

Quarterly Accounts (Un-audited)
for the 3rd Quarter ended
31 March 2018



RUPALI POLYESTER LIMITED

Corporate Data

Board of Directors

Chairman / Chief Executive Officer

Nooruddin Feerasta

Directors

Muhammad Rashid Zahir - Non-Executive
Sultan Ali Rajwany - Non-Executive
Zeeshan Feerasta - Non-Executive

Muhammad Ali Sayani - Non-Executive
Shehzad Feerasta - Non-Executive
Abdul Hayee - Executive

Audit Committee

Sultan Ali Rajwany - Chairman Muhammad Rashid Zahir - Member
Zeeshan Feerasta - Member

Human Resource & Remuneration Committee

Sultan Ali Rajwany - Chairman Nooruddin Feerasta - Member
Zeeshan Feerasta - Member

Chief Financial Officer

Amjad Rahil

Company Secretary

S. Ghulam Shabbir Gilani

Bankers

Askari Bank Limited
Faysal Bank Limited
MCB Bank Limited

Bank Alfalah Limited
Habib Bank Limited
Soneri Bank Limited

Auditors

Qavi & Co.
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

On behalf of the Board of Directors, we are pleased to present the Company's un-audited financial statements for the third quarter and nine months period ended 31 March 2018.

Financial Results

With the blessings of Allah Almighty, the revenue size of the Company has stabilized. Despite the challenges of rising raw material prices, market competition and high cost of utilities, the gross profit increased both in the third quarter and nine months period ended 31 March 2018 as a result of increased operational efficiency.

The prices of our raw material, PTA and MEG have shown an increasing trend due to surge in oil prices. The price of PTA in February 2017 was US\$ 715 per M. Ton. It rose to US\$ 790 per M. Ton in February 2018. MEG price also went up from US\$ 980 per M. Ton to US\$ 1,070 per M. Ton during the same period. Notwithstanding this trend which lead to an increase of seventeen percent in the cost of goods sold for the nine months period ended 31 March 2018, the gross profit ratio has greatly improved by virtue of increase in sales revenue coupled with the relief to the domestic manufacturers by way of Regulatory Duty and Anti-dumping Duty on imported PFY which gave a support to domestic industry.

Our large sums of funds are lying pending with the Government on account of sales tax refunds. We hope for an early release of refunds in order to help our cash flow as well as promote expansion.

Sales revenue for the nine months ended 31 March 2018 increased to Rs.4,543.11 million from Rs.3,720.09 million in corresponding period of FY 2017. Gross profit for this period increased to Rs.296.93 million from Rs.89.00 million during the same period of FY 2017. The Company earned an operating profit of Rs.211.06 million against an operating loss of Rs.20.01 million in FY 2017. Profit before tax amounted to Rs.124.70 million from loss before tax of Rs.103.52 million.

Sales revenue for third quarter ended 31 March 2018 (Q3) increased to Rs.1,569.92 million from Rs.1,280.37 million for the same quarter of FY 2017. Gross profit for Q3 increased to Rs.83.88 million from Rs.42.96 million in the same quarter of FY 2017. Operating profit amounted to Rs.46.30 million against operating profit of Rs.7.90 million. Profit before tax amounted to Rs.18.85 million against loss before tax of Rs.20.06 million in Q3 of FY 2017.

Administrative and general expenses were kept under strict control and remained comparable with corresponding periods of FY 2017.

Future Outlook

The installation work of new machine under our expansion plan is going on at full swing. This will help producing PFY to meet the increased local demand with substantial cost effective operations.

Government of Pakistan is finalizing Free Trade Agreement (FTA) with China. There are items which fall under Chapter 54 - 55 as No Concession List and that status should remain intact in the FTA for the sake of protecting the domestic products.

There is a big anomaly in gas tariffs in the provinces. Punjab-based industry is over-burdened by paying for gas at higher rate of RNLG at Rs.1,310 per MMBTU whereas the Sindh-based industry is charged at domestic gas rate which is around Rs.600 per MMBTU. The RNLG gas price varies as it is linked with international prices of Brent. This difference harshly escalates our manufacturing cost. Government should ease-out the cost of doing business for Punjab by removing inter-provinces anomaly in gas tariffs.

Gas Infrastructure Development Cess (GIDC) is absolutely un-harmonized enactment for the domestic industry envisaging a heavy liability just for no reason. This law should be abolished forthwith.

The Government should appoint Chairman and Members of Anti-dumping Appellate Tribunal to make this forum functional on permanent basis for the protection of domestic industry and resolution of long outstanding cases pending adjudication with the Appellate Tribunal.

We are consistently exploring various options and measures of cost cutting, which include installation of latest technological machines to produce more cost effective Filament Yarn.

A Note of Gratitude

The Directors express their appreciation for the cooperation provided by the Ministries of Finance, Industries and Production, Commerce, Communication and Textile Industry. We would also like to convey our gratitude to the Federal Board of Revenue, Departments of Customs, Central Excise and Government of the Punjab for their cooperation. We appreciate the patronage and confidence placed in the Company by the Development Financial Institutions and commercial banks. We are thankful to our valued customers and expect growing business relationships with them. To our stakeholders, we are grateful for their faith in the Company and we value their trust. We also appreciate the continued hard work by the management and staff of the Company.

On behalf of the Board

Nooruddin Feerasta
Chief Executive Officer

Abdul Hayee
Director

Lahore

25 April 2018

حکومت چین کے ساتھ فری تجارت کا معاہدہ (FTA) کرنے جا رہی ہے۔ باب ۵۴-۵۵ میں اشیاء پہلے سے عدم رعایتی فہرست (No Concession List) میں ہیں۔ لہذا مقامی مصنوعات کے تحفظ کی خاطر FTA میں ان اشیاء کی حیثیت برقرار رکھنی چاہیے۔

صوبوں میں گیس کے نرخوں میں ایک بڑا تضاد ہے۔ پنجاب کی صنعت کو آرائل این جی ۱،۳۱۰ روپے فی ایم ایم بی ٹی یو (MMBTU) کے حساب سے مل رہی ہے اور گیس کی مد میں اضافی بوجھ برداشت کر رہی ہے جب کہ سندھ میں موجود صنعت کو مقامی گیس کے نرخوں پر ۶۰۰ روپے فی ایم ایم بی ٹی یو (MMBTU) گیس چارج ہوتی ہے۔ اس فرق سے ہماری پیداواری لاگت بہت زیادہ بڑھ جاتی ہے۔ حکومت سے درخواست ہے کہ بین الصوبائی تضاد کو ختم کر کے پنجاب کی صنعت کیلئے کاروبار کرنے میں سہولت فراہم کی جائے۔

جی آئی ڈی سی (GIDC) ایک بالکل ناموزوں قانون ہے جو کہ مقامی صنعت کی مالیاتی مد کے لئے بڑا خطرہ ہے لہذا اس قانون کو فی الفور ختم ہونا چاہیے۔

حکومت سے گزارش ہے کہ اینٹی ڈمپنگ ایپیلیٹ ٹریبونل کے چیئرمین اور ممبران کا جلد تقرر کیا جائے تاکہ زیر التواء مقدمات جلد نمٹائے جائیں۔

ہم کم لاگت پر فلامنٹ دھاگہ بنانے اور لاگت کو کم کرنے کے لئے مختلف تدابیر کے لئے مسلسل کوشاں ہیں۔

اظہار تشکر

ڈائریکٹرز، خزانہ، صنعتوں کی وزارتوں اور پیداوار، تجارت، مواصلات اور وزارت ٹیکسٹائل انڈسٹری کے تعاون کے لئے اظہار تشکر کرنا چاہتے ہیں۔ ہم وفاقی بورڈ آف ریونیو، کسٹمز، سینٹرل ایکسائز اور حکومت پنجاب کے تعاون کے بھی شکر گزار ہیں۔ ہم ترقیاتی مالیاتی اداروں اور کمرشل بینکوں کو بھی سراہتے ہیں کہ انہوں نے ہم پر اعتماد کرتے ہوئے مالی معاونت کی۔ ہم اپنے قابل قدر گاہکوں کے شکر گزار ہیں اور ان کے ساتھ کاروباری تعلقات میں وسعت کی امید رکھتے ہیں۔ ہمارے اسٹیک ہولڈرز کے ہم پر اعتماد کے لئے شکر گزار ہیں۔ ہم ان کے اس اعتماد کی قدر کرتے ہیں اور کمپنی کی انتظامیہ اور عملے کی مسلسل محنت کی تعریف کرتے ہیں۔

منجانب بورڈ آف ڈائریکٹرز:

عبداللہ
ڈائریکٹر

نور الدین فیراستہ
چیف ایگزیکٹو آفیسر

لاہور:

۲۵ اپریل ۲۰۱۸

ڈائریکٹر ان کارجازہ

کمپنی کے ڈائریکٹر ان کارجازہ سے ہم بمسرت ۳۱ مارچ ۲۰۱۸ کو ختم ہونے والی سہ ماہی اور نو ماہی کے غیر پڑتا مال شدہ گوشوارے پیش کرتے ہیں۔

مالیاتی نتائج

اللہ تعالیٰ کے فضل و کرم سے کمپنی کی آمدنی میں استحکام آگیا ہے۔ خام مال کی قیمتوں میں اضافہ، مارکیٹ کی مسابقت اور توانائی کے بڑھتے ہوئے نرخوں کے باوجود ۳۱ مارچ ۲۰۱۸ کو ختم ہونے والی نو ماہی اور سہ ماہی میں ہماری اعلیٰ آپریشنل کارکردگی کے نتیجے میں خام منافع میں اضافہ ہوا ہے۔

خام مال (PTA and MEG) کی قیمتوں میں اضافے کا رجحان رہا۔ PTA کی قیمت فروری ۲۰۱۷ میں ۷۱۵ امریکی ڈالر فی میٹرک ٹن سے فروری ۲۰۱۸ میں بڑھ کر ۷۹۰ امریکی ڈالر ہو گئی۔ MEG کی قیمت اسی مدت میں ۹۸۰ امریکی ڈالر سے بڑھ کر ۱۰۷۰ امریکی ڈالر ہو گئی، خام مال کی قیمتوں کے اس رجحان جس کے نتیجے میں پیداواری لاگت زیر جازہ مدت میں سترہ فیصد زیادہ ہو گئی کے باوجود خام منافع کی شرح اضافہ میں بہتری آئی جس میں کارکردگی بکری آمدنی میں اضافہ کے ہمراہ مقامی صنعت کو بصورت ریگولیٹری ڈیوٹی اور اینٹی ڈمپنگ ڈیوٹی ملنے والے ریلیف ہیں جن سے مقامی صنعت کو سہارا ملا۔

بکری ٹیکس کی مد میں ہمارے بہت سے فنڈز حکومت کے ذمہ واجب الادا ہیں۔ ہمیں توسیعی اور کیش فلو کیلئے فنڈز کی ضرورت ہے۔ ہم حکومت سے فنڈز کی جلد واپسی کی توقع رکھتے ہیں۔

۳۱ مارچ ۲۰۱۸ کو ختم ہونے والی نو ماہی میں فروخت آمدنی ۴,۵۴۳.۱۱ ملین روپے ہو گئی جو کہ ۲۰۱۷ میں ۳,۷۲۰.۰۹ ملین روپے تھی۔ اس نو ماہی میں ہم نے پچھلے سال ہونے والے خام منافع ۸۹.۰۰ ملین روپے کی نسبت ۲۹۶.۹۳ ملین روپے خام منافع کمایا۔ سابقہ نو ماہی میں آپریٹنگ خسارہ ۲۰.۰۱ ملین روپے سے ختم ہو کر ۲۱۱.۰۶ ملین روپے منافع ہو گیا۔ قبل از ٹیکس خسارہ جو کہ ۲۰۱۷ میں ۱۰۳.۵۲ ملین روپے تھا سے ختم ہو کر ۱۲۳.۷۰ ملین روپے منافع میں تبدیل ہو گیا۔

۳۱ مارچ ۲۰۱۸ کو ختم ہونے والی سہ ماہی میں فروخت آمدنی ۱,۵۶۹.۹۲ ملین روپے رہی جو کہ ۲۰۱۷ کی اسی سہ ماہی میں ۱,۲۸۰.۳۷ ملین روپے تھی۔ اس سہ ماہی میں خام منافع ۸۳.۸۸ ملین روپے ہوا جو کہ پچھلے سال کی اس سہ ماہی میں ۴۲.۹۶ ملین روپے تھا۔ آپریٹنگ منافع ۷.۹۰ ملین روپے کی نسبت اس سہ ماہی میں ۴۶.۳۰ ملین روپے رہا۔ قبل از ٹیکس خسارہ ۲۰۱۷ میں ۲۰.۰۶ ملین روپے سے ۱۸.۸۵ ملین روپے منافع میں تبدیل ہو گیا۔

انتظامی اور عمومی اخراجات پر کنٹرول رکھا اور وہ مالیاتی سال ۲۰۱۷ کی اسی مدت کے اخراجات کے ساتھ متوازن رہے۔

مستقبل کا جائزہ

ہمارے توسیعی منصوبہ کے تحت نئی مشین کی تنصیب کا کام تیزی سے جاری ہے۔ اس سے مختلف اقسام کی وسیع مانگ کو پورا کرنے میں مدد ملے گی اور پیداواری لاگت میں کمی آئے گی۔

Condensed Interim Balance Sheet (Un-audited)

as at 31 March 2018

	Note	Un-audited 31 March 2018	Audited 30 June 2017
		Rupees in thousand	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment		3,112,254	2,971,353
Investment property		437,500	400,000
Long-term deposits		4,396	4,396
		<u>3,554,150</u>	<u>3,375,749</u>
CURRENT ASSETS			
Stores, spares and loose tools		914,281	872,357
Stock-in-trade		839,713	725,481
Trade debts		26,319	1,461
Loans and advances		65,862	30,449
Trade deposits and short-term prepayments		6,107	1,161
Other receivables		444,543	479,639
Taxation - net		132,724	179,754
Cash and bank balances		130	62,920
		<u>2,429,679</u>	<u>2,353,222</u>
		<u>5,983,829</u>	<u>5,728,971</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital			
35,000,000 (30 June 2017: 35,000,000)			
ordinary shares of Rs.10 each		<u>350,000</u>	<u>350,000</u>
Issued, subscribed and paid-up capital			
34,068,514 (30 June 2017: 34,068,514)			
Ordinary Shares of Rs. 10 each		340,685	340,685
Capital reserve		71,490	71,490
General reserves		1,664,125	1,664,125
Accumulated loss		(1,384,002)	(1,458,282)
		<u>692,298</u>	<u>618,018</u>
Surplus on revaluation of freehold land		1,719,056	1,719,056
		<u>2,411,354</u>	<u>2,337,074</u>
NON-CURRENT LIABILITIES			
Long-term borrowings	5	178,974	183,879
Staff retirement benefits - gratuity		147,169	138,587
Deferred taxation		261,070	267,438
Liabilities against assets subject to finance lease	6	1,392	2,272
		<u>588,605</u>	<u>592,176</u>
CURRENT LIABILITIES			
Trade and other payables		1,042,556	870,332
Short-term borrowings	7	1,843,255	1,839,800
Current portion of long term Liabilities	8	72,658	62,302
Accrued mark-up		25,401	27,287
		<u>2,983,870</u>	<u>2,799,721</u>
CONTINGENCIES AND COMMITMENTS	9	<u>5,983,829</u>	<u>5,728,971</u>

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

Nooruddin Feerasta
Chief Executive Officer

Abdul Hayee
Director

Amjad Rahil
Chief Financial Officer

Condensed Interim Profit and Loss Account (Un-audited)

for the nine months ended 31 March 2018

	Quarter Ended		Nine Months Ended	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Rupees in thousand				
Sales	1,569,915	1,280,373	4,543,105	3,720,087
Cost of Goods Sold	(1,486,033)	(1,237,417)	(4,246,173)	(3,631,083)
Gross Profit	83,882	42,956	296,932	89,004
Selling and Distribution Expenses	(4,297)	(3,321)	(13,090)	(9,943)
Administrative and General Expenses	(39,982)	(37,734)	(120,994)	(111,455)
Other Operating Charges	(6,630)	(300)	(24,927)	(7,800)
Other Operating Income	13,329	6,295	73,139	20,183
Operating Profit / (Loss)	46,302	7,896	211,060	(20,011)
Finance Cost	(27,450)	(27,952)	(86,358)	(83,505)
Profit / (Loss) before Taxation	18,852	(20,056)	124,702	(103,516)
Taxation	(17,943)	(12,804)	(50,422)	(29,620)
Profit / (Loss) after Taxation	909	(32,860)	74,280	(133,136)
Amount in Rupees				
Profit / (Loss) Per Share - Basic and Diluted	0.03	(0.96)	2.18	(3.91)

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

Nooruddin Feerasta
Chief Executive Officer

Abdul Hayee
Director

Amjad Rahil
Chief Financial Officer

Condensed Interim Statement of Comprehensive Income (Un-audited) for the nine months ended 31 March 2018

	Quarter Ended		Nine Months Ended	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Rupees in thousand				
Profit / (Loss) after Taxation	909	(32,860)	74,280	(133,136)
Other Comprehensive Income				
Total Comprehensive Profit / (Loss)	<u>909</u>	<u>(32,860)</u>	<u>74,280</u>	<u>(133,136)</u>

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

Nooruddin Feerasta
Chief Executive Officer

Abdul Hayee
Director

Amjad Rahil
Chief Financial Officer

Condensed Interim Cash Flow Statement (Un-audited) for the nine months ended 31 March 2018

	Un-audited 31 March 2018 31 March 2017 Rupees in thousand	
CASH GENERATED FROM OPERATING ACTIVITIES		
Profit / (Loss) Before Taxation	124,702	(103,516)
Adjustments for Non-Cash and Other Items		
Depreciation	111,327	116,039
Staff Retirement Benefits	16,447	13,133
Interest Income	(908)	973
Finance Cost	86,358	83,505
	213,224	213,650
	337,926	110,134
Effect on Cash Flow Due to Working Capital Changes		
(Increase) / Decrease In Current Assets		
Stores, Spares and Loose Tools	(41,923)	(105,197)
Stock-in-Trade	(114,232)	(210,060)
Trade Debts	(24,857)	(5,980)
Loans and Advances	(35,413)	(11,589)
Trade Deposits and Short-Term Prepayments	(4,946)	(3,628)
Other Receivables	35,096	57,086
	(186,275)	(279,368)
Increase/(Decrease) In Current Liabilities:		
Trade and Other Payables	172,223	245,415
Cash generated from/(used) in Operations	323,874	76,181
Finance Cost Paid	(88,244)	(82,754)
Income Tax Paid	(9,761)	(7,399)
Mark-up/Interest Income Received	908	(973)
Staff Retirement Benefits paid	(7,865)	(7,301)
Net Cash Inflow / (Outflow) from Operating Activities	218,912	(22,246)

Condensed Interim Cash Flow Statement (Un-audited)

for the nine months ended 31 March 2018

	Un-audited 31 March 2018 31 March 2017 Rupees in thousand	
CASH FLOW FROM INVESTING ACTIVITIES		
Capital Expenditure	(289,727)	(57,061)
Proceeds from disposal of Operating Assets	-	174
Long term deposits	-	(35)
Net Cash Outflow from Investing Activities	(289,727)	(56,922)
CASH FLOW FROM FINANCING ACTIVITIES		
Long term borrowings	5,392	(30,647)
Finance lease	(822)	(764)
Net Cash Inflow / Outflow from Financing Activities	4,570	(31,411)
Net Decrease In Cash and Cash Equivalents	(66,245)	(110,579)
Cash and Cash Equivalents at the Beginning of the Period	(1,776,880)	(1,492,429)
Effect of exchange rate fluctuations	-	-
Cash and Cash Equivalents at the End of the Period	(1,843,125)	(1,603,008)

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

Nooruddin Feerasta
Chief Executive Officer

Abdul Hayee
Director

Amjad Rahil
Chief Financial Officer

Condensed Interim Statement of Changes in Equity (Un-audited) for the nine months ended 31 March 2018

Rupees in thousand

	Issued Subscribed and Paid - up Capital	Capital Reserve	Revenue Reserves		Total Reserves	Revaluation Surplus	Total
		Share Premium	General Reserve	Accumulated Loss			
Balance as on 30 June 2016	340,685	71,490	1,664,125	(1,336,889)	739,411	293,388	1,032,799
Final Dividend for the year ended 30 June 2016	-	-	-	-	-	-	-
Loss for the nine months ended 31 March 2017	-	-	-	(133,136)	(133,136)	-	(133,136)
Other comprehensive income for the nine months ended 31 March 2017	-	-	-	-	-	-	-
Balance as on 31 March 2017	340,685	71,490	1,664,125	(1,470,025)	606,275	293,388	899,663
Balance as on 01 April 2017	340,685	71,490	1,664,125	(1,470,025)	606,275	293,388	899,663
Profit for the quarter ended 30 June 2017	-	-	-	13,053	13,053	-	13,053
Other Income / (Loss) for the last quarter ended 30 June 2017	-	-	-	(1,310)	(1,310)	1,425,668	1,424,358
Balance as on 30 June 2017	340,685	71,490	1,664,125	(1,458,282)	618,018	1,719,056	2,337,074
Balance as on 01 July 2017	340,685	71,490	1,664,125	(1,458,282)	618,018	1,719,056	2,337,074
Final Dividend for the year ended 30 June 2017	-	-	-	-	-	-	-
Profit for the nine months ended 31 March 2018	-	-	-	74,280	74,280	-	74,280
Other comprehensive income for the nine months ended 31 March 2018	-	-	-	-	-	-	-
Balance as on 31 March 2018	340,685	71,490	1,664,125	(1,384,002)	692,298	1,719,056	2,411,354

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

Nooruddin Feerasta
Chief Executive Officer

Abdul Hayee
Director

Amjad Rahil
Chief Financial Officer

Notes to the Condensed Interim Financial Information (Un-audited) for the nine months ended 31 March 2018

1 Legal status and nature of business

RUPALI POLYESTER LIMITED ("the Company") was incorporated in Pakistan on 24 May 1980 under the Companies Act 1913 (now the Companies Act, 2017) as a Public Limited Company and is quoted on the Pakistan Stock Exchange Limited. The registered office of the Company is situated at 241-242 Upper Mall Scheme, Anand Road, Lahore. It is principally engaged in the manufacture and sale of polyester products.

2 Basis of preparation

This condensed interim financial information is un-audited and has been prepared in accordance with the requirements of International Accounting Standard (IAS) 34 - 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984. In case where the requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. This condensed interim financial information does not include all the information required for full annual financial statements and, therefore, should be read in conjunction with audited annual financial statements of the Company for the year ended 30 June 2017.

3 Significant accounting policies

The accounting policies and the methods of computation adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of audited annual financial statements of the Company for the year ended 30 June 2017.

The provision for taxation for the nine months ended 31 March 2018 has been made using the tax rate that would be applicable to expected total annual earnings.

4 Accounting estimates, judgments and financial risk management

In preparing these condensed interim financial information, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the audited annual financial statements as at and for the year ended 30 June 2017, with the exception of changes in estimates that are required in determining the provision for income taxes.

The Company's financial risk management objectives and policies are consistent with those disclosed in the audited annual financial statements as at and for the year ended 30 June 2017.

5 Long Term Borrowings

During 2015, the Company obtained a term finance facility of Rs. 500 million from MCB Bank limited for the purpose of import of plant and machinery, spare parts and related civil works. The facility is secured by way of first charge over fixed assets aggregating to Rs. 667 million, lien over import documents and promissory note of Rs. 975 million and carries mark-up of 6 months KIBOR plus 0.5% to be reset on semi annual basis. The loan is repayable in ten equal half yearly installments starting from November 2016.

6 Liabilities against assets subject to finance lease

	Un-audited 31 March 2018	Audited 30 June 2017
	Rupees in thousand	
Minimum lease payments		
- Payable within one year	1,203	1,205
- Payable after one year	1,458	2,445
	2,661	3,650
Future financial charges		
- Payable within one year	135	196
- Payable after one year but before five years	66	173
	201	369
Present value of minimum lease payments		
- Payable within one year	1,068	1,009
- Payable after one year but before five years	1,392	2,272
	2,460	3,281
Current portion shown under current liabilities	(1,068)	(1,009)
Non-current portion	1,392	2,272

Future minimum lease payments have been discounted at implicit interest rates ranging from 7.41% to 7.48% (30 June 2017: 7.74% to 11.44%) per annum to arrive at their present values. Rentals are payable in advance in monthly installments. Taxes, repairs, replacements and insurance costs are to be borne by the company. The lease contains a bargain purchase option exercisable at the end of lease and it is reasonably certain that the Company will exercise this option at maturity.

	Un-audited 31 March 2018	Audited 30 June 2017
	Rupees in thousand	
7 Short term borrowings		
Secured- From Banking Companies		
Running Finances Utilized under Mark-up arrangements	1,392,297	1,499,800
Interest free loans		
Loan from sponsors	450,958	340,000
	<u>1,843,255</u>	<u>1,839,800</u>
8 Current portion of long-term liabilities		
Long-term borrowings	71,590	61,293
Liabilities against assets subject to finance lease	1,068	1,009
	<u>72,658</u>	<u>62,302</u>

9 Contingencies and commitments

9.1 Contingencies:

Guarantees issued to different organizations in the normal course of business amounted to Rs. 75.314 million (30 June 2017: Rs. 81.314 million). Outstanding guarantees given on behalf of Related Parties amounted to Rs. Nil (30 June 2017: Rs. Nil).

9.2 Commitments:

Contracts for Capital expenditure commitments outstanding as at 31 March 2018 amounted to Rs. 390.463 million (30 June 2017: Rs. 255.432 million).

Commitments against irrevocable letters of credit as at 31 March 2018 amounted to Rs. 1,223.908 million (30 June 2017: Rs. 1,054.272 million).

10 Transactions with related parties

The related parties include Associated Undertakings, Other Related Group Companies, Directors of the Company, Key Management Personnel and Defined Contribution Plan (Provident Fund). There are no transactions with key management personnel other than under their terms of employment.

11 Date of authorization for issue

These condensed interim financial statements were authorized for issue on 25 April 2018 by the Board of Directors of the Company.

12 Corresponding Figures

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the condensed interim balance sheet and condensed interim statement of changes in equity have been compared with the balances of annual audited financial statements of preceding financial year, whereas, the condensed interim profit and loss account, condensed interim statement of comprehensive income and condensed interim cash flow statement have been compared with the balances of comparable period of immediately preceding financial year.

Corresponding figures have been re-arranged, wherever necessary, for the purposes of comparison. However, no significant re-arrangements have been made in these financial statements.

13 General

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

Nooruddin Feerasta
Chief Executive Officer

Abdul Hayee
Director

Amjad Rahil
Chief Financial Officer



Rupali

Rupali Polyester Limited
www.rupaligroup.com