

Quarterly Accounts (Un-audited)
for the 3rd Quarter ended
31 March 2020



Sustainability
through innovation



RUPALI POLYESTER LIMITED



Innovation is a powerful lever to address the challenges of a growing world. It allows us to use resources more efficiently, produce more with less and deliver better methodologies to help company drive growth and improve quality of life.

Investing in innovation is an essential ingredient of Rupali's corporate philosophy and it comes in many forms -- from traditional R&D to new products, markets and business models.

At Rupali, we are up for the challenge, ready to adopt and deploy a modern approach to innovation that will deliver both value and meaningful solutions.

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

Abdul Hayee - Executive

Amyna Feerasta - Non-Executive

Sultan Ali Rajwani - Non-Executive

Zeeshan Feerasta - Non-Executive

Audit Committee

Yaseen M. Sayani - Chairman

Muhammad Rashid Zahir - Member

Zeeshan Feerasta - Member

Human Resource & Remuneration Committee

Sultan Ali Rajwani - 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 2020.

Overview

Economies all over the world, including Pakistan, are experiencing alarming slowdown by spread of COVID-19 and entire chain of industrial operations in Pakistan has been halted since last two months. The impact of this virus on industrial economy can be severe and may lead to further disruption in supply chain and unemployment. Owing to non-operation of our downstream consumers, our production and sales have been badly affected and overall manufacturing activities have become standstill. Despite our ambition and efforts to continue our operations, the disturbed raw material supply chain across the country and no demand from downstream customers is gravely impacting our production and sales targets. Trade disruptions as a result of COVID-19, both imports and exports have fallen below the targets. All trading partners have been impacted due to the COVID-19 outbreak. Trade globally is on a downward trajectory and it is feared it will decline further due to slowdown in demand on the back of lockdowns.

Textile sector including polyester chain employ a huge work force in the country. These workers are likely to be the largest impacted individuals and could lose their employment due to the COVID-19 pandemic, as the employers would not be able to afford such huge work force because of businesses suspension. Despite our best efforts to continue with huge work force, owing to slowdown in industrial and commercial activities, it would be very difficult to absorb cost of large work force during business suspension.

The measures taken by State Bank of Pakistan for deferment of loans will ease-out the cash flow problems of the industry. However, the accrued mark-up will substantially increase finance cost. Considering the grave impact of this situation, State Bank of Pakistan has cut the interest rate from 13.25% to 11% on 25 March 2020 and again to 9% on 17 April 2020. This reduction in interest rate will lessen the financial burden on the industry to some extent, however, it needs reconsideration by the SBP for further cut as the financial impact of COVID-19 on businesses is massively exorbitant. The SBP has also introduced temporary refinance scheme for payment of wages and salaries to the workers and employees of businesses for three months at concessional mark-up rates. We appreciate the financial relief packages announced by the SBP.

Our constant 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 brought some stability in level playing field for domestic manufacturers. However, cases filed by several Yarn merchants are creating unjustified competition with us as well as causing revenue losses to Government kitty.

We appreciate the concessionary gas and electricity tariffs given to zero-rated sectors including textile have been allowed by the Government till June 2020. Electricity rate of Cent 7.5/kwh and gas tariff of US\$ 6.5 per MMBTU was given to provide regionally competitive electricity rates and this concession will reduce our cost of production. The Chinese suppliers are dumping their products in Pakistan and these dumped products are adversely affecting our Sales Revenues

and margins of the Polyester Filament Yarn (PFY). As such the injury to the local PFY industry against foreign dumped products is nullifying the whole aim of the Anti-dumping Act and the relief given to local PFY industry is massively jeopardized.

Our finance cost has increased as a result of an interest rate hike by State Bank of Pakistan. The mark-up rate in March 2019 was 10.75%, which increased to 13.25% in March 2020. This has increased the finance cost to Rs.174.23 from Rs.120.74 million. The cut in policy rate will be effective in the coming period results. Despite this unexpected challenge, we were able to show profits in the nine months ended 31 March 2020.

Financial Results

To brief the Company's financial results for the nine months ended 31 March 2020, we could not operate for entire quarter due to lockdown which affected our volumetric and monetary sales. Polyester industry plays significant role in the country's economy especially through exports. It needs continued support from the government to protect huge infrastructure worth billions rupees and large work force connected with the industry.

Sales revenue for nine months ended 31 March 2020 decreased to Rs.5,419.81 million from Rs.6,568.30 million in the corresponding period of last year. Gross profit decreased to Rs.348.50 million from Rs.356.31 million. Operating profit increased to Rs.263.18 million from Rs.238.01 million during the same period of last year. The Company earned profit before tax of Rs.88.95 million as compared to Rs.117.27 million and after tax profit of Rs.13.81 million for the nine months ended 31 March 2020 as against Rs.49.14 million in the same period of the preceding year.

Sales revenue in the third quarter Q3 Jan-March 2020 stood at Rs.1,447.61 million as against Rs.2,351.85 million in the same quarter of 2019. Gross profit in Q3 amounted to Rs.94.11 million as compared to Rs.135.46 million in corresponding quarter last year.

Future Outlook

The global spread of coronavirus (COVID-19) has, God forbid, devastated the entire chain of industrial operations and economy throughout the world. As stated above, in Pakistan, the COVID-19 started in February 2020 and badly impacted the financial results for the third quarter ended March 2020. While the Government has implemented various measures to slow down the spread of COVID-19 and to provide relief measures to industries and the general public, the economy is likely to continue to deteriorate in the coming periods. While businesses should continue to plan tactically for sustaining business operations, the government is expected to plan for return to normalcy, and prepare revival plans for key sectors of the economy. SBP is urged for further cut of policy rates for balance of convenience of bank borrowing repayments.

Future operations and sales wholly depend on the lockdown decisions by the government. The industrial sector further needs some concessional mode of paying utility bills with deferment and unloading of taxes and other charges. Once retrieval of prevailing situation to normalcy, still there would exist uncertainties with respect to raw material supply chain, raw material prices and supply-demand situation of our products in the downstream market.

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
25 April 2020

مستقبل کا جائزہ:

عالمی سطح پر کرونا وبا کے پھیلاؤ سے پوری دنیا کی معیشت اور صنعتی کارکردگی اللہ معاف فرمائے بری طرح سے تباہ ہوئی ہے۔ پاکستان میں فروری ۲۰۲۰ء سے پھیلنے والی اس وبا سے سہ ماہی مالیاتی نتائج بہت متاثر ہوئے ہیں۔ حکومت نے اس وبا کی روک تھام کیلئے بہت اقدام اٹھائے ہیں مگر اس کے اثرات مزید جاری رہنے کا امکان ہے۔ حکومت اس وبا سے پیدا ہونے والے اثرات کو زائل کرنے کی بھرپور کوشش کر رہی ہے اور ضرورت اس بات کی ہے کہ معیشت کہ اہم سیکٹرز کی بحالی کی باقاعدہ منصوبہ بندی کی جائے۔ بینک دولت پاکستان شرح سود میں مزید کمی پر غور کرے تاکہ بینکوں کو واجب الادا رقم کی ادائیگی میں آسانی پیدا ہو صنعتوں کو گیس اور بجلی کے بلوں کی ادائیگی پر رعایت دی جائے۔ موجودہ صورتحال بہتر ہو جانے کے بعد بھی خام مال کی ترسیل و فراہمی اور مال کی مانگ کے ضمن میں غیر یقینی فضا برقرار رہنے کا اندیشہ ہے۔

اظہار تشکر

ڈائریکٹرز، خزانہ، صنعتوں پیداوار اور معاشی امور کی وزارت، تجارت، مواصلات اور وزارت ٹیکسٹائل 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:

شہزاد فیراستہ
ڈائریکٹر

نور الدین فیراستہ
چیف ایگزیکٹو آفیسر

لاہور:

۲۵ اپریل ۲۰۲۰ء

ہم معترف ہیں کہ حکومت نے زیرو-ریٹڈ سیکٹر بشمول ٹیکسٹائل کیلئے بجلی اور گیس کے رعایتی نرخوں کو جون ۲۰۲۰ تک کی منظوری دے دی ہے۔ علاقائی مسابقت کے پیش نظر بجلی ۵.۷ سینٹ فی KWh اور گیس ۶.۵ امریکی ڈالر فی MMBTU سے پیداواری لاگت میں خاصی کمی آئے گی۔ چینی سپلائرز پاکستان میں پولی ایسٹر فلامنٹ یارن ڈمپ کرتے ہیں۔ اس طرح ڈمپ مال مقامی صنعت کو ہونے والے نقصان اینٹی ڈمپنگ قانون کے مقاصد کو زائل کر رہا ہے اور دوسری طرف پی ایف وائی صنعت کو دیئے جانے والے ریلیف کا بری طرح استحصال کر رہا ہے۔

شرح سود میں اضافہ کے باعث ہماری مالیاتی لاگت کافی بڑھ گئی ہے مارچ ۲۰۱۹ میں شرح سود ۷.۵٪ فیصد تھی جو بڑھ کر مارچ ۲۰۲۰ میں ۱۳.۲۵٪ ہو گئی۔ جس کے باعث ہماری مالیاتی لاگت جو مارچ ۲۰۱۹ میں ۷.۴۲ ملین روپے تھی مارچ ۲۰۲۰ میں ۷.۲۳ ملین روپے ہو گئی۔ شرح سود میں حالیہ کمی گئی کی کا اثر آنے والے مالی نتائج پر پڑے گا اس کے باوجود ہمارے ۳۱ مارچ ۲۰۲۰ کو ختم ہونے والے نو ماہی مالی نتائج میں منافع ہوا ہے۔

مالیاتی نتائج:

لاک ڈاؤن کے باعث تیسری سہ ماہی میں آپریشنز میں تعطل رہے باجس سے ہماری بکری کے حجم اور محصولات میں کمی آئی ہے پولی ایسٹر کی صنعت ملکی معیشت بالخصوص برآمدات میں اہم کردار کی حامل ہے جس کو حکومت کی جانب سے مسلسل تحفظ دے رہا ہے تاکہ اس سے منسلک کثیر سرمایہ کاری اور افرادی قوت بھی محفوظ رہے۔

۳۱ مارچ ۲۰۲۰ کو ختم ہونے والی نو ماہی میں فروخت آمدنی کم ہو کر ۵،۴۱۹.۸۱ ملین روپے ہو گئی جو کہ ۲۰۱۹ کے اسی دورانیے میں ۶،۵۶۸.۳۰ ملین روپے تھی۔ اس نو ماہی میں ہم نے پچھلے سال ہونے والے خام منافع ۳۴۸.۵۰ ملین روپے کی نسبت ۳۵۶.۳۱ ملین روپے خام منافع کمایا اور آپریٹنگ منافع ۲۳۸.۰۱ ملین روپے کی نسبت ۲۶۳.۱۸ ملین روپے منافع ہو گیا۔ اس نو ماہی میں کمپنی نے قبل از ٹیکس منافع ۸۸.۹۵ ملین روپے اور بعد از ٹیکس منافع ۱۳.۸۱ ملین روپے کمایا جبکہ پچھلے سال اس نو ماہی میں قبل از ٹیکس منافع ۱۱۷.۲۷ ملین روپے اور بعد از ٹیکس منافع ۴۹.۱۴ ملین روپے تھا۔

۳۱ مارچ ۲۰۲۰ کو ختم ہونے والی سہ ماہی میں فروخت آمدنی ۱،۴۴۷.۶۱ ملین روپے رہی جو کہ ۲۰۱۹ کی اسی سہ ماہی میں ۲،۳۵۱.۸۵ ملین روپے تھی۔ اس سہ ماہی میں خام منافع ۹۴.۱۱ ملین روپے ہوا جو کہ پچھلے سال کی اس سہ ماہی میں ۱۳۵.۴۶ ملین روپے تھا۔

ڈائریکٹر ان کا جائزہ:

ہم بمسرت بورڈ آف ڈائریکٹرز کی جانب سے کمپنی کے ۳۱ مارچ ۲۰۲۰ کو ختم ہونے والی سہ ماہی اور نو ماہ کے دورانیہ کے غیر پڑتال شدہ حسابات پیش کرتے ہیں۔

عمومی جائزہ:

عالمی معیشت بشمول پاکستان کو کرونا وبا پھیلنے سے تشویش ناک سُت روی کا سامنا ہے اور گذشتہ دو ماہ سے پاکستانی صنعت بند پڑی ہے۔ اندیشہ ہے کہ اس وبا کے اثرات صنعتی معیشت کو مزید خراب کریں گے جس سے بے روزگاری کی نوبت آسکتی ہے۔ چونکہ ہماری صارف فیکٹریاں بند پڑی ہیں جس کے باعث ہماری بھی پروڈکشن اور سیلز بالکل بند ہے۔ کوشش کے باوجود ہم آپریشنز شروع نہیں کر پائیں گے کیونکہ ایک تو مال کی مانگ نہیں ہے اور دوسرے ملکی سطح پر خام مال کی ترسیل دشوار ہے جس سے ہمارے پیداواری اور بکری کے اہداف بری طرح سے متاثر ہوئے ہیں۔ کرونا وبا کے اثرات عالمی سطح پر تجارت پر پڑے ہوئے ہیں اور مال کی مانگ نہ ہونے کے باعث تجارت مزید خراب ہونے کا بہت احتمال ہے۔

ٹیکسٹائل بشمول پولیسٹر سیکٹر، ملک میں ایک بڑے روزگار کا ذریعہ ہیں ان سے منسلک افراد کرونا وبا سے زیادہ متاثر ہو سکتے ہیں۔ کیونکہ کاروبار کی بندش کے سبب آجران اتنی بڑی افرادی قوت کا بوجھ برداشت نہیں کر سکیں گے۔ ہم اپنی تمام تر کوششوں کے باعث ان حالات میں جب کہ صنعتی سرگرمیاں رُکی ہوئی ہیں افرادی قوت کی کثیر لاگت کو لے کر چل نہیں سکیں گے۔

بنک دولت پاکستان کے اقدام کے باعث بنکوں کے قرضہ جات کی فوری ادائیگی مؤخر ہو گئی ہے۔ یہ قابل تحسین ہے مگر مالیاتی لاگت میں اضافہ ہوگا۔ صورت حال کی سنگینی کو محسوس کرتے ہوئے بنک دولت پاکستان نے شرح سود ۱۳.۲۵ فیصد سے ۱۱ فیصد اور پھر مزید کم کر کے ۹ فیصد کر دی ہے۔ اس سے صنعت کی مالیاتی لاگت یقیناً کم ہوگی۔ تاہم بنک دولت پاکستان کو شرح سود مزید کم کرنے کیلئے سوچنا ہوگا کیونکہ کرونا وبا کے کاروبار پر مالی اثرات اس شرح سے کہیں زیادہ ہیں بنک دولت پاکستان کا دوسرا اقدام صنعتی ملازمین کی تین ماہ کی تنخواہوں کی ادائیگی کیلئے ریفرنس سکیم کا اجرا ہے۔ ہم بنک دولت پاکستان کے ان اقدام کو قدر کی نگاہ سے دیکھتے ہیں اور اس کے معترف ہیں۔

اپنے گاہکوں کو معیاری مصنوعات فراہم کرنے اور مارکیٹ میں اپنا حصہ بڑھانے کے نقطہ نظر کے باعث روپائی منافع بخش یونٹ ہوتی جارہی ہے۔ چین اور ملائیشیاء سے آنے والی درآمدات پر اینٹی ڈمپنگ ڈیوٹی کے اطلاق سے مقامی مینوفیکچررز کو یکساں کام کرنے کے میدان کی فراہمی میں استحکام آیا ہے مگر یاران کے بیوپاریوں کی طرف سے دائر کئے گئے مقدمات ہم سے ناجائز مسابقت کا باعث تو ہیں اسکے ساتھ ساتھ وہ سرکاری خزانے کو محصولات کا نقصان پہنچا رہے ہیں۔

Condensed Interim Statement of Financial Position (Un-audited) as at 31 March 2020

Rupees in thousand	Note	Un-audited 31 March 2020	Audited 30 June 2019
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment		3,253,906	3,295,511
Investment property		497,500	462,500
Long-term deposits		4,321	4,396
		3,755,727	3,762,407
CURRENT ASSETS			
Stores, spares and loose tools		909,787	873,121
Stock-in-trade		745,808	873,093
Trade debts		3,471	73,362
Loans and advances		29,155	13,571
Trade deposits and short term prepayments		4,932	265
Other receivables		558,465	342,546
Taxation - net		65,700	43,842
Cash and bank balances		112,582	32,388
		2,429,900	2,252,188
		6,185,627	6,014,595
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital			
35,000,000 (30 June 2019: 35,000,000)			
Ordinary shares of Rs. 10 each		350,000	350,000
Issued, subscribed and paid-up capital			
34,068,514 (30 June 2019: 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		(1,362,251)	(1,341,990)
Dividend Paid		(34,068)	(34,068)
Surplus on revaluation of freehold land		1,719,056	1,719,056
		2,399,037	2,419,298
NON-CURRENT LIABILITIES			
Long-term financing	5	47,184	94,370
Staff retirement benefits - gratuity		172,378	165,594
Deferred taxation		273,568	279,723
		493,130	539,687
CURRENT LIABILITIES			
Trade and other payables		1,455,511	1,345,791
Short-term borrowings	6	1,683,148	1,564,985
Current portion of long-term liabilities	7	94,534	95,354
Unclaimed dividend		1,810	1,509
Accrued mark-up		58,457	47,971
		3,293,460	3,055,610
CONTINGENCIES AND COMMITMENTS			
	8	6,185,627	6,014,595

The annexed notes 1 to 12 form an integral part of these condensed interim financial statements.

Condensed Interim Statement of Profit or Loss and other Comprehensive Income (Un-Audited)

for the nine months ended 31 March 2020

Rupees in thousand	Quarter Ended		Nine Months Ended	
	31 Mar 2020	31 Mar 2019	31 Mar 2020	31 Mar 2019
Sales	1,446,608	2,350,847	5,419,811	6,568,299
Cost of goods sold	(1,352,499)	(2,215,389)	(5,071,314)	(6,211,988)
Gross profit	94,109	135,458	348,497	356,311
Selling and distribution expenses	(4,935)	(4,965)	(17,314)	(14,796)
Administrative and general expenses	(41,115)	(36,206)	(122,900)	(117,772)
Other operating charges	35	(3,915)	(12,388)	(11,975)
Other operating income	6,144	12,411	67,281	26,237
Operating profit	54,238	102,783	263,176	238,005
Finance cost	(58,504)	(48,534)	(174,227)	(120,740)
Profit / (Loss) before Taxation	(4,266)	54,249	88,949	117,265
Taxation	(21,699)	(29,386)	(75,142)	(68,121)
Profit / (Loss) after Taxation	(25,965)	24,863	13,807	49,144
Other comprehensive Income for the period	-	-	-	-
Total comprehensive income for the period	(25,965)	24,863	13,807	49,144
Amount in Rupees				
Earnings per share - basic and diluted	(0.76)	0.73	0.41	1.44

The annexed notes 1 to 12 form an integral part of these condensed interim financial statements.

Nooruddin Feerasta
Chief Executive Officer

Shehzad Feerasta
Director

Amjad Rahil
Chief Financial Officer

Condensed Interim Statement of Changes in Equity (Un-audited) for the nine months ended 31 March 2020

Rupees in thousand

	Issued Subscribed and Paid - up Capital	Capital Reserve Share Premium	Revenue Reserves General Reserve	Accumulated Loss	Total Reserves	Surplus on revaluation of freehold land	Total
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 year 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	-	-	-	-	-	-	-
Balance as on 31 March 2019 - Unaudited	340,685	71,490	1,664,125	(1,384,002)	692,298	1,719,056	2,411,354
Balance as on 01 April 2019	340,685	71,490	1,664,125	(1,384,002)	692,298	1,719,056	2,411,354
Profit for the quarter ended 30 June 2019	-	-	-	7,944	7,944	-	7,944
Other Income / (Loss) for the last quarter ended 30 June 2019	-	-	-	-	-	-	-
Balance as on 30 June 2019 -	340,685	71,490	1,664,125	(1,376,058)	700,242	1,719,056	2,419,298
Balance as on 01 July 2019	340,685	71,490	1,664,125	(1,376,058)	700,242	1,719,056	2,419,298
Final Dividend for the year ended 30 June 2019	-	-	-	(34,068)	(34,068)	-	(34,068)
Profit for the nine months ended 31 March 2020	-	-	-	13,807	13,807	-	13,807
Other comprehensive income for the nine months ended 31 March 2020	-	-	-	-	-	-	-
Balance as on 31 March 2020 - Unaudited	340,685	71,490	1,664,125	(1,396,319)	679,981	1,719,056	2,399,037

The annexed notes 1 to 12 form an integral part of these condensed interim financial statements.

Nooruddin Feerasta
Chief Executive Officer

Shehzad Feerasta
Director

Amjad Rahil
Chief Financial Officer

Condensed Interim Cash Flow Statement (Un-audited) for the nine months ended 31 March 2020

Rupees in thousand	Unaudited 31 Mar 2020	Unaudited 31 Mar 2019
Cash flow from Operating Activities		
Profit before taxation	88,949	117,265
Adjustments for non-cash and other items		
Depreciation	132,027	112,925
Staff retirement benefits	14,520	14,683
Profit on Disposal of property, plant and equipment	-	22
Interest income	(1,972)	(1,787)
Finance cost	174,227	120,740
	318,802	246,583
	407,751	363,848
Effect on cash flow due to working capital changes		
(Increase) / Decrease In Current Assets		
Stores, spares and loose tools	(36,666)	(132,987)
Stock-in-trade	127,285	(285,631)
Trade debts	69,891	(39,548)
Loans and advances	(15,584)	(5,869)
Trade deposits and short term prepayments	(4,667)	(4,166)
Other receivables	(215,919)	(116,066)
	(75,660)	(584,267)
(Decrease) / Increase in current liabilities		
Trade and other payables	109,720	716,769
Unclaimed Dividend	301	7,215
Current Portion of Long Term Financing	7	(65)
Cash generated from operations	442,119	503,500
Finance cost paid	(163,741)	(99,895)
Income tax paid	(103,159)	(9,159)
Mark-up/interest income received	1,972	1,787
Staff retirement benefits paid	(7,736)	(11,863)
Net cash (outflow) / inflow from operating activities	169,455	384,370

Condensed Interim Cash Flow Statement (Un-audited) for the nine months ended 31 March 2020

Rupees in thousand	Unaudited 31 Mar 2020	Unaudited 31 Mar 2019
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure	(125,424)	(133,338)
Long term deposits and prepayments	75	-
Proceeds from disposal of operating assets	-	2,978
Net cash outflow from investing activities	(125,349)	(130,360)
CASH FLOW FROM FINANCING ACTIVITIES		
Long term borrowings	(47,186)	21,154
Finance lease	(826)	(821)
Dividend Paid	(34,068)	(34,068)
Net Cash Inflow / (Outflow) from Financing Activities	(82,080)	(13,735)
Net Decrease In Cash and Cash Equivalents	(37,974)	240,275
Cash and Cash Equivalents at the Beginning of the Period	(1,532,598)	(2,132,461)
Cash and Cash Equivalents at the End of the Period	(1,570,572)	(1,892,186)

The annexed notes 1 to 12 form an integral part of these condensed interim financial statements.

Nooruddin Feerasta
Chief Executive Officer

Shehzad Feerasta
Director

Amjad Rahil
Chief Financial Officer

Notes to the Condensed Interim Financial Statements (Un-audited) for the nine months ended 31 March 2020

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 Act, 2017. In case where the requirements differ, the provisions of or directives issued under the Companies Act, 2017 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 2019.

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 2019.

The provision for taxation for the nine months ended 31 March 2020 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 2019, 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 2019.

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.

Rupees in thousand	Un-audited 31 Mar 2020	Audited 30 June 2019
6 Short term borrowings		
Secured- From Banking Companies		
Running Finances Utilized under Mark-up arrangements	1,231,090	1,201,027
Interest free loans		-
Loan from sponsors	452,058	363,958
	<u>1,683,148</u>	<u>1,564,985</u>
7 Current portion of long-term liabilities		
Long-term financing	94,369	94,369
Liabilities against assets subject to finance lease	165	985
	<u>94,534</u>	<u>95,354</u>

8 Contingencies and commitments

8.1 Contingencies:

Guarantees issued to different organizations in the normal course of business amounted to Rs. 120.375 million (30 June 2019: Rs. 82.459 million). Outstanding guarantees given on behalf of Related Parties amounted to Rs. Nil (30 June 2019: Rs. Nil).

8.2 Commitments:

8.2.1 Contracts for Capital expenditure commitments outstanding as at 31 March 2020 amounted to Rs. 276.019 million (30 June 2019: Rs. 182.235 million).

8.2.2 Commitments against irrevocable letters of credit as at 31 March 2020 amounted to Rs. 1,013.904 million (30 June 2019: Rs. 1,535.00 million).

9 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.

10 Date of authorization for issue

These condensed interim financial statements were authorized for issue on 25 April 2020 by the Board of Directors of the Company.

11 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.


12 General

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

Nooruddin Feerasta
Chief Executive Officer

Shehzad Feerasta
Director

Amjad Rahil
Chief Financial Officer



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