



Quarterly Accounts (Un-audited)
for the 3rd Quarter ended
31 March 2022



RUPALI POLYESTER LIMITED

Corporate Data

Board of Directors

Chairman

Shehzad Feerasta

Chief Executive Officer

Nooruddin Feerasta

Directors

Muhammad Rashid Zahir - Non-Executive
Zeeshan Feerasta - Non-Executive
Shahid Hameed – Independent Non-Executive

Amyna Feerasta - Non-Executive
Yaseen M. Sayani – Independent Non-Executive
Abdul Hayee – Non-Executive

Audit Committee

Yaseen M. Sayani - Chairman
Zeeshan Feerasta - Member

Muhammad Rashid Zahir - Member

Human Resource & Remuneration Committee

Shahid Hameed – Chairman
Zeeshan Feerasta - Member

Nooruddin Feerasta - Member

Chief Financial Officer

Muhammad Ahsan Iqbal

Company Secretary

S. Ghulam Shabbir Gilani

Bankers

Askari Bank Limited
Faysal Bank Limited
Habib Metropolitan Bank Limited
Meezan Bank Limited

Bank Alfalah Limited
Habib Bank Limited
MCB Bank Limited
Soneri Bank Limited
The Bank of Punjab

Auditors

RSM Avais Hyder Liaquat Nauman
Chartered Accountants

Registered Office

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

Plant

30.2 Kilometer Lahore - Sheikhpura Road
Sheikhpura - 39350 PAKISTAN

Directors' Review

We are pleased to present the Company's un-audited financial statements for the third quarter and nine months period ended, 31 March 2022.

Overview

We report with satisfaction, that the top and bottom lines of the Q3 and nine months period ended 31 March 2022, reflect positivity. The businesses' growth momentum that was seen in Q2 FY 2021-22 (October–December 2021) could not persist because of slowness in downstream industry, elevated inflation and unprecedented Pak Rupee depreciation in Q3. The dumping of Polyester Filament Yarn (PFY), pursuant to reduction in anti-dumping duties, impacted our sales, which remained under pressure during Q3 of FY 2021-22. The sales revenue in Q3 could not grow at same pace that was in half year ended 31 December 2021, because of market competition with low quality dumped PFY. The soaring raw material prices in Q3 hugely increased our cost of sales, due to which gross profit in this quarter is decreased, as compared to Q3 of FY 2020-21. Elevated global crude oil prices increased the domestic energy fuels. On a brighter note, Government cut fuel prices and electricity tariffs in early March to combat inflation domestically. However, this single factor could hardly off-set the pressures of other factors, like dumping of PFY that is destroying the domestic PFY industry. The State Bank of Pakistan has increased the mark-up rates, which will increase the finance cost.

Pakistan's economy is facing a three-pronged challenge, like soaring prices of essential commodities such as oil, gas and unusually high shipping charges which has increased freight of raw material imports.

China, Malaysia, Indonesia and Korea are continuously dumping PSF and PFY into Pakistani markets. This dumping is massively injuring the domestic industry and is a big hurdle in its growth and expansion. The numerous repeated petitions against the ADD by local traders and PYMA are handicapping the domestic PFY producers.

Raw Material Prices

The raw material prices have increased in Q3 of FY 2021-22. In March 2021, PTA price was US\$ 730 per M. Ton, and has now increased to US\$ 1,030 per M. Ton in March 2022. MEG price in March 2021 was US\$ 750 per M. Ton which has now increased to US\$ 770 per M. Ton in March 2022.

Financial Results

Sales revenue for nine months ended 31 March 2022 increased to Rs.7,991.54 million from Rs.5,609.29 million in the corresponding period of last year. Gross profit increased to Rs.1,028.28 million from Rs.758.62 million. The Company earned profit before tax of Rs.786.17 million as against Rs.502.60 million in nine months period ended 31 March 2021. Profit after tax remained Rs.954.28 million for the nine months ended 31 March 2022 as against Rs.348.03 million in the same period of the preceding year.

Sales revenue for Q3 of FY 2021-22 stood at Rs.2,732.34 million as against Rs.2,209.89 million in the same quarter of last year. Gross profit in Q3 decreased to Rs.336.94 million as compared to Rs.397.48 million in corresponding quarter last year. The Company earned profit before tax of Rs.268.54 million as against Rs.311.59 million in Q3 last year and profit after tax of Rs.222.28 million as against Rs.211.27 million in the same quarter last year.

In addition to the above-mentioned financials, our finance cost has come down in both periods under review as a result of huge repayments of short term bank borrowings.

Future Outlook

Further expansion and capital investment solely depends upon the strong industrial policies. The Government, should formulate effective long-term economic policies for protection of this industry. Not only does this industry contribute largely in the export value chain, but it also is an immense source of employment. The power and gas concessionary tariff should continue for industry at least for five years with revival of Regulatory Duty on imported PFY.

A Note of Gratitude

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

On behalf of the Board



Nooruddin Feerasta
Chief Executive Officer



Zeeshan Feerasta
Director

Lahore
25 April 2022

مستقبل کا جائزہ

مزید توسیع اور سرمایہ کاری کا انحصار مضبوط صنعتی پالیسیوں پر ہے۔ حکومت کو اس صنعت کے تحفظ کے لئے ہمہ گیر اور طویل المدتی معاشی پالیسیاں مرتب کرنی چاہئیں۔ یہ صنعت نہ صرف برآمدی ویلیو چین میں بڑے پیمانے پر حصہ ڈالتی ہیں بلکہ یہ روزگار کا ایک بہت بڑا ذریعہ بھی ہے۔ درآمدی پی ایف وائے پر ریگولیٹری ڈیوٹی کی بحالی کے ساتھ بجلی اور گیس کے رعایتی ٹیرف اس صنعت کے لئے کم از کم پانچ سال تک جاری رکھے جائیں۔

اظہار تشکر

ڈائریکٹرز وزارت خزانہ، صنعت و پیداوار، تجارت، مواصلات اور ٹیکسٹائل انڈسٹری کی وزارتوں کی طرف سے فراہم کردہ تعاون کی تعریف کا اظہار کرتے ہیں۔ ہم فیڈرل بورڈ آف ریونیو، کسٹمز، سنٹرل ایکسائز کے محکموں اور حکومت پنجاب کے تعاون پر ان کا بھی شکریہ ادا کرنا چاہیں گے۔ ہم ترقیاتی مالیاتی اداروں اور کمرشل بینکوں کی طرف سے کمپنی پر دی گئی سرپرستی اور اعتماد کی تعریف کرتے ہیں۔ ہم اپنے قابل قدر صارفین کے شکر گزار ہیں اور ان کے ساتھ بڑھتے ہوئے کاروباری تعلقات کی توقع کرتے ہیں۔ اپنے اسٹیک ہولڈرز اور ان کے کمپنی پر اعتماد کے لئے شکر گزار ہیں ہم ان کے اعتماد کی قدر کرتے ہیں اور کمپنی کی انتظامیہ اور عملے کی مسلسل محنت کی تعریف کرتے ہیں۔

منجانب بورڈ آف ڈائریکٹرز:



ذیشان فیراستہ
ڈائریکٹر



نورالدین فیراستہ
چیف ایگزیکٹو آفیسر

لاہور:

۲۵ اپریل ۲۰۲۲

ڈائریکٹران کا جائزہ

ہمیں ۳۱ مارچ ۲۰۲۲ کو ختم ہونے والی تیسری سہ ماہی اور نو ماہ کی مدت کے لئے کمپنی کے غیر پڑتال شدہ مالی گوشوارے پیش کرتے ہوئے خوشی ہو رہی ہے۔

مجموعی جائزہ

یہ باعث اطمینان ہے کہ ۳۱ مارچ ۲۰۲۲ کو ختم ہونے والی سہ ماہی اور نو ماہ کی مدت کے نتائج اثبات کی عکاسی کرتے ہیں۔ کاروبار کی ترقی کی رفتار جو مالی سال ۲۰۲۱-۲۲ کی دوسری سہ ماہی (اکتوبر تا دسمبر ۲۰۲۱) میں دیکھی گئی تھی وہ ڈاؤن اسٹریٹس میں سست روی مہنگائی میں اضافہ اور تیسری سہ ماہی میں پاکستانی روپے کی غیر معمولی گراؤت کے سبب برقرار نہ رہ سکی۔ ۶ مئی ڈیپنٹنگ ڈیویڈنڈ میں کمی کے باعث پالیسیٹر فلامنٹ یارن پی ایف وائی کی ڈپنٹنگ نے ہماری سیزل کو متاثر کیا جو مالی سال ۲۰۲۱-۲۲ کی تیسری سہ ماہی کے دوران دباؤ میں رہی۔ تیسری سہ ماہی میں فروخت کی آمدنی اس رفتار سے نہیں بڑھ سکی ۳۱ دسمبر ۲۰۲۱ کو ختم ہونے والے ششماہی میں تھی کیونکہ کم معیار کے پھینکے گئے پی ایف وائی کے ساتھ مارکیٹ میں مسابقت رہی۔ تیسری سہ ماہی میں خام مالی کی بڑھتی ہوئی قیمتوں نے ہماری فروخت کی لاگت میں بہت زیادہ اضافہ کیا جس کی وجہ سے مالی سال ۲۰۲۰-۲۱ کی تیسری سہ ماہی کے مقابلے میں اس سہ ماہی میں مجموعی منافع میں کمی واقع ہوئی۔ عالمی سطح پر خام تیل کی قیمتوں میں اضافے سے توانائی کی قیمتوں میں اضافہ ہوا۔ حکومت نے مارچ کے اوائل میں ایندھن کی قیمتوں اور بجلی کے نرخوں میں کمی کی تاکہ ملکی سطح پر افراط زر کا مقابلہ کیا جاسکے۔ تاہم یہ واحد عنصر دیگر عوامل جیسے پی ایف وائی کے ڈپنٹنگ جو گھریلو پی ایف وائی کی صنعت کو تباہ کر رہا ہے کے دباؤ کو برداشت کے لئے ناکافی ہے۔ اسٹیٹ بینک آف پاکستان نے شرح سود میں اضافہ کر دیا جس سے فنانس لاگت میں اضافہ ہوگا۔

پاکستان کی معیشت کو تین جہتی چیلنج کا سامنا ہے۔ جیسے تیل، گیس جیسی ضروری اشیا کی قیمتوں میں اضافہ اور غیر معمولی طور پر زیادہ ڈپنٹنگ چارجز جس سے خام مال کی درآمدات کا فریٹ بڑھ گیا ہے۔

چین، ملائیشیا انڈونیشیا اور کوریا مسلسل پی ایف وائی اور پی ایف وائی کو پاکستانی مارکیٹوں میں پھینک رہے ہیں۔ یہ ڈپنٹنگ گھریلو صنعت کو بڑے پیمانے پر نقصان پہنچا رہی ہے اور اس کی ترقی اور توسیع میں ایک بڑی رکاوٹ ہے۔ مقامی تاجروں اور پی وائے ایم کی طرف سے اے ڈی ڈی کے خلاف بار بار کی گئی متعدد درخواستیں گھریلو پی ایف وائی پروڈیوسروں کے لئے مشکلات پیدا کر رہی ہیں۔

خام مال کی قیمتیں

مالی سال ۲۰۲۱-۲۲ کی تیسری سہ ماہی میں خام مال کی قیمتوں میں اضافہ ہوا ہے۔ مارچ ۲۰۲۱ میں پی ٹی اے کی قیمت ۳۰ امریکی ڈالر فی میٹرک ٹن تھی اور اب مارچ ۲۰۲۲ میں بڑھ کر ۱۱۰۳۰ امریکی ڈالر فی میٹرک ٹن ہو گئی ہے۔ مارچ ۲۰۲۱ میں ایم ای جی کی قیمت ۵۰ امریکی ڈالر فی میٹرک ٹن تھی جو اب بڑھ کر ۷۷ امریکی ڈالر فی میٹرک ٹن ہو گئی ہے۔

مالیاتی نتائج

۳۱ مارچ ۲۰۲۲ کو ختم ہونے والے نو ماہی کے سیزل ریونیو پچھلے سال کے اسی مدت کے ۵۶۰۹.۲۹ ملین روپے سے بڑھ کر ۹۹۱.۵۴ ملین روپے ہو گیا۔ مجموعی منافع ۵۸.۶۲ ملین روپے سے بڑھ کر ۱۰۲۸.۲۸ ملین روپے ہو گیا کمپنی نے ۳۱ مارچ ۲۰۲۱ کو ختم ہونے والی نو ماہ کی مدت میں ۵۰۲.۶۰ کے مقابلے میں ۸۶۱.۱ ملین روپے کا قبل از ٹیکس منافع کمایا۔ ۳۱ مارچ ۲۰۲۲ کو ختم ہونے والے نو مہینوں میں بعد از ٹیکس منافع پچھلے سال کی اسی مدت میں ۳۲۸.۰۳ ملین روپے تھا۔ جو بڑھ کر مارچ ۲۰۲۲ میں ۹۵۴.۲۸ ملین روپے ہو گیا۔

مالی سال ۲۰۲۱-۲۲ کی تیسری سہ ماہی میں سیزل ریونیو ۳۲.۳۴ ملین روپے رہی جو گزشتہ سال کی اسی سہ ماہی میں ۲۲۰۹.۸۹ ملین روپے تھی۔ خام منافع جو گزشتہ سال اسی سہ ماہی میں ۳۹۷.۴۸ ملین روپے تھا کے مقابلے میں تیسری سہ ماہی میں کم ہو کر ۳۳۶.۹۴ ملین روپے ہو گیا۔ کمپنی نے گزشتہ سال کی تیسری سہ ماہی میں ۳۱۱.۵۹ روپے قبل از ٹیکس منافع کمایا تھا جو حالیہ سہ ماہی میں کم ہو کر ۲۶۸.۵۳ ملین روپے رہا بعد از ٹیکس منافع ۲۲۲.۲۸ ملین روپے حاصل کیا جو گزشتہ سال اسی سہ ماہی میں ۲۱۱.۲۷ ملین روپے تھا۔

درج بالا نتائج کے علاوہ فنانس لاگت بہت حد تک کم ہو گئی ہے کیونکہ کمپنی نے بینکوں سے حاصل کردہ رقم کی بہت زیادہ ادائیگی کر دی ہے۔

Condensed Interim Statement of Financial Position (Un-audited) as at March 31, 2022

(Rupees in '000)	Note	Un-audited March 31, 2022	Audited June 30, 2021
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment		2,985,766	3,089,935
Investment property		602,000	602,000
Long term security deposits		4,281	4,281
Deferred tax asset		85,093	-
		<u>3,677,140</u>	<u>3,696,216</u>
CURRENT ASSETS			
Stores, spares and loose tools		1,091,342	1,025,135
Inventories		1,612,901	1,365,309
Trade receivables		410	24
Advances, deposits and receivables		485,274	338,433
Other financial assets		-	-
Tax refunds due from government		64,366	46,697
Cash and bank balances		17,674	29,739
		<u>3,271,967</u>	<u>2,805,337</u>
		<u>6,949,107</u>	<u>6,501,553</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital 35,000,000 (30 June 2021: 35,000,000) Ordinary shares of Rs.10 each.		350,000	350,000
Issued, subscribed and paid-up capital: 34,068,514 (30 June 2021: 34,068,514) ordinary shares of Rs. 10 each		340,685	340,685
Capital reserves		71,490	71,490
Revenue reserves		1,571,798	754,640
Revaluation reserve		1,719,056	1,719,056
		<u>3,703,029</u>	<u>2,885,871</u>
NON-CURRENT LIABILITIES			
Deferred tax liabilities		-	250,502
Borrowings	5	-	-
Deferred liability - net staff gratuity		188,155	181,349
		<u>188,155</u>	<u>431,851</u>
CURRENT LIABILITIES			
Trade and other payables		2,170,086	1,354,397
Contract liabilities		23,821	10,829
Current portion of borrowing	6	-	94,369
Payable to related parties		473,119	583,119
Short term borrowings		313,531	1,053,644
Payable to government authority		61,338	65,824
Accrued markup on borrowings		12,812	19,908
Unclaimed dividend		3,216	1,741
		<u>3,057,923</u>	<u>3,183,831</u>
CONTINGENCIES AND COMMITMENTS			
	7	<u>6,949,107</u>	<u>6,501,553</u>

The annexed notes 1 to 11 form an integral part of these condensed interim financial statements.



Nooruddin Feerasta
Chief Executive Officer



Zeeshan Feerasta
Director



Muhammad Ahsan Iqbal
Chief Financial Officer

Condensed Interim Statement of Profit or Loss (Un-audited) for the nine months ended March 31, 2022

(Rupees in '000)	Quarter Ended March 31,		Nine Months Ended March 31,	
	2022	2021	2022	2021
Sales	2,732,337	2,209,886	7,991,537	5,609,287
Cost of sales	(2,395,398)	(1,812,404)	(6,963,262)	(4,850,663)
Gross profit	336,939	397,482	1,028,275	758,624
Other income	15,379	12,026	43,723	31,205
	352,318	409,508	1,071,998	789,829
Distribution costs	(6,353)	(6,667)	(19,669)	(17,152)
Administrative expenses	(46,200)	(40,489)	(138,348)	(115,632)
Finance costs	(13,459)	(27,079)	(57,462)	(110,523)
Other operating expenses	(17,762)	(23,682)	(70,351)	(43,918)
	(83,774)	(97,917)	(285,830)	(287,225)
Profit for the period before taxation	268,544	311,591	786,168	502,604
Provision for taxation	(46,266)	(100,322)	168,115	(154,575)
Profit for the period	222,278	211,269	954,283	348,029
	Amount in Rupees			
Profit per share - basic and diluted	6.52	6.20	28.01	10.22

The annexed notes 1 to 11 form an integral part of these condensed interim financial statements.



Nooruddin Feerasta
Chief Executive Officer



Zeeshan Feerasta
Director



Muhammad Ahsan Iqbal
Chief Financial Officer

Condensed Interim Statement of other Comprehensive Income (Un-audited) for the nine months ended March 31, 2022

(Rupees in'000)	Quarter Ended March 31,		Nine Months Ended March 31,	
	2022	2021	2022	2021
Profit for the Period	222,278	211,269	954,283	348,029
Other Comprehensive Income for the period Items that may not be subsequently reclassified to profit or loss				
Reversal of deferred tax related to staff retirement gratuity			33,218	
Total Comprehensive Income for the period	<u>222,278</u>	<u>211,269</u>	<u>987,501</u>	<u>348,029</u>

The annexed notes 1 to 11 form an integral part of these condensed interim financial statements.



Nooruddin Feerasta
Chief Executive Officer



Zeeshan Feerasta
Director



Muhammad Ahsan Iqbal
Chief Financial Officer

Condensed Interim Statement of Cash Flows (Un-audited) for the nine months ended March 31, 2022

(Rupees in'000)	Quarter ended March 31,	
	2022	2021
Cash flow from operating activities		
Profit before taxation	786,168	502,604
Adjustments for non-cash and other items		
Depreciation	113,517	119,188
Staff retirement benefits	17,269	20,261
Profit on Disposal of fixed assets	-	(1,965)
Interest income	(4,366)	(2,869)
Workers Welfare Fund	16,594	11,567
Workers Profit Participation Fund	43,667	27,062
Finance cost	57,462	110,523
	244,143	283,767
	1,030,311	786,371
Effect on cash flow due to working capital changes		
(Increase) / Decrease In Current Assets		
Stores, spares and loose tools	(66,206)	144,071
Inventories	(247,591)	(316,587)
Trade receivables	(385)	905
Advances, deposits and other receivables	(146,840)	105,799
Other financial assets	-	(5,602)
Tax refunds due from government	-	(142,529)
	(461,022)	(213,943)
Increase / (decrease) in current liabilities		
Trade and other payables	780,831	474,276
Contract liabilities	12,992	4,632
Payable to related parties	(110,000)	-
Payable to government authority	(4,486)	92,070
Current Portion of Long Term Financing	-	53,648
Cash generated from/(used) in operations	1,248,626	1,197,054
Finance cost paid	(64,559)	(143,037)
Income tax paid	(151,931)	(73,073)
Mark-up/interest income received	4,366	2,869
Staff retirement benefits paid	(10,462)	(13,943)
Workers Profit Participation Fund Paid	(25,403)	(7,164)
Net Cash Inflow from Operating Activities	1,000,637	962,706

Condensed Interim Statement of Cash Flows (Un-audited) for the nine months ended March 31, 2022

(Rupees in'000)	Quarter ended March 31,	
	2022	2021
Cash flow from investing activities		
Capital expenditure	(9,352)	(54,379)
Proceeds from disposal of operating assets	-	2,620
Net Cash (Outflow) from Investing Activities	(9,352)	(51,759)
Cash flows from financing activities		
Long term borrowings	(94,369)	-
Short Term Borrowing obtained	(740,113)	(1,209,329)
Dividend Paid	(168,867)	-
Net Cash Inflow / (Outflow) from Financing Activities	(1,003,349)	(1,209,329)
Net Decrease In Cash and Cash Equivalents	(12,064)	(298,382)
Cash and Cash Equivalents at the beginning of the period	29,738	310,633
Cash and Cash Equivalents at the end of the period	17,674	12,251

The annexed notes 1 to 11 form an integral part of these condensed interim financial statements.



Nooruddin Feerasta
Chief Executive Officer



Zeeshan Feerasta
Director



Muhammad Ahsan Iqbal
Chief Financial Officer

Condensed Interim Statement of Changes in Equity (Un-audited) for the nine months ended March 31, 2022

(Rupees in'000)

	Capital reserves		Revenue reserves		Total Reserves	Surplus on Revaluation of Freehold Land	Total
	Issued Subscribed and Paid up Capital	Share Premium	General reserve	Accumulated loss			
Balance as at July 01, 2020	340,685	71,490	1,664,125	(1,362,754)	713,546	1,719,056	2,432,602
Final Dividend for the year ended 30 June 2020	-	-	-	-	-	-	-
Profit for the nine months Ended March 31 2021	-	-	-	348,029	348,029	-	348,029
Other comprehensive income for the nine months ended 31 March 2021	-	-	-	-	-	-	-
Balance as on March 31, 2021 - (Un-audited)	340,685	71,490	1,664,125	(1,014,725)	1,061,575	1,719,056	2,780,631
Balance as on April 01, 2021	340,685	71,490	1,664,125	(1,014,725)	1,061,575	1,719,056	2,780,631
Profit for the quarter ended 30 June 2021	-	-	-	105,183	105,183	-	105,183
Other comprehensive income for the last quarter ended June 30, 2021	-	-	-	57	57	-	57
Balance as on June 30, 2021	340,685	71,490	1,664,125	(909,485)	1,166,815	1,719,056	2,885,871
Balance as on July 01, 2021	340,685	71,490	1,664,125	(909,485)	1,166,815	1,719,056	2,885,871
Final Dividend for the year ended 30 June 2021	-	-	-	(170,343)	(170,343)	-	(170,343)
Profit for the nine months ended 31 March 2022	-	-	-	954,283	954,283	-	954,283
Other comprehensive income for the nine months ended 31 March 2022	-	-	-	33,218	33,218	-	33,218
Balance as on March 31, 2022 - (Un-audited)	340,685	71,490	1,664,125	(92,327)	1,983,973	1,719,056	3,703,029

The annexed notes 1 to 11 form an integral part of these condensed interim financial statements.



Nooruddin Feerasta
Chief Executive Officer



Zeeshan Feerasta
Director



Muhammad Ahsan Iqbal
Chief Financial Officer

Notes to the Condensed Interim Financial Statements (Un-audited) for the nine months ended March 31, 2022

1 Legal status and nature of business

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

2 Basis of preparation

2.1 Statement of compliance

These condensed interim financial statements are un-audited and have been prepared in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- (i) International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by International Accounting Standard Board (IASB) as notified under the Companies Act, 2017.
- (ii) Provisions of or directives issued under the Companies Act, 2017.

In case where the provisions of or directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of or directives issued under the Companies Act, 2017 have been followed.

These condensed interim financial statements does not include all the information required for full annual financial statements and, therefore, should be read in conjunction with audited annual financial statements of the Company for the year ended 30 June 2021.

2.2 Standards, amendments and interpretations to approved accounting standards that are effective in current period

There are certain amendments to approved accounting standards which are mandatory for accounting periods beginning on or after July 1, 2021 but are considered not to be relevant or have any significant effect on the Company's financial reporting.

2.3 Standards, amendments and interpretations to existing standards that are not yet effective and/or have not been early adopted by the company

There is a new standard and certain amendments to approved accounting standards that will be mandatory for accounting periods beginning on or after July 1, 2021 but are considered not to be relevant or expected to have any significant effect on the Company's financial reporting.

3 Accounting policies and methods of computation

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are same as those applied in the preparation of the financial statements for the year ended June 30, 2021.

4 Key judgements and estimates

The preparation of these condensed interim financial statements in conformity with the approved accounting and reporting standards as applicable in Pakistan for interim reporting requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on the historical experience and other factors, including reasonable expectations of future events. Revision to accounting estimates are recognised prospectively commencing from the period of revision.

Judgements and estimates made by the management in the preparation of these condensed interim financial statements are same as those applied to financial statements as at and for the year ended June 30, 2021, except for change in estimate of gas infrastructure cess payable, as disclosed in note 8.1.1.

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2021.

5 Borrowings

The Company had obtained a term finance facility of Rs. 500 million from MCB Bank Limited for the purpose of import of plant and machinery, spare parts and related civil works. The facility was secured by way of first charge over fixed assets aggregating to Rs 667 million. The loan was repayable in ten equal bi-annual instalments and carried mark-up of 6 months KIBOR plus 0.5 percent to be reset on semi annual basis. The last installment of Rs. 47.2 million has been refunded to MCB during current quarter satisfying total amount of loan.

(Rupees in '000)	Un-audited March 31, 2022	Audited June 30, 2021
6 Current portion of Borrowings		
Borrowings	-	94,369
	-	94,369

7 Contingencies and commitments

7.1 Contingencies:

There is no material change in the status of contingencies as disclosed in the annual audited financial statements of the Company for the year ended June 30, 2021

7.2 Commitments:

7.2.1 Contracts for Capital expenditure commitments outstanding as at 31 March 2022 amounted to Rs. 187.231 million (30 June 2021: Rs. 284.101 million)

7.2.2 Commitments against irrevocable letters of credit as at 31 March 2022 amounted to Rs. 1,818.823 million (30 June 2021: Rs. 1,229 million).

8 Transactions with related parties

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

9 Date of authorization for issue

These condensed interim financial statements were authorized for issue on 25 April 2022 by the Board of Directors of the Company.

10 Corresponding Figures

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

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

11 General

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



Nooruddin Feerasta
Chief Executive Officer



Zeeshan Feerasta
Director



Muhammad Ahsan Iqbal
Chief Financial Officer

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rupaligroup.com

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