



**Quarterly Accounts (Un-audited)**  
for the 3<sup>rd</sup> Quarter ended  
31 March 2023



**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  
Muhammad Rashid Zahir - Member  
Zeeshan Feerasta - Member

## Human Resource & Remuneration Committee

Shahid Hameed – Chairman  
Nooruddin Feerasta - Member  
Zeeshan 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 2023.

## Overview

During the first nine months of the financial year 2022-23, the Company encountered several obstacles stemming from political and economic turmoil within the country such as devalued Pakistan Rupee, limited foreign exchange for importing raw materials, higher raw material costs, energy supply crisis, and declining downstream demand. The Company suffered losses at operational and overall levels due to increased taxes and markup rates, product price contraction, and slowed product lifting due to severe flooding. The country's economic activity also decreased due to foreign exchange liquidity crisis and tightened monetary and fiscal measures by the government.

## Energy Tariffs

The Government's decision to remove the Regionally Competitive Energy Tariff (RCET) and gas pricing for five export-oriented sectors is expected to worsen the country's foreign currency liquidity crisis by reducing export competitiveness on the global market.

## Raw Material Prices

Raw material prices for polymerization used in staple fiber and filament yarn manufacturing varied compared to the period ending March 31, 2022. In March 2022, PTA and MEG prices were US\$1,000 per MT and US\$690 per MT, respectively, which decreased to US\$850 per MT and US\$590 per MT in March 2023. However, due to unpredictable Pak rupee exchange rate depreciation, average PTA and MEG procurement prices in Pak rupees increased by 33% and 18%, respectively.

## Regulatory Duty on Polyester Filament Yarn

The domestic PFY industry's persistent efforts led the Government to re-impose a 5% regulatory duty on PFY imports on December 21, 2022.

## Financial Results

Despite lower sales volumes of both PSF and DTY, increased product prices led to higher sales revenue during the nine months of FY 2022-23, which ended on March 31, 2023. However, the Company incurred gross losses during this period primarily due to high material and power costs, along with increased finance costs resulting from the maximum utilization of financing facilities with an average increase of 12% in mark-up rates. In nutshell, the Company incurred after tax loss of Rs. 502 million compared to a profit after tax of Rs. 954 million in the same period of the previous financial year.

## Future Outlook

The Government's efforts to manage the foreign exchange liquidity crisis are expected to revive the economy. There is a huge gap between domestic demand and supply of PSF and PFY,

and the government's promised protection of local production is driving us to increase our production capacities with new, advanced technology machines. However, to further expand and invest capital, stable long-term economic policies are needed to protect the industry and develop it as a major driver of import substitution, saving on foreign exchange spent on imports.

#### A Note of Gratitude

The Directors extend their gratitude to the Ministries of Finance, Industries and Production, Commerce, Communication and Textile, the Federal Board of Revenue, Departments of Customs and Central Excise, and the Government of the Punjab for their cooperation. They also appreciate the patronage and confidence of Development Financial Institutions, Commercial Banks, and valued customers, and expect continued growth in business relationships. The Company is thankful for the faith of stakeholders and values their trust, as well as the hard work of management and staff.

On behalf of the Board



Shehzad Feerasta  
Director



Zeeshan Feerasta  
Director

Lahore  
26 April 2023

## اظہار تشکر

ڈائریکٹر زخزانہ، صنعت اور پیداوار، تجارت، مواصلات اور انفارمیشن ٹیکنالوجی اور ٹیکسٹائل انڈسٹری کی وزارتوں کے تعاون کے لیے اپنی تعریف کا اظہار کرتے ہیں۔ ہم فیڈرل بورڈ آف ریلو نیو، کسٹمز اور 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 ہمیں 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 کے، ہم ہمیں ان کے اعتماد کے لیے شکر گزار ہیں۔ ہم ان کے اعتماد کی قدر کرتے ہیں اور ہمیں ان کی انتظامیہ اور عملے کی مسلسل محنت کی تعریف کرتے ہیں۔

منجانب بورڈ آف ڈائریکٹرز:



شہزاد فیراستہ  
ڈائریکٹر



ذیشان فیراستہ  
ڈائریکٹر

لاہور:

۲۶ اپریل ۲۰۲۳

## ڈائریکٹران کا جائزہ

ہیں ۳۱ مارچ ۲۰۲۳ کو ختم ہونے والی تیسری سہ ماہی اور نو ماہ کی مدت کے لیے کمپنی کے غیر آڈٹ شدہ مالیاتی نتائج پیش کرتے ہوئے خوشی ہو رہی ہے۔

### مجموعی جائزہ

مالی سال ۲۰۲۲-۲۳ کے پہلے نو مہینوں کے دوران کمپنی کو ملک کے اندر سیاسی اور اقتصادی بحران کی وجہ سے کئی رکاوٹوں کا سامنا کرنا پڑا جیسے پاکستانی روپے کی قدر میں کمی، خام مال کی درآمد کے لیے محدود زرمبادلہ، خام مال کی زیادہ لاگت، توانائی کی فراہمی کا بحران اور ہمارے گاہکوں کی طلب میں کمی ہوئی۔ کمپنی کو آپریشنل اور مجموعی سطح پر ٹیکسوں اور مارک اپ کی شرحوں میں اضافے، مصنوعات کی قیمتوں میں کمی، اور شدید سیلاب کی وجہ سے مصنوعات کی ترسیل سست ہونے کی وجہ سے نقصان اٹھانا پڑا۔ غیر ملکی زرمبادلہ کی لیکویڈٹی کے بحران اور حکومت کی جانب سے سخت مالیاتی اقدامات کی وجہ سے ملک کی معاشی سرگرمیاں بھی کم ہوئیں۔

### توانائی کے نرخ

پانچ برآمدی شعبوں کے لیے حکومت کی طرف سے علاقائی مسابقتی توانائی کے رعایتی نرخوں (آرسی ای ٹی) کو واپس لینے سے ملک کے غیر ملکی زرمبادلہ کی لیکویڈٹی میں بحران آنے کا اور عالمی منڈی میں برآمدات کی مسابقت میں کمی آئے گی۔

### خام مال کی قیمتیں

اسٹیل فائبر اور فلامنٹ یارن میں پینچرنگ میں استعمال ہونے والے پولیمر کے لیے خام مال کی قیمتیں ۳۱ مارچ ۲۰۲۲ کو ختم ہونے والی مدت میں بدلتی رہیں۔ مارچ ۲۰۲۳ میں پی پی اے اور ایم جی کی قیمتیں بالترتیب ۱،۰۰۰ اور ۶۹۰ امریکی ڈالر فی میٹرک ٹن تھیں جو کہ مارچ ۲۰۲۳ میں ۸۵۰ اور ۵۹۰ امریکی ڈالر فی میٹرک ٹن ہوئیں۔ تاہم غیر متوقع پاکستانی روپے کی شرح مبادلہ میں کمی کی وجہ سے پی پی اے اور ایم جی کی اوسط خریداری کی قیمتوں میں بالترتیب ۳۳ فیصد اور ۱۸ فیصد اضافہ ہوا۔

### پولیسٹر فلامنٹ یارن پر ریگولیشن ڈیوٹی

PFY صنعت کی مسلسل کوششوں کی وجہ سے حکومت نے ۲۱ دسمبر ۲۰۲۲ کو PFY گھریلو درآمدات پر ۵۰٪ ریگولیشن ڈیوٹی دوبارہ عائد کی۔

### مالیاتی نتائج

پی ایس ایف اور ڈی ٹی وائی دونوں کی کم فروخت کے حجم کے باوجود ان مصنوعات کی قیمتوں میں اضافے سے مالی سال ۲۰۲۲-۲۳ کے ۳۱ مارچ ۲۰۲۳ کو ختم ہونے والے نو مہینوں کے دوران زیادہ بیلز ریونیو حاصل ہوا۔ تاہم کمپنی کو اس مدت کے دوران مجموعی نقصان اٹھانا پڑا۔ خام مال اور بجلی کی لاگت کے ساتھ مالیاتی اخراجات میں اضافہ ہوا ہے جس کے نتیجے میں بینکوں سے قرضے کی زیادہ سے زیادہ استعمال کے نتیجے میں مارک اپ کی شرحوں میں اوسطاً ۱۴ فیصد اضافہ ہوا ہے۔ مختصراً کمپنی نے بعد از ٹیکس منافع پچھلے مالی سال کی اسی مدت میں ۹۵۴ ملین روپے کے مقابلے میں اس سال ۵۰۲ ملین روپے کا خسارہ اٹھایا۔

### مستقبل کا جائزہ

پی ایس ایف اور پی ایف وائی کی گھریلو طلب اور رسد کے درمیان ایک بہت بڑا فرق ہے۔ زرمبادلہ کی لیکویڈٹی بحران سے نمٹنے کے لیے حکومت کی کوششوں سے معیشت کی بحالی کی امید ہے۔ اور حکومت کی جانب سے مقامی پیداوار کے تحفظ کا وعدہ ہمیں نئی، جدید ٹیکنالوجی والی مشینوں کے ساتھ اپنی پیداواری صلاحیتوں میں اضافہ کرنے کا حوصلہ دے رہا ہے۔ تاہم، سرمایہ کو مزید وسعت دینے اور سرمایہ کاری کرنے کے لیے، صنعت کی حفاظت اور اسے درآمدات کے متبادل کے ایک بڑے ڈرائیور کے طور پر ترقی دینے کے لیے مستحکم طویل مدتی اقتصادی پالیسیوں کی ضرورت ہے جس سے درآمدات پر خرچ ہونے والے زرمبادلہ کی بچت ہوگی۔

## Condensed Interim Statement of Financial Position (Un-audited) as at March 31, 2023

(Rupees in '000)	Note	Un-audited March 31, 2023	Audited June 30, 2022
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	4	7,059,125	6,910,027
Investment property	5	602,000	602,000
Long term security deposits		4,281	4,281
Deferred tax asset	6	376,775	252,413
		8,042,181	7,768,721
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		1,163,990	1,222,161
Stock in trade		2,162,870	1,908,503
Trade receivables		811	6,184
Advances, deposits and other receivables		733,211	483,967
Other financial assets		-	-
Tax refunds due from government		149,903	39,853
Cash and cash equivalents	7	18,316	94,680
		4,229,101	3,755,348
		12,271,282	11,524,069
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorised share capital 35,000,000 Ordinary shares of Rs.10 each.		350,000	350,000
Issued, subscribed and paid-up capital		340,685	340,685
Capital reserves			
Share premium		71,490	71,490
Surplus on revaluation of land		5,697,866	5,697,866
Revenue reserves			
General reserve		1,664,125	1,664,125
Unappropriated profit / (Accumulated loss)		(648,566)	23,414
		7,125,600	7,797,580
<b>NON-CURRENT LIABILITIES</b>			
Long-term borrowings		-	-
Deferred liability - net staff gratuity		241,547	218,656
		241,547	218,656
<b>CURRENT LIABILITIES</b>			
Trade and other payables	8	2,889,645	2,642,501
Short term borrowing	9	1,804,039	857,363
Accrued markup on borrowings		105,684	4,753
Provision for taxation - Income tax		99,874	-
Unclaimed dividend		4,893	3,216
		4,904,135	3,507,833
<b>CONTINGENCIES AND COMMITMENTS</b>			
	10	12,271,282	11,524,069

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.



Shehzad Feerasta  
Director



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, 2023

(Rupees in '000)	Quarter Ended March 31,		Nine Months Ended March 31,	
	2023	2022	2023	2022
Sales	3,247,743	2,732,337	8,135,208	7,991,537
Cost of goods sold	11 3,170,892	2,395,398	8,310,908	6,963,262
<b>Gross profit</b>	76,851	336,939	(175,700)	1,028,275
Other income	38,474	15,379	73,909	43,723
	115,325	352,318	(101,791)	1,071,998
Distribution costs	8,979	6,353	23,413	19,669
Administrative expenses	52,482	46,200	164,265	138,348
Finance costs	92,793	13,459	228,987	57,462
Other operating expenses	10,501	17,762	10,516	70,351
	164,755	83,774	427,181	285,830
<b>Profit / (loss) before taxation</b>	(49,430)	268,544	(528,972)	786,168
Provision for taxation	40,254	46,266	(27,335)	(168,115)
<b>Profit / (loss) after taxation</b>	(89,684)	222,278	(501,637)	954,283
	Amount in Rupees			
Earnings per share - basic and diluted	(2.63)	6.52	(14.72)	28.01

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.



Shehzad Feerasta  
Director



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, 2023

(Rupees in'000)	Quarter Ended March 31,		Nine Months Ended March 31,	
	2023	2022	2023	2022
Profit / (loss) for the Period	(89,684)	222,278	(501,637)	954,283
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 (loss)/Income for the period	<u>(89,684)</u>	<u>222,278</u>	<u>(501,637)</u>	<u>987,501</u>

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.



Shehzad Feerasta  
Director



Zeeshan Feerasta  
Director



Muhammad Ahsan Iqbal  
Chief Financial Officer

## Condensed Interim Statement of Cash Flows (Un-audited) for the nine months ended March 31, 2023

(Rupees in'000)	Note	Nine Months Ended March 31,	
		2023	2022
<b>Cash flow from operating activities</b>			
Profit / (loss) before taxation		(528,972)	786,168
<b>Adjustments for non-cash and other items</b>			
Depreciation	4.1.1	108,804	113,517
Staff retirement benefits		30,595	17,269
Loss on disposal of fixed assets		16	-
Interest income		(8,839)	(4,366)
Workers Welfare Fund		-	16,594
Workers Profit Participation Fund		-	43,667
Finance cost		228,987	57,462
		359,563	244,143
		(169,409)	1,030,311
<b>Effect on cash flow due to working capital changes</b>			
<b>(Increase)/decrease in current assets</b>			
Stores, spares and loose tools		58,171	(66,206)
Stock-in-trade		(254,367)	(247,591)
Trade debts		5,373	(385)
Trade deposits and short term prepayments and receivables		(249,244)	(146,840)
		(440,067)	(461,022)
<b>Increase / (decrease) in current liabilities</b>			
Trade and other payables		247,144	679,337
<b>Cash generated from operations</b>		(362,332)	1,248,626
Finance costs paid		(128,056)	(64,559)
Income tax paid		(107,203)	(151,931)
Workers Profit Participation Fund Paid		-	(25,403)
Staff retirement benefits paid		(7,704)	(10,462)
<b>Net cash inflow / (outflow) from operating activities</b>		(605,295)	996,271
<b>Cash Flow From Investing Activities</b>			
Additions in property, plant and equipment		(257,918)	(9,352)
Mark-up / Interest income received		8,839	4,366
<b>Net cash outflow from investing activities</b>		(249,079)	(4,986)

## Condensed Interim Statement of Cash Flows (Un-audited) for the nine months ended March 31, 2023

(Rupees in'000)	Nine Months Ended March 31,	
	2023	2022
<b>Cash flows from financing activities</b>		
Short-term borrowings (paid) / obtained - net	946,676	(740,113)
Repayment of long-term financing	-	(94,369)
Dividend Paid	(168,666)	(168,867)
<b>Net Cash Inflow / (Outflow) from Financing Activities</b>	<b>778,010</b>	<b>(1,003,349)</b>
Net increase / (decrease) in cash and cash equivalents	(76,364)	(12,064)
Cash and cash equivalents at the beginning of the period	94,680	29,738
Cash and cash equivalents at the end of the period	18,316	17,674

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.



Shehzad Feerasta  
Director



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, 2023

(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, 2021 ( Restated)	340,685	71,490	1,664,125	(658,049)	1,418,251	1,719,056	3,137,307
Final Dividend for the year ended 30 June 2021	-	-	-	(170,343)	(170,343)	-	(170,343)
Profit for the nine months Ended March 31 2022	-	-	-	954,283	954,283	-	954,283
Other comprehensive income for the nine months ended 31 March 2022	-	-	-	33,218	33,218	-	33,218
<b>Balance as on March 31, 2022</b> - (Un-audited)	<b>340,685</b>	<b>71,490</b>	<b>1,664,125</b>	<b>159,109</b>	<b>2,235,409</b>	<b>1,719,056</b>	<b>3,954,465</b>
<b>Balance as on April 01, 2022</b> (Un-audited)	<b>340,685</b>	<b>71,490</b>	<b>1,664,125</b>	<b>159,109</b>	<b>2,235,409</b>	<b>1,719,056</b>	<b>3,954,465</b>
Loss for the quarter ended 30 June 2022	-	-	-	(93,191)	(93,191)	-	(93,191)
Other comprehensive Loss for the last quarter ended June 30, 2022	-	-	-	(42,504)	(42,504)	3,978,810	3,936,306
<b>Balance as on June 30, 2022 Audited</b>	<b>340,685</b>	<b>71,490</b>	<b>1,664,125</b>	<b>23,414</b>	<b>2,099,714</b>	<b>5,697,866</b>	<b>7,797,580</b>
<b>Balance as on July 01, 2022</b>	<b>340,685</b>	<b>71,490</b>	<b>1,664,125</b>	<b>23,414</b>	<b>2,099,714</b>	<b>5,697,866</b>	<b>7,797,580</b>
Final Dividend for the year ended 30 June 2022	-	-	-	(170,343)	(170,343)	-	(170,343)
Loss for the nine months ended 31 March 2023	-	-	-	(501,637)	(501,637)	-	(501,637)
Other comprehensive income for the nine months ended 31 March 2023	-	-	-	-	-	-	-
<b>Balance as on March 31, 2023</b> - (Un-audited)	<b>340,685</b>	<b>71,490</b>	<b>1,664,125</b>	<b>(648,566)</b>	<b>1,427,734</b>	<b>5,697,866</b>	<b>7,125,600</b>

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.



Shehzad Feerasta  
Director



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, 2023

### 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.

2.2 These condensed interim financial statements have been subjected to limited scope review by the auditors, as required under section 237 of Companies Act, 2017 and should be read in conjunction with annual audited financial statements of the Company for the year ended June 30, 2022.

### 3 Summary of Significant Accounting Policies

3.1 The significant accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of annual audited financial statements of the Company for the year ended June 30, 2022.

3.2 There are certain amendments to standards that became effective during the period and are mandatory for accounting periods of the Company beginning on or after July 01, 2022 but are considered not to be relevant to the Company's operations and are, therefore, not disclosed in these condensed interim financial statements.

There are certain new standards, amendments to standards and interpretations that are effective from different future periods but are considered not to be relevant to the Company's operations, therefore, not disclosed in these condensed interim financial statements.

**3.3** These condensed interim financial statements are presented in Pakistani Rupees which is the Company's functional and presentation currency.

### 3.4 Significant accounting estimates and judgments

The preparation of these condensed interim financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including the expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

During the preparation of these condensed interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that were applied in the preparation of annual audited financial statements of the Company for the year ended June 30, 2022.

### 3.5 Financial risk management

Risk management policies and procedures are consistent with those disclosed in the annual audited financial statements of the Company for the year ended June 30, 2022.

(Rupees in '000)	Note	Un-audited 31 March 2023	Audited 30 June 2022
<b>4 Property, plant and equipment</b>			
Operating fixed assets - at net book value	4.1	6,866,732	6,892,033
Capital work-in-progress - at cost	4.2	176,328	-
Stores held for capital expenditure - at cost		16,065	17,994
		7,059,125	6,910,027
<b>4.1 Operating fixed assets</b>			
Opening net book value (NBV)		6,892,033	2,942,229
Additions/Revaluation at cost during the period / year	4.1.1	83,700	4,102,935
		6,975,733	7,045,164
Disposals at net book value (NBV) during the period / year	4.1.1	(197)	-
Depreciation charge during the period / year		(108,804)	(153,131)
		(109,001)	(153,131)
		6,866,732	6,892,033

(Rupees in'000)	Un-audited 31 March 2023	Un-audited 31 March 2022
<b>4.1.1 Additions and disposals of operating fixed assets during the period/year are as follows:</b>		
Building - Factory on freehold land	6,086	4,533
Building - Office on freehold land	-	4,408
Plant and machinery	74,320	110,340
Furniture and fittings	607	159
Vehicles	-	617
Office equipment	2,211	3,455
Other assets	476	-
	83,700	123,512
<b>Disposals - at NBV</b>		
Office equipment	16	-
Other assets	181	-
	197	-
<b>(Rupees in'000)</b>	<b>Un-audited 31 March 2023</b>	<b>Audited 30 June 2022</b>
<b>4.2 Capital work-in-progress</b>		
Building and civil works	370	-
Plant and machinery	175,958	-
	176,328	-
<b>5 Investment property</b>		
Fair value at the beginning of the period / year	602,000	567,500
Fair value gain during the period / year	-	34,500
Fair value at the end of the period / year	602,000	602,000

### 5.1

The fair value of the investment property is determined by an independent valuer, M/s Hamid Mukhtar & Co. (Pvt.) Limited (2021: Masood Associates (Private) Limited), on June 30, 2022 (2021: June 30, 2021). There was no significant change in the fair value as at June 30, 2022. The fair value has been determined under 'Fair Value Hierarchy — Level 2' based on the market comparable approach that reflects recent transaction prices for similar properties. Forced sale value of land has been determined at Rs. 510 million (2021: 511.7 million).



(Rupees in '000)	Note	Un-audited 31 March 2023	Audited 30 June 2022
<b>6 Deferred tax asset</b>			
Opening balance		252,413	934
(provision)/reversal through profit and loss		124,362	247,686
provision charged through other comprehensive income		-	3,793
		<u>376,775</u>	<u>252,413</u>
<b>6.1 It comprises of the following:</b>			
Taxable temporary differences in respect of; Difference in accounting and tax bases of property, plant and equipment		(235,590)	(242,793)
Deductible temporary differences in respect of; Provision for gratuity		70,049	63,410
Tax losses carried forward		174,293	54,206
Minimum tax credit u/s 113		368,023	377,590
		<u>376,775</u>	<u>252,413</u>
<b>7 Cash and cash equivalents</b>			
Cash and bank balances		18,316	94,680
		<u>18,316</u>	<u>94,680</u>
<b>8 Trade and other payables</b>			
Trade payables		2,328,173	2,265,939
Accrued liabilities		205,983	156,496
Worker's profit participation fund		42,470	77,607
Worker's welfare fund		4,419	21,734
Advance from customers		21,665	39,845
Gas Infrastructure Development Cess (GIDC) payable	8.1	61,338	61,338
Sales tax payable		213,726	9,337
Withholding tax payables		1,424	576
Retention money		950	838
Provident fund payable		392	642
Others		9,105	8,149
		<u>2,889,645</u>	<u>2,642,501</u>

8.1 This represents present value of GIDC payable to SNGPL. The amount was payable in 24 equal monthly installments. The payment is suspended at the moment pursuant to stay order granted by Sindh High Court.

(Rupees in'000)	Note	Un-audited 31 March 2023	Audited 30 June 2022
<b>9 Short term borrowings</b>			
Secured- from banking companies	9.1	1,432,920	471,244
Running finances utilized under mark-up arrangements	9.2	371,119	386,119
From associates - unsecured		<u>1,804,039</u>	<u>857,363</u>

9.1 The aggregate finance facilities available from various commercial banks amounted to Rs. 2,631.24 million (June: 2022: Rs. 2,815.24 million). These carry mark-up at the rates ranging from 14.56% to 19.88% per annum (March: 2022: 7.65% to 11.52% per annum) and are secured against hypothecation charge on current assets and promissory notes, respectively. Markup is payable on quarterly basis in arrears.

9.2 The loan was obtained to meet working capital requirements and has been utilized accordingly. The loan is unsecured, interest free and repayable on demand.

## 10 Contingencies and commitments

### 10.1 Contingencies

10.1.1 There has been no material change in the status of contingencies as disclosed in note 18 to the Company's financial statements for the year ended June 30, 2022.

### 10.2 Commitments

10.2.1 Contracts for Capital expenditure commitments outstanding as at 31 March 2023 amounted to Rs. 173.863 million (30 June 2022: Rs. 214.491 million).

10.2.2 Commitments against irrevocable letters of credit as at 31 March 2023 amounted to Rs. 1,298.58 million (30 June 2022: Rs. 2,864.944 million).

(Rupees in '000)	Quarter Ended March 31,		Nine Months Ended March 31,	
	2023	2022	2023	2022
<b>11 Cost of goods sold</b>				
Raw and packing materials consumed	1,952,031	2,071,508	5,918,703	5,428,454
Stores and spares consumed	16,956	38,379	72,274	112,107
Salaries, wages and amenities	117,208	97,349	371,623	306,171
Fuel and power	396,919	399,103	1,492,337	1,009,898
Repair and maintenance	15,027	11,283	47,522	70,227
Running and maintenance of vehicles	9,158	6,749	28,276	19,156
Insurance	3,929	4,280	13,649	13,549
Depreciation	33,487	35,081	96,994	100,523
Rent, rate and taxes	545	519	1,814	1,738
Other expenses	233	484	4,127	1,281
	2,545,493	2,664,733	8,047,319	7,063,102
Add: Opening work in process	57,402	61,630	70,373	43,221
Less: Closing work in process	(66,836)	(73,058)	(66,836)	(73,058)
	2,536,059	2,653,306	8,050,856	7,033,265
Add: Opening finished goods	1,439,142	735,941	1,064,361	923,845
Less: Closing finished goods	(804,309)	(993,848)	(804,309)	(993,848)
	3,170,892	2,395,398	8,310,908	6,963,262

## 12 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.

## 13 Date of authorisation for issue

These condensed interim financial statements were authorized for issue on 26 April 2023 by the Board of Directors of the Company.

## 14 General

- 14.1 There is no unusual item included in these condensed interim financial statements which is affecting assets, liabilities, profit, comprehensive income, equity or cash flows of the Company.
- 14.2 The provision for taxation made in these condensed interim financial statements is subject to adjustment in annual financial statements.
- 14.3 Figures have been rounded off to the nearest thousand rupees unless stated otherwise.
- 14.4 In terms of provisions of Section 232 (1), the financial statements are signed by two directors as the Chief Executive Officer is for the time being not available in Pakistan.



Shehzad Feerasta  
Director



Zeeshan Feerasta  
Director



Muhammad Ahsan Iqbal  
Chief Financial Officer





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