

The image features a central glowing sphere containing the Rupali logo. The logo consists of the word "Rupali" in a bold, sans-serif font, enclosed within a dark blue, horizontally-oriented oval border. The sphere is set against a dark blue background with a complex, multi-layered grid of concentric circles and radial lines, creating a technical or digital aesthetic. The overall color palette is monochromatic, using various shades of blue.

**Rupali**

# RUPALI POLYESTER LIMITED

**Half Yearly Report**

31 December 2023



# Corporate Data

## Board of Directors

**Chairman**  
Shehzad Feerasta

**Chief Executive Officer**  
Nooruddin Feerasta

### Directors

Muhammad Rashid Zahir - Non-Executive	Amyna Feerasta - Non-Executive
Zeeshan Feerasta - Non-Executive	Yaseen M. Sayani - Independent Non-Executive
Shahid Hameed - 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	Bank Alfalah Limited
Faysal Bank Limited	Habib Bank Limited
Habib Metropolitan Bank Limited	MCB Bank Limited
Meezan 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

# Directors' Review

We are pleased to present the Company's un-audited financial statements for the second quarter and the half-year period ended 31 December 2023, duly reviewed by the external auditors.

## Overview

The first half of the financial year 2023-24 posed significant challenges, with the economic difficulties and uncertainties persisting. The socio-economic instability has led to severe volatility in the operating environment. The Company continued to grapple with financial difficulties due to declining demand from downstream consumers, driven by unprecedented inflationary pressures, and reduced market prices in the presence of abundant dumped imported products in the domestic market. Despite these adversities, the Company remained resilient, navigating through turbulent waters with strategic foresight and operational agility. Our capacity to adjust the selling prices of our products in line with the escalating costs of vital raw materials (PTA & MEG), the depreciation of the Pakistani rupee against the US dollar and exorbitant rises in energy generation expenses enabled us to sustain gross profits for the Company. However, lower sales volumes and the markup rates reaching 23% led to net losses.

## Polyester Market Conditions

Country's economic situation had a widespread impact on the industry, with demand from our downstream consumers remaining sluggish along with tight liquidity conditions throughout the first half of the FY 2023-24.

## Energy Tariffs

Export-oriented industries formerly depended on electricity from the national grid and access to Gas/RLNG for economically captive power generation, benefiting from Regionally Competitive Energy Tariffs (RCET). Regrettably, the Government has terminated these RCET benefits for export-focused sectors and raised power tariffs to levels that are unsustainable for the domestic manufacturing industry.

## Financial Results

Despite reduced sales volumes of both PSF and DTY, sales revenue for the first half of FY 2023-24, ending on December 31, 2023, witnessed an increase. This was made possible by a hike in sale prices, enabling the Company to offset increased costs and achieve gross profits, in contrast to the gross losses incurred in the corresponding period last year.

Due to heightened utilization of working capital loans and a 6.86% increase in effective mark-up rates, finance costs surged to Rs. 312.99 million in the current half-year from Rs. 136.19 million in the corresponding period last year. As a result, the Company recorded a loss before tax of Rs. 401.86 million compared to a loss of Rs. 479.54 million in the corresponding period last year. The Company incurred a loss after tax amounting to Rs. 381.83 million, a decrease from the loss after tax of Rs. 411.95 million in the same period last year.

### Earnings per share

During the half-year ended December 31, 2023, the Company incurred a loss of Rs. 11.21 per share, an improvement from the loss of Rs. 12.09 per share reported in the corresponding period ending December 31, 2022.

### Future Outlook

The Government's initiatives aimed at addressing the foreign exchange liquidity crunch are anticipated to yield positive results, stimulating economic activities across the country. Forecasts indicate positive growth in demand for PSF and PFY in the forthcoming years, however, dumped imports remain a challenge for local manufacturers. With governmental assurances to bolster local production, we are enhancing our production capacities by commissioning new machines with cutting-edge technology. However, for expansion and continued capital investment, it is imperative for the Government to devise stable, long-term economic policies to safeguard the interests of this industry. Furthermore, the PSF and PFY sector should be cultivated as a key driver of import substitution, thereby curtailing the substantial foreign exchange expenditure on importing these products through dumping practices.

### 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 members of the Company on condensed interim financial statements for the half year ended 31 December 2023.

### Board of Directors

During the period, there is no change in the composition of the Board of Directors of the Company.

### A Note of Gratitude

The Board of Directors extends its gratitude for the collaboration provided by the Ministries of Finance, Industries and Production, Commerce, Communication and Information Technology, and Textile Industry. We also acknowledge and appreciate the support received from the Federal Board of Revenue, Departments of Customs and Central Excise, and the Government of Punjab. We are thankful for the cooperation and trust extended by Development Financial Institutions and Commercial Banks. Our appreciation extends to our esteemed customers, and we anticipate fostering stronger business relationships with them. We express our gratitude to our stakeholders for their confidence in the Company. We highly value their trust and recognize the dedication of the management and staff for their ongoing hard work.

On behalf of the Board



Nooruddin Feerasta  
Chief Executive Officer



Shehzad Feerasta  
Director

Lahore  
23 February 2024

## فی حصص آمدنی

۳۱ دسمبر ۲۰۲۳ء کو ختم ہونے والی ششماہی کے دوران کمپنی کو ۱۱.۲۱ روپے فی حصص خسارہ ہوا جو ۳۱ دسمبر ۲۰۲۲ء کو ختم ہونے والی اسی مدت میں رپورٹ ہونے والے ۱۲.۰۹ روپے فی حصص کے نقصان سے بہتر ہے۔

## مستقبل کا جائزہ

غیر ملکی زرمبادلہ کی کمی سے نمٹنے کے لئے حکومت کے اقدامات کے مثبت نتائج کی توقع ہے، جس سے ملک بھر میں معاشی سرگرمیوں کو فروغ ملے گا۔ پیش گوئیاں آنے والے سالوں میں بی ایس ایف اور پی ایف وائی کی طلب میں مثبت اضافے کی نشاندہی کرتی ہیں، تاہم درآمدات مقامی مینوفیکچررز کے لئے ایک چیلنج بنی ہوئی ہیں۔ مقامی پیداوار کو بڑھانے کے لئے حکومتی یقین دہانیوں کے ساتھ، ہم جدید ٹیکنالوجی کے ساتھ نئی مشینوں کو ضم کر کے اپنی پیداواری صلاحیتوں میں اضافہ کر رہے ہیں۔ تاہم، توسیع اور مسلسل سرمایہ کاری کے لئے حکومت کے لئے ضروری ہے کہ وہ اس صنعت کے مفادات کے تحفظ کے لئے مستحکم، طویل مدتی اقتصادی پالیسیاں وضع کرے۔ مزید برآں، پی ایف وائی اور پی ایس ایف سیکٹر کو درآمدی متبادل کے ایک اہم محرک کے طور پر فروغ دیا جانا چاہئے، جس سے ڈیمینگ طریقوں کے ذریعے ان مصنوعات کی درآمد پر خاطر خواہ غیر ملکی زرمبادلہ کے اخراجات میں کمی آئے گی۔

## آڈیٹرز کی جائزہ رپورٹ

کمپنی کے بیرونی آڈیٹرز اویس حیدر لیاقت نعمان، چارٹرڈ اکاؤنٹنٹس نے ۳۱ دسمبر ۲۰۲۳ء کو ختم ہونے والے ششماہی کے لئے کمپنی کے بورڈ ممبران کو مختصر عبوری مالی گوشواروں پر ایک غیر مشروط جائزہ رپورٹ جاری کی ہے۔

## بورڈ آف ڈائریکٹرز

اس مدت کے دوران، کمپنی کے بورڈ آف ڈائریکٹرز کی ساخت میں کوئی تبدیلی نہیں ہوئی ہے۔

## اظہار تشکر

بورڈ آف ڈائریکٹرز وزارت خزانہ، صنعت و پیداوار، کامرس، کمیونیکیشن اینڈ انفارمیشن ٹیکنالوجی اور ٹیکسٹائل انڈسٹری کی جانب سے فراہم کردہ تعاون پر اظہار تشکر کرتے ہیں۔ ہم فیڈرل بورڈ آف ریونیو، محکمہ سٹیمز اور سینیٹرل ایکسائز اور حکومت پنجاب کی جانب سے ملنے والے تعاون کو بھی سراہتے ہیں۔ ہم ترقیاتی مالیاتی اداروں اور کمرشل بینکوں کی جانب سے فراہم کردہ تعاون اور اعتماد کے شکر گزار ہیں۔ ہماری تعریف ہمارے معزز گاہکوں تک پہنچی ہوئی ہے، اور ہم ان کے ساتھ مضبوط کاروباری تعلقات کو فروغ دینے کی توقع کرتے ہیں۔ ہم کمپنی پر اعتماد کے لئے اپنے اسٹیک ہولڈرز کا شکریہ ادا کرتے ہیں۔ ہم ان کے اعتماد کی بہت قدر کرتے ہیں اور ان کی جاری محنت کے لئے انتظامیہ اور عملے کی لگن کو تسلیم کرتے ہیں۔

## مخانب بورڈ آف ڈائریکٹرز



شہزاد فیراستہ  
ڈائریکٹر



نورالدین فیراستہ  
چیف ایگزیکٹو آفیسر

لاہور:

۲۳ فروری ۲۰۲۳ء

## ڈائریکٹران کا جائزہ

ہمیں ۳۱ دسمبر ۲۰۲۳ء کو ختم ہونے والی دوسری سدماہی اور ششماہی کی مدت کے لئے کمپنی کے غیر آڈٹ شدہ گوشوارے پیش کرنے پر خوشی ہے، جس کا ہمارے محاسب نے باقاعدہ جائزہ لیا ہے۔

### جائزہ

مالی سال ۲۰۲۳-۲۰۲۴ء کی پہلی ششماہی میں معاشی مشکلات اور غیر یقینی صورتحال برقرار رہنے کی وجہ سے اہم چیلنجز کا سامنا کرنا پڑا۔ سماجی و اقتصادی عدم استحکام کی وجہ سے آپریٹنگ ماحول میں شدید اتار چڑھاؤ پیدا ہوا ہے۔ کمپنی کو صارفین کی جانب سے طلب میں کمی، افراط زر کے غیر معمولی دباؤ اور مقامی مارکیٹ میں وافر مقدار میں ڈمپ شدہ درآمدی مصنوعات کی موجودگی میں مارکیٹ کی قیمتوں میں کمی کی وجہ سے مالی مشکلات کا سامنا کرنا پڑا۔ ان مشکلات کے باوجود، کمپنی کی پالیسی پگھلاؤ اور دوراندیش حکمت عملی اور عملیاتی رفتار کو اپنانے ہوئے مشکلات کا مقابلہ کرتی رہی۔ اہم خام مال (پٹی اے اور ایم ای جی) کی بڑھتی ہوئی قیمتوں، امریکی ڈالر کے مقابلے میں پاکستانی روپے کی قدر میں کمی اور توانائی کی پیداوار کے اخراجات میں بے تحاشا اضافے کے مطابق اپنی مصنوعات کی فروخت کی قیمتوں کو ایڈجسٹ کرنے کی ہماری صلاحیت نے ہمیں کمپنی کے لئے مجموعی نتائج کو برقرار رکھنے کے قابل بنایا۔ تاہم، فروخت کے کم حجم اور مارک اپ کی شرح ۲۳ فیصد تک پہنچنے سے خالص نقصان ہوا۔

### پولیسٹر مارکیٹ کے حالات

مالی سال ۲۰۲۳-۲۰۲۴ء کی پہلی ششماہی کے دوران ملک کی معاشی صورتحال کا صنعت پر وسیع پیمانے پر اثر پڑا، ہمارے صارفین کی جانب سے طلب سست رہی اور نقد زر کی اضافی دستیابی کی صورتحال خراب رہی۔

### توانائی کے نرخ

برآمدات پر بنی صنعتیں پہلے قومی گرڈ سے بجلی اور کچھ بجلی کی پیداوار کے لئے گیس / آراہیل این جی تک رسائی پر انحصار کرتی تھیں، اور علاقائی مسابقتی توانائی ٹیرف (آرسی ای ٹی) سے فائدہ اٹھاتی تھیں۔ افسوس کی بات یہ ہے کہ حکومت نے برآمدات پر کمزور شعبوں کے لئے ان رعایتی نرخوں کو ختم کر دیا ہے اور بجلی کے نرخوں کو اس سطح تک بڑھا دیا ہے جو گھریلو میٹروپیکرنگ صنعت کے لئے ناقابل برداشت ہے۔

### مالیاتی نتائج

پی ایس ایف اور ڈی ٹی وائی دونوں کی فروخت کے حجم میں کمی کے باوجود ۳۱ دسمبر ۲۰۲۳ء کو ختم ہونے والے مالی سال ۲۰۲۳-۲۰۲۴ء کی پہلی ششماہی کے لیے سیلز ریونیو میں اضافہ دیکھا گیا۔ یہ فروخت کی قیمتوں میں اضافے کی وجہ سے ممکن ہوا، جس سے کمپنی کو گزشتہ سال کے اسی عرصے میں ہونے والے مجموعی نقصانات کے برعکس بڑھتی ہوئی لاگت کو پورا کرنے اور مجموعی منافع حاصل کرنے میں مدد ملی۔

ورنگ کیمپنل قرضوں کے بڑھتے ہوئے استعمال اور موثر مارک اپ شرحوں میں ۶.۸۶ فیصد اضافے کی وجہ سے مالی اخراجات رواں ششماہی میں بڑھ کر ۳۱۲.۹۹ ملین روپے ہو گئے جو گزشتہ سال کے اسی عرصے میں ۱۳۶.۱۹ ملین روپے تھے۔ اس کے نتیجے میں کمپنی نے ۴۰۱.۸۶ ملین روپے کا قہل ازنگس خسارہ ریکارڈ کیا جبکہ گزشتہ سال کے اسی عرصے میں ۴۷۹.۵۴ ملین روپے کا نقصان ہوا تھا۔ کمپنی کو ۳۸۱.۸۳ ملین روپے کا بعد ازنگس خسارہ ہوا جو گزشتہ سال کے اسی عرصے میں ۴۱۱.۹۵ ملین روپے کے بعد ازنگس نقصان سے کم ہے۔



RSM Avasi 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, 2023 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**

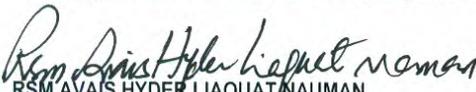
We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial 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, 2023 and 2022 have not been reviewed, as we are required to review only the cumulative figures for the six-month period ended December 31, 2023.

**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: 23 FEB 2024  
UDIN: RR2023102261863eW7Qz



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RSM Avasi Hyder Liaquat Nauman is a member 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 2023

(Rupees in '000)	Note	Un-audited 31 December 2023	Audited 30 June 2023
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	4	7,029,418	7,016,059
Investment properties		750,000	750,000
Long term security deposits		4,281	4,281
Deferred tax Assets	5	456,772	379,382
		8,240,471	8,149,722
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		1,286,141	1,178,522
Stock in trade		2,202,693	2,078,450
Trade receivables - unsecured & considered good		999	257
Advances, deposits and other receivables	6	670,017	493,424
Tax refunds due from government		150,577	168,182
Cash and bank balances		364,198	35,767
		4,674,625	3,954,602
		12,915,096	12,104,324
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
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)		(719,345)	(337,512)
		7,054,821	7,436,654
<b>NON-CURRENT LIABILITIES</b>			
Staff retirement gratuity		302,745	267,853
<b>CURRENT LIABILITIES</b>			
Trade and other payables	7	1,518,833	1,778,978
Short term borrowings	8	3,784,611	2,425,217
Accrued markup on borrowings		159,122	90,855
Provision for taxation-Income tax		90,071	99,874
Unclaimed dividend		4,893	4,893
		5,557,530	4,399,817
<b>CONTINGENCIES AND COMMITMENTS</b>			
	9	-	-
		12,915,096	12,104,324

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



Nooruddin Feerasta  
Chief Executive Officer



Shehzad Feerasta  
Director



Muhammad Ahsan Iqbal  
Chief Financial Officer

## Condensed Interim Statement of Profit or Loss (Un-audited) for the half year ended 31 December 2023

(Rupees in'000)	Note	Quarter Ended 31 December		Half year Ended 31 December	
		2023	2022	2023	2022
Sales - net		2,480,314	2,467,207	5,373,606	4,887,465
Cost of sales	10	2,494,302	2,811,061	5,338,913	5,140,017
<b>Gross (loss) / profit</b>		<b>(13,988)</b>	<b>(343,854)</b>	<b>34,693</b>	<b>(252,552)</b>
Other income		26,905	19,303	38,911	35,435
		12,917	(324,551)	73,604	(217,117)
Distribution costs		7,538	7,786	15,114	14,434
Administrative expenses		84,534	60,798	136,356	111,783
Finance costs		177,050	95,757	312,991	136,194
Other operating expenses		11,000	(1,502)	11,000	15
		280,122	162,839	475,461	262,426
<b>(Loss) for the period before taxation</b>		<b>(267,205)</b>	<b>(487,390)</b>	<b>(401,855)</b>	<b>(479,543)</b>
Provision for taxation	11	(56,188)	(97,842)	(20,022)	(67,589)
<b>(Loss) for the period</b>		<b>(211,017)</b>	<b>(389,548)</b>	<b>(381,833)</b>	<b>(411,954)</b>

Amount in Rupees	Quarter Ended 31 December		Half year Ended 31 December	
	2023	2022	2023	2022
Earnings per share - basic and diluted	(6.19)	(11.43)	(11.21)	(12.09)

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



Nooruddin Feerasta  
Chief Executive Officer



Shehzad Feerasta  
Director



Muhammad Ahsan Iqbal  
Chief Financial Officer

## Condensed Interim Statement of Other Comprehensive Income (Un-audited) for the half year ended 31 December 2023

(Rupees in'000)	Half year Ended 31 December	
	2023	2022
(Loss) for the period	(381,833)	(411,954)
Other comprehensive income	-	-
Total comprehensive (loss) for the period	(381,833)	(411,954)

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



Nooruddin Feerasta  
Chief Executive Officer



Shehzad Feerasta  
Director



Muhammad Ahsan Iqbal  
Chief Financial Officer

## Condensed Interim Statement of Cash Flow (Un-audited) for the half year ended 31 December 2023

(Rupees in'000)	Half year Ended 31 December	
	2023	2022
<b>A) Cash flows from operating activities</b>		
(Loss)/ for the period before taxation	(401,855)	(479,543)
Adjustments for:		
Depreciation on property, plant and equipment	77,171	71,357
Provision for staff retirement benefits	(34,892)	26,871
Loss on disposal of property, plant and equipment	-	16
Interest income	(8,481)	(5,150)
Finance cost	312,991	136,194
	346,789	229,288
	(55,066)	(250,255)
<b>Cash flow before working capital changes</b>		
<b>Working capital changes</b>		
(Increase) / decrease in current assets:		
Stores, spares and loose tools	(107,619)	169,327
Stock-in-trade	(124,243)	(209,480)
Trade receivables	(742)	893
Advances, deposits and other receivables	(176,593)	(20,874)
<b>Increase / (decrease) in current liabilities</b>		
Trade and other payables	(260,145)	(1,559,076)
Provision for taxation Income tax	(9,801)	-
	(679,144)	(1,619,210)
<b>Cash flow from operations</b>	(734,210)	(1,869,465)
Finance cost paid	(244,724)	(44,857)
Income tax paid	(39,763)	(66,878)
Staff retirement benefits paid	69,785	(3,980)
<b>Net cash flow from operating activities</b>	(948,912)	(1,985,180)
<b>B) Cash flow from investing activities</b>		
Additions in property, plant and equipment	(90,530)	(253,741)
Interest income received	8,481	5,150
<b>Net cash flow from investing activities</b>	(82,050)	(248,591)

## Condensed Interim Statement of Cash Flow (Un-audited) for the half year ended 31 December 2023

(Rupees in '000)	Half year Ended 31 December	
	2023	2022
C) Cash flows from financing activities		
Short-term borrowings obtained - net	1,359,394	2,321,145
Dividend paid	-	(168,654)
Net cash flow from financing activities	1,359,394	2,152,491
Net increase/(decrease) in cash and cash equivalents (A + B + C)	328,432	(81,280)
Cash and cash equivalents at the beginning of the period	35,767	94,680
Cash and cash equivalents at end of the period	364,198	13,400

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



Nooruddin Feerasta  
Chief Executive Officer



Shehzad Feerasta  
Director



Muhammad Ahsan Iqbal  
Chief Financial Officer

## Condensed Interim Statement of Changes in Equity (Un-audited) for the half year ended 31 December 2023

(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	Unappropriated profit/ (Accumulated Loss)		Sub Total
Balance as at July 01, 2022								
-Audited	340,685	71,490	5,697,866	5,769,356	1,664,125	23,414	1,687,539	7,797,580
Transactions with owners								
Final dividend for the year ended June 30, 2022	-	-	-	-	-	(170,343)	(170,343)	(170,343)
Total comprehensive income								
Loss for the period	-	-	-	-	-	(411,954)	(411,954)	(411,954)
Other comprehensive income	-	-	-	-	-	-	-	-
	-	-	-	-	-	(411,954)	(411,954)	(411,954)
Balance as at December 31, 2022								
-Unaudited	340,685	71,490	5,697,866	5,769,356	1,664,125	(558,883)	1,105,242	7,215,283
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 loss								
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

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



Nooruddin Feerasta  
Chief Executive Officer



Shehzad 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 2023

### 1 Legal 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 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 polyester filament 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, 2023.

### 3 Material accounting policy information

- 3.1 The significant 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, 2023.
- 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, 2023 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 judgments**

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, 2023.

**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, 2023.

(Rupees in '000)	Note	Un-audited 31 December 2023	Audited 30 June 2023
<b>4 Property, plant and equipment</b>			
Operating fixed assets - at net book value	4.1	6,951,985	6,999,997
Capital work-in-progress - at cost	4.2	77,433	-
Stores held for capital expenditure - at cost		-	16,062
		<u>7,029,418</u>	<u>7,016,059</u>
<b>4.1 Operating fixed assets</b>			
Opening net book value (NBV)		6,999,997	6,892,033
Additions during the period / year	4.1.1	29,159	256,121
		<u>7,029,156</u>	<u>7,148,154</u>
Disposals during the period / year	4.1.1	-	(165)
Depreciation charge during the period / year		(77,171)	(147,992)
		<u>(77,171)</u>	<u>(148,157)</u>
		<u>6,951,985</u>	<u>6,999,997</u>

(Rupees in'000)	Un-audited 31 December 2023	Un-audited 31 December 2022
<b>4.1.1 Additions and disposals of operating fixed assets during the period are were as follows:</b>		
<b>Additions - at cost</b>		
Building - Office on freehold land	45	-
Plant and machinery	4,091	7,111
Furniture and fittings	172	41
Office equipment	155	748
Vehicles	9,930	-
Other assets	14,766	380
	<u>29,159</u>	<u>8,280</u>
<b>Disposals - at NBV</b>		
Office equipment	-	16
Other assets	-	8
	<u>-</u>	<u>25</u>

(Rupees in'000)	Un-audited 31 December 2023	Audited 30 June 2023
<b>4.2 Capital work-in-progress</b>		
Plant and machinery	76,382	-
Furniture and fixture	12	-
Office equipment	1,039	-
	<u>77,433</u>	<u>-</u>
<b>5 Deferred tax asset</b>		
Opening balance	379,382	252,413
Statement of addition through Profit or loss	77,390	124,619
Comprehensive income	-	2,350
	<u>456,772</u>	<u>379,382</u>
<b>5.1 It comprises of the following:</b>		
Taxable temporary differences in respect of;		
Difference in accounting and tax bases of property, plant and equipment	(245,294)	(252,262)
Deductible temporary differences in respect of;		
Provision for gratuity	87,795	77,677
Tax losses carried forward	208,982	102,225
Minimum tax credit u/s 113	405,289	451,742
	<u>456,772</u>	<u>379,382</u>

(Rupees in'000)	Note	Un-audited 31 December 2023	Audited 30 June 2023
<b>6 Advances, deposits and other receivables</b>			
Considered good			
Advances to employees			
against salary		101	39
against expenses		49	155
Advances to suppliers		18,411	33,623
LC fees and expenses		-	8,056
Advances to related parties		-	31
Sales tax refundables		585,557	423,878
Other receivables		65,899	27,642
		<u>670,017</u>	<u>493,424</u>
<b>7 Trade and other payables</b>			
Creditors		1,232,271	1,414,191
Accrued liabilities		109,576	160,216
Worker's profit participation fund		68,868	61,492
Worker's welfare fund		4,419	4,419
Advance from customers		10,918	37,615
Gas Infrastructure Development Cess (GIDC) payable	7.1	61,338	61,338
Sales tax payable		18,591	27,357
Withholding tax payables		2,469	916
Retention money		1,171	1,317
Provident fund payable		404	378
Others		8,808	9,739
		<u>1,518,833</u>	<u>1,778,978</u>
<b>7.1</b>			
This represents present value of GIDC payable to SNGPL. The amount was payable in 24 equal monthly installments . The payment is suspended at the moment pursuant to stay order granted by the Honorable Sindh High Court.			
<b>8 Short term borrowings</b>			
Secured- from banking companies			
Running finances utilized under mark-up arrangements	8.1	2,979,492	2,060,098
From associates - unsecured	8.2	805,119	365,119
		<u>3,784,611</u>	<u>2,425,217</u>

**8.1** The aggregate finance facilities available from various commercial banks amounted to Rs. 2,979.49 million (June: 2023: Rs. 3,131.24 million). These carry mark-up at the rates ranging from 19.24% to 23.30% per annum (Dec: 2022: 14.56% to 17.11% per annum) and are secured against hypothecation charge on current assets and promissory notes, respectively. Markup is payable on quarterly basis in arrears.

**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, 2023.

(Rupees in '000)	Un-audited 31 December 2023	Audited 30 June 2023
<b>Commitments</b>		
Under letters of credit for import of stores and raw material	3,769,070	231,402

## 10 Cost of sales

(Rupees in '000)	Quarter Ended 31 December		Half year Ended 31 December	
	2023	2022	2023	2022
Raw and packing material consumed	1,995,123	1,548,859	4,606,678	3,966,672
Stores and spares consumed	25,352	32,271	61,088	55,318
Salaries, wages and amenities	88,419	138,473	208,388	254,415
Fuel and power	376,308	426,479	880,046	1,095,418
Repairs and maintenance	9,323	17,614	24,385	32,495
Running and maintenance of vehicles	10,377	8,567	20,997	19,118
Insurance	4,678	5,499	9,280	9,720
Depreciation	34,982	31,795	69,684	63,508
Rent, rates and taxes	661	643	1,307	1,269
Other expenses	826	3,459	1,228	3,894
	2,546,049	2,213,659	5,883,081	5,501,827
Add: opening work in process	261,059	82,281	109,563	70,373
Less: closing work in process	(74,620)	(57,402)	(74,620)	(57,402)
	2,732,487	2,238,538	5,918,024	5,514,798
Add: opening finished goods	1,094,281	2,011,665	753,355	1,064,361
Less: closing finished goods	(1,332,466)	(1,439,142)	(1,332,466)	(1,439,142)
	2,494,302	2,811,061	5,338,913	5,140,017
<b>11 Provision for taxation</b>				
Current tax				
For the period	31,004	31,184	67,170	61,437
For prior period	(9,801)	(4,664)	(9,801)	(4,664)
Deferred tax	(77,391)	(124,362)	(77,391)	(124,362)
	(56,188)	(97,842)	(20,022)	(67,590)

## 12 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)		Quarter Ended 31 December		Half year Ended 31 December	
		2023	2022	2023	2022
<b>Name of related party and basis of relationship</b>	<b>Nature of transactions</b>				
Rupafil Limited	- Purchases	440,481	197,057	1,179,622	631,265
Associated company by virtue of common directorship	- Sales	309,249	7,816	328,966	92,626
	- Payments	436,309	276,509	1,129,280	631,256
	- Receipts	316,668	87,254	335,090	92,626
Soneri Bank Limited	- Profit on bank deposits	3,813	2,565	8,473	5,118
Associated Company by virtue of common directorship					
Rupali Nylon (Private) Limited	- Purchases and payments	163	971	501	2,994
Associated company by virtue of common directorship					
ALNU Trust	- Loan received	470,000	114,000	470,000	114,000
Provident fund	- Contribution made	684	1,273	1,026	2,533

## 13 Date of authorization for issue

These condensed interim financial statements were authorized for issue on 23 February 2024 by the Board of Directors of the Company.

## 14 General

14.1 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.

14.2 The provision for taxation made in these condensed interim financial statements is subject to adjustment in annual financial statements.

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



Nooruddin Feerasta  
Chief Executive Officer



Shehzad Feerasta  
Director



Muhammad Ahsan Iqbal  
Chief Financial Officer

[rupaligroup.com](http://rupaligroup.com)

**RUPALI POLYESTER LIMITED**

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