



RUPALI POLYESTER LIMITED

2024

Half Yearly Accounts (Un-audited)

Half Yearly Report
31 December 2024

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
The Bank of Punjab

Bank Alfalah Limited
Habib Bank Limited
MCB Bank Limited
Soneri Bank Limited

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

Directors' Review

We are pleased to present the Company's un-audited financial statements for the second quarter and first half of FY 2024-25, ended 31 December 2024.

Overview

The economic challenges faced by Pakistan continued to impact the polyester industry in the second quarter of FY 2024-25. Dumped imports, high interest rates, and a challenging business environment further hampered the Company's performance. Inflationary pressures and energy price hikes remained key concerns despite economic stabilization efforts. The polyester industry suffered from an influx of cheap dumped imports, leading to production constraints and deteriorating margins. Despite these headwinds, the Company adopted strategic pricing and cost optimization measures to mitigate losses.

Polyester Market Conditions

The polyester industry continues to struggle due to an economic downturn, tight liquidity, and severe competition from dumped Chinese and Indonesian imports. Domestic manufacturers face declining sales volumes, higher production costs, and an eroding competitive position. The removal of anti-dumping duties worsened the situation, making it difficult for local players to sustain operations.

On the application submitted by the domestic industry on May 24, 2024, the National Tariff Commission (NTC) imposed provisional anti-dumping duties ranging from 2.13% to 20.78% on the import of Drawn Textured Yarn (DTY) from China on November 14, 2024, which have again been challenged by the importers in the Anti-Dumping Appellate Tribunal and stays have been granted by the High Courts for collection of provisional duty, so making it ineffective for all practical purposes.

Further, in our view, major Chinese exporters dumping DTY in Pakistan have been assessed under a 5.00% duty margin, which is a very low dumping margin compared to the market reality. This remains a significant concern for the domestic polyester industry, as it does not adequately address the price distortions caused by dumped imports.

Government is urged to impose realistic anti-dumping duties and high custom tariffs for at least five years to protect local industry and jobs.

Financial Performance

Sales revenue for the second quarter of FY 2024-25 declined due to reduced sale volumes of both Polyester Staple Fiber (PSF) and Polyester Filament Yarn (PFY). The Company incurred a gross loss of Rs. 378 million in Q2 and Rs. 435 million for the half-year ended December 31, 2024, mainly due to high raw material and energy costs. Finance costs remained elevated due to high mark-up rates and increased utilization of financing facilities. Consequently, the Company recorded a loss after tax of Rs. 474 million in Q2, bringing the half-year loss to Rs. 736 million.

Earnings per share

The Company reported a loss per share of Rs. 13.90 for the second quarter and Rs. 21.60 for the first half of FY 2024-25, compared to a loss per share of Rs. 6.19 and Rs. 11.21 for the respective periods in the previous year.

Future Outlook

Despite prevailing challenges, the polyester industry is expected to benefit from improved economic activity in the coming months. However, unfairly priced dumped imports remain a significant threat to local manufacturers, necessitating urgent policy intervention. The Company remains focused on optimizing costs, enhancing efficiency, and advocating for protective trade measures. Sustainable energy and economic policies will be crucial for the long-term stability of the industry.

Auditors' Review Report

M/s. RSM Avais Hyder Liaquat Nauman, Chartered Accountants, the Company's external auditors, have issued an unqualified Review Report to the Board members of the Company on condensed interim financial statements for the half year ended 31 December 2024.

A Note of Gratitude

The Board extends its sincere gratitude to the Ministries of Finance, Industries and Production, Commerce, Communication and IT, and Textile Industry, as well as the Federal Board of Revenue, Customs, and the Government of Punjab for their continued support. We also appreciate the trust and collaboration of Development Financial Institutions, Commercial Banks, customers, and business partners. Finally, we recognize the dedication and hard work of our employees, whose commitment is vital to the Company's resilience.

On behalf of the Board



Nooruddin Feerasta
Chief Executive Officer



Zeeshan Feerasta
Director

Lahore
27 February 2025

محاسبان کی جائزہ رپورٹ

کمپنی کے آڈیٹر ایس حیدر لیاقت نعمان، چارٹرڈ اکاؤنٹنٹس نے ۳۱ دسمبر ۲۰۲۳ کو ختم ہونے والی شہابی کے لئے کمپنی کے ممبران کو عبوری مالی گوشواروں پر ایک غیر مشروط جائزہ رپورٹ جاری کی ہے۔

اظہار تشکر

ہم وزارت خزانہ، صنعت و پیداوار، کامرس، کمیونیکیشن اینڈ آئی ٹی اور ٹیکسٹائل انڈسٹری کی وزارتوں کے ساتھ ساتھ فیڈرل بورڈ آف ریونیو، کسٹمز اور حکومت پنجاب کے مسلسل تعاون پر تہ دل سے شکر یہ ادا کرتے ہیں۔ ہم ترقیاتی مالیاتی اداروں، کمرشل بینکوں، صارفین اور کاروباری شرکت داروں کے اعتماد اور تعاون کی بھی تعریف کرتے ہیں۔ آخر میں، ہم اپنے ملازمین کی لگن اور محنت کو تسلیم کرتے ہیں، جن کا عزم کمپنی کے استحکام کے لئے، بہت ضروری ہے۔

محاسب بورڈ آف ڈائریکٹرز:



ذیشان فیراستہ
ڈائریکٹر



نور الدین فیراستہ
چیف ایگزیکٹو آفیسر

لاہور:

۲۷ فروری ۲۰۲۵ء

ڈائریکٹران کا جائزہ

ہمیں ۳۱ دسمبر ۲۰۲۳ء کو ختم ہونے والی مالی سال ۲۰۲۳-۲۵ کی دوسری سہ ماہی اور ششماہی کے لئے کمپنی کے غیر آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہوئے خوشی ہو رہی ہے۔

جائزہ

پاکستان کو درپیش چیلنجز مالی سال ۲۰۲۳-۲۵ کی دوسری سہ ماہی میں پولیسٹرانڈسٹری کو متاثر کرتے رہے۔ ڈمپڈ (Dumped) درآمدات، بلند شرح سود اور ایک چیلنج زدہ کاروباری ماحول نے کمپنی کی کارکردگی کو مزید متاثر کیا۔ اقتصادی استحکام کی کوششوں کے باوجود افراط زر کا دباؤ اور توانائی کی قیمتوں میں اضافہ اہم معاملات رہے۔ پولیسٹریکی صنعت کو سٹے ڈمپڈ درآمدات کا سامنا کرنا پڑا، جس کی وجہ سے پیداوار میں رکاوٹیں اور مارجن خراب ہو گئے۔ ان خرابیوں کے باوجود، کمپنی نے نقصانات کو کم کرنے کے لئے قیمتوں کا تعین اور لاگت کی اصلاح جیسی حکمت عملی کے اقدامات کو اپنایا۔

پولیسٹر مارکیٹ کی حالت

معاشی بد حالی، سخت لیویڈیٹی، چینی اور انڈونیشیائی ڈمپڈ درآمدات سے شدید مسابقت کی وجہ سے پولیسٹریکی صنعت مسلسل جدوجہد کر رہی ہے۔ گھریلو مینوفیکچررز کو گرتی ہوئی فروخت کے حجم، زیادہ پیداواری لاگت اور تباہ کن مسابقتی پوزیشن کا سامنا ہے۔ ایٹنی ڈیمینگ ڈیوٹی بنانے سے صورتحال مزید خراب ہو گئی، جس سے مقامی صنعت کاروں کے لئے آپریشن کو برقرار رکھنا مشکل ہو گیا۔

نیٹفل ٹیرف کمیشن نے ۱۴ نومبر ۲۰۲۳ء کو گھریلو صنعت کی جانب سے ۲۳ مئی ۲۰۲۳ء کو جمع کرائی گئی درخواست پر DTY کی چین سے درآمد پر ۱۳.۳٪ سے ۸.۷٪ تک کی عارضی ایٹنی ڈیمینگ ڈیوٹی عائد کی تھی، جسے درآمد کنندگان نے ایٹنی ڈیمینگ ایبل ٹریڈول میں ایک بار پھر چیلنج کیا ہے۔ ڈیوٹی کی وصولی کے لئے عدالت عالیہ نے حکم امتناعی دے دیا ہے، اس لئے عائد ڈیوٹی کو تمام عملی مقاصد کے لئے غیر موثر بنایا جا رہا ہے۔

مزید ہمارے خیال میں پاکستان میں DTY ڈمپڈ کرنے والے بڑے چینی برآمد کنندگان کا اندازہ ۵.۰۰۰٪ ڈیوٹی مارجن کے تحت لگایا گیا ہے، جو کہ مارکیٹ کی حقیقت کے مقابلے میں بہت کم ڈیمینگ مارجن ہے۔ یہ گھریلو پولیسٹرانڈسٹری کے لئے ایک اہم تشویش بنی ہوئی ہے۔ کیونکہ یہ ڈمپ شدہ درآمدات کی وجہ سے قیمتوں میں ہونے والے بگاڑ کو مناسب طریقے سے حل نہیں کرتی ہے۔

حکومت سے درخواست ہے کہ وہ مقامی صنعت اور ملازمتوں کے تحفظ کے لئے کم از کم پانچ سال کے لئے حقیقت پسندانہ ایٹنی ڈیمینگ ڈیوٹی اور کسٹم ٹیرف عائد کرے۔

مالیاتی نتائج

پولیسٹر سٹیبل فائبر (PSF) اور پولیسٹر فلابینٹ (PFY) مالی سال ۲۰۲۳-۲۵ کی دوسری سہ ماہی میں دونوں کی فروخت کے حجم میں کمی واقع ہوئی، Q۲ میں کمپنی کا مجموعی خام نقصان ۳۷۸ ملین روپے ہوا اور ۳۱ دسمبر ۲۰۲۳ء کو ختم ہونے والی ششماہی میں ۳۳۵ ملین روپے ہوا جو کہ خام مال اور توانائی کے بڑھتے ہوئے اخراجات کی وجہ سے ہوئے۔ نتیجتاً کمپنی کے Q۲ میں ۴۷۸ ملین روپے اور ششماہی میں ۳۶۶ ملین روپے بعد از ٹیکس خسارہ ریکارڈ کیا۔ Q۲ میں مارک اپ کی بلند شرحوں اور مالیاتی سہولیات کے بڑھتے ہوئے استعمال کی وجہ سے مالیاتی اخراجات بلند رہے۔

فی حصہ آمدنی

۳۱ دسمبر ۲۰۲۳ء کو ختم ہونے والی سہ ماہی کے دوران کمپنی کو ۱۳.۹۰ روپے فی حصہ نقصان ہوا جو کہ پچھلے سال کے ۶.۱۹ روپے فی حصہ نقصان کے مقابلے میں زیادہ ہے۔ اسی تاریخ کو ختم ہونے والی ششماہی کے دوران ۲۱.۶۰ روپے فی حصہ نقصان رہا جو کہ پچھلے سال کے اس دوران ۱۱.۲۱ روپے فی حصہ تھا۔

مستقبل کا جائزہ

موجودہ چیلنجزوں کے باوجود پولیسٹرانڈسٹری کو آنے والے مہینوں میں بہتر اقتصادی سرگرمیوں سے فائدہ ہونے کی امید ہے۔ تاہم غیر مصنفانہ قیمت پر ڈمپڈ شدہ درآمدات مقامی مینوفیکچررز کے لئے ایک اہم خطرہ بنی ہوئی ہیں جس کے لئے فوری پالیسی مداخلت کی ضرورت ہے۔ کمپنی لاگت کو بہتر بنانے، کارکردگی بڑھانے اور حفاظتی تجارتی اقدامات کے لئے کوشاں ہے۔ صنعت کے طویل مدتی استحکام کے لئے پائیدار توانائی اور اقتصادی پالیسیاں اہم ہوں گی۔



RSM Avas Hyder Liaquat Nauman
Chartered Accountants

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**INDEPENDENT AUDITORS' REVIEW REPORT
TO THE MEMBERS OF RUPALI POLYESTER LIMITED
REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS**

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Rupali Polyester Limited (the Company) as at December 31, 2024 and the related condensed interim statement of profit or loss, the condensed interim statement of comprehensive income, the condensed interim statement of changes in equity, the condensed interim statements of cash flows and selected explanatory notes to the condensed interim financial statements for the six-month period then ended (here-in-after referred to as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of Review

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

The figures of the condensed interim statement of profit or loss and the condensed interim statement of comprehensive income for the three-month period ended December 31, 2024 and 2023 have not been reviewed, as we are required to review only the cumulative figures for the six-month period ended December 31, 2024.

Conclusion

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

The engagement partner on the review resulting in this independent auditors' review report is Inam ul Haque.


RSM AVAIS HYDER LIAQUAT NAUMAN
CHARTERED ACCOUNTANTS
Place: Lahore

Date: 27 FEB 2025

UDIN: RR202410226VPQlvmZ9z



THE POWER OF BEING UNDERSTOOD
ASSURANCE | TAX | CONSULTING

RSM Avas Hyder Liaquat Nauman is a related entity of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.



Condensed Interim Statement of Financial Position (Un-audited) as at 31 December 2024

(Rupees in '000)	Note	Un-audited 31 December 2024	Audited 30 June 2024
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	7,065,803	7,121,367
Investment properties		800,000	800,000
Long term security deposits		4,481	4,481
Deferred tax Asset	5	450,000	440,359
		<u>8,320,284</u>	<u>8,366,207</u>
CURRENT ASSETS			
Stores, spares and loose tools		1,123,092	1,128,897
Stock in trade		1,199,856	2,541,632
Trade receivables - unsecured & considered good		27,690	27,429
Advances, deposits and other receivables	6	628,480	800,559
Tax refunds due from government		158,698	171,218
Cash and bank balances		12,947	260,598
		<u>3,150,763</u>	<u>4,930,333</u>
		<u>11,471,047</u>	<u>13,296,540</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital 35,000,000 ordinary shares of Rs. 10 each		350,000	350,000
Issued, subscribed and paid up capital		340,685	340,685
Capital reserves			
Share premium		71,490	71,490
Surplus on revaluation of land		5,697,866	5,697,866
Revenue reserves			
General reserve		1,664,125	1,664,125
(Accumulated loss)		(1,902,446)	(1,166,622)
		<u>5,871,720</u>	<u>6,607,544</u>
NON-CURRENT LIABILITIES			
Staff retirement gratuity		341,880	318,957
CURRENT LIABILITIES			
Trade and other payables	7	1,124,673	2,144,900
Short term borrowings	8	3,997,959	3,981,857
Accrued markup on borrowings		130,221	148,611
Unclaimed dividend		4,595	4,599
Provision for taxation-Income tax		-	90,072
		<u>5,257,447</u>	<u>6,370,039</u>
CONTINGENCIES AND COMMITMENTS			
	9	-	-
TOTAL EQUITY AND LIABILITIES		<u>11,471,047</u>	<u>13,296,540</u>

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



Nooruddin Feerasta
Chief Executive Officer



Zeeshan Feerasta
Director



Muhammad Ahsan Iqbal
Chief Financial Officer

Condensed Interim Statement of Other Comprehensive Income (Un-audited) for the half year ended 31 December 2024

(Rupees in'000)	Half year Ended 31 December	
	2024	2023
Loss for the period	(735,824)	(381,833)
Other comprehensive income	-	-
Total comprehensive loss for the period	(735,824)	(381,833)

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



Nooruddin Feerasta
Chief Executive Officer



Zeeshan Feerasta
Director



Muhammad Ahsan Iqbal
Chief Financial Officer

Condensed Interim Statement of Cash Flow (Un-audited) for the half year ended 31 December 2024

(Rupees in'000)	Half year Ended 31 December	
	2024	2023
A) Cash flows from operating activities		
Loss before minimum tax differential and income tax	(777,494)	(401,855)
Adjustments for:		
Depreciation on property, plant and equipment	75,195	77,171
Provision for staff retirement benefits	37,469	34,892
Gain on disposal of property, plant and equipment	(16,976)	-
Interest income	(6,959)	(8,481)
Finance cost	269,935	312,991
	358,664	416,574
Cash flows before working capital changes	(418,830)	14,719
Working capital changes		
(Increase) / decrease in current assets:		
Stores, spares and loose tools	5,805	(107,619)
Stock-in-trade	1,341,776	(124,243)
Trade receivables	(261)	(742)
Advances, deposits and other receivables	172,079	(176,593)
Decrease in current liabilities:		
Trade and other payables	(1,020,227)	(260,145)
Provision for taxation-Income tax	-	(9,801)
	499,172	(679,144)
Cash flows from operations	80,343	(664,425)
Finance costs paid	(288,325)	(244,724)
Income tax paid	(45,523)	(39,763)
Staff retirement benefits paid	(14,546)	-
Net cash flows from operating activities	(268,052)	(948,912)
B) Cash flow from investing activities		
Additions in property, plant and equipment	(21,271)	(90,530)
Proceeds from disposal of operating assets	18,615	-
Interest income received	6,959	8,481
Net cash flows from investing activities	4,303	(82,050)

Condensed Interim Statement of Cash Flow (Un-audited) for the half year ended 31 December 2024

(Rupees in'000)	Half year Ended 31 December	
	2024	2023
C) Cash flows from financing activities		
Short-term borrowings obtained - net	16,102	1,359,394
Dividend paid	(4)	-
Net cash flows from financing activities	16,098	1,359,394
Net (decrease) / increase in cash and cash equivalents (A+B+C)	(247,651)	328,432
Cash and cash equivalents at the beginning of the period	260,598	35,767
Cash and cash equivalents at end of the period	12,947	364,199

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



Nooruddin Feerasta
Chief Executive Officer



Zeeshan Feerasta
Director



Muhammad Ahsan Iqbal
Chief Financial Officer

Condensed Interim Statement of Changes in Equity (Un-audited) for the half year ended 31 December 2024

(Rupees in'000)

	Capital reserves			Revenue reserves			Total	
	Issued Subscribed and Paid up Capital	Share Premium	Surplus on revaluation of land	Sub Total	General reserve	(Accumulated Loss)		Sub Total
Balance as at July 01, 2023								
-Audited	340,685	71,490	5,697,866	5,769,356	1,664,125	(337,512)	1,326,613	7,436,654
Total comprehensive income								
Loss for the period	-	-	-	-	-	(381,833)	(381,833)	(381,833)
Other comprehensive income	-	-	-	-	-	-	-	-
	-	-	-	-	-	(381,833)	(381,833)	(381,833)
Balance as at December 31, 2023								
-Unaudited	340,685	71,490	5,697,866	5,769,356	1,664,125	(719,345)	944,780	7,054,821
Balance as at July 01, 2024								
-Audited	340,685	71,490	5,697,866	5,769,356	1,664,125	(1,166,622)	497,503	6,607,544
Total comprehensive loss								
Loss for the period	-	-	-	-	-	(735,824)	(735,824)	(735,824)
Other comprehensive income	-	-	-	-	-	-	-	-
	-	-	-	-	-	(735,824)	(735,824)	(735,824)
Balance as at December 31, 2024								
-Unaudited	340,685	71,490	5,697,866	5,769,356	1,664,125	(1,902,446)	(238,321)	5,871,720

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



Nooruddin Feerasta
Chief Executive Officer



Zeeshan Feerasta
Director



Muhammad Ahsan Iqbal
Chief Financial Officer

Selected Explanatory Notes to the Condensed Interim Financial Statements (Un-audited) for the half year ended 31 December 2024

1 Legal status and nature of business

Rupali Polyester Limited (the Company) was incorporated in Pakistan on May 24, 1980 as a Public Limited Company under the Companies Ordinance, 1984 repealed by the Companies Act, 2017 and is listed on Pakistan Stock Exchange. The Company is principally engaged in manufacture and sale of yarn and polyester staple fibre. 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 Chundrigar 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 Significant accounting policies

2.1 Statement of compliance

These condensed interim financial statements are un-audited and have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- (i) International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by International Accounting Standard Board (IASB) as notified under the Companies Act, 2017;
- (ii) Provisions of or directives issued under the Companies Act, 2017.

In case where the provisions of or directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of or directives issued under the Companies Act, 2017 have been followed.

2.2 These condensed interim financial statements have been subjected to limited scope review by the auditors, as required under section 237 of Companies Act, 2017 and should be read in conjunction with the annual audited financial statements of the Company for the year ended June 30, 2024.

3 Material accounting policy information

3.1 The material accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of the annual audited financial statements of the Company for the year ended June 30, 2024.

3.2 There are certain amendments to standards that became effective during the period and are mandatory for accounting periods of the Company beginning on or after July 01, 2024 but are considered not to be relevant to the Company's operations and are, therefore, not disclosed in these condensed interim financial statements.

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

3.3 These condensed interim financial statements are presented in Pakistani Rupees which is the Company's functional and presentation currency.

3.4 Significant accounting estimates and judgements

The preparation of these condensed interim financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including the expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

During the preparation of these condensed interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that were applied in the preparation of the annual audited financial statements of the Company for the year ended June 30, 2024.

3.5 Financial risk management

Risk management policies and procedures are consistent with those disclosed in the annual audited financial statements of the Company for the year ended June 30, 2024.

(Rupees in'000)	Note	Un-audited 31 December 2024	Audited 30 June 2024
4 Property, plant and equipment			
Operating fixed assets - at net book value	4.1	6,902,845	6,956,898
Capital work-in-progress - at cost	4.2	24,194	10,560
Stores held for capital expenditure - at cost		138,765	153,909
		<u>7,065,803</u>	<u>7,121,367</u>
4.1 Operating fixed assets			
Opening net book value		6,956,898	6,999,997
Additions during the period / year	4.1.1	22,781	118,350
		<u>6,979,679</u>	<u>7,118,347</u>
Disposals during the period / year	4.1.1	(1,639)	-
Depreciation charge during the period / year		(75,195)	(161,449)
		<u>(76,834)</u>	<u>(161,449)</u>
Closing net book value		<u>6,902,845</u>	<u>6,956,898</u>

(Rupees in'000)	Un-audited 31 December 2024	Un-audited 31 December 2023
4.1.1 Additions and disposals of operating fixed assets during the period were as follows:		
Additions - at cost		
Building - Office on freehold land	3,378	45
Plant and machinery	15,658	4,091
Furniture and fittings	25	172
Office equipment	2,252	155
Vehicles	991	9,930
Other assets	476	14,766
	<u>22,781</u>	<u>29,159</u>
Disposals - at NBV		
Plant and machinery	1,639	-

(Rupees in'000)	Un-audited 31 December 2024	Audited 30 June 2024
4.2 Capital work-in-progress		
Building - Office on freehold land	-	1,045
Plant and machinery	24,194	9,515
	<u>24,194</u>	<u>10,560</u>
5 Deferred tax asset		
Opening balance	440,359	379,382
Statement of addition through;		
Profit or loss	9,641	58,279
Comprehensive income	-	2,698
	<u>450,000</u>	<u>440,359</u>

5.1 As a matter of prudence, the management has recognized deferred tax asset of Rs.450 million (2023: Rs.440.36 million) out of total deferred tax asset of Rs.541.97 million (2023: Rs.440.36 Million) considering the probability of availability of future taxable profits against which deductible temporary differences will be utilized. Total deferred tax asset comprises of;

(Rupees in '000)	Note	Un-audited 31 December 2024	Audited 30 June 2024
Taxable temporary differences in respect of; Difference in accounting and tax bases of property, plant and equipment		(254,924)	(246,079)
Deductible temporary differences in respect of; Provision for gratuity		1 99,145	92,498
Tax losses carried forward		508,116	297,095
Minimum tax differential		189,631	296,845
		<u>541,968</u>	<u>440,359</u>
6 Advances, deposits and other receivables			
Considered good			
Advances to employees			
against salary		91	66
against expenses		154	2,585
Advances to suppliers		2,523	13,078
LC fees and expenses		10,296	23,279
Advances to related parties		194	69
Sales tax refundable		564,057	733,990
Other receivables		51,166	27,492
		<u>628,480</u>	<u>800,559</u>
7 Trade and other payables			
Creditors		593,705	1,766,362
Accrued liabilities		97,289	164,517
Worker's profit participation fund		86,231	77,399
Advance from customers		263,414	46,440
Gas Infrastructure Development Cess (GIDC) payable		61,338	61,338
Sales tax payable		8,054	13,277
Withholding income tax payables		1,767	1,344
Retention money		1,270	950
Payable to provident fund		206	318
Others		11,399	12,955
		<u>1,124,673</u>	<u>2,144,900</u>
8 Short term borrowings			
Secured- from banking companies			
Under mark-up arrangements			
Running finances utilized	8.1	2,477,839	2,761,738
Unsecured - from associates	8.2	<u>1,520,119</u>	<u>1,220,119</u>
		<u>3,997,959</u>	<u>3,981,857</u>

8.1 The aggregate finance facilities available from various commercial banks amounted to Rs. 3,531.24 million (June 2024: Rs. 3,082.27 million). These carry mark-up at the rates ranging from 15.21% to 21.35% per annum (Dec 2023: 19.24% to 23.30% per annum) payable on maturity/quarterly basis in arrears and are secured against first pari passu and hypothecation charge over present and future current assets.

8.2 These loans were obtained to meet working capital requirements and have been utilized accordingly. These are unsecured, interest free and repayable on demand.

9. Contingencies and commitments

Contingencies

There has been no material change in the status of contingencies as disclosed in the annual audited financial statements of the Company for the year ended June 30, 2024.

(Rupees in'000)	Un-audited 31 December 2024	Audited 30 June 2024
Commitments		
Under letters of credit for import of stores and raw material	19,003	294,196

10 Cost of goods sold

(Rupees in'000)	Quarter Ended 31 December		Half year Ended 31 December	
	2024	2023	2024	2023
Raw and packing material consumed	728,727	1,995,123	2,988,551	4,606,678
Stores and spares consumed	23,989	25,352	53,090	61,088
Salaries, wages and amenities	125,244	88,419	247,440	208,388
Fuel and power	257,848	376,308	813,012	880,046
Repairs and maintenance	13,141	9,323	23,855	24,385
Running and maintenance of vehicles	8,636	10,377	18,955	20,997
Insurance	5,337	4,678	9,937	9,280
Depreciation	33,886	34,982	67,695	69,684
Rent, rates and taxes	563	661	1,220	1,307
Other expenses	713	826	1,217	1,228
	1,198,085	2,546,050	4,224,971	5,883,081
Add: opening work in process	28,222	261,059	82,883	109,563
Less: closing work in process	(75,408)	(74,620)	(75,408)	(74,620)
	1,150,899	2,732,488	4,232,446	5,918,024
Add: opening finished goods	1,953,359	1,094,281	1,372,497	753,355
Less: closing finished goods	(526,119)	(1,332,466)	(526,119)	(1,332,466)
	2,578,138	2,494,303	5,078,824	5,338,913
11. Minimum tax differential (levy)	27,501	31,004	58,043	67,170

11.1 This represents portion of minimum tax paid under section 113 of the Income Tax Ordinance, representing levy in terms of requirements of IFRIC 21/IAS 37. The comparative has been rearranged accordingly.

(Rupees in '000)	Quarter Ended 31 December		Half year Ended 31 December	
	2024	2023	2024	2023
12. Provision for taxation				
Current tax				
For the period	-	-	-	-
For prior period	(90,072)	(9,801)	(90,072)	(9,801)
Deferred tax	(9,641)	(77,391)	(9,641)	(77,391)
	(99,713)	(87,192)	(99,713)	(87,192)

13. Transactions with related parties

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

(Rupees in '000)	Name of related party and basis of relationship	Nature of transactions	Quarter Ended 31 December		Half year Ended 31 December	
			2024	2023	2024	2023
	Rupafil Limited	- Purchases	6,182	440,481	200,585	1,179,622
	Associated company by virtue of common directorship	- Sales	37,715	309,249	42,594	328,966
		- Payments	124,633	436,309	219,000	1,129,280
		- Receipts	58,444	316,668	62,508	335,090
	Soneri Bank Limited	- Profit on bank deposits	3,012	3,813	6,958	8,473
	Associated Company by virtue of common directorship					
	Rupali Nylon (Private) Limited	- Purchases and payments	-	163	3,383	501
	Associated company by virtue of common directorship					
	Spintex Limited Limited	- Loan received	380,000	-	530,000	-
	(MD is sibling of CEO of the Company)	- Loan repaid	380,000	-	530,000	-
		- Payment made by the company	-	-	398,017	-
		- Payment received	-	-	399,882	-
	ALNU Trust	- Loan received	100,000	470,000	300,000	470,000
	Provident fund	- Contribution made	739	684	1,689	1,026

14 Date of authorization for issue

These condensed interim financial statements were authorized for issue on **27 February 2025** by the Board of Directors of the Company.

15 General

- 15.1 There is no unusual item included in these condensed interim financial statements which is affecting assets, liabilities, loss, comprehensive loss, equity or cash flows of the Company.
- 15.2 The provision for taxation made in these condensed interim financial statements is subject to adjustment in annual financial statements.
- 15.3 Figures have been rounded off to the nearest thousand Rupees, unless stated otherwise.



Nooruddin Feerasta
Chief Executive Officer



Zeeshan Feerasta
Director



Muhammad Ahsan Iqbal
Chief Financial Officer

rupaligroup.com

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