



Rupali Polyester Limited

**Corporate Briefing Session
Financial Year 2021-22
November 24, 2022**

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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.11,524 million from the initial capital outlay of Rs.150 million.

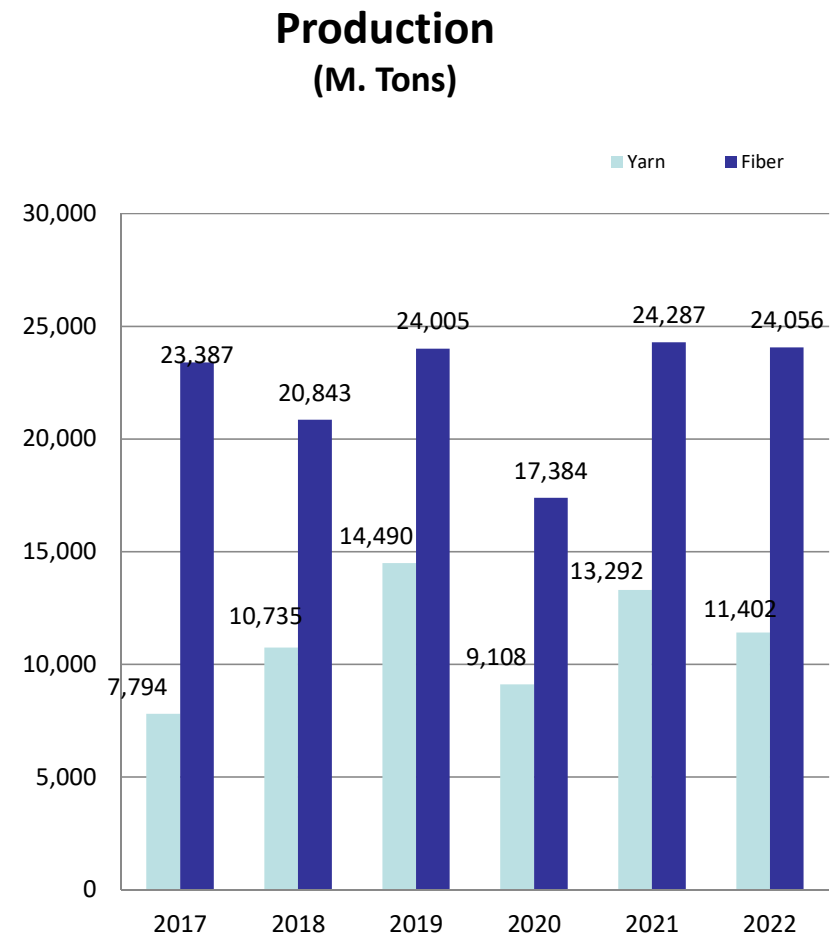
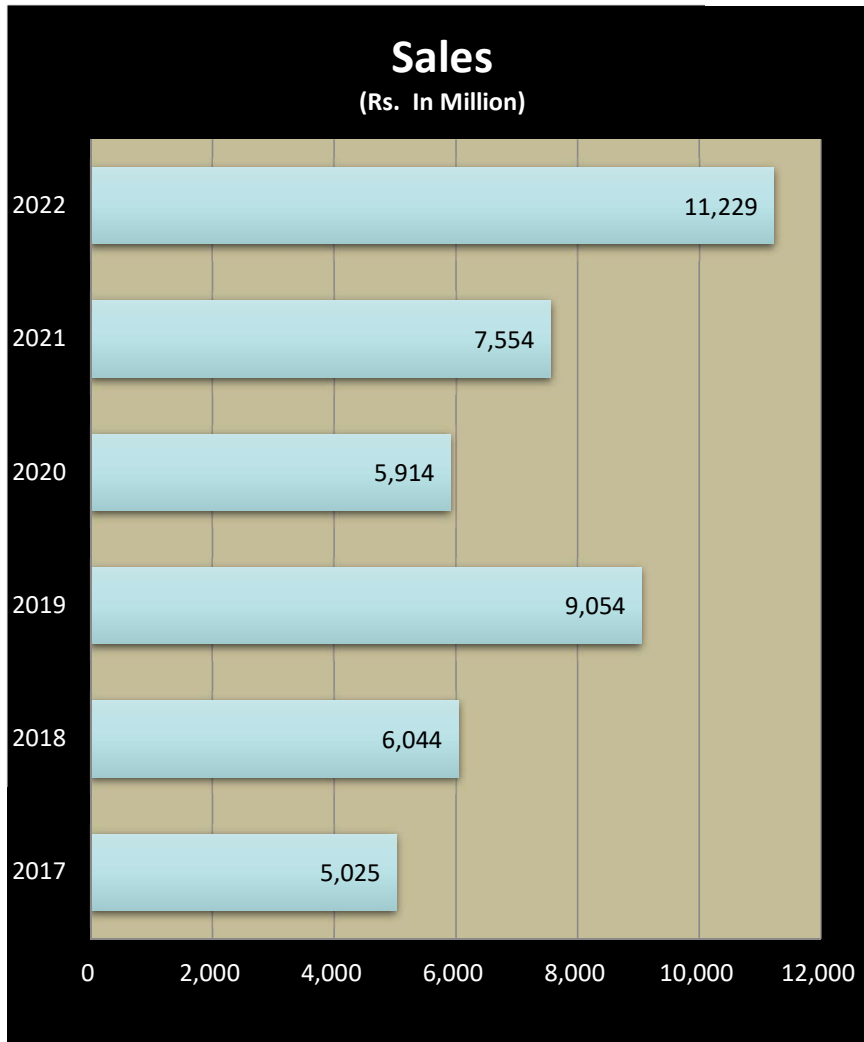
The Company has a Polymerization Unit with a capacity of 105 metric tons per day, Polyester Filament Yarn capacity of 30 metric tons per day and a Polyester Staple Fiber capacity of 65 metric tons per day. The Company has put up an additional POY line with a capacity of 28 M. Tons per day at a cost of 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.

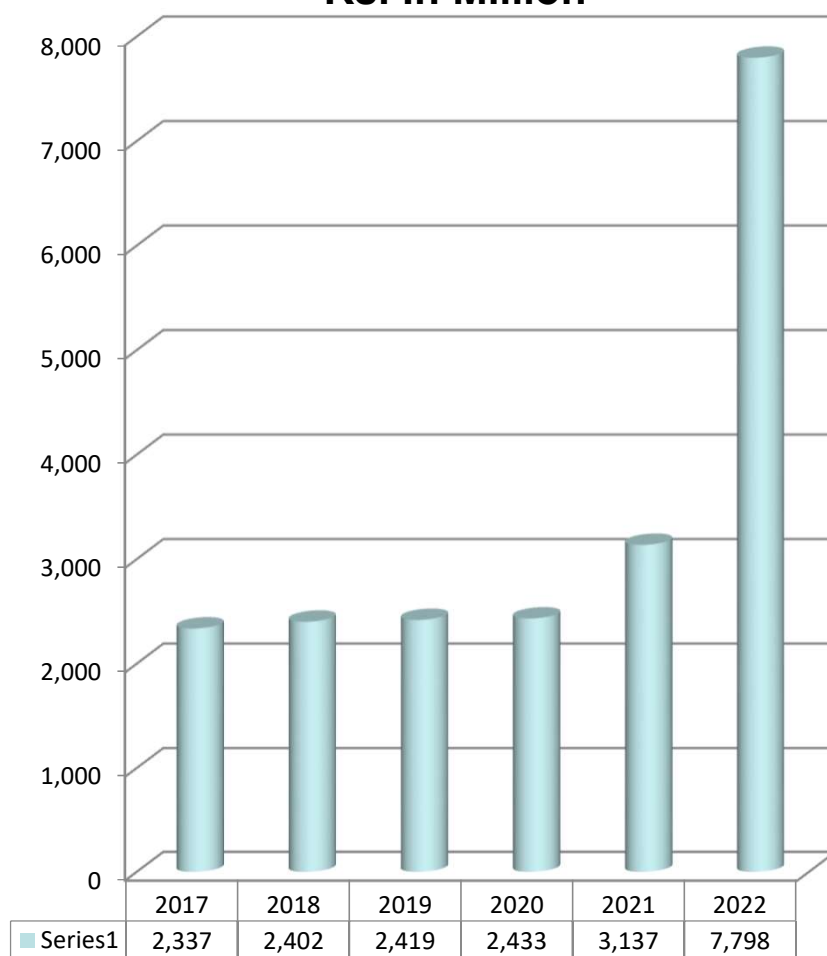
ALHAMDO LILLAH, the Company enjoys high prestige and reputation in the business community, banks, financial institutions and customers. It is also amongst major contributors to the national exchequer.

Graphical Presentation

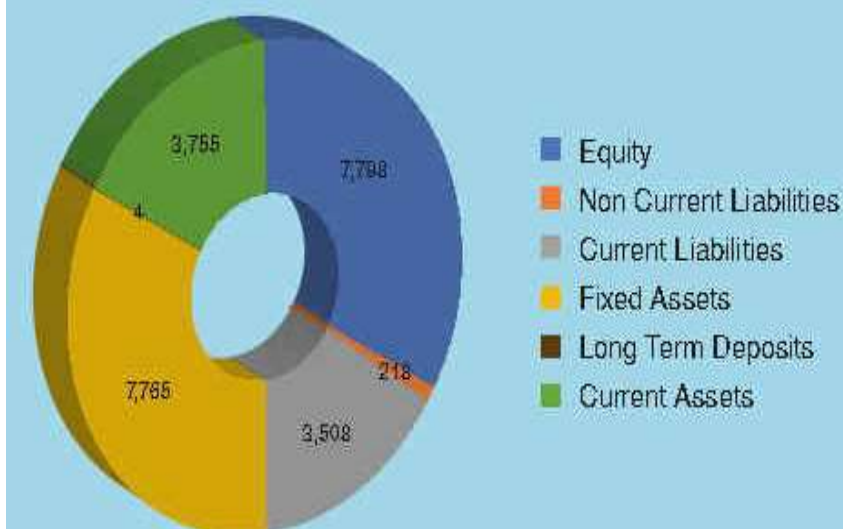


Shareholders Equity

Rs. In Million



Financial Position 2022 (Rs. in Million)





Key Financial Information

Five Years at a Glance

(Rupees in Million)



Particulars	UOM	2022	2021	2020	2019	2018
Profit and Loss Account						
Sales - Net	Rs. in thousand	11,229,275	7,554,429	5,914,249	9,053,741	6,044,111
Cost of Goods Sold	Rs. in thousand	10,035,836	6,710,396	5,520,731	8,562,629	5,680,917
Gross Profit	Rs. in thousand	1,193,439	844,033	393,518	491,112	363,192
Operating profit	Rs. in thousand	864,498	604,317	341,768	342,664	234,689
Profit before tax	Rs. in thousand	865,731	546,036	108,801	174,302	115,822
Profit after tax	Rs. in thousand	861,092	292,065	33,510	54,975	64,553
Income tax - current	Rs. in thousand	251,712	113,317	88,714	95,670	60,479
- prior years	Rs. in thousand	613	537	453	574	266
- deferred	Rs. in thousand	(247,686)	140,117	(13,876)	23,083	(9,477)
Dividend						
Cash dividend	Rs. in thousand	170,343	170,343	-	34,068	34,068
Cash dividend rate	%age	50	50	-	10	10
Balance Sheet						
Share capital	Rs. in thousand	340,685	340,685	340,685	340,685	340,685
Reserves	Rs. in thousand	7,456,895	2,796,622	2,504,500	2,078,613	2,078,613
Shareholders equity	Rs. in thousand	7,797,580	3,137,307	2,845,185	2,419,298	2,401,499
No. of ordinary shares	Numbers	34,068,514	34,068,514	34,068,514	34,068,514	34,068,514
Non Current Liabilities	Rs. in thousand	218,656	181,349	263,369	539,687	554,584
Current liabilities	Rs. in thousand	3,507,833	3,183,831	3,797,067	3,055,610	2,939,711
Property, Plant and Equipment	Rs. in thousand	6,917,027	3,089,935	3,082,353	3,295,511	3,201,449
Capital work-in-progress	Rs. in thousand	17,994	147,706	10,402	64,020	234,019
Long term investments/loans/deposit	Rs. in thousand	4,281	4,281	4,281	4,396	4,396
Current assets	Rs. in thousand	3,755,348	2,805,337	3,110,413	2,252,188	2,252,399
Net current assets	Rs. in thousand	247,515	(378,494)	(686,654)	(803,422)	(687,134)
Total liabilities	Rs. in thousand	11,524,069	6,502,487	6,905,621	6,014,595	5,895,744
Total Assets	Rs. in thousand	11,524,069	6,502,487	6,905,621	6,014,595	5,895,744



Particulars	UOM	2022	2021	2020	2019	2018
Profitability Ratios						
Gross profit ratio (%)	Percentage	10.63	11.17	6.65	5.42	6.01
Net profit to sales (%)	Percentage	7.67	3.87	0.57	0.61	1.07
Cash Dividend per share	Rupees	5	5	-	1	1
Debt: equity ratio		0 : 100	0 : 100	4 : 96	4 : 96	6 : 94
Break-up value per share		228.88	92.09	83.51	71.01	70.49
Market value per share at the end of the year	Rupees	38.00	34.00	13.20	27.55	29.50
Production volume						
Production capacity	M. Tons	22,100	22,100	22,100	22,100	22,100
Production achieved	M. Tons	35,458	37,579	26,493	38,495	31,578
Capacity utilization	%age	160	170	120	174	143
Employees	Nos.	1,349	1,389	1,344	1,468	1,323

Operational Overview



Financial Overview	2022	2021
Statement of Profit or Loss	(Rupees in '000')	
For the year ended 30 June 2022		* (Restated)
Sales - net	11,229,275	7,554,429
Cost of sales	10,035,836	6,710,396
Gross profit	1,193,439	844,033
Other income	73,443	80,805
	1,266,882	924,838
Distribution costs	26,298	23,162
Administrative expenses	194,472	159,864
Finance costs	72,210	139,086
Other operating expenses	108,171	56,690
	401,151	378,802
Profit for the year before taxation	865,731	546,036
Provision for taxation	4,639	253,971
Profit for the year	861,092	292,065
	2022	2021
	(Rupees)	
		* (Restated)
Earnings per share - basic and diluted	25.27	8.57

* Deferred tax in respect of certain deductible temporary differences was not considered and accounted for. Deferred tax liability was recorded in respect of taxable temporary differences due to misapplication of accounting policy. The error has been corrected retrospectively and comparative information has been restated in accordance with the requirements of IAS 8 'Accounting Policies, Change in Accounting Estimates and Errors'.



- ◆ **Sale revenue:** posted a growth of 48% i.e., Rs. 3.63 billion. The Company, for the first time in his history, crossed the Rs. 10 billion benchmark. Revenue from sales of Polyester Staple Fiber (PSF) and Polyester Filament Yarn (PFY) is increased owing to positive variation in sale prices.
- ◆ **Pak Rupee Depreciation:** On average, during the year, Pak Rupee is depreciated 11% against US Dollar i.e. increased by Rs. 17.49, from Rs. 160.44 to Rs. 177.94. Maximum Rate was Rs. 212.50. is further depreciating.
- ◆ **PTA, MEG and HFO Costs:** on average, costs of PTA, MEG and HFO increased by 70%, 35% and 88% respectively during the year.
- ◆ **Energy Costs:** on average, energy costs increased by 50% during the year.
- ◆ **Cost of Sales:** due to high material prices and energy costs, product-manufacturing costs are increased by 47% per unit.
- ◆ **Gross Profit:** increased by 41% in value, however, GP ratio to sales is decreased by 0.54% from 11.17% to 10.63%. Raw material prices and energy generation costs are increasing.
- ◆ **Admin and Distribution Costs:** increased because of staff increments and inflationary pressures.



- ◆ **Finance Costs:** despite the increase in SBP's discount rate, KIBOR, and effective mark-up rates, due to the less utilization of working capital loans, finance costs have decreased.
- ◆ **Other Income:** scrap and waste sales is increased, however, due to no gain on fair value estimation of investment property, overall, other income has decreased.
- ◆ **Taxation:** due to deferred tax corrections have decreased.
- ◆ **Operating and Net Profit:** increased by 59% and 195% respectively.

Outlook & Challenges



Following are the big challenges for business:

- ✍ The prevailing uncertainty and economic instability in the country
- ✍ Pak Rupee depreciation
- ✍ Foreign Currency shortages with the result that Banks face difficulty in opening import L/Cs
- ✍ Dumped imports of Polyester Filament Yarn and Polyester Staple Fiber in the country, causing major injury to domestic PSF and PFY industry and huge infrastructure investment may go waste is this industry is not given protection by the National Tariff Commission by way of imposing Anti-Dumping Duty at previous rates.

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Q & A Session