کو بہت سے چیلنجز درپیش رہے، جن میں شرح سود میں بار بار اضافہ، بڑی کرنسیوں کے مقابلے میں پاکستانی روپے کی شرح مبادلہ کی گراؤ اسٹیٹ بینک آف پاکستان کی جانب سے ضروری خام مال کی درآمد کے لئے LCs کھولنے پر پابندی، زرمبادلہ کی کمی خام مال کی قیمتوں میں غیر معمولی اضافہ، توانائی کی فراہمی کے بحران اور زرخوں میں اضافہ غیر ملکی علاقائی مسابقتی توانائی ٹیرف جو پہلے برآمدی شعبوں کے لئے دستیاب تھے کو واپس لے لینا۔ ان مجموعی عوامل نے کمپنی کی ترقی کی رفتار کو متاثر کیا اور اسکے منافع کو کم کیا۔

سال کے دوران، اسٹیٹ بینک آف پاکستان نے آئی ایم ایف کے مینڈیٹ کے مطابق پالیسی ریٹ میں 22 فیصد اضافہ کیا۔ حکومت اور اسٹیٹ بینک آف پاکستان دونوں نے خطرناک اخراجات کی شرح سے نمٹنے کے لیے اپنی حکمت عملی کے تحت شرحوں میں اضافے کو لاگو کرنے کے لیے اپنی لگن کا اظہار کیا ہے، جو میجی - جون 2023 میں حیران کن سطح تک بڑھ گئی، جس سے صارفین کی خریداری کی صلاحیت میں نمایاں کمی واقع ہوئی۔ مزید برآں، کمپنی نے ایک اضافی ٹیکس، جسے 'سپر ٹیکس' کے نام سے جانا جاتا ہے، کو برداشت کیا، جس نے اس کے کیش فلو پر دباؤ ڈالا۔

مصنوعات کی لاگت میں اضافے کے باعث کمپنی مصنوعات کی قیمتوں میں اضافہ کرنے سے اس کے صارفین کی مانگ میں کمی واقع ہوئی جس کی وجہ سے شدید طور پر مندی رہی تھی۔ مزید برآں، نیچے ہمارے صارفین کو شدید سیلاب سے منفی اثرات کا سامنا کرنا پڑا، جس کی وجہ سے مصنوعات کی ترسیل میں مجموعی طور پر سست روی آئی۔ سال بھر ہمارے صارفین کی مارکیٹ میں سست روی کے باوجود بیلز ریونیو پچھلے سال کی خاطر خواہ نمو کے ساتھ قریب سے ہم آہنگ رہا کیونکہ آخری سہ ماہی میں مارکیٹ کے حالات میں بہتری رہی۔

پچھلے مالی سال کے مقابلے میں اس سال میں مجموعی مارجن میں کمی کی وجہ بڑھتی ہوئی لاگت اور اخراجات میں اضافے کے باعث ہے۔ یہ کم مجموعی مارجن کمپنی کے اس سال آپریٹنگ اخراجات کو پورا کرنے کے لیے ناکافی تھے، جو اخراجات اور شرح سود میں اضافے سے نمایاں طور پر متاثر ہوئے۔ نتیجتاً، کمپنی کو موجودہ مالی سال میں نقصان اٹھانا پڑا۔

مقامی پولیسٹر انڈسٹری

جیسا کہ اکثر مختلف فورمز پر واضح کیا گیا ہے، چین، ملائیشیا اور ویت نام سے ڈمپ شدہ درآمدات کی پاکستان میں آمد نے پولیسٹر فلیمنٹ یارن (PFY) بنانے والی مقامی صنعتی یونٹوں کو نمایاں طور پر متاثر کیا ہے جو بنائی اور ہوزری کی صنعتوں میں استعمال ہوتا ہے۔ نیز پولیسٹر سٹیپل فائبر (PSF) جو کتان کی صنعت استعمال کرتی ہے۔ ان میں سے بہت سے گھریلو یونٹس اپنے مینوفیکچرنگ آپریشنز کو کم کرنے پر مجبور ہو گئے ہیں۔ ان کمپنیوں کے مفادات کے تحفظ اور فروغ اور ترقی پذیر گھر یلو صنعت کو فروغ دینے کے لئے ڈمپ شدہ درآمدات کی آمد کو روکنے کے لئے حکومتی مداخلت کی اشد ضرورت ہے۔ جو کہ اینٹی ڈمپنگ اقدامات، ریگولیٹری اقدامات اور اضافی کسٹمز ڈیوٹی کے نفاذ کے ذریعے ممکن ہے۔ اس طرح کے اقدامات ناصر مقامی سرمایہ کاروں کو تحفظ فراہم کریں گے بلکہ انہیں اپنی پیداواری صلاحیت کو بڑھانے اور نئے منصوبے شروع کرنے کی ترغیب بھی دیں گے۔ جس کے نتیجے میں مقامی آبادی کے لئے روزگار کے مواقع پیدا ہوں گے اور غیر ملکی زرمبادلہ کے ذخائر بچانے میں مدد ملے گی۔

پولیسٹر فلیمنٹ یارن اور پولیسٹر سٹیپل فائبر پیدا کرنے والی گھریلو صنعتیں کافی چیلنجوں کا سامنا کر رہی ہیں، جن میں شرح سود میں بار بار اضافہ، بجلی کے نرخوں میں اضافہ، بجلی کے اخراجات پاکستانی روپے کی شرح تبادلہ میں کمی اور خام مال کے لیے، علاقائی طور پر مسابقتی توانائی ٹیرف جو کہ برآمدی ٹیکسز کو پہلے بمسرت تھے کا خاتمہ شامل ہیں۔ بجلی کے نرخ بھی زیادہ رہے ہیں اور یکم جولائی 2023 سے مزید بڑھ گئے ہیں۔



Certificate

OEKO-TEX® STANDARD 100

RUPALI POLYESTER LIMITED

is granted the OEKO-TEX® STANDARD 100 certification
and the right to use the trademark.

SCOPE

Raw polyester staple fibre.

PRODUCT CLASS

I (baby articles) - Annex 6



STANDARD
100

2022OK2223
AITEX

This certificate 2022OK2223 is valid until
30.09.2024.

SUPPORTING DOCUMENTS

- ✓ Test report : 2023OK2351
- ✓ Declaration of conformity in accordance with
EN ISO 17050-1 as required by OEKO-TEX®
- ✓ OEKO-TEX® Terms of Use (ToU)

Silvia Devesa Valencia
Innovation Assistant Manager

Isabel Soriano Sarría
Chief of Innovation Area

Further compliance information (REACH, SVHC, POP, GB18401
etc.) can be found on [oeko-tex.com/en/faq](https://www.oeko-tex.com/en/faq).

The certificate is based on the test methods and requirements of
the OEKO-TEX® STANDARD 100 that were in force at the time of
evaluation.

Alcoy (Alicante) España, 2023-09-11





Certificate

OEKO-TEX® STANDARD 100

RUPALI POLYESTER LIMITED

is granted the OEKO-TEX® STANDARD 100 certification
and the right to use the trademark.

SCOPE

Raw polyester filament yarn.

PRODUCT CLASS

I (baby articles) - Annex 6



This certificate 2018OK1181 is valid until
30.09.2024.

SUPPORTING DOCUMENTS

- ✓ Test report : 2023OK2353
- ✓ Declaration of conformity in accordance with EN ISO 17050-1 as required by OEKO-TEX®
- ✓ OEKO-TEX® Terms of Use (ToU)

Silvia Devesa Valencia
Innovation Assistant Manager

Isabel Sariano Sarrion
Chief of Innovation Area

Further compliance information (REACH, SVHC, POP, GB18401 etc.) can be found on [oeko-tex.com/en/faq](https://www.oeko-tex.com/en/faq).

The certificate is based on the test methods and requirements of the OEKO-TEX® STANDARD 100 that were in force at the time of evaluation.

Alcoy (Alicante) España, 2023-09-11



Notice of Meeting

Notice is hereby given that the Forty Third (43rd) Annual General Meeting of Rupali Polyester Limited ("the Company") will be held at Rupali House, 241-242 Upper Mall Scheme, Anand Road, Lahore on Monday, 23 October 2023 at 10:30 a.m. (Physical / Zoom) to transact the following business:

Ordinary Business:

- 1) To confirm the minutes of Forty Second (42nd) Annual General Meeting of the Company held on 21 October 2022.
- 2) To receive, consider and adopt Annual Audited Financial Statements of the Company together with the Directors and Auditors Reports thereon for the year ended 30 June 2023.

In accordance with Section 223(7) of the Companies Act, 2017, the Audited Financial Statements of the Company have been uploaded on the Company's website which can be downloaded from the following link and QR enabled code:

https://www.rupaligroup.com/pdf_files/Annual%20Report%202023.pdf



- 3) To appoint Auditors of the Company and to fix their remuneration. The retiring Auditors M/s. RSM Avais Hyder Liaquat Nauman, Chartered Accountants being eligible have offered themselves for reappointment.

Special Business:

- 4) (a) To approve transactions conducted with associated companies (related parties) for the year ended 30 June 2023 by passing with or without modification the following special resolution:

"RESOLVED THAT the following transactions conducted with associated companies (related parties) for the year ended 30 June 2023 be and are hereby ratified, approved and confirmed:

Name	Description of Transaction	Amount in Rs. '000		
		Purchase	Sale	Others
Rupafil Limited	Purchase/sale of goods and services	1,707,599	330,535	--
Rupali Nylon (Pvt.) Limited.	Purchase of goods and services	4,711	--	--
Soneri Bank Limited	Profit on Bank deposits	--	--	12,806
ALNU Trust (major shareholder)	Repayment of loan	--	--	114,000

(b) To authorize Chief Executive Officer of the Company to approve transactions with Related Parties for the year ending 30 June 2024 by passing the following special resolution with or without modification:

"RESOLVED THAT the Chief Executive Officer of the Company be and is hereby authorized to approve the transactions to be conducted with Related Parties on case to case basis during the year ending 30 June 2024.

FURTHER RESOLVED THAT these transactions shall be placed before the shareholders in the next general meeting for their ratification/ approval."

- 5) To consider, adopt with or without modification the following resolution for approval of circulation of Company's annual audited financial statements together with auditor's report, directors' reports etc. ("Annual Audited Financial Statements") to the members of the Company through QR enabled code and weblink as part of notice of Annual General Meeting:

"RESOLVED THAT in pursuance of S.R.O No. 389(I)/2023 dated 21 March 2023, and under section 223(6) of the Companies Act, 2017 the circulation of Annual Audited Financial Statements together with auditor's report, directors' report etc. ("Annual Audited Financial Statements") to the members of the Company through QR enabled code and weblink be and is hereby approved.

FURTHER RESOLVED THAT the Company be and is hereby authorized to discontinue the circulation of Annual Audited Financial Statements through CD/DVD/USB.

FURTHER RESOLVED THAT the Company Secretary of the Company be and is hereby authorized to do all acts, deeds and things take or cause to be taken any or all necessary action for the purposes of implementing this Resolution".

Other Business

- 6) To transact such other ordinary business as may be placed before the meeting with the permission of the Chair.

By order of the Board

Lahore:
18 September 2023

S. Ghulam Shabbir Gilani
Company Secretary

Notes:

1. Share Transfer Books

Share transfer books of the Company will remain closed from 17 October 2023 to 23 October 2023 (both days inclusive). Transfers received at the registered office or Share Registrar M/s. THK Associates (Pvt.) Limited, Plot No.32-C, Jami Commercial Street 2, D.H.A. Phase VII, Karachi-75500 before close of

business on 16 October 2023 will be treated in time for the purpose of attending, and voting at the 43rd AGM.

2. Zoom Link

In line with the guidelines of the Securities and Exchange Commission of Pakistan, the Company will convene this AGM in Physical as well as through Zoom link for convenience of the Participants while ensuring compliance with the quorum requirements and request to the Members to consolidate their attendance and voting at the AGM through proxies.

The special arrangement for attending the 43rd AGM through electronic means will be as under:

Shareholders/Proxyholders interested in attending the AGM through Zoom are hereby requested to get themselves registered with the Company Secretary office by sending an email with subject: "Registration for AGM" at info@rupaligroup.com at least 48 hours before the AGM:

Name of Shareholder	CNIC Number	Folio Number/ CDC Account No.	Cell Phone No.	Email Address

Members will be registered, after verification as per the above requirement and will be provided a Zoom link by the Company via email provided by them.

The login facility will remain open from 10:00 a.m. till conclusion of the meeting.

The shareholders are also encouraged to send their comments/suggestions, related to the Agenda items of the Annual General Meeting on the above mentioned email address or WhatsApp/SMS on 0323-4123854 or 0300-4799881 by 20 October 2023 before close of business hours (5.00 pm).

3. Proxy Holders

A member entitled to attend and vote at this meeting may appoint another member as his or her proxy to attend and vote. Proxies in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the time of holding the meeting. Proxy Form attached.

CDC Account Holders

Accountholders/sub-accountholders holding book entry securities of the Company in Central Depository System (CDS) of Central Depository Company of Pakistan Limited (CDC) who

wish to attend the Annual General Meeting are requested to please bring their original Computerized National Identity Card (CNIC) or original passport with a photocopy duly attested by their bankers alongwith participant's I.D. number and their account number in CDS for identification purposes.

In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee together with the original proxy form duly filled in must be received at the Registered Office of the Company not less than 48 hours before the time of holding the meeting. The nominees shall produce their original CNIC or original passport at the time of attending the meeting for identification purpose.

4. Submission of copy of CNIC (Mandatory)

In order to comply with the directives of Securities and Exchange Commission of Pakistan issued from time to time, the shareholders are requested to kindly send photocopy of their CNICs to us immediately at our address "Rupali House, 241-242 Upper Mall Scheme, Anand Road, Lahore-54000 or our Share Registrar "M/s. THK Associates (Pvt.) Limited, Plot No. 32-C, Jami Commercial Street 2, D.H.A. Phase VII, Karachi-75500". The shareholders who have already provided CNIC to us need not re-submit it unless the CNIC is expired. Corporate shareholders are requested to provide their National Tax Numbers (NTN). In case of non-submission of copy of CNIC the unclaimed dividend will be withheld.

5. Availability of Audited Financial Statements on Company's Website

Notice of 43rd AGM along with audited financial statements of the Company for the year ended 30 June 2023 and other mandatory reports, have also been made available on the Company's website www.rupaligroup.com in line with the regulatory requirements along with the QR enabled code and weblink. AGM notice was also published in the newspapers in addition to its notification to the PSX. The shareholders who wish to receive the hard copies may request to the Company Secretary / Share Registrar and the Company shall provide the same within one week of such demand.

6. Circulation of Audited Financial Statements through email

Members are hereby informed that Securities and Exchange Commission of Pakistan vide SRO No. 787(I)/2014 dated 8 September 2014, has allowed the Companies to circulate Audited Financial Statements alongwith Notice of AGM to their members through email subject to compliance with the conditions outlined in the

said Notification. In this regard the shareholders who desire to receive Audited Financial Statements in future through email are advised to give their formal consent as a written notice alongwith valid copy of CNIC and email address to the Company Secretary / Share Registrar at the below mentioned address. For convenience of the Members a standard request form has also been placed on the Company's website:

Company Secretary: shabbir.gilani@rupaligroup.com
THK Associates: aa@thk.com.pk

7. Unclaimed dividend and shares

Pursuant to Section 244 of the Act, any shares issued or dividend declared by the Company, which remain unclaimed or unpaid for a period of three years from the date it became due and payable shall rest with the Federal Government after compliance of procedures prescribed under the Act. In this respect, we had already initiated the process and concerned shareholders were advised vide our letter dated 28 December 2017 and subsequent notices, to claim their unclaimed dividend/shares. However, only few shareholders have claimed their pending entitlements so far.

Shareholders are again advised to approach the Company's Share Registrar to claim their pending dividend/shares at the earliest failing which the Company shall proceed further in terms of requirement of Section 244(2) (a) & (b) of the Act.

8. Consent for the Facility of video-link

Members may participate in the meeting via video-link facility. If the Company receives a demand from members holding an aggregate 10% or more shareholding residing at a geographical location outside Lahore to participate in the meeting through video link at least 7 days prior to the date of meeting, the Company will arrange video link facility in that city.

In this regard, Members who wish to participate through video-link facility, should send a duly signed request as per the following format to the Registered Address of the Company.

I/we _____ of _____
being a member of Rupali Polyester Limited
holder of _____ ordinary share(s) as
per Registered Folio / CDC Account No.
_____ hereby opt for video link facility
at _____.

Signature of Member

9. E-Polling on Special Business Resolutions:

The members are hereby notified that pursuant to Companies (Postal Ballot) Regulations, 2018 ("the Regulations") amended through Notification dated December 05, 2022 and subsequent amendments issued by the Securities and Exchange Commission of Pakistan ("SECP"), SECP has directed all the listed companies to provide the right to vote through electronic voting facility and voting by post to the members on all businesses classified as special business.

Accordingly, members of Rupali Polyester Limited will be allowed to exercise their right to vote through electronic voting facility or voting by post for the special business in its forthcoming 43rd Annual General Meeting to be held on 23 October 2023, in accordance with the requirements and subject to the conditions contained in the aforesaid Regulations.

10. Procedure for E-Voting:

I. Details of the e-voting facility will be shared through an email with those members of the Company who have their valid CNIC numbers, cell numbers, and email addresses available in the register of members of the Company by the close of business (upto 5:00 p.m.) on one working day preceding the 43rd AGM.

II. The web address, login details, and password, will be communicated to members via email.

III. Identity of the members intending to cast vote through e-voting shall be authenticated through electronic signature or authentication for login.

IV. E-Voting lines will start from 23 October 2023, 10:30 a.m. and shall close on 23 October 2023 (till conclusion of the meeting). Members can cast their votes any time during this period. Once the vote on a resolution is cast by a Member, he / she shall not be allowed to change it subsequently.

11. Procedure for Voting Through Postal Ballot:

The members shall ensure that duly filled and signed ballot paper, along with copy of Computerized National Identity Card (CNIC), should reach the Chairman of the meeting through post on the Company's registered address 241-242 Upper Mall Scheme, Anand Road, Lahore or email at shabbir.gilani@rupaligroup.com or info@rupaligroup.com on or before Friday, 20 October 2023 during working hours (upto 5.00 pm). The signature on the ballot paper shall match the signature on CNIC. This postal Poll paper is also available for download from the website of the Company at

www.rupaligroup.com or use the same as attached to this Notice and published in newspapers.

Please note that in case of any dispute in voting including the casting of more than one vote, the Chairman shall be the deciding Authority.

12. Deposit of Physical Shares into CDC Account

The SECP, through its letter No. CSD/ED/Misc./2016-639-640 dated 26 March 2021, has advised all listed companies to adhere to the provision of Section 72 of the Companies Act, 2017 (the "Act"), which requires all companies to replace shares issued in physical form to book-entry form within four years of the promulgation of the Act.

In accordance with the requirement of Section 72 of the Companies Act, 2017 (the Act) every existing company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the Commission, within a period not exceeding four years from the commencement of the Act. The shareholders having physical shares may open CDC sub-account with any of the broker or investor account directly with CDC to place their physical shares into scrip-less form.

Shareholders are requested to notify any change in their addresses immediately.

Statement under Section 134 (3) of the Companies Act, 2017

This statement sets out the material facts concerning the special business to be transacted at the Forty Third Annual General Meeting of Rupali Polyester Limited to be held on 23 October 2023.

Agenda Item No. 4 (a) – Transactions carried out with associated companies (related parties) during the year ended 30 June 2023 to be approved by way of Special Resolution

The transactions carried out in normal course of business with associated companies (related parties) were being approved by the Board of Directors as recommended by the Audit Committee on quarterly basis pursuant to Section 208 of the Companies Act, 2017, Rule 15, Chapter IV of the Listed Companies (Code of Corporate Governance) Regulations, 2019 and Rule 5.6.6(a) of the PSX Regulations.

However, the majority of Company Directors were interested in these transactions due to their common directorship and holding of shares in the group companies, the quorum of directors could

not be formed for approval of these transactions pursuant to Section 207 of the Companies Act, 2017 and, therefore, these transactions have to be approved by the shareholders in General Meeting.

Agenda Item No. 4 (b) – Authorization to Chief Executive Officer for Related Party Transactions to be carried out with associated companies (related parties) during the year ending 30 June 2024 to be approved by way of Special Resolution

The Company shall be conducting Related Party Transactions with associated companies (related parties) during the year ending 30 June 2024 in the normal course of business. The majority of Directors shall be interested in these transactions due to their common directorship and shareholding in the associated companies. Therefore, these transactions with associated companies (related parties) shall have to be approved by the shareholders.

In order to ensure smooth supply during the year, the shareholders may authorize the Chief Executive Officer to approve transactions with associated companies (related parties) on case to case basis for the year ending 30 June 2024. The summary of commercial reasons, nature and scope of Related Party Transactions are explained in the proposed resolution. However, these transactions shall be placed before the shareholders in the next General Meeting for their approval/ratification.

Agenda Item No. 5 – Circulation of Annual Audited Financial Statements together with the reports and statutory documents to the members through QR enabled code and weblink to be approved by way of Special Resolution

The Securities and Exchange Commission of Pakistan vide S.R.O 389(1)/2023 dated March 21, 2023 has allowed the companies to circulate Annual Audited Financial Statements to its members through QR enabled code and weblink instead of transmitting the same through CD/DVDs/USBs subject to obtaining permission of the shareholders in the general meeting.

Approval of the shareholders is being sought as per proposed special resolutions given in above agenda items under special business.

The Directors are interested in the above resolutions to the extent of their common Directorship and shareholding in the associated companies.

RUPALI POLYESTER LIMITED BALLOT PAPER

Ballot Paper for voting through post for the Special Businesses at the 43rd Annual General Meeting to be held on 23 October 2023, at 10:30 a.m. at Rupali House, 241-242 Upper Mall Scheme, Anand Road, Lahore and through video conferencing.

Phone: +92-42-RUPALI (787-254)

Website: www.rupaligroup.com.

Name of shareholder/joint shareholders	
Registered Address	
Number of shares held and folio number	
CNIC Number (copy to be attached)	
Additional Information and enclosures (In case of representative of body corporate, corporation and Federal Government.)	Name and CNIC of Authorized Signatory

I/we hereby exercise my/our vote in respect of the following resolutions through postal ballot by conveying my/our assent or dissent to the following resolution by placing tick (√) mark in the appropriate box below (delete as appropriate);

Nature and Description of resolutions	No. of ordinary shares for which votes cast	I/We assent to the Resolution(s) (FOR)	I/We dissent to the Resolution(s) (AGAINST)
<p>Resolutions For Agenda Item No. 4:</p> <p>a. To approve transactions conducted with associated companies (related parties) for the year ended 30 June 2023.</p> <p>b. To authorize Chief Executive Officer of the Company to approve transactions with Related Parties for the year ending 30 June 2024</p>			
<p>Resolution For Agenda Item No. 5</p> <p>To approve circulation of Company's annual audited financial statements through QR enabled code and weblink.</p>			

- Duly filled ballot paper should be sent to the Chairman, Rupali Polyester Limited, Rupali House, 241-242 Upper Mall Scheme, Anand Road, Lahore or e-mail at shabbir.gilani@rupaligroup.com / info@rupaligroup.com
- Copy of CNIC/ Passport (in case of foreigner) should be enclosed with the postal ballot form.
- Ballot paper should reach the Chairman or Company Secretary within business hours (upto 5.00 pm) by or before Friday, 20 October, 2023. Any postal Ballot received after this date, will not be considered for voting.
- Signature on ballot paper should match with signature on CNIC/ Passport. (In case of foreigner).
- Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written poll paper will be rejected.
- In case of a representative of a body corporate, corporation or Federal Government, the Ballot Paper Form must be accompanied by a copy of the CNIC of an authorized person, an attested copy of Board Resolution / Power of Attorney / Authorization Letter etc., in accordance with Section(s) 138 or 139 of the Companies Act, 2017 as applicable. In the case of foreign body corporate etc., all documents must be attested by the Counsel General of Pakistan having jurisdiction over the member.
- Ballot Paper form has also been placed on the website of the Company at: www.rupaligroup.com. Members may download the Ballot paper from the website.

Shareholder / Proxy holder Signature/Authorized Signatory
(In case of corporate entity, please affix company stamp)

Statement of Compliance

with the Listed Companies (Code of Corporate Governance) Regulations, 2019

Name of Company - Rupali Polyester Limited
Year Ended - 30 June 2023

The Company has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) in the following manner:

1. The total number of Directors are eight (8) as per the following

- a. Male: 7
- b. Female: 1

2. The composition of board is as follows:

Category	Names
a) Independent Directors*	Mr. Yaseen M. Sayani Mr. Shahid Hameed
b) Non-Executive Directors	Mr. Muhammad Rashid Zahir Mrs. Amyna Feerasta Mr. Shehzad Feerasta Mr. Zeeshan Feerasta Mr. Abdul Hayee
c) Executive Director	Mr. Nooruddin Feerasta

* The fraction of one third is not rounded up as the total no of directors are limited, hence two independent directors are significant and, in our view, serve the purposes of the regulation.

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company;
4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board/ shareholders as empowered by the relevant provisions of the Companies Act, 2017 (the Act) and these Regulations;
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;
8. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and the Regulations;

9. Following directors have completed their training, under the directors training program or are exempt from the said training requirements;

Name	Designation
Mr. Nooruddin Feerasta	CEO/Executive Director
Mr. Muhammad Rashid Zahir	Non Executive Director
Mr. Shehzad Feerasta	Non Executive Director/ Chairman
Mr. Zeeshan Feerasta	Non Executive Director
Mr. Yaseen M. Sayani	Independent Director
Mr. Abdul Hayee	Non Executive Director

10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;
12. The Board has formed committees comprising of members given below:

a) **Audit Committee:**

1.	Mr. Yaseen M. Sayani	Chairman
2.	Mr. Muhammad Rashid Zahir	Member
3.	Mr. Zeeshan Feerasta	Member

b) **HR and Remuneration Committee:**

1.	Mr. Shahid Hameed	Chairman
2.	Mr. Nooruddin Feerasta	Member
3.	Mr. Zeeshan Feerasta	Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;
14. The frequency of meetings of these committees was quarterly.
15. The Board has set up an effective internal audit function. The audit staff is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the Company;
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the Company;
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, the Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with;

19. Explanation for non-compliance with a requirement, other than the Regulations 3,6,7,8,27,32,33 and 36 are stated below.

Formation of nomination committee and risk management committee is under consideration, of the Board.

Reference to Para 9 above, remaining two directors will complete their training in due course, however, they are conversant with their roles and responsibilities and policies and procedures of the Company.

For and on behalf of the Board of Directors



Shehzad Feerasta
Chairman



Zeeshan Feerasta
Director

Lahore:18 September 2023



RSM Avasi Hyder Liaquat Nauman
Chartered Accountants

Avasi Chambers, 1/C-5
Sikander Malhi Road, Canal Park
Gulberg II, Lahore, Pakistan

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REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN THE LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019


We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors (the Board) of Rupali Polyester Limited (the Company) for the year ended June 30, 2023 in accordance with the requirements of Regulation 36 of the Regulations.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2023.


RSM AVAIS HYDER LIAQUAT NAUMAN
CHARTERED ACCOUNTANTS

ENGAGEMENT PARTNER: Inam Ul Haque

Place: Lahore

Date: 18 SEP 2023

UDIN: CR202310226wV2ZdzgsP

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Other Offices at:
Karachi : 92 (21) 3565 5975-6
Faisalabad : 92 (41) 854 1365 / 854 1965
Islamabad : 92 (51) 234 0490 & 93
Peshawar : 92 (91) 527 8330 / 527 7205
Kabul : 93 (799) 058 155



RSM Awaiz Hyder Liaquat Nauman
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RUPALI POLYESTER LIMITED REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the annexed financial statements of Rupali Polyester Limited (the Company), which comprise the statement of financial position as at June 30, 2023, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2023 and of the loss, total comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

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

We have determined the matter described below as the Key Audit Matter:

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Islamabad : 92 (51) 234 0490 & 93
Peshawar : 92 (91) 527 8330/527 7205
Kabul : 93 (799) 058 155

Sr. No.	Key Audit Matter	How our audit addressed the key audit matter
1.	<p>Revenue recognition <i>(Refer note 19 to the annexed financial statements)</i></p> <p>The Company's sales comprise of revenue from the sale of polyester products which has been disclosed in Note 19 to the financial statements.</p> <p>Revenue from the sale of goods is recognized when the Company satisfies the performance obligation under the contract by transferring the promised goods to the customers. Revenue recognition criteria has been explained in Note 4.21 to the financial statements.</p> <p>We identified revenue recognition as a key audit matter as it is one of the key performance indicators of the Company and because of the potential risk that revenue transactions may not have been recognized based on the satisfaction of the performance obligation under the contract with the customer in line with the accounting policy adopted or may not have been recognized in the appropriate period.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> - assessed the appropriateness of the Company's accounting policies for revenue recognition and compliance of those policies with applicable accounting standards; - obtained an understanding of and assessing the design and operating effectiveness of controls designed to ensure that revenue is recognized appropriately based on the stated accounting policy; - compared, on a sample basis, specific revenue transactions recorded before and after the reporting date with underlying documentation to assess whether revenue has been recognized in the appropriate accounting period; - checked on a sample basis the recorded sales transactions with underlying supporting documents; - performed analytical procedures on financial and non-financial information; and - assessed the adequacy of related disclosures in the financial statements.

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

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

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

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



Responsibilities of Management and Board of Directors for the Financial Statements

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

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

Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

A handwritten signature in black ink, appearing to be "RSM", is located at the bottom right of the page.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980) was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditor's report is Inam ul Haque.

RSM


RSM AVAIS HYDER LIAQUAT NAUMAN
CHARTERED ACCOUNTANTS

Place: Lahore

Date: 18 SEP 2023

UDIN: AR202310226GPvhb5s72

Statement of Financial Position

as at 30 June 2023

Note	2023	2022	
	(Rupees in '000')		
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	7,016,059	6,910,027
Investment properties	6	750,000	602,000
Long term security deposits		4,281	4,281
Deferred tax asset	7	379,382	252,413
		8,149,722	7,768,721
CURRENT ASSETS			
Stores, spares and loose tools	8	1,178,522	1,222,161
Stock in trade	9	2,078,450	1,908,503
Trade receivables - unsecured & considered good		257	6,184
Advances, deposits and other receivables	10	493,424	483,967
Tax refunds due from government - income tax		168,182	39,853
Cash and bank balances	11	35,767	94,680
		3,954,602	3,755,348
Total assets		12,104,324	11,524,069
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital		350,000	350,000
35,000,000 Ordinary shares of Rs. 10 each.			
Issued, subscribed and paid up capital	12	340,685	340,685
Capital reserves			
Share premium	13	71,490	71,490
Surplus on revaluation of land	14	5,697,866	5,697,866
Revenue reserves			
General reserve		1,664,125	1,664,125
(Accumulated loss)/unappropriated profit		(337,512)	23,414
		7,436,654	7,797,580
NON-CURRENT LIABILITIES			
Deferred liabilities			
Staff retirement gratuity	15	267,853	218,656
CURRENT LIABILITIES			
Trade and other payables	16	1,778,978	2,642,501
Short-term borrowings	17	2,425,217	857,363
Accrued markup on borrowings		90,855	4,753
Unclaimed dividend		4,893	3,216
Provision for taxation-Income tax		99,874	-
		4,399,817	3,507,833
CONTINGENCIES AND COMMITMENTS			
Total equity and liabilities	18	-	-
		12,104,324	11,524,069

The annexed notes form an integral part of these financial statements.



Nooruddin Feerasta
Chief Executive Officer



Zeeshan Feerasta
Director



Muhammad Ahsan Iqbal
Chief Financial Officer

Statement of Profit or Loss

for the year ended 30 June 2023

	Note	2023	2022
(Rupees in '000')			
Sales - net	19	11,526,866	11,229,275
Cost of sales	20	11,331,350	10,035,836
Gross profit		195,516	1,193,439
Other income	21	246,658	73,443
		442,174	1,266,882
Distribution costs	22	30,192	26,298
Administrative expenses	23	225,132	194,472
Finance costs	24	340,916	72,210
Other operating expenses	25	14,888	108,171
		611,128	401,151
(Loss)/profit for the year before taxation		(168,954)	865,731
Provision for taxation	26	15,874	4,639
(Loss)/profit for the year		(184,828)	861,092
		2023	2022
Earnings per share - basic and diluted (Rupees per share)	27	(5.43)	25.27

The annexed notes form an integral part of these financial statements.



Nooruddin Feerasta
Chief Executive Officer



Zeeshan Feerasta
Director



Muhammad Ahsan Iqbal
Chief Financial Officer

Statement of Comprehensive Income

for the year ended 30 June 2023

Note	2023	2022
	(Rupees in '000')	
(Loss)/profit for the year	(184,828)	861,092
Other comprehensive (loss)/income		
Items that will not be subsequently reclassified to profit or loss		
Remeasurements of retirement benefit obligations	15.1 (8,105)	(13,079)
Related deferred tax	7 2,350	3,793
Surplus on revaluation of freehold land carried out during the year	14 -	3,978,810
	(5,755)	3,969,524
Total comprehensive (loss)/income for the year	(190,583)	4,830,616

The annexed notes form an integral part of these financial statements.



Nooruddin Feerasta
Chief Executive Officer



Zeeshan Feerasta
Director



Muhammad Ahsan Iqbal
Chief Financial Officer

Statement of Changes in Equity

for the year ended 30 June 2023

	Capital reserves		Revenue reserves		Total			
	Issued, subscribed and paid up capital	Share premium	Surplus on revaluation of land	Sub-total		General reserve	(Accumulated loss) / Unappropriated profit	Sub-total
Balance as at July 01, 2021	340,685	71,490	1,719,056	1,790,546	1,664,125	(658,049)	1,006,076	3,137,307
Total comprehensive income	-	-	-	-	-	861,092	861,092	861,092
Profit for the year	-	-	3,978,810	3,978,810	-	(9,286)	(9,286)	3,969,524
Other comprehensive income/(loss) for the year	-	-	3,978,810	3,978,810	-	851,806	851,806	4,830,616
Transaction with owners;								
Final dividend for the year ended June 30, 2021 at Rs. 5 per share	-	-	-	-	-	(170,343)	(170,343)	(170,343)
Balance as at June 30, 2022	340,685	71,490	5,697,866	5,769,356	1,664,125	23,414	1,687,539	7,797,580
Total comprehensive income	-	-	-	-	-	(184,828)	(184,828)	(184,828)
Profit for the year	-	-	-	-	-	(5,755)	(5,755)	(5,755)
Other comprehensive loss for the year	-	-	-	-	-	(190,583)	(190,583)	(190,583)
Transaction with owners;								
Final dividend for the year ended June 30, 2022 at Rs. 5 per share	-	-	-	-	-	(170,343)	(170,343)	(170,343)
Balance as at June 30, 2023	340,685	71,490	5,697,866	5,769,356	1,664,125	(337,512)	1,326,613	7,436,654

(Rupees in '000)

The annexed notes form an integral part of these financial statements.



Nooruddin Feerasta
Chief Executive Officer



Zeeshan Feerasta
Director



Muhammad Ahsan Iqbal
Chief Financial Officer

Statement of Cash Flow

for the year ended 30 June 2023

Note	2023	2022
	(Rupees in '000')	
A) Cash flow from operating activities		
(Loss)/profit for the year before taxation	(168,954)	865,731
Adjustments for:		
Depreciation on property, plant and equipment	147,992	153,131
Gain on remeasurement of fair value of investment property	(148,000)	-
Provision for staff retirement benefits	53,477	41,046
Interest income	(12,838)	(7,809)
Finance cost	340,916	72,210
	381,547	258,578
Cash flow before working capital changes	212,593	1,124,309
Working capital changes		
(Increase) / decrease in current assets:		
Stores, spares and loose tools	43,639	(197,026)
Stock in trade	(169,947)	(543,194)
Trade receivables	5,927	(6,160)
Advances, deposits and receivables	(9,457)	(145,534)
Increase / (decrease) in current liabilities:		
Trade and other payables	(863,523)	1,211,451
	(993,361)	319,537
Cash flow from operations	(780,768)	1,443,846
Income tax paid	(168,948)	(245,481)
Staff retirement benefits paid	(12,385)	(16,818)
Finance cost paid	(254,814)	(87,365)
Net cash generated from operating activities	(1,216,915)	1,094,182
B) Cash flows from investing activities		
Additions in property, plant and equipment	(254,024)	5,587
Interest income received	12,838	7,809
Net cash flow from investing activities	(241,186)	13,396
C) Cash flows from financing activities		
Repayment of long-term borrowings	-	(94,369)
Dividend paid	(168,666)	(168,868)
Short-term borrowings obtained/(repaid) - net	1,567,854	(779,400)
Net cash flow from financing activities	1,399,188	(1,042,637)
Net (decrease)/increase in cash and cash equivalents (A + B + C)	(58,913)	64,941
Cash and cash equivalents at the beginning of the year	94,680	29,739
Cash and cash equivalents at the end of the year	35,767	94,680

The annexed notes form an integral part of these financial statements.



Nooruddin Feerasta
Chief Executive Officer



Zeeshan Feerasta
Director



Muhammad Ahsan Iqbal
Chief Financial Officer

Notes to the Financial Statements

for the year ended 30 June 2023

1 Status and nature of business

Rupali Polyester Limited (the Company) was incorporated in Pakistan on 24 May 1980 as a Public Limited Company under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and is listed on Pakistan Stock Exchange. The Company is principally engaged in manufacture and sale of polyester products. The registered office is located at 241-242 Upper Mall Scheme, Anand Road, Lahore, in the province of Punjab and regional office is situated at 1st floor, Gul Tower, I.I Chandigarh Road, Karachi, in the province of Sindh. The manufacturing facility is situated at 30.2 KM Lahore - Sheikhpura Road, Sheikhpura, in the province of Punjab.

2 Basis of preparation

2.1 Basis of measurement

These financial statements have been prepared under the historical cost convention, except for certain items as disclosed in the relevant accounting policies.

2.2 Statement of compliance

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan and the requirements of Companies Act, 2017. Approved accounting standards comprise of:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) as issued by the Institute of Chartered Accountants of Pakistan (ICAP); and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS or IFAS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.3 Functional and presentational currency

These financial statements have been prepared in Pakistani Rupees, which is the Company's functional and presentational currency.

2.4 Use of judgments, estimates and assumptions

The preparation of financial statements in conformity with approved accounting standards requires the management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions and judgments are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimate is revised if the revision effects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are documented in the following accounting policies and notes, and relate primarily to:

Notes to the Financial Statements

for the year ended 30 June 2023

	Policy Note
- Useful lives, residual values and depreciation method of property, plant and equipment	4.1
- Fair value of freehold land and investment property	4.1 & 4.3
- Impairment loss of non-financial assets other than inventories	4.2
- Provision for diminution in value of 'stores, spares and loose tools' and 'stock in trade'	4.4 & 4.5
- Provision for expected credit losses	4.6.4
- Staff retirement benefits	4.13
- Provision for current and deferred taxation	4.20
- Revenue from contracts with customers	4.21

3 Standards, amendments to standards and interpretations

3.1 Standards, amendments to standards and interpretations becoming effective in current year

The following standards, amendments to standards and interpretations have been effective and are mandatory for financial statements of the Company for the periods beginning on or after July 01, 2022 and therefore, have been applied in preparing these financial statements.

i. Annual Improvements to IFRS Standards 2018–2020 Cycle

The IASB has issued 'Annual Improvements to IFRS Standards 2018–2020'. The pronouncement contains amendments to the following Financial Reporting Standards (IFRSs). Application of these amendments did not have any significant impact on the Company's financial statements.

- IFRS 9 Financial Instruments - Fees in the '10 per cent' test for derecognition of financial liabilities. The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in assessing whether to derecognize a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.
- IAS 41 Agriculture - The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique. This will ensure consistency with the requirements in IFRS 13.

The amendments are applicable for annual periods beginning on or after 1 January 2022. IAS 41 is not relevant to the operations of the Company.

ii. IAS 16 – Property, Plant and Equipment

The IASB has published 'Property, Plant and Equipment — Proceeds before Intended Use (Amendments to IAS 16)' from selling items produced while bringing an asset into the location and condition necessary for it to be capable of operating in the manner intended by management.

The standard prohibits deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the cost of producing those items, in profit or loss. An entity applies the amendments retrospectively only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments.

The amendments are applicable for annual periods beginning on or after 1 January 2022. These amendments do not have any significant impact on the Company's financial statements.

Notes to the Financial Statements

for the year ended 30 June 2023

iii. IAS 37 – Provisions, Contingent Liabilities and Contingent Assets

The IASB has published 'Onerous Contracts — Cost of Fulfilling a Contract' amending the standard regarding costs a company should include as the cost of fulfilling a contract when assessing whether a contract is onerous.

The changes in Onerous Contracts — Cost of Fulfilling a Contract specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labor, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The amendments published are effective for annual periods beginning on or after 1 January 2022. These amendments do not have any significant impact on the Company's financial statements.

iv. IAS 12 – Income Taxes

The IASB has issued amendments to provide a temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes. The amendments introduce an exception to the requirements in the standard that an entity does not recognize and does not disclose information about deferred tax assets and liabilities related to the OECD pillar two income taxes.

An entity applies the exception and the requirement to disclose that it has applied the exception immediately upon issuance of the amendments. These amendments do not have any significant impact on the Company's financial statements.

3.2 Standards, amendments to standards and interpretations becoming effective in the current year but not relevant

There are certain new standards, amendments to standards and interpretations that became effective during the year and are mandatory for accounting periods of the Company beginning on or after July 01, 2022 but are considered not to be relevant to the Company's operations and are, therefore, not disclosed in these financial statements.

3.3 Standards, amendments to standards and interpretations becoming effective in future periods

The following standards, amendments to standards and interpretations have been published and are mandatory for the Company's accounting periods beginning on or after the effective dates specified therein.

i. IAS 1 – Presentation of Financial Statements

(i) The IASB has issued 'Classification of Liabilities as Current or Non-current (Amendments to IAS 1)' providing a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments in Classification of Liabilities as Current or Non-current affect only the presentation of liabilities in the statement of financial position — not the amount or timing of recognition of any asset, liability income or expenses, or the information that entities disclose about those items. They:

- clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months and make explicit that only rights in place "at the end of the reporting period" should affect the classification of a liability;
- clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and

Notes to the Financial Statements

for the year ended 30 June 2023

- make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments to IAS 1 are effective for annual periods beginning on or after 1 January 2023.

- ii The IASB has published 'Non-Current Liabilities with Covenants' to clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments in Non-current Liabilities with Covenants modify the requirements introduced by Classification of Liabilities as Current or Non-current on how an entity classifies debt and other financial liabilities as current or non-current in particular circumstances: Only covenants with which an entity is required to comply on or before the reporting date affect the classification of a liability as current or non-current. In addition, an entity has to disclose information in the notes that enables users of financial statements to understand the risk that non-current liabilities with covenants could become repayable within twelve months. The amendments to IAS 1 are effective for annual periods beginning on or after 1 January 2024.
- iii The IASB has issued 'Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)' with amendments that are intended to help preparers in deciding which accounting policies to disclose in their financial statements in the following ways:
 - an entity is now required to disclose its material accounting policy information instead of its significant accounting policies;
 - several paragraphs are added to explain how an entity can identify material accounting policy information and to give examples of when accounting policy information is likely to be material;
 - the amendments clarify that accounting policy information may be material because of its nature, even if the related amounts are immaterial;
 - the amendments clarify that accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements; and
 - the amendments clarify that if an entity discloses immaterial accounting policy information, such information shall not obscure material accounting policy information.

In addition, IFRS Practice Statement 2 has been amended by adding guidance and examples to explain and demonstrate the application of the 'four-step materiality process' to accounting policy information in order to support the amendments to IAS 1. Once the entity applies the amendments to IAS 1, it is also permitted to apply the amendments to IFRS Practice Statement 2.

The amendments to IAS 1 are effective for annual periods beginning on or after 1 January 2023. The amendments are expected to affect disclosure of policies in the financial statements.

ii. IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The IASB has published 'Definition of Accounting Estimates' to help entities to distinguish between accounting policies and accounting estimates. The definition of 'a change in accounting estimates' is replaced with a definition of 'accounting estimates'. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty".

The IASB clarifies that a change in accounting estimate that results from new information or new developments is not the correction of an error. In addition, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.

Notes to the Financial Statements

for the year ended 30 June 2023

The amendments are effective for annual periods beginning on or after 1 January 2023. Application of these amendments is not expected to have any significant impact on the Company's financial statements.

iii. IAS 12 – Income Taxes

(i) The IASB has published 'Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)' that clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. Accordingly, the initial recognition exemption, provided in IAS 12.15(b) and IAS 12.24, does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023.

(ii) The IASB has issued amendments to provide a temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes. The amendments introduce an exception to the requirements in the standard that an entity does not recognize and does not disclose information about deferred tax assets and liabilities related to the OECD pillar two income taxes.

An entity applies the exception and the requirement to disclose that it has applied the exception immediately upon issuance of the amendments; the remaining disclosure requirements are required for annual reporting periods beginning on or after 1 January 2023.

These amendments do not have any significant impact on the Company's financial statements.

iv. IAS 7 – Statement of Cash Flows and IFRS 7 – Financial Instruments: Disclosures

The IASB has published 'Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)' to add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements. The amendments in Supplier Finance Arrangements:

- Do not define supplier finance arrangements. Instead, the amendments describe the characteristics of an arrangement for which an entity is required to provide the information. The amendments note that arrangements that are solely credit enhancements for the entity or instruments used by the entity to settle directly with a supplier the amounts owed are not supplier finance arrangements.
- Add two disclosure objectives. Entities will have to disclose in the notes information that enables users of financial statements:
 - to assess how supplier finance arrangements affect an entity's liabilities and cash flows and
 - to understand the effect of supplier finance arrangements on an entity's exposure to liquidity risk and how the entity might be affected if the arrangements were no longer available to it.
- Complement current requirements in IFRSs by adding to IAS 7 additional disclosure requirements about:
 - the terms and conditions of the supplier finance arrangements;
 - for the arrangements, as at the beginning and end of the reporting period:

(a) The carrying amounts of financial liabilities that are part of the arrangement and the associated line item presented;

(b) The carrying amount of financial liabilities disclosed under a) for which suppliers have already received payment from the finance providers;

Notes to the Financial Statements

for the year ended 30 June 2023

(c) The range of payment due dates (for example, 30 to 40 days after the invoice date) of financial liabilities disclosed under a) and comparable trade payables that are not part of a supplier finance arrangement; and the type and effect of non-cash changes in the carrying amounts of the financial liabilities that are part of the arrangement

The IASB decided that, in most cases, aggregated information about an entity's supplier finance arrangements will satisfy the information needs of users of financial statements.

Add supplier finance arrangements as an example within the liquidity risk disclosure requirements in IFRS 7.

An entity applies these amendments for annual reporting periods beginning on or after 1 January 2024. The Company is in process of evaluating the impact of application of these amendments on the Company's financial statements.

v. IFRS 16 – Leases

The IASB has issued amendments for 'Lease Liability in Sale and Leaseback' that clarify how a seller-lessee subsequently measure sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for sale.

Lease Liability in a Sale and Leaseback Amendments' requires a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognize any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognizing in profit or loss any gain or loss relating to the partial or full termination of a lease. The amendments also include one amended and one new illustrative example.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024. There are no leases hence the amendments are not relevant to the operations of the Company.

3.4 Standards, amendments to standards and interpretations becoming effective in future periods but not relevant

There are certain new standards, amendments to standards and interpretations that are effective from different future periods as specified therein, but are considered not to be relevant to the Company's operations, therefore, not disclosed in these financial statements.

3.5 Standards issued by IASB but not applicable in Pakistan

Following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan:

IFRS 1 - First-time adoption of International Financial Reporting Standards

IFRS 17 - Insurance Contracts

IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information

IFRS S2 Climate-related Disclosures

4 Summary of significant accounting policies

The accounting policies adopted in the preparation of these financial statements are set out below:

4.1 Property, plant and equipment

Owned assets

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any, except for freehold land, which is stated at revalued amount. Cost includes expenditures directly attributable to the acquisition of an asset.

Notes to the Financial Statements

for the year ended 30 June 2023

Depreciation on property, plant and equipment is charged on reducing balance method at the rates stated in Note 5 to these financial statements. Depreciation charge commences from the month in which asset is available for use and no depreciation is charged during the month of disposal.

Residual values and the useful lives are reviewed at each date of statement of financial position and adjusted if expectations differ significantly from previous estimates. Normal repairs and maintenance are charged to profit or loss as and when incurred. Major renewals and improvements, if any, are capitalized, when it is probable that future economic benefits will flow to the Company.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposals are determined by comparing proceeds with carrying amount of the relevant assets and are recognized in statement of profit or loss.

Any revaluation increase arising on the revaluation of an item of property, plant and equipment is recognized in other comprehensive income and presented as a separate component of equity as "Revaluation surplus on property, plant and equipment", except to the extent that it reverses a revaluation decrease for the same asset previously recognized in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. Any decrease in carrying amount arising on revaluation of an item of Property, plant and equipment is charged to profit or loss to the extent that it exceeds the balance, if any, held in the revaluation surplus on property, plant and equipment relating to a previous revaluation of that asset. In case of the sale or retirement of a revalued asset, the attributable revaluation surplus remaining in the surplus on revaluation is transferred directly to the accumulated loss. The revaluation reserve is not available for distribution to the Company's shareholders.

Capital work in progress

Capital work-in-progress is stated at cost accumulated to the reporting date less impairment losses, if any. It consists of expenditure incurred, advances made and other directly attributable costs in respect of property, plant and equipment in the course of their construction and installation. Transfers are made to relevant operating fixed assets category as and when assets are available for use.

4.2 Impairment of non-financial assets

The carrying amounts of non-financial assets are assessed at each reporting date to ascertain whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated to determine the extent of impairment loss, if any. An impairment loss is recognized, as an expense in the profit and loss account. The recoverable amount is the higher of an asset's fair value less cost to disposal and value in use. Value in use is ascertained through discounting of the estimated future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the assets for which the estimate of future cash flows have not been adjusted. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

An impairment loss is reversed if there is a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized previously. Reversal of an impairment loss is recognized immediately in the profit or loss.

Notes to the Financial Statements

for the year ended 30 June 2023

4.3 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation (including property under construction for such purposes), is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value. Gains or losses arising from changes in the fair value of investment property are included in profit or loss in the period in which they arise.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognized.

If an item of property, plant and equipment becomes an investment property because its use has changed, any difference between the carrying amount and fair value of this item at the date of transfer is recognized in equity as a revaluation reserve for investment property. However, if fair value gain reverses a previous impairment loss, the gain is recognized in the profit and loss account. Upon the disposal of such investment property, any surplus previously recorded in equity is transferred to retained earnings, the transfer is not made through statement of profit or loss.

If an investment property becomes owner-occupied or stock-in-trade, it is reclassified as property, plant and equipment or stock-in-trade and its fair value at the date of reclassification becomes its cost for accounting purpose for subsequent recording.

4.4 Stores, spares and loose tools

These are valued at lower of cost, using Weighted Average Cost method, and estimated net realisable value. Provision is made for slow moving and obsolete stores and spares. Items in transit are valued at cost comprising invoice values plus other charges incurred thereon.

Net realizable value specifies the estimated selling price in the ordinary course of business less the estimated cost of completion and cost necessarily to be incurred to make the sale.

4.5 Stock in trade

All stocks are stated at lower of cost and estimated net realizable value. Cost is determined as follow:

Stock Type	Valuation Method
Raw material	Weighted average cost
Work in process	Average manufacturing cost including appropriate overheads
Finished goods	Average manufacturing cost including appropriate overheads
Stock in transit	Cost comprising invoice value plus other expenses paid thereon
Waste/Scrap	Net realizable value

Cost comprises all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition.

Average manufacturing cost in relation to work in process and finished goods consists of direct material, labor and a proportion of appropriate manufacturing overheads.

Notes to the Financial Statements

for the year ended 30 June 2023

Net realizable value is determined on the basis of estimated selling price of the product in the ordinary course of business less estimated costs of completion and the estimated costs necessary to be incurred for its sale.

4.6. Financial instruments

4.6.1 Measurement of financial asset

Initial measurement

The Company classifies its financial assets into following three categories:

- fair value through other comprehensive income (FVOCI);
- fair value through profit or loss (FVTPL); and
- measured at amortized cost.

A financial asset is initially measured at fair value plus transaction costs that are directly attributable to its acquisition, except FVTPL which is measured at fair value.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification, as follows:

Debt Investments at FVOCI

These assets are subsequently measured at fair value. Changes in fair value are recognized in other comprehensive income. Interest / markup income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in the statement of profit or loss. On de-recognition, gains and losses accumulated in other comprehensive income are reclassified to the statement of profit or loss.

Equity Investments at FVOCI

These assets are subsequently measured at fair value. Changes in fair value are recognized in other comprehensive income and are never reclassified to the statement of profit or loss. Dividends are recognized as income in the statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest markup or dividend income, are recognized in the statement of profit or loss.

Financial assets measured at amortized cost

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest / markup income, foreign exchange gains and losses and impairment are recognized in the statement of profit or loss.

Non-derivative financial assets

All non-derivative financial assets are initially recognized on trade date i.e. date on which the Company becomes party to the respective contractual provisions. Non-derivative financial assets comprise loans and receivables that are financial assets with fixed or determinable payments that are not quoted in active markets and includes trade debts, advances, other receivables and cash and cash equivalents.

Derecognition

The Company derecognizes the financial assets when the contractual rights to the cash flows from the assets expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risk and rewards of ownership of the financial assets are transferred or it neither transfers nor retain substantially all of the risks and rewards of ownership and does not retain control over the transferred assets.

Notes to the Financial Statements

for the year ended 30 June 2023

4.6.2 Financial liabilities

Initial recognition

Financial liabilities are classified in the following categories:

- fair value through profit or loss; and
- other financial liabilities.

The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and, in case of other financial liabilities also include directly attributable transaction costs.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification, as follows:

Fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held-for-trading and financial liabilities designated upon initial recognition as being at fair value through profit or loss. The Company has not designated any financial liability upon recognition as being at fair value through profit or loss.

Other financial liabilities

After initial recognition, other financial liabilities which are interest bearing are subsequently measured at amortized cost using the effective interest rate method. Gain and losses are recognized in statement of profit or loss, when the liabilities are derecognized as well as through effective interest rate amortization process.

Derecognition

The Company derecognizes financial liabilities when and only when the Company's obligations are discharged, cancelled or expire.

4.6.3 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements only when the Company has currently legally enforceable right to set-off the recognized amounts and the Company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in normal course of business and in the event of default, insolvency or winding up of the Company or the counter parties.

4.6.4 Impairment of financial assets

The Company recognizes loss allowances for Expected Credit Losses (ECLs) in respect of financial assets measured at amortized cost. The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balance for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for receivables are always measured at an amount equal to lifetime ECLs. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

Notes to the Financial Statements

for the year ended 30 June 2023

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk. Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering of a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

4.7 Trade debts

Trade debts are amounts due from customers for sales made during the ordinary course of business. Trade debts and other receivables are recognized initially at invoice value, which approximates fair value, and subsequently measured at amortized cost using the effective interest method less expected credit losses. Bad debt are written off when identified.

4.8 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand, current accounts, deposit accounts and foreign currency accounts.

4.9 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any tax effects.

4.10 Earnings per share (EPS)

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the company by weighted average number of ordinary shares outstanding during the year. Diluted EPS is calculated by adjusting basic EPS with weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares into ordinary shares and post-tax effect of changes in profit or loss attributable to ordinary shareholders of the Company that would result from conversion of all dilutive potential ordinary shares into ordinary shares.

4.11 Trade and other payables

Trade and other payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method. Exchange gains and losses arising on translation in respect of liabilities in foreign currency are added to the carrying amount of the respective liabilities.

4.12 Contract balances

4.12.1 Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer when that right is conditioned on something other than the passage of time. Upon receipt of such certification from a customer, the amount recognised as contract assets is reclassified to trade receivables. Contract assets are subject to impairment assessment on the same basis as financial assets . (Refer note 4.6.4)

Notes to the Financial Statements

for the year ended 30 June 2023

4.12.2 Contract liabilities

A contract liability is the obligation to transfer property to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. Contract liabilities are recognized as revenue when the Company performs under the contract (i.e. transfers control of the related property to the customer).

4.13 Staff retirement benefits

4.13.1 Defined benefit plan - Gratuity

The Company operates an unapproved unfunded defined benefit gratuity plan for all employees having a service period of more than one year for workers and two years for other employees. Provisions are made in the financial statements to cover obligations on the basis of actuarial valuations carried out on a periodic basis or when there is a significant change. The most recent valuation was carried out as at June 30, 2021 using the "Projected Unit Credit Method".

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the year in which they arise. Past service costs are recognized immediately to profit or loss.

4.13.2 Defined contribution plan - Provident fund

The Company operates an approved provident fund scheme which covers all permanent employees. Equal monthly contributions are made by the Company and employees. Contribution is made by the Company at the rate of 8.33 % of basic salary.

4.14 Compensated absences

The Company accounts for compensated absences in the accounting period in which these are earned.

4.15 Foreign currency transactions and translation

Foreign currency transactions are translated into Pak Rupees using the exchange rates prevailing at the dates of the transactions. All monetary assets and liabilities in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing at the statement of financial position date. Foreign exchange gains and losses on translation are recognized in statement of profit or loss. All non-monetary items are translated into Pak Rupees at exchange rates prevailing on the date of transaction or on the date when fair values are determined.

4.16 Borrowing costs

Borrowing costs are recognized as an expense in the period in which they are incurred except where such costs are directly attributable to the acquisition, construction or production of a qualifying asset in which such costs are capitalized as part of the cost of that asset.

4.17 Provisions

Provisions are recognized when the company has a present legal or constructive obligation as a result of past events and, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

4.18 Contingent liabilities

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

Notes to the Financial Statements

for the year ended 30 June 2023

4.19 Related party transactions and transfer pricing

Transactions with related parties are carried at arm's length on price determined using the comparable uncontrolled price method except for those transactions which, in exceptional circumstances, are specifically approved by the Board.

4.20 Taxation

Current:

Provision for current taxation is based on taxable income at the current rates of taxation after taking into account applicable tax credits, rebates and exemptions, if any.

Deferred:

Deferred tax is recognized using the liability method, on all temporary differences arising at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, carry forwarded unused tax losses and tax credits, if any, to the extent that it is probable that the future taxable profits will be available against which the asset may be utilized.

The carrying amount of deferred tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be realized. Unrecognized deferred tax asset are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow deferred tax asset to be realized.

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

Deferred tax is charged or credited to profit or loss, except in case of items credited or charged to equity in which case it is included in equity.

4.21 Revenue recognition

Revenue is recognized at an amount that reflects the consideration to which the Company is expected to be entitled in exchange for transferring goods or services to a customer. For this purpose, the Company:

- identifies the contract with a customer;
- identifies the performance obligations in the contract;
- determines the transaction price which takes into account estimates of variable consideration, if any, and the time value of money;
- allocates the transaction price to the separate performance obligations, if applicable, on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and
- recognizes revenue when or as each performance obligation is satisfied in a manner that depicts the transfer of control of the goods or services promised to the customer.

Determining the timing of the transfer of control – at a point in time or over time – requires judgment. Revenue is recognized by the Company on the following basis:

Notes to the Financial Statements

for the year ended 30 June 2023

- Revenue from sale of goods is recognized at the point in time when control of goods is transferred to customers at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. The control is transferred to the customer, generally, on delivery of goods which coincides with issuance of invoice to the customer.
- Interest income recognized on a time proportion basis on the principal amount outstanding and at the applicable rate.
- Divided income is recognized when the right to receive dividend is established.

4.22 Dividend distribution

Dividend distribution to the Company's shareholders is recognized as a liability in the period in which the dividends are approved by the Company's shareholders.

	Note	2023	2022
		(Rupees in '000')	
5 Property, plant and equipment			
Operating fixed assets - owned	5.1	6,999,997	6,892,033
Stores held for capital expenditure		16,062	17,994
		7,016,059	6,910,027

Notes to the Financial Statements

as at 30 June 2023

5.1 Operating fixed assets - owned

	Freehold Land	Factory on freehold land	Office Buildings	Roads	Plant and Machinery	Furniture and fittings	Office equipment	Vehicles	Other assets	Total
----- Rupees in '000' -----										
As at July 01, 2021										
Cost / valuation	1,446,840	301,050	259,894	5,545	3,974,566	33,889	96,526	70,855	8,501	6,197,666
Accumulated depreciation	-	(214,321)	(123,578)	(3,858)	(2,775,660)	(24,960)	(68,439)	(38,752)	(5,869)	(3,255,437)
Net book value	1,446,840	86,729	136,316	1,687	1,198,906	8,929	28,087	32,103	2,632	2,942,229
Year ended June 30, 2022										
Opening net book value	1,446,840	86,729	136,316	1,687	1,198,906	8,929	28,087	32,103	2,632	2,942,229
Additions	-	4,543	4,397	-	110,340	188	4,039	618	-	124,125
Surplus on revaluation during the year	3,978,810	-	-	-	-	-	-	-	-	3,978,810
Disposals	-	-	-	-	-	-	-	-	-	-
Cost / revalued amount	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-	-	-	-	-	-
Depreciation charge for the year	-	(8,993)	(6,975)	(84)	(126,396)	(902)	(3,005)	(6,513)	(263)	(153,131)
Closing net book value	5,425,650	82,279	133,738	1,603	1,182,850	8,215	29,121	26,208	2,369	6,892,033
As at June 30, 2022										
Cost	5,425,650	305,593	264,291	5,545	4,084,906	34,077	100,565	71,473	8,501	10,300,601
Accumulated depreciation	-	(223,314)	(130,553)	(3,942)	(2,902,056)	(25,862)	(71,444)	(45,265)	(6,132)	(3,408,568)
Net book value	5,425,650	82,279	133,738	1,603	1,182,850	8,215	29,121	26,208	2,369	6,892,033
Year ended June 30, 2023										
Opening net book value	5,425,650	82,279	133,738	1,603	1,182,850	8,215	29,121	26,208	2,369	6,892,033
Additions	-	6,519	-	-	244,948	689	3,489	-	476	256,121
Disposals	-	-	-	-	-	-	-	-	-	-
Cost / revalued amount	-	-	-	-	-	-	(19)	-	(191)	(210)
Accumulated depreciation	-	-	-	-	-	-	2	-	43	45
Depreciation charge for the year	-	(8,488)	(6,687)	(80)	(123,366)	(850)	(3,040)	(5,241)	(240)	(147,992)
Closing net book value	5,425,650	80,310	127,051	1,523	1,304,432	8,054	29,553	20,967	2,457	6,999,997
As at June 30, 2023										
Cost / valuation	5,425,650	312,112	264,291	5,545	4,329,854	34,766	104,035	71,473	8,786	10,556,512
Accumulated depreciation	-	(231,802)	(137,240)	(4,022)	(3,025,422)	(26,712)	(74,482)	(50,506)	(6,329)	(3,556,515)
Net book value	5,425,650	80,310	127,051	1,523	1,304,432	8,054	29,553	20,967	2,457	6,999,997
Annual rate of depreciation	-	10%	5%	5%	10%	10%	10%	20%	10%	10%
Note	5.1.1		5.1.2							5.1.3 & 5.1.4

Notes to the Financial Statements

for the year ended 30 June 2023

5.1.1 The fair value of the Company's freehold land is determined periodically by an independent valuer. The latest revaluation exercise was carried out as on April 11, 2022 by independent valuer M/s Hamid Mukhtar & Co. (Pvt.) Limited. The fair value was determined under 'Fair Value Hierarchy — Level 2' based on the market comparable approach that reflects recent transaction prices for similar properties. Forced sale value of land was determined at Rs. 4,340.54 million (2022: 4,340.54 million). Had there been no revaluation carrying value of land would have been Rs. 21.17 million (2022: Rs. 21.17 million).

5.1.2 The land on which the Company's office building has been constructed is in the name of a close relative of directors of the Company. The land has been provided to the Company free of cost for a period of 30 years ending on April 2034.

5.1.3 The depreciation charge for the year has been allocated as follows:

	Note	2023	2022
(Rupees in '000')			
Cost of sales	20	132,174	135,736
Distribution costs	22	791	870
Administrative expenses	23	15,027	16,525
		147,992	153,131

5.1.4 Particulars of immovable properties of the Company are as follows:

Address	Total area (sq.ft)
Production plant at 30.2 km Lahore - Sheikhpura Road, Sheikhpura	5252029
Office building at 1st floor, Gul Tower, I.I Chundigar Road, Karachi	2,439

	Note	2023	2022
(Rupees in '000')			
6 Investment properties			
Land			
Opening balance		602,000	602,000
Fair value gain recognized during the year		148,000	-
Closing balance	6.1 & 6.2	750,000	602,000

6.1 The fair value of the investment property is determined by an independent valuer, M/s Hamid Mukhtar & Co. (Pvt.) Limited as at June 30, 2023. The fair value has been determined under 'Fair Value Hierarchy — Level 2' based on the market comparable approach that reflects recent transaction prices for similar properties. Forced sale value of land has been determined at Rs. 637.5 million (2022: 510 million).

6.2 The land is located at property number S.42 - R/3/1, Race Couse Road, Lahore measuring 27,225 Sq. ft.

Notes to the Financial Statements

for the year ended 30 June 2023

	Note	2023	2022
(Rupees in '000')			
7 Deferred tax asset			
Opening balance		252,413	934
Recognized during the year through:			
statement of profit or loss		124,619	247,686
other comprehensive income		2,350	3,793
	7.1	379,382	252,413
7.1 It comprises of the following:			
Taxable temporary differences in respect of;			
Difference in accounting and tax bases of property, plant and equipment		(252,262)	(242,793)
Deductible temporary differences in respect of;			
Provision for gratuity		77,677	63,410
Tax losses carried forward		102,225	54,206
Minimum tax credit u/s 113		451,742	377,590
		379,382	252,413
8 Stores, spares and loose tools			
Stores		184,258	174,000
Stores in transit		5,409	74,510
Spares		981,538	966,940
Loose tools		7,317	6,711
		1,178,522	1,222,161
9 Stock in trade			
Raw and packing materials		1,095,320	768,090
Stock in transit		120,212	5,679
Work-in-process		109,563	70,373
Finished goods	9.1	753,355	1,064,361
		2,078,450	1,908,503
9.1 It include stock of Rs. 408.103 million (2022: Rs. 91.41 million) carried at net realizable value.			
10 Advances, deposits and other receivables			
Considered good			
Advances to employees			
against salary	10.1	39	492
against expenses		155	279
Advances to suppliers		33,623	143,632
LC fee and expenses		8,056	-
Advances to related parties	10.2	31	39
Sales tax refundable		423,878	315,136
Other receivables		27,642	24,389
		493,424	483,967

10.1 Loans have been granted under staff loan policy, as temporary financial assistance, to staff. These are secured against the gratuity payable to employees and are recoverable in 12 equal monthly installments. These loans carry mark-up at the rate of 25% per annum (2022: 20% per annum).

Notes to the Financial Statements

for the year ended 30 June 2023

10.2 These represent payments against purchases and expenses made on behalf of related parties. These are unsecured and interest free . The detail is as follows:

	Maximum aggregate amount		Balances	
	2023	2022	2023	2022
	(Rupees in '000')			
Spintex Limited	-	42,334	-	-
Rupafil Limited	100,293	8,042	-	8
Rupafil PowerGen (Pvt.) Limited	31	31	31	31
	100,324	50,407	31	39

	Note	2023	2022
		(Rupees in '000')	
11 Cash and bank balances			
Cash in hand			
Local currency		57	52
Foreign currency		44	35
Cash in hand		101	87
Balance with banks			
Current accounts		1,147	58,307
Deposit accounts	11.1	34,519	36,286
		35,666	94,593
		35,767	94,680

11.1 These carry mark-up ranging from 12.25 % to 21.0 % per annum (2022 : 5.5 % to 15.0 % per annum).

12 Issued, subscribed and paid up capital

2023	2022		2023	2022
(Number of shares in '000)			(Rupees in '000')	
9,690,900	9,690,900	Ordinary shares of Rs. 10 each		
		Fully paid in cash	96,909	96,909
19,933,895	19,933,895	Fully paid		
4,443,719	4,443,719	Other than in cash (Note 12.1)	199,339	199,339
		Allotted as bonus shares	44,437	44,437
34,068,514	34,068,514		340,685	340,685

12.1 These shares were issued against non-repatriable investment.

12.2 Detail of shares held by associated undertakings are as follows:

2023	2022		2023	2022
(Number of shares in '000)			(Rupees in '000')	
18,415,568	18,415,568	Ordinary shares of Rs. 10 each		
9,193,654	9,193,654	Feerasta Senior Trust - Parent entity	184,160	184,160
		ALNU Trust - Associate	91,940	91,940
27,609,222	27,609,222		276,100	276,100

13 SHARE PREMIUM

Share premium	71,490	71,490
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Notes to the Financial Statements

for the year ended 30 June 2023

13.1 The share premium can be utilized in accordance with provisions of section 81 of the Companies Act, 2017.

	Note	2023	2022
		(Rupees in '000')	
14 Surplus on revaluation of land			
Balance at the beginning of the year		5,697,866	1,719,056
Surplus on revaluation of freehold land carried out during the year		-	3,978,810
Balance at the end of the year		5,697,866	5,697,866
15 Staff retirement gratuity			
The scheme provides terminal benefits for all the employees of the Company who attain the minimum qualifying period. Annual charge is based on actuarial valuation carried out as at June 30, 2023 using Projected Unit Credit Method.			
Present value of defined benefit obligation	15.1	267,853	218,656
15.1 Present value of defined benefit obligation			
Present value of defined benefit obligation at beginning		218,656	181,349
Expenses recognized in profit or loss	15.2	53,477	41,046
Benefits paid during the year		(12,385)	(16,818)
Remeasurement loss on defined benefit obligation recognized in statement of comprehensive income		8,105	13,079
		267,853	218,656
15.2 Amount recognized in profit or loss			
Current service cost		25,326	23,752
Interest cost		28,151	17,294
		53,477	41,046
15.3 Principal actuarial assumptions used in the actuarial valuations			
Most recent actuarial valuation was carried out as on June 30, 2023. The principal actuarial assumptions used in the valuation are given below:			
		2023	2022
Financial assumptions			
Discount rate		16.25%	13.25%
Expected rate of eligible salary increase in future years		15.25%	12.25%
Demographic assumptions			
Mortality rate		SLIC (2001-05)	SLIC (2001-05)
Retirement assumptions		Age 60	Age 60
		Change in assumptions	
		2023	
		2022	
		Increase	Increase
		+100 bps	+100 bps
		Decrease	Decrease
		-100 bps	-100 bps
		(Rupees in '000')	

Notes to the Financial Statements

for the year ended 30 June 2023

15.4 Sensitivity analysis

Year end sensitivity analysis on obligations

Discount rate	254,850	281,513	210,122	227,532
Salary increase rate	281,519	254,853	227,538	210,125

The above sensitivity analysis is based on change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (Projected Unit Credit Method) has been applied as for calculating the liability of gratuity.

	Note	2023	2022
(Rupees in '000')			
16 Trade and other payables			
Trade payables		1,414,191	2,265,939
Accrued liabilities		160,216	156,496
Worker's profit participation fund	16.1	61,492	77,607
Worker's welfare fund	16.2	4,419	21,734
Advance from customers	16.3	37,615	39,845
Gas Infrastructure Development Cess (GIDC) payable	16.4	61,338	61,338
Sales tax payable		27,357	9,337
Withholding tax payables		916.00	576
Retention money		1317.00	838
Provident fund payable		378	642
Others	16.5	9,739	8,149
		1,778,978	2,642,501
16.1 Worker's profit participation fund			
Balance at the beginning of the year		77,607	45,904
Add: Charge for the year			
Provision for the year		-	43,945
Interest on funds utilized by the Company		19,022	13,159
		19,022	57,104
Less: Paid during the year		(35,137)	(25,401)
Balance at the end of the year		61,492	77,607
16.2 Worker's welfare fund			
Balance at the beginning of the year		21,734	15,376
Add: Charge for the year		-	17,315
Less: Paid during the year		(17,315)	(10,957)
Balance at the end of the year		4,419	21,734
16.3 Reconciliation of advances from customers is set out as below:			
Opening balance		39,845	10,829
Payments received in advance		37,615	39,845
Transfer to revenue - included in the opening balance		(39,845)	(10,829)
		37,615	39,845
16.4	The payment has been suspended during the period owing to stay granted by the Honorable Sindh High Court.		
16.5	This includes Rs. 31.14 million/- (2022: Rs 11.18 million) payable to associate and undertakings against expenses incurred on behalf of the Company.		

Notes to the Financial Statements

for the year ended 30 June 2023

	Note	2023	2022
(Rupees in '000')			
17 Short-term borrowings			
From banking companies - under markup arrangements			
Running finances	17.1	2,060,098	471,244
From associates - unsecured	17.2	365,119	386,119
		2,425,217	857,363

17.1 The aggregate finance facilities available from various commercial banks amounted to Rs. 3,131.24 million (2022: Rs. 2,815.24 million). These carry mark-up at the rates ranging from 14.56% to 22.70% per annum (2022: 7.65% to 14.81% per annum) payable on quarterly basis in arrears and are secured against first pari passu and hypothecation charge over present and future current assets.

17.2 The loan was obtained to meet working capital requirements and has been utilized accordingly. The loan is unsecured, interest free and repayable on demand.

17.3 Total unfunded, facilities financing for opening letters of credit from various commercial banks available to the Company were Rs. 4,150 million (2022: Rs. 3,450 million) which were secured against lien on import documents.

18 Contingencies and commitments

Contingencies:

- a. The supplies made by the Company to its customers in Azad Jammu and Kashmir (AJ&K), during the period from November, 1997 to June, 1998, were treated as exports being zero rated u/s-4 of the Sales Tax Act, 1990. However, the Deputy Collector (Refund) on 27.06.2001 adjudged that as the appellant has not followed the procedure described u/s-131 of the Custom Act, 1969 so the supplies made to AJ&K from Pakistan cannot be treated as exports being zero rated u/s-4 ibid. The amount of impugned sales tax demand is Rs. 19.40 million (2022: Rs. 19.40 million) which was already deposited by the Company under protest. The proceedings of the said case are still pending in Appellate Tribunal Inland Revenue (ATIR), Lahore.
- b. A Goods Declaration of Import was claimed repeatedly due to duplication of data by customs authorities. The Deputy Commissioner, Large Taxpayers Office, Lahore, charged 100% penalty and default surcharge amounting to Rs. 1.82 million on 03.12.2020. The Commissioner Inland Revenue Appeals, Lahore reduced the demand by 95% on 25.06.2022. The Company has filed an appeal on 16.07.2021 before ATIR against remaining 5% demand amount which is still pending.
- c. The Deputy Commissioner Inland Revenue, Enforcement, LTO, Lahore passed order in original and created a demand of Rs. 9.23 million/- is created by disallowing input tax of Rs. 4.31 million and charging tax on supplies to out of sector buyers amounting Rs. 4.91 million being aggrieved, the company filled an appeal before CIR(A) vide Appeal no. 2388/ST dated 27/02/23 which is pending to date. Case is contested by the Taxation department of the Company.
- d. The Deputy Commissioner Inland Revenue, Enforcement, LTO, Lahore passed order in original and created a demand of Rs. 1,222,667/- by disallowing input tax u/s -8(1)(a),(f),(g),(h),(i),(j),(k),(l) and (m) of the Act. Being aggrieved, the Company filed an appeal before CIR(A) which is heard on 18.07.2022, however order is pending to date. Case is contested by the Taxation department of the Company.
- e. Certain Ex-Employees of the Company have filed cases with the Authority under Payment of Wages Act, 1936 claiming arrears/remuneration amounting to Rs. 18.186 million (2022: Rs. 3.258 million).
- f. Bank guarantees issued in favor of Sui Northern Gas Pipelines Limited amounting to Rs. 121.92 million (2022: Rs. 81.96 million) for supply of gas.

Notes to the Financial Statements

for the year ended 30 June 2023

	Note	2023	2022
(Rupees in '000')			
Commitments			
- Commitments under irrevocable letters of credit		231,402	2,864,944
- Commitment under contract for capital expenditure		-	214,491
19 Sales - net			
Sale of goods		13,597,020	13,199,493
Less: Sales tax		(2,008,950)	(1,900,812)
Less: Trade discount		(61,204)	(69,406)
		<u>(2,070,154)</u>	<u>(1,970,218)</u>
		11,526,866	11,229,275
20 Cost of sales			
Raw and packing material consumed	20.1	8,186,965	7,936,377
Fuel and power		1,929,132	1,371,326
Salaries, wages and amenities	20.2	505,975	445,857
Stores and spares consumed		162,208	161,439
Depreciation of operating fixed assets	5.1.3	132,174	135,736
Repair and maintenance		80,070	101,242
Running and maintenance of vehicles		37,891	27,504
Insurance		18,403	20,151
Rent, rates and taxes		2,341	2,549
Others		4,375	1,324
		<u>11,059,534</u>	<u>10,203,505</u>
Add: Opening Work-in-Process		70,373	43,221
Less: Closing Work-in-Process		(109,563)	(70,373)
		<u>(39,190)</u>	<u>(27,152)</u>
		<u>11,020,344</u>	<u>10,176,353</u>
Add: Opening Finished Goods		1,064,361	923,844
Less: Closing Finished Goods		(753,355)	(1,064,361)
		<u>311,006</u>	<u>(140,517)</u>
		11,331,350	10,035,836
20.1 Raw and packing material consumed			
Opening raw and packing materials		773,769	398,244
Add: Purchases during the year		8,628,728	8,311,902
Less: Closing raw and packing materials		(1,215,532)	(773,769)
		8,186,965	7,936,377

20.2 Salaries, wages and amenities include Rs. 40.749 million (2022: Rs. 29.486 million) in respect of staff retirement benefits and Rs. 0.471 million (2022: Rs 1.07 million) in respect of provident fund contribution.

Notes to the Financial Statements

for the year ended 30 June 2023

	Note	2023	2022
(Rupees in '000')			
21 Other income			
Income from financial assets			
Interest income from banks		12,806	7,763
Mark-up income on staff loan		32	46
		12,838	7,809
Income from non-financial assets			
Sale of scrap - net of sales tax		85,689	65,614
Fair value gain on investment property		148,000	-
Others		131	20
		233,820	65,634
		246,658	73,443
22 Distribution costs			
Freight and forwarding		18,752	16,356
Salaries, wages and other benefits	22.1	8,304	6,771
Depreciation of operating fixed assets	5.1.3	791	870
Printing and stationery		182	257
Travelling and conveyance		422	339
Utilities		454	310
General repair and maintenance		181	155
Vehicle running and maintenance		263	176
Entertainment		340	464
Rent, rates and taxes		251	186
Books and subscription		95	102
Sales promotion expenses		-	182
Communication		83	79
Insurance		74	51
		30,192	26,298
22.1 Salaries, wages and amenities include Rs. 0.636 million (2022: Rs. 0.578 million) in respect of staff retirement benefits and Rs. 0.027 million (2022: Rs 0.026 million) in respect of provident fund contribution.			
23 Administrative expenses			
Salaries, wages and other benefits	23.1	157,771	128,658
Depreciation of operating fixed assets	5.1.3	15,027	16,525
Travelling and conveyance		8,012	6,447
Entertainment		6,465	8,818
Legal and professional charges		3,925	6,606
Utilities		8,618	5,891
Printing and stationery		3,465	4,878
Vehicle running and maintenance		4,992	3,350
Rent, rates and taxes		4,778	3,531
General repair and maintenance		3,441	2,935
Communication		1,576	1,509
Fee and subscription		1,800	1,938
Auditors' remuneration	23.2	1,945	1,610
Advertisement		378	452
Insurance		1,399	970
Bad debt expenses		331	-
Miscellaneous expenses		1,209	354
		225,132	194,472

Notes to the Financial Statements

for the year ended 30 June 2023

23.1 Salaries, wages and amenities include Rs. 12.09 million (2022: Rs. 10.982 million) in respect of staff retirement benefits and Rs. 0.531 million (2022: Rs. 0.488 million) in respect of provident fund contribution.

	Note	2023	2022
(Rupees in '000')			
23.2 Auditor's remuneration			
Annual audit fee		1,208	1,050
Certification and review		577	420
Out of pocket charges		160	140
		1,945	1,610
24 Finance costs			
Mark-up / interest on:			
long-term financing		-	3,802
short-term borrowings		321,255	52,155
Workers' profit participation fund		19,022	13,159
Bank charges		639	3,094
		340,916	72,210
25 Other operating expenses			
Donations	25.1	10,500	43,090
Workers welfare fund		-	17,315
Workers profit participation fund		-	43,945
Others		4,388	3,821
		14,888	108,171
25.1 Donations along with name of donee are as follows:			
Agha Khan Education Services		10,500	38,000
Agha Khan Development Network		-	5,000
Others		-	90
	25.1.1	10,500	43,090
25.1.1 None of the directors and their spouses had any interest in the donees.			
26 Provision for taxation			
Current tax			
For the period		145,157	251,712
For prior period		(4,664)	613
Deferred tax		(124,619)	(247,686)
		15,874	4,639
26.1 Relationship between accounting loss and tax expense			

The relationship between accounting loss and tax expense has not been presented in these financial statements as the income of the Company is subject to minimum tax. The provision for current taxation is made under section 113 of the Income Tax Ordinance, 2001.

Notes to the Financial Statements

for the year ended 30 June 2023

	2023	2022
27 Earnings per share - basic and diluted (rupees per share)		
(Loss)/profit attributable to ordinary equity holders (Rupees in '000')	(184,828)	861,092
Weighted average number of outstanding ordinary shares (Number in '000')	34,069	34,069
Earning per share- basic and diluted (Rupees per share)	(5.43)	25.27
27.1 There is no effect of dilution on basic earning per share of the Company.		
	2023	2022
	(Rupees in '000')	
28 Financial instruments		
Financial assets - At amortized cost		
Long term security deposits	4,281	4,281
Trade receivables	257	6,184
Other receivables	27,642	24,389
Cash and bank balances	35,767	94,680
	67,947	129,534
Financial liabilities - At amortized cost		
Trade and other payables	1,585,463	2,431,422
Short-term borrowings	2,425,217	857,363
Accrued markup on borrowings	90,855	4,753
Unclaimed dividend	4,893	3,216
	4,106,428	3,296,754

Fair values of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. As at the reporting date, fair values of all financial instruments are considered to approximate their carrying amounts. Further, there are no fair value estimation uncertainties.

Methods of determining fair values

Fair values of financial instruments for which prices are available from the active market are measured by reference to those market prices. The fair value of financial assets (other than investments) and liabilities with no active market are determined in accordance with generally accepted pricing models based on discounted cash flow analysis based on inputs from other than observable market.

Discount / interest rates used for determining fair values

The interest rates used to discount estimated cash flows, when applicable, are based on the government yield curve as at the reporting date plus an adequate credit spread.

Fair value hierarchy

The company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1** Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2** 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** Inputs for the asset or liability that are not based on observable market data (i.e., unobservable inputs).

Notes to the Financial Statements

for the year ended 30 June 2023

29 Financial risk management objectives

Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance.

Risk management is carried out by the Board of Directors (the Board).

29.1 Market risk

29.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions in foreign currencies. The Company is exposed to foreign currency exchange risk in respect of commitments against letters of credit in foreign currency. The management does not view hedging as being financially feasible. The effect of change in currency rate would be as follows for current year's commitments as at the reporting date:

Increase / (Decrease) in rate	Effect on profit before tax	Effect on equity
	(Rupees in '000)	

Foreign currency sensitivity analysis

2023	+5%	2,911	2,067
	-5%	(2,911)	(2,067)
2022	+5%	7,524	5,342
	-5%	(7,524)	(5,342)

29.1.2 Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company is not exposed to equity price risk as it does not have any exposure in equity securities.

29.1.3 Interest rate risk

Interest rate risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Borrowings obtained at variable rates expose the Company to cash flow interest rate risk.

At the reporting date, the profit, interest and mark-up rate profile of the Company's significant financial assets and liabilities is as follows:

Notes to the Financial Statements

for the year ended 30 June 2023

	2023	2022
	(Rupees in '000')	
Variable rate financial instruments		
Financial assets		
Balances with banks in deposit account	34,519	36,286
Financial liabilities		
Current portion of long-term borrowings	-	-
Short term borrowings - running finance	2,060,098	471,244
	2,060,098	471,244

Fair value sensitivity analysis

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

Increase / (Decrease) in rate	Effect on profit before tax	Effect on equity
	(Rupees in '000)	

Interest rate sensitivity analysis

Financial assets

2023	+1%	345	245
	-1%	(345)	(245)
2022	+1%	363	254
	-1%	(363)	(254)

Financial liabilities

2023	+1%	20,601	14,627
	-1%	(20,601)	(14,627)
2022	+1%	4,712	3,346
	-1%	(4,712)	(3,346)

29.2 Credit risk

Credit risk is the risk that one party to the financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Credit risk arises from balances with banks, trade receivables, advances, deposits and other receivables. The maximum exposure to credit risk before any credit enhancement is given below:

	2023	2022
	(Rupees in '000')	
Maximum exposure to credit risk		
Long term security deposits	4,281	4,281
Trade receivables	257	6,184
Other receivables	27,642	24,389
Bank balances	35,666	94,593
	67,846	129,447

The Company attempts to control the credit risk by monitoring credit exposure, limiting transactions with specific customers and continuing assessment of credit worthiness of customers.

Based on the past experience, record of recoveries, the Company believes that the past due amount do not require any provision or impairment loss.

The credit risk exposure is limited in respect of bank balances as these are placed with the scheduled banks having good credit rating from international and local credit rating agencies.

Notes to the Financial Statements

for the year ended 30 June 2023

29.3 Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

- i The Company manages liquidity risk by maintaining sufficient cash and bank balances and the availability of funding through an adequate amount of committed credit facilities.
- ii The Company is exposed to liquidity risk in respect of financial liabilities, set out in Note 28. These liabilities are due to mature within one year from the reporting date.
- iii The Company follows an effective cash management and planning policy to ensure availability of funds and to take appropriate measures for new requirements.
- iv As at June 30, 2023, the Company has unavailed borrowing limits from financial institutions and of Rs 36.462 million (2022: Rs 94.59 million) to manage the liquidity risk.

30 Capital risk management

The company's objectives, policies and processes for managing capital are as follows:

To safeguard Company's ability to continue as going concern, so that it can continue to provide returns for shareholders and benefit other stakeholders; and

To provide adequate return to shareholders by pricing the products and services commensurately with the level of risk.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or issue new shares. The capital structure of the Company consists of equity comprising of issued share capital and unappropriated profits.

Consistent with others in the industry and the requirements of the lenders, the Company monitors the capital structure on the basis of gearing ratio.

This ratio is calculated as debt divided by total capital. Debt is calculated as total borrowings. Total capital is calculated as 'equity' shown in the statement of financial position. The gearing ratio as at year ended June 30, 2023 and June 30, 2022 are as follows:

	2023	2022
	(Rupees in '000')	
Debt	2,425,217	857,363
Less: Cash and cash equivalents	(35,767)	(94,680)
Net Debts	2,389,450	762,683
Total Equity	7,436,654	7,797,580
Total Capital	9,826,104	8,560,263
Gearing Ratio	33%	11%

The Company is not exposed to externally imposed capital requirements.

Notes to the Financial Statements

for the year ended 30 June 2023

31 Transactions with related parties

The related parties comprise of major shareholder, associated undertakings, provident fund and key management personnel. Significant transactions with related parties are as follows:

Name of related parties and basis of relationship	Nature of transactions	2023	2022
		(Rupees in '000)	
Soneri Bank Limited Associated Company by virtue of common directorship	- Profit on bank deposits	12,806	7,763
Rupali Nylon (Private) Limited Associated company by virtue of common directorship	- Purchase - Payments	4,711 4,711	5,511 5,511
Rupafil Limited Associated company by virtue of common directorship	- Purchases - Sales - Payments - Receipts	1,707,599 330,535 1,709,017 331,981	1,548,741 47,532 1,548,741 68,088
Spintex Limited (MD is sibling of CEO of the Company)	- Purchases - Sales - Payments - Receipts	- - - -	43,305 14 43,294 41,900
Alnu Trust Related party by virtue of major shareholding	- Loan availed - Repayment of loan	114,000 135,000	197,000 -
Provident fund	-	4,640	1,584

32 Remuneration to directors and executives

The aggregate amount charged in the financial statements for the year for remuneration, including certain benefits, to the Chief Executive and full time working Directors and Executives of the Company are as follows:

	Executives	
	2023	2022
	(Rupees in'000)	
Managerial remuneration	47,238	32,838
House rent	14,171	9,851
Utilities	4,724	3,283
Medical allowance	4,724	3,283
Other benefits	366	279
	<u>71,223</u>	<u>49,534</u>
Total number of persons	21	15

32.1 The Chief Executive Officer of the Company is provided with Company maintained car for business and personal use. No meeting fee was paid to any director for attending Board meetings during the year.

Notes to the Financial Statements

for the year ended 30 June 2023

33 Number of employees

Average number of employees for the year
Total number of employees at year end

2023	2022
Number of persons	
1,337	1,364
1,262	1,349

34 Employees provident fund

Size of the fund
Cost of investments made
Fair value of investment
Percentage of investment made

Note	2023	2022
	Unaudited	Audited
	(Rupees in'000)	
	22,524	23,776
	22,248	23,205
	22,248	23,205
	98.77%	97.60%

34.1 The funds are placed in saving account with a bank, which is related party of the Company, in accordance with the provisions of section 218 of the Companies Act, 2017 and the Rules formulated for this purpose.

35 Production Capacity

Annual capacity
Yarn
Fibre
Actual production
Yarn
Fibre

2023	2022
Units in tons	
10,100	10,100
12,000	12,000
8,749	11,402
22,111	24,056

35.1 The annual capacity disclosed above is name plate capacity on a standard product specification basis. It is a standardized nomenclature over the world that manufacturing plants have a certain nameplate capacity. However, actual production capacity of a plant is always in excess of the nameplate capacity owing to variation in specification of products being actually produced.

36 Date of authorization for issue

These financial statements were authorized for issue on 18 September 2023 by the Board of Directors of the Company.

37 General

Figures have been rounded off to the nearest thousand Rupees unless otherwise stated.



Nooruddin Feerasta
Chief Executive Officer



Zeeshan Feerasta
Director



Muhammad Ahsan Iqbal
Chief Financial Officer

Pattern of Shareholding

as at 30 June 2023

Number of Shareholders	From	Shareholding	To	Total Shares Held
217	1	-	100	5,969
124	101	-	500	43,690
117	501	-	1,000	95,660
144	1001	-	5,000	358,692
35	5001	-	10,000	273,569
8	10001	-	15,000	94,892
7	15001	-	20,000	133,000
4	20001	-	25,000	88,689
1	30001	-	35,000	33,000
2	35001	-	40,000	80,000
2	40001	-	45,000	85,500
2	45001	-	50,000	96,000
2	50001	-	55,000	105,500
1	55001	-	60,000	60,000
1	60001	-	65,000	60,500
1	65001	-	70,000	68,000
1	70001	-	75,000	74,500
2	75001	-	80,000	155,500
1	95001	-	100,000	100,000
1	110001	-	115,000	115,000
1	115001	-	120,000	118,000
1	130001	-	135,000	133,161
1	145001	-	150,000	146,482
1	205001	-	210,000	209,490
1	225001	-	230,000	226,662
1	285001	-	290,000	286,000
1	480001	-	485,000	485,000
1	580001	-	585,000	584,500
1	935001	-	940,000	939,833
1	1200001	-	1,205,000	1,202,503
1	3830001	-	3,835,000	3,834,290
1	5355001	-	5,360,000	5,359,364
1	18415001	-	18,420,000	18,415,568
686		Total		34,068,514

Pattern of Shareholding

as at 30 June 2023

Categories of Shareholders	Number	Shares Held	Percentage
Individuals	661	4,276,520	12.55
Joint Stock Companies	0	0	0.00
Investment Companies	0	0	0.00
Directors, Chief Executive Officer and their Spouses and minor Children	9	1,057,993	3.09
Mr. Nooruddin Feerasta		500	0.00
Mr. Muhammad Rashid Zahir		500	0.00
Mrs. Amyna Feerasta		500	0.00
Mr. Shehzad Feerasta		490	0.00
Mr. Zeeshan Feerasta		10	0.00
Mr. Yaseen M. Sayani		939,833	2.76
Mr. Shahid Hameed		10	0.00
Mr. Abdul Hayee		1,150	0.00
Mrs. Laila Y. Sayani w/o Mr. Yaseen M. Sayani		115,000	0.34
Total:		1,057,993	3.09

Executives			
National Bank of Pakistan, Trustee Deptt.	4	737,022	2.16
Investment Corporation of Pakistan	1	200	0.00
Associated Companies, undertakings and related parties			
Public Sector Companies and Corporations			
Banks, DFIs, NBFIs, Insurance Companies, Modaraba & Mutual Funds	8	387,557	1.14
Foreign Investors	0	0	0.00
Co-operative Societies	0	0	0.00
Trusts	3	27,609,222	81.04
Others			
Total:	686	34,068,514	100.00

SHARE-HOLDERS HOLDING FIVE PERCENT OR MORE VOTING INTEREST IN THE COMPANY

Name of Shareholders	No. of Shares Held	Percentage
Trustees Feerasta Senior Trust	18,415,568	54.05
Trustees ALNU Trust	9,193,654	26.99
Total:	27,609,222	81.04

Trading in Shares During 2022-23:

Directors, CEO, CFO and Company Secretary made no sale/purchase of shares during the year.

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- Online Quizzes



Capital Market Board
 Chairman: M. Yousaf Raza Gillani
 Secretary: M. Farooq Nadeem
 Commission of Pakistan

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Proxy Form 43rd Annual General Meeting

I / We _____ of

_____ being member(s) of RUPALI POLYESTER LIMITED

and holder of _____ Ordinary Shares. _____

Register Folio No. _____

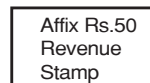
CDC participant I.D. No: _____ Sub-Account No: _____

CNIC No: _____ or Passport No: _____

hereby appoint _____ of _____ or failing him / her

_____ of _____ who is / are also member(s) of

RUPALI POLYESTER LIMITED as my / our proxy to attend and vote for me / on our behalf at the 43rd Annual General Meeting of the Company to be held on 23 October 2023 or at any adjournment thereof.



(Signatures should agree with the specimen signature registered with the Company)

Dated this ____ day of October 2023

Signature of Shareholder _____

Signature of Proxy _____

1. WITNESS

Signature: _____

Name: _____

Address: _____

CNIC No: _____

or Passport No: _____

2. WITNESS

Signature: _____

Name: _____


Address: _____

CNIC No: _____

or Passport No: _____

IMPORTANT:

1. This Proxy Form, duly completed and signed, must be received at the Registered Office of the Company RUPALI POLYESTER LIMITED, Rupali House, 241-242 Upper Mall Scheme, Anand Road, Lahore - 54000 not less than 48 hours before the time of holding the meeting.
2. No person shall act as proxy unless he / she himself / herself is a member of the Company, except that a corporation may appoint a person who is not a member.
3. If a member appoints more than one proxy and more than one instruments of proxy are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.
4. CDC Shareholders and their proxies should attach an attested photocopy of their Computerized National Identity Card (CNIC) or Passport with the proxy form before submission to the Company. (Original CNIC / Passport is required to be produced at the time of the meeting).
5. In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be submitted along with proxy form to the Company.



The Company Secretary

Rupali Polyester Limited

Rupali House,

241-242 Upper Mall Scheme, Anand Road,

Lahore - 54000

AFFIX
CORRECT
POSTAGE

پراکسی فارم

تینتالیسواں سالانہ اجلاس عام

میں / ہم روپالی پولیسٹر لمیٹڈ کے زیر دستخطی ممبر (ز) ہوں / ہیں اور میرے / ہمارے پاس _____
_____ عمومی حصص کی ملکیت ہے، میں / ہم، محترم / محترمہ _____
_____ یا ایسا نہ ہونے کی صورت میں ان کی جگہ محترم / محترمہ _____
_____ وہ بھی کمپنی کے ممبر ہیں کو بطور نائب کمپنی اپنی جگہ کمپنی کے تینتالیسواں سالانہ عام اجلاس منعقدہ، بمقام
کمپنی کے رجسٹرڈ دفتر روپالی ہاؤس، 241-242 اپر مال سکیم آئند روڈ لاہور بتاریخ 23 اکتوبر 2023 میری / ہماری جگہ بطور پراکسی شرکت کرنے،
ووٹ دینے کی اجازت دیتا ہوں / دیتی ہوں۔

پچاس روپے کی
ٹکٹ چسپاں کریں

گواہان:

دستخط کئے گئے مورخہ _____ اکتوبر 2023

1 دستخط: _____

نام: _____

پتہ: _____

سی این آئی سی یا پاسپورٹ نمبر: _____

2 دستخط: _____

نام: _____

پتہ: _____

سی این آئی سی یا پاسپورٹ نمبر: _____

نوٹ: پراکسیز کے موثر ہونے کے لیے لازم ہے کہ وہ اجلاس سے 48 گھنٹے قبل کمپنی کو موصول ہوں۔ نیابت دار کا کمپنی کارکن ہونا ضروری ہے۔ سی ڈی سی کے حصص

درست رقم کی
نکٹ چسپاں کریں

کمپنی سیکرٹری
روپالی پولیسٹر لمیٹڈ
روپالی ہاؤس
241-242 اپر مال سکیم، آئنڈروڈ،
لاہور-54000

rupaligroup.com



RUPALI POLYESTER LIMITED

Registered Office

Rupali House, 241 - 242 Upper Mall Scheme,
Anand Road, Lahore - 54000 Pakistan.