Rupali

Rupali Polyester Limited

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RL/CA-PSX/2002
23 June 2025

Through PUCARS

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi

Sub: **CORPORATE BRIEFING SESSION – 2025**

Dear Sir,

Reference our earlier letter No. RL/CA-PSX/1995 dated 19 June 2025 in respect of the above mentioned subject.

We are enclosing Presentation (Corporate Briefing Session – 2025) for participants/ analysts.

You may please inform the TRE Certificate Holders of the Exchange accordingly
Thanking you.

Sincerely yours,

S. Ghulam Shabbir Gilani
Company Secretary

cc: Executive Director/HOD
Off Site-II Department, Supervision Division
Securities and Exchange Commission of Pakistan
NIC Building, 63 Jinnah Avenue, Blue Area, Islamabad

Rupali Polyester Limited

Corporate Briefing Session

Financial Year 2024-25

Third Quarter and Nine Months ended

March 31, 2025

June 24, 2025

Disclaimer

The sole purpose of this presentation by Rupali Polyester Limited (RPL) is to provide information to its Stakeholders and the Analysts.

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Company Profile

Rupali Polyester Limited (RPL) was established in May 1980 as a Public Limited Company in Karachi. It is listed on the Pakistan Stock Exchange Limited The Company is engaged in the business of production and sale of Polyester Staple Fiber and Polyester Filament Yarn.

The Company holds the distinction of being one of the early pioneers in Pakistan's Staple Fiber manufacturing sector. Over the years, the Company has achieved consistent growth through expansion and diversification and its total assets have risen from an initial capital outlay of Rs.150 million to Rs.11,671 million as on 31.3.2025.

With its capacity enhancement plan, the Company added additional POY (Partially Oriented Yarn) line with a capacity of 28 metric tons per day to meet the growing demand for its products.

The Company maintains a well-equipped Research & Development Centre for continuous enhancement of product standards, innovative improvements, and the implementation of cost-effective production techniques.

RPL has earned a strong reputation among its customers as it places utmost importance on customers’ satisfaction.

ALHAMDO LILLAH, RPL has achieved a prominent status amongst the financial institutions and customers. It has significant contribution to the National Exchequer.

Strategic and Operational Developments

Pakistan's economy has still not come out of the severe stress due to unsustainable government debts and other global challenges. Economic activity has slowed-down with fiscal & monetary policy tightening, high borrowing and fuel costs, increased energy tariffs, protracted policy and political uncertainty. However, the Government efforts towards economic growth of Pakistan with long term policy framework are appreciable.

Over the past two and a half years, Rupali Polyester Limited (RPL) has experienced significant business strain due to competition with dumped imports of Polyester Filament Yarn and increased cost of doing business, causing net losses. The Company has encountered a range of challenges, which mainly are:

1. **Increased energy tariffs:** The removal of the Regionally Competitive Energy Tariff (RECT) has led to higher energy tariffs, impacting the company's operational costs.

2. **Decreasing sales volume:** The Company has experienced a decline in sales volume, which can be attributed to various market factors and economic conditions, mainly the competitive market situation with cheap and low quality imported PFY.

3. **Inability to recover increased manufacturing costs:** The Company has faced difficulties in passing on the increased manufacturing costs to the market, putting strain on its profitability.

4. **High interest rates:** Although the State Bank of Pakistan (SBP) has reduced the very higher interest rates from 22% in previous year to 11% , but the impacts of this relief on the Company's borrowing costs and financial stability shall be reflected in future results.

To survive in this challenging economic environment, the Company is continuously adjusting its business model to meet the changing market demands. The Company is focusing on a number of key strategies, including:

1. **Revenue increase:** by optimizing product mix and pricing and by expanding the customer base and focusing on customer satisfaction.

2. **Optimize pricing strategies:** By analyzing pricing data to determine optimal pricing strategies that maximize revenue while remaining competitive in the market. This involves adjusting prices based on customer demand, product availability, and market trends. This has also led to revenue increase.

3. **Reaching out to new customers:** Directed more efforts towards marketing to capture pockets of the market that were inclined towards imported yarn rather than ours. The Company targeted wholesale customers that are able to buy in bulk so even though margins might be marginally lower, however, generated positive cash flow enabling the Company to reduce its short-term borrowing.

4. **Cost optimization:** by improving operational efficiency, reducing overhead costs, rightsizing manpower to operate with a more lean structure, streamlining supply chains, reducing inventory levels now that LCs are being opened with more ease as compared to the previous year, and negotiating better terms with suppliers. This also leads to reduction in financial losses.

5. **Materials' supply** – ensuring sufficient availability of all domestic and imported raw materials to run the operation beyond one month at least incase situation necessitates complete shutdown of imports.

6. **Capex** – Setting up cone dyeing plant to increase value addition on our yarn and cater to markets rising needs of colored yarn. This step will enable higher gross margins as well as an increase in revenue.

The Company experienced the highest financial loss in the third quarter of FY 2023-24 owing to increased manufacturing costs, which the Company is trying to reduce in the fourth quarter.

Sponsors of the Company have strong belief in the future of company and Pakistan. They have supported the Company financially by injecting interest free loan of Rs. 301 million during nine months ended 31 March 2025 (total loan given during the period ended 31 March 2025: Over Rs.1,220 million) to meet its working capital needs.

The Company acknowledges that there is a need for ongoing efforts to attain sustainable long-term growth. It recognizes that achieving sustained growth requires continuous evaluation, adaptation, and implementation of strategic initiatives. By proactively addressing challenges, identifying opportunities, and making informed decisions, the Company aims to strengthen its position and ensure a trajectory of sustainable growth in the future.

Key Financial Information

Financial (Unaudited) for Nine Months

	Rupees in Thousands	
	9 Months FY 2024-25	9 Months FY 2023-24
PROFIT AND LOSS ACCOUNT		
Sales - net	5,266,159	7,860,085
Costs of goods sold	(5,859,591)	(7,823,238)
Gross Profit/(Loss)	**(593,432)**	**36,847**
Other income	102,889	44,407
Distribution, admin & other costs	(218,788)	(250,996)
Operating profit / (loss)	**(709,331)**	**(169,742)**
Finance costs	(349,711)	(469,421)
Profit / (loss) before tax	**(1,059,042)**	**(639,163)**
Provision for taxation	(33,866)	(11,059)
Profit / (loss) after tax	**(1,025,156)**	**(650,222)**
BALANCE SHEET		
Number of ordinary shares	**34,068,514**	**34,068,514**
Share capital	340,685	340,685
Reserves	5,241,703	6,445,747
Shareholders' equity	**5,582,388**	**6,786,432**
Non-current liabilities	341,880	302,745
Current liabilities	5,746,415	6,448,840
Total liabilities	**11,670,683**	**13,538,017**
Property, plant and equipment	7,034,823	7,013,815
Non-current assets	1,254,481	1,211,043
Current assets	3,381,379	5,313,159
Total assets	**11,670,683**	**13,538,017**

Operational Overview

The third quarter of FY 2024-25 continued to present significant challenges for Pakistan's polyester industry, with persistent economic headwinds impacting Rupali Polyester Limited's performance. Escalating energy costs, and the ongoing influx of dumped imports from China severely constrained the Company's operations. Despite efforts to stabilize the economy, rising input costs and competitive pressures from unfairly priced imports of Polyester Filament Yarn (PFY) led to reduced sales volumes and increased financial strain.

However, in a positive development, the Government has reduced the energy tariff by approximately Rs. 7.59 per unit effective from April-May 2025. Upon joint application from Rupali Polyester Limited and Gatron (Industries) Limited the National Tariff Commission (NTC) imposed Final Anti-Dumping Duty decision has been announced on 17 June 2025 and the Anti-dumping Duty has been considerably increased which will positively improve our future financial results.

Polyester Market Conditions

The polyester industry remains under pressure due to weak domestic demand of domestic PFY, tight liquidity and intense competition with dumped imports. Local manufacturers, operating at significantly reduced capacities, faced challenges from high raw material costs (PTA and MEG) and soaring energy tariffs, which eroded gross margins. In Finance Bill 2025, the Regulatory Duty and Custom Duty have been rationalized but their impact on our operations will be determined only receipt of respective SROs after the Budget is finally approved.

As reported earlier, National Tariff Commission has announced Final Determination of Anti-dumping duty dated 17 June 2025 which has been substantially improved. This will have very positive impact on our product sales volume and revenue. ADD structure is reproduced below:

NATIONAL TARIFF COMMISSION

Notice of Final Determination and Levy of Anti-dumping Duties on Dumped Imports of Polyester Filament Yarn – Drawn textured Yarn into Pakistan originating in and/or Exported from the People's republic of China

Imposition of Definitive Anti-dumping Duties

The Commission is satisfied that the investigated product has been imported into Pakistan at dumped prices from China, which is causing injury to the domestic industry. The Commission in terms of Section 50 of the Act, has therefore, decided to impose the definitive anti-dumping duties on dumped imports of the investigated product classified under PCT Codes 5402.3300 & 5402.6200 for a period of five years effective from November 15, 2024, at the following rates:

Exporters Name		Definitive Anti- Dumping Duty Rates (%)
XFM Group	Huzhou Zhongyue Chemical Fiber Co. Ltd.	5.35
	Tongxiang Zhongwei chemical Fiber Co. Ltd.	
	Tongxiang Zhongxin Chemical Fiber Co. Ltd.	
	Tongxiang Zhongyi Chemical Fiber Co. Ltd.	
	Xinfengming Group Huzhou Zongshi Technology Co. Ltd.	
	Huzhou Zhonglei Chemical Fiber Co. Ltd.	
	Xinfengming Jiangsu Xintuo New Material co. Ltd.	
	Zhejiang Recycle New Material Institute Co. Ltd.	
Shenghong Group	Jiangsu Guowan High – Technique Fiber Co. Ltd.	18.73
	Suzhou Shenghong Fiber Co. Ltd.	
	Jiangsu Zhonglu Technology Development Co. Ltd.	
	Jiangsu reborn Eco-Tech Co. Ltd.	
	Jiangsu Ganghong Fiber Co. Ltd.	
	Jiangsu Shenghong Technology Trading Co. Ltd.	
	Growang High – Tech Fiber (Suqian) Co. Ltd.	
Hengyi Group	Zhejiang Hengyi Petrochemicals Co. Ltd.	6.79
	Zhejiang Hengyi Petrochemicals Research Institution Co. Ltd.	
	Shaoxing Keqiao Hengming Chemical Fiber Co. Ltd.	
	Haining Hengyi New Material Co., Ltd.	
	Zhejiang Hengyi Petrochemical Sales Co., Ltd.	
	Hangzhou Yitong New Material Co., Ltd.	
	Hangzhou Yijing Chemical Fiber Co., Ltd.	

Exporters Name		Definitive Anti- Dumping Duty Rates (%)
Tongkun Group	Tongkun Group Co., Ltd.	15.49
	Tongxiang Hengji Chemical Fiber Co., Ltd	
	Tongkun Group Zhejiang Heng Sheng Chemical Fiber Co., Ltd	
	Jiangsu Tongkun Hengyang Chemical Fiber Co., Ltd.	
	Jiangsu Tongkun Hengxin New Material Co., Ltd	
Individual	Hangzhou Qingyun Holding Group Co., Ltd.,	9.67
Individual	Jiaxing Longyin Textile Co., Ltd.	20.78
All other cooperating exporters/ foreign producers (Non-Sampled)	Zhejiang JiaBao New Fiber Group Co., Ltd, China Zhejiang Jiabao Polyester Co., Ltd.	13.84
	Shaoxing Huaqing Polyester and Textile Co., Ltd	
	Fujian Jinlun Fiber Shareholding Company Limited	
	Hangzhou Yucheng New Material Technology Co., Ltd., China Jiangsu Shunlong Special Fiber Co., Ltd., China	
	Hangzhou Lianyu Chemical Fiber Co., Ltd Hangzhou United Textile I&E Co., Ltd.	
	Zhejiang Huilong New Materials Co., Ltd. & Polyester Technology Hangzhou Co., Ltd.	
	Hangzhou Zhongli Chemical Fiber Co., Ltd.	
	Hangzhou Zhongcai Chemical Fiber Co., Ltd.	
All other exporters/foreign producers		20.78

Future Outlook – Positive Factors

The Company remains committed to enhancing operational efficiency, optimizing costs, and advocating for protective trade policies to strengthen its competitive position. By leveraging advanced machinery and focusing on import substitution, the polyester sector has the potential to reduce foreign exchange outflows and contribute significantly to Pakistan's economic resilience.

- State Bank of Pakistan has cut down the mark-up rates from 22% in June 2024 to 11% in June 2025. This would reduce our Finance Cost in the annual results 2024-25.
- Government has reduced the electricity tariff for the industries. There would be substantial reduction in our manufacturing cost.
- National Tariff Commission has notified the Anti-dumping Duties (ADD) on Polyester Filament Yarn dumped by Chinees exporters into Pakistan. This would have positive impact on our sales volume and revenue.

With above factors, it is strongly hoped our financial performance will begin to improve.

OEKO Certification

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SCHEME, ANAND ROAD
54000 LAHORE, PAKISTAN

AITEX
CENTRO DE INVESTIGACIÓN E
INNOVACIÓN
CARRETERA DE BANYERES, 10
ES-03802 ALCOY (ALICANTE), SPAIN

OEKO TEX®

Certificate

OEKO-TEX® STANDARD 100

RUPALI POLYESTER LIMITED

is granted the OEKO-TEX® STANDARD 100 certification
and the right to use the trademark.

SCOPE
Raw polyester filament yarn. Exclusively produced using components pre-certified according to OEKO-TEX® STANDARD 100

PRODUCT CLASS
I (baby articles) - Annex 6

OEKO TEX® STANDARD 100 2018OK1181 AITEX

This certificate 2018OK1181 is valid until 30.09.2025.

SUPPORTING DOCUMENTS
- ✓ Test report : 2024OK2432
- ✓ Declaration of conformity in accordance with EN ISO 17050-1 as required by OEKO-TEX®
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Isabel Soriano Sarrió
Laboratories and International Offices Subdirector

Further compliance information (REACH, SVHC, POP, GBI8401 etc.) can be found on oeko-tex.com/en/faq.

The certificate is based on the test methods and requirements of the OEKO-TEX® STANDARD 100 that were in force at the time of evaluation.

Alcoy (Alicante) España, 2024-08-26

OEKO-TEX Service GmbH Genferstrasse 23, CH-8002 Zurich

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OEKO TEX®

Certificate

OEKO-TEX® STANDARD 100

RUPALI POLYESTER LIMITED

is granted the OEKO-TEX® STANDARD 100 certification
and the right to use the trademark.

SCOPE
Raw polyester staple fibre.

PRODUCT CLASS
I (baby articles) - Annex 6

OEKO TEX® STANDARD 100 2022OK2223 AITEX

This certificate 2022OK2223 is valid until 30.09.2025.

SUPPORTING DOCUMENTS
- ✓ Test report : 2024OK2431
- ✓ Declaration of conformity in accordance with EN ISO 17050-1 as required by OEKO-TEX®
- ✓ OEKO-TEX® Terms of Use (ToU)

Isabel Soriano Sarrió
Laboratories and International Offices Subdirector

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Alcoy (Alicante) España, 2024-08-26

OEKO-TEX Service GmbH Genferstrasse 23, CH-8002 Zurich

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Thank you

Q & A Session