



Annual Report 2021



RUPALI POLYESTER LIMITED

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Corporate Data

Board of Directors

Chairman / Chief Executive Officer

Nooruddin Feerasta

Directors

Muhammad Rashid Zahir - Non-Executive	Amyna Feerasta - Non-Executive
Yaseen M. Sayani - Non-Executive	Sultan Ali Rajwany - Non-Executive
Shehzad Feerasta - Non-Executive	Zeeshan Feerasta - Non-Executive
Abdul Hayee - Non-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

Muhammad Ahsan Iqbal

Company Secretary

S. Ghulam Shabbir Gilani

Bankers

Askari Bank Limited	Bank Alfalah Limited
Faysal Bank Limited	Habib Bank Limited
Habib Metropolitan Bank Limited	MCB Bank Limited
Soneri Bank Limited	

Auditors

Iqbal Yasir & 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





Our Vision

To consistently maintain the Company's leading status of producing high quality products being first preference of our customers. Also to maintain the standards of performance excellence with long term plans of expansion and diversification.



Our Mission

To develop the Company on sound technical and financial footings with better productivity, excellence in quality and operational efficiencies at lower operating costs by utilizing blend of high professionalism.

To accomplish targeted results through increased earnings for maximum benefit to the Company stakeholders.

To be an equal opportunity employer taking utmost care of the employees for their career progression with better reward and recognition of their abilities and performance.

To fulfil general obligations towards the society, particularly safety, security and other environmental protections.

Our Core Values

- An Organization with well disciplined and professionally managed operational and administrative functions
- Pioneering status in Polyester Fiber manufacturing
- High quality manufacturing standards
- Our products enjoy first preference of downstream users
- Performance excellence in all areas of operations
- Integrity in all our dealings based on commitments
- Very sound internal controls and highly disciplined financial management
- An excellent image and repute amongst corporate sector of the country and worldwide recognition
- High importance to stakeholders with historical background of regular dividend payouts to shareholders when Company in profits



Company Profile

RUPALI POLYESTER LIMITED was incorporated at Karachi in May 1980 as a Public Limited Company and is listed on Pakistan Stock Exchange Limited (formerly Karachi, Lahore and Islamabad Stock Exchanges). It owns and operates composite facilities to manufacture Polyester Staple Fiber and Polyester Filament Yarn. It produces quality products by using latest technology and best quality of raw materials. The Company has the privilege of being one of the pioneers in Pakistan for manufacture of Staple Fiber of highest quality. Since its inception, the Company has been growing steadily through expansion and diversified operations. The assets of the Company have increased to Rs. 6,502 million from the initial capital outlay of Rs.150 million.

The Company has a Polymerization Unit with a capacity of 105 metric tons per day, Polyester Filament Yarn capacity of 30 metric tons per day and a Polyester Staple Fiber capacity of 65 metric tons per day. The Company has put up an additional POY line with a capacity of 28 M. Tons per day at a cost of around Rs.162 million. The various products of Rupali are in fact import substitution as these were previously imported from Japan, Indonesia, Taiwan and Korea. Now the Company is importing the basic raw materials only and through value addition is producing the highest quality products locally.

Since inception, the philosophy of the Company's management is to grow on the strength of quality and reliability. To achieve this objective, it is maintaining a well equipped Research & Development Centre for standard maintenance, innovative improvements in its products and achieving economies in production techniques without compromising on standard and quality of products. Products and services offered by the Company are acknowledged by the customers as quality and reliable products and are the first preference of customers.

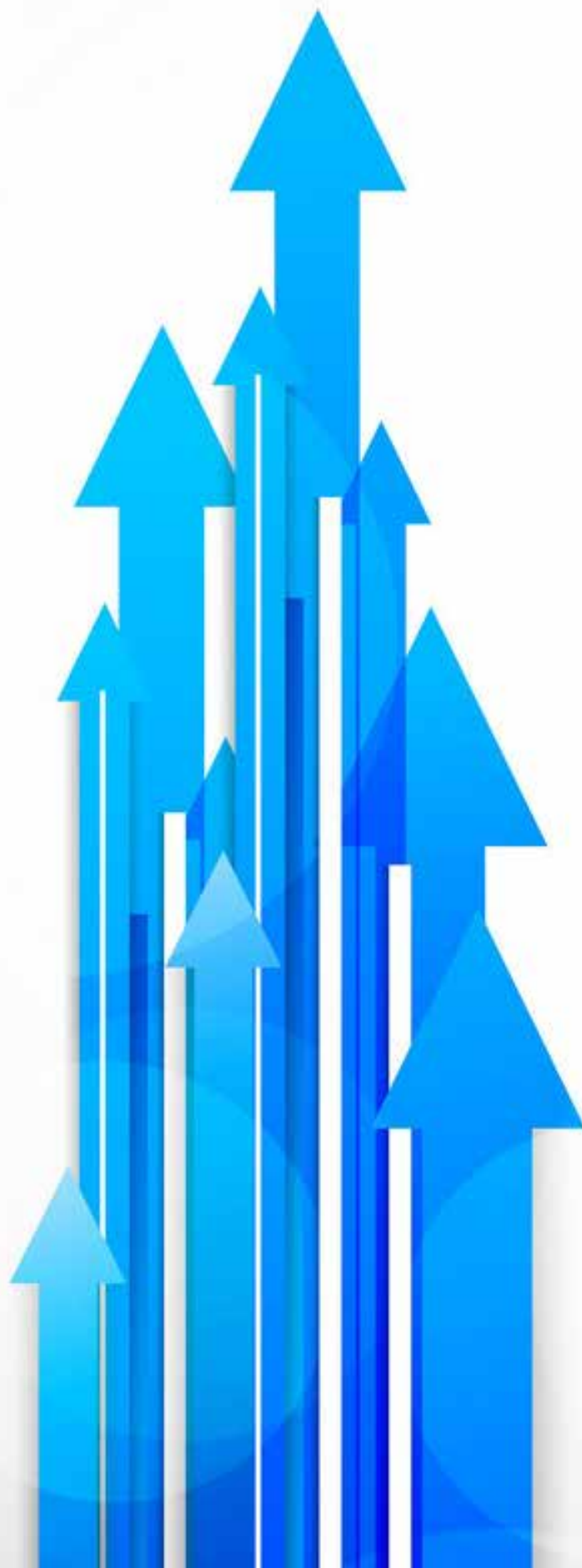
The Company gives high priority to customers' satisfaction, tries to maintain uninterrupted supply of its products and provides after sales services, technical support for trouble shooting.

ALHAMDO LILLAH, the Company enjoys high prestige and reputation in the business community, banks, financial institutions and customers. It is also amongst major contributors to the national exchequer.

Financial Highlights

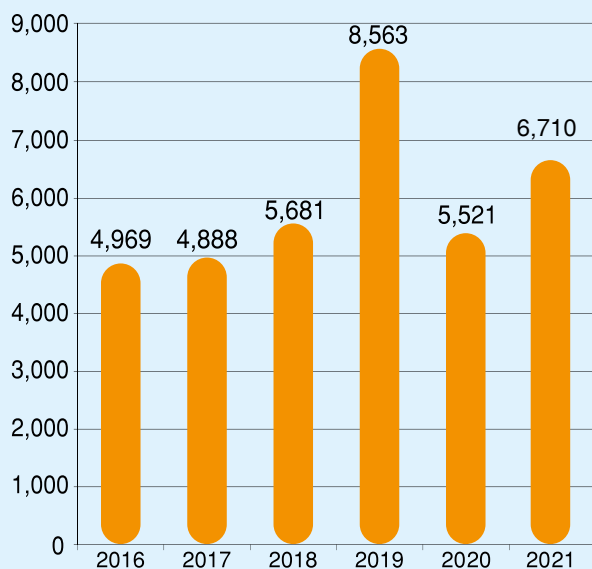
Particulars	UOM	2021	2020	2019	2018
Profit and Loss Account					
Sales - Net	Rs. in thousand	7,554,429	5,914,249	9,053,741	6,044,111
Cost of sales	Rs. in thousand	6,710,396	5,520,731	8,562,629	5,680,917
Gross Profit	Rs. in thousand	844,033	393,518	491,112	363,194
Operating profit	Rs. in thousand	604,317	341,768	342,664	234,689
Profit before tax	Rs. in thousand	546,036	108,801	174,302	115,822
Profit after tax	Rs. in thousand	453,212	33,510	54,975	64,553
Income tax - current	Rs. in thousand	113,317	88,714	95,670	60,479
- prior years	Rs. in thousand	537	453	574	266
- deferred	Rs. in thousand	(21,030)	(13,876)	23,083	(9,477)
Dividend					
Cash dividend	Rs. in thousand	170,343	-	34,069	34,069
Cash dividend rate	Percentage	50	-	10	10
Balance Sheet					
Share capital	Rs. in thousand	340,685	340,685	340,685	340,685
Reserves	Rs. in thousand	2,545,186	2,078,613	2,078,613	2,060,942
Shareholders equity	Rs. in thousand	2,885,871	2,432,602	2,419,298	2,401,627
No. of ordinary shares	Numbers	34,068,514	34,068,514	34,068,514	34,068,514
Non-Current liabilities	Rs. in thousand	431,851	534,878	539,687	554,584
Current liabilities	Rs. in thousand	3,183,831	3,797,067	3,055,610	2,939,533
Property, Plant and Equipment	Rs. in thousand	3,089,935	3,082,353	3,295,511	3,201,449
Capital work-in-progress	Rs. in thousand	147,706	10,402	64,020	234,019
Long term investments/loans/deposits	Rs. in thousand	4,281	4,281	4,396	4,396
Current assets	Rs. in thousand	2,805,337	3,110,413	2,252,188	2,252,399
Net current assets	Rs. in thousand	(378,494)	(686,544)	(803,422)	(687,134)
Total liabilities	Rs. in thousand	6,501,553	6,764,547	6,014,595	5,895,744
Total Assets	Rs. in thousand	6,501,553	6,764,547	6,014,595	5,895,744
Ratio Analysis					
Gross profit	Percentage	11.17	6.65	5.42	6.01
Net profit	Percentage	6.00	0.57	0.61	1.07
Inventory turnover	Times	8	7	10	7
Cash dividend per share	Rupees	5	-	1	1
Debt : equity ratio		0 : 100	4 : 96	4 : 96	6 : 94
Break-up value per share	Rupees	84.71	71.40	71.01	70.49
Market value per share at the end of the year	Rupees	34.00	13.20	27.55	29.50
Production volume					
Production capacity	M. Tons	22,100	22,100	22,100	22,100
Production achieved	M. Tons	37,579	26,493	38,495	31,578
Capacity utilization	Percentage	170	120	174	143
Employees	Numbers	1,389	1,344	1,468	1,323

2017	2016	2015	2014
5,025,401	4,890,041	4,841,940	5,952,659
4,887,698	4,969,175	4,982,459	6,219,222
137,703	(79,134)	(140,519)	(266,563)
(9,384)	(135,807)	(140,519)	(361,421)
(123,064)	(270,919)	(401,098)	(479,858)
(120,083)	(333,478)	(384,447)	(403,284)
43,937	48,900	-	-
(35,369)	-	-	(30,459)
(11,549)	13,659	(16,651)	(46,115)
-	-	-	-
-	-	-	-
340,685	340,685	340,685	340,685
1,996,389	1,735,615	1,735,615	1,735,615
2,337,074	1,032,799	1,366,277	1,462,789
34,068,514	34,068,514	34,068,514	34,068,514
592,176	649,133	658,917	516,553
2,799,721	2,704,858	2,263,206	2,075,711
2,971,353	1,637,969	1,729,858	1,630,402
7,972	32,286	17,945	98,324
4,396	4,361	4,361	4,361
2,353,222	2,344,460	2,229,181	2,420,290
(446,499)	(360,398)	(34,025)	344,579
5,728,971	4,386,790	4,288,400	4,055,053
5,728,971	4,386,790	4,288,400	4,055,053
2.74	(1.62)	(2.90)	(4.47)
(2.39)	(6.82)	(7.94)	(6.77)
8	8	6	7
-	-	-	-
7 : 93	19 : 81	17 : 83	9 : 91
68.60	30.32	40.03	42.94
19.25	8.98	12.00	17.10
22,100	22,100	22,100	22,100
31,181	31,951	26,859	28,491
141	145	121	129
1,230	1,198	1,251	968

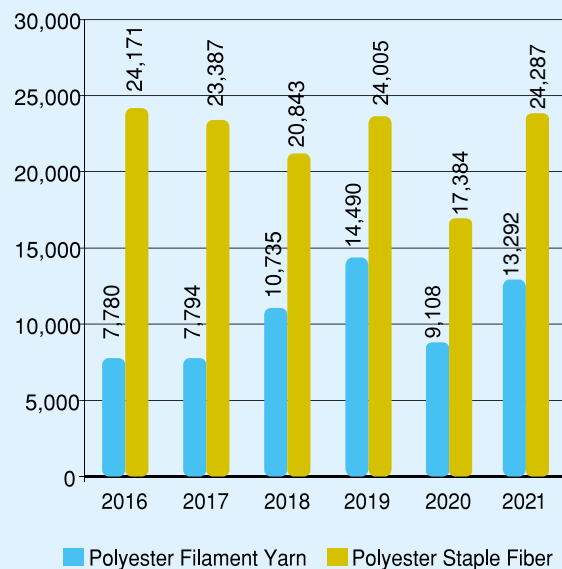


Graphical Presentation

Cost of Revenue
(Rs. in Million)



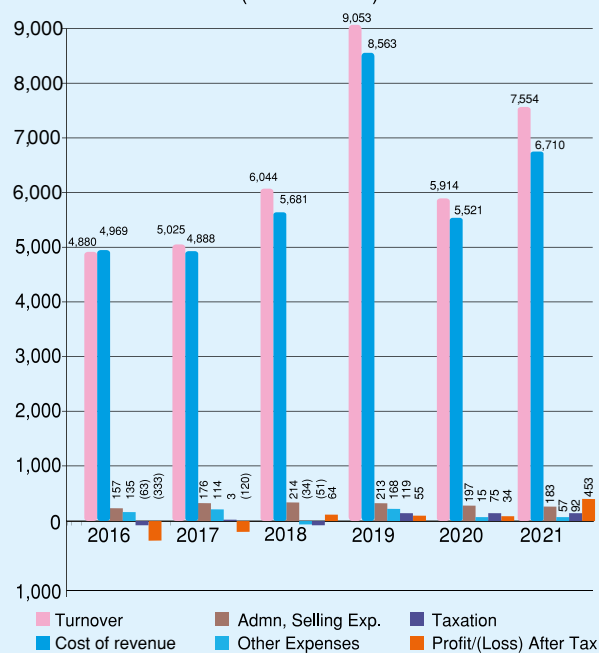
Production
(M. Tons)



Gross Assets Employed
(Rs. in Million)



Profitability
(Rs. in Million)

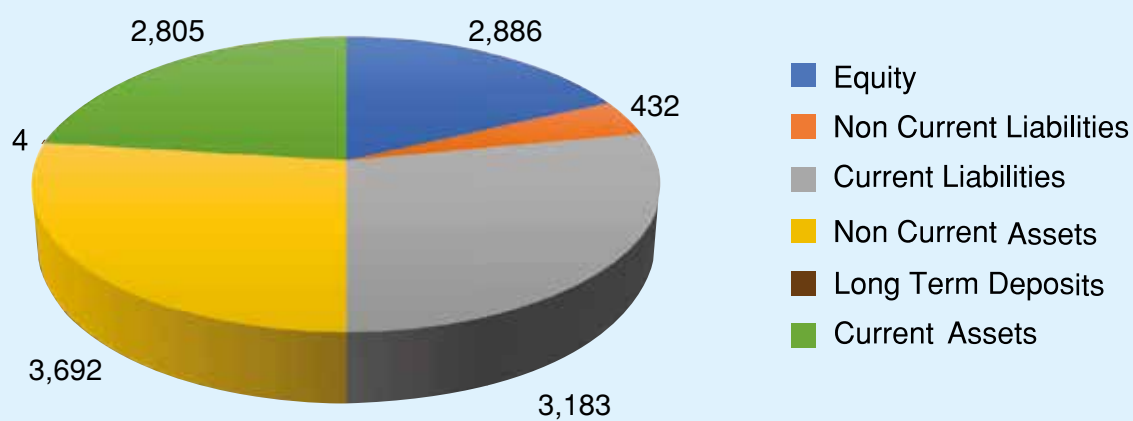


Graphical Presentation

Shareholders Equity (Rs. in Million)



Financial Position 2021 (Rs. in Million)



Chairman's Review

On behalf of the Board of Directors, I am pleased to present to you the Annual Report and financial statements of Rupali Polyester Limited for the year ended 30 June 2021. The Company's performance for the year under review remained par-excellent. Also, since its inception the Company has been steadily growing, expanding its operational capabilities and enhancing its shareholders' value. The FY 2019-20 faced unprecedented challenges due to COVID-19. The FY 2020-21 registered historic economic recovery. With great pleasure, I announce that Rupali Polyester Limited has consistently maintained its operational performance in current year. In FY 2020-21, the Company's net turnover showed a growth of 28 % at PKR 7,554 million with operating profit growing 208% at PKR 604 million compared to PKR 196 million in the previous year. Company's results have been presented in greater detail in the annual report. The Company has a crucial role in the country's economic prosperity, not only as job opportunity providers but also through its Corporate Social Responsibility (CSR) and good corporate governance. The Company adheres to strong health, safety, environmental and security principles. Our team of professionals is well-versed with the market dynamics and strives for growth momentum. Rupali Polyester Limited functions in the best corporate governance regime with very strong internal operational and financial controls. Our Board Members largely contribute their professional acumen and provide guidance and oversight while reviewing and approving Company policies for which I place on record my special thanks to them. Their role always proves highly instrumental in achieving the Company's mission and goals.

Primarily the policy framework and guidelines of the Board are implemented by the Company as under:

1. The Company has well thought out vision, mission and values. The Board revisited the vision and mission statements.
2. The Board set annual targets for the Management in all key performance areas.
3. The Board provided direction and oversight on the Company's business activities.
4. The Board put in place a transparent and robust system of governance under all applicable laws and more specifically under the Listed Companies (Code of Corporate Governance) Regulations, 2019.
5. The Board reviewed, discussed and approved business strategy, plan, budgets and financial statements and other reports including internal audit reports. It received clear agendas and supporting written material in sufficient time prior to board and committee meetings. The Board met frequently enough during the year.
6. The Board members offer a diverse mix of independent and non-executive directors including female director in compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019.

Furthermore, on behalf of the Board, I would like to express my sincere gratitude to the Company's stakeholders for their continued support and appreciate the commitment and valuable services rendered by the employees of the Company. I also express my thanks to the Government for favorable industrial-policies and to our Banks for their confidence in Company management.

Nooruddin Feerasta
Chairman

Lahore: 21 September 2021

Directors' Report to the Shareholders

On behalf of the Board of Directors, we are pleased to welcome you to the forty-first annual general meeting and present the annual report and the audited financial statements of the Company for the year ended 30 June 2021 together with the auditors' report. The financial highlights of the Company for FY 2020-21 are given below:

Financial Results:

	Rupees in thousand
Profit before taxation	546,036
Taxation	(92,824)
Profit after taxation	453,212
	Rupees
Earnings per share – basic and diluted	13.30

Dividend

Your Directors recommend for your approval, final dividend of 50% (Rs.5.00 per share of Rs.10 each), subject to tax and zakat (where applicable), for the year ended 30 June 2021.

Overview

It will give satisfaction to the valued shareholders to see that the Company has achieved a sizeable revenue growth in interim and final financial results of FY 2021. However, with the revenue increase, the cost of goods sold also increased mainly because of escalated prices of raw materials and energy. These two components form the major segments of the cost of production which constitute more than 90 percent of the cost of goods sold. Pak rupee instability against basket of major foreign currencies also contributed to increased cost of goods sold. During the year, production and operational performance improved with the help of continuous supply of energy.

The economic contraction in first half of FY 2020-21 was very challenging due to sequential impact of COVID - 19 lockdown at end of FY 2019-20. However, business activities returned to normal from second half of the year and the Company witnessed gradual recovery in the domestic demand to pre-COVID levels in all its business segments. During the year under review, despite the unprecedented situation in which the entire world was engulfed by COVID-19, the Company adapted to the new normal and continued seamless buying and selling commitments with suppliers and customers.

Despite many challenges, Pakistan's economy is moving progressively on sustainable growth path because of the various supportive measures taken by the government during the year. The macroeconomic imbalances faced due to COVID-19 slowed down the pace of economic growth. However, the Government introduced several important monetary and fiscal measures, smart lockdowns, rapid vaccination programs etc. to combat the COVID impact. The industrial sector has witnessed a remarkable turnaround largely because of accommodative policies by the government in the form of industrial support packages and relief to export-oriented industries through electricity and gas subsidized tariffs. While the economy made an encouraging recovery during FY 2021, there are still certain vulnerabilities like dumped imports, continually rising raw material and other input prices, inflation, Pak rupee depreciation, high utility prices, and a shortage of power that increase financial burden of businesses.

Domestic Polyester Industry

Polyester Filament Yarn (PFY) is the basic raw material for the weaving, knitting, and hosiery industries while Polyester Staple Fiber (PSF) is the basic raw material for spinning. These domestic industries need protection in the shape of anti-dumping duties on imported PFY and PSF to curb dumped imports of PFY and PSF. The weaving, knitting, and hosiery industries are essential to clothe our growing local population and if we rely on imported PFY, it will further deplete the nation's scarce USD reserves. The elimination of 2.5% Regulatory Duty and 1% Additional Customs Duty on imported PFY will amplify direct injury to the local industry by encouraging imports while discouraging the domestic capacity expansion of PFY production.

Evasion of Anti-dumping Duty - Failure to collect government revenue and protect Domestic Polyester Filament Yarn industry against dumping

Importers of polyester filament yarn have excessively evaded anti-dumping duties (ADDs) in billions of PKR which has not been collected from the importers/traders of polyester filament yarn consecutively for four years, despite dismissal of their bogus petitions by the High Courts. This not only causes loss of revenue to the government but also inflicts grave injury to the domestic polyester filament yarn manufacturing industry.

The National Tariff Commission (NTC), after a dumping investigation which found an injury in excess of 25% to domestic producers of Polyester Filament Yarn, had notified ADDs against the dumped imports of PFY from China and Malaysia at the rate of 3.25% to 11.35% (average 7%) in 2017. Since then, the importers of PFY have made it a regular practice to get stay orders from Lahore High Court (Rawalpindi Bench) and when that petition/stay order was dismissed, they filed the same petition and got stay order from another bench of the Lahore High Court without disclosing the fact of dismissal of their petition by Rawalpindi Bench. In this fashion, they have gone from one High Court to another (viz. Sindh High Court, Lahore High Court (Rawalpindi Bench), Lahore High Court (Multan Bench), Peshawar High Court and obtained stay orders on frivolous grounds against the imposition of ADDs on imported PFY. Thus, they have been getting their imported consignments cleared without submitting any securities and ultimately without payment of ADDs on their yearly imports since past four years.

The responsibility of protecting the local polyester filament yarn producers from dumping and collecting the notified anti-dumping duty or the security for such payment in case of stay orders lies primarily with the National Tariff Commission on the custom clearance of the imported consignments. The NTC has the records

that the same importers continue to obtain stay from different Courts. As such, despite the officially notified injury and notified anti-dumping duties, the NTC could not effectively protect the domestic industry from the menace of dumped imports. The domestic PFY industry has lost four years of protection from dumping due to the above failure. It is important that the NTC continue its efforts to ensure protection to the domestic industry from dumping by effective collection of notified dumping duties in the future.

The domestic industry has already undertaken capacity expansion and invested sizable capital with plans to undertake further expansion. The industry has the potential to provide import substitution of roughly US\$350 million/year thus saving the foreign exchange of the country while providing local direct and indirect employment. The future capex investment plans of the domestic industry is dependent on the NTC effectively implementing the notified dumping duties and the government following through on its commitment to re-impose Regulatory Duty on PFY and not changing the current tariff structure (duties/additional custom duties).

Anti-Dumping Duty on Import of Polyester Staple Fiber (PSF)

Consequent to the investigation and determination that dumped imports are causing injury to domestic industry, NTC imposed definitive anti-dumping duties (ADD) on imports of PSF (not exceeding 2.0 denier and excluding colored and regenerated PSF) from China ranging from 2.82% to 11.51% for a period of five years effective from 2 October 2015.

Before the expiry of ADD on PSF in October 2020, National Tariff Commission initiated on 17 August 2020 the sunset review of imposed ADD on PSF on the application of the major domestic PSF producers to assess the continuation or recurrence of dumping and injury to the domestic industry if ADD is removed.

APTMA and Chinese Exporters have submitted their representations before the NTC claiming that circumstances have changed and ADD should be removed. The changed circumstances cited by them are (i) reduction in cost of raw materials (ii) decrease



in international prices of crude / POL products (iii) change in product type being exported from China (iv) depreciation of Pak Rupee (v) reduction in GDP growth rate of Pakistan and (vi) economic slowdown due to COVID-19.

In initial debriefing, NTC has observed that changes in circumstances as cited by APTMA and Chinese Exporters hold no ground and as such it is continuing its' review of likely recurrence or continuation of injury to the domestic industry.

NTC has also initiated an anti-dumping investigation on 6 February 2021 against dumped imports of PSF from Chinese Taipei, Indonesia and Thailand and made a preliminary determination on 2 August 2021, stating that injury to domestic PSF industry has been caused by the dumped imports. It is hoped that in final review, NTC will consider imposing / continuing the anti-dumping duty on PSF.



PFY and PSF Market Condition

The PFY market remained volatile during the past few years owing to multiple factors, mainly the taxation structure, mandatory condition for registration of the unregistered traders and retailers, stiff competition with dumped imports, and demand-supply imbalances. PSF market also suffered from COVID-19 impacts as the country went into total lockdown and all downstream units for closed for some time. However, from Q1 of current year, the demand of PSF made a strong return and remained largely stable. The markets started reverting to normal momentum in the beginning of Q3 of 2020-21. Domestic PSF and PFY

increased due to shortage of cotton in the country and decreased imports of dumped products due to logistic problems such as unavailability of vessels. Till June 2021, the growth trend remained strong and sales revenues contributed an increase in profits for the FY 2020-21 as compared to preceding FY. It is expected that the results will further improve in coming periods provided the existing tariffs of gas and electricity and anti-dumping duties on imported PFY are intact and evasion of ADD by importers in any form is not allowed.

Energy Tariff for Export-oriented Sectors

The availability of energy at regionally competitive prices was especially required in the COVID-19 scenario to sustain exports and the government continued concessional electricity rate of US cents 9 per kWh all-inclusive and the RLNG at \$6.5/MMBTU all-inclusive to export oriented sectors during financial year 2020-21. Also it was stressed to rationalize usage of energy inputs and the audit of such use. This concession has reduced our cost of production, enabling us to have a better chance to compete with imported PFY which is produced in countries where subsidized electricity is the norm. It is important that the concessional electricity and gas tariffs continue for at least another five years.

Gas Infrastructure Development Cess (GIDC)

In light of the Supreme Court of Pakistan Order dated 13 August 2020, we made a provision in the financial statements for the year ended 30 June 2020 and also disclosed necessary notes under Contingencies and Commitments in the financial statements. We paid GIDC instalments for the period starting from May 2015 up till July 2020. However, Rupali Polyester Limited, along with other consumers have recently filed Suit No. 1556 of 2021 against GIDC arrears before the Sindh High Court and the said court granted stay on 16 July 2021, referring the Supreme Court verdict dated 13 August 2020 that the Cess under GIDC Act, 2015 has been levied only on those consumers of natural gas who on account of their industrial or commercial dealings passed on its burden to their customers / clients and we did not pass on such burden to our customers / clients.

Tariff rationalization

Under directions of the Tariff Policy Board, National Tariff Commission (NTC) in November 2020 has initiated a study of the tariff rationalization of textile related value chains with the main purpose to improve competitiveness of domestic industry and to increase exports of textile industry. It is imperative to promote industrialization and exports which primarily has a leverage with tariffs of NTC. Tariff should not be disturbed where cascading duty structure exists as all Sectors/stages within that chain require 5% to 6% differentials for each stage.

PFY as import substitution

We have been projecting since past many years in our reports to shareholders that Synthetic textile sector based on Polyester Filament Yarn needs to be developed and protected for import substitution and to cater to the clothing needs of the 220 million people of Pakistan. Contrary to popular belief, Polyester Filament Yarn sector is not so critical for value added textile exports as they only constitute 10% of world made up exports vs 72% for cotton. As such, current import tariff should be maintained as well as a 5% Regulatory Duty on all 5 HS Codes of PFY (i.e. 5402-3300, 5402.4600, 5402.4700, 5402.5200, 5402.6200) be restored. This will assist in continuing the momentum of growth for the domestic PFY industry with expansion plans of US\$ 125 million to recapture its share of domestic consumption from 33% in the year 2017 to over 75% in 2026. This will also reduce the import bill as PFY imports will be decrease from 146,000 tons to just 56,000 tons/year. Moreover import duty on POY should not be reduced as it would translate to encouraging circumvention of Anti-dumping duties on PFY as importers can clear DTY in the name of POY. The 5% Regulatory Duty needs to be restored to compensate for the delay in Anti-dumping duties as explained in following paragraphs and the low level of Anti-dumping duty vs injury margin.

During the anti-dumping investigation, NTC determined 25% injury margin for the domestic PFY industry. However, anti-dumping duties (which should have been at least 10%), were imposed at a meager 3.25% to 4.9% on three big Chinese producers. Anti-dumping

duties imposed by NTC are very low as compared to anti-dumping/countervailing duties imposed by Turkey (\$268-\$351/ton), India (\$256-\$547/ton) and USA (32%-460%) against same suppliers of dumped/subsidized PFY imports from China.

It is an assertion of PYMA that the domestic PFY industry is not producing specialized yarns. This is totally false and is tantamount to under rating the capabilities of domestic industry. The NTC's study verified the domestic industry's manufacturing facilities and production records that the local PFY industry is producing and has the capability to produce all types and variants of specialized PFY including colored yarns. To finance further capex with the aim to promote domestic PFY for import substitution, this industry needs support by way of maintaining consistent 11% import tariff and 5% Regulatory Duty at least for the next five years. Regulatory Duty on imported Polyester Filament Yarn (PFY) was abolished in 2019 and again levied @ 2.5% in 2020, but has been totally eliminated through a subsequent amendment in Finance Act 2021. This has made it very difficult for the domestic manufacturers to compete with the imported PFY coming in at dumped rates.

Economic Review

FY21 started on a positive note for Pakistan's economy, with recovery driven particularly by growth in large-scale manufacturing, construction and services industries. Several indicators depicted strong year-on-year growth in most sectors. During the first half of FY21 the recovery was fragile. Moreover, with increased community mobility, private consumption strengthened, aided by record official remittance inflows. On the production side, crop production was relatively weak in the first six months of FY21, as cotton production was adversely affected by heavy monsoon floods. Following the phased lifting of lockdown measures from May 2020 onwards, industrial activity recovered, with Large Scale Manufacturing and business confidence indexes exceeding pre-COVID levels in December 2020. As a result, the majority of the informal workers affected by the crisis were able to return to work.

Exports are projected to grow from FY22 onwards, as external conditions become more conducive and tariff reforms gain traction, but imports are also expected to increase in line with stronger domestic activity and higher oil prices.

Major risks to the outlook include the possibility of new waves of COVID-19 infections, the emergence of new vaccine-resistant strains, and difficulties in mass vaccinations. In addition, more delays in the implementation of critical structural reforms could lead to further fiscal and macroeconomic imbalances.

The economy posted a strong expansion in fiscal year 2021 (July 2020–June 2021), due to rebounding domestic demand and healthier export growth. The conditions in FY 2022 seem to be subdued in the first quarter as the loosening of lockdown restrictions in late June resulted in an increase in new COVID-19 cases. Consequently, some key economic regions implemented partial lockdowns in July and August, which may weigh down on performance.

The wave of optimism that swept through global markets led to accelerated growth in commodity prices, including the price of oil. As a result of growth in demand and the artificial oil market deficit created by OPEC+ countries, the price of Brent oil in the third quarter of 2021 entered a stable range of 70-75 USD/bbl. Nevertheless, as there were no changes in fundamental price formation factors, the long term forecast was unadjusted and remained at around 78 USD/bbl in 2021.

It is an undeniable fact that the textile industry has proved to be one of the most important sectors of Pakistan as being a big contributor to the country's GDP, exports as well as employment. Therefore, this sector should be promoted while formulating long-term economic policies.

COVID-19 impact on Businesses and Human Resources

COVID-19 severely devastated businesses globally. Pakistan's businesses and economy also witnessed massive disruption, especially to industrial operations. Textile sector including polyester chain has a

significant contribution in the country's economy and employment of large workforce. Still it is largely a risky situation as the coronavirus cases are on the rise.

Necessary disclosures regarding impacts of COVID-19 as required vide SECP Circular No. 26 of 2020 dated 31 August 2020 have been given in the annexed audited financial statements for the year ended 30 June 2021.

COVID-19 Measures

Since the start of COVID-19, the government's initiatives and timely measures against COVID-19 are very commendable. The way of administering large scale vaccinations to the public is proving very effective. We also appreciate the government's efforts for the mobile vaccination of our employees at our plant and the constant support in covid testing both at our plant and offices. The Company is cognizant of its responsibilities and is monitoring and reviewing the situation regularly. The Company has also implemented necessary controls to minimize the impact of COVID-19 on employees and their families. The vaccination of Company employees was timely completed and our campaign continues to encourage employees to get their family members vaccinated as early as possible for the sake of their own health and safety.



Since last year, the company has developed comprehensive pandemic management guidelines and business continuity plans. It has implemented controls at all locations to control the impact of the pandemic. Mandatory SOPs for all employees and service providers, include wearing of facemasks and maintenance of social distance at all times when they are on Company premises. Other controls include active health screening, mandatory temperature checks, use of respiratory and hand hygiene PPEs, deep cleaning and disinfection of premises and vehicles, and limiting face to face meetings. An aggressive communication strategy has been designed and implemented under the banner of the Company's wellness program. These timely and practical actions reduced risks to the health and safety of employees and improved morale of the employees to work comfortably and observe SOPs.

Credit Mobilization

During the year your Company arranged / renewed working capital facilities (both fund based and non-fund based limits) and completed documentation formalities with participation from six banks including Habib Metropolitan Bank Limited.

Our performance is closely tied to the retail and micro textile manufacturers and any decline in demand from our end-consumers causes a decrease in our revenues. Furthermore, inflationary pressures and higher fuel and utilities costs constitute big components in our manufacturing cost. The cost of the Company's short-term borrowings depend upon fluctuations in KIBOR, which exposes the cash flows to interest rate risk. With no change in the mark-up rates on bank borrowings since last year and the improved cash flows, the Company's financial charges have decreased substantially in FY 2020-21.

The Government has been taking steps to improve economic imbalances however the exchange rate has continued to depreciate. The rapid currency depreciation has increased the landed cost of our raw materials and poses huge risks as the entire cost increase cannot be passed on to end consumers.

Taxation structure

The Government is keen to facilitate the local industries especially in the export-oriented sectors, in order to increase exports and earn foreign exchange. Many initiatives have been taken by the Federal Government and incentives have been given to the exporters as well as the export-oriented industries.

The incentives given, to the former zero rated sectors, by the Federal Government in the shape of concessionary tariff of gas and electricity continued throughout the year and the reduced rate of income tax withholding under Clause 45A of Part IV of the 2nd Schedule to the Income Tax Ordinance, 2001 also remained operative, resulting in a very positive impact on the former zero rated industry as well as the ultimate export industry. Through Finance Act, 2020, the Federal Government imposed income tax at import stage on the basis of classification made in the 12th Schedule of the Income Tax Ordinance, 2001 however, the reduced rate of collection of tax at import stage @1%, under section 148 of the Ordinance, remained intact in the case of the former zero rated sectors.

Raw material prices

Raw material prices showed rising trend since start of the financial year 2020-21. In July 2020, PTA price was US\$ 490 per M. Ton and in June 2021, the price was US\$ 700 per M. Ton showing a sharp increase of 43%. Similarly, MEG price in July 2020 was US\$445 per M. Ton and in June 2021, the prices was US\$660 per M. Ton showing an unprecedented increase of 48%. At the time of writing this report, PTA price is US\$ 795 per M. Ton and MEG price US\$ 720 per M. Ton.

During the FY 2020-21, average Crude oil prices increased by 33% to US\$ 69.29 per barrel (from US\$ 52.26 per barrel). PX prices also soared by 49% to US\$ 1,050 per MT (from US\$ 706 per MT). In line with Crude Oil and PX prices, PTA prices correspondingly increased.

Fuel prices followed an upward trend whereby a hike of 9% and 10% was observed in Gas/RLNG, and furnace oil, respectively.

OEKOTEX Certification

Imported raw materials, advanced production equipment, and professional and technical talents contribute to produce high quality products. Our products (PFY) have passed the human-ecological requirements for OEKO-TEX® STANDARD 100 and we have received the renewed certification.

Sales Revenue and Profits

Sales revenue of the Company for FY 2020-21 registered both volumetric and monetary increases. Our marketing campaign largely contributed to boost sales. Sales revenues for the year ended 30 June 2021 increased by 28% to Rs.7,554.43 million from Rs. 5,914.25 million in the FY 2019-20. Gross profit increased to Rs.844.03 million from gross profit of Rs.393.52 million in FY 2019-20. Operating profit was Rs.604.32 million against operating profit of Rs.196.15 million in the previous year. Finance cost decreased significantly to Rs.139.09 million from Rs.232.97 million mainly because of lower mark-up rates and improved cash flow position. Profit before tax amounted to Rs.546.04 million against profit

before tax of Rs.108.80 million in FY 2020. After tax profit is Rs.453.21 against Rs.33.51 million in FY 2019-20.

Future Outlook

Considering the growing demand of PSF and PFY in the domestic market as well as requirement as feedstock in textile export, your Company is planning to increase both its POY and DTY production capacities by adding new machines of latest technology. For any expansion and capital investment, steady and long-term economic policies are essential for the protection of this industry and we hope the government recognizes its contribution to both employment and the overall GDP. PFY industry should be developed as a huge source of import substitution to save the country's huge foreign exchange spend on import of PFY at dumped prices. We hope that positive enabling circumstances like protection through anti-dumping duties on glut of PFY dumping, policy measures against Pak rupee depreciation, and energy supply at concessional rates, will remain so that we can increase the capacity to a level where



the local manufacturers would be able to meet more than eighty percent of the local demand requirement. Additionally, your Company has also embarked on an aggressive BMR plan where it will be replacing some of its obsolete ancillary machinery over the next 12 months to benefit from cost savings resulting from higher operational efficiencies.

The Company's branded products have a countrywide reach and supply to majority of central Punjab consumers through an expansive Punjab distribution network, focused on delivering a distinct customer experience. Currently we have a network of distributors in various cities retailing our products and as our production capacity grows, we are laying the infrastructure to take a more active role in directly selling to the market.

Business Development

Overall markets were dampened due to trade recession. The spread of pandemic lockdowns were enforced and the worldwide business activities were halted.

Despite economic recovery, the emergence of COVID-19 variants, rising debt and inflation, Pak Rupee depreciation, bullish trend of commodity prices, record surge in sea freights, lack of mechanism for recovery of anti-dumping duties, and unstable geopolitical tensions will continue as challenges. Being optimistic, as the gradual process of revival towards normalcy is being seen, it is expected that future period will also close much better.

Risk Management

The Company is exposed to inherent uncertainties owing to the sectorial factors. A key factor in determining a company's capacity to create sustainable value is the risks that the company is willing to take at strategic and operational levels and its ability to manage them effectively. Many risks exist in a Company's operating environment and they emerge on a regular basis. The Company's Risk Management process focuses on ensuring that these risks are identified on a timely basis and addressed.

The Board of Directors has overall responsibility for overseeing the risk management process. It ensures that decision-making is aligned with the Company's strategies and risk appetite. The Board receives regular updates on the key risks of the Company both in operational and financial areas.

Risk management process includes periodic review of all risks areas by the Chief Executive Officer and the senior management who are responsible for the day-to-day risk management functions.

The Board advises the Management to further strengthen the overall risk management framework through a robust mechanism to estimate the potential impact of extreme events on the Company's earnings, balance sheet, capital and liquidity.

The Board is overseeing the Company's risk management process and controls and reviews the Company's risk appetite and strategy relating to key risks, including credit risk, liquidity and funding risk, market risk, product risk and reputational risk, as well as the guidelines, policies and processes for monitoring and mitigating such risks.

The Company has a Risk Management Policy in accordance with the provisions of the Listed Companies (Code of Corporate Governance) Regulations, 2019. It establishes various levels of accountability and oversight within the Company, while vesting identified managers with responsibility for each significant risk.

The Board takes responsibility for the overall process of risk management in the organization. Through Enterprise Risk Management Program, business units and corporate functions address risks with an institutionalized approach aligned to the Company's objectives. This is facilitated by our internal audit as well. The business risk is managed through cross-functional involvement and communication across business segments. The results of the risk assessment are thoroughly discussed with the Senior Management for necessary pre-emptive measures.

Board of Directors

Current members on the Board of Directors were elected on 27 October 2018 and will end their term this year. The present composition is in conformity with the provisions of the Listed Companies (Code of Corporate Governance) Regulations, 2019. The Company shall welcome minority shareholders nomination and shall extend all facilitation while issuing notice under the Companies Act, 2017 in case such a nomination received. Election of Directors for next term of three years will be held in the forthcoming annual general meeting. The number of Directors fixed by the Board is eight for the next term.

The Board determines the appropriate characteristics, skills and experience for the Board as a whole and its individual members with the objective of having a Board with diverse backgrounds and experience in business, government, education and public service. Characteristics expected of all Directors include independence, integrity, high personal and professional ethics, sound business judgment, ability to participate constructively in deliberations and willingness to exercise authority in a collective manner.

The remuneration policy of Non-Executive Directors including Independent Directors shall be reviewed and determined by the new Board.

Remuneration of Directors:

Following are the aggregate amounts of salary / fee and other perquisites of the present Board for FY-2020-21:

Directors' category	Number	Aggregate amount of salary and fee	Other perquisites
Executive Directors: CEO (Mr. Nooruddin Feerasta)	Two: (Chief Executive and one Executive Director)	NIL	Chief Executive Officer is drawing no salary since his first appointment except company car.
Executive Director (Mr. Abdul Hayee) upto 19 August 2020. Non-executive Director since 20 August 2020		Rs.1.346 million	Nil
Independent Directors	Two	Nil	
Non-Executive Directors (including Mr. Abdul Hayee)	Five	Nil	

*Mr. Abdul Hayee retired from Company Service w.e.f.20 August 2020 thus has become non-executive director thereafter.

The Board periodically reviews the remuneration policy and a well-defined remuneration policy is in place.

Auditors

M/s. Qavi & Co., Chartered Accountants resigned on 26 April 2021, the reasons stated by their Senior Partner:

- That he is suffering from back bones and waist pain and undergoing treatment that does not allow/ warrant him travelling that could land him into further damage/stress.
- That due to confronting resource shortage/ infrastructure availability at the Lahore Office.
- That he is also advised by the doctors not to travel to Lahore with present ill health as COVID-19 pandemic is severe there and may cause harm to him.

Casual vacancy was filled by the Board u/s 246(6) of the Companies Act, 2017 upon the recommendation of the Board's Audit Committee by appointing M/s Iqbal Yasir & Co. Chartered Accountants on 20 May 2021 for the remaining tenure of the year 2020-21 until the conclusion of the next Annual General Meeting.

M/s. Iqbal Yasir & Co. Chartered Accountants shall retire and being eligible have offered themselves for re-appointment as external auditor for the years 2021-22. The Board has received recommendations from its Audit Committee for appointment of M/s. Iqbal Yasir & Co., Chartered Accountants as Auditors of the Company for the year 2021-22.

Pattern of Shareholding

A statement showing the pattern of shareholding in the Company as at 30 June 2021 appears on Page 95.

Other Disclosures

The Company's performance has been sufficiently elaborated in earlier parts of this Report of the Directors, however, the specific disclosure of some mandatory constituents are explained hereunder in terms of the provisions of Section 227 of the Companies Act, 2017, the Listed Companies (Code of Corporate Governance) Regulations, 2019 and Rule Book of Pakistan Stock Exchange Limited:

- During the financial year ended 30 June 2021, following were the directors of the Company. Total number of Directors: 8 (7 male and one female).

Category	Names
a) Independent Director	Mr. Sultan Ali Rajwany Mr. Yaseen M. Sayani
b) Non-Executive Directors	Mr. Muhammad Rashid Zahir Mrs. Aymna Feerasta Mr. Shehzad Feerasta Mr. Zeeshan Feerasta Mr. Abdul Hayee
c) Executive Directors	Mr. Nooruddin Feerasta

Committees of the Board

Audit Committee

1. Mr. Yaseen M. Sayani Chairman (Independent Director)
2. Mr. Muhammad Rashid Zahir Member (Non-Executive Director)
3. Mr. Zeeshan Feerasta Member (Non-Executive Director)

H.R and Remuneration Committee

1. Mr. Sultan Ali Rajwany Chairman (Independent Director)
2. Mr. Nooruddin Feerasta Member (Chief Executive Officer)
3. Mr. Zeeshan Feerasta Member (Non-Executive Director)

- The principal activities of the Company remained consistent as manufacture and sale of synthetic products. There were several developments during the year under review including infrastructural development and refurbishment of manufacturing lines with the aim of cost cutting. Strategic review was undertaken through monitoring of marketing trend for monthly production plans to ensure uninterrupted supply to meet the downstream demands.
- There has been no change in nature of the Company's business.
- There has been no change in nature of the Company's business.
- The external auditors have issued unqualified audit report for the year ended 30 June 2021.
- Rupali Polyester Limited is not a foreign company and has no holding or subsidiary company.

- Pattern of shareholding as on 30 June 2021 is annexed.

- The earning per share at the year end was Rs. 13.30

- The factors contributed towards main achievements as well as the hindrances in growth during the year 2020-21 have been elaborated in this Report. Several measures were taken during the year by the Company Management under guidance of the Board of Directors to serve as economic tools to make and keep the unit profitable. Pursuant to revival of businesses which faced recession due to COVID-19, we are moving forward gradually towards recovery with positive response from downstream consumers. The top and bottom line results during the year under review have shown substantial growth despite COVID-19 variants.

- The Company's historical debt repayments and servicing record is excellent and its Management never allowed a situation to arise that may cause default in repayment of debt. Under the COVID relief announced by the State Bank of Pakistan last year, some LCs and mark-up payments deferred by commercial banks in conformity with the SBP's guidelines, were paid by the Company well within the new due dates.

- The Company's internal controls are strong. The Company has implemented sound systems and controls in all spheres of operational and commercial activities with check & balance for regular monitoring. The purchase procedures and SOPs are also sound and the checks and controls are ensured at every stage. This system is functioning smoothly and successfully with no element of delay in meeting requirements as per the delivery schedules. The SOPs of various activities are regularly reviewed and bottlenecks removed for improvements where required for smooth system functioning. During COVID period, the Company has and is fully adhering to the proper SOPs.

- There has occurred no material changes and commitments materially affecting the financial position of the Company between the end of the financial year of the Company i.e. 30 June 2021 and the date of the report except your directors have recommended 50% final cash dividend. However, the results will be under pressure in coming periods by virtue of Pak Rupees devaluation against US Dollar.

- The Company's business that suffered setback in previous few years has now come out of the losses and is moving steadily towards revival and growth. The overall unfavorable market conditions include dumping of low-cost PSF, PFY and cloth from the regional countries. All favourable factors remaining positive, it will still take more time to off-set the COVID impact.
- The Company's business operations have no adverse impact on environment. The outlets of wastewater, emissions, gases etc. are kept under the environmental protection parameters and procedures and controls.
- The Company fulfills its Corporate Social Responsibilities by way of donations to various deserving educational institutions and hospitals.
- There have been no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations.

Compliance wherever not made has been explained as required under CCG 2019.

Related Party Transactions

In compliance with Section 208 and 209 of the Companies Act, 2017 and Related Parties Regulations, 2018 the Company executes transactions with following associated companies, related parties in its ordinary course of business:

- Rupafil Limited
- Spintex Limited
- Soneri Bank Limited
- Rupali Nylon (Pvt.) Limited

The shareholders in its meeting held on 27 October 2020 had given approval through special resolution for transactions to be consummated with related parties during the year 2020-21. The Board of Directors has duly approved/ratified the transactions made in FY 2020-21 with above related parties.

Disclosure Requirements as per Listing Regulations / Code of Corporate Governance Regulations

Corporate Governance:

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirement set out by the

SECP. The Company has also implemented several best governance practices. The report on Corporate Governance under PSX Listing Regulations forms an integral part of the Annual Report. The requisite certificate from the auditors of the Company confirming compliance with the conditions of the Corporate Governance is attached to the Report on Corporate Governance.

Good Corporate Governance has always been the focal point of the Board of Directors of the Company. We are happy to report that your Company by the Grace of ALLAH, meets the standard set in the guidelines for good corporate governance and is in compliance with the relevant regulations. At Rupali Polyester Limited we ensure that we evolve and follow the corporate governance guidelines and best practices sincerely to not just boost long-term shareholder value, but to also respect minority rights. We consider it our inherent responsibility to disclose timely and accurate information regarding our financials and performance, as well as the leadership and governance of the Company. In accordance with the vision set by the Board, the Company aspires to be the global Polyester industry benchmark for value creation and corporate citizenship.

The Company expects to realize its Vision by taking such actions as may be necessary in order to achieve its goals of value creation, safety, environment and people. The Auditors' Certificate regarding compliance of conditions of Corporate Governance are made part of the Annual Report.

During the year, the Company took several initiatives in various aspects of sustainability. At the strategic level, the Company embarked on a scenario planning exercise to envision the future, looking at economic, regulatory and stakeholder scenarios in order to develop our next vision and action plans. In order to drive the various aspects of sustainability in a more focused way, the Company put together consolidated governance mechanisms with clear demarcation of roles between the Board, its Committees and the Management. During the year, the capital projects for environment have progressed significantly. Following specific statements are being given hereunder:

The Company has initiated steps of energy conservation and continue taking measures to improve energy efficiency. Our environment research team in R&D has been working on projects to reduce the environmental impact of our operations while improving resource efficiency. We are happy to report

that the Company has gained a lot of improvement as a result of its efforts.

Human Resource Management adopts key decisions not just with respect to Human Resource but businesses as a whole. It focuses on improving the way of life, work culture, employee engagement, productivity, effectiveness and efficiency. During the year, several employee centric policies were launched to cater to the needs of the work force and also to keep the Company up to date with external realities.

Policies like adoption leave, physical and emotional well-being, and professional counseling services were launched in the interest of the employees' changing needs. The Company initiated multiple actions to keep the workforce engaged. Actions are being taken to increase professional diversity, providing greater amenities for contractor workforce, improving employee skills and enhancing employee productivity. In addition, policies are being implemented to support affirmative action through training and enabling employment.

Compliance wherever not made has been explained as required under CCG 2019.

We further state that:

- The Company has maintained its books of account as per statutory requirements.
- The Company's financial statements fully present state of affairs fairly, its results of operations, cash flows and changes in equity.
- Appropriate accounting policies and applicable International Accounting Standards and International Financial Reporting Standards were applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment and any departures there from have been adequately disclosed and explained.
- There is no inconsistency in these policies and no material departure from the best practices of corporate governance is allowed.
- These accounts have been prepared on going concern basis and the Management is satisfied regarding going concern status of the Company.
- The system of internal controls of the Company

is significantly sound in design and has been effectively implemented and monitored.

- Plant operations remained normal throughout the year. However, the dumped imports from China, Malaysia and Vietnam disturbed our sales targets which put adverse impact on our sales revenues. Provision of GIDC was made in light of the Order of the Honourable Supreme Court of Pakistan dated 13 August 2020. The reasons for increase in revenues, cost of goods sold and decrease in finance costs have been highlighted and explained.
- There is no statutory payment on account of taxes, duties, levies and charges outstanding other than those in normal business related transactions.
- Company is neither in default nor likely to default any loans, short-term borrowings or any sort of debt instruments.

Investment of Provident Fund

The value of investment in Provident Fund Trust Account inclusive of profit accrued:

(Rupees in thousand)	
30 June 2021 (Unaudited)	30 June 2020 (Audited)
22,025	20,074



Audit Committee Meetings and Attendance by each member

Total number of Audit Committee Meetings held during the year under review: 4

Attendance by each Member:

1. Mr. Yaseen M. Sayani	Chairman	4
2. Mr. Muhammad Rashid Zahir	Member	4
3. Mr. Zeeshan Feerasta	Member	4

H.R and Remuneration Committee Meetings and Attendance by each member

Total number of HR and Remuneration Committee Meetings held during the year under review: 4

Attendance by each Member:

1. Mr. Sultan Ali Rajwani	Chairman	4
2. Mr. Nooruddin Feerasta	Member	4
3. Mr. Zeeshan Feerasta	Member	4

Board Meetings held and Attendance by each Director

Total number of Board Meetings held during the year under review: 4

Attendance by each Director:

1. Mr. Nooruddin Feerasta (Chief Executive Officer)	4
2. Mr. Muhammad Rashid Zahir (Non-executive)	4
3. Mrs. Amyna Feerasta (Non-executive)	4
4. Mr. Yaseen M. Sayani (Independent & Non-executive)	4
5. Mr. Sultan Ali Rajwani (Independent & Non-executive)	4
6. Mr. Shehzad Feerasta (Non-executive)	4
7. Mr. Zeeshan Feerasta (Non-executive)	4
8. Mr. Abdul Hayee (Non-Executive)	4

Corporate Social Responsibility (CSR)

Your Company attaches high priority to its social responsibilities and is committed to the highest standards of corporate behavior. The Company's CSR responsibilities are fulfilled through selective monetary contributions in the areas of health care, education, environmental protection, water and sanitation, child welfare, infrastructure development and other welfare activities subject to availability of surplus funds. Our CSR activities include contributions to hospitals and welfare programs engaged in assisting under-privileged patients, students and children of various special needs.

Code of Conduct

As a part of continuous adherence to best practices of corporate governance, Rupali Polyester Limited believes in widely disseminating its values and ethics for strict adherence by all employees, contractors, suppliers and others associated with business of the Company. Our commitment to encouraging ethical and responsible practices is demonstrated by the fact that the Company had a comprehensive Code of Conduct in place well before the introduction of this requirement in 2002 and since then have been reviewed and updated. The Code of Conduct of the Company is reviewed periodically and we ensure compliance at all levels. Furthermore, upon joining the Company, all employees are required to read and understand the Code of Conduct for strict compliance, which demonstrates Company's best corporate governance in practice.

Succession Planning

At Rupali Polyester Limited, there is a proper succession planning and is implemented evaluating the incumbents' talent. The focus is on capability building by encouraging internal lateral moves.

Individuals highlighted for succession are developed through stretched assignments and involvement through internal /external training, and on the job education.

Whistleblowing Policy

Rupali Polyester has a well-defined Whistleblowing Policy. Any cases where the Code of Conduct has been violated, and to help facilitate strict adherence to it, employees have access to a whistleblowing protocol. Through this program, any employee can confidentially

report suspected breach of ethics and Code of the Company by way of anonymity. Any complaints if received are thoroughly investigated to a logical end. The Board Audit Committee as well as the Board oversees this process.

Health, Safety and Environment

The Company is strongly committed towards all aspects of maintaining a safe and healthy environment, for our business operations as well as affiliated organizations.

The Company fully recognizes safety as a key component of operational excellence and gives vital importance to the training of employees and contractors. We also try to enhance safety awareness and actively incorporate best practices for the industries overall operational set-up.

Our commitment to environment, health and safety is manifested in our operational activities as no major accident was reported in the year 2021.

There was no reportable occupational illness from our employees or contracted manpower in 2021. Proper fumigation and treatment against viral spread is regularly carried out at plant site and offices.

Labor Management Relations

Like previous years, cordial relations were maintained between the Management and the labor force. We extend our appreciation for their dedication and hard work demonstrated at every level for the progress and growth of the Company.

Approval of Financial Statements

The financial statements for FY 2020-21 prepared as per provisions of Companies Act, 2017 were approved and authorized for their issuance by the Board of Directors on 21 September 2021.

Approval of the Directors' Report and Compliance Statement

The Board of Directors approved the Directors' Report and statement of compliance on 21 September 2021 and authorized their issuance.

A Note of Gratitude

The Directors express their appreciation for the cooperation provided by the Ministries of Finance, Revenue and Economic Affairs, Industries and Production, Communication, and Commerce and Textile. We would also like to convey our gratitude to the Federal Board of Revenue 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 and trust in the Company. We place on record our appreciation of the contribution made by employees at all levels. Our resilience to meet challenges was made possible by their hard work, solidarity, co-operation and support.

On behalf of the Board

Nooruddin Feerasta
Chief Executive Officer

Shehzad Feerasta
Director

Lahore:
21 September 2021

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 شکرگزار 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 شکرگزار ہیں اور ان کے ساتھ کاروباری تعلقات میں وسعت کی امید رکھتے ہیں۔ ہمارے اسٹیک ہولڈرز کے ہم پر اعتماد کے لئے شکرگزار 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:

۲۱ ستمبر ۲۰۲۱ء

انسانی وسائل کی کمیٹی

کل اجلاس

۴

نام کارکن	کتنے اجلاسوں میں شرکت کی
۱۔ جناب سلطان علی راجوانی (چیئر مین)	۴
۲۔ جناب نور الدین فیراستہ (ممبر)	۴
۳۔ جناب ذیشان فیراستہ (ممبر)	۴

بورڈ آف ڈائریکٹرز

کل اجلاس

۴

نام کارکن	کتنے اجلاسوں میں شرکت کی
۱۔ جناب نور الدین فیراستہ (چیف ایگزیکٹو آفیسر)	۴
۲۔ جناب محمد رشید ظاہر (غیر-ایگزیکٹو)	۴
۳۔ محترمہ امینہ فیراستہ (غیر-ایگزیکٹو)	۴
۴۔ جناب یلین ایم سیانی (آزاد اور غیر-ایگزیکٹو)	۴
۵۔ جناب سلطان علی راجوانی (آزاد اور غیر-ایگزیکٹو)	۴
۶۔ جناب شہزاد فیراستہ (غیر-ایگزیکٹو)	۴
۷۔ جناب ذیشان فیراستہ (غیر-ایگزیکٹو)	۴
۸۔ جناب عبدالحی (غیر-ایگزیکٹو)	۴

کارپوریٹ سماجی ذمہ داری (CSR)

آپ کی کمپنی سماجی ذمہ داریوں کو بہت ترجیح دیتی ہے اور کارپوریٹ رویے کے اعلیٰ ترین معیارات پر کاربند ہے۔ کمپنی کی CSR ذمہ داریاں صحت، تعلیم، ماحولیاتی تحفظ، پانی اور حفظان صحت، بچوں کی بہبود، بنیادی ڈھانچے کی ترقی اور دیگر فلاحی سرگرمیوں، اضافی فنڈز کی دستیابی سے مشروط منتخب مالی شرکت سے پوری ہوتی ہیں۔ ہماری CSR سرگرمیوں میں اسپتالوں کے تحت مراعات یافتہ مریضوں، طلبہ اور مختلف خصوصی ضروریات کے حامل بچوں کی مددیں مصروف تعلیم کے پروگرام کا حصہ شامل ہے۔

صحت، حفاظت اور ماحول

کمپنی سختی سے محفوظ اور صحت مند ماحول کو برقرار رکھتے ہوئے اپنے کاروبار کی کاروائیوں کے ساتھ ساتھ وائرس تنظیموں کے لئے تمام پہلوؤں کی جانب مصروف عمل ہے۔ حفاظتی پہلوؤں کو نہایت اہم سمجھتے ہوئے اس کا مکمل ادراک رکھتی ہے اور آپریشنل عہدگی کے لئے اپنے ملازمین اور ٹھیکے داروں کی ضروری تربیت کو نہایت اہمیت دیتی ہے۔ ہم سلامتی سے متعلق آگہی بڑھانے اور فعال طور پر صنعتوں کی مجموعی طور پر آپریشنل سیٹ اپ کے لئے بہترین طریقوں کو شامل کرنے کے لئے کوشاں ہیں۔

لیبر منجمنٹ تعلقات

گزشتہ سالوں کی طرح منجمنٹ اور افرادی قوت کے درمیان خوشگوار تعلقات برقرار رکھے گئے۔ ہم ان کی لگن اور کمپنی کی مزید ترقی کے لیے ہر سطح پر نظر آنے والی محنت کا اعتراف اور تعریف کرتے ہیں۔

مالیاتی گوشواروں کی منظوری

مالی گوشوارے برائے سال ۲۰۲۱ کمپنیوں کے قانون مجریہ ۲۰۱۷ء کے تحت بنائے گئے کی منظوری ۲۱ ستمبر ۲۰۲۱ء کو ہونے والے بورڈ آف ڈائریکٹرز کے اجلاس میں دی گئی اور ان کے اجراء کے لیے اختیار دیا گیا تھا۔

ڈائریکٹرز رپورٹ اور قیمل کے بیان کی منظوری

ڈائریکٹرز رپورٹ اور قیمل کے بیان کی منظوری بورڈ آف ڈائریکٹرز نے اپنے ۲۱ ستمبر ۲۰۲۱ء کو ہونے والے اجلاس میں دی۔

کمپنی کا کاروبار جس کو بچھلے کچھ سالوں میں دھچکا لگا تھا وہ اب نقصانات سے نکل آیا ہے اور مسلسل بحالی اور ترقی کی طرف بڑھ رہا ہے۔ مارکیٹ کے مجموعی ناگوار حالات میں کم لاگت والے PFY، PSF اور علاقائی مالک سے کپڑا بھینکنا شامل ہے۔ تمام سازگار عوامل مثبت رہ گئے ہیں، COVID-19 کے اثرات کو ختم کرنے میں ابھی مزید وقت لگے گا۔

کمپنی کے کاروباری کاموں کا ماحول پر کوئی منفی اثر نہیں پڑتا۔ گندے پانی کے اخراج، اخراج، گیسوں وغیرہ کو ماحولیاتی تحفظ کے پیرامیٹرز اور طریقہ کار اور کنٹرول کے تحت رکھا جاتا ہے۔ کمپنی مختلف کاروباری سماجی ذمہ داریوں کو مختلف مستحق تعلیمی اداروں اور ہسپتالوں کو عطیات کے ذریعے پورا کرتی ہے۔

ریگولیٹری یا عدالتوں یا ٹریڈنگ کی طرف سے کوئی اہم اور مادی احکامات جاری نہیں کیے گئے جو کہ تشویش کی صورت حال اور کمپنی کے کام کو متاثر کرتے ہیں۔

متعلقہ پارٹیوں سے لین دین

منسلک کمپنیوں اور متعلقہ پارٹیوں سے کئے گئے لین دین کو بورڈ آف ڈائریکٹرز کے سامنے پیش کیا جاتا ہے۔ سال ۲۰۲۱ میں کیے جانے والے لین دین کو حصص داران کے ہونے والے سالانہ اجلاس میں برائے منظوری پیش کیا جا رہا ہے۔

کوڈ آف کارپوریٹ گورننس کے تحت خصوصی تفصیلات

اعلیٰ معیار کی گورننس کمپنی کے بورڈ آف ڈائریکٹرز کیلئے ہمیشہ بہت اہم رہی ہے اور ہمیں یہ کہتے ہوئے خوشی و اطمینان ہو رہا ہے کہ کمپنی اللہ کے فضل و کرم سے اچھی کارپوریٹ گورننس کے لئے وضع کئے گئے معیاروں پر پورا اترتی ہے اور متعلقہ قواعد و ضوابط پر تعمیل کی حامل ہے۔ اس ضمن میں درج ذیل مخصوص بیانات واضح کیے جا رہے ہیں۔

- کمپنی کی جانب سے تیار کردہ مالیاتی گوشوارے، اس کے معاملات کی حالت، آپریٹنگ نتائج، پیسے کے بہاؤ اور مالک (Equity) میں تبدیلی کی نشاندہی کر رہے ہیں۔
- کمپنی کی جانب سے حسابات کی کتب باقاعدہ درست انداز میں مرتب کی گئی ہیں۔
- مالیاتی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کا متواتر استعمال اور اکاؤنٹنگ کا تخمینہ معقول اور دانشمندانہ فیصلے کے مطابق کیا گیا ہے اور ان کے عدم عمل (اگر کوئی ہے تو) کی مناسب تفصیلات بتادی گئی ہیں۔
- مالیاتی گوشواروں کی تیاری میں ایسے بین الاقوامی فنانشل رپورٹنگ اسٹینڈرز کے استعمال کو یقینی بنایا گیا ہے، جو پاکستان میں لاگو کیے گئے ہیں۔
- یہ حسابات کمپنی بحیثیت ایک چلتا ہوا کاروباری ادارہ کی بنیاد پر بنائے گئے ہیں اور کمپنی انتظامیہ اس بحیثیت پر مکمل طور پر مطمئن ہے۔
- اندرونی کنٹرول کا نظام بہترین اور موثر انداز میں مرتب اور لاگو کرتے ہوئے اس کی نگرانی کی جاتی ہے۔
- موجودہ حالات میں کمپنی کی قابلیت پر کوئی شکوک و شبہات نہیں ہیں۔

پراویڈنٹ فنڈ کی سرمایہ کاری

پراویڈنٹ فنڈ ٹرسٹ اکاؤنٹ کی سرمایہ کاری بشمول جمع شدہ منافع مندرجہ ذیل ہے:

۳۰ جون ۲۰۲۱

۳۰ جون ۲۰۲۰

--- روپے ہزاروں میں ---

(غیر پڑتا شدہ)

(پڑتا شدہ)

۲۲،۰۲۵

۲۰،۰۷۴

اجلاسوں میں شرکت کی تفصیل

محاسبی کمیٹی

کل اجلاس

۴

نام کارکن	کتنے اجلاسوں میں شرکت کی
۱۔ جناب یلین ایم سیانی (چیئرمین)	۴
۲۔ جناب محمد رشید ظاہر (ممبر)	۴
۳۔ جناب ذیشان فیراستہ (ممبر)	۴

انسانی وسائل کی کمیٹی

نام مع عہدہ و ذکن	
ا۔	جناب سلطان علی راجوانی - چیئر مین (آزاد ڈائریکٹر)
ب۔	جناب نور الدین فیراستہ - ممبر (چیف ایگزیکٹو آفیسر)
ج۔	جناب ذیشان فیراستہ - ممبر (غیر ایگزیکٹو ڈائریکٹر)

- کمپنی کی بنیادی سرگرمیاں مصنوعی مصنوعات کی تیاری اور فروخت کے طور پر مستقل رہی۔ زیر جائزہ سال کے دوران کئی پیش رفتیں ہوئیں جن میں بنیادی ڈھانچے کی ترقی اور لاگت میں کمی کے مقصد کے ساتھ مینوفیکچرنگ لائنوں کی تجدید شامل ہیں۔ ماہانہ پیداوار کے منصوبوں کے لیے مارکیٹنگ کے رجحان کی نگرانی کے ذریعے اسٹریٹجک جائزہ لیا گیا تاکہ بہاؤ کے تقاضوں کو پورا کرنے کے لیے بلا تعطل فراہمی کو یقینی بنایا جاسکے۔

- کمپنی کے کاروبار کی نوعیت میں کوئی تبدیلی نہیں آئی ہے۔

- بیرونی آڈیٹرز نے ۳۰ جون ۲۰۲۱ کو ختم ہونے والے سال کے لیے unqualified محاسبہ رپورٹ جاری کی ہے۔

- روپالی پالنیسٹر لمیٹڈ کوئی غیر ملکی کمپنی نہیں ہے اور اس کی کوئی ہولڈنگ یا ماتحت کمپنی نہیں ہے۔

- ۳۰ جون ۲۰۲۱ تک شیئر ہولڈنگ کی تفصیل منسلک ہے۔

سال کے اختتام پر فی حصص آمدنی ۳۰.۳۰ روپے تھی

اس رپورٹ میں سال ۲۰۲۰-۲۱ کے دوران اہم کامیابیوں کے ساتھ ساتھ نمونہ رکاوٹ کے عوامل کو نمایاں کیا گیا ہے۔ سال کے دوران کمپنی مینجمنٹ کی طرف سے بورڈ آف ڈائریکٹرز کی رہنمائی میں کئی اقدامات کیے گئے تاکہ یونٹ کو منافع بخش بنانے اور اسے برقرار رکھنے کے لیے معاشی اوزار کے طور پر کام کیا جاسکے۔ COVID-19 کی وجہ سے کساد بازاری کا سامنا کرنے والے کاروباری اداروں کی بحالی کے لیے، ہم دھیرے دھیرے صارفین کی جانب سے مثبت رد عمل کے ساتھ آہستہ آہستہ بحالی کی طرف بڑھ رہے ہیں۔ زیر نظر سال کے دوران اوپر اور نیچے لائن کے نتائج نے COVID-19 مختلف حالتوں کے باوجود خاطر خواہ نمود کھائی ہے۔

- کمپنی کا تاریخی قرضوں کی ادائیگی اور سروسنگ ریکارڈ بہترین ہے اور اس کی انتظامیہ کبھی ایسی صورتحال پیدا نہیں ہونے دی جو قرض کی ادائیگی میں ڈیفالٹ کا سبب بن سکے۔ گزشتہ سال اسٹیٹ بینک آف پاکستان کی جانب سے اعلان کردہ COVID-19 امداد کے تحت، کچھ LCs اور مارک اپ ادائیگیوں کو کمرشل بینکوں نے SBP کے رہنما خطوط کے مطابق موخر کیا، کمپنی نے نئی مقررہ تاریخوں کے اندر ہی ادائیگی کی۔

- کمپنی کے اندرونی کنٹرول مضبوط ہیں۔ کمپنی نے باقاعدہ مانیٹرنگ کے لیے چیک اینڈ بیلنس کے ساتھ آپریشنل اور کمرشل سرگرمیوں کے تمام شعبوں میں سائڈسٹم اور کنٹرول نافذ کیے ہیں۔ خریداری کے طریقہ کار اور ایس او بیز بھی درست ہیں اور ہر مرحلے پر چیک اور کنٹرول کو یقینی بنایا جاتا ہے۔ یہ نظام ترسیل کے نظام الاوقات کے مطابق ضروریات کو پورا کرنے میں تاخیر کے بغیر کسی بھی عنصر کے بغیر آسانی سے اور کامیابی سے کام کر رہا ہے۔ مختلف سرگرمیوں کے ایس او بیز کا باقاعدگی سے جائزہ لیا جاتا ہے اور بہتری کے لیے رکاوٹوں کو دور کیا جاتا ہے جہاں نظام کو ہموار کرنے کے لیے ضروری ہو۔ COVID-19 مدت کے دوران، کمپنی مناسب SOPs پر پوری طرح عمل پیرا ہے اور ہے۔

- کمپنی کے مالی سال کے اختتام یعنی ۳۰ جون ۲۰۲۱ اور رپورٹ کی تاریخ کے درمیان کمپنی کی مالیاتی پوزیشن کو مادی طور پر متاثر کرنے والی کوئی مادی تبدیلیاں اور وعدے نہیں ہوئے ہیں، سوائے اس کے کہ ڈائریکٹران نے ۵۰ فیصد نقد منافع منقسمہ کی سفارش کی ہے۔ تاہم، آنے والے ادوار میں امریکی ڈالر کے مقابلے میں پاکستانی روپے کی قدر میں کمی سے نتائج دباؤ میں ہوں گے۔

ایکٹ، ۲۰۱۷ کی شق ۲۴۶ (۶) کے تحت بورڈ نے بقیہ مدت کے لیے ۲۰ مئی ۲۰۲۱ کو میسرز اقبال یاسر اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس کی تقرری کی۔ سال ۲۰۲۰-۲۱ اگلے سالانہ عام اجلاس کے اختتام تک۔

میسرز اقبال یاسر اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس ریٹائر ہو جائیں گے اور ۲۰۲۱-۲۲ کے سال کے لیے خود کو اہلیت کی بناء پر کمپنی محاسب کے طور پر دوبارہ تقرری کے لیے پیش کر چکے ہیں۔ بورڈ نے میسرز اقبال یاسر اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس سال ۲۰۲۱-۲۲ کے لیے کمپنی کے بطور محاسب کی تقرری کے لیے اپنی آڈٹ کمیٹی سے سفارشات حاصل کی ہیں۔

شیئر ہولڈنگ کا نمونہ۔

۳۰ جون ۲۰۲۱ تک کمپنی میں شیئر ہولڈنگ کی تفصیل منسلک ہے۔

دیگر انشاء

ڈائریکٹرز کی اس رپورٹ کے پہلے حصوں میں کمپنی کی کارکردگی کو کافی حد تک بیان کیا گیا ہے، تاہم، کچھ لازمی اجزاء کے مخصوص انکشاف کو کمپنیز ایکٹ، ۲۰۱۷ کے سیکشن ۲۲۷، لٹڈ کمپنیوں (ضابطہ اخلاق کارپوریٹ گورننس) ریگولیشنز ۲۰۱۹ اور پاکستان اسٹاک ایکسچینج لمیٹڈ کی رول بک:

۳۰ جون ۲۰۲۱ کو ختم ہونے والے مالی سال کے دوران، کمپنی کے ڈائریکٹر مندرجہ ذیل تھے۔ ڈائریکٹرز کی کل تعداد: ۸ (۷ مرد اور ایک خاتون)۔

کیٹگری	اسماء
ا۔ آزاد ڈائریکٹرز	جناب سلطان علی راجوانی جناب یسین ایم سیانی
ب۔ غیر ایگزیکٹو ڈائریکٹرز	جناب محمد رشید ظاہر محترمہ امینہ فیراستہ جناب شہزاد فیراستہ جناب ذیشان فیراستہ جناب عبدالحی
ج۔ ایگزیکٹو ڈائریکٹرز	جناب نور الدین فیراستہ

بورڈ کی کمیٹیاں۔

محاسبی کمیٹی

نام مع عہدہ رکن
ا۔ جناب یسین ایم سیانی - چیئرمین (آزاد ڈائریکٹر)
ب۔ جناب محمد رشید ظاہر - ممبر (غیر ایگزیکٹو ڈائریکٹر)
ج۔ جناب ذیشان فیراستہ - ممبر (غیر ایگزیکٹو ڈائریکٹر)

سے نمٹتے ہیں۔ یہ ہمارے داخلی آڈٹ سے بھی سہولت فراہم کرتا ہے۔ کاروباری رسک کو کاروباری شعبوں میں کراس فنکشنل شمولیت اور مواصلات کے ذریعے منظم کیا جاتا ہے۔ خطرے کی تشخیص کے نتائج پر ضروری انتظامی اقدامات کے لیے سینئر مینجمنٹ کے ساتھ مکمل طور پر تبادلہ خیال کیا جاتا ہے۔

بورڈ آف ڈائریکٹرز

بورڈ آف ڈائریکٹرز میں موجودہ ممبران ۲۷ اکتوبر ۲۰۱۸ کو منتخب ہوئے تھے اور اس سال اپنی مدت ختم کریں گے۔ موجودہ کمپوزیشن لسٹ کمپنیوں (کوڈ آف کارپوریٹ گورننس) ریگولیشنز ۲۰۱۹ کی شقوں کے مطابق ہے۔ کمپنی اقلیتی شیئر ہولڈرز کی نامزدگی کا خیر مقدم کرے گی اور کمپنیز ایکٹ ۲۰۱۷ کے تحت نوٹس جاری کرتے ہوئے تمام سہولتوں میں توسیع کرے گی۔ اگر نامزدگی موصول ہوئی۔ تین سال کی اگلی مدت کے لیے ڈائریکٹرز کا انتخاب سالانہ عام اجلاس میں ہوگا۔ بورڈ کی طرف سے مقرر کردہ ڈائریکٹرز کی تعداد اگلی مدت کے لیے آٹھ ہے۔

بورڈ مجموعی طور پر بورڈ اور اس کے انفرادی ممبروں کے لیے مناسب خصوصیات، مہارتوں اور تجربے کا تعین کرتا ہے جس کا مقصد مختلف پس منظر اور کاروبار، حکومت، تعلیم اور عوامی خدمت میں تجربہ رکھنے والا بورڈ ہونا ہے۔ تمام ڈائریکٹرز کی توقع کردہ خصوصیات میں آزادی، سہایت، اعلیٰ ذاتی اور پیشہ ورانہ اخلاقیات، کاروباری فیصلہ سازی، بات چیت میں تعمیری حصہ لینے کی صلاحیت اور اجتماعی انداز میں اختیار استعمال کرنے کی خواہش شامل ہے۔

نان ایگزیکٹو ڈائریکٹرز بشمول آزاد ڈائریکٹرز کی اجرت کی پالیسی کا جائزہ لیا جائے گا اور نئے بورڈ کی طرف سے اس کا تعین کیا جائے گا۔

ڈائریکٹرز کا معاوضہ:

مالی سال ۲۰۲۰-۲۱ کے لیے موجودہ بورڈ کی تنخواہ/فیس اور دیگر تقاضوں کی مجموعی رقم درج ذیل ہے:

ڈائریکٹرز کی فیس	تعداد	مجموعی رقم	دیگر مراعات
ایگزیکٹو ڈائریکٹرز: چیف ایگزیکٹو آفیسر (جناب نور الدین فیراستہ) ایگزیکٹو ڈائریکٹر (جناب عبدالحی ۱۹ اگست ۲۰۲۰ تک) ۲۰ اگست ۲۰۲۰ سے نان ایگزیکٹو	ایک (۲۰۲۰ میں دو) (چیف ایگزیکٹو اور ایک ایگزیکٹو ڈائریکٹر)	کوئی نہیں	چیف ایگزیکٹو آفیسر اُن کی پہلی تقرری سے اب تک کوئی تنخواہ نہیں لے رہے سوائے کمپنی کار کے۔
آزاد ڈائریکٹر	دو	۱.۳۵ ملین روپے سالانہ	کوئی نہیں
غیر ایگزیکٹو ڈائریکٹر	پانچ	کوئی نہیں	کوئی نہیں

* جناب عبدالحی ۲۰ اگست ۲۰۲۰ سے کمپنی سروس سے ریٹائر ہوئے اس طرح اس کے بعد غیر ایگزیکٹو ڈائریکٹر بن گئے۔
بورڈ وقتاً فوقتاً معاوضے کی پالیسی کا جائزہ لیتا ہے اور ایک معقول معاوضے کی پالیسی موجود ہے۔

محاسب۔

میسرز قوی اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس نے ۲۶ اپریل ۲۰۲۱ کو استعفیٰ دے دیا، ان کے سینئر پارٹنر کی مذکورہ وجوہات:
- کہ وہ کمپنی کے ہڈیوں اور کمر کے درد میں مبتلا ہیں اور علاج کر رہے ہیں جو انہیں سفر کی اجازت نہیں دیتا ہے۔

- لاہور آفس میں وسائل کی کمی/انفراسٹرکچر کی دستیابی کا سامنا کرنے کی وجہ سے۔

- کہ ڈاکٹروں نے انہیں یہ بھی مشورہ دیا ہے کہ موجودہ خراب صحت کے ساتھ لاہور کا سفر نہ کریں کیونکہ وہاں کوویڈ ۱۹ وبائی بیماری شدید ہے اور انہیں نقصان پہنچ سکتا ہے۔ بورڈ آڈٹ کمیٹی کی سفارش پر کمپنیز

وجہ کم مارک اپ ریٹ اور یکیش فلوئس بہتری ہے قبل ازیکس منافع مالی سال ۲۰۱۹-۲۰۲۰ میں ۸.۸۰ ملین روپے سے بڑھ کر ۲۰۲۰-۲۰۲۱ میں ۵۶.۰۲ ملین روپے ہو گیا۔ خالص منافع جو ۲۰۱۹-۲۰۲۰ میں ۳۳.۵۱ ملین روپے تھا سے بڑھ کر وہاں سال میں ۲۵۳.۱۲ ملین روپے ہو گیا۔

مستقبل کا جائزہ۔

گھریلو طلب میں پی ایس ایف اور پی ایف وائی کی بڑھتی ہوئی مانگ کے ساتھ ساتھ ٹیکسٹائل ایکسپورٹ میں فیڈ اسٹاک کی ضرورت کو مد نظر رکھتے ہوئے، آپ کی کمپنی BMR کے ذریعے جدید ٹیکنالوجی کی مزید نئی مشینیں شامل کر کے اپنی پیداواری صلاحیت بڑھانے کا منصوبہ بنا رہی ہے۔ کسی بھی توسیع اور سرمائے کی سرمایہ کاری کے لیے، اس صنعت کے تحفظ کے لیے طویل المدتی اقتصادی پالیسیاں ناگزیر ہیں اور ہم امید کرتے ہیں کہ حکومت روزگار اور جی ڈی پی میں اپنی شرکت کی ضرورت کو سمجھتی ہے۔ پی ایف وائی کو درآمدی متبادل کے طور پر تیار کیا جانا چاہیے تاکہ ڈمپنگ کے ذریعے پی ایف وائی کی درآمد پر خرچ ہونے والے ملک کے بھاری زرمبادلہ کو بچایا جاسکے۔ ہم امید کرتے ہیں کہ مثبت فعال حالات جیسا کہ پی ایف وائی ڈمپنگ پرائیویٹ ڈمپنگ ڈیویژن کے ذریعے تحفظ، پاک روپے کی قدر میں کمی کے خلاف پالیسی اقدامات، رعایتی نرخوں پر توانائی کی فراہمی سے ہم پیداواری صلاحیت کو اس حد تک بڑھا دیں گے جہاں مقامی صنعت کار ملک میں بنائی ہوئیوں کی ضرورت کا اسی فیصد سے زیادہ مانگ کو پورا کر سکیں گے۔ مزید برآں آپ کی کمپنی نے ایک جامع منصوبہ بھی تیار کیا ہے جہاں وہ اگلے بارہ ماہ میں اپنی کچھ متروک ذیلی مشینری کو تبدیل کرے گی تاکہ آپریشنل افادیت کے نتیجے میں لاگت میں بچت حاصل کی جاسکے۔

کمپنی کی برانڈ مصنوعات ایک وسیع پنجاب ترسیل نیٹ ورک کے ذریعے صارفین کو ملک بھر میں پہنچتی ہیں اور سپلائی کرتی ہیں جو کہ ایک مخصوص کسٹمر تجربہ فراہم کرنے پر مرکوز ہیں۔ فی الحال ہمارے پاس مختلف شہروں میں ڈسٹری بیوٹر کا نیٹ ورک ہے جو ہماری مصنوعات کو ریٹیل کر رہا ہے اور جیسے جیسے ہماری پیداواری صلاحیت بڑھتی ہے ہم انفراسٹرکچر بچھارے ہیں تاکہ مارکیٹ کو براہ راست فروخت کرنے میں زیادہ فعال کردار ادا کریں۔

کاروبار کی ترقی

تجارتی کساد بازاری کی وجہ سے مجموعی طور پر مارکیٹیں خستہ تھیں۔ وبائی امراض کے پھیلاؤ پر لاک ڈاؤن کو نافذ کیا گیا اور دنیا بھر میں کاروباری سرگرمیاں روک دی گئیں۔ معاشی بحالی کے باوجود COVID-19 کی مختلف حالتوں کا بھرتا، بڑھتا ہوا قرض اور افراط زر، پاک روپے کی قدر میں کمی، اشیاء قیمتوں میں تیزی کا رجحان، سمندری مال برداری کے کراپوں میں ریکارڈ اضافہ، اینٹی ڈمپنگ ڈیویژن کی وصولی کے لیے موثر طریقے کا فقدان، اور غیر مستحکم جغرافیائی سیاسی تناؤ جاری رہے گا چیلنجوں کے طور پر پرامید ہونے کی وجہ سے، جیسا کہ معمول کی طرف بحالی کا بتدریج عمل دیکھا جا رہا ہے، توقع کی جارہی ہے کہ مستقبل کا دور بھی بہتر ہو جائے گا۔

رиск مینجمنٹ

کمپنی شعبہ جاتی عوامل کی وجہ سے موروثی غیر یقینی صورتحال سے دوچار ہے۔ پائیدار قدر پیدا کرنے کے لیے کمپنی کی صلاحیت کا تعین کرنے میں جو خطرات موجود ہیں وہ کمپنی اسٹریٹجک اور آپریشنل سطح پر لینے کے لیے تیار ہے اور ان کا مؤثر طریقے سے انتظام کرنے کی صلاحیت کمپنی میں ہے۔ کمپنی کے آپریٹنگ ماحول میں بہت سے خطرات موجود ہیں اور وہ مستقل بنیادوں پر ابھرتے ہیں۔ کمپنی کے رиск مینجمنٹ کا عمل اس بات کو یقینی بنانے پر مرکوز ہے کہ ان خطرات کی بروقت نشاندہی کی جائے اور ان سے نمٹا جائے۔

بورڈ آف ڈائریکٹرز کی رиск مینجمنٹ کے عمل کی نگرانی کی مجموعی ذمہ داری ہے۔ یہ یقینی بناتا ہے کہ فیصلہ سازی کمپنی کی حکمت عملی اور خطرے کی نوعیت کے مطابق ہے۔ بورڈ آپریشنل اور مالیاتی دونوں شعبوں میں کمپنی کے اہم خطرات کے بارے میں باقاعدہ آگاہی حاصل کرتا ہے۔

رиск مینجمنٹ کے عمل میں چیف ایگزیکٹو آفیسر اور سینئر مینجمنٹ جو روزمرہ کے رиск مینجمنٹ افعال کے ذمہ دار ہوتے ہیں کے تمام خطرات والے علاقوں کا وقتاً فوقتاً جائزہ لیتے ہیں۔

بورڈ انتظامیہ کو مشورہ دیتا ہے کہ وہ ایک مضبوط میکا نزم کے ذریعے مجموعی رиск مینجمنٹ فریم ورک کو مزید مضبوط کرے تاکہ کمپنی کی کمائی، بیلنس شیٹ، سرمایہ اور لیکویڈیٹی پر انتہائی واقعات کے ممکنہ اثرات کا اندازہ لگایا جاسکے۔

کمپنی ایسڈ کمپنوں (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، ۲۰۱۹ کی مشقوں کے مطابق رиск مینجمنٹ پالیسی رکھتی ہے۔ یہ کمپنی کے اندر مختلف سطحوں پر احتساب اور نگرانی قائم کرتی ہے، جبکہ شناخت شدہ مینیجرز کو ہر اہم خطرے کی ذمہ داری سونپتی ہے۔

بورڈ تنظیم میں رиск مینجمنٹ کے مجموعی عمل کی ذمہ داری لیتا ہے۔ انٹر پرائز رиск مینجمنٹ پروگرام کے ذریعے، کاروباری یونٹس اور کارپوریٹ افعال کمپنی کے مقاصد سے منسلک ادارہ جاتی نقطہ نظر سے خطرات

کریڈٹ موبلائزیشن۔

سال کے دوران آپ کی کمپنی نے بشمول حبیب میٹرو پولیٹن بینک لمیٹڈ سمیت چھ بینکوں کے ساتھ ورکنگ کیپیٹل سہولیات (Fund Based and Non-fund Based) کا اہتمام/تجدید کیا اور دستاویزات کی تکمیل کی۔

ہماری کارکردگی ریٹیل اور مائیکرو بینکسٹائل مینیجنگ سے قریب سے جڑی ہوئی ہے اور ہمارے اختتامی صارفین کی مانگ میں کوئی کمی ہماری آمدنی میں کمی کا باعث بنتی ہے۔ مزید برآں، افراط زر کے دباؤ اور زیادہ ایندھن وغیرہ کے اخراجات ہماری مینیجنگ لاگت کے بڑے جزو ہیں۔ کمپنی کے قلیل مدتی قرضوں کی قیمت KIBOR میں اتار چڑھاؤ پر منحصر ہے، جو اسے نقد بہاؤ کے خطرے اور شرح سود کے خطرے سے دوچار کرتی ہے۔ پچھلے سال سے بینک قرضوں پر مارک اپ کی شرح میں کوئی تبدیلی نہ ہونے کے باعث، مالی سال ۲۰۲۰-۲۱ میں کمپنی کی مالی لاگت میں کمی آئی ہے۔

حکومت معاشی عدم توازن کو بہتر بنانے کے لیے اقدامات کر رہی ہے۔ زرمبادلہ کی شرح میں تاہم کمی جاری ہے۔ کرنسی کی قدر میں کمی نے ہمارے خام مال کی زمینی قیمت میں اضافہ کیا ہے۔

ٹیکس کا ڈھانچہ۔

حکومت مقامی صنعتوں کو خاص طور پر برآمد پر مبنی شعبوں میں سہولت فراہم کرنے کی خواہاں ہے تاکہ برآمدات میں اضافہ اور زرمبادلہ کمایا جاسکے۔ وفاقی حکومت نے بہت سے اقدامات کیے ہیں اور برآمد کنندگان کے ساتھ ساتھ برآمدی صنعتوں کو بھی مراعات دی گئی ہیں۔

وفاقی حکومت کی جانب سے گیس اور بجلی کے رعایتی ٹیرف کی شکل میں سابقہ زیرو ریٹڈ ایکسپورٹ کو دی جانے والی مراعات سال بھر جاری رہیں اور انکم ٹیکس آرڈیننس، ۲۰۰۱ کے دوسرے شیڈول کے حصہ IV کی شق A-۴۵ کے تحت انکم ٹیکس withholding کی کم شرح لاگوری جس کے نتیجے میں سابقہ زیرو ریٹڈ ایکسپورٹ کے ساتھ ساتھ قومی ایکسپورٹ انڈسٹری پر بھی بہت مثبت اثرات مرتب ہوئے۔ فنانس ایکٹ، ۲۰۲۰ کے ذریعے، وفاقی حکومت نے انکم ٹیکس آرڈیننس ۲۰۰۱ کے ۱۲ ویں شیڈول میں گئی درجہ بندی کی بنیاد پر درآمدی مرحلے پر انکم ٹیکس عائد کیا تاہم درآمدی مرحلے پر انکم ٹیکس کی شق ۱۴۸ کے تحت ٹیکس کی وصولی کی کم شرح ۱ فیصد شعبوں کی صورت میں برقرار ہے۔

خام مال کی قیمتیں۔

خام مال کی قیمتوں میں مالی سال ۲۰۲۰-۲۱ کے آغاز سے بڑھتا ہوا رجحان ظاہر ہوا۔ جولائی ۲۰۲۰ میں PTA کی قیمت ۱۴۹۰ امریکی ڈالر فی ایم ٹن تھی اور جون ۲۰۲۱ میں، قیمتیں ۷۰۰ امریکی ڈالر فی ایم ٹن تھیں جو ۴۳ فیصد کا زبردست اضافہ دکھا رہی ہیں۔ اسی طرح جولائی ۲۰۲۰ میں MEG کی قیمت ۴۳۵ امریکی ڈالر فی ایم ٹن تھی اور جون ۲۰۲۱ میں قیمت ۶۶۰ امریکی ڈالر فی ایم ٹن تھی جس میں ۴۸ فیصد کا غیر معمولی اضافہ ہوا۔ اس رپورٹ کو لکھنے کے وقت PTA کی قیمت ۷۹۵ امریکی ڈالر فی ایم ٹن اور MEG کی قیمت امریکی ڈالر ۷۲۰ فی ایم ٹن ہے۔

مالی سال ۲۰۲۰-۲۱ کے دوران، خام تیل کی اوسط قیمت ۳۳ فیصد اضافے کے ساتھ ۱۶۹.۲۹ امریکی ڈالر فی بیرل ہو گئی (جو پہلے ۱۵۲.۲۹ امریکی ڈالر فی بیرل تھی) PX کی قیمتیں ۲۹ فیصد اضافے کے ساتھ \$ ۱.۰۵۰ امریکی ڈالر فی میٹرک ٹن ہو گئی (جو کہ پہلے ۰.۷۶ امریکی ڈالر فی میٹرک ٹن) خام تیل اور PX قیمتوں کے مطابق PTA کی قیمتوں میں اضافہ ہوا۔

ایندھن کی قیمتوں میں اضافے کے رجحان کے بعد گیس/آرائیل این جی اور فرسٹ آئل میں بالترتیب ۹ فیصد اور ۱۰ فیصد اضافہ دیکھا گیا۔

OEKOTEX سرٹیفیکیشن

درآمد شدہ خام مال، اعلیٰ درجے کی پیداوار کا سامان، اور پیشہ ورانہ تکنیکی صلاحیتیں اعلیٰ معیار کی مصنوعات تیار کرنے میں معاون ہیں۔ ہماری مصنوعات (PFY) نے OEKO-TEX® معیاری ۱۰۰ کے لیے انسانی ماحولیاتی ضروریات کو منظور کیا ہے اور ہمیں نئی سرٹیفیکیشن موصول ہوئی ہے۔

فروخت آمدنی اور منافع۔

مالی سال ۲۰۲۰-۲۱ کے لیے کمپنی کی فروخت آمدنی میں حجم اور مالیاتی دونوں میں اضافہ ہوا۔ ہماری مارکیٹنگ مہم کا بڑے پیمانے پر فروخت میں اضافہ میں عمل دخل ہے۔ ۳۰ جون ۲۰۲۱ کو ختم ہونے والے سال کی فروخت آمدنی ۲۸ فیصد اضافہ کے ساتھ ۲۰-۲۰۱۹ میں ۵۹۱۳.۲۵ ملین روپے سے بڑھ کر ۲۰۲۰-۲۱ میں ۷۵۵۳.۴۳ ملین روپے ہو گئی۔ خام منافع ۲۰-۲۰۱۹ میں ۵۲.۵۲ ملین روپے سے بڑھ کر ۰.۳۳ ملین روپے ہو گیا۔ آپریٹنگ منافع گزشتہ سال کے ۱۹۶.۱۵ ملین روپے سے بڑھ کر ۶۰۳.۳۲ ملین روپے ہو گیا۔ مالیاتی لاگت ۲۳۲.۹ ملین روپے سے کم ہو کر ۱۳۹.۰۹ ملین روپے ہو گئی جس کی بنیادی

آمد سے مدد ملی۔ پیداوار کی طرف، مالی سال ۲۱ کے پہلے چھ مہینوں میں کپاس کی فصل کی پیداوار نسبتاً کمزور تھی، کیونکہ مون سون کے بھاری سیلاب سے کپاس کی پیداوار منفی طور پر متاثر ہوئی تھی۔ مئی ۲۰۲۰ سے لاک ڈاؤن اقدامات کو مرحلہ وار اٹھانے کے بعد، صنعتی اور خدمات کی سرگرمیاں بحال ہوئیں، دسمبر ۲۰۲۰ میں بڑے پیمانے پر مینوفیکچرنگ اور کاروباری اعتماد کے انڈیکس کو ویڈ سے پہلے کی سطح سے تجاوز کر گئے۔ جس کے نتیجے میں بحران سے متاثر اکثر افرادی قوت واپس کام پر لگ گئی۔

مالی سال ۲۲ سے آگے برآمدات میں اضافے کا امکان ہے، کیونکہ بیرونی حالات زیادہ سازگار ہو رہے ہیں، لیکن مضبوط گھریلو سرگرمیوں اور تیل کی بلند قیمتوں کے مطابق درآمدات میں بھی اضافے کی توقع ہے۔

COVID-19 کی نئی لہروں کا امکان ایک بڑا خطرہ ہے۔ نئی ویکسین سے بچنے کا رجحان اور بڑے پیمانے پر ٹیکسٹیشن کرنے میں مشکلات شامل ہیں۔ اس کے علاوہ، اہم ساختی اصلاحات کے نفاذ میں زیادہ تاخیر مزید مالیاتی اور بڑے اقتصادی عدم توازن کا باعث بن سکتی ہے۔

مقامی طلب اور برآمدات میں نمو کی وجہ سے مالی سال ۲۰۲۱ (جولائی ۲۰۲۰ تا جون ۲۰۲۱) میں معیشت میں کافی مضبوطی وسیع ہوئی۔ مالی سال ۲۰۲۲ پہلی سہ ماہی میں حالات دبے ہوئے نظر آتے ہیں کیونکہ جون کے آخر میں لاک ڈاؤن کی پابندیوں میں نرمی کے نتیجے میں نئے COVID-19 کیسز میں اضافہ ہوا۔ اس کے نتیجے میں، کچھ کلیدی معاشی علاقوں نے جولائی اور اگست میں جزوی لاک ڈاؤن نافذ کیا، جو کہ کارکردگی پر منفی اثرات ڈال سکتا ہے۔

امید کی لہر جو عالمی منڈیوں میں پھیل گئی وہ تیل کی قیمت سمیت اشیاء کی قیمتوں میں تیزی سے اضافہ کا باعث بنی۔ طلب میں اضافے اور اوپیک ممالک کے پیدا کردہ مصنوعی خسارے کے نتیجے میں برنٹ آئل کی قیمت ۷۰-۷۵ امریکی ڈالر فی بیرل تک چلی گئی۔ چونکہ قیمت سازی کے عوامل میں کوئی تبدیلی نہیں آئی اس طرح قیمت ۲۰۲۱ میں ۷۸ امریکی ڈالر فی بیرل کے قریب ہی رہی۔ یہ ایک ناقابل تردید حقیقت ہے کہ کپڑے کی صنعت پاکستان کے اہم ترین شعبوں میں سے ایک ہے کیونکہ یہ ملک کی جی ڈی پی، برآمدات کے ساتھ روزگار کا بڑا ذریعہ ہے لہذا طویل مدتی معاشی حکمت عملیاں بناتے ہوئے اس شعبے کو فروغ دیا جائے۔

کاروبار اور انسانی وسائل COVID-19 کے اثرات

COVID-19 نے عالمی سطح پر کاروباری اداروں کو شدید نقصان پہنچایا۔ پاکستان کے کاروبار اور معیشت نے بڑے پیمانے پر صنعتی کاموں میں رکاوٹ دیکھی۔ پولی ایسٹر چین سمیت ٹیکسٹائل سیکٹر کی معیشت اور بڑی افرادی قوت کے روزگار میں نمایاں شراکت رکھتا ہے۔ ابھی تک بڑی حد تک خطرناک صورتحال ہے کیونکہ کورونا وائرس کے کیسز بڑھ رہے ہیں۔

COVID-19 کے اثرات کے بارے میں ضروری انکشافات کا جیسا کہ ایس ای سی پی کے سرگرم نمبر ۲۶ مورخہ ۳۱ اگست ۲۰۲۰ کے تحت ضروری ہے ۳۰ جون ۲۰۲۱ کو ختم ہونے والے سال کے منسلک آڈٹ شدہ حسابات میں تذکرہ کر دیا گیا ہے۔

COVID-19 کے اقدامات

COVID-19 کے پھیلاؤ کے بعد سے حکومت کے COVID-19 کے خلاف بروقت اقدامات بہت قابل ستائش ہیں۔ عوام کو ویکسینیشن دینے کا طریقہ بہت مؤثر ثابت ہو رہا ہے۔ ہم اپنے پلانٹ پر ملازمین کی موبائل ویکسینیشن کا انتظام کرنے پر حکومت کی تعریف کرتے ہیں۔ کمپنی اپنی ذمہ داریوں سے آگاہ ہے اور صورتحال کی نگرانی اور جائزہ لے رہی ہے۔ کمپنی نے ملازمین اور ان کے خاندانوں پر COVID-19 کے اثرات کو کم سے کم کرنے کے لیے ضروری کنٹرول بھی نافذ کیے ہیں۔ کمپنی کے ملازمین کی ویکسینیشن بروقت مکمل کی گئی اور ہماری مہم ملازمین کی حوصلہ افزائی کے لیے جاری ہے کہ وہ اپنے خاندان کے ممبران کو جلد از جلد ان کی صحت کی حفاظت کے لیے ویکسین کروائیں۔

پچھلے سال سے، کمپنی نے وبائی امراض کے انتظام کی جامع ہدایات اور کاروباری تسلسل کے منصوبے تیار کیے ہیں۔ اس نے وبائی امراض کے اثرات کو کنٹرول کرنے کے لیے تمام مقامات پر کنٹرول نافذ کیا ہے۔ تمام ملازمین اور سروس فراہم کرنے والوں کے لیے لازمی ایس او بیز میں فیس ماسک پہننا اور کمپنی کے احاطے میں ہر وقت سماجی فاصلہ برقرار رکھنا شامل ہے۔ دیگر کنٹرولز میں غیر فعال اور فعال ہیلتھ اسکریننگ، درجہ حرارت کی لازمی جانچ، سانس اور ہاتھوں کی صفائی PPEs کا استعمال، احاطے اور گاڑیوں کی گہری صفائی اور ہر شیم کشی اور آرمے سامنے ملاقاتوں کو محدود کرنا شامل ہیں۔ ایک جارحانہ مواصلاتی حکمت عملی کو کمپنی کے فلاح و بہبود کے پروگرام کے تحت ڈیزائن اور نافذ کیا گیا ہے۔ یہ بروقت اور عملی اقدامات ملازمین کی صحت اور حفاظت کے لیے خطرات کو کم کرتے ہیں۔ ان کوششوں سے ملازمین کے حوصلے بہتر ہوئے کہ وہ آرام سے کام کریں اور ایس او بیز پر عمل کریں۔

برآمد پینی سیلٹرز کے لئے توانائی کے نرخ

خاص طور پر COVID-19 کے منظر نامے میں علاقائی سطح پر مسابقتی قیمتوں پر توانائی کی دستیابہرآمدات کو برقرار رکھنے کے لیے ضروری تھی اور حکومت نے مالی سال ۲۰۲۱-۲۰۲۰ کے دوران برآمدی شعبے کو بجلی کی رعایتی قیمت ۹ (Cents) سینٹ فی کلواٹ فی گھنٹہ اور \$RNLG/۶.۵\$ MMBTU کے ساتھ جاری رکھی۔ اس کے علاوہ توانائی کے استعمال کو معقول بنانے اور اس طرح کے استعمال کے آڈٹ پر زور دیا۔ اس رعایت نے ہماری پیداواری لاگت کو کم کر دیا ہے جس سے ہم درآمد شدہ پی ایف وائی کی قیمتوں کا مقابلہ کر سکتے ہیں۔ یہ ضروری ہے کہ رعایتی بجلی اور گیس کے نرخ کم از کم مزید پانچ سال تک جاری رہیں۔

گیس انفراسٹرکچر ڈیولپمنٹ سیس (جی آئی ڈی سی)

عدالت عظمیٰ پاکستان کے ۱۱۳ گسٹ ۲۰۲۰ کے حکم کی روشنی میں، کمپنی نے ۳۰ جون ۲۰۲۰ کو ختم ہونے والے سال میں ایک رقم شخص کی۔ مئی ۲۰۱۵ سے جولائی ۲۰۲۰ تک کے دورانیہ کی کچھ ماہانہ اقساط کی ادائیگی کی۔ تاہم کمپنی نے دیگر صارفین کے ساتھ مل کر حال ہی میں عدالت عالیہ سندھ کے سامنے جی آئی ڈی سی کے بقایا جات کے خلاف ۲۰۲۱ کا مقدمہ نمبر ۱۵۵۶ ادا کیا اور مذکورہ عدالت نے ۱۶ جولائی ۲۰۲۱ کو عدالت عظمیٰ کے ۱۱۳ گسٹ ۲۰۲۰ کے فیصلہ کا حوالہ دیتے ہوئے حکم امتناعی دیتے ہوئے کہا کہ جی آئی ڈی سی ایکٹ، ۲۰۱۵ کے تحت سیس صرف ان لوگوں پر عائد کیا گیا ہے جو قدرتی گیس کے صارفین ہیں جو اپنے صنعتی یا تجارتی معاملات کی وجہ سے اس کا بوجھ اپنے صارفین/گاؤں پر ڈالتے ہیں، اور ہم نے ایسا بوجھ اپنے گاؤں پر منتقل نہیں کیا۔

ٹیرف کی تخصیص

ٹیرف پالیسی بورڈ کی ہدایات کے تحت، نیشنل ٹیرف کمیشن (این ٹی سی) نے نومبر ۲۰۲۰ میں ٹیکسٹائل سے متعلقہ ویلیو چینز (value chains) کے ٹیرف کی تخصیص کا مطالعہ شروع کیا ہے جس کا بنیادی مقصد مقامی صنعت کی مسابقت کو بہتر بنانا اور ٹیکسٹائل انڈسٹری کی برآمدات کو بڑھانا ہے۔ صنعتی کاری اور برآمدات کو فروغ دینا ضروری ہے جس میں بنیادی طور پر این ٹی سی کے ٹیرف کے ساتھ فائدہ ہوتا ہے۔ موجودہ عائد کردہ ٹیرف کا جہاں Cascading ڈیوٹی ڈھانچہ موجود ہے میں رد و بدل مناسب نہیں۔

پی ایف وائی کو بطور درآمدی متبادل بنانا:-

ہم پچھلے کئی سالوں سے اپنی رپورٹوں میں شیئر ہولڈرز کے سامنے پیش کر رہے ہیں کہ ریشمی دھاگہ پر پینی ٹیکسٹائل سیلٹرز کو درآمد کے متبادل کے طور پر ترقی دینے، پاکستان کی ۲۲۰ ملین آبادی کی لباس کی ضرورت کو پورا کرنے کے لیے تیار اور محفوظ کرنے کی ضرورت ہے۔ پولیسٹر فلامنٹ یارن میکشر ویلیو ایڈڈ (value added) ٹیکسٹائل کی برآمدات کے لیے اتنا اہم نہیں ہے کیونکہ دنیا کی صرف ۱۰ فیصد ٹیکسٹائل برآمدات ریشمی دھاگہ پر بمقابلہ ۲۰ فیصد کپاس پر مشتمل ہیں۔ اسلئے موجودہ درآمدی ٹیرف کو برقرار رکھا جانا چاہیے اور ساتھ ہی پی ایف وائی کے تمام اسیٹس کو ڈز (یعنی ۳۳۰۰-۵۴۰۰، ۵۴۰۰-۵۴۰۰، ۵۴۰۰-۵۴۰۰) پر ۵ فیصد ریگولیٹری ڈیوٹی کو بحال کیا جانا چاہیے کیونکہ اس سے ملکی ترقی کی رفتار کو جاری رکھنے میں مدد ملے گی۔ پی ایف وائی انڈسٹری ۱۲۵ ملین امریکی ڈالر کے توسیعی منصوبوں کے ساتھ سال ۲۰۱۷ میں گھریلو صنعتی کھپت کے ۳۳ فیصد حصہ کو بڑھا کر ۲۰۲۶ میں گھریلو صنعتی کھپت کا ۵۷ فیصد حصہ حاصل کرے گی۔ جس سے PFY درآمدات ۱۲۶،۰۰۰ اٹن سے کم ہو کر صرف ۵۶،۰۰۰ اٹن فی سال رہ جائیں گی اور امپورٹ بل بہت کم ہو جائے گا۔ مزید یہ کہ POY پر درآمدی ڈیوٹی کو کم نہیں کیا جانا چاہیے کیونکہ یہ پی ایف وائی پرائیٹی ڈمپنگ ڈیوٹیوں کی تحریف کے مترادف ہے۔ کیونکہ PFY کے درآمدگان، POY کے نام پر DTY درآمد کر سکتے ہیں۔

اینٹی ڈمپنگ انویسٹی گیشن کے دوران این ٹی سی نے گھریلو پی ایف وائی انڈسٹری کے لیے ۲۵ فیصد نقصان کا تعین کیا۔ تاہم، اینٹی ڈمپنگ ڈیوٹیز (جو کم از کم ۱۰ فیصد ہونی چاہئیں)، تین بڑے چینی پروڈیوسروں پر معمولی ۳.۲۵ فیصد سے ۴.۹ فیصد تک عائد کی گئیں۔ این ٹی سی کی طرف سے عائد اینٹی ڈمپنگ ڈیوٹیز بہت کم ہیں جب کے چین کے انہی ڈمپ کرنے والی کمپنیوں پر ترکی نے (\$۲۶۸-۳۵۱\$/ٹن)، انڈیائی (\$۲۵۶-۵۴۷\$/ٹن) اور امریکہ نے (%۳۲-۳۶) ڈیوٹی عائد کی ہے۔

PYMA کا ایک دعویٰ ہے کہ گھریلو PFY انڈسٹری مخصوص یارن تیار نہیں کر رہی ہے۔ یہ سراسر غلط ہے اور گھریلو صنعت کی صلاحیتوں کو گھٹانے کے مترادف ہے۔ این ٹی سی کے مطالعے نے گھریلو صنعت کی مینوفیکچرنگ سہولیات اور پروڈکشن ریکارڈ سے تصدیق کی ہے کہ مقامی پی ایف وائی انڈسٹری جو تیار کر رہی ہے اس میں خصوصی پی ایف وائی کی تمام اقسام اور مختلف اقسام پیدا کرنے کی صلاحیت ہے جس میں رنگین سوت شامل ہے۔ گھریلو PFY کو درآمد کے متبادل کے طور پر فروغ دینے کے مقصد کے ساتھ مزید انفراسٹرکچر کے لیے فنڈس کرنے کے لیے، اس صنعت کو آنے والے سالوں میں مستقل طور پر برقرار رکھنے کے لیے مدد کی ضرورت ہے جس کیلئے ۱۱٪ درآمدی ٹیرف اور ۵٪ ریگولیٹری ڈیوٹی کم از کم اگلے پانچ سال تک عائد کی جائے۔ درآمد شدہ پالیسیٹر فلامنٹ یارن (پی ایف وائی) پر ریگولیٹری ڈیوٹی ۲۰۱۹ میں ختم کر دی گئی اور ۲۰۲۰ میں دوبارہ ۲ فیصد عائد کی گئی، لیکن فنڈس ایکٹ ۲۰۲۱ میں بعد میں ترمیم کے ذریعے اسے مکمل طور پر ختم کر دیا گیا ہے۔ اس سے مقامی مینوفیکچررز کو ڈمپ نرخوں پر درآمد ہونے والے PFY سے مسابقت میں مشکل پیش آرہی ہے۔

معاشی جائزہ

مالی سال ۲۱ کا آغاز پاکستان کی معیشت کے لیے مثبت بحالی سے ہوا، خاص طور پر بڑے پیمانے پر مینوفیکچرنگ، تعمیرات اور خدمات کی صنعتوں میں اضافے سے کئی اشاریوں میں زیادہ تر شعبوں میں سال بہ سال سال مضبوط نمونہ دکھایا گیا ہے۔ مالی سال ۲۱ کی پہلی ششماہی کے دوران بحالی کم تھی۔ مزید برآں، کمیونٹی کی نقل و حرکت میں اضافے کے ساتھ، نجی کھپت مضبوط ہوئی، ترسیلات زر کی سرکاری ذریعہ سے غیر معمولی

اینٹی ڈمپنگ ڈیوٹی (ADD) کی عدم ادائیگی حکومت کے محصولات جمع کرنے اور مقامی پولیٹر فلا منٹ صنعت کو ڈمپنگ سے تحفظ دینے میں ناکامی۔

پولیٹر فلا منٹ دھماگہ کے درآمد کنندگان نے اربوں روپے کی ADD ادائیگی کی۔ عدالت ہائے اعلیٰ سے درآمد کنندگان کی درخواستیں خارج ہونے کے باوجود مسلسل چار سال تک اُن سے ADD وصول نہیں کی گئی اس سے نہ صرف حکومتی محصولات کا نقصان ہوتا ہے بلکہ مقامی PFY صنعت پر کاری ضرب لگتی ہے۔

قومی ٹیرف کمیشن نے ڈمپنگ کی تحقیقات کے بعد یہ دیکھتے ہوئے کہ مقامی PFY بنانے والوں کو ۲۵ فیصد سے زیادہ کی ضرب لگتی ہے چین اور ملائیشیا سے ڈمپ ہونے والے PFY پر ۲۰۱۷ میں ۳.۲۵ فیصد سے ۱۱.۳۵ فیصد (اوسطاً ۷ فیصد) کی شرح سے ADD عائد کی۔ تب ہی سے PFY کے درآمد کنندگان نے ایک معمول بنالیا اور عدالت عالیہ لاہور (راولپنڈی بینچ) سے حکم امتناعی حاصل کیا۔ وہ خارج ہونے کے بعد انہوں نے ویسی ہی درخواست اس حقیقت کے اظہار کے بغیر کہ ایسی درخواست پہلے ہی رد ہو چکی ہے عدالت عالیہ لاہور میں دائر کر دی اور حکم امتناعی حاصل کر لیا، اس انداز میں وہ ایک عدالت عالیہ سے دوسری عدالت عالیہ سے غیر سنجیدہ بنیادوں پر حکم امتناعی حاصل کرتے رہے۔ اس طرح گزشتہ چار سالوں میں درآمد شدہ PFY پر عائد ڈیوٹی ادا کئے بغیر اور بغیر کوئی ضمانتی رقم جمع کروائے اپنی درآمدات کیسر کرواتے رہے ہیں۔

مقامی PFY صنعت کو ڈمپنگ سے تحفظ دینا اور عائد ڈیوٹی کا حصول یا حکم امتناعی کی صورت میں ادائیگی کی ضمانت حاصل کرنا بنیادی طور پر قومی ٹیرف کمیشن کی ذمہ داری ہے۔ اس کمیشن کے پاس حصول حکم امتناعی جو کہ بار بار وہی درآمد کنندگان حاصل کئے ہوئے ہیں کا ریکارڈ موجود ہے مگر NTC مقامی صنعت کو ڈمپنگ کے خطرے سے موثر انداز میں تحفظ فراہم نہ کر سکا جس کے باعث PFY صنعت چار سال کا تحفظ کھو چکی ہے۔ لہذا NTC کیلئے لازم ہے کہ موثر انداز میں عائد ڈیوٹی حاصل کر کے مقامی صنعت کو تحفظ فراہم کرنے کیلئے کوشاں رہے۔

مقامی صنعت نے پہلے ہی وسیع سرمائے سے پیداواری صلاحیت میں توسیع کی ہے اور مزید توسیع کرنا چاہتی ہے۔ یہ صنعت تقریباً ۳۵۰ ملین امریکی ڈالر سالانہ درآمدی متبادل فراہم کرنے کی صلاحیت رکھتی ہے جس سے ملکی زرمبادلہ کی بچت ہوگی اور اُس کے ساتھ براہ راست اور بالواسطہ روزگار فراہم کرے گی۔ مقامی صنعت کے مستقبل میں سرمایہ کاری کے منصوبوں کا دار و مدار NTC کا عائد کردہ ڈیوٹی پر عمل درآمد کرانے اور حکومت کا PFY ریگولیٹری ڈیوٹی بحال کرنے کے اور موجودہ ٹیرف میں رد و بدل نہ کرنے کے اپنے وعدوں کی پاسداری پر ہے۔

پولیٹر اسٹیل فابری (PSF) پر اینٹی ڈمپنگ ڈیوٹی

PSF کی درآمدات سے مقامی صنعت کو پہنچنے والے نقصان کی تحقیقات اور اسے ثابت کر لینے کے بعد NTC نے ۱۲ اکتوبر ۲۰۱۵ سے چین سے درآمد ہونے والے PSF پر ۲.۸۲ فیصد سے ۱۱.۵۱ فیصد کی شرح سے ADD عائد کی۔

اکتوبر ۲۰۲۰ میں PSF پر ڈیوٹی کی میعاد ختم ہونے سے پہلے مقامی بڑے PSF بنانے والوں کی درخواست پر نقصان کا جائزہ شروع کیا کہ آیا کہ اس ڈیوٹی کو جاری رکھا جائے یا ختم کر دیا جائے۔ APTMA اور چینی درآمد کنندگان کے NTC کو اپنا موقف بتانے کی کوشش کی ہے کہ اب حالات پہلے جیسے نہیں ہیں جو PSF پر ADD جاری رکھنے کا جواز ثابت ہو۔ اپنے ابتدائی جائزہ میں NTC نے ان حالات کو رد کیا ہے جو کہ APTMA اور چینی کمپنیوں نے ADD کو ختم کرنے کے لئے NTC کے سامنے پیش کئے تھے۔ اور فیصلہ کیا کہ وہ اپنے جائزاتی کام کو جاری رکھے گی کہ آیا مقامی صنعت کو چینی کمپنیوں کی مصنوعات سے کوئی نقصان پہنچ رہا ہے یا نہیں۔

این ٹی سی نے ۲۶ فروری ۲۰۲۱ کو چینی تاپائی (Taipai)، اندونیشیا اور تھائی لینڈ سے ڈمپ شدہ درآمدات پر ADD عائد کرنے کیلئے تحقیقات شروع کی۔ ۱۲ اگست ۲۰۲۱ کو اپنے ابتدائی جائزہ میں کہا ہے کہ مقامی PSF صنعت ڈمپنگ سے متاثر ہوئی ہے۔ امید ہے کہ حتمی جائزہ میں کمیشن PSF پر اینٹی ڈمپنگ ڈیوٹی عائد کرنے پر غور کرے گا۔

پی ایف وائی اور پی ایس ایف مارکیٹ کی صورت حال۔

پی ایف وائی مارکیٹ کو کئی عوامل کی وجہ سے پچھلے کئی سالوں میں کئی اتار چڑھاؤ کا سامنا کرنا پڑا، بنیادی طور پر ٹیکس کا ڈھانچہ، غیر رجسٹرڈ تاجروں اور خوردہ فروشوں کی رجسٹریشن کے لیے لازمی شرط، ڈمپڈ امپورٹ کے ساتھ سخت مقابلہ اور طلب و رسد میں عدم توازن۔

پی ایس ایف مارکیٹ بھی COVID-19 کے اثرات سے متاثر ہوئی۔ تاہم، رواں سال کی پہلی سہ ماہی سے پی ایس ایف کی مانگ بہتر رہی۔ ۲۰۲۰-۲۱ کی تیسری سہ ماہی کے آغاز میں مارکیٹیں معمول کی رفتار میں واپس آنا شروع ہو گئیں۔ ملک میں روٹی کی قلت کی وجہ سے گھریلو پی ایس ایف اور پی ایف وائی میں اضافہ ہوا اور لاجسٹک مسائل کی وجہ سے ڈمپ شدہ مصنوعات کی درآمد میں کمی آئی۔ جون ۲۰۲۱ تک، ترقی کا رجحان مضبوط رہا اور سبز کی آمدنی میں مالی سال ۲۰۲۰-۲۱ میں پچھلے مالی سال کے مقابلے میں منافع میں بڑا اضافہ ہوا۔ یہ توقع کی جاتی ہے کہ نتائج آنے والے ادوار میں مزید بہتر ہوں گے بشرطیکہ گیس اور بجلی کے موجودہ ٹیرف اور درآمد شدہ PFY پر اینٹی ڈمپنگ ڈیوٹیاں برقرار رکھی جائیں اور کسی بھی شکل میں درآمد کنندگان کی طرف سے ADD کی عدم ادائیگی کی اجازت نہ ہو۔

ممبران کے لئے ڈائریکٹرز کی رپورٹ

کمپنی کے ڈائریکٹران کی جانب سے ہم آپ کو اکتالیسویں (۳۱ ویں) سالانہ اجلاس میں خوش آمدید کہتے ہوئے اور ۳۰ جون ۲۰۲۱ کو ختم ہونے والے مالی سال کے لئے کمپنی کی سالانہ رپورٹ اور پڑتال شدہ حسابات ہمراہ محاسبان کی رپورٹ کے پیش کرتے ہیں۔ مالی سال ۲۰۲۱-۲۰۲۰ کے لئے کمپنی کی مالی جھلکیاں ذیل میں دی گئی ہیں۔

مالیاتی نتائج

--- روپے ہزاروں میں ---

۵۴۶،۰۳۶

(۹۲،۸۲۴)

۲۵۳،۲۱۲

۳۰۳،۳۰ روپے

- قبل از ٹیکس منافع

- ٹیکس

- بعد از ٹیکس منافع

- فی حصہ منافع (بنیادی اور مندی آمیز شدہ)

منافع منقسمہ

آپ کے ڈائریکٹران ۳۰ جون ۲۰۲۱ کو ختم ہونے والے سال کے لئے حتمی منافع منقسمہ بشرح ۵۰ فیصد (۵ روپے فی حصہ ٹیکس اور زرکوۃ کی کنوٹی جہاں قابل اطلاق ہو) آپ کی منظوری کے لئے تجویز کرتے ہیں۔

مجموعی جائزہ

قابل قدر شیئرز ہولڈرز کو یہ دیکھ کر اطمینان ملے گا کہ کمپنی نے مالی سال ۲۰۲۱ کے عبوری اور حتمی مالی نتائج میں نمایاں اضافہ کیا ہے تاہم آمدنی میں نمو کے ساتھ ساتھ خام مال اور توانائی کی قیمتوں میں اضافہ کے باعث فروخت ہونے والے مال کی لاگت میں بھی نمایاں اضافہ ہوا ہے یہ دو بڑے اخراجات قابل فروخت مال کی لاگت کا ۹۰ فیصد سے زیادہ بنتے ہیں۔ بڑی غیر ملکی کرنسیوں کے مقابلے میں پاکستانی روپے کی قدر میں عدم استحکام نے بھی فروخت ہونے والے مال کی لاگت میں اضافہ کیا۔ سال کے دوران توانائی کی مسلسل فراہمی کی مدد سے پیداوار اور آپریشنل کارکردگی بہتر ہوئی۔

مالی سال ۲۰۲۱-۲۰۲۰ کی پہلی ششماہی میں سال ۲۰۱۹-۲۰ کے اختتام پر کوویڈ ۱۹ لاک ڈاؤن کے اثرات کی وجہ سے کاروبار میں سکتاؤ تھا۔ تاہم سال کی دوسری ششماہی سے کاروباری سرگرمیاں معمول پر آگئیں اور مہنی نے اپنے تمام کاروباری شعبوں میں کوویڈ سے پہلے کی سطح تک گاہکوں کی مانگ میں بتدریج بحالی دیکھی۔ زیر نظر سال کے دوران غیر معمولی صورت حال کے باوجود جس میں پوری دنیا COVID-19 کی لپیٹ میں تھی، کمپنی نے خود کو بہتری کی جانب ڈھال لیا اور گاہکوں کے ساتھ بغیر کسی رکاوٹ کے خرید و فروخت کے وعدے جاری رکھے۔

متعدد چیلنجوں کے باوجود پاکستان کی معیشت پائیدار ترقی کی راہ پر گامزن ہے۔ حکومت کی طرف سے اٹھائے گئے مختلف اقدامات کی وجہ سے سال کے دوران کاروباری ترقی میں بہت مدد ملی۔ COVID-19 کی وجہ سے درپیش معاشی عدم توازن نے معیشت کی رفتار کو سست کر دیا۔ حکومت نے کوویڈ کے اثرات سے نمٹنے کے لیے کئی اہم مالیاتی اور مالی اقدامات، سمارٹ لاک ڈاؤن، فی الفور ویکسینیشن وغیرہ متعارف کرائے۔ صنعتی شعبے نے بڑے پیمانے پر قابل ذکر تبدیلی دیکھی ہے کیونکہ حکومت کی طرف سے صنعتی مدد کے اقدام، بجلی اور گیس سبسڈی والے ٹیرف کے ذریعے برآمد پڑتی صنعتوں کو ریلیف دیا گیا ہے۔ اگرچہ مالی سال ۲۰۲۱ کے دوران معیشت نے ایک حوصلہ افزا بحالی کی، لیکن پھر بھی کچھ کمزوریاں ہیں جیسے ڈمپنگ جس نے مقامی صنعتی شعبے کو تباہ کر دیا، خام مال اور دیگر سامان کی قیمتوں میں مسلسل اضافہ، افراط زر، پاک روپے کی قدر میں کمی، utilities کی قیمتیں اور اجرت میں اضافہ جس سے کاروبار پر مالی بوجھ میں اضافہ ہوا۔

مقامی پولی ایسٹر صنعت

ریشمی دھاگہ و یونگ، بنائی، ہوزری صنعت اور پولیسٹر فائبر کی کٹائی کیلئے بنیادی خام مال ہے۔ ان مقامی صنعتوں کو درآمد شدہ PFY اور PSF کو روکنے کیلئے ان پر اینٹی ڈمپنگ ڈیوٹی کی شکل میں تحفظ کی ضرورت ہے بڑھتی ہوئی آبادی کو کپڑا فراہم کرنے کیلئے و یونگ، بنائی اور ہوزری جیسی صنعتوں کی ضرورت ہے اور اگر ہم درآمد شدہ PFY پر انحصار کریں گے تو اس سے قوم کے ڈالر کے ذخائر میں مزید کمی آئے گی۔ درآمد شدہ PFY پر ۲.۵۰ فیصد ریگولیٹری ڈیوٹی اور ایک فیصد اضافی کسٹم ڈیوٹی کا خاتمہ PFY پیداوار کی مقامی صنعت کی توسیع کی حوصلہ شکنی کرتے ہوئے درآمدات کی حوصلہ افزائی کر کے مقامی صنعت کو شدید نقصان پہنچائے گا۔

CERTIFICATE

The company

RUPALI POLYESTER LIMITED
RUPALI HOUSE, 241-242 UPPER MALL SCHEME, ANAND ROAD
54000 LAHORE, PAKISTAN

is granted authorisation according to STANDARD 100 by OEKO-TEX® to use the STANDARD 100 by OEKO-TEX® mark, based on our test report **20210K1865**



2018OK1181 AITEX

Tested for harmful substances
www.oeko-tex.com/standard100



for the following articles:

Raw polyester filament yarn.

The results of the inspection made according to STANDARD 100 by OEKO-TEX®, Annex 6, **product class I** have shown that the above mentioned goods meet the human-ecological requirements of the STANDARD 100 by OEKO-TEX® presently established in Annex 6 for baby articles.

The certified articles fulfil requirements of Annex XVII of REACH (incl. the use of azo colourants, nickel release, etc.), the American requirement regarding total content of lead in children's articles (CPSIA; with the exception of accessories made from glass) and of the Chinese standard GB 18401:2010 (labelling requirements were not verified).

The holder of the certificate, who has issued a conformity declaration according to ISO 17050-1, is under an obligation to use the STANDARD 100 by OEKO-TEX® mark only in conjunction with products that conform with the sample initially tested. The conformity is verified by audits.

The certificate 2018OK1181 is valid until 30.09.2022

Alcoy (Alicante) España, 10.09.2021

Silvia Devesa Valencia
Innovation Assistant Manager



Isabel Soriano Sarrió
Chief of Innovation Area



Notice of Meeting

Notice is hereby given that the Forty First Annual General Meeting of Rupali Polyester Limited ("the Company") will be held at Rupali House, 241-242 Upper Mall Scheme, Anand Road, Lahore on Wednesday, 27 October 2021 at 10:30 a.m. (through Zoom and with compliance of quorum requirement) to transact the following business:

Ordinary Business:

- 1) To confirm the minutes of Fortieth Annual General Meeting of the Company held on 27 October 2020.
- 2) To receive, consider and adopt Annual Audited Financial Statements of the Company together with the Directors and Auditors Reports thereon for the year ended 30 June 2021.
- 3) To approve payment of final cash dividend @ 50% i.e. Rs.5.00 per share for the year ended 30 June 2021 as recommended by the Board of Directors in its 112th meeting held on 21 September 2021.
- 4) To elect eight (8) Directors of the Company as per the number fixed by the Board of Directors of the Company under Section 159(1) of the Companies Act, 2017 for a term of three (3) years commencing from 30 October 2021.

The following are the names of retiring Directors, who are eligible for re-election:

1. Mr. Nooruddin Feerasta
2. Mr. Muhammad Rashid Zahir
3. Mrs. Aymna Feerasta
4. Mr. Shehzad Feerasta
5. Mr. Zeeshan Feerasta
6. Mr. Yaseen M. Sayani
7. Mr. Sultan Ali Rajwany
8. Mr. Abdul Hayee

- 5) To appoint Auditors of the Company and to fix their remuneration. The retiring Auditors M/s. Iqbal Yasir & Company, Chartered Accountants being eligible have offered themselves for reappointment.

Special Business:

- 6) (a) To approve transactions conducted with associated companies (related parties) for the year ended 30 June 2021 by passing with or without modification the following special resolution:

"RESOLVED THAT the following transactions conducted with associated companies (related parties) for the year ended 30 June 2021 be and are hereby ratified, approved and confirmed:

Name	Description of Transaction	Amount in Rs. '000		
		Purchase	Sale	Others
Rupafil Limited	Sale/purchase of goods and services	665,920	71,180	-
Rupali Nylon (Pvt.) Limited.	Purchase of goods and services	2,647	-	-
Spintex Limited	Sale/purchase of goods	3,478	-	-
Soneri Bank Limited	Profit on Bank deposits	-	-	3,420

(b) To authorize Chief Executive Officer of the Company to approve transactions with Related Parties for the year ending 30 June 2022 by passing the following special resolution with or without modification:

"RESOLVED THAT (b) To authorize Chief Executive Officer of the Company to approve transactions with Related Parties for the year ending 30 June 2022 by passing the following special resolution with or without modification:

FURTHER RESOLVED THAT these transactions shall be placed before the shareholders in the next general meeting for their ratification/ approval."

Other Business

- 7) To transact such other ordinary business as may be placed before the meeting with the permission of the Chair.

By order of the Board

Lahore:
21 September 2021

S. Ghulam Shabbir Gilani
Company Secretary

Notes:

1) Share Transfer Books

Share transfer books of the Company will remain closed from 22 October 2021 to 27 October 2021 (both days inclusive). Transfers received at the registered office or Share Registrar M/s. THK Associates (Pvt.) Limited, Plot No. 32-C, Jami Commercial Street 2, D.H.A. Phase VII, Karachi-75500 before close of business on 21 October 2021 will be treated in time for the purpose of above entitlement to the transferees.

2) Election of Directors

2.1 In accordance with Section 159 (1) of the Companies Act, 2017 ("the Act"), the Board of Directors of the Company in its meeting held on 21 September 2021 has fixed the number of Directors to be elected as eight (8) to be elected in the AGM. The retiring Directors are eligible to offer themselves for re-election.

2.2 Any person who seeks to contest the election to the office of a director, whether the retiring director or otherwise, shall file the following documents with the Company Secretary, at the Registered Office of the Company located at Rupali House, 241-242 Upper Mall Scheme, Anand Road, Lahore, not later than 14 days before the date of AGM:

- a. Notice of his / her intention to offer him / herself for the election to the Office of Director in terms of section 159(3) of the Act;
- b. Consent to act as Director in Form-28 under Section 167 of the Act, as prescribed under the Companies (General Provisions and Forms) Regulation, 2018;
- c. A detailed profile along with his/her office address as required under SRO 1196(1)2019 dated 3 October 2019 issued by the Securities and Exchange Commission of Pakistan (SECP);
- d. Declaration in respect of being compliant with the requirement of the Listed Companies (Code of Corporate Governance) Regulations, 2019 and the eligibility criteria, as set out in Section 153 of the Act, to act as director or an independent director of a listed company;
- e. A director must be holding qualification shares of the Company at the time of filing his / her consent to act as director. The aforesaid qualification shall not be applicable for instances mentioned in Section 153(i) of the Act;
- f. Attested copy of valid CNIC and NTN;
- g. Independent directors will be elected through the process of election of directors in terms of Section 159 of the Act and he/she shall meet the criteria laid down in Section 166 of the Act, the Companies (Manner and Selection of Independent Directors) Regulations, 2018 and Guide Book on Corporate Governance and

Frequently Asked Question dated 5 June 2020, accordingly the following additional documents are to be submitted by the candidates intending to contest election of directors as an Independent Director:

- In case of Independent Director, a declaration of independence in terms of requirements of Section 166(2) of the Act read with Regulation 6(3) of the Listed Companies (Code of Corporate Governance) Regulation, 2019;
- Undertaking on non-judicial stamp paper that he / she meets the requirements of sub-regulation (1) of Regulation 4 of the Companies (Manner and Selection of Independent Directors) Regulations, 2018;

Minority shareholders are encouraged to participate to elect director if the criteria as specified in law is met.

The final list of contesting directors will be circulated not later than seven days before the date of said meeting, in term of section 159 (4). Further, the website of the Company will be updated with the required information.

3) Zoom Link

In line with the guidelines of the Securities and Exchange Commission of Pakistan, the Company will convene this AGM through Zoom link while ensuring compliance with the quorum requirements and request to the Members to consolidate their attendance and voting at the AGM through proxies.

The special arrangement for attending the AGM through electronic means will be as under:

- a) AGM will be held through Zoom application.
- b) Shareholders / Proxy holders interested in attending the AGM through Zoom are hereby requested to get themselves registered with the Company Secretary office by sending an e-mail with subject: "Registration for AGM" at info@rupaligroup.com at least 48 hours before the AGM:

Name of Shareholders	CNIC Number	Folio Number/CDC Account No.	Cell Number	Email Address

Members will be registered, after verification as per the above requirement and will be provided a Zoom link by the Company via email provided by them.

The login facility will remain open from 10:00 a.m. till conclusion of the meeting.

The shareholders are also encouraged to send their comments/suggestions, related to the Agenda items of the Annual General Meeting on the above mentioned email address or WhatsApp/SMS on 0323-4123854 or 0300-4799881 by 25 October 2021 before close of business hours (5.00 pm).

4) Proxy Holders

A member entitled to attend and vote at this meeting may appoint another member as his or her proxy to attend and vote. Proxies in order to be effective must be received at the registered office of the Company not less than 48 hours before the time of holding the meeting. Proxy Form attached.

CDC Account Holders

Accountholders / sub-accountholders holding book entry securities of the Company in Central Depository System (CDS) of Central Depository Company of Pakistan Limited (CDC) who wish to attend the Annual General Meeting are requested to please bring their original Computerized National Identity Card (CNIC) or original passport with a photocopy duly attested by their bankers alongwith participant's I.D. number and their account number in CDS for identification purposes.

In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee together with the original proxy form duly filled in must be received at the registered office of the Company not less than 48 hours before the time of holding the meeting. The nominees shall produce their original CNIC or original passport at the time of attending the meeting for identification purpose.

5) Submission of copy of CNIC (Mandatory):

In order to comply with the directives of Securities and Exchange Commission of Pakistan issued from time to time, the shareholders are requested to kindly send photocopy of their CNICs to us immediately at our address "Rupali

House, 241-242 Upper Mall Scheme, Anand Road, Lahore-54000 or our Share Registrar M/s. THK Associates (Pvt.) Limited, Plot No. 32-C, Jami Commercial Street 2, D.H.A. Phase VII, Karachi-75500". The shareholders who have already provided CNIC to us need not re-submit it unless the CNIC is expired. Corporate shareholders are requested to provide their National Tax Numbers (NTN). In case of non submission of copy of CNIC the dividend may be withheld.

6) Circulation of Audited Financial Statements through email

Members are hereby informed that Securities and Exchange Commission of Pakistan vide SRO No. 787(I)/2014 dated 8 September 2014 has allowed companies to circulate Audited Financial Statements along with notice of annual general meeting to their members through email subject to compliance with the conditions outlined in the said Notification. In this regard a written notice may please be sent to us as soon as possible at our following email addresses and for convenience of the members, a standard request form has also been placed on the Company's website.

Company Secretary: shabbir.gilani@rupaligroup.com
THK Associates: aa@thk.com.pk

7) E-Voting

Members can exercise their right of vote under applicable clauses of Companies (Postal Ballot) Regulations, 2018. If required, the Company will facilitate as per the procedure laid down in said Regulations.

8) Transmission of Annual Financial Statements through CD/DVD/USB

SECP through an SRO No.470(I)/2016 dated 31 May 2016 has allowed companies to circulate their annual balance sheet, profit and loss account, auditors' report and directors' report (Annual Report) to the members through CD/DVD/USB at their registered addresses. In view of this the Company has sent its Annual Report to the shareholders in the form of CD. Any Member desiring the copy of Annual Report in printed form may send request on standard request form placed under the Investor Information sections in the website www.rupaligroup.com.

9) Bank Mandate with International Bank Account Number (IBAN) for payment of Cash dividend

Under the provisions of Section 242 of the Companies Act, 2017, Securities & Exchange Commission of Pakistan has directed all listed companies to pay cash dividends only through electronic mode directly into the bank accounts of the shareholders. Therefore, please provide us your Bank Mandate details including International Bank Account Number (IBAN) alongwith a copy of valid CNIC at the earliest, if not already provided to.

1. your respective CDC Participant / CDC Investor Account Services (in case your shareholding is in book entry form) or
2. our Share Registrar, M/s. THK Associates (Pvt.) Limited, Plot No. 32-C, Jami Commercial Street 2, D.H.A. Phase VII, Karachi-75500 (in case your shareholding is in physical form).

10) Withholding tax on dividend income for Non-Filers and payment of cash dividend through electronic mode

The shareholders are hereby informed that pursuant to amendments in Section 150 of the Income Tax Ordinance, 2001 through Finance Act, 2019, Income Tax will be deducted at source @15% for person appearing in ATL and @30.00% for person not appearing in ATL at the time of processing dividend (determined as per "Active Tax Payer List (ATL)" available on Federal Board of Revenue's website) from the dividend amount, if any.

11) Joint Account Holders

In case of joint account, each holder is to be treated individually as either a filer or non-filer and tax will be deducted on the basis of shareholding of each joint holder as may be notified by the shareholder, in writing as follows, to our Share Registrar. In case no such notification is received by us, equal deduction of tax will be made where proportionate holding is not available with us.

Folio/CDC Shareholders	Total Shares	Principal Shareholding		Joint Shareholding	
		Number/CDC Account No.	Shareholding proportion (No. of Shares)	Name & CNIC No.	Shareholding proportion (No. of Shares)

12) Unclaimed dividend and shares

Pursuant to Section 244 of the Act, any shares issued or dividend declared by the Bank, which

remain unclaimed or unpaid for a period of three years from the date it became due and payable shall rest with the Federal Government after compliance of procedures prescribed under the Act. In this respect, we had already initiated the process and concerned shareholders were advised vide our letter dated 28 December 2017 to claim their unclaimed dividend/Shares. However, only few shareholders have claimed their pending entitlements so far.

Shareholders are again advised to approach the Company's Share Registrar to claim their pending dividend/shares at the earliest failing which the Company shall proceed further in terms of requirement of Section 244(2) (a) & (b) of the Act.

13) Consent for the Facility of video-link

Members may participate in the meeting via video-link facility. If the Company receives a demand from members holding an aggregate 10% or more shareholding residing at a geographical location outside Lahore to participate in the meeting through video link at least 7 days prior to the date of meeting, the Company will arrange video link facility in that city.

In this regard, Members who wish to participate through video-link facility, should send a duly signed request as per the following format to the Registered Address of the Company.

I/we _____ of _____ being a member of Rupali Polyester Limited holder of _____ ordinary share(s) as per Registered Folio / CDC Account No. _____ hereby opt for video link facility at _____.

Signature Member

14) Deposit of Physical Shares into CDC Account

The SECP, through its letter No. CSD/ED/Misc./2016-639-640 dated 26 March 2021, has advised all listed companies to adhere to the provision of Section 72 of the Companies Act, 2017 (the "Act"), which requires all companies to replace shares issued in physical form to book-entry form within four years of the promulgation of the Act.

In accordance with the requirement of Section 72 of the Companies Act, 2017 every existing company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the Commission, within a period not exceeding four years from the commencement of this Act. The shareholders having physical shares may open CDC sub-account with any of the broker or investor account directly with CDC to place their physical shares into scrip-less form.

15) Availability of Audited Financial Statements on Company's Website

The audited financial statements of the Company for the year ended 30 June 2021 have been made available on the Company's website www.rupaligroup.com

16) Requirement of Companies (Postal Ballot) Regulations, 2018

Pursuant to Companies (Postal Ballot) Regulations, 2018, for any other agenda items subject to the requirements of Section 143 and 144 of the Companies Act, 2017, members present in person, through Zoom/Video link or by proxy, and having not less than one-tenth of the total voting power can also demand a poll and exercise their right of vote through postal ballot, that is voting by post or through any electronic mode, in accordance with requirements and procedure contained in the aforesaid Regulations.

Shareholders are requested to notify any change in their addresses immediately.

Statement under Section 134 (3) of the Companies Act, 2017

This statement sets out the material facts concerning the special business to be transacted at the Forty First Annual General Meeting of Rupali Polyester Limited to be held on 27 October 2021.

Agenda Item No. 6 (a) – Transactions carried out with associated companies (related parties) during the year ended 30 June 2021 to be approved by way of Special Resolution

The transactions carried out in normal course of business with associated companies (related parties) were being approved by the Board of Directors as recommended by the Audit Committee on quarterly basis pursuant to Section 208 of the Companies Act,

2017, Rule 15, Chapter IV of the Listed Companies (Code of Corporate Governance) Regulations, 2019 and Rule 5.6.6(a) of the PSX Regulations.

However, the majority of Company Directors were interested in these transactions due to their common directorship and holding of shares in the group companies, the quorum of directors could not be formed for approval of these transactions pursuant to Section 207 of the Companies Act, 2017 and, therefore, these transactions have to be approved by the shareholders in General Meeting.

Agenda Item No. 6 (b) – Authorization to Chief Executive Officer for Related Party Transactions to be carried out with associated companies (related parties) during the year ending 30 June 2022 to be approved by way of special resolution

The Company shall be conducting Related Party Transactions with associated companies (related parties) during the year ending 30 June 2022 in the normal course of business. The majority of Directors shall be interested in these transactions due to their common directorship and shareholding in the associated companies. Therefore, these transactions with associated companies (related parties) shall have to be approved by the shareholders.

In order to ensure smooth supply during the year, the shareholders may authorize the Chief Executive Officer to approve transactions with associated companies (related parties) on case to case basis for the year ending 30 June 2022. The summary of commercial reasons, nature and scope of Related Party Transactions are explained in the proposed resolution. However, these transactions shall be placed before the shareholders in the next General Meeting for their approval/ratification.

The Directors are interested in the resolution to be extent of their common directorship and shareholding in the associated companies.

Statement under Section 166 (3) of the Companies Act, 2017

This statement sets out the material facts relating to justification for choosing the appointees for appointment as independent directors.

In compliance with Section 166 (3) of the Companies Act, 2017, consent papers will be accepted from those persons who are in compliance with Section 166 (2) of the Companies Act, 2017.

Statement of Compliance

with the Listed Companies (Code of Corporate Governance) Regulations, 2019

Name of Company - Rupali Polyester Limited
Year Ended - 30 June 2021

The company has complied with the requirements of the Regulations in the following manner:

- The total number of directors are eight (8) as per the following:

- Male: 7
- Female: 1

- The composition of board is as follows:

Category	Names
a) Independent Directors	Mr. Yaseen M. Sayani Mr. Sultan Ali Rajwany
b) Non-Executive Directors	Mr. Muhammad Rashid Zahir Mrs. Aymna Feerasta Mr. Shehzad Feerasta Mr. Zeeshan Feerasta Mr. Abdul Hayee
c) Executive Director	Mr. Nooruddin Feerasta

- The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company;
- The company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures;
- The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company;
- All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board/ shareholders as empowered by the relevant provisions of the Act and these Regulations;
- The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;
- The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;
- The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
- The Board meets the Directors' Training requirements as per the Regulations;
- The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;
- Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;

12. The Board has formed committees comprising of members given below:

a) **Audit Committee:**

1.	Mr. Yaseen M. Sayani	Chairman
2.	Mr. Muhammad Rashid Zahir	Member
3.	Mr. Zeeshan Feerasta	Member

b) **HR and Remuneration Committee:**

1.	Mr. Yaseen M. Sayani	Chairman
2.	Mr. Nooruddin Feerasta	Member
3.	Mr. Zeeshan Feerasta	Member

c) **Nomination Committee (Board will consider)**

d) **Risk Management Committee (Board will consider).**

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;

14. The frequency of meetings (quarterly/half yearly/ yearly) of the committee were as per following:

- a) Audit Committee, quarterly (or more if required to convene)
- b) HR and Remuneration Committee, quarterly (or more if required to convene)

15. The Board has set up an effective internal audit function. The head of audit and other audit staff are suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company;

16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company;

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with;

Explanations:

19. Explanation for non-compliance with requirements, other than regulations 3,6,7,8,27,32,33 and 36 is below:

Regulations	Explanation
6	Determination of number of independent Directors comes to 2.66 (rounded to 2) which is based on Eight Elected Directors. The fraction contrived in one-third number is not rounded up as the two elected independent directors have requisite competencies, skills, knowledge and experience to discharge and execute their duties competently, as per applicable laws and regulations. As they fulfill the necessary requirements as per applicable laws and regulations, hence, appointment of a third independent director is not warranted
9	Elections of directors for next term are being held this year. Board will review during the next term.

For and on behalf of the Board of Directors

Nooruddin Feerasta
Chairman

Shehzad Feerasta
Director

Lahore: 21 September 2021

Independent Auditor's Review Report to the Members of Rupali Polyester Limited

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 ("the Regulations") prepared by the Board of Directors of Rupali Polyester Limited ("the Company") for the year ended June 30, 2021 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2021.

Further, we highlight below instances of non-compliance with the requirement of the Regulations as reflected in the paragraph reference wherein it is stated in the Statement of Compliance:

Paragraph Reference	Description
(i) 6	It is mandatory that each listed company shall have at least two or one third members of the board, whichever is higher, as independent directors.
(ii) 9	The Chairman and the Chief Executive Officer of a company, by whatever name called, shall not be the same person.

Lahore.
Date: September 21, 2021



Iqbal Yasir
Iqbal Yasir & Co.
(Chartered Accountants)

Independent Auditor's Report to the members of Rupali Polyester Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **Rupali Polyester Limited** ("the Company"), which comprise the statement of financial position as at June 30, 2021 and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2021 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key audit matters

Sr. #	Key audit matters	How the matter was addressed in our audit
1.	Revenue Refer to notes 5.23 and 26 to the financial statements. The Company recognized revenue of Rs. 7.55 billion from the sale of goods to customers during the year ended June 30, 2021.	Our audit procedures included the following: - Obtaining an understanding of the process relating to recording of revenue and testing the design, implementation and operating effectiveness of key internal controls;

Sr. #	Key audit matters	How the matter was addressed in our audit
	We identified recognition of revenue as a key audit matter because revenue is one of the key performance indicators of the Company and gives rise to a risk that revenue is recognized without transferring the control.	<ul style="list-style-type: none"> - Assessing the appropriateness of the Company's accounting policies for recording of revenue and compliance of those policies with applicable accounting standards; - Comparing a sample of revenue transactions recorded during the year with sales orders, sales invoices, outward gate passes and other relevant underlying documents; - Comparing, on a sample basis, specific revenue transactions recorded just before and just after the financial year end date to determine whether the revenue had been recognized in the appropriate accounting period; and - Scanning for any manual journal entries relating to revenue recognized during the year which were considered to be material or met other specific risk-based criteria for inspecting underlying documentation.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report for the year ended June 30, 2021 but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 and are in agreement with the books of account and returns;
- investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980) was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

Other Matter

The financial statements of the company for the year ended June 30, 2020 were audited by another firm of Chartered Accountants, M/s Qavi & Co. who expressed unmodified opinion in their report dated September 23, 2020.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Yasir Riaz.

IQBAL YASIR RIAZ

Lahore.

Date: September 21, 2021



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Audited Financial Statements

for the year ended 30 June 2021

Statement of Financial Position

as at 30 June 2021

Rupees in thousand	Note	2021	2020
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	3,089,935	3,082,353
Right of use asset	7	-	-
Investment properties	8	602,000	567,500
Long term security deposits		4,281	4,281
		3,696,216	3,654,134
CURRENT ASSETS			
Stores, spares and loose tools	9	1,025,135	1,264,934
Inventories	10	1,365,309	1,042,770
Trade receivables	11	24	984
Advances, deposits and receivables	12	338,433	275,986
Other financial assets	13	-	143,000
Tax refunds due from government		46,697	72,106
Cash and cash equivalents	14	29,739	310,633
		2,805,337	3,110,413
Total assets		6,501,553	6,764,547
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital		350,000	350,000
35,000,000 Ordinary shares of Rs. 10 each.			
Issued, subscribed and paid up capital	15	340,685	340,685
Capital reserves		71,490	71,490
Revenue reserves		754,640	301,371
Revaluation reserve	16	1,719,056	1,719,056
		2,885,871	2,432,602
NON-CURRENT LIABILITIES			
Deferred tax liabilities	17	250,502	271,509
Borrowings	18	-	94,369
Deferred liability - net staff gratuity	19	181,349	169,000
		431,851	534,878
CURRENT LIABILITIES			
Trade and other payables	20	1,354,397	671,156
Contract liabilities	21	10,829	25,888
Current portion of borrowings	18	94,369	47,185
Payable to related parties	22	583,119	583,119
Short term borrowing	23	1,053,644	2,254,330
Payable to government authority	24	65,824	155,000
Accrued markup on borrowings		19,908	58,634
Unclaimed dividend		1,741	1,755
		3,183,831	3,797,067
CONTINGENCIES AND COMMITMENTS			
	25	-	-
Total liabilities		3,615,682	4,331,945
Total equity and liabilities		6,501,553	6,764,547

The annexed notes from 1 to 46 form an integral part of these financial statements.

Nooruddin Feerasta
Chief Executive Officer

Shehzad Feerasta
Director

Muhammad Ahsan Iqbal
Chief Financial Officer

Statement of Profit or Loss

for the year ended 30 June 2021

Rupees in thousand	Note	2021	2020
Revenue - net	26	7,554,429	5,914,249
Cost of revenue	27	(6,710,396)	(5,520,731)
Gross profit		844,033	393,518
Distribution costs	28	(23,162)	(17,909)
Administrative expenses	29	(159,864)	(164,092)
Other operating expenses	30	(56,690)	(15,364)
		(239,716)	(197,365)
Operating profit		604,317	196,153
Other income	31	80,805	145,615
Finance costs	32	(139,086)	(232,967)
		(58,281)	(87,352)
Profit before tax		546,036	108,801
Taxation	33	(92,824)	(75,291)
Profit after tax		453,212	33,510
		(Rupees)	
Earnings per share - basic and diluted	34	13.30	0.98

The annexed notes from 1 to 46 form an integral part of these financial statements.

Nooruddin Feerasta
Chief Executive Officer

Shehzad Feerasta
Director

Muhammad Ahsan Iqbal
Chief Financial Officer

Statement of other Comprehensive Income

for the year ended 30 June 2021

Rupees in thousand	Note	2021	2020
Profit after taxation		453,212	33,510
Other comprehensive income			
Items that may be subsequently reclassified to profit or loss		-	-
Items that will not be subsequently reclassified to profit or loss		-	-
Remeasurements of retirement benefit obligations	19.3	80	19,524
Deferred tax charge relating to remeasurement of defined benefit obligation		(23)	(5,662)
		57	13,862
Other comprehensive income		57	13,862
Total comprehensive income for the year		453,269	47,372

The annexed notes from 1 to 46 form an integral part of these financial statements.

Nooruddin Feerasta
Chief Executive Officer

Shehzad Feerasta
Director

Muhammad Ahsan Iqbal
Chief Financial Officer

Statement of Cash Flows

for the year ended 30 June 2021

Rupees in thousand	Note	2021	2020
Cash flow from operating activities			
Profit before tax		546,036	108,801
Adjustments for:			
Depreciation	6.4	159,668	174,247
Gain on remeasurement of fair value of investment property	31	(34,500)	(105,000)
Provision for staff retirement benefits	19.2	32,029	38,133
Profit on disposal of fixed assets	31	(1,965)	-
Remission of liabilities	31	-	(449)
Profit / Mark-up on bank deposits and staff loan	31	(3,457)	(4,798)
Workers welfare fund	30	12,777	3,268
Workers profit participation fund	30	33,624	5,898
Finance cost	32	139,086	232,967
		337,262	344,266
Operating profit before working capital changes		883,298	453,067
Effect of working capital changes			
(Increase) / decrease in current assets			
Stores, spares and loose tools		239,799	(391,813)
Inventories		(322,539)	(169,677)
Trade receivables		960	72,378
Advances, deposits and other receivables		(62,447)	(62,604)
		(144,227)	(551,716)
Increase / (decrease) in current liabilities			
Trade and other payables		641,871	(670,888)
Contract liabilities		(15,059)	20,039
Payable to related parties		(89,176)	155,000
		537,636	(495,849)
Cash generated from / (used in) operations		1,276,707	(594,498)
Income taxes paid		(88,445)	(117,374)
Interest income received	31	3,457	4,798
Staff retirement benefits paid	19.2	(19,601)	(15,203)
Finance cost paid		(177,812)	(222,304)
Worker's profit participation fund paid	20.1	(5,031)	(6,673)
		(287,431)	(356,756)
Net cash inflows / (outflows) from operating activities		989,276	(951,254)
Cash flows from investing activities			
Payments for property, plant and equipment		(167,905)	38,912
Loans to related parties		143,000	-
Proceeds from long term deposits		-	115
Proceeds from sale of property, plant and equipment		2,620	-
Net cash (outflows) / inflows from investing activities		(22,285)	39,027
Cash flows from financing activities			
Long-term financing repaid		(47,185)	(47,185)
Payments of lease liabilities	18.2	-	(985)
Dividend paid		(14)	(33,822)
Short-term borrowings obtained		(1,200,686)	1,272,464
Net cash (outflows) / inflows from financing activities		(1,247,885)	1,190,472
Net (decrease) / increase in cash and cash equivalents		(280,894)	278,245
Cash and cash equivalents at the beginning of the year		310,633	32,388
Cash and cash equivalents at end of the year		29,739	310,633

The annexed notes from 1 to 46 form an integral part of these financial statements.

Nooruddin Feerasta
Chief Executive Officer

Shehzad Feerasta
Director

Muhammad Ahsan Iqbal
Chief Financial Officer

Statement of Changes in Equity

for the year ended 30 June 2021

(Rupees '000)

	Issued, subscribed and paid-up capital	Capital Reserves Share premium	Revenue Reserves		Revaluation reserve	Total share capital and reserves
			General reserve	Retained earnings		
Balance as at 01 July 2019	340,685	71,490	1,664,125	(1,376,058)	1,719,056	2,419,298
Profit for the year	-	-	-	33,510	-	33,510
Other comprehensive income for the year	-	-	-	13,862	-	13,862
Dividend for the year ended June 30, 2019	-	-	-	(34,068)	-	(34,068)
Balance as at 30 June 2020	340,685	71,490	1,664,125	(1,362,754)	1,719,056	2,432,602
Balance as at 01 July 2020	340,685	71,490	1,664,125	(1,362,754)	1,719,056	2,432,602
Profit for the year	-	-	-	453,212	-	453,212
Other comprehensive income for the year	-	-	-	57	-	57
Balance as at 30 June 2021	340,685	71,490	1,664,125	(909,485)	1,719,056	2,885,871

The annexed notes from 1 to 46 form an integral part of these financial statements.

Nooruddin Feerasta
Chief Executive Officer

Shehzad Feerasta
Director

Muhammad Ahsan Iqbal
Chief Financial Officer

Notes to the Financial Statements

for the year ended 30 June 2021

1 Status and nature of business

Rupali Polyester Limited (the Company) was incorporated in Pakistan on 24 May 1980 as a Public Limited Company under the repealed Companies Ordinance, 1984 now Companies Act, 2017. The company is principally engaged in manufacture and sale of polyester products. The registered office of the company is located at 241-242 Upper Mall Scheme, Anand Road, Lahore. The manufacturing facility of the company is situated at 30.2 KM Lahore - Sheikhpura Road, Sheikhpura. The regional office is situated at 1st floor, Gul Tower, I.I Chundigar Road, Karachi.

2 Basis of preparation

2.1 Basis of measurement

These financial statements have been prepared under the historical cost convention, except for certain items as disclosed in the relevant accounting policies.

2.2 Statement of compliance

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan and the requirements of Companies Act, 2017. Approved accounting standards comprise of:

International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

Islamic Financial Accounting Standards (IFASs) as issued by the Institute of Chartered Accountants of Pakistan (ICAP); and

Provisions of and directives issued under the Companies Act, 2017.

Wherever, the requirements of the Companies Act, 2017 or directives issued by the Securities and Exchange Commission of Pakistan differs with the requirements of these accounting standards, the requirements of the Companies Act, 2017 or the requirements of the said directives shall prevail.

2.3 Functional and presentational currency

These financial statements have been prepared in Pakistani Rupees (PKR), which is the company's functional and presentational currency.

3 Use of judgments, estimates and assumptions

The preparation of financial statements in conformity with the accounting and reporting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Estimates and judgements are continually evaluated and are based on historic experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. In the process of applying the Company's accounting policies, the management has made the following estimates and judgements which are significant to the financial statements:

- assumptions and estimates used in determining the recoverable amount, residual values and useful lives of property, plant and equipment (Note 6);
- assumptions and estimates used in deriving fair value of freehold land (Note 6);
- assumptions and estimates used in deriving fair value of investment properties (Note 8);
- assumptions and estimates used in determining the provision for slow moving and obsolete stores, spares and loose tools (Note 9);

Notes to the Financial Statements

for the year ended 30 June 2021

- assumptions and estimates used in writing down items of inventories to their net realisable value (Note 10);
- assumptions and estimates used in calculating the provision for impairment for trade receivables (Note 11);
- assumptions and estimates used in calculating the provision for impairment for advances and other deposits (Note 12);
- assumptions and estimates used in calculating the provision for impairment for other financial assets (Note 13);
- assumptions and estimates used for valuation of present value of defined benefit obligation (Note 19);
- assumptions and estimates used in disclosure and assessment of provision for contingencies and commitments (Note 25);
- assumptions and estimates used in determining current income under relevant tax law and the decisions of appellate authorities on certain cases issued in the past (Note 33);

4 Standards, amendments and interpretations

4.1 Standards, amendments and interpretations to published approved accounting standards that are not yet effective

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 01 July 2021:

- Interest Rate Benchmark Reform – Phase 2 which amended IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 is applicable for annual financial periods beginning on or after 1 January 2021, with earlier application permitted. The amendments introduce a practical expedient to account for modifications of financial assets or financial liabilities if a change results directly from IBOR reform and occurs on an 'economically equivalent' basis. In these cases, changes will be accounted for by updating the effective interest rate. A similar practical expedient will apply under IFRS 16 for lessees when accounting for lease modifications required by IBOR reform. The amendments also allow a series of exemptions from the regular, strict rules around hedge accounting for hedging relationships directly affected by the interest rate benchmark reforms. The amendments apply retrospectively with earlier application permitted. Hedging relationships previously discontinued solely because of changes resulting from the reform will be reinstated if certain conditions are met.
- COVID-19-Related Rent Concessions (Amendment to IFRS 16) – the International Accounting Standards Board (the Board) has issued amendments to IFRS 16 (the amendments) to provide practical relief for lessees in accounting for rent concessions. The amendments are effective for periods beginning on or after 1 June 2020, with earlier application permitted. Under the standard's previous requirements, lessees assess whether rent concessions are lease modifications and, if so, apply the specific guidance on accounting for lease modifications. This generally involves remeasuring the lease liability using the revised lease payments and a revised discount rate. In light of the effects of the COVID-19 pandemic, and the fact that many lessees are applying the standard for the first time in their financial statements, the Board has provided an optional practical expedient for lessees. Under the practical expedient, lessees are not required to assess whether eligible rent concessions are lease modifications, and instead are permitted to account for them as if they were not lease modifications.
- The practical expedient introduced in the 2020 amendments only applied to rent concessions for which any reduction in lease payments affected payments originally due on or before 30 June 2021. In light of persistence of economic challenges posed by the COVID-19 pandemic, the Board has extended the practical expedient for COVID-19 related rent concessions by one year i.e. permitting lessees to apply it to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022.

Notes to the Financial Statements

for the year ended 30 June 2021

- Rent concessions are eligible for the practical expedient if they occur as a direct consequence of the COVID-19 pandemic and if all the following criteria are met:
The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
Any reduction in lease payments affects only payments originally due on or before 30 June 2022;
and

There is no substantive change to the other terms and conditions of the lease.

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37) effective for the annual periods beginning on or after 1 January 2022 amends IAS 1 by mainly adding paragraphs which clarify what comprises the cost of fulfilling a contract. Cost of fulfilling a contract is relevant when determining whether a contract is onerous. An entity is required to apply the amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Restatement of comparative information is not required, instead the amendments require an entity to recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16) effective for annual periods beginning on or after 1 January 2022 clarifies that sales proceeds and costs of items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management e.g. when testing etc., are recognized in profit or loss in accordance with applicable Standards. The entity measures the cost of those items applying the measurement requirements of IAS 2. The standard also removes the requirement of deducting the net sales proceeds from cost of testing. An entity shall apply those amendments retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.
- Reference to the Conceptual Framework (Amendments to IFRS 3) - Reference to the Conceptual Framework, issued in May 2020, amended paragraphs 11, 14, 21, 22 and 23 of and added paragraphs 21A, 21B, 21C and 23A to IFRS 3. An entity shall apply those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2022. Earlier application is permitted if at the same time or earlier an entity also applies all the amendments made by Amendments to References to the Conceptual Framework in IFRS Standards, issued in March 2018.

Classification of liabilities as current or non-current (Amendments to IAS 1) amendments apply retrospectively for the annual periods beginning on or after 1 January 2023. These amendments in the standards have been added to further clarify when a liability is classified as current. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity shall apply those amendments retrospectively in accordance with IAS 8.

- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) – the Board has issued amendments on the application of materiality to disclosure of accounting policies and to help companies provide useful accounting policy disclosures. The key amendments to IAS 1 include:

Notes to the Financial Statements

for the year ended 30 June 2021

Requiring companies to disclose their material accounting policies rather than their significant accounting policies;

Clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and

Clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

- The Board also amended IFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 with earlier application permitted.
- Definition of Accounting Estimates (Amendments to IAS 8) – The amendments introduce a new definition for accounting estimates clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty.

The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy. The amendments are effective for periods beginning on or after 1 January 2023, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the company applies the amendments.

- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) – The amendments narrow the scope of the initial recognition exemption (IRE) so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision. For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 with earlier application permitted.
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28). The amendment amends accounting treatment on loss of control of business or assets. The amendments also introduce new accounting for less frequent transaction that involves neither cost nor full step-up of certain retained interests in assets that are not businesses. The effective date for these changes has been deferred indefinitely until the completion of a broader review.
- The above improvements are likely to have no impact on the Company's financial statements.

IFRS 9 – The amendment clarifies that an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf, when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognize a financial liability.

IFRS 16 – The amendment partially amends Illustrative Example 13 accompanying IFRS 16 by excluding the illustration of reimbursement of leasehold improvements by the lessor. The objective of the amendment is to resolve any potential confusion that might arise in lease incentives.

Notes to the Financial Statements

for the year ended 30 June 2021

IAS 41 – The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.

The above improvements are likely to have no impact on the Company's financial statements.

5 Summary of significant accounting policies

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year.

5.1 Property, plant and equipment

Owned assets

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any, except for freehold land, which is stated at revalued amount. Cost includes expenditures directly attributable to the acquisition of an asset.

Depreciation on property, plant and equipment is charged on reducing balance method at the rates stated in Note 6 to these financial statements. Depreciation charge commences from the month in which asset is available for use and no depreciation is charged during the month of disposal.

Residual values and the useful lives are reviewed at each date of statement of financial position and adjusted if expectations differ significantly from previous estimates.

Residual values are determined by the management as the amount it expects it would receive currently for an item of property, plant and equipment if it was already of the age and in the condition expected at the end of its useful life based on the prevailing market prices of similar assets already at the end of their useful lives.

Useful lives are determined by the management based on the expected usage of assets, physical wear and tear, technical and commercial obsolescence, legal and similar limits on the use of the assets and other similar factors.

The carrying values of property, plant and equipment are reviewed at each reporting date for indications that an asset may be impaired and carrying values may not be recovered. If any such indication exists and where the carrying value exceeds the estimated recoverable amount, the asset or cash generating unit is written down to its recoverable amount. The recoverable amount of property, plant and equipment is the greater of fair value less cost to sell and value in use. Impairment losses are charged to statement of profit or loss.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Surplus on revaluation of land is recognised in other comprehensive income and accumulated in revaluation surplus in shareholders' equity, to the extent that increase reverses a decrease previously recognised in the statement of profit or loss, the increase is first recognised in the statement of profit or loss. Decreases that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to the statement of profit or loss.

Normal repairs and maintenance are charged to profit or loss as and when incurred. Major renewals and improvements, if any, are capitalised, when it is probable that future economic benefits will flow to the Company.

Notes to the Financial Statements

for the year ended 30 June 2021

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposals are determined by comparing proceeds with carrying amount of the relevant assets and are recognized in statement of profit or loss.

Capital work in progress

Capital work-in-progress is stated at cost accumulated to the date of statement of financial position less impairment losses, if any. It consists of expenditure incurred, advances made and other directly attributable costs in respect of property, plant and equipment in the course of their construction and installation. Transfers are made to relevant operating fixed assets category as and when assets are available for use.

Capital stores and spares

Stores and spares of capital nature are recognised at cost less impairment losses, if any. Stores, spare parts and stand-by equipments are recognised as capital items when they meet the criteria of property, plant and equipment. Otherwise, such items are classified as stores, spares and loose tools.

Items meeting the criteria of property, plant and equipment include such stores, pares and stand-by equipment that are to be used as a replacement part at some future time and such parts shall be installed and put into use at a later date. Depreciation of such items shall be recognised when installed in plant and machinery. Items removed from plant and machinery shall be recognised at scrap value.

5.2 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation (including property under construction for such purposes), is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value. Gains or losses arising from changes in the fair value of investment property are included in profit or loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

If an item of property, plant and equipment becomes an investment property because its use has changed, any difference between the carrying amount and fair value of this item at the date of transfer is recognised in equity as a revaluation reserve for investment property. However, if fair value gain reverses a previous impairment loss, the gain is recognised in the profit and loss account. Upon the disposal of such investment property, any surplus previously recorded in equity is transferred to retained earnings, the transfer is not made through statement of profit or loss.

If an investment property becomes owner-occupied or stock-in-trade, it is reclassified as property, plant and equipment or stock-in-trade and its fair value at the date of reclassification becomes its cost for accounting purpose for subsequent recording.

5.3 Stores, spares and loose tools

These are valued at lower of cost using Weighted Average Cost method and estimated net realisable value. Provision is made for slow moving and obsolete stores and spares. Items in transit are valued at cost comprising invoice values plus other charges incurred thereon.

Net realisable value specifies the estimated selling price in the ordinary course of business less the estimated cost of completion and cost necessarily to be incurred to make the sale.

Notes to the Financial Statements

for the year ended 30 June 2021

5.4 Stock in trade

All stocks are stated at lower of cost and estimated net realizable value. Cost is determined as follows:

Stock Type	Valuation Method
Raw material	Weighted average basis
Work in process	Estimated manufacturing cost including appropriate overheads
Finished goods	Average manufacturing cost including appropriate overheads
Stock in transit	Cost comprising invoice value plus other expenses paid thereon
	Average manufacturing cost including appropriate overheads
Waste/Scrap	Net realizable value

Cost comprises all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition.

Average manufacturing cost in relation to work in process and finished goods consists of direct material, labour and a proportion of appropriate manufacturing overheads.

Net realisable value is determined on the basis of estimated selling price of the product in the ordinary course of business less estimated costs of completion and the estimated costs necessary to be incurred for its sale.

5.5 Financial instruments

5.5.1 Financial assets

a) Amortised cost

Assets that are held for collection of contractual cash flows where those cash flow represents solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets, impairment losses, foreign exchange gains and losses, and gain or loss arising on derecognition are recognised directly in profit or loss.

b) Fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) Fair value through profit or loss

Assets that do not meet the criteria for amortised cost or fair value through other comprehensive income or assets that are designated at fair value through profit or loss using fair value option, are measured at fair value through profit or loss. A gain or loss on debt investment that is subsequently measured at fair value through profit or loss is recognised in the statement of profit or loss in the period in which it arises.

Equity instrument financial assets are measured at fair value at and subsequent to initial recognition. Changes in fair value of these financial assets are normally recognised in profit or loss. Dividends from such investments continue to be recognised in profit or loss when the Company's right to receive payment is established. Where an election is made to present fair value gains and losses on equity instruments in other comprehensive income there is no subsequent reclassification of fair value gains and losses to the statement of profit or loss following the derecognition of the investment.

Notes to the Financial Statements

for the year ended 30 June 2021

Financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently remeasured to fair value, amortized cost or cost as the case may be. Any gain or loss on the recognition and de-recognition of the financial assets and liabilities is included in the statement of profit or loss for the period in which it arises.

Financial assets are derecognized when the Company loses control of the contractual rights that comprise the financial asset. Assets or liabilities that are not contractual in nature and that are created as a result of statutory requirements imposed by the Government are not the financial instruments of the Company.

5.5.2 Financial liabilities

Financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities at amortised cost are initially measured at fair value less transaction costs. Financial liabilities at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the statement of profit or loss.

Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortised cost using the effective yield method.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender or substantially different terms, or the terms of an existing liability are substantially modified, such an exchange and modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in the statement of profit or loss.

5.5.3 Offsetting of financial assets and liabilities

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position, if the company has a legally enforceable right to offset the recognized amounts and the company intends to settle either on a net basis or realize the asset and settle the liability simultaneously.

5.6 Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets. The Company applies the simplified approach to recognise lifetime expected credit losses for trade debts, due from customers and contract assets.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

The Company recognises in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

5.7 Trade debts

Trade debts are amounts due from customers for sales made during the ordinary course of business. Trade debts and other receivables are recognized initially at invoice value, which approximates fair value, and subsequently measured at amortized cost using the effective interest method less expected credit losses. Bad debt are written off when identified.

5.8 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand, current accounts, deposit accounts and foreign currency accounts.

Notes to the Financial Statements

for the year ended 30 June 2021

5.9 Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any tax effects.

5.10 Earnings per share (EPS)

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the company by weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by adjusting basic EPS with weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares into ordinary shares and post-tax effect of changes in profit or loss attributable to ordinary shareholders of the Company that would result from conversion of all dilutive potential ordinary shares into ordinary shares.

5.11 Trade and other payables

Trade and other payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method. Exchange gains and losses arising on translation in respect of liabilities in foreign currency are added to the carrying amount of the respective liabilities.

5.12 Contract assets and liabilities

Contract liabilities are recognized for consideration received in respect of unsatisfied performance obligations. Similarly, if the Company satisfies a performance obligation before it receives the consideration, the Company recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

5.13 Staff retirement benefits

5.13.1 Defined benefit plan - Gratuity

The Company operates an unapproved unfunded defined benefit gratuity plan for all employees having a service period of more than one year for workers and two years for other employees. Provisions are made in the financial statements to cover obligations on the basis of actuarial valuations carried out on a periodic basis or when there is a significant change. The most recent valuation was carried out as at June 30, 2021 using the "Projected Unit Credit Method".

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the year in which they arise. Past service costs are recognized immediately to profit or loss.

5.13.2 Defined contribution plan - Provident fund

The Company operates an approved provident fund scheme which covers all permanent employees. Equal monthly contributions are made by the Company and employees. Contribution is made by the Company at the rate of 8.33 % of basic salary.

5.14 Compensated absences

The Company accounts for compensated absences in the accounting period in which these are earned.

5.15 Foreign currency transactions and translation

Foreign currency transactions are translated into Pak Rupees using the exchange rates prevailing at the dates of the transactions. All monetary assets and liabilities in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing at the statement of financial position date. Foreign exchange gains and losses on translation are recognised in statement of profit or loss. All non-monetary items are translated into Pak Rupees at exchange rates prevailing on the date of transaction or on the date when fair values are determined.

Notes to the Financial Statements

for the year ended 30 June 2021

5.16 Borrowing costs

Borrowings are recorded at the proceeds received. Financial charges are accounted for on an accrual basis and are disclosed as 'Mark-up Accrued' to the extent of the amount remaining unpaid.

Mark up, interest and other charges on borrowings are capitalized up to the date of commissioning of the respective qualifying asset, acquired out of the proceeds of such borrowings. All other mark-up, interest and other charges are charged to the statement of profit or loss.

5.17 Provisions

Provisions are recognized when the company has a present legal or constructive obligation as a result of past events and, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

5.18 Contingent liabilities

Contingent liability is disclosed when there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or when there is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

5.19 Contingent assets

Contingent assets are disclosed when there is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognised until their realisation become virtually certain.

5.20 Related party transactions and transfer pricing

Transactions and contracts with the related parties are priced at arm's length except for the transactions as disclosed in Note 11, 12, 13, 22, 39 and 40 to these financial statements.

5.21 Taxation

Current:

Provision for current taxation is based on taxable income at the current rates of taxation after taking into account applicable tax credits, rebates and exemptions, if any.

Deferred:

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from difference between the carrying amount of the assets and liabilities in the financial statements and corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

In this regard, the effects on the deferred taxation of the portion of income expected to be subject to final tax regime is adjusted in accordance with the requirement of Accounting Technical Release - 27 of the Institute of Chartered Accountants of Pakistan.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse, based on tax rates that have been enacted or substantively enacted by the statement of financial position date. Deferred tax is charged or credited in the income statement, except where deferred tax arises on the items credited or charged to equity in which case it is included in equity.

Notes to the Financial Statements

for the year ended 30 June 2021

5.22 Borrowings and their costs

Borrowings are recorded at the proceeds received. Borrowing costs are recognized as an expense in the period in which these are incurred except to the extent of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs, if any, are capitalized as part of the cost of that asset.

5.23 Revenue recognition

The company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the company and specific criteria has been met for each of the company's activities as described below:

Revenue from sale of goods is recognised when control of goods is transferred to customers at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods.

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. The Company has a policy of advance sale receipt and where it is not practicable, the normal credit term is 1 to 7 days.

The Company considers whether there are other promises in the contract with customers that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., right of returns, volume rebates or any other rebates). In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, the existence of significant financing components, non cash consideration, and consideration payable to the customer (if any). As a result, only the following transactions are considered relevant or, in any way, affect Company's revenue from customers.

Interest income recognised on a time proportion basis on the principal amount outstanding and at the applicable rate.

Dividend income is recognised when the right to receive dividend is established.

5.24 Proposed dividend and transfer between reserves

Dividend declared and transferred between reserves made subsequent to the reporting date are considered as non-adjusting events and are recognized in the financial statements in the period in which such dividends are declared / transfers made.

Notes to the Financial Statements

as at 30 June 2021

6 Property, plant and equipment

Operating fixed assets
Capital work in progress
Capital stores

3,082,353															Rupees in thousand	
Owned Assets																
Operating fixed assets																
Freehold Land	Factory on freehold land	Buildings	Roads	Plant & machinery	Furniture and fixture	Vehicles	Office equipment	Other assets	Total Assets							
Cost / Revaluation																
Balance as at July 01, 2019 - Cost																
21,172	297,198	259,406	5,545	3,963,222	30,482	48,632	89,751	7,344	4,722,752							
1,425,668	-	-	-	-	-	-	-	-	1,425,668							
Balance as at July 01, 2019 - Revaluation																
1,446,840	297,198	259,406	5,545	3,963,222	30,482	48,632	89,751	7,344	6,148,420							
-	3,852	488	-	-	3,381	2,241	3,831	914	14,707							
Additions during the year																
-	-	-	-	-	-	6,456	-	-	6,456							
Transferred during the year																
-	-	-	-	-	-	-	-	-	-							
Disposals																
-	-	-	-	-	-	-	-	-	-							
Balance as at June 30, 2020																
1,446,840	301,050	259,894	5,545	3,963,222	33,863	57,329	93,582	8,258	6,169,583							
Balance as at July 01, 2020 - Cost																
21,172	301,050	259,894	5,545	3,963,222	33,863	57,329	93,582	8,258	4,743,915							
1,425,668	-	-	-	-	-	-	-	-	1,425,668							
Balance as at July 01, 2020 - Revaluation																
1,446,840	301,050	259,894	5,545	3,963,222	33,863	57,329	93,582	8,258	6,169,583							
-	-	-	-	11,344	26	16,044	2,944	243	30,601							
-	-	-	-	-	-	(2,518)	-	-	(2,518)							
Additions during the year																
-	-	-	-	-	-	-	-	-	-							
Disposals																
-	-	-	-	-	-	-	-	-	-							
Balance as at June 30, 2021																
1,446,840	301,050	259,894	5,545	3,974,566	33,889	70,855	96,526	8,501	6,197,666							
Depreciation																
Balance as at July 01, 2019 - Cost																
-	194,191	108,862	3,676	2,496,440	23,066	26,156	62,680	5,335	2,920,406							
-	-	-	-	-	-	-	-	-	-							
Balance as at July 01, 2019 - Revaluation																
-	194,191	108,862	3,676	2,496,440	23,066	26,156	62,680	5,335	2,920,406							
-	10,493	7,541	93	146,678	904	4,851	2,874	254	173,688							
-	-	-	-	-	-	3,538	-	-	3,538							
Charge for the year																
-	-	-	-	-	-	-	-	-	-							
Transferred during the year																
-	-	-	-	-	-	-	-	-	-							
Depreciation on disposals																
-	-	-	-	-	-	-	-	-	-							
Balance as at June 30, 2020																
-	204,684	116,403	3,769	2,643,118	23,970	34,545	65,554	5,589	3,097,632							
Balance as at July 01, 2020 - Cost																
-	204,684	116,403	3,769	2,643,118	23,970	34,545	65,554	5,589	3,097,632							
-	-	-	-	-	-	-	-	-	-							
Balance as at July 01, 2020 - Revaluation																
-	204,684	116,403	3,769	2,643,118	23,970	34,545	65,554	5,589	3,097,632							
-	9,637	7,175	89	132,542	990	6,070	2,885	280	159,668							
-	-	-	-	-	-	(1,863)	-	-	(1,863)							
Charge for the year																
-	214,321	123,578	3,858	2,775,660	24,960	38,752	68,439	5,869	3,255,437							
0%	10%	5%	5%	10%	10%	20%	10%	10%	10%							
Depreciation on disposals																
-	-	-	-	-	-	-	-	-	-							
Balance as at June 30, 2021																
1,446,840	96,366	143,491	1,776	1,320,104	9,893	22,784	28,028	2,669	3,071,951							
1,446,840	86,729	136,316	1,687	1,198,906	8,929	32,103	28,087	2,632	2,942,229							
Rate of depreciation																
Written down value as at June 30, 2020																
Written down value as at June 30, 2021																

6.2 Capital work in progress

Civil works
Plant and machinery
Vehicles
Office equipment

2021	2020
(Rupees '000)	(Rupees '000)
7,861	1,830
30,552	-
369	-
263	598
39,045	2,428

Notes to the Financial Statements

as at 30 June 2021

6.3 Particulars of immoveable assets the Company are as follows

Location	Address	Usage of property	Total area (sq.ft)
Lahore	241-242 Upper Mall Scheme, Anand Road, Lahore	Head office	54,994
Lahore	Property Number S.42 - R/3/1 Race Course Road, Lahore	Investment property	27,225
Sheikhupura	30.2 KM Lahore - Sheikhupura Road	Production plant	5,249,524
Karachi	1st floor, Gul Tower, I.I Chundrigar Road, Karachi	Regional office	2,439

(Rupees in thousand)

2021

2020

6.4 Depreciation for the year has been allocated as under:

Cost of revenue	142,548	157,518
Distribution costs	856	808
Administrative expenses	16,264	15,362
	159,668	173,688

6.5 The fair value of the Company's land is determined periodically by an independent professionally qualified valuer. The latest revaluation exercise was carried out in financial year 2017 by M/s Hamid Mukhtar & Co. (Pvt.) Limited, who is independent valuer and is not related to the Company. The valuer has appropriate experience in fair value measurement of properties in the relevant locations. The fair value of the land was determined based on the market comparable approach that reflects recent transaction prices for similar properties. The fair valuation is considered to represent a level 2 valuation, in accordance with IFRS – 13 based on observable inputs being the location and condition of the assets. The fair market value of the plot was Rs. 1.5 million per kanal at that date with forced sale value of Rs.1.20 million per kanal, amounting to Rs. 1,446.840 million and Rs. 1,157.472 million respectively.

6.6 Had there been no revaluation, the cost, accumulated impairment and book value of revalued assets as at June 30, 2021 would have been as under:

(Rupees in thousand)

Cost Impairment Book Value

Freehold land	21,172	-	21,172
Balance as at June 30, 2021	21,172	-	21,172
Balance as at June 30, 2020	21,172	-	21,172

6.7 The plant and machinery is subject to 1st charge amounting to Rs: 667 million (2020: Rs. 667 million) on account of long term loan from MCB Bank Limited and certain guarantees issued by bank on behalf of the Company.

6.8 The land on which the company's building for head office has been constructed is in the name of close relative of directors of the company. The land has been provided to the company for a period of 30 years ending on April 2034. No monthly rentals are charged against the said land.

Notes to the Financial Statements

as at 30 June 2021

7 Right of use assets

	Vehicles	Total
	Rupees in thousand	
Cost		
Balance as at July 01, 2019	6,456	6,456
Additions during the year	-	-
Transferred to owned assets	(6,456)	(6,456)
Balance as at June 30, 2020	-	-
Balance as at July 01, 2020	-	-
Transferred to owned assets	-	-
Additions during the year	-	-
Balance as at June 30, 2021	-	-
Depreciation		
Balance as at July 01, 2019	2,979	2,979
Charge for the year	559	559
Transferred to owned assets	(3,538)	(3,538)
Balance as at June 30, 2020	-	-
Balance as at July 01, 2020	-	-
Charge for the year	-	-
Transferred to owned assets	-	-
Balance as at June 30, 2021	-	-
Carrying value as at June 30, 2020	-	-
Carrying value as at June 30, 2021	-	-

7.1 The company had several leased assets under the head Vehicles during the year ended June 30, 2020 having an average lease term of 5 years.

7.2 The company had availed option to purchase vehicles for a nominal amount at the end of the lease term. These assets have accordingly been transferred to property, plant and equipment and are now classified as vehicles.

Rupees in thousand	Note	2021	2020
7.3 Amounts recognized in profit and loss			
Depreciation expense on right-of-use assets	7.4	-	559
Interest expense on lease liabilities		-	53
		-	612
7.4 Depreciation expense on right-of-use assets			
Distribution costs		-	28
Administrative expenses		-	531
		-	559

7.5 The total cash outflow for leases amount to Rs. Nil (2020: Rs. 1.04 million).

Notes to the Financial Statements

as at 30 June 2021

8 Investment property

Opening balance		567,500	462,500
Fair value gain on investment property	8.1	34,500	105,000
		602,000	567,500

8.1 This represents freehold land, owned by Company and held for capital appreciation. The fair value of investment property was determined as at 30 June 2021 by M/S Masood Associates (Pvt.) Limited, an independent valuer having relevant professional qualifications. The fair value was determined on the basis of professional assessment of the price that would be received to sell the property in an orderly transaction between market participants at the measurement date. The valuation model of land is based on price per kanal. In determining the valuation, the valuer refers to numerous independent market inquiries from local estate agents / retailers in the vicinity to establish the present market value. The capitalization rate adopted is made by reference to the yield rates observed by the valuers for similar properties in the locality and adjusted based on the valuers' knowledge of the factors specific to the respective properties. The fair valuation is considered to represent a level 2 valuation, in accordance with IFRS - 13, based on observable inputs being the location and condition of the assets. The fair value gain, during the year, has been recognised in statement of profit or loss in accordance with fair value model of IAS - 40.

8.2 MCB Bank Limited has registered 1st hypothecation charge by way of equitable mortgage over this investment property amounting to collateral value of Rs: 300 million (2020: Rs. 300 million), on account of long term loan obtained by the Company and certain guarantees issued by bank on behalf of the Company.

Rupees in thousand	Note	2021	2020
9 Stores, spares and loose tools			
Stores		132,353	112,336
Spares		886,202	1,146,058
Loose tools		6,580	6,540
		1,025,135	1,264,934
10 Inventories			
Raw materials		383,641	775,229
Stock in transit		14,603	4,980
Work in progress		43,221	41,172
Finished goods – at cost		923,298	140,293
Finished goods – at net realizable value	10.1	546	81,096
		1,365,309	1,042,770
10.1 Finished goods – at net realizable value			
Cost		2,445	86,007
Written down during the year		(1,899)	(4,911)
		546	81,096
11 Trade receivables			
Trade receivables - unsecured, considered good			
Due from associated undertakings	11.1	-	967
Due from other parties		24	17
		24	984

Notes to the Financial Statements

as at 30 June 2021

- 11.1** This represents an amount due from Rupafil Limited, an associated Company by virtue of Common Directorship. The maximum aggregate amount outstanding at any time during the year calculated by reference to month-end balances amounts to Rs: 103.726 million (2020: 103.826 million). None of this balance is considered as impaired and neither any of the receivable from Rupafil Limited has been written off nor considered doubtful.

(Rupees in thousand)	2021	2020
11.2 Ageing of trade receivables		
Due from associated undertakings		
Not overdue	-	-
Past due less than 30 days	-	967
Past due less than 60 days	-	-
Past due less than 90 days	-	-
Past due less than 365 days	-	-
Past due over 365 days	-	-
	-	967
Due from other parties		
Not overdue	-	-
Past due less than 30 days	24	17
Past due less than 60 days	-	-
Past due less than 90 days	-	-
Past due less than 365 days	-	-
Past due over 365 days	-	-
	24	17

- 11.3** The Company has applied a simplified approach in determining expected credit loss and has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the trade receivables and the economic environment. The Company has no historical credit loss experience. Therefore, no allowance for expected credit loss has been recognised in these financial statements in respect of trade receivables from contract with customers.

(Rupees in thousand)	Note	2021	2020
12 Advances, deposits and prepayments			
Advances to employees			
- against salary	12.1	258	866
- against expenses		145	182
Advances to suppliers		12,883	13,949
Advances to related parties	12.2	62,482	42,010
Sales tax refundable	12.3	239,985	197,388
Other receivables	12.4	22,680	21,591
		338,433	275,986

Notes to the Financial Statements

as at 30 June 2021

12.1 Loans have been granted under staff loan policy, as temporary financial assistance, to staff. These are secured against the gratuity payable to employees and are recoverable in 12 equal monthly installments. Therefore, all of the amount is recoverable within 1 year as of reporting date. These loans carry mark-up at the rate of 14.00% (2020: 14.00%) per annum. The maximum aggregate amount of loans and advances due from non-executives at the end of any month during the year was Rs. 2.123 million (2020: Rs. 2.123 million). The chief executive officer and directors have not taken any loan or advance from the Company.

12.2 This represents receivable in respect of advance for purchases and expenses incurred on behalf of related party and associated companies. The amount is unsecured and is repayable in the ordinary course of business. The detail of balances is as follows:

(Rupees in thousand)	2021	2020
Spintex Limited - related party	41,886	41,908
Rupafil Limited - associated company	20,565	71
Rupafil PowerGen (Pvt.) Limited - associated company	31	31
	62,482	42,010

12.3 This represents an amount due from Federal Board of Revenue (FBR) on account of sales tax refundable. During the year, an amount of Rs: Nil (2020: Rs. 70.679 million) has been refunded to the Company.

12.4 This mainly include amounts receivable from Federal Board of Revenue (FBR) and Sui Northern Gas Pipeline Limited (SNGPL). The Company believes that the relevant inflow of benefit is virtually certain. Therefore, no expected credit loss has been recognised in respect of these receivables.

(Rupees in thousand)	Note	2021	2020
13 Other financial assets			
Loans to related parties	13.1	-	143,000
		-	143,000

13.1 During the year ended June 30, 2020, the Company signed a memorandum of Understanding (MoU) with Spintex Limited, a related party, for purchase of machinery spare parts. Under the terms of MoU, the Company has to make an advance payment of Rs: 170 million and the transaction shall be completed with-in a span of 12 months from date of signing of MoU. The amount is unsecured and maximum aggregate amount outstanding at any time during the year calculated by reference to month-end balances amounts to Rs: 143 million (2020: 143 million). The whole amount has been refunded by Spintex Limited during 2021 with MOU stood rescinded.

(Rupees in thousand)	Note	2021	2020
14 Cash and cash equivalents			
Cash in hand			
- local currency		47	77
- foreign currency		28	26
		75	103
Balances with banks in:			
- current accounts		1,556	185
- deposit accounts	14.1	28,079	310,315
- foreign currency accounts	14.2	29	30
		29,664	310,530
		29,739	310,633

Notes to the Financial Statements

as at 30 June 2021

14.1 These, during the year, carry mark-up ranging from 5.5% to 7.25% per annum. (2020 : 6.53% to 11.25%) .

14.2 This represents a foreign currency balance of FCU 181.12 translated @ Rs. 158 (2020 : FCU 181.12 translated @ Rs. 164) per FCU.

		Note	2021	2020	2021	2020
			Number of shares in 000s		Rupees in thousand	
15 Issued, subscribed and paid up capital						
Ordinary shares of Rs. 10 each.						
- Fully paid in cash	15.1		9,691	9,691	96,909	96,909
- Fully paid other than cash			19,934	19,934	199,339	199,339
- Allotted as bonus share			4,444	4,444	44,437	44,437
			34.069	34.069	340.685	340.685

15.1 Fully paid other than cash

Share issued against non-repatriable investment	19,934	19,934	199,339	199,339
	19,934	19,934	199,339	199,339

15.2 Shares held by related parties of the Company

	2021	2020
	Number of shares	
Mr. Nooruddin Feerasta	500	500
Mr. Muhammad Rashid Zahir	500	500
Mrs. Amyna Feerasta	500	500
Mr. Yaseen M. Sayani	939,833	939,833
Mr. Sultan Ali Rajwany	21,345	21,345
Mr. Shehzad Feerasta	490	490
Mr. Zeeshan Feerasta	10	10
Mr. Abdul Hayee	1,150	1,150
Feerasta Senior Trust	17,859,290	17,859,290
	18,823,618	18,823,618

(Rupees in thousand)	Note	2021	2020
16 Revaluation reserve			
Surplus on revaluation of land	16.1	1,719,056	1,719,056
		1,719,056	1,719,056

16.1 During the year ended 30 June 2017, the Company carried out revaluation of its freehold land which represents an area measuring nine hundred and sixty four kanals situated at Sheikhpura Road, Lahore. This surplus includes Rs: 293.39 million that relate to revaluation of a land, which was subsequently classified as Investment Property in 2015. The remaining surplus of Rs. 1,425.69 million relate to freehold land included in Property, plant and equipment.

Notes to the Financial Statements

as at 30 June 2021

16.2 The revaluation surplus on freehold land is a capital reserve and is not available for distribution to shareholders of the Company, in accordance with section 241 of the Companies Act, 2017.

(Rupees in thousand)	Note	2021	2020
17 Deferred tax liabilities			
Movement of deferred tax			
Opening balance		271,509	279,723
Charged / (credited)			
- to profit or loss		(21,030)	(13,876)
- to other comprehensive income		23	5,662
		(21,007)	(8,214)
		250,502	271,509
17.1 Deferred tax comprises temporary differences attributable to:			
Taxable temporary difference			
Property, plant and equipment		863,801	916,714
Deferred liability - net staff gratuity		-	19,524
		863,801	936,238
Deductible temporary difference			
Deferred liability - net staff gratuity		(181,349)	(169,000)
Worker's profit participation fund		(38,396)	(9,803)
Unused tax losses and unused tax depreciation		(436,434)	(805,433)
		(656,179)	(984,236)
Net taxable/(deductible) temporary differences		207,622	(47,998)
Deferred tax liability/ (asset) @ 29%		60,210	(13,919)
Less: Un-used tax credit		(254,549)	(229,131)
Add: Unrecognised unused tax credit		254,549	229,131
Add: Unrecognised deferred tax on deductible temporary differences		190,292	285,428
Net deferred tax liability		250,502	271,509

17.2 Deferred tax asset amounted to Rs. 444.84 million (2020: Rs. 514.56 million) on unused tax credit and deductible temporary differences has not been recognized in the these financial statements as the income tax assessment of the company is mainly finalized under minimum tax regime in accordance with the provisions of Income Tax Ordinance, 2001. Accordingly, the timing difference between accounting profits and taxable income are unlikely to be reversible in the foreseeable future.

(Rupees in thousand)	Note	2021	2020
18 Borrowings			
Secured			
Loan from banking companies	18.1	94,369	94,369
Lease liabilities	18.2	-	-
		94,369	94,369
Current borrowings		94,369	47,185
Non current borrowings		-	94,369
		94,369	141,554

18.1 The Company had obtained a term finance facility 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 plant and machinery and land aggregating to Rs. 667 million. It carries a mark-up

Notes to the Financial Statements

as at 30 June 2021

at a rate of 6 month KIBOR + 0.5% to be reset on biannual basis. The facility was approved in May 2014 with a grace period of two years. As at reporting date, the Company has paid 7 installments out of total 10 installments. The total tenure of the facility was 7 years with maturity date of 26 May 2021 but this has been extended for 1 year due to COVID - 19 pandemic. Accordingly, two biannual instalments, amounting to Rs: 47.185 million each, are outstanding as at reporting date, ending on May 2022. Markup is payable on quarterly basis in arrears.

(Rupees in thousand)	Note	2021	2020
18.2 Lease liabilities			
Opening balance		-	985
Interest expense for the year		-	53
Less: payments made during the year		-	(1,038)
Closing balance		-	-
Current liabilities		-	-
Non current liabilities		-	-
		-	-

- This represents lease finance facility obtained from NIB Bank for a term of five years. As at June 30, 2020 all outstanding instalments have been paid by the company. Future minimum lease payments were discounted at an implicit interest rates ranging from of 7.40% to 7.48 % per annum to arrive at their present values. Rentals were payable in advance in monthly instalments. Taxes, repairs, replacements and insurance costs were borne by the Company. The lease contained a bargain purchase option exercisable at the end of lease the Company has exercised this option at maturity in 2020.

(Rupees in thousand)	Note	2021	2020
19 Deferred liability - net staff gratuity			
Present value of defined benefit obligation	19.1	181,349	169,000
		181,349	169,000
19.1 Present value of defined benefit obligation			
The movement in defined benefit obligation is as follows:			
Present value of defined benefit obligation at beginning		169,000	165,594
Current service cost		18,497	18,384
Interest cost		13,532	19,749
Benefits paid		(19,600)	(15,203)
Remeasurement (gain)/loss on defined benefit obligation		(80)	(19,524)
		181,349	169,000
19.2 Amount recognised in profit or loss			
Current service cost		18,497	18,384
Interest cost		13,532	19,749
		32,029	38,133
19.3 Amount recognised in other comprehensive income			
Remeasurement (gain)/loss on defined benefit obligation		(80)	(19,524)
		(80)	(19,524)

Notes to the Financial Statements

as at 30 June 2021

(Rupees in thousand)	2021	2020
19.4 Principal actuarial assumptions used in the actuarial valuations		
Financial assumptions		
Discount rate	10%	8.5%
Expected rate of increase in salary	9%	7.5%
Demographic Assumptions		
Mortality rate	SLIC (2001-05)	SLIC (2001-05)
Retirement assumptions	Age 60	Age 60
19.5 Sensitivity analysis		
Change in discount rate	170,650	193,669
Change in salary increase	193,669	170,465

(Rupees in thousand)	Note	2021	2020
20 Trade and other payables			
Trade payables		1,147,267	124,663
Accrued liabilities		111,072	416,285
Sales tax payable		24,697	22,427
Withholding tax payables		495	656
Retention money		957	1,491
Provident fund payable		312	279
Workers' profit participation fund	20.1	45,904	17,311
Workers' welfare fund	20.2	15,376	4,732
Other payables		8,317	83,312
		1,354,397	671,156
20.1 Workers' profit participation fund			
Balance at the beginning of the year	20.1.1	17,311	18,086
Add: Allocation for the year		33,624	5,898
Less: Amount paid		(5,031)	(6,673)
Balance at the end of the year		45,904	17,311

20.1.1 The Company has not charged interest on the opening balance as the management is of the view that balance payable has not been claimed by the workers.

(Rupees in thousand)	Note	2021	2020
20.2 Workers' welfare fund			
Balance at the beginning of the year		4,732	1,465
Add: Charge for the year		12,777	3,268
Less: Amount paid		(2,133)	-
Balance at the end of the year		15,376	4,732
21 Contract liabilities			
Advances from customers		10,829	25,888
		10,829	25,888

Notes to the Financial Statements

for the year ended 30 June 2021

(Rupees in thousand)	Note	2021	2020
22 Payable to related parties			
Payable to associated concern	22.1	583,119	583,119
		583,119	583,119

22.1 The Company availed interest free and unsecured loan, to meet working capital requirements of the Company, from Alnu Trust holding 26.17% (2020: 26.17%) of the total share capital of the Company. During the year, Rs. nil (2020: Rs. 294.161 million) has been obtained from trust and Rs. nil (2020: Rs. 75.00 million) has been repaid. Maximum amount utilised during the year ended 30 June 2021 amounted to Rs. 583.119 million (2020: Rs. 583.119 million). The loan is repayable on demand by the trust.

(Rupees in thousand)	Note	2021	2020
23 Short term borrowing			
Running finances from banks	23.1 & 23.2	1,053,644	1,402,881
Deferred payments of running finances from banks	23.3	-	851,449
		1,053,644	2,254,330

23.1 The aggregate finance facilities available from various commercial banks amounted to Rs. 1,681.242 million (2020: Rs. 1,681.242 million). These carry mark-up at the rates ranging from 7.65% to 8.59% (2020: 8.68% to 15.36%) p.a. and are secured against hypothecation charge on current assets of Rs. 2,089.265 million (2020: Rs. 2,089.265 million) and promissory notes of Rs. 1,475.149 million (2020: Rs. 1,798.729 million) respectively. Maximum amount utilised during the year ended 30 June 2020 amounted to Rs.1,661.527 million (2020: Rs. 1,560.901 million). Mark-up is payable on quarterly basis in arrears.

23.2 The facilities for opening letter of credit from various commercial banks as at 30 June 2021 aggregates to Rs. 2,150 million (2020: Rs. 2,150 million) of which the amount remained unutilised at the year-end was Rs. 921.306 million (2020: Rs. 1,038.121 million).

23.3 This represents deferred Mark-up payments and deferred letter of credit payments outstanding towards various commercial banks and transferred to short-term borrowings. These were deferred in pursuance to COVID - 19 pandemic and were payable within a span of 1 year from reporting date. The terms and conditions in respect of markup and security were same as disclosed in note 22.1. All such deferred payments have been cleared during current year.

(Rupees in thousand)	Note	2021	2020
24 Payable to government authority			
Gas Infrastructure Development Cess (GIDC)	25.2(e)	65,824	155,000
		65,824	155,000

25 Contingencies and commitments

Contingencies

25.1 Notice from taxation authorities

(a) The Company received notice under section 177(6) of Income Tax Ordinance, 2001. The Company has duly complied with the requirements and has not received any further notice nor yet received any order in this respect. The matter is pending and the management strongly believes that this will have no impact on the cash flows of the Company.

(b) The Company has received certain notice under Rule 44(4) of Income Tax Rules' 2002 for tax year 2015, 2016 and 2017. These notice required the Company to furnish a reconciliation of the amount of payments made during the year and tax withheld thereon. The Company has duly submitted the required documents and has not received any further notice or order, as at reporting date. The management strongly believes that this would have no impact on operations and cash flows of the Company.

Notes to the Financial Statements

for the year ended 30 June 2021

Tax Year 2015 - Case is remanded back by Commissioner Appeals. No demand in field till date.
 Tax Year 2016 - Information is submitted. No Final Order is passed by FBR
 Tax Year 2017 - Information is submitted. No final order is passed by FBR
 The management strongly believes that this would have no impact on operations and cash flows of the Company.”

- (c) The Company has received notice under Section 161(1A) of Income Tax Ordinance for tax year 2014. The Company has duly submitted a reply with the grounds that such tax charge is not applicable to the Company and no final order has been passed by FBR yet. The management strongly believes that this would have no impact on operations and cash flows of the Company.

25.2 Pending litigations

- (a) The Additional Collector Sales Tax passed order in original no. 04/2000 dated 31.08.2000 wherein he charged the sales tax on supplies to associated undertakings Rs. 484,279, input on diesel consumed in production of electricity Rs. 1,790,250 and Output tax on waste and scrap Rs. 839,014 (Total Rs. 3,113,543). The above case came before Lahore High Court and the Honourable Court dismissed the appeal of the Company vide order dated 06.10.2020 on technical grounds without addressing the merits of the case. Against said order, the Company has filed CPLA before Supreme Court of Pakistan the proceedings of which are still pending as at the date of statement of financial position.
- (b) The supplies made by the Company to its customers of Azad Jammu and Kashmir (AJ&K), during the period from November, 1997 to June, 1998, were treated as exports being zero rated u/s-4 of the Sales Tax Act, 1990. However, the Deputy Collector (Refund) vide his order in original no. 32/2001 dated 27.06.2001 adjudged that as the appellant has not followed the procedure described u/s-131 of the Custom Act, 1969 so the supplies made to AJ&K from Pakistan cannot be treated as exports being zero rated u/s-4 ibid. The amount of impugned sales tax demand is Rs. 19,404,249/- which was already deposited by the Company vide challans dated 15.06.1998 & 29.06.1998. The proceedings of the said case are still pending in Appellate Tribunal Inland Revenue (ATIR), Lahore as at the date of statement of financial position.
- (c) The Company has filed writ petition No. 6786/2010/ICA No. 1 of 2017, CPLA No. 11/2019 before the Hon'ble Lahore High Court, Lahore on 05th April, 2010 against selection of case for audit under section 177 of the income tax ordinance, 2001 for tax year 2009. The writ petition was decided by the Hon'ble Lahore High Court vide order dated 27th May, 2015. The Hon'ble Court held that the notices are validly issued. However, the concerned Commissioners were directed to disclose and communicate reasons for selection of audit to the taxpayers in writing, provide them an opportunity of hearing, decide the objections through reasoned order and thereafter proceed further (if any) justly, fairly and strictly in accordance with law. Against this order ICA No. 1 of 2017 was filed on 24th December, 2016 which has been dismissed by the Hon'ble Court vide order dated 11th April, 2019. Against the said order the Hon'ble Lahore High Court, Lahore CPLA NO. 11/2019 has been filed before the Apex supreme Court of Pakistan which has granted leave and CPLA is converted in CP, against which hearing is awaited. No Tax Liability / demand is involved in this case. Its matter of selection of audit which has been challenged alongwith several other taxpayers. The management and legal advisor of the Company is of the view that this will have no effect on cash flows of the Company. Leave to Appeal has been granted by the Supreme Court in the above case and CPLA is converted in CP, against which hearing is awaited as at the date of statement of financial position. No Tax Liability / demand is involved in this case. Its matter of selection of audit which has been challenged alongwith several other taxpayers.
- (d) Certain Ex-Employees of the Company have filed cases with in authority under Payment of Wages Act, 1936. This collectively amounts to Rs. 3.258 million (2020: Rs. 2.507 million. The legal advisor is of the view that the Company will have no liability in this respect.

Notes to the Financial Statements

for the year ended 30 June 2021

- (e) During the year, Gas Infrastructure Development Cess (Amendment) Ordinance 2019 was promulgated, however, the same was subsequently recalled by the government with request to the Supreme Court of Pakistan (SCP) for settlement of the matter judicially. The decision to be made by the SCP would impact all pending appeals in various High Courts, therefore, it invited intervener applications to join the proceedings. Subsequent to reporting date, the SCP has decided the case in favour of government on August 13, 2020. Accordingly, the Company made provision of Rs: 155 million in financial statements for the year ended June 30, 2020. The Company however filed a writ petition no. 42283 of 2020 in the Lahore High Court against the levy of GIDC and the Honourable Lahore High Court vide its order dated 15 September 2020 issued stay order as the management is of the view and under proviso to section 8(2) of the GIDC Act, 2015 it was not liable to pay the cess since it has not collected nor passed on the same to its customers. Finally The Lahore High Court vide its order dated 17 June 2021 has decided the petitions in favour of Rupali against the arrears of GIDC prior to 2015. The court declared the recovery of the Cess in question before the year 2015 as illegal. The Court further directed SNGPL to generate new bills and shall be paid by the petitioners who shall discharge from liability for the use of gas. It is made clear that the Cess shall not form part of the SNGPL gas bills. Resultantly the aforementioned liability of Rs. 155 million has been reduced by Rs. 35.965 million being the amount of GIDC belonging to period prior to 2015. The company has made 10 monthly payments of Rs. 4,959,786 each to SNGPL till June 30, 2021.
- (f) A Goods Declaration of Import was claimed repeatedly due to duplication of data by customs authorities. The Deputy Commissioner, Large Taxpayers Office, Lahore, charged 100% penalty and default surcharge u/s-33 and 34 of the Sales Tax Act, 1990 vide his order no. ST-02/2020 dated 03.12.2020. The total amount of penalty and default surcharge as charged in the order was Rs. 1,823,542/- The said order was challenged before Commissioner Inland Revenue Appeals, Lahore who vide his order no. 20/A dated 25.06.2021 deleted the demand of penalty to the extent of 95% of the total demand. However rest of the penalty of 5% alongwith default surcharge was upheld by the first appellate authority. Being aggrieved, the Company has filed an appeal on 16.07.2021 before ATIR which is pending as at the date of statement of financial position.
- (g) The Company was selected for audit for the Tax year 2006 wherein certain additions were made along with default of taxes which were impugned before the appellate forums provided under law. The impugned demand of tax payable, adjudged up to the level of The Appellate Tribunal Inland Revenue (ATIR), was forcefully adjusted by FBR from Refund Payment Order no. 24453/2011 dated 09.04.2011 related to tax period June, 2010. However, the appeals before all available forums were filed by the Company till the case is finally decided by Supreme Court vide order against Civil Petition No. 1422-L of 2017 wherein the Apex Court accepted the appeal of the Company except the points regarding addition on account of provision for Gratuity u/s-21(e) and Withholding tax default on supply of local Store Items to sister concerns The amount of tax involved in above points is Rs. 9,644,870/- Review petition against above points is filed before the Apex Court in May, 2021. As at the date of statement of financial position, the hearing of review petition is still pending before Supreme Court of Pakistan.
- (h) The Additional Commissioner made addition of Rs. 914,000/- on account of provision of doubtful receivables, u/s-122(5A) of the Income Tax Ordinance, 2001 which was challenged by the Company before Commissioner Income Tax (Appeals), Zone-I, Lahore who vide his order dated 15.08.2006 deleted the said addition. Being aggrieved, FBR filed appeal before Income Tax Appellate Tribunal Lahore but the same is dismissed by ATIR and the order of first appellate authority was upheld. Then FBR filed Income Tax Reference before Lahore High Court vide PTR NO. 36/2009 which is still pending. Above tax reference is filed by FBR before Lahore High Court which is pending as at the date of statement of financial position.

Notes to the Financial Statements

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25.3 Warranties / Guarantees provided by the company

Guarantees issued to different organizations in the normal course of business amounted to Rs. 120.375 million (2020: Rs. 120.375 million).

Commitments

25.4 Letter of credits

Commitments against irrevocable letters of credit as at 30 June 2021 amounted to Rs. 1.229 billion (2020: Rs. 1.112 billion)

25.5 Capital commitments

Contracts for capital expenditure commitments outstanding as at 30 June 2021 amounted to Rs. 284.101 million (2020: Rs. 36.444 million).

(Rupees in thousand)	Note	2021	2020
26 Revenue - net			
Sale of goods	26.2	8,884,365	6,954,886
Less: sales tax		(1,284,291)	(1,005,692)
Less: discount allowed		45,645	(34,945)
		(1,329,936)	(1,040,637)
		7,554,429	5,914,249
26.1	All the sales of the Company are polyester related sales and are made to customers located with-in-Pakistan.		
26.2 Disaggregation of revenue			
Local Sales		8,884,365	6,954,886
Export Sales		-	-
		8,884,365	6,954,886
27 Cost of revenue			
Opening raw material		780,209	258,223
Add: purchases		5,169,058	3,902,744
Less: Closing raw material		(398,244)	(780,209)
Raw material consumed		5,551,023	3,380,758
Freight and octroi		128,033	80,931
Packing material consumed		114,287	65,706
Salaries, wages and other benefits	27.1	378,852	310,248
Stores consumed		72,692	292,849
Fuel and power	27.2	947,783	814,180
Other manufacturing overheads		1,026	761
Repair & maintenance		35,380	31,123
Running & maintenance of vehicles		22,337	16,128
Insurance		18,790	15,685
Depreciation		142,548	157,518
Rent rates and taxes	27.3	2,149	2,535
Cost of goods manufactured		7,414,900	5,168,422
Effect of change in work in progress inventory			
Opening work in progress		41,172	67,261
Closing work in progress		(43,221)	(41,172)
		(2,049)	26,089

Notes to the Financial Statements

for the year ended 30 June 2021

(Rupees in thousand)	2021	2020
Effect of change in finished goods inventory		
Opening finished goods	221,389	547,609
Closing finished goods	(923,844)	(221,389)
	(702,455)	326,220
	6,710,396	5,520,731

27.1 Salaries, wages and amenities include Rs. 22.107 million (2020: Rs. 25.907 million) in respect of staff retirement benefits and Rs. 0.756 million (2020: Rs. 0.222 million) in respect of provident fund contribution.

27.2 This includes provision of Rs. Nil million (2020: Rs. 155.00 million) in respect of Gas Infrastructure Development Cess (GIDC).

27.3 This includes expense of Rs. 1,270,451 in respect of a lease categorised as 'short-term lease', due to the fact of being lease term less than 12 months without purchase option. Associated lease payments have been charged on a straight-line basis over lease term. The total cash outflow amounts to Rs: Nil (2020: Rs: 1,401,760) including sales tax.

(Rupees in thousand)	Note	2021	2020
28 Distribution costs			
Salaries, wages and other benefits	28.1	5,998	5,849
Printing and stationery		106	128
Travelling and conveyance		170	151
General repair and maintenance		162	80
Vehicle running and maintenance		104	133
Entertainment		91	100
Rent, rates and taxes		183	201
Communication		77	81
Utilities		259	270
Depreciation		856	836
Insurance		47	41
Books and subscription		43	91
Frieght and octroi		15,066	9,948
		23,162	17,909

28.1 Salaries, wages and other benefits include Rs. 0.522 million (2020: Rs. 0.611 million) in respect of staff retirement benefits and Rs: 0.024 million (2020: Rs 0.026 million) in respect of provident fund contribution.

Notes to the Financial Statements

for the year ended 30 June 2021

(Rupees in thousand)

	Note	2021	2020
29 Administrative expenses			
Directors' remuneration		1,346	5,888
Salaries, wages and other benefits	29.1	113,958	111,136
Printing and stationery		2,022	2,434
Travelling and conveyance		3,224	2,873
General repair and maintenance		3,087	1,523
Vehicle running and maintenance		1,972	2,522
Entertainment		1,725	1,892
Rent, rates and taxes		3,486	3,822
Legal and professional charges		3,327	5,447
Advertisement		266	225
Communication		1,471	1,542
Utilities		4,925	5,139
Depreciation		16,264	15,892
Insurance		897	787
Miscellaneous		432	612
Books and subscription		812	1,720
Auditors' remuneration	29.2	650	638
		159,864	164,092

29.1 Salaries, wages and other benefits include Rs. 9.910 million (2020: Rs. 11.615 million) in respect of staff retirement benefits and Rs. 0.450 million (2020: Rs. 0.498 million) in respect of provident fund contribution

(Rupees in thousand)

	2021	2020
29.2 Auditors' remuneration		
Audit services		
Annual audit fee	525	525
Certification and review	85	85
Taxation services	-	28
Out of pocket charges	40	-
	650	638

(Rupees in thousand)

	Note	2021	2020
30 Other operating expenses			
Donations	30.1	10,289	6,198
Workers' welfare fund		12,777	3,268
Workers' profit participation fund		33,624	5,898
		56,690	15,364

30.1 The details of the donations along with name of donee are as follows:

Agha Khan Education Services		10,000	5,000
Learntech.pk (Pvt.) Limited		-	194
Sponsoring a golf match - proceeds distributed among needy persons		-	100
Different individuals being affected by COVID - 19	30.3	289	758
Others	30.4	-	146
		10,289	6,198

30.2 None of the directors and their spouses had any interest in the parties to whom donation is given.

Notes to the Financial Statements

for the year ended 30 June 2021

30.3 This pertains to food items distributed through director finance of the Company to needy persons, during the pandemic period.

30.4 This relates to purchase of T-Shirts distributed among needy persons.

(Rupees in thousand)	Note	2021	2020
31 Other income			
Income from financial assets			
Interest Income from banks		3,420	4,495
Mark-up on Staff Loans		37	303
		3,457	4,798
Income from non-financial assets			
Sale of scrap		40,882	35,358
Remission of liabilities		-	449
Fair value gain on investment property		34,500	105,000
Miscellaneous income		1	10
Gain on disposal of fixed asset		1,965	-
		77,348	140,817
		80,805	145,615
31.1 Sale of scrap			
Gross sales		48,238	41,909
Less: sales tax		(7,356)	(6,551)
		40,882	35,358
32 Finance costs			
Bank Charges		7,029	520
Mark-up on long term borrowing		11,081	21,073
Mark-up on short term borrowing		120,976	211,321
Mark-up on lease liabilities		-	53
		139,086	232,967
33 Taxation			
Current tax expense			
- current year	33.1	113,317	88,714
- prior year(s)		537	453
Deferred tax expense / (income)		(21,030)	(13,876)
		92,824	75,291

33.1 This represents tax at the rate of 1.5% of Revenue in accordance with the Income Tax Ordinance, 2001 ("the Ordinance").

33.2 Tax charge for the current and comparative year represent minimum tax payable under the Ordinance, and for this reason, relationship between tax expense and accounting profit has not been presented.

33.3 The income tax assessments of the Company have been finalised up to and including tax year 2020. Tax returns of subsequent tax years are deemed to be assessed under provisions of the Income Tax Ordinance, 2001 (the "Ordinance") unless selected for an audit by the taxation authorities. The Commissioner Inland Revenue may at any time during a period of five years from the end of Financial year in which the officer issued or treated as issued the original assessment order.

33.4 According to the management's assessment, sufficient tax provision has been made in the Company's financial statements. The comparison of tax provision according to the financial statements viz-a-viz tax assessment for last three years is as follows:

Notes to the Financial Statements

for the year ended 30 June 2021

(Rupees in thousand)	2020	2019	2018
Provision according to financial statements	88,714	95,670	60,479
Tax assessment	89,251	96,123	61,053

34 Earnings per share - basic and diluted

	Profit after tax		Total shares in issue		Earnings per share	
	2021	2020	2021	2020	2021	2020
	Rupees in 000s		No. of shares in 000s		--- Rupees ---	
Earnings per shares - basic	453,212	33,510	34,069	34,069	13.30	0.98
	453,212	33,510	34,069	34,069	13.30	0.98

34.1 A diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at 30 June 2021 and 2020 which would have any effect on the earnings per share if the option to convert is exercised.

(Rupees in thousand)	Note	2021	2020
35 Financial instruments			
Financial assets as per statement of financial position			
<u>At amortized cost</u>			
Long term security deposits		4,281	4,281
Trade receivables		24	984
Advances and other deposits		22,680	21,591
Other financial assets		-	143,000
Cash and cash equivalents		29,739	310,633
		56,724	480,489
Financial liabilities as per statement of financial position			
<u>At amortized cost</u>			
Borrowings		1,148,013	2,395,884
Deferred liability - net staff gratuity		181,349	169,000
Trade and other payables		1,266,656	624,260
Payable to related parties		583,119	583,119
Unclaimed dividend		1,741	1,755
		3,180,878	3,774,018

Fair values of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. As at the reporting date, fair values of all financial instruments are considered to approximate their carrying amounts. Further, there are no fair value estimation uncertainties.

Methods of determining fair values

Fair values of financial instruments for which prices are available from the active market are measured by reference to those market prices. The fair value of financial assets (other than investments) and liabilities with no active market are determined in accordance with generally accepted pricing models based on discounted cash flow analysis based on inputs from other than observable market.

Discount / interest rates used for determining fair values

The interest rates used to discount estimated cash flows, when applicable, are based on the government yield curve as at the reporting date plus an adequate credit spread.

Fair value hierarchy

The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Notes to the Financial Statements

for the year ended 30 June 2021

- Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
- Level 3 Inputs for the asset or liability that are not based on observable market data (i.e., unobservable inputs).

36 Financial risk management objectives

Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance.

Risk management is carried out by the Board of Directors (the Board).

(a) Market risk

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions in foreign currencies. The Company is exposed to foreign currency exchange risk in respect of commitments against letters of credit in foreign currency. The management does not view hedging as being financially feasible. The effect of change in currency rate would be as follows for current year's commitments as at the reporting date.

Increase / (Decrease) in Rate	Effect on Profit before tax	Effect on equity
	Rupees in 000s	
+5%	10.691	7,591
-5%	(10.691)	(7,591)

Foreign currency sensitivity analysis

(ii) Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company is not exposed to equity price risk as it does not have any exposure in equity securities.

(iii) Interest rate risk

Interest rate risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Borrowings obtained at variable rates expose the Company to cash flow interest rate risk.

At the reporting date, the profit, interest and mark-up rate profile of the Company's significant financial assets and liabilities is as follows:

(Rupees in thousand)	2021	2020
Variable rate financial instruments		
Financial assets		
Balances with banks in deposit account	28,079	310,315
	28,079	310,315
Financial liabilities		
Borrowings	1,148,013	2,395,884
Deferred liability - net staff gratuity	181,349	169,000
	1,329,362	2,564,884

Notes to the Financial Statements

for the year ended 30 June 2021

Fair value sensitivity analysis

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the balance sheet date would not affect profit or loss of the Company.

Interest rate sensitivity analysis

Financial assets

		Increase / (Decrease) in rate	Effect on profit before tax	Effect on equity
Rupees in thousand				
2021	1%		281	199
	-1%		(281)	(199)
2020	1%		3,103	2,203
	-1%		(3,103)	(2,203)

Financial liabilities

2021	1%	(13,294)	(9,438)
	-1%	13,294	9,438
2020	1%	(25,649)	(18,211)
	-1%	25,649	18,211

b) Credit risk

Credit risk is the risk that one party to the financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Credit risk arises from balances with bank, trade debts, advances, deposits and other receivables. The maximum exposure to credit risk before any credit enhancement is given below:

(Rupees in thousand)	2021	2020
Maximum exposure to credit risk		
Long term security deposits	4,281	4,281
Trade receivables	24	984
Advances and other deposits	22,680	21,591
Other financial assets	-	143,000
Cash and cash equivalents	29,739	310,633
	56,724	480,489

The Company attempts to control the credit risk by monitoring credit exposure, limiting transactions with specific customers and continuing assessment of credit worthiness of customers.

Based on the past experience, record of recoveries, the Company believes that the past due amount do not require any provision or impairment loss.

The credit quality of Company's bank balances can be assessed with reference to external credit ratings as follows:

Bank	Date of rating	Rating Agency	Rating		2021	2020
			Short-term	Long-term	Rupees in thousand	
Habib Bank Limited (CA)	30-Jun-21	JCR-VIS	A1+	AAA	1,515	149
National Bank of Pakistan	25-Jun-21	PACRA	A1+	AAA	10	6
Soneri Bank Limited	25-Jun-21	PACRA	A1+	AA-	28,108	310,345
Bank Al Habib Limited	26-Jun-21	PACRA	A1+	AAA	29	29

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Company manages liquidity risk by maintaining sufficient cash and bank balances and the availability of funding through an adequate amount of committed credit facilities. As at June 30, 2021 the Company has borrowing limits available from financial institutions and Rs. 29,635 million (2020: Rs. 310,500 million) in bank balances. The Company follows an effective cash management and planning policy to ensure availability of funds and to take appropriate measures for new requirements.

Notes to the Financial Statements

for the year ended 30 June 2021

Below mentioned financial liabilities are exposed to profit / mark-up rate risk except trade and other payables and payable to related parties along with contractual maturities.

	Carrying amount	Less than one years	One to two years	Two to three years	More than three years
As at June 30, 2021					
Borrowings	94,369	94,369	-	-	-
Trade and other payables	1,354,397	1,354,397	-	-	-
Payable to related parties	583,119	583,119	-	-	-
As at June 30, 2020					
Borrowings	141,554	47,185	94,369	-	-
Trade and other payables	671,156	671,156	-	-	-
Payable to related parties	583,119	583,119	-	-	-

37 Capital risk management

The Company's objectives, policies and processes for managing capital are as follows:

To safeguard Company's ability to continue as going concern, so that it can continue to provide returns for shareholders and benefit other stakeholders; and

To provide adequate return to shareholders by pricing the products and services commensurately with the level of risk.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or issue new shares. The capital structure of the Company consists of equity comprising of issued share capital and unappropriated profits.

Consistent with others in the industry and the requirements of the lenders, the Company monitors the capital structure on the basis of gearing ratio.

This ratio is calculated as debt divided by total capital. Debt is calculated as total borrowings non-current borrowings, as disclosed in note 18. Total capital is calculated as 'equity' shown in the statement of financial position plus debt. The gearing ratio as at year ended June 30, 2021 and June 30, 2020 are as follows:

(Rupees in thousand)	2021	2020
Debt	-	94,369
Total Equity	2,885,871	2,432,602
Total Capital	2,885,871	2,526,971
Gearing Ratio	0 : 1	0.04 : 1
The Company is not exposed to externally imposed capital requirements.		

37.1 Compliance with debt covenants

The Company is subject to the compliance of certain financial covenants as per the long term financing agreements with financial institutions referred to in note 18. The financial covenants require Company's current ratio, interest coverage ratio and debt service coverage ratio to be greater than an equal to 1 and linkage ratio to be below 2. During the year, financial covenants as per facility advising letter are breached however, all the payments with respect to long term loan are to be made in the year 2022 and are therefore, classified as current liabilities.

Notes to the Financial Statements

for the year ended 30 June 2021

38 Transactions with related parties

The related parties comprise of major shareholder, associated undertakings, entities under common directorship and key management personnel.

Significant transactions with related parties are as follows:

Name of related party and basis of relationship	Detail of transactions	2021	2020
		Rupees in thousand	
Soneri Bank Limited - Associated company by virtue of common directorship	Profit on Bank Deposits	3,420	4,495
		3,420	4,495
Rupali Nylon (Private) Limited - Associated company by virtue of common directorship	Purchases during the year	(2,647)	(79)
	Payments during the Year	2,647	79
	Closing balance receivable	-	-
Rupafil Limited - Associated company by virtue of common directorship	Opening balance receivable	71	-
	Sales during the year	71,180	207,195
	Purchases during the year	(665,920)	(1,106,663)
	Payments during the Year	686,484	1,106,663
	Receipts during the Year	(71,251)	(207,124)
	Closing balance receivable	20,564	71
Spintex Limited - Related party	Opening balance receivable	41,908	41,910
	Sales during the year	51	-
	Purchases during the year	(3,478)	(6,999)
	Payments during the Year	3,478	6,997
	Receipts during the Year	(73)	-
	Closing balance receivable	41,886	41,908
Alnu Trust - Related party	Opening balance receivable	583,119	363,958
	Loan obtained during the year	-	294,161
	Repayment during the year	-	(75,000)
	Closing balance receivable	583,119	583,119

38.1 Ageing of receivables from related parties

	Carrying amount	Less than one year	One to two years	Two to three years	More than three years
As at June 30, 2021	Rupees in 000s				
Spintex Limited	41,886	41,886	-	-	-
Rupafil Limited	20,565	20,565	-	-	-
Rupafil PowerGen (Private) Limited	31	-	-	-	31
As at June 30, 2020					
Spintex Limited	41,908	41,908	-	-	-
Rupafil Limited	71	71	-	-	-
Rupafil PowerGen (Private) Limited	31	-	-	-	31

39 Remuneration of chief executive and directors

The aggregate amount charged in the financial statements for the year for remuneration, including certain benefits, to the Chief Executive and full time working Directors and Executives of the Company are as follows:

Notes to the Financial Statements

for the year ended 30 June 2021

	Chief Executive		Directors		Executives	
	2021	2020	2021	2020	2021	2020
Rupees in 000s						
Managerial remuneration	-	-	2,020	3,911	31,700	29,141
House rent	-	-	606	1,174	9,510	8,742
Utilities	-	-	202	391	3,170	2,914
Medical allowance	-	-	202	391	3,170	2,914
Retirement benefits	-	-	-	-	236	351
Other benefits	-	-	-	21	296	244
	-	-	3,030	5,888	48,082	44,306
Total number of persons	1	1	7	7	17	16

39.1 The Company has total 8 directors out of which only one executive director is entitled to remuneration. No remuneration expense has been charged in these financial statements in relation to the remuneration of Chief Executive Officer and other directors of the company. The Chief Executive Officer of the Company is provided with Company maintained car for business and personal use.

39.2 No remuneration has been paid to executive and non-executive directors for attending company meetings during the year ended 30 June 2021 and 2020.

40. Reclassification and rearrangements

Corresponding figures have been reclassified and rearranged wherever necessary to reflect more appropriate presentations of events and transactions for the purpose of comparison.

	Note	Reclassified from / to	2020		
			Reported previously	Difference	Reported now
			Rupees in 000s		
Other receivables		From	260,989	(260,989)	-
Loans and advances		From	157,997	(157,997)	-
Advances, deposits and other receivables	12	To	-	275,986	275,986
Other financial assets	13	To	-	143,000	143,000
Reserves		From	372,861	(372,861)	-
Capital reserves		To	-	71,490	71,490
Revenue reserves		To	-	301,371	301,371
Trade and other payables	20	From	852,044	(180,888)	671,156
Contract liabilities	21	To	-	25,888	25,888
Payable to government authority	24	To	-	155,000	155,000
Short term borrowing	23	From	2,837,449	(583,119)	2,254,330
Payable to related parties	22	To	-	583,119	583,119

Notes to the Financial Statements

for the year ended 30 June 2021

41 Number of employees

	2021	2020
Number of Persons		
Average number of employees during the year	1,367	1,374
Total number of employees as at June 30th	1,389	1,344
Average number of factory workers during the year	1,233	1,253
Total number of factory workers as at June 30th	1,221	1,244

42 Employees provident fund

	Note	2021 Unaudited	2020 Audited
Rupees in thousand			
Size of the Fund		23,781,048	22,163,324
Cost of investments made	42.1	23,658,110	22,074,003
Fair value of investments		23,658,110	22,074,003
Percentage of investments made		99.48%	99.60%

42.1 Size of the Fund

Break up of investments

	2021 - Unaudited		2020 - Audited	
	Rupees	Percentage of size of the Fund	Rupees	Percentage of size of the Fund
Soneri Bank Limited - Saving account	23,658,110	99.48%	22,074,003	99.60%
	23,658,110	99.48%	22,074,003	99.60%

42.2 The company had not classified the investments at fair value through profit or loss, therefore, there is no difference between the cost and fair value of investments as at the date of statement of financial position.

42.3 The investments by the Provident Fund Trust have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the Rules formulated for this purpose.

43 Production capacity

	2021		2020	
	Maximum capacity	Actual production	Maximum capacity	Actual production
Units in Tons				
Yarn	10,100	13,292	10,100	9,108
Fibre	12,000	24,287	12,000	17,384
	22,100	37,579	22,100	26,492

43.1 The annual capacity disclosed above is name plate capacity. It is a standardized nomenclature over the world that manufacturing plants have a certain nameplate capacity. However, actual producing capacity of a plant is always in excess of the nameplate capacity. Also with better maintenance and overhauling and BMR, the plant performance increases. The Company has, over the years, invested in plant maintenance and has enhanced the producing capacities. Such enhancement do not change the nameplate capacity.

43.2 Total production capacity utilisation is 170.04% (2020: 119.87%) of total installed capacity.

44 Events after the reporting period

- The Board of Directors in its meeting held on September 21, 2021 has proposed a final cash dividend of Rs. 5.00 per share (2020: Nil) aggregating to Rs. 170.34 million (2020: Nil). The dividend and transfer are subject to the approval of members at the annual general meeting. The effect of such dividend and transfer shall be accounted for in the financial statements for the year ending on June 30, 2022.
- There are no other significant events after the reporting period which may require adjustment of and/or disclosure in these financial statements.

Notes to the Financial Statements

for the year ended 30 June 2021

45 Date of authorization for issue

These financial statements have been approved and authorized for issue on 21 September 2021 by the Board of Directors of the company.

46 General

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

Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison.

Nooruddin Feerasta
Chief Executive Officer

Shehzad Feerasta
Director

Muhammad Ahsan Iqbal
Chief Financial Officer

Pattern of Shareholding

as at 30 June 2021

Number of Shareholders	From	Shareholding	To	Total Shares Held
189	1	-	100	5,881
95	101	-	500	29,853
79	501	-	1000	57,727
85	1001	-	5000	229,837
20	5001	-	10000	147,490
4	10001	-	15000	49,201
3	15001	-	20000	59,500
4	20001	-	25000	90,689
1	25001	-	30000	29,500
3	30001	-	35000	94,000
2	35001	-	40000	80,000
1	40001	-	45000	44,000
1	45001	-	50000	50,000
1	50001	-	55000	53,000
1	55001	-	60000	55,500
1	65001	-	70000	67,000
1	95001	-	100000	100,000
1	110001	-	115000	115,000
1	115001	-	120000	119,500
1	130001	-	135000	133,161
1	145001	-	150000	146,482
1	205001	-	210000	209,490
1	225001	-	230000	226,662
1	285001	-	290000	286,000
1	435001	-	440000	436,500
1	485001	-	490000	488,010
1	580001	-	585000	584,500
1	710001	-	715000	714,493
1	815001	-	820000	816,483
1	935001	-	940000	939,833
1	3830001	-	3835000	3,834,290
1	5355001	-	5360000	5,359,364
1	18415001	-	18420000	18,415,568
507		Total		34,068,514

Pattern of Shareholding

as at 30 June 2021

Categories of Shareholders	Number	Shares Held	Percentage
Individuals	481	3,539,202	10.39
Joint Stock Companies	0	0	0.00
Investment Companies	0	0	0.00
Directors, Chief Executive Officer and their Spouses and minor Children	9	1,079,328	3.15
Mr. Nooruddin Feerasta		500	0.00
Mr. Muhammad Rashid Zahir		500	0.00
Mr. Yasseen M. Sayani		939,833	2.76
Mrs. Aymna Feerasta		500	0.00
Mr. Sultan Ali Rajwany		21,345	0.06
Mr. Shehzad Feerasta		490	0.00
Mr. Zeeshan Feerasta		10	0.00
Mr. Abdul Hayee		1,150	0.00
Mrs. Laila Y. Sayani w/o Mr. Yaseen M. Sayani		115,000	0.34
Total:		1,079,328	3.16

Executives			
National Bank of Pakistan, Trustee Deptt.	5	1,553,505	4.56
Investment Corporation of Pakistan	1	200	0.00
Associated Companies, undertakings and related parties			
Public Sector Companies and Corporations			
Banks, DFIs, NBFIs, Insurance Companies, Modaraba & Mutual Funds	8	287,057	0.84
Foreign Investors	0	0	0.00
Co-operative Societies	0	0	0.00
Trusts	3	27,609,222	81.04
Others			
Total:	507	34,068,514	100.00

SHARE-HOLDERS HOLDING FIVE PERCENT OR MORE VOTING INTEREST IN THE COMPANY

Name of Shareholders	No. of Shares Held	Percentage
Trustees Feerasta Senior Trust	18,415,568	54.05
Trustees ALNU Trust	9,193,654	26.99
Total:	27,609,222	81.04

Trading in Shares During 2020-21:

Directors, CEO, CFO and Company Secretary made no sale/purchase of shares during the year

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Proxy Form 41st Annual General Meeting

I / We _____ of

_____ being member(s) of RUPALI POLYESTER LIMITED

and holder of _____ Ordinary Shares. _____

Register Folio No. _____

CDC participant I.D. No: _____ Sub-Account No: _____

CNIC No: _____ or Passport No: _____

hereby appoint _____ of _____ or failing him / her

_____ who is / are also member(s) of RUPALI POLYESTER LIMITED as my / our proxy to attend and vote for me / on our behalf at the 41st Annual General Meeting of the Company to be held on 27 October 2021 or at any adjournment thereof.

Revenue
Stamp

(Signatures should agree with the specimen signature registered with the Company)

Dated this _____ day of October 2021

Signature of Shareholder _____

Signature of Proxy _____

1. WITNESS

Signature: _____

Name: _____

Address: _____

CNIC No: _____

or Passport No: _____

2. WITNESS

Signature: _____

Name: _____


Address: _____

CNIC No: _____

or Passport No: _____

IMPORTANT:

1. This Proxy Form, duly completed and signed, must be received at the Registered Office of the Company RUPALI POLYESTER LIMITED, Rupali House, 241-242 Upper Mall Scheme, Anand Road, Lahore - 54000 not less than 48 hours before the time of holding the meeting.
2. No person shall act as proxy unless he / she himself / herself is a member of the Company, except that a corporation may appoint a person who is not a member.
3. If a member appoints more than one proxy and more than one instruments of proxy are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.
4. CDC Shareholders and their proxies should attach an attested photocopy of their Computerized National Identity Card (CNIC) or Passport with the proxy form before submission to the Company. (Original CNIC / Passport is required to be produced at the time of the meeting).
5. In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be submitted along with proxy form to the Company.



The Company Secretary

Rupali Polyester Limited

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

AFFIX
CORRECT
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میں / ہم روپالی پولیٹر لمیٹڈ کے زیر دستخطی ممبر (ز) ہوں / ہیں اور میرے / ہمارے پاس -----
----- عمومی حصص کی ملکیت ہے، میں / ہم، محترم / محترمہ -----
----- سکنتہ ----- یا ایسا نہ ہونے کی صورت میں ان کی جگہ محترم / محترمہ -----
----- سکنتہ ----- وہ بھی کمپنی کے ممبر ہیں کو بطور نائب کمپنی اپنی جگہ کمپنی کے سالانہ عام اجلاس منعقدہ، بمقام
کمپنی کے رجسٹرڈ دفتر روپالی ہاؤس، 241-242 اپر مال سکیم آنند روڈ لاہور بتاریخ 27 اکتوبر 2021 میری / ہماری جگہ بطور پراکسی شرکت کرنے،
ووٹ دینے کی اجازت دیتا ہوں / دیتی ہوں۔

درست رقم کی
ٹکٹ چسپاں کریں

گواہان:

دستخط کئے گئے مورخہ ----- اکتوبر 2021

1 دستخط: -----

نام: -----

پتہ: -----

سی این آئی سی یا پاسپورٹ نمبر: -----

2 دستخط: -----

نام: -----

پتہ: -----

سی این آئی سی یا پاسپورٹ نمبر: -----

نوٹ: پراکسیز کے موثر ہونے کے لیے لازم ہے کہ وہ اجلاس سے 48 گھنٹے قبل کمپنی کو موصول ہوں۔ نیابت دار کمپنی کا رکن ہونا ضروری ہے۔ سی ڈی سی کے حصص
یافتگان اور ان کے نمائندوں سے التماس ہے کہ وہ اپنے کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ کاپی پراکسی فارم کے ساتھ کمپنی میں جمع کرائیں۔

درست رقم کی
نکٹ چپاں کریں

کمپنی سیکرٹری
روپالی پولی سٹر لمیٹڈ
روپالی ہاؤس
241-242 اپر مال سکیم، آئندروڈ،
لاہور-54000

rupaligroup.com

RUPALI POLYESTER LIMITED

Registered Office

Rupali House, 241 - 242 Upper Mall Scheme,

Anand Road, Lahore - 54000

Pakistan.