

## Corporate Data

### **Board of Directors**

### Chairman / Chief Executive Officer

Nooruddin Feerasta

### **Directors**

Muhammad Rashid Zahir - Non-Executive
Yaseen M. Sayani - Non-Executive
Shehzad Feerasta - Non-Executive
Zeeshan Feerasta - Non-Executive

Abdul Hayee - Executive

### **Audit Committee**

Yaseen M. Sayani - 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 Company Secretary

Amjad Rahil 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

### Plant

Rupali House, 241-242 Upper Mall Scheme, Anand Road, Lahore - 54000 PAKISTAN 30.2 Kilometer Lahore - Sheikhupura Road Sheikhupura - 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 2019.

### **Financial Results**

Our focus on being able to provide quality products to the market and increase our market share has helped steer Rupali to the path of profitability. With the Anti-Dumping Duties on imports from China and Malaysia intact, it has brought some stability in leveling the playing field for domestic manufactures. Furthermore, the financial results achieved this quarter solidify our resolve for distinction in operational efficiency.

The Government has subsidized the Gas tariff to US\$ 6.5 per MMBTU and Electricity tariff to US 7.5 Cent per KWH, which has subsequently brought down our cost of production. As per the financials for the nine months ended 31 March 2019, sales have increased substantially from Rs.4.543 billion to Rs.6.568 billion i.e. over 40% compared to same period last year. This positively reflects on our capabilities in competing against local producers and dumped imports by introducing new, reasonably priced products and increasing the operational efficiency of our production facility. Experiencing such a jump in our top line without any increase in admin and general expenses is a testament to the company's increasingly efficient use of capital and tight control on expenses.

Our new POY plant with a capacity of around 10,800 tons per annum has greatly helped us in producing high quality POY at a much cheaper cost due to the advancement in technology. Our effective marketing strategy and feedback from our team has generated an ecosystem to expedite and rectify customer complaints in a timely manner. Although our gross and operating profits have also increased compared to same period last year, our finance cost has increased as a result of an interest rate hike by State Bank of Pakistan. The KIBOR rate in March 2018 was 6.50%, which has now increased to 10.75% in March 2019. This has increased the finance cost from Rs.86.36 million to Rs.120.74 million. Despite this unexpected challenge, we were able to show a profit before tax in the nine months ended 31 March 2019.

Given the change in circumstances around the RD on PFY, it has once again intensified competition with the international market. Federal Board of Revenue has decreased the RD from 5% to 2.5% in January 2019, which led to price depression at the start of the quarter. However through a recent order, the Lahore High Court, Rawalpindi Bench has vacated the stay order against imposition of Anti-dumping Duties, causing the market to get bullish and counteract the price decrease experienced by the decrease in RD. Some petitions filed by major importers are still pending before Lahore High Court, Rawalpindi Bench and the Anti-Dumping Appellate Tribunal.

To brief the Company's financial results for the nine months ended 31 March 2019, we are immensely proud that your Company has earned a gross profit of Rs.356.31 million compared to Rs.296.93 million and operating profit of Rs.238.01 million compared to Rs.211.06 million.

The profit before tax is Rs.117.27 million compared to Rs.124.70 million and profit after tax amounted to Rs.49.14 million compared to Rs.74.28 million in the same period of last year. The earnings per share for the nine months period is Rs.1.44 as against Rs.2.18 in the same period last year.

### **Future Outlook**

The Company is facing challenges in the form of price hikes of financial charges and expected further devaluation of Pak Rupee, which has significantly increased our cost of raw materials. Also our sales tax refunds are still pending in large numbers with the Government which is also increasing our cash deficit, forcing us to resort more to banks for running finance. Despite these hurdles, we feel that the consumption of PFY in the domestic market remains strong and continues to grow, therefore posing a great opportunity for our company to capitalize on by pressing forward with our expansion plans.

### A Note of Gratitude

The Directors wish to 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. 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

Shehzad Feerasta Director

Lahore

15 April 2019

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جارے مالیاتی نتائج کا خلاصہ یہ ہے کہ اسمارچ <u>۱۹۰</u> کوختم ہونے والے نوماہی میں آپ کی کمپنی نے ۳۵۲.۳۱ ملین روپے خام منافع کمایا جو کہ گزشتہ سال کے اسی دورانیے میں ۴۹۲.۹۳ ملین روپے تھا اور اِس طرح جارا آپریٹنگ منافع ۱۰.۲۳۸ ملین روپے رہا جو گزشتہ سال کے اِسی دورانیے میں ۲۰۱۱ ملین روپے تھا۔ قبل از گیس منافع ۲۲.۷۱ ملین روپے بمقابلہ ۷۰.۳۲ ملین روپے اور بعداز ٹیکس منافع ۱۳۸.۷۲ ملین روپے بمقابلہ گزشتہ سال کی اس دورانیے میں ۲۰۲۸ وورانیے میں ۲۰۲۸ ملین روپے بمقابلہ گزشتہ سال کی اس نوماہی میں ۲۰۲۸ روپے دہا۔ قبل دورانے میں ۲۰۲۸ روپے دہا۔ قبل دورانے میں ۲۰۲۸ روپے دہا۔ وہ کہ گزشتہ سال کی اس نوماہی میں ۲۰۱۸ روپے تھا۔

## مستقبل كإجائزه

کمپنی کواس وقت مالیاتی لاگت میں اضافے اور روپے کی قدر میں متوقع مزید کی جیسے چیلیجز کا سامنا ہے جس سے ہمارے خام مال کی قیمتیں بہت بڑھ گئی ہیں ہمارے سیلز ٹیکس کی واپسی کی خطیر رقم حکومت کے پاس زیرِ التواہے جس سے ہماری مالی صور تحال خراب ہورہی ہے، اِس وجہ سے ہمیں بیکوں سے مزید قرضہ لینا پڑر ہاہے۔ ان رُکاوٹوں کے باوجود ہم محسوں کرتے ہیں کہ گھریلو مارکیٹ میں PFY کی کھپت مضبوط ہے اور مزید بڑھ رہی ہے۔ لہذا ہماری کمپنی کے پاس منہری موقعہ ہے کہ وہ اسینے کاروبار کے قسیع کے منصوبوں کو کملی شکل دیتے ہوئے آگے بڑھے۔

### اظهارتشكر

ڈائر یکٹرز ، خزانہ ، صنعتوں کی وزارتوں اور پیداوار ، تجارت ، مواصلات اور وزارتِ ٹیکسٹائل انڈسٹری کے تعاون کے لئے اظہارِ تشکر کرنا چاہتے ہیں۔
ہم وفاقی بورڈ آف ریو نیو ، سٹمز ، سینٹرل اکیسائز اور حکومتِ پنجاب کے تعاون کے بھی شکر گزار ہیں۔ ہم تر قیاتی مالیاتی اداروں اور کمرشل بنکوں کو بھی
سراجتے ہیں کہ انہوں نے ہم پراعتاد کرتے ہوئے مالی معاونت کی۔ ہم اپنے قابل قدرگا ہموں کے شکر گزار ہیں اور ان کے ساتھ کاروباری تعلقات
میں وسعت کی امیدر کھتے ہیں۔ ہمارے اسٹیک ہولڈرز کے ہم پراعتاد کے لئے شکر گزار ہیں۔ ہم ان کے اس اعتاد کی قدر کرتے ہیں اور کمپنی کی
انتظامیہ اور عملے کی مسلسل محنت کی تعریف کرتے ہیں۔

## منحانب بوردٌ آف دُائرُ يكثرز:

نورالدین فیراسته شنم اد فیراسته چیف ایگزیکٹیوآ فیسر لا مور: ۱۵ ایریل مرونی

## ڈائر کیٹران کا جائزہ

کمپنی کے ڈائر کیٹران کی جانب سے ہم بمسر ت ۳۱ مارچ <mark>۱۹۰۶ ک</mark>ونتم ہونے والی سہ ماہی اورنو ماہی کے غیریٹر تال شدہ گوشوارے پیش کرتے ہیں۔

## مالياتى نتائج

مارکیٹ کومعیاری مصنوعات کی فراہمی پر ہماری توجہ اور ہمارے مارکیٹ شیر میں اضافہ کے باعث روپالی پولیسٹر کو منفعت کی راہ پرگامزن رکھنے میں بڑی مدولی ہے۔ چین اور ملایشیا کی درآ مدات پر جو اپنٹی ڈمپنگ ڈیوٹی (ADD) گلی ہے اس سے مقامی پولی ایسٹر فلامنٹ دھا گہ (PFY) بنانے والوں کیلئے کسی حد تک ہموار میدان میسٹر ہوا ہے۔ مزید برآں اِس سہ ماہی میں حاصل ہونے والے مالیاتی نتائے نے ہماری امتیازی آپریشنل کارکردگی کو مزید تقویت بخش ہے۔

عومت نے گیس اور بخلی کے زخوں میں کی کی ہے اور گیس کے رعائیتی نرخ ۲۰۵ امریکی ڈالر فی MMBTU اور بخلی کے زخ ۵۰۷ امریکی بینٹ فی الاسلام مقرر کئے ہیں جسکے بعد ہماری پیداواری لاگت میں کی آئ۔ اسمار چ والی نومانی میں ہماری فروخت پچھلے سال کے اس دورانیے کے مقابلے میں ۴۰۰ فیصد کے اضافہ سے کر ۲۰۵۸ ارب روپے ہوگی جوگزشتہ سال کے اس دورانیے میں ۳۰۵ میں ارب روپے تھی۔ یہ یہ تعدیق اس حقیقت کی عکاس ہے کہ بمقابلہ مقامی پروڈ یوسرز اور ڈمپ برآ مدات کی مسابقت میں ہماری صلاحیت نمایاں ہیں۔ جن کی بُنیا دہماری نئی متعارف کردہ اور قیمتوں کی موز ونیت والی مصنوعات اور اپنی پیداواری سہولتوں میں اعلی حصول کارکردگی ہے جسکی بدولت ہماری پیداوار بڑھ گی کئین اس کے مقابلے میں ہمارے انتظامی اور مموری اخراجات نہیں بڑھے۔

جمارانیا POY پانٹ جس کی پیداواری صلاحیت • ۸۰ و اٹن سالانہ ہے اور جدید ٹیکنالوجی ہے آ راستہ یہ POY پانٹ بیداواری لاگت کو کم کرنے کے ساتھ ساتھ اعلی معیار کے POY کی پیداوار میں بہت مدودیتا ہے۔ جماری ٹیم کی موثر مارکیٹنگ کی حکمتِ عملی اور رائے کی وجہ ہے ہم اپنے گا کوں کی شکایات کا بروقت از الدکرتے ہیں۔ اگر چدگزشتہ سال کی اس مدت کے مقابلے میں جمارے خام اور آپریٹنگ منافع میں اضافہ ہوا ہے لیکن اسٹیٹ بینک آف پاکستان کی طرف سے سود کی شرح میں کافی اضافہ کیا گیا جو کہ مارچ ۲۰۱۸ میں ۲۰۱۸ فیصد تھا ہے بڑھ کر ۲۵ کے ۱۰ فیصد کر دیا گیا ہے جب کی وجہ سے جمارے مالیتی اخراجات میں اضافہ ہوا جو پچھلے سال اسی دورانے میں ۲۰۱۸ ملین روپے تھا سے بڑھ کر ۲۵ کے ۱۰ ملین روپے ہو گیا۔ اس غیر متوقع چینج کے باوجود ۳۱ مارچ 10 میں گونا کو الی نو ماہی میں ہم نے قبل از ٹیکس منافع کمایا۔

PFY پرفیڈرل بورڈ آف ریوینیوی طرف سے عائد کردہ ریگولیٹری ڈیوٹی میں کی کے باعث بدلتی ہوئی صورتِ حال نے ایک بار پھر بین الاقوا می منڈی سے مسابقت کومُشکل کردیا ہے۔ فیڈرل بورڈ آف ریوینیو نے جنوری ۱۰۰۰ میں A RD فیصد سے کم کر کے ۲۰۵ فیصد کردی ہے۔ جس سے ہماری اِس سہ ماہی کے شروع میں قیمتِ فروخت دباؤکا شکار رہی۔ تاہم لاہور ہائ کورٹ راولپنڈی بینچ نے عائد کردہ اپنٹی ڈمپنگ ڈیوٹی کے خلاف محکم امتناعی دیا تھاوہ اب منسوخ کردیا گیا ہے جس سے ہمیں ریگولیٹری ڈیوٹی میں کی کے باعث قیمتوں میں مسابقت کرنے میں مدد میل دلاہور ہائ کورٹ راولپنڈی بینچ اورا ینٹی ڈمپنگ اپیلیٹ ٹر بینچوئل میں درآ مدکندگان کی طرف سے دائر کردہ کچھ درخواستیں ابھی بھی زیر التواہیں۔

# Condensed Interim Statement of Financial Position (Un-audited) as at 31 March 2019

| ASSETS   NON-CURRENT ASSETS   Property, plant and equipment   Investment property   437,500   437,500   437,500   437,500   439,60   4,396   4,496   4,491   4,492   4,493   4,494   4,493   4,494     | Rupees in thousand   | Note | Un-audited<br>31 March 2019 | Audited<br>30 June 2018 |
|--|--|------|-----------------------------|-------------------------|
| NON-CURRENT ASSETS   70perty, plant and equipment   437,500   437,500   4,396   3,660,758   3,663,345   3,660,758   3,643,345   3,660,758   3,643,34   | ASSETS   |      |                             |                         |
| Investment property  |  |      |                             |                         |
| Long term deposits   | Property, plant and equipment  |      | 3,218,862                   | 3,201,449               |
| CURRENT ASSETS   3,660,758   3,643,345   | Investment property  |      | 437,500                     | 437,500                 |
| CURRENT ASSETS         Stores, spares and loose tools         1,012,222         879,235           Stock-in-trade         1,110,224         824,593           Trade debts         29,908         24,039           Loans and advances         29,908         24,039           Trade deposits and short-term prepayments         44,81         265           Other receivables         481,879         365,813           Taxation - net         58,325         131,274           Cash and bank balances         77,696         2,826,931           EQUITY AND LIABILITIES         6,487,689         2,252,399           SHARE CAPITAL AND RESERVES         Authorized share capital         35,000,000 (30 June 2018: 35,000,000)           Ordinary Shares of Rs. 10 each         350,000         350,000           Issued, subscribed and paid-up capital         340,685         71,490           Aydinary Shares of Rs. 10 each         340,685         71,490           Cordinary Shares of Rs. 10 each         340,685         71,490           Capital reserve         71,490         71,490           General reserves         1,664,125           Caccumulated loss         (1,378,654)           Surplus on revaluation of freehold land         1,719,056         1,719,056  | Long term deposits   |      | 4,396                       | 4,396                   |
| Stores, spares and loose tools   |  |      | 3,660,758                   | 3,643,345               |
| Stock-in-trade         1,110,224         824,593           Trade debts         52,246         12,698           Loans and advances         29,908         24,039           Trade deposits and short-term prepayments         4,431         265           Other receivables         481,879         365,813           Taxation - net         58,325         131,274           Cash and bank balances         77,696         14,482           2,826,931         2,252,399           5,895,744         2,826,931         2,252,399           EQUITY AND LIABILITIES         58,325         14,482           SHARE CAPITAL AND RESERVES         2,826,931         2,252,399           Authorized share capital         35,000,000         350,000           Issued, subscribed and paid-up capital         34,068,514         340,685           Capital reserve         7,1490         71,490           General reserves         1,664,125         1,664,125           Accumulated loss         1,719,056         2,416,702           Surplus on revaluation of freehold land         1,719,056         2,416,702           NON-CURRENT LIABILITIES         243,978         257,962           Liabilities against assets subject to finance lease         6 164         985   |  |      | 4 0 4 0 0 0 0               | 070.005                 |
| Trade debts         52,246         12,698           Loans and advances         29,908         24,039           Trade deposits and short-term prepayments         4,431         265           Other receivables         481,879         365,813           Taxation - net         58,325         131,274           Cash and bank balances         78,696         14,482           EQUITY AND LIABILITIES         14,482           SHARE CAPITAL AND RESERVES         36,487,689         5,895,744           Authorized share capital         35,000,000         350,000           Ordinary Shares of Rs. 10 each         350,000         350,000           Issued, subscribed and paid-up capital         340,685         340,685           Capital reserve         71,490         71,490           General reserves         1,664,125         1,664,125           Capital reserve         1,664,125         1,664,125           Surplus on revaluation of freehold land         1,719,056         2,416,702           NON-CURRENT LIABILITIES         2,416,702         2,401,627           Non-current promotion of benefits - gratuity         155,278         152,458           Deferred taxation         243,978         257,962           Liabilities against assets subject to fina   | •  |      |                             |                         |
| Loans and advances   |  |      |                             |                         |
| Trade deposits and short-term prepayments         4,431         265           Other receivables         481,879         365,813           Taxation - net         58,325         131,274           Cash and bank balances         2,826,931         2,252,399           EQUITY AND LIABILITIES         2,826,931         6,487,689           SHARE CAPITAL AND RESERVES         Authorized share capital         35,000,000         350,000           Authorized share capital 35,000,000 (30 June 2018: 35,000,000)         350,000         350,000         350,000           Ordinary Shares of Rs. 10 each         340,685         71,490         71,490         71,490           Capital reserve         71,490         1,664,125         1,664,125         1,664,125         (1,378,654)         (1,393,729)           Surplus on revaluation of freehold land         1,719,056         2,416,702         2,401,627           NON-CURRENT LIABILITIES         5         164,333         143,179           Staff retirement benefits - gratuity         155,278         152,458           Deferred taxation         243,978         257,962           Liabilities against assets subject to finance lease         6         164         985           Trade and other payables         563,753         554,584   |  |      |                             |                         |
| Other receivables         481,879         365,813           Taxation - net         58,325         131,274           Cash and bank balances         2,826,931         2,252,399           EQUITY AND LIABILITIES           SHARE CAPITAL AND RESERVES           Authorized share capital         350,000,000 (30 June 2018: 35,000,000)           Ordinary Shares of Rs. 10 each         350,000           Issued, subscribed and paid-up capital         340,685,514 (30 June 2018: 34,068,514)           Ordinary Shares of Rs. 10 each         340,685           Capital reserve         71,490           General reserves         1,664,125           Accumulated loss         (1,378,654)           Surplus on revaluation of freehold land         1,719,056           1,719,056         2,416,702           NON-CURRENT LIABILITIES         152,458           Liabilities against assets subject to finance lease         6         164           Deferred taxation         2443,978         257,962           Liabilities against assets subject to finance lease         6         164           Short-term borrowings         7         1,969,882         2,146,943           Current portion of long term Liabilities         8         72,716           Unclaimed Dividen   |  |      |                             |                         |
| Taxation - net Cash and bank balances  EQUITY AND LIABILITIES SHARE CAPITAL AND RESERVES Authorized share capital 35,000,000 (30 June 2018: 35,000,000) Ordinary Shares of Rs. 10 each Say Shares of Rs. 10 each Capital reserve General reserves Accumulated loss Surplus on revaluation of freehold land  NON-CURRENT LIABILITIES Long-term financing Staff retirement benefits - gratuity Deferred taxation Liabilities against assets subject to finance lease  CURRENT LIABILITIES CURRENT LIABILITIES Trade and other payables Short-term borrowings CURRENT Liabilities Shazes  131,274 14,482 2,2252,399 6,487,689 5,895,744  2,252,399 6,487,689 350,000 350, |  |      |                             |                         |
| Cash and bank balances 77,696 2,826,931 2,252,399 6,487,689 5,895,744 EQUITY AND LIABILITIES SHARE CAPITAL AND RESERVES Authorized share capital 35,000,000 (30 June 2018: 35,000,000) Ordinary Shares of Rs. 10 each 350,000 350,000 Issued, subscribed and paid-up capital 34,068,514 (30 June 2018: 34,068,514) Ordinary Shares of Rs. 10 each 340,685 71,490 71,490 71,490 71,490 71,490 Formulated loss (1,378,654) (1,378,654) (1,378,654) (1,378,654) (1,378,654) (1,378,654) (1,379,056 2,416,702 2,401,627 1)  NON-CURRENT LIABILITIES Long-term financing 5 164,333 143,179 Staff retirement benefits - gratuity 515,278 152,458 Deferred taxation 243,978 257,962 Liabilities against assets subject to finance lease 6 164 985 (1,369,982 2,146,943 2) CURRENT LIABILITIES Trade and other payables 7 1,969,882 7,716 72,781 Unclaimed Dividend 8,326 1,111 Accrued mark-up 49,401 28,558 2,939,533 CONTINGENCIES AND COMMITMENTS 9  |  |      |                             |                         |
| EQUITY AND LIABILITIES SHARE CAPITAL AND RESERVES Authorized share capital 35,000,000 (30 June 2018: 35,000,000) Ordinary Shares of Rs. 10 each Issued, subscribed and paid-up capital 34,068,514 (30 June 2018: 34,068,514) Ordinary Shares of Rs. 10 each Capital reserve General reserves 4,1,664,125 Accumulated loss 697,646 Surplus on revaluation of freehold land 7,179,056 2,416,702 7,401,627  NON-CURRENT LIABILITIES Long-term financing 5 164,333 Staff retirement benefits - gratuity Deferred taxation Liabilities against assets subject to finance lease  CURRENT LIABILITIES Trade and other payables Short-term borrowings 7 1,969,882 CURRENT Dord Told Told Told Told Told Told Told Tol  |  |      |                             |                         |
| EQUITY AND LIABILITIES SHARE CAPITAL AND RESERVES Authorized share capital 35,000,000 (30 June 2018: 35,000,000) Ordinary Shares of Rs. 10 each 134,068,514 (30 June 2018: 34,068,514) Ordinary Shares of Rs. 10 each Capital reserve General reserves 1,664,125 Accumulated loss 1,71,490 General reserves 1,664,125 Accumulated loss 1,71,9,056 2,416,702 2,401,627  NON-CURRENT LIABILITIES Long-term financing 15 164,333 143,179 Staff retirement benefits - gratuity Deferred taxation Liabilities against assets subject to finance lease  CURRENT LIABILITIES Trade and other payables Trade and other payables Short-term borrowings 7 1,969,882 Current portion of long term Liabilities 8 72,716 72,781 Unclaimed Dividend Accrued mark-up 350,000  | Cash and Dank Dalances   |      |                             |                         |
| EQUITY AND LIABILITIES SHARE CAPITAL AND RESERVES Authorized share capital 35,000,000 (30 June 2018: 35,000,000) Ordinary Shares of Rs. 10 each Issued, subscribed and paid-up capital 34,068,514 (30 June 2018: 34,068,514) Ordinary Shares of Rs. 10 each Capital reserve Capital reserve Shaceumulated loss Capital reserves (1,378,654) Capital reserves (1,406,4125 Cap |  |      |                             |                         |
| SHARE CAPITAL AND RESERVES         Authorized share capital       35,000,000 (30 June 2018: 35,000,000)         Ordinary Shares of Rs. 10 each       350,000         Issued, subscribed and paid-up capital       340,685,514 (30 June 2018: 34,068,514)         Ordinary Shares of Rs. 10 each       340,685         Capital reserve       71,490       71,490         Capital reserves       1,664,125       (1,664,125         Accumulated loss       (1,378,654)       (1,393,729)         Surplus on revaluation of freehold land       1,719,056       2,416,702         NON-CURRENT LIABILITIES       2,416,702       2,401,627         NON-CURRENT LIABILITIES       155,278       152,458         Liabilities against assets subject to finance lease       6       164       985         CURRENT LIABILITIES       563,753       554,584         CURRENT LIABILITIES       1,406,909       690,140       2,146,943         Current portion of long term Liabilities       8       72,716       72,781         Unclaimed Dividend       8,326       1,111       Accrued mark-up       49,401       28,558         CONTINGENCIES AND COMMITMENTS       9   | FOLITY AND LIABILITIES   |      | 0,407,009                   |                         |
| Authorized share capital 35,000,000 (30 June 2018: 35,000,000) Ordinary Shares of Rs. 10 each  |  |      |                             |                         |
| 35,000,000 (30 June 2018: 35,000,000) Ordinary Shares of Rs. 10 each   350,000   350,0 |  |      |                             |                         |
| Ordinary Shares of Rs. 10 each   350,000   350,000   Issued, subscribed and paid-up capital   34,068,514 (30 June 2018: 34,068,514)   340,685   71,490   71, |  |      |                             |                         |
| Issued, subscribed and paid-up capital 34,068,514 (30 June 2018: 34,068,514)   Gridinary Shares of Rs. 10 each   |  |      | 350 000                     | 350 000                 |
| 34,068,514 (30 June 2018: 34,068,514) Ordinary Shares of Rs. 10 each Capital reserve General reserves Accumulated loss  Surplus on revaluation of freehold land  NON-CURRENT LIABILITIES Long-term financing Staff retirement benefits - gratuity Deferred taxation Liabilities against assets subject to finance lease  CURRENT LIABILITIES Trade and other payables Short-term borrowings Current portion of long term Liabilities Unclaimed Dividend Accrued mark-up  340,685 71,490 71,490 71,490 71,490 71,490 697,646 682,571 1,719,056 2,416,702 7,401,627  1,719,056 2,401,627  1,664,125 (1,378,654) (1,378,654) 1,719,056 2,401,627  1,664,125 (1,393,729) 697,646 682,571 1,719,056 2,401,627  1,64333 143,179 155,278 152,458 257,962 243,978 257,962 164 985 1,406,909 690,140 2,146,943 Current portion of long term Liabilities 8 72,716 72,781 1,111 28,558 3,507,234 2,939,533  |  |      |                             |                         |
| Ordinary Shares of Rs. 10 each       340,685       340,685       340,685       71,490       71,490       71,490       71,490       71,490       71,490       71,490       71,490       71,490       71,490       71,490       71,490       1,664,125       (1,378,654)       (1,378,654)       (1,393,729)       697,646       682,571       1,719,056       2,416,702       2,401,627         NON-CURRENT LIABILITIES         Long-term financing       5       164,333       143,179       155,278       152,458       257,962       152,458       257,962       243,978       257,962       257   |  |      |                             |                         |
| Capital reserve       71,490       71,490         General reserves       1,664,125       1,664,125         Accumulated loss       (1,378,654)       (1,393,729)         697,646       682,571       1,719,056         Surplus on revaluation of freehold land       1,719,056       2,401,627         NON-CURRENT LIABILITIES       2,416,702       2,401,627         Long-term financing       5       164,333       143,179         Staff retirement benefits - gratuity       155,278       152,458         Deferred taxation       243,978       257,962         Liabilities against assets subject to finance lease       6       164       985         CURRENT LIABILITIES       563,753       554,584         CURRENT LIABILITIES       1,406,909       690,140         Short-term borrowings       7       1,969,882       2,146,943         Current portion of long term Liabilities       8       72,716       72,781         Unclaimed Dividend       8,326       1,111         Accrued mark-up       49,401       28,558         3,507,234       2,939,533         CONTINGENCIES AND COMMITMENTS       9   |  |      | 340,685                     | 340,685                 |
| General reserves       1,664,125       1,664,125       (1,378,654)       (1,393,729)         Surplus on revaluation of freehold land       1,719,056       2,416,702       1,719,056       2,401,627         NON-CURRENT LIABILITIES         Long-term financing       5       164,333       143,179         Staff retirement benefits - gratuity       155,278       152,458         Deferred taxation       243,978       257,962         Liabilities against assets subject to finance lease       6       164       985         CURRENT LIABILITIES         Trade and other payables       1,406,909       690,140         Short-term borrowings       7       1,969,882       2,146,943         Current portion of long term Liabilities       8       72,716       72,781         Unclaimed Dividend       8,326       1,111         Accrued mark-up       49,401       28,558         CONTINGENCIES AND COMMITMENTS       9   |  |      |                             |                         |
| Accumulated loss (1,378,654) (1,393,729) 697,646 682,571    Surplus on revaluation of freehold land 1,719,056 2,416,702 2,401,627    NON-CURRENT LIABILITIES   |  |      |                             |                         |
| Surplus on revaluation of freehold land       697,646       682,571         1,719,056       1,719,056       2,416,702       2,401,627         NON-CURRENT LIABILITIES         Long-term financing       5       164,333       143,179         Staff retirement benefits - gratuity       155,278       152,458         Deferred taxation       243,978       257,962         Liabilities against assets subject to finance lease       6       164       985         CURRENT LIABILITIES         Trade and other payables       1,406,909       690,140         Short-term borrowings       7       1,969,882       2,146,943         Current portion of long term Liabilities       8       72,716       72,781         Unclaimed Dividend       8,326       1,111       28,558         Accrued mark-up       49,401       2,939,533         CONTINGENCIES AND COMMITMENTS       9  | Accumulated loss   |      |                             |                         |
| Surplus on revaluation of freehold land       1,719,056       1,719,056       2,401,627         NON-CURRENT LIABILITIES       2       164,333       143,179         Staff retirement benefits - gratuity       155,278       152,458         Deferred taxation       243,978       257,962         Liabilities against assets subject to finance lease       6       164       985         CURRENT LIABILITIES       563,753       554,584         Current portion of long term Liabilities       7       1,969,882       690,140         Short-term borrowings       7       1,969,882       72,716       72,781         Unclaimed Dividend       8,326       1,111       28,558         Unclaimed Dividend       49,401       28,558         CONTINGENCIES AND COMMITMENTS       9   |  |      |                             |                         |
| NON-CURRENT LIABILITIES         Long-term financing       5       164,333       143,179         Staff retirement benefits - gratuity       155,278       152,458         Deferred taxation       243,978       257,962         Liabilities against assets subject to finance lease       6       164       985         CURRENT LIABILITIES         Trade and other payables       1,406,909       690,140         Short-term borrowings       7       1,969,882       2,146,943         Current portion of long term Liabilities       8       72,716       72,781         Unclaimed Dividend       8,326       1,111       28,558         Accrued mark-up       49,401       28,558         CONTINGENCIES AND COMMITMENTS       9   | Surplus on revaluation of freehold land  |      |                             |                         |
| Long-term financing       5       164,333       143,179         Staff retirement benefits - gratuity       155,278       152,458         Deferred taxation       243,978       257,962         Liabilities against assets subject to finance lease       6       164       985         CURRENT LIABILITIES         Trade and other payables       1,406,909       690,140         Short-term borrowings       7       1,969,882       2,146,943         Current portion of long term Liabilities       8       72,716       72,781         Unclaimed Dividend       8,326       1,111       28,558         Accrued mark-up       49,401       2,939,533         CONTINGENCIES AND COMMITMENTS       9  | ·  |      |                             |                         |
| Staff retirement benefits - gratuity       155,278       152,458         Deferred taxation       243,978       257,962         Liabilities against assets subject to finance lease       6       164       985         CURRENT LIABILITIES         Trade and other payables       1,406,909       690,140         Short-term borrowings       7       1,969,882       2,146,943         Current portion of long term Liabilities       8       72,716       72,781         Unclaimed Dividend       8,326       1,111       28,558         Accrued mark-up       49,401       28,558         3,507,234       2,939,533         CONTINGENCIES AND COMMITMENTS       9   | NON-CURRENT LIABILITIES  |      |                             |                         |
| Deferred taxation       243,978       257,962         Liabilities against assets subject to finance lease       6       164       985         563,753       554,584         CURRENT LIABILITIES         Trade and other payables       1,406,909       690,140         Short-term borrowings       7       1,969,882       2,146,943         Current portion of long term Liabilities       8       72,716       72,781         Unclaimed Dividend       8,326       1,111       28,558         Accrued mark-up       49,401       28,558         3,507,234       2,939,533         CONTINGENCIES AND COMMITMENTS       9  |  | 5    | 164,333                     | 143,179                 |
| Liabilities against assets subject to finance lease       6       164       985         563,753       554,584         CURRENT LIABILITIES         Trade and other payables       1,406,909       690,140         Short-term borrowings       7       1,969,882       2,146,943         Current portion of long term Liabilities       8       72,716       72,781         Unclaimed Dividend       8,326       1,111         Accrued mark-up       49,401       28,558         3,507,234       2,939,533         CONTINGENCIES AND COMMITMENTS       9   | Staff retirement benefits - gratuity   |      | 155,278                     | 152,458                 |
| CURRENT LIABILITIES         Trade and other payables       1,406,909       690,140         Short-term borrowings       7       1,969,882       2,146,943         Current portion of long term Liabilities       8       72,716       72,781         Unclaimed Dividend       8,326       1,111         Accrued mark-up       49,401       28,558         CONTINGENCIES AND COMMITMENTS       9   |  |      | 243,978                     | 257,962                 |
| CURRENT LIABILITIES         Trade and other payables       1,406,909       690,140         Short-term borrowings       7       1,969,882       2,146,943         Current portion of long term Liabilities       8       72,716       72,781         Unclaimed Dividend       8,326       1,111       28,558         Accrued mark-up       49,401       28,558         CONTINGENCIES AND COMMITMENTS       9  | Liabilities against assets subject to finance lease  | 6    |                             |                         |
| Trade and other payables       1,406,909       690,140         Short-term borrowings       7       1,969,882       2,146,943         Current portion of long term Liabilities       8       72,716       72,781         Unclaimed Dividend       8,326       1,111       28,558         Accrued mark-up       49,401       28,558         CONTINGENCIES AND COMMITMENTS       9  | OUDDENT LIADUSTICO   |      | 563,753                     | 554,584                 |
| Short-term borrowings       7       1,969,882       2,146,943         Current portion of long term Liabilities       8       72,716       72,781         Unclaimed Dividend       8,326       1,111         Accrued mark-up       49,401       28,558         CONTINGENCIES AND COMMITMENTS       9  |  |      | 1 100 000                   | 200 1 10                |
| Current portion of long term Liabilities       8       72,716       72,781         Unclaimed Dividend       8,326       1,111         Accrued mark-up       49,401       28,558         CONTINGENCIES AND COMMITMENTS       9  |  | 7    |                             |                         |
| Unclaimed Dividend       8,326       1,111         Accrued mark-up       49,401       28,558         CONTINGENCIES AND COMMITMENTS       9   |  |      |                             |                         |
| Accrued mark-up 49,401 28,558 3,507,234 2,939,533 CONTINGENCIES AND COMMITMENTS 9  |  | 8    |                             |                         |
| 3,507,234 2,939,533 CONTINGENCIES AND COMMITMENTS 9  |  |      |                             |                         |
| CONTINGENCIES AND COMMITMENTS 9  | Accrueu mark-up  |      |                             |                         |
|  | CONTINGENCIES AND COMMITMENTS  | 9    | 3,307,234                   | ۷,७७७,७७७               |
|  | Committee of the Commit | J    | 6,487,689                   | 5,895,744               |

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

Nooruddin Feerasta Chief Executive Officer Shehzad Feerasta Director

## Condensed Interim Statement of Profit or Loss and other Comprehensive Income (Un-Audited) for the nine months ended 31 March 2019

|   | Quarter Ended    |               | Nine Months Ended |               |
|---|------------------|---------------|-------------------|---------------|
| Rupees in thousand                        | 31 March 2019    | 31 March 2018 | 31 March 2019     | 31 March 2018 |
|   |                  |               |                   |               |
| Sales                                     | 2,350,847        | 1,569,915     | 6,568,299         | 4,543,105     |
| Cost of goods sold                        | (2,215,389)      | (1,486,033)   | (6,211,988)       | (4,246,173)   |
| Gross profit                              | 135,458          | 83,882        | 356,311           | 296,932       |
| Selling and distribution expenses         | (4,965)          | (4,297)       | (14,796)          | (13,090)      |
| Administrative and general expenses       | (36,206)         | (39,982)      | (117,772)         | (120,994)     |
| Other operating charges                   | (3,915)          | (6,630)       | (11,975)          | (24,927)      |
| Other operating income                    | 12,411           | 13,329        | 26,237            | 73,139        |
| Operating profit                          | 102,783          | 46,302        | 238,005           | 211,060       |
| Finance cost                              | (48,534)         | (27,450)      | (120,740)         | (86,358)      |
| Profit before taxation                    | 54,249           | 18,852        | 117,265           | 124,702       |
| Taxation                                  | (29,386)         | (17,943)      | (68,121)          | (50,422)      |
| Profit for the period                     | 24,863           | 909           | 49,144            | 74,280        |
|   |                  |               |                   |               |
| Other comprehensive income                | _                | _             | -                 | _             |
| Total comprehensive income for the period | 24,863           | 909           | 49,144            | 74,280        |
|   |                  |               |                   |               |
|   | Amount in Rupees |               |                   |               |
| Earnings per share - basic and diluted    | 0.73             | 0.03          | 1.44              | 2.18          |

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

Nooruddin Feerasta Chief Executive Officer Shehzad Feerasta Director

# Condensed Interim Cash Flow Statement (Un-audited) for the nine months ended 31 March 2019

| Rupees in thousand                                    | Unaudited<br>31 March 2019 | Unaudited<br>31 March 2018 |
|---|----------------------------|----------------------------|
|   |                            |                            |
| Cash flow from operating activities                   | 447005                     | 404 700                    |
| Profit before taxation                                | 117,265                    | 124,702                    |
| Adjustments for non-cash and other items              |                            |                            |
| Depreciation  | 112,925                    | 111,327                    |
| Staff retirement benefits                             | 14,683                     | 16,447                     |
| Profit on disposal of property, plant and equipment   | 22                         | _                          |
| Interest income                                       | (1,787)                    | (908)                      |
| Finance cost  | 120,740                    | 86,358                     |
|   | 246,583                    | 213,224                    |
|   | 363,848                    | 337,926                    |
| Effect on cash flow due to working capital changes    |                            |                            |
| (Increase) / decrease in current assets               |                            |                            |
| Stores, spares and loose tools                        | (132,987)                  | (41,923)                   |
| Stock-in-trade  | (285,631)                  | (114,232)                  |
| Trade debts   | (39,548)                   | (24,857)                   |
| Loans and advances                                    | (5,869)                    | (35,413)                   |
| Trade deposits and short-term prepayments             | (4,166)                    | (4,946)                    |
| Other receivables                                     | (116,066)                  | 35,096                     |
|   | (584,267)                  | (186,275)                  |
| Increase/(decrease) in current liabilities:           | , ,                        | , ,                        |
| Trade and other payables                              | 716,769                    | 172,223                    |
| Unclaimed dividend                                    | 7,215                      | , -                        |
| Current portion of long term financing                | (65)                       | _                          |
| Cash generated from/(used) in operations              | 503,500                    | 323,874                    |
| Finance cost paid                                     | (99,895)                   | (88,244)                   |
| Income tax paid                                       | (9,159)                    | (9,761)                    |
| Mark-up/Interest income received                      | 1,787                      | 908                        |
| Staff retirement benefits paid                        | (11,863)                   | (7,865)                    |
| ·   | 384,370                    | 218,912                    |
| Net cash inflow / (outflow) from operating activities | 304,370                    | 210,912                    |
|   |                            |                            |
|   |                            |                            |

# Condensed Interim Cash Flow Statement (Un-audited) for the nine months ended 31 March 2019

| Rupees in thousand                                       | Unaudited<br>31 March 2019 | Unaudited<br>31 March 2018 |
|--|----------------------------|----------------------------|
| Tupees in thousand                                       | 31 Maion 2013              | 31 Maion 2010              |
| CASH FLOW FROM INVESTING ACTIVITIES                      |                            |                            |
| Capital expenditure                                      | (133,338)                  | (289,727)                  |
| Proceeds from disposal of operating assets               | 2,978                      | _                          |
| Long term deposits                                       | _                          | _                          |
| Net cash outflow from investing activities               | (130,360)                  | (289,727)                  |
| CASH FLOW FROM FINANCING ACTIVITIES                      |                            |                            |
| Long term borrowings                                     | 21,154                     | 5,392                      |
| Finance lease  | (821)                      | (822)                      |
| Dividend Paid  | (34,068)                   |                            |
| Net cash inflow / (outflow) from financing activities    | (13,735)                   | 4,570                      |
|  |                            |                            |
| Net increase / (decrease) in cash and cash equivalents   | 240,275                    | (66,245)                   |
| Cash and cash equivalents at the beginning of the period | (2,132,461)                | (1,776,880)                |
| Cash and cash equivalents at the end of the period       | (1,892,186)                | (1,843,125)                |

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

Nooruddin Feerasta Chief Executive Officer Shehzad Feerasta Director

## Condensed Interim Statement of Changes in Equity (Un-audited) for the nine months ended 31 March 2019

Rupees in thousand Capital Reserve Revenue Reserves Issued Surplus on Subscribed revaluation of freehold and Paid -Share General Accumulated Total Total up Capital Reserves land Premium Reserve Loss 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 Balance as on 01 April 2018 340.685 71.490 1.664.125 (1,384,002)692.298 1,719,056 2.411.354 Loss for the quarter ended 30 June 2018 (9,727)(9,727)(9,727)Other Income / (Loss) for the last quarter ended 30 June 2018 Balance as on 30 June 2018 340,685 71,490 1,664,125 (1,393,729)682,571 1,719,056 2,401,627 Balance as on 01 July 2018 340.685 71.490 1.664.125 (1.393.729)682.571 1.719.056 2.401.627 Final Dividend for the vear ended 30 June 2018 (34.069)(34.069)(34,069)Profit for the nine months ended 31 March 2019 49.144 49.144 49.144 Other comprehensive income for the nine months ended 31 March 2019

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

1,664,125

Nooruddin Feerasta Chief Executive Officer

Balance as on 31 March 2019

340,685

71,490

Shehzad Feerasta Director

(1,378,654)

697,646

Amjad Rahil Chief Financial Officer

1,719,056

2,416,702

### Notes to the Condensed Interim Financial Statements (Un-audited) for the nine months ended 31 March 2019

### 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

These condensed interim financial statements are 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 Act, 2017. In case where the requirements differ, the provisions of or directives issued under the Companies Act, 2017 have been followed. These condensed interim financial statements do 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 2018.

### Significant accounting policies

The accounting policies and the methods of computation adopted for the preparation of these condensed interim financial statements are the same as those applied in the preparation of audited annual financial statements of the Company for the year ended 30 June 2018.

The provision for taxation for the nine months ended 31 March 2019 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 statements, 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 2018, 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 vear ended 30 June 2018.

### 5 Long term financing

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.

| Un-audited    | Audited  |
|---------------|--|
| 31 March 2019 | 30 June 2018   |
|               |  |
|               |  |
| 1,182         | 1,313  |
| 166           | 1,020  |
| 1,348         | 2,333  |
|               |  |
| 56            | 122  |
| 2             | 35   |
| 58            | 157  |
|               |  |
| 1,126         | 1,191  |
| 164           | 985  |
| 1,290         | 2,176  |
| (1,126)       | (1,191)  |
| 164           | 985  |
|               | 31 March 2019  1,182 166 1,348  56 2 58  1,126 164 1,290 (1,126) |

Future minimum lease payments have been discounted at implicit interest rates ranging from 7.41% to 7.48% (30 June 2018: 7.41% to 7.48%) 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    | Audited      |
|----|---|---------------|--------------|
| Ru | pees in thousand                                    | 31 March 2019 | 30 June 2018 |
| 7  | Short term borrowings                               |               |              |
|    | Secured- From Banking Companies                     |               |              |
|    | Running Finances Utilized under                     |               |              |
|    | Mark-up arrangements                                | 1,515,924     | 1,557,985    |
|    | Interest free loans                                 |               |              |
|    | Loan from sponsors                                  | 453,958       | 588,958      |
|    |   | 1,969,882     | 2,146,943    |
| 8  | Current portion of long-term liabilities            |               |              |
|    | Long-term financing                                 | 71,590        | 71,590       |
|    | Liabilities against assets subject to finance lease | 1,126         | 1,191        |
|    |   | 72,716        | 72,781       |

### 9 Contingencies and commitments

### 9.1 Contingencies:

Guarantees issued to different organizations in the normal course of business amounted to Rs. 82.459 million (30 June 2018: Rs. 75.314 million). Outstanding guarantees given on behalf of Related Parties amounted to Rs. Nil (30 June 2018: Rs. Nil).

### 9.2 Commitments:

- 9.2.1 Contracts for Capital expenditure commitments outstanding as at 31 March 2019 amounted to Rs. 184.962 million (30 June 2018: Rs. 349.386 million).
- 9.2.2 Commitments against irrevocable letters of credit as at 31 March 2019 amounted to Rs. 1,302.638 million (30 June 2018: Rs. 579.409 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 15 April 2019 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 Shehzad Feerasta Director

## rupaligroup.com

## **RUPALI POLYESTER LIMITED**

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