



# Half Yearly Report

31 December 2021



RUPALI POLYESTER LIMITED



# 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 | 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 the half-year period ended 31 December 2021, duly reviewed by the external auditors.

### Overview

The policies introduced by the Government and State Bank of Pakistan to manage the economy during the pandemic worked well but some challenges like surge in global commodity prices including raw materials of Polyester industry still persist and need to be addressed to sustain growth momentum.

The industrial sector faced an unprecedented energy shortfall during this current winter. Gas/RLNG supply to export-oriented units was suspended on 15 December 2021 and we had to switch over to alternate energy source like Furnace Oil and WAPDA which significantly increased the cost of production. Furthermore, gas supply suspension to industrial units resulted in an acute shortage of furnace oil as factories scrambled to secure alternate energy supplies. On the representation of export-oriented units regarding possible decrease in exports, gas supply was partially restored to maximum 38 percent of Company's preceding three months' (September-November 2021) average Gas consumption till 31 January 2022 with certain conditions. Later, this was increased to 47 percent from 1 February 2022.

With gradual revival of businesses, the demand of Polyester Staple Fibre (PSF) and Polyester Filament Yarn (PFY) is increasing, and we are happy to report that the financial results for the quarter and half year period ended on 31 December 2021 are satisfactory and the turnaround of the Company is steadily moving forward. The profitability of the Company is largely attributed to supply chain disruptions and increased volatility in commodity prices along with the USD/ PKR exchange rates. Disturbed supply chain for imported products along with increased freight costs made locally available polyester much more attractive to the domestic consumers. Furthermore, unpredictability in international oil prices encouraged consumers to only buy as much as they needed rather than holding stock and potentially incurring inventory losses. The PSF and PFY markets in the country which remained closed due to COVID-19 are steadily recovering. The demand of our products is returning to normal level however without any form of protection, we will see margins erode going forward. Dumped fabric imports also put price pressure on end use products, which in turn poses a threat to the overall PFY demand in the country.

### Anti-dumping Duty (ADD)

The dumping of PSF and PFY from China, Malaysia, Indonesia and Korea into Pakistani markets is growing at an alarming pace. The anti-dumping duty remained under litigation since it was imposed four years ago. Appeals were filed in various Courts and in the Anti-Dumping Appellate Tribunal (the Tribunal) by Yarn Traders against imposition of anti-dumping duty. Recently, the Tribunal vide Judgment dated 3 December 2021 remanded the matter to the NTC to re-investigate the matter on PFY. Pursuant to the Tribunal Judgment, the NTC after re-investigation has, 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 have now been reduced to 6.82 – 2.78% respectively. The previous ADD rates were already inadequate to compensate the actual injury margin of 25% to the domestic PFY

industry as was determined by the NTC and further reduction will have an adverse impact on the domestic PFY industry's plans to increase production capacity. The Regulatory Duty on PFY has been abolished by the FBR. Under this situation, further expansion envisaged by domestic manufacturers worth billions of rupees may go astray if zero protection is available from the Government. Therefore, previous rates of ADD and 5% RD need to be restored for at least five years along with a stronger mechanism of anti-dumping duty collection.

The National Tariff Commission was investigating to determine whether Polyester Staple Fiber (PSF) originating in and / or exported from China, Indonesia and Thailand is being dumped into Pakistan and whether such dumping is the cause of material injury to the domestic PSF industry. The NTC after investigation of these facts decided to continue imposition of ADD on dumping of PSF in accordance with the injury being caused to domestic industry. Since the injury to domestic Polyester Filament Yarn industry is similar to Polyester Staple Fiber as determined by the NTC, therefore the previous rates of ADD for Polyester Filament Yarn imports should be revived to protect this industry.

### Energy Tariffs

The concessional energy rates of 7.5 cents per Kwh and US\$ 6.5 per MMBTU for the export-oriented sectors were somewhat helpful to compete with the imported PFY prices. Electricity tariff was increased from 7.5 cents to 9 cents from 1 September 2020 and Gas/RLNG tariff increased to US\$ 9/MMBTU from 15 November 2021. Since the energy cost directly increases the production cost, we urge the Government to restore the previous tariffs of power and Gas/RLNG.

### Gas supply suspension to Industries

As stated above, the Government suspended gas supply to industries due to gas shortage in the country in winter months. However, the export-oriented units were supplied gas with certain conditions. These conditions included the survey of industrial units' energy efficiency to be conducted by the National Energy Efficiency & Conservation Authority (NEECA) and withdrawal of stay orders obtained against the SNGPL for Gas/RLNG tariff and ancillary matters pertaining to captive power and priority of gas supply.

### Raw Material Prices

The raw material prices have drastically increased since the last half yearly report in 2021. In February 2021, PTA price was US\$ 625 per M. Ton which has now increased to US\$ 845 per M. Ton. Similarly, MEG price in February 2021 was US\$ 625 per M. Ton which has now increased to US\$ 725 per M. Ton. The increase in raw material prices has increased cost of production in the period under-review.

Polyester industry plays significant role in the country's economy especially as raw material supplier for both textile exports and to fulfill the local population's clothing needs. It needs continued support from the Government to protect huge infrastructure worth billions of rupees and large work force connected with the industry.

### Financial Results

Sales revenue for the half year ended 31 December 2021 increased to Rs.5,259.20 million from Rs.3,399.40 million in the half year ended 31 December 2020. Gross profit increased to

Rs.691.34 million from Rs.361.14 million. The Company earned profit before tax of Rs.517.62 million as against Rs.191.01 million in corresponding period in the previous year. Profit after tax increased to Rs.732.01 million (with impact of deferred taxation provision reversal) as against Rs.136.76 million in the same period of the preceding year.

Sales revenue for the second quarter, Q2 Oct-Dec 2021 stood at Rs.3,010.48 million against Rs.1,867.53 million in the same quarter of 2020. Gross profit in Q2 amounted to Rs.420.91 million as compared to Rs.216.29 million in corresponding quarter last year. Profit before tax amounted to Rs.325.39 million in Q2, 2021 compared to Rs.130.64 million in the same period last year. Profit after tax increased to Rs.572.45 million (with impact of deferred taxation provision reversal) as compared to Rs.99.36 million in corresponding quarter of preceding year.

We report with satisfaction that in spite of challenging circumstances ALHAMDOLILLAH, the results in the half year ended 31 December 2021 and quarter then ended have improved substantially.

#### [Earnings per share](#)

The earnings per share of the Company for the half year ended 31 December 2021 is Rs.21.49 (2020: Rs.4.01).

#### [Future Outlook](#)

Looking at the growing demand of PSF and PFY in the domestic market, we are increasing our production capacities through BMR and addition of new machines of latest technology. For expansion and capital investment, there is a need to formulate stable, long-term economic policies by the Government for protection of this industry. PFY industry should be developed as a major driver of import substitution to save country's huge foreign exchange spent on import of PFY through dumping.

#### [External Auditors' and Auditors' Review Report](#)

During the period under review, M/s. Iqbal Yasir & Co, Chartered Accountants resigned as External Auditor due to their pre-occupation in other assignments and being not in a position to devote time to the affairs of our Company. The casual vacancy was filled by the Board on 14 January 2022 by appointing M/s. RSM Avais Hyder Liaquat Nauman, Chartered Accountants.

The 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 2021.

#### [Board of Directors](#)

During the period there is no change in the composition of the Board of Directors of the Company. However, the Board has appointed Mr. Shehzad Feerasta (non-executive director) as its Chairman as required under section 192 of the Companies Act, 2017.

#### [A Note of Gratitude](#)

The Directors express their appreciation for the cooperation extended by the Ministries of Finance, Industries and Production, Commerce, Communication and Textile. We would also like to convey our gratitude to the Federal Board of Revenue, Departments of Customs and Central Excise and the 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 in the Company. We value their trust and appreciate the continued hard work by the management and staff of the Company.

On behalf of the Board



Nooruddin Feerasta  
Chief Executive Officer



Zeeshan Feerasta  
Director

Lahore  
22 February 2022

### محاسب اور ان کی جائزہ رپورٹ

زیر جائزہ مدت کے دوران، میسرز اقبال یاسر اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس نے محاسب کے عہدے سے استعفیٰ دے دیا کیونکہ وہ دیگر امور میں مصروف ہونے کے باعث ہماری کمپنی کے معاملات کے لیے وقت دینے کی پوزیشن میں نہیں تھے۔ بورڈ نے ۱۴ جنوری ۲۰۲۲ کو میسرز آرائس ایم اولیس حیدر لیاقت نعمان چارٹرڈ اکاؤنٹنٹس کی تقرری کے ذریعے خالی آسامی کو پُر کیا تھا۔ محاسب نے ۳۱ دسمبر ۲۰۲۱ کو ختم ہونے والے ششماہی کے لیے عبوری مالیاتی گوشواروں پر کمپنی کے ممبران کو ایک صاف ستھری جائزہ رپورٹ جاری کی ہے۔

### بورڈ آف ڈائریکٹرز

اس مدت کے دوران کمپنی کے بورڈ آف ڈائریکٹرز کی تشکیل میں کوئی تبدیلی نہیں ہوئی ہے۔ تاہم، بورڈ نے نیپیئر ایکٹ ۲۰۱۷ کی شق ۱۹۲ کے تحت جناب شہزاد فیراستہ (نان ایگزیکٹو ڈائریکٹر) کو اپنا چیئرمین مقرر کیا ہے۔

### اظہار تشکر

ڈائریکٹرز خزانہ، صنعت اور پیداوار، تجارت، مواصلات اور ٹیکسٹائل کی وزارتوں کے تعاون کے لیے اپنی تعریف کا اظہار کرتے ہیں۔ ہم فیڈرل بورڈ آف ریونیو، کسٹمز اور سنٹرل ایکسائز کے محکموں اور حکومت پنجاب کے تعاون پر ان کا بھی شکریہ ادا کرنا چاہیں گے۔ ہم ترقیاتی مالیاتی اداروں اور کمرشل 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 میں ان کے اعتماد کے لیے شکر گزار ہیں۔ ہم ان کے اعتماد کی قدر کرتے ہیں اور کمپنی کی انتظامیہ اور عملے کی مسلسل محنت کی تعریف کرتے ہیں۔

### منجانب بورڈ آف ڈائریکٹرز



ذیشان فیراستہ

ڈائریکٹر



نور الدین فیراستہ

چیف ایگزیکٹو آفیسر

لاہور

۲۲ فروری ۲۰۲۲



اور صنعت سے منسلک بڑی افرادی قوت کے تحفظ کے لیے حکومت کی طرف سے مسلسل تعاون کی ضرورت ہے

### مالیاتی نتائج

۳۱ دسمبر ۲۰۲۱ کو ختم ہونے والی ششماہی کے لیے فروخت آمدنی ۳۱ دسمبر ۲۰۲۰ کو ختم ہونے والے ششماہی میں ۳،۳۹۹.۴۰ ملین روپے سے بڑھ کر ۵،۲۵۹.۲۰ ملین روپے ہو گئی۔ خام منافع ۳۱.۱۲ ملین روپے سے بڑھ کر ۲۹۱.۳۲ ملین دوسری سہ ماہی کے لیے فروخت آمدنی، Q۲ اکتوبر-دسمبر ۲۰۲۱ کے مقابلے میں ۳،۰۱۰.۴۸ ملین روپے رہی جو کہ ۲۰۲۰ کی اسی سہ ماہی میں ۸۶۷.۵۳ ملین روپے تھی۔ دوسری سہ ماہی میں خام منافع ۲۱۶.۲۹ ملین روپے کے مقابلے میں ۲۲۰.۹۱ ملین روپے رہا۔ ٹیکس سے قبل منافع کی رقم ۲۰۲۱ کی دوسری سہ ماہی میں ۳۲۵.۳۹ ملین روپے رہی جو پچھلے سال کی اسی مدت میں ۱۳۰.۶۴ ملین روپے تھی۔ بعد از ٹیکس منافع گزشتہ سال کی اسی سہ ماہی میں ۹۹.۳۶ ملین روپے کے مقابلے میں بڑھ کر ۵۷۲.۴۵ ملین روپے ہو گیا (ٹیکس کی موخر کردہ رقم کے اثرات کے ساتھ)۔

ہم اطمینان کے ساتھ اطلاع دیتے ہیں کہ مشکل حالات کے باوجود الحمد للہ، ۳۱ دسمبر ۲۰۲۱ کو ختم ہونے والے ششماہی اور سہ ماہی کے نتائج میں بہت بہتری آئی ہے۔

### فی حصہ آمدنی

۳۱ دسمبر ۲۰۲۱ کو ختم ہونے والے ششماہی کے لیے کمپنی کی فی حصہ آمدنی ۲۱.۴۹ روپے (۲۰۲۰: ۴.۰۱ روپے) ہے۔

### مستقبل کا جائزہ

پی ایس ایف اور پی ایف وائی کی بڑھتی ہوئی گھریلو طلب کو دیکھتے ہوئے، ہم BMR کے ذریعے اپنی پیداواری صلاحیتوں کو جدید ٹیکنالوجی کی نئی مشینوں سے اضافہ کر رہے ہیں۔ توسیع اور سرمایہ کاری کے لیے حکومت کو اس صنعت کے تحفظ کے لیے مستحکم طویل المدتی اقتصادی پالیسیاں بنانے کی ضرورت ہے۔ پی ایف وائی کو ایک بڑے درآمدی متبادل وسائل کے طور پر تیار کیا جانا چاہیے تاکہ ڈمپنگ کے ذریعے پی ایف وائی کی درآمد پر خرچ ہونے والے ملک کے بھاری زر مبادلہ کو بچایا جاسکے۔

نقصان کے پیش نظر پی ایس ایف کی ڈمپنگ پر ADD عائد کرنے کا فیصلہ کیا ہے۔ چونکہ مقامی پولی ایسٹر فلامنٹ یارن کی صنعت کو پہنچنے والا نقصان پولی ایسٹر اسٹپل فابر کی طرح ہی ہے جیسا کہ این ٹی سی نے تعین کیا ہے، اس لیے اس صنعت کی حفاظت کے لیے پی ایف وائی کی درآمدات کے لیے ADD کے سابقہ نرخوں کو بحال کیا جانا چاہیے۔

### توانائی کے نرخ

برآمد پر مبنی شعبوں کے لیے ۷.۵ سینٹ فی کلو واٹ بجلی اور US\$ ۶.۵ فی MMBTU گیس کے رعایتی نرخ درآمدی پی ایف وائی قیمتوں سے مسابقت کرنے میں کسی حد تک مددگار ثابت ہوئے۔ یکم ستمبر ۲۰۲۰ سے بجلی کا ٹیرف ۷.۵ سینٹ سے بڑھا کر ۹ سینٹ کیا گیا اور گیس/RLNG ٹیرف ۱۵ نومبر ۲۰۲۱ سے بڑھا کر ۹ US\$/MMBTU کر دیا گیا۔ چونکہ توانائی کی لاگت براہ راست پیداواری لاگت میں اضافہ کرتی ہے، ہم حکومت سے پرزور التماس کرتے ہیں کہ وہ بجلی اور گیس/RLNG کے سابقہ ٹیرف کو بحال کرے۔

### صنعتوں کو گیس کی فراہمی میں تعطل

جیسا کہ اوپر بتایا گیا ہے، حکومت نے سردیوں کے مہینوں میں ملک میں گیس کی قلت کی وجہ سے صنعتوں کو گیس کی فراہمی معطل کر دی۔ تاہم، برآمدی یونٹس کو کچھ شرائط کے ساتھ گیس فراہم کی گئی تھی جن میں صنعتی یونٹوں کی توانائی کی کارکردگی کا سروے NEECA کے ذریعے کروانا اور Captive Power سے اور نرخوں سے متعلقہ SNGPL کے خلاف حاصل کردہ حکم امتناعی کو واپس لینا شامل ہیں۔

### خام مال کی قیمتیں۔

خام مال کی قیمتوں میں گزشتہ ششماہی رپورٹ کے بعد سے زبردست اضافہ ہوا ہے۔ فروری ۲۰۲۱ میں پی ٹی اے کی قیمت ۱۶۲۵ امریکی ڈالر فی میٹرک ٹن تھی جو اب بڑھ کر ۱۸۳۵ امریکی ڈالر فی میٹرک ٹن ہو گئی ہے۔ اسی طرح فروری ۲۰۲۱ میں ایم ای جی کی قیمت ۱۶۲۵ US\$ فی میٹرک ٹن تھی جو اب بڑھ کر ۲۵ US\$ فی میٹرک ٹن ہو گئی ہے۔ خام مال کی قیمتوں میں اضافے سے زیر جائزہ مدت میں پیداواری لاگت میں اضافہ ہوا ہے۔

پولی ایسٹر انڈسٹری ملک کی معیشت میں خاص طور پر ٹیکسٹائل کی برآمدات کے لیے خام مال کی فراہمی کے لئے اور مقامی آبادی کے لباس کی ضرورت پورا کرنے میں اہم کردار ادا کرتی ہے۔ اسے اربوں روپے کے بڑے انفراسٹرکچر

اتنا ہی خریدنے کی ترغیب دی جس کی انہیں ضرورت تھی۔ ملک میں پی ایس ایف اور پی ایف وائی مارکیٹیں جو COVID-19 کی وجہ سے بند تھیں، بتدریج بحال ہو رہی ہیں۔ ہماری مصنوعات کی مانگ معمول کی سطح پر واپس آ رہی ہے تاہم کسی قسم کے تحفظ کے بغیر، ہم آگے منافع کم ہوتا دیکھیں گے۔ ڈمپ شدہ کپڑے کی درآمدات بھی end use مصنوعات کی قیمتوں پر دباؤ ڈالتی ہیں جس کے نتیجے میں ملک میں پی ایف وائی کی مجموعی طلب کو خطرہ لاحق ہوتا ہے۔

### اینٹی ڈمپنگ ڈیوٹی (ADD)

چین، ملائیشیا، انڈونیشیا اور کوریا سے پی ایس ایف اور پی ایف وائی کی پاکستانی منڈیوں میں ڈمپنگ خطرناک حد تک بڑھ رہی ہے۔ اینٹی ڈمپنگ ڈیوٹی چار سال قبل لاگو ہونے کے بعد سے قانونی چارہ جوئی کی زد میں ہے۔ یارن ٹریڈرز کی طرف سے اینٹی ڈمپنگ ڈیوٹی کے نفاذ کے خلاف مختلف عدالتوں اور اینٹی ڈمپنگ ایپیلیٹ ٹریبونل (ٹریبونل) میں ایپلیس دائر کی گئیں۔ حال ہی میں، ٹریبونل نے ۳ دسمبر ۲۰۲۱ء کے اپنے فیصلے کے ذریعے معاملہ دوبارہ تحقیقات کے لیے NTC کو بھیج دیا۔ ٹریبونل کے فیصلے کے مطابق، NTC نے دوبارہ تفتیش کے بعد، ۲۶ جنوری ۲۰۲۲ء کو حتمی تعین کے ذریعے ADD کی شرحیں کم کر دی ہیں۔ ۲۰۱۷ء کے پہلے کے تعین میں، زیادہ سے زیادہ اور کم سے کم ADD کی شرحیں ۱۱.۳۵% - ۳.۲۵% تھیں جنہیں بالترتیب ۶.۸۲% - ۲.۷۸% کر دیا گیا ہے۔ ADD کی پچھلی شرحیں پہلے ہی گھریلو پی ایف وائی انڈسٹری کو پہنچنے والے ۲۵% نقصان کی تلافی کے لیے نا کافی تھیں جیسا کہ NTC نے طے کیا تھا اور مزید کمی گھریلو پی ایف وائی انڈسٹری کے پیداواری گنجائش میں اضافہ کے منصوبوں کو بری طرح سے متاثر کریں گے۔ ایف بی آر نے پی ایف وائی پر ریگولیٹری ڈیوٹی ختم کر دی ہے۔ اس صورت حال میں مقامی مینوفیکچررز کی طرف سے اربوں روپے کے مزید توسیع کے منصوبے اگر حکومت کی جانب سے تحفظ فراہم نہ کیا گیا تو ضائع ہو جائیں گے لہذا، ADD اور 5 فیصد RD کے سابقہ نرخوں کو کم از کم پانچ سالوں کے لیے بحال کرنے کی ضرورت ہے اور اس کے ساتھ اینٹی ڈمپنگ ڈیوٹی وصول کرنے کا ٹھوس طریقہ کار وضع کیا جانا چاہیے۔

نیشنل ٹیرف کمیشن اس بات کا تعین کرنے کے لیے چھان بین کر رہا تھا کہ آیا پولی ایسٹریٹھیل فائبر (پی ایس ایف) جو چین، انڈونیشیا اور تھائی لینڈ سے پاکستان میں ڈمپ کیا جا رہا ہے اور کیا اس طرح کی ڈمپنگ ملکی پی ایس ایف انڈسٹری کو نقصان پہنچانے کا سبب ہے۔ این ٹی سی نے ان حقائق کی چھان بین کے بعد گھریلو صنعت کو پہنچنے والے

## ڈائریکٹرز کا جائزہ

ہم بمسرت ۳۱ دسمبر ۲۰۲۱ کو ختم ہونے والی سہ ماہی اور ششماہی مدت کے لیے کمپنی کے غیر پڑتال شدہ (محاسب کے جائزہ شدہ) مالیاتی گوشوارے پیش کرتے ہیں۔

## مجموعی جائزہ

حکومت اور اسٹیٹ بینک آف پاکستان کی جانب سے کووڈ کے دوران معیشت کو سنبھالنے کے لیے متعارف کرائی گئی پالیسیاں بہت موثر رہیں لیکن کچھ چیلنجز جیسے کہ پولی ایسٹرانڈسٹری کے خام مال سمیت عالمی اجناس کی قیمتوں میں اضافہ اب بھی برقرار ہیں اور ترقی کی رفتار کو برقرار رکھنے کے لیے ان سے نمٹنے کی ضرورت ہے۔

صنعتی شعبے کو موجودہ موسم سرما کے دوران توانائی کی غیر معمولی کمی کا سامنا کرنا پڑا۔ ایکسپورٹ پر مبنی یونٹس کو گیس/RLNG سپلائی ۱۵ دسمبر ۲۰۲۱ کو معطل کر دی گئی تھی اور ہمیں فرنس آئل اور واپڈا جیسے متبادل توانائی کے ذرائع کی طرف جانا پڑا جس سے پیداواری لاگت میں بہت اضافہ ہوا۔ مزید برآں صنعتوں کو گیس کی فراہمی معطل ہونے کے نتیجے میں فرنس آئل کی شدید قلت پیدا ہو گئی کیونکہ فیکٹریاں متبادل توانائی کی فراہمی کو محفوظ بنانے کے لئے سرگرم ہو گئیں۔ برآمدات میں ممکنہ کمی کے حوالے سے برآمدات پر مبنی یونٹس کی نمائندگی پر، کچھ شرائط کے ساتھ ۳۱ جنوری ۲۰۲۲ تک گیس کی سپلائی جزوی طور پر پچھلے تین مہینوں (ستمبر تا نومبر ۲۰۲۱) کی اوسط کھپت کا صرف ۳۸ فیصد بحال کی گئی۔ بعد میں یکم فروری ۲۰۲۲ سے اسے بڑھا کر ۴۷ فیصد کر دیا گیا۔

کاروبار کی بتدریج بحالی کے ساتھ، پولی ایسٹرانسٹیل فائبر (پی ایس ایف) اور پولی ایسٹرفلامنٹ یارن (پی ایف وائی) کی مانگ میں اضافہ ہو رہا ہے، اور ہمیں یہ بتاتے ہوئے خوشی ہو رہی ہے کہ ۳۱ دسمبر ۲۰۲۱ کو ختم ہونے والی سہ ماہی اور ششماہی مدت کے مالیاتی نتائج تسلی بخش ہیں اور کمپنی کی محصولی بتدریج آگے بڑھ رہی ہے۔ کمپنی کا منافع زیادہ تر سپلائی چین میں رکاوٹوں اور امریکی ڈالر/پاکستانی روپے کی شرح تبادلہ کے ساتھ اشیاء کی قیمتوں میں بڑھتا ہوا اتار چڑھاؤ سے منسوب ہے۔ درآمدی مصنوعات کی خراب سپلائی چین کے ساتھ ساتھ مال برداری کے بڑھتے ہوئے اخراجات نے مقامی پولی ایسٹر کو مقامی صارفین کے لیے بہت زیادہ پرکشش بنا دیا ہے۔ مزید برآں، تیل کی بین الاقوامی غیر متوقع قیمتوں نے صارفین کو اسٹاک رکھنے اور ممکنہ طور پر انوینٹری کے نقصانات اٹھانے کے بجائے صرف



RSM Avasi Hyder Liaquat Nauman  
Chartered Accountants

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

T: +92 (42) 3587 2731-3  
F: +92 (42) 3587 2734

lahore@rsm-pakistan.pk  
www.rsm-global/pakistan

**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, 2021 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statements of cash flows, condensed interim statement of changes in equity 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 condensed interim statement of comprehensive income for the three-month period ended December 31, 2021 and 2020 have not been reviewed, as we are required to review only the cumulative figures for the six-month period ended December 31, 2021.

**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: 22 FEB 2022



THE POWER OF BEING UNDERSTOOD  
AUDIT | TAX | CONSULTING


Office Offices at  
Karachi : 92 (21) 3395 2775-6  
Faisalabad : 92 (41) 3395 2775-6  
Islamabad : 92 (51) 2340490-6-93  
Peshawar : 92 (91) 5278330/5277205  
Rahul : 92 (799) 018155

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 on its own right. The RSM network is not a separate legal entity in any jurisdiction.


## Condensed Interim Statement of Financial Position (Un-audited) as at December 31, 2021

| (Rupees in '000)                           | Note | Un-audited<br>December 31,<br>2021 | Audited<br>June 30,<br>2021 |
|--------------------------------------------|------|------------------------------------|-----------------------------|
| <b>ASSETS</b>                              |      |                                    |                             |
| <b>NON-CURRENT ASSETS</b>                  |      |                                    |                             |
| Property, plant and equipment              | 4    | 3,006,970                          | 3,089,935                   |
| Investment properties                      |      | 602,000                            | 602,000                     |
| Long term security deposits                |      | 4,281                              | 4,281                       |
| Deferred tax asset                         | 5    | 85,093                             | -                           |
|                                            |      | 3,698,344                          | 3,696,216                   |
| <b>CURRENT ASSETS</b>                      |      |                                    |                             |
| Stores, spares and loose tools             |      | 1,043,920                          | 1,025,135                   |
| Stock in trade                             |      | 1,247,009                          | 1,365,309                   |
| Trade receivables                          |      | 2,712                              | 24                          |
| Advances, deposits and receivables         |      | 457,452                            | 338,433                     |
| Tax refunds due from government            |      | 69,719                             | 46,697                      |
| Cash and bank balances                     |      | 26,144                             | 29,739                      |
|                                            |      | 2,846,956                          | 2,805,337                   |
| <b>TOTAL ASSETS</b>                        |      | <b>6,545,300</b>                   | <b>6,501,553</b>            |
| <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                           |      | 1,790,546                          | 1,790,546                   |
| Revenue reserves                           |      | 1,349,520                          | 754,640                     |
|                                            |      | 3,480,751                          | 2,885,871                   |
| <b>NON-CURRENT LIABILITIES</b>             |      |                                    |                             |
| Deferred liabilities                       |      |                                    |                             |
| Deferred tax liability                     | 5    | -                                  | 250,502                     |
| Staff retirement gratuity                  |      | 188,156                            | 181,349                     |
|                                            |      | 188,156                            | 431,851                     |
| <b>CURRENT LIABILITIES</b>                 |      |                                    |                             |
| Trade and other payables                   | 6    | 1,717,146                          | 1,354,397                   |
| Contract liabilities                       |      | 12,567                             | 10,829                      |
| Current portion of long term borrowings    |      | 47,185                             | 94,369                      |
| Payable to related parties                 |      | 583,119                            | 583,119                     |
| Short term borrowings                      | 7    | 440,506                            | 1,053,644                   |
| Payable to government authority            | 8    | 61,338                             | 65,824                      |
| Accrued markup on borrowings               |      | 11,302                             | 19,908                      |
| Unclaimed dividend                         |      | 3,230                              | 1,741                       |
|                                            |      | 2,876,393                          | 3,183,831                   |
| <b>CONTINGENCIES AND COMMITMENTS</b>       | 9    | -                                  | -                           |
|                                            |      | 3,064,549                          | 3,615,682                   |
| <b>TOTAL EQUITY AND LIABILITIES</b>        |      | <b>6,545,300</b>                   | <b>6,501,553</b>            |

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 Profit or Loss (Un-audited) for the half year ended December 31, 2021

| (Rupees in'000)                       | Note | Quarter Ended December 31, |           | Half year Ended December 31, |           |
|---------------------------------------|------|----------------------------|-----------|------------------------------|-----------|
|                                       |      | 2021                       | 2020      | 2021                         | 2020      |
| Sales - net                           |      | 3,010,482                  | 1,867,528 | 5,259,200                    | 3,399,401 |
| Cost of sales                         | 10   | 2,589,575                  | 1,651,242 | 4,567,864                    | 3,038,259 |
| Gross profit                          |      | 420,907                    | 216,286   | 691,336                      | 361,142   |
| Other income                          |      | 14,627                     | 10,056    | 28,344                       | 19,179    |
|                                       |      | 435,534                    | 226,342   | 719,680                      | 380,321   |
| Distribution costs                    |      | 8,132                      | 6,364     | 13,316                       | 10,485    |
| Administrative expenses               |      | 50,911                     | 40,931    | 92,148                       | 75,143    |
| Finance costs                         |      | 18,631                     | 38,298    | 44,003                       | 83,444    |
| Other operating expenses              |      | 32,468                     | 10,114    | 52,589                       | 20,236    |
|                                       |      | 110,142                    | 95,707    | 202,056                      | 189,308   |
| Profit for the period before taxation |      | 325,392                    | 130,635   | 517,624                      | 191,013   |
| Provision for taxation                | 11   | (247,060)                  | 31,275    | (214,381)                    | 54,253    |
| Profit for the period                 |      | 572,452                    | 99,360    | 732,005                      | 136,760   |

| Amount in Rupees                       | Quarter Ended December 31, |      | Half year Ended December 31, |      |
|----------------------------------------|----------------------------|------|------------------------------|------|
|                                        | 2021                       | 2020 | 2021                         | 2020 |
| Earnings per share - basic and diluted | 16.80                      | 2.92 | 21.49                        | 4.01 |

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 December 31, 2021

| (Rupees in'000)                                                   | Half year ended December 31, |         |
|-------------------------------------------------------------------|------------------------------|---------|
|                                                                   | 2021                         | 2020    |
| Profit for the period                                             | 732,005                      | 136,760 |
| Other comprehensive income                                        |                              |         |
| Items that may not be subsequently reclassified to profit or loss |                              |         |
| Reversal of deferred tax related to staff retirement gratuity     | 33,218                       | -       |
| Total comprehensive income for the period                         | 765,223                      | 136,760 |

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 Flows (Un-audited) for the half year ended December 31, 2021

| (Rupees in '000)                                    | Half year ended December 31, |           |
|-----------------------------------------------------|------------------------------|-----------|
|                                                     | 2021                         | 2020      |
| <b>Cash flows from operating activities</b>         |                              |           |
| Profit for the period before taxation               | 517,624                      | 191,013   |
| <b>Adjustments for:</b>                             |                              |           |
| Depreciation on property, plant and equipment       | 74,079                       | 78,816    |
| Provision for staff retirement benefits             | 14,228                       | 16,269    |
| Gain on disposal of property, plant and equipment   | -                            | (1,965)   |
| Interest income                                     | (2,312)                      | (2,304)   |
| Effect of re-measurement at present value           | -                            | (9,265)   |
| Finance cost                                        | 38,701                       | 83,444    |
|                                                     | 124,696                      | 164,995   |
|                                                     | 642,320                      | 356,008   |
| <b>Cash flow before working capital changes</b>     |                              |           |
| Working capital changes                             |                              |           |
| (Increase) / decrease in current assets:            |                              |           |
| Stores, spares and loose tools                      | 72,767                       | 183,292   |
| Stock in trade                                      | 118,300                      | (249,284) |
| Trade receivables                                   | (2,688)                      | (2,158)   |
| Advances, deposits and receivables                  | (119,018)                    | 41,606    |
| <b>Increase / (decrease) in current liabilities</b> |                              |           |
| Trade and other payables                            | 362,749                      | 322,043   |
| Contract liabilities                                | 1,738                        | -         |
| Payable to government authority                     | (4,486)                      | -         |
|                                                     | 360,001                      | 322,043   |
| <b>Cash generated from operations</b>               | 1,071,682                    | 651,507   |
| Income taxes paid                                   | (111,018)                    | (35,972)  |
| Finance cost paid                                   | (47,308)                     | (109,569) |
| Staff retirement benefits paid                      | (7,421)                      | (9,951)   |
|                                                     | (165,747)                    | (155,492) |
| <b>Net Cash generated from operating activities</b> | 905,935                      | 496,015   |

## Condensed Interim Statement of Cash Flows (Un-audited) for the half year ended December 31, 2021

| (Rupees in '000)                                         | Half year ended December 31, |           |
|----------------------------------------------------------|------------------------------|-----------|
|                                                          | 2021                         | 2020      |
| <b>Cash flows from investing activities</b>              |                              |           |
| Additions in property, plant and equipment               | (82,666)                     | (50,187)  |
| Markup/ Interest income received                         | 2,312                        | 2,304     |
| Proceeds from disposal of property, plant and equipment  | -                            | 2,620     |
| Net cash (used in) investing activities                  | (80,354)                     | (45,263)  |
| <b>Cash flows from financing activities</b>              |                              |           |
| Repayment of long-term financing                         | (47,184)                     | -         |
| Dividend paid                                            | (168,854)                    | -         |
| Short-term borrowings (paid) / obtained - net            | (613,138)                    | (736,115) |
| Net cash (used in) financing activities                  | (829,176)                    | (736,115) |
| Net decrease in cash and cash equivalents                | (3,595)                      | (285,363) |
| Cash and cash equivalents at the beginning of the period | 29,739                       | 310,633   |
| Cash and cash equivalents at end of the period           | 26,144                       | 25,270    |

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 December 31, 2021

(Rupees in'000)

|                                                    | Issued<br>Subscribed<br>and Paid<br>up Capital | Capital reserves       |           |                    | Revenue reserves    |             |           | Total     |
|----------------------------------------------------|------------------------------------------------|------------------------|-----------|--------------------|---------------------|-------------|-----------|-----------|
|                                                    | Share<br>Premium                               | Revaluation<br>reserve | Sub-total | General<br>reserve | Accumulated<br>loss | Sub-total   |           |           |
| <b>Balance as at July 01, 2020 -</b>               |                                                |                        |           |                    |                     |             |           |           |
| - Audited                                          | 340,685                                        | 71,490                 | 1,719,056 | 1,790,546          | 1,664,125           | (1,362,754) | 301,371   | 2,432,602 |
| Total comprehensive income                         |                                                |                        |           |                    |                     |             |           |           |
| Profit for the period                              | -                                              | -                      | -         | -                  | -                   | 136,760     | 136,760   | 136,760   |
| Other comprehensive<br>income for the period       | -                                              | -                      | -         | -                  | -                   | -           | -         | -         |
|                                                    | -                                              | -                      | -         | -                  | -                   | 136,760     | 136,760   | 136,760   |
| <b>Balance as at December 31, 2020</b>             |                                                |                        |           |                    |                     |             |           |           |
| - Unaudited                                        | 340,685                                        | 71,490                 | 1,719,056 | 1,790,546          | 1,664,125           | (1,225,994) | 438,131   | 2,569,362 |
| <b>Balance as at July 01, 2021</b>                 |                                                |                        |           |                    |                     |             |           |           |
| - Audited                                          | 340,685                                        | 71,490                 | 1,719,056 | 1,790,546          | 1,664,125           | (909,485)   | 754,640   | 2,885,871 |
| Final dividend for the year<br>ended June 30, 2021 | -                                              | -                      | -         | -                  | -                   | (170,343)   | (170,343) | (170,343) |
| Total comprehensive income                         |                                                |                        |           |                    |                     |             |           |           |
| Profit for the period                              | -                                              | -                      | -         | -                  | -                   | 732,005     | 732,005   | 732,005   |
| Other comprehensive<br>income for the period -     | -                                              | -                      | -         | -                  | -                   | 33,218      | 33,218    | 33,218    |
|                                                    | -                                              | -                      | -         | -                  | -                   | 765,223     | 765,223   | 765,223   |
| <b>Balance as at December 31, 2021</b>             |                                                |                        |           |                    |                     |             |           |           |
| - Unaudited                                        | 340,685                                        | 71,490                 | 1,719,056 | 1,790,546          | 1,664,125           | (314,605)   | 1,349,520 | 3,480,751 |

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 December 31, 2021**

### **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 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 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 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 annual audited financial statements of the Company for the year ended June 30, 2021.

### **3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**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 annual audited financial statements of the Company for the year ended June 30, 2021.

- 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, 2021 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 annual audited financial statements of the Company for the year ended June 30, 2021.

#### **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, 2021.

| (Rupees in'000)                                       | Note  | Un-audited<br>December 31,<br>2021 | Audited<br>June 30,<br>2021 |
|-------------------------------------------------------|-------|------------------------------------|-----------------------------|
| <b>4 PROPERTY, PLANT AND EQUIPMENT</b>                |       |                                    |                             |
| Operating fixed assets - at net book value            | 4.1   | 2,989,861                          | 2,942,229                   |
| Capital work-in-progress - at cost                    | -     | -                                  | 39,045                      |
| Stores held for capital expenditure - at cost         |       | 17,109                             | 108,661                     |
|                                                       |       | <u>3,006,970</u>                   | <u>3,089,935</u>            |
| <b>4.1 Operating fixed assets - at net book value</b> |       |                                    |                             |
| Opening balance                                       |       | 2,942,229                          | 3,071,951                   |
| Additions during the period / year                    | 4.1.1 | 121,711                            | 30,601                      |
|                                                       |       | <u>3,063,940</u>                   | <u>3,102,552</u>            |
| Disposals during the period / year                    | 4.1.1 | -                                  | (2,518)                     |
| Depreciation charge during the period / year          |       | (74,079)                           | (157,805)                   |
|                                                       |       | <u>(74,079)</u>                    | <u>(160,323)</u>            |
| Closing balance                                       |       | <u>2,989,861</u>                   | <u>2,942,229</u>            |

**4.1.1 Additions and disposals of operating fixed assets during the period are as follows:**

| (Rupees in'000)                     | Additions - at cost |              | Disposals - at NBV |            |
|-------------------------------------|---------------------|--------------|--------------------|------------|
|                                     | December 31,        |              | December 31,       |            |
|                                     | 2021                | 2020         | 2021               | 2020       |
| Building - Factory on freehold land | 4,533               | -            | -                  | -          |
| Building - Office on freehold land  | 3,426               | -            | -                  | -          |
| Plant and machinery                 | 110,339             | 2,165        | -                  | -          |
| Furniture and fittings              | 119                 | -            | -                  | -          |
| Vehicles                            | 617                 | 105          | -                  | 655        |
| Office equipment                    | 2,677               | 192          | -                  | -          |
| Other assets                        | -                   | 55           | -                  | -          |
|                                     | <u>121,711</u>      | <u>2,517</u> | <u>-</u>           | <u>655</u> |

| (Rupees in '000)                                                                                                           | Note | Un-audited<br>December 31,<br>2021 | Audited<br>June 30,<br>2021 |
|----------------------------------------------------------------------------------------------------------------------------|------|------------------------------------|-----------------------------|
| <b>5 DEFERRED TAX (ASSET) / LIABILITY</b>                                                                                  |      |                                    |                             |
| Opening balance                                                                                                            |      | 250,502                            | 271,509                     |
| Provision reversed through profit or loss                                                                                  |      | (302,377)                          | (21,030)                    |
| Provision (reversed) / charged through other<br>comprehensive income                                                       |      | (33,218)                           | 23                          |
|                                                                                                                            | 5.1  | <u>(85,093)</u>                    | <u>250,502</u>              |
| <b>5.1 It comprises of the following:</b>                                                                                  |      |                                    |                             |
| Taxable temporary differences in respect of;<br>Difference in accounting and tax bases of<br>property, plant and equipment |      | 252,421                            | 250,502                     |
| Deductible temporary differences in respect of;<br>Provision for gratuity                                                  |      | (54,565)                           | -                           |
| Tax losses carried forward                                                                                                 |      | (117,753)                          | -                           |
| Minimum tax credit u/s 113                                                                                                 |      | (165,196)                          | -                           |
| Deferred tax (asset) / liability                                                                                           |      | <u>(85,093)</u>                    | <u>250,502</u>              |
| <b>6 TRADE AND OTHER PAYABLES</b>                                                                                          |      |                                    |                             |
| Creditors                                                                                                                  |      | 1,315,878                          | 1,147,267                   |
| Accrued liabilities                                                                                                        |      | 132,151                            | 111,072                     |
| Sales tax payable                                                                                                          |      | 159,856                            | 24,697                      |
| Workers' profit participation fund                                                                                         |      | 81,645                             | 45,904                      |
| Workers' welfare fund                                                                                                      |      | 16,570                             | 15,376                      |
| Due to associated companies                                                                                                |      | 534                                | -                           |
| Retention money                                                                                                            |      | 957                                | 957                         |
| Payable to provident fund                                                                                                  |      | 621                                | 312                         |
| Withholding Income tax payable                                                                                             |      | 555                                | 495                         |
| Others                                                                                                                     |      | 8,379                              | 8,317                       |
|                                                                                                                            |      | <u>1,717,146</u>                   | <u>1,354,397</u>            |
| <b>7 SHORT TERM BORROWINGS</b>                                                                                             |      |                                    |                             |
| Running finances from banks                                                                                                | 7.1  | <u>440,506</u>                     | <u>1,053,644</u>            |

7.1 The aggregate unavailed financing facilities available from various commercial banks amounted to Rs. 1,443.55 million (June 30, 2021: Rs. 921.31 million). The Company has obtained a new financing facility of Rs. 250 million from a banking company during the period, out of which Rs. 4 million was utilised till December 31, 2021. The facility is secured against joint pari passu charge over present and future current assets of the Company and is subject to markup at the rate of three month KIBOR plus 0.40% per annum.

| (Rupees in'000)                          | Note | Un-audited<br>December 31,<br>2021 | Audited<br>June 30,<br>2021 |
|------------------------------------------|------|------------------------------------|-----------------------------|
| <b>8 PAYABLE TO GOVERNMENT AUTHORITY</b> |      |                                    |                             |
| Gas Infrastructure Development Cess      |      |                                    |                             |
| Opening balance                          |      | 65,824                             | 109,735                     |
| Paid during the period / year            |      | 4,486                              | 43,911                      |
| Closing balance                          | 8.1  | 61,338                             | 65,824                      |

8.1 The payment has been suspended during the period owing to stay granted by the Honorable Sindh High Court.

## 9 CONTINGENCIES AND COMMITMENTS

### Contingencies

There is 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, 2021.

### Commitments

|                                                               |           |           |
|---------------------------------------------------------------|-----------|-----------|
| Under letter of credits for import of stores and raw material | 1,463,664 | 1,228,690 |
| Under contracts for capital expenditure                       | -         | 284,101   |



**10 COST OF SALES**

| (Rupees in '000)                    | Quarter Ended December 31, |           | Half year Ended December 31, |           |
|-------------------------------------|----------------------------|-----------|------------------------------|-----------|
|                                     | 2021                       | 2020      | 2021                         | 2020      |
| Raw and packing material consumed   | 1,889,075                  | 1,279,714 | 3,356,946                    | 2,586,005 |
| Stores and spares consumed          | 52,343                     | 23,598    | 73,728                       | 46,841    |
| Salaries, wages and amenities       | 108,569                    | 106,955   | 208,822                      | 188,213   |
| Fuel and power                      | 373,922                    | 258,292   | 610,795                      | 489,371   |
| Repairs and maintenance             | 51,575                     | 9,565     | 58,944                       | 17,604    |
| Running and maintenance of vehicles | 6,567                      | 5,216     | 12,407                       | 10,248    |
| Insurance                           | 4,324                      | 5,441     | 9,269                        | 9,322     |
| Depreciation                        | 33,173                     | 31,408    | 65,442                       | 71,057    |
| Rent, rates and taxes               | 625                        | 584       | 1,219                        | 1,185     |
| Other expenses                      | 482                        | 374       | 797                          | 581       |
|                                     | 2,520,655                  | 1,721,147 | 4,398,369                    | 3,420,427 |
| Add: opening work in process        | 64,121                     | 44,656    | 43,221                       | 41,172    |
| Less: closing work in process       | (61,630)                   | (46,109)  | (61,630)                     | (46,109)  |
|                                     | 2,491                      | (1,453)   | (18,409)                     | (4,937)   |
|                                     | 2,523,146                  | 1,719,694 | 4,379,960                    | 3,415,490 |
| Add: opening finished goods         | 802,370                    | 519,833   | 923,845                      | 211,054   |
| Less: closing finished goods        | (735,941)                  | (588,285) | (735,941)                    | (588,285) |
|                                     | 66,429                     | (68,452)  | 187,904                      | (377,231) |
|                                     | 2,589,575                  | 1,651,242 | 4,567,864                    | 3,038,259 |

**11 PROVISION FOR TAXATION**

|                  |           |          |           |          |
|------------------|-----------|----------|-----------|----------|
| Current tax      |           |          |           |          |
| For the period   | 54,704    | 44,424   | 87,383    | 67,402   |
| For prior period | 613       | 537      | 613       | 537      |
| Deferred tax     | (302,377) | (13,686) | (302,377) | (13,686) |
|                  | (247,060) | 31,275   | (214,381) | 54,253   |

**12 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:

| (Rupees in'000)                                                                             |                           | Quarter Ended<br>December 31, |         | Half year Ended<br>December 31, |         |
|---------------------------------------------------------------------------------------------|---------------------------|-------------------------------|---------|---------------------------------|---------|
|                                                                                             |                           | 2021                          | 2020    | 2021                            | 2020    |
| Name of related party and<br>basis of relationship                                          | Nature of transactions    |                               |         |                                 |         |
| Soneri Bank Limited<br>Associated Company by<br>virtue of common directorship               | - Profit on bank deposits | 1,561                         | 536     | 2,288                           | 2,270   |
| Rupali Nylon (Private)<br>Limited<br>Associated company by<br>virtue of common directorship | - Purchases               | 1,251                         | 342     | 2,210                           | 342     |
|                                                                                             | - Payments                | 1,251                         | 342     | 2,210                           | 342     |
| Rupafil Limited<br>Associated company by<br>virtue of common<br>directorship                | - Purchases               | 300,234                       | 146,041 | 772,019                         | 383,751 |
|                                                                                             | - Sales                   | 13,416                        | 12,532  | 29,269                          | 67,163  |
|                                                                                             | - Payments                | 299,696                       | 143,632 | 750,917                         | 381,341 |
|                                                                                             | - Receipts                | 13,416                        | 12,532  | 29,265                          | 66,993  |
| Spintex Limited -<br>(MD is sibling of CEO of the<br>Company)                               | - Purchases               | 13                            | 3,344   | 13                              | 3,478   |
|                                                                                             | - Sales                   | -                             | -       | 14                              | 51      |
|                                                                                             | - Payments                | 462                           | 2,793   | 462                             | 3,367   |
|                                                                                             | - Receipts                | -                             | -       | 16                              | 58      |
| Provident fund                                                                              | - Contribution made       | 449                           | 420     | 911                             | 603     |

### 13 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized for issue on 22 February 2022 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, profit, comprehensive income, 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 Revaluation reserve of Rs. 1,719.06 million was presented as a separate line item on the face of statement of financial position. This is included in capital reserves. Capital reserves are not available for distribution to shareholders.

14.4 Nomenclature of following accounts has been changed;

| Previous nomenclature     | Current nomenclature                |
|---------------------------|-------------------------------------|
| Capital stores            | Stores held for capital expenditure |
| Inventories               | Stock in trade                      |
| Cash and cash equivalents | Cash and bank balances              |
| Taxation                  | Provision for taxation              |
| Revenue - net             | Sales - net                         |
| Cost of revenue           | Cost of sales                       |

14.5 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



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

**RUPALI POLYESTER LIMITED**

Registered Office

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