

Corporate Data

Board of Directors

Chairman

Jafferali M. Feerasta - Non-Executive

Chief Executive Officer

Nooruddin Feerasta - Executive

Directors

Muhammad Rashid Zahir - Non-Executive

Muhammad Ali H. Sayani - Non-Executive

Sultan Ali Rajwany - Non-Executive

Amin A. Feerasta - Non-Executive

Abdul Hayee - Executive

Committees of Board of Directors

Audit Committee

Sultan Ali Rajwany - Chairman

Muhammad Rashid Zahir - Member

Amin A. Feerasta - Member

Human Resource & Remuneration Committee

Jafferali M. Feerasta - Chairman

Nooruddin Feerasta - Member

Amin A. Feerasta - Member

Chief Financial Officer

Ayub Saqib

Company Secretary

S. Ghulam Shabbir Gilani

Bankers

Bank Alfalah Limited

Bank Al-Habib Limited

Citibank, N.A.

Faysal Bank Limited

Habib Bank Ltd

MCB Bank Limited

NIB Bank Limited

Soneri Bank Limited

Auditors

Qavi & 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

Directors' Review

On behalf of the Board of Directors, I am pleased to present before you the Company's un-audited financial statements for the third quarter and nine months period ended 31 March 2013.

Financial Results

Historically, the Company has seen favourable operating climate in shape of its strong operational and financial performance. Boggled down by financial constraints emanating from the energy crises, the uncompetitive and slowed down market, its gross margin started diluting since first quarter of current year. Downstream market conditions remained subdued in the entire textile chain with lackluster demand compounded by instability in raw material prices.

The country has been crippled by an acute energy crisis because of absence of visionary approach. Power outages have made country's growth prospects bleak. The outgoing government lacked in providing a cohesive environment that could direct the industrial sector's growth in the right direction. Our Company endured severe load shedding and shut down of gas and power coupled with high manufacturing costs, thus yielding negative gross margin. The conditions in industry during the period under review remained critical as the whole environment was vitiated by energy shortages.

Sales revenue for the nine months period ended 31 March 2013 dropped by 5% to Rs.4,725.46 million from Rs.4,973.63 million in same period of 2012. Revenue for the quarter Jan-Mar 2013 was Rs.1,564.21 million as against Rs.1,554.07 million in same quarter of 2011-12. The nine months period ended 31 March 2013 posted a loss before tax of Rs.161.98 million against profit of Rs.50.30 million in the last year. After-tax loss increased to Rs.219.38 million against loss of Rs.0.61 million in the last year. Results in quarter ended 31 March 2013 were depressed showing before-tax loss of Rs.87.98 million compared to Rs.35.17 million and after-tax loss increased to Rs.83.45 million from Rs.55.22 million in the same quarter of the last year.

Administrative and general expenses were kept under strict control and remained comparable with corresponding periods last year. Finance costs in the quarter Jan-Mar 2013 were increased to Rs.17.66 million from Rs.12.34 million in the same quarter of 2012 because of working capital requirement.

Future Outlook

Financial performance of the Company in the fourth quarter and onward periods in next year may not be expected to fully revive owing to factors explained above. Continuous undersupply of gas and unplanned WAPDA power outages will further augment our power generation costs. The ever-increasing devaluation of Pakistani Rupee against the foreign currencies, unstoppable increase in oil prices, power and gas crises and deteriorating law and order situation in the country is casting a significant impact on industrial sector. Strong global cotton prices may increase the PTA demand which may drive up its prices. The Company Management is, however, striving to maintain decent operating performance by improving energy related and other costs.

On behalf of the Board

Jafferli M. Feerasta
Chairman

Lahore
20 April 2013

Condensed Interim Balance Sheet (Un-audited)

as at 31 March 2013

31 March 2013 30 June 2012
 Un-Audited Audited
 Rupees in thousand

EQUITY AND LIABILITIES**SHARE CAPITAL AND RESERVES**

Authorised Share Capital 35,000,000 (30 June 2012: 35,000,000) Ordinary Shares of Rs.10 each	350,000	350,000
Issued, Subscribed and Paid-up Capital 34,068,514 (30 June 2012: 34,068,514) Ordinary Shares of Rs.10 each	340,685	340,685
Capital Reserve	71,490	71,490
General Reserve	1,664,125	1,664,125
Unappropriated Profit	620	254,064
	2,076,920	2,330,364

NON-CURRENT LIABILITIES

Staff retirement Benefits - Gratuity	97,447	90,933
Deferred Taxation	325,845	279,728

CURRENT LIABILITIES

Trade and Other Payables	781,449	747,799
Short Term Borrowings	686,694	639,173
Accrued Mark-up	13,124	13,107
	1,481,267	1,400,079

CONTINGENCIES AND COMMITMENTS

	-	-
	3,981,479	4,101,104

ASSETS**NON-CURRENT ASSETS**

Property, Plant and Equipment Operating Fixed Assets	1,531,126	1,311,704
Capital Work-in-Progress	6,892	226,909
	1,538,018	1,538,613
Long Term Deposits	4,281	4,281
	1,542,299	1,542,894

CURRENT ASSETS

Stores, Spares and Loose Tools	816,454	747,136
Stock-in-Trade	1,201,865	1,354,876
Trade Debts - Unsecured	7,083	36,621
Loans and Advances	30,973	39,485
Trade Deposits and Short Term Prepayments	7,187	2,868
Other Receivables	216,679	178,344
Taxation - Net	138,896	124,192
Cash and Bank Balances	20,043	74,688
	2,439,180	2,558,210
	3,981,479	4,101,104

The annexed notes 1 to 7 form an integral part of these condensed interim financial statements.

Jafferali M. Feerasta
Chairman

Nooruddin Feerasta
Chief Executive Officer



RUPALI POLYESTER LIMITED

Condensed Interim Profit and Loss Account (Un-audited)

for the nine months ended 31 March 2013

	Quarter Ended		Nine Months Ended	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012
	Rupees in thousand			
Sales	1,564,211	1,554,067	4,725,456	4,973,629
Cost of Goods Sold	(1,611,304)	(1,561,855)	(4,807,704)	(4,841,687)
Gross Profit / (Loss)	(47,093)	(7,788)	(82,248)	131,942
Selling and Distribution Expenses	(4,465)	(3,635)	(12,200)	(11,311)
Administrative and General Expenses	(30,086)	(27,773)	(88,258)	(87,466)
Other Operating Charges	(88)	2,244	(298)	(4,251)
Other Operating Income	11,410	14,122	82,216	47,584
Operating Profit / (Loss)	(70,322)	(22,830)	(100,788)	76,498
Finance Costs	(17,663)	(12,341)	(61,197)	(26,194)
Profit / (Loss) before Taxation	(87,985)	(35,171)	(161,985)	50,304
Taxation	4,532	(20,053)	(57,391)	(50,913)
Loss after Taxation	(83,453)	(55,224)	(219,376)	(609)
Earnings Per Share-				
Basic and Diluted - Rupees	(2.45)	(1.62)	(6.44)	(0.02)

Appropriations have been reflected in the condensed interim statement of changes in equity.

The annexed notes 1 to 7 form an integral part of these condensed interim financial statements.

Jafferali M. Feerasta
Chairman

Nooruddin Feerasta
Chief Executive Officer

Condensed Interim Statement of Comprehensive Income (Un-audited)

for the nine months ended 31 March 2013

	Quarter Ended		Nine Months Ended	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012
	Rupees in thousand			
Comprehensive Income for the period	(83,453)	(55,224)	(219,376)	(609)
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income for the period	(83,453)	(55,224)	(219,376)	(609)

The annexed notes 1 to 7 form an integral part of these condensed interim financial statements.

Jafferali M. Feerasta
Chairman

Nooruddin Feerasta
Chief Executive Officer

Condensed Interim Cash Flow Statement (Un-audited)

for the nine months ended 31 March 2013

Nine Months Ended
31 March 2013 31 March 2012
Rupees in thousand

CASH FLOW FROM OPERATING ACTIVITIES

Profit/(Loss) Before Taxation (161,985) 50,304

Add / (Less):**Adjustment for Non Cash Charges and Other Items:**

Depreciation	102,168	82,229
Amortization of Prepayments	2,603	1,596
Staff Retirement Benefits - Gratuity	14,653	11,766
Gain / (Loss) on Disposal of Operating Fixed Assets	(12)	31
Mark-up/Interest Income	(2,005)	(3,301)
Mark-up on Short Term Borrowings	58,466	23,012
Bank Commission & Other Charges	2,731	3,182
	<u>178,604</u>	<u>118,515</u>

Effect on Cash Flow Due to Working Capital Changes:**(Increase) / Decrease In Current Assets:**

Stores, Spares and Loose Tools	70,186	(406,895)
Stock-in-Trade	153,011	349,725
Trade Debts	29,539	13,315
Loans and Advances	8,512	(11,767)
Trade Deposits and Short Term Prepayments	(6,922)	(6,658)
Other Receivables	(38,335)	123,680
	<u>215,991</u>	<u>61,400</u>

Increase / (Decrease) In Current Liabilities:

Trade and Other Payables	<u>33,628</u>	<u>(110,453)</u>
	<u>249,619</u>	<u>(49,053)</u>

Cash generated from Operations

266,238 119,766

Mark-up on Short Term Borrowings and Bank Commission and Other Charges Paid	(61,179)	(19,372)
Income Tax Paid	(25,977)	(108,645)
Mark-up/Interest Income Received	2,005	3,302
Staff Retirement Benefits - Gratuity Paid	<u>(8,144)</u>	<u>(4,837)</u>

Net Cash Inflow from Operating Activities

172,943 (9,786)

Condensed Interim Cash Flow Statement (Un-audited)

for the nine months ended 31 March 2013

Nine Months Ended
 31 March 2013 31 March 2012
 Rupees in thousand

CASH FLOW FROM INVESTING ACTIVITIES		
Fixed Capital Expenditure	(241,189)	(84,170)
Proceeds from Sale of Operating Fixed Assets	125	54
Net Cash Outflow from Investing Activities	(241,064)	(84,116)
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend Paid	(34,046)	(187,280)
Net Cash Outflow from Financing Activities	(34,046)	(187,280)
Net Decrease In Cash and Cash Equivalents	(102,167)	(281,182)
Cash and Cash Equivalents at the Beginning of the Period	(564,484)	(551)
Cash and Cash Equivalents at the End of the Period	(666,651)	(281,733)

The annexed notes 1 to 7 form an integral part of these condensed interim financial statements.

Jafferali M. Feerasta
 Chairman

Nooruddin Feerasta
 Chief Executive Officer

Condensed Interim Statement of Changes in Equity (Un-audited)

for the nine months ended 31 March 2013

Rupees in thousand

	Issued Subscribed and Paid - up Capital	Capital Reserve	Revenue Reserves		Total Reserves	Total Equity
		Share Premium	General Reserve	Un - appropriated Profit		
Balance as on 30 June 2011 (Audited)	340,685	71,490	1,664,125	420,502	2,156,117	2,496,802
Final Dividend for the year ended 30 June 2011 @ 55%	-	-	-	(187,377)	(187,377)	(187,377)
Total comprehensive income for nine months ended 31 March 2012	-	-	-	(609)	(609)	(609)
Balance as on 31 March 2012 (Un-audited)	340,685	71,490	1,664,125	232,516	1,968,131	2,308,816
Total comprehensive income for last quarter ended 30 June 2012	-	-	-	21,548	21,548	21,548
Balance as on 30 June 2012 (Audited)	340,685	71,490	1,664,125	254,064	1,989,679	2,330,364
Final Dividend for the year ended 30 June 2012 @ 10%	-	-	-	(34,068)	(34,068)	(34,068)
Total comprehensive income for nine months ended 31 March 2013	-	-	-	(219,376)	(219,376)	(219,376)
Balance as on 31 March 2013 (Un-audited)	340,685	71,490	1,664,125	620	1,736,235	2,076,920

The annexed notes 1 to 7 form an integral part of these condensed interim financial statements.

Jafferali M. Feerasta
Chairman

Nooruddin Feerasta
Chief Executive Officer

Notes to the Condensed Interim Financial Statements (Un-audited) for the nine months ended 31 March 2013

1. LEGAL STATUS AND NATURE OF BUSINESS

RUPALI POLYESTER LIMITED ("the Company") was incorporated in Pakistan on 24 May 1980 under the Companies Act 1913 (now the Companies Ordinance, 1984) as a Public Limited Company and is quoted on the Karachi, Lahore and Islamabad Stock Exchanges. The registered office of the Company is situated at Rupali House, 241-242 Upper Mall Scheme, Anand Road, Lahore. It is principally engaged in the manufacture and sale of polyester products.

2. BASIS OF PREPARATION

This condensed interim financial information is un-audited and has been prepared in accordance with the requirements of International Accounting Standards (IAS) 34 'Interim Financial Reporting' and provisions of any directive issued under the Companies Ordinance, 1984. In case where the requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. This condensed interim financial information does not include all the information required for annual financial statements and, therefore, should be read in conjunction with the annual financial statements for the year ended 30 June 2012.

3. ACCOUNTING POLICIES

The accounting policies adopted and method of computation followed in the preparation of this condensed interim financial information are the same as those applied in preparation of the preceding annual audited financial statements for the year ended 30 June 2012.

4. CONTINGENCIES AND COMMITMENTS

4.1 Contingencies:

Guarantees issued to different organizations in the normal course of business amounted to Rs. 66.314 million (30 June 2012: Rs. 66.314 million).

4.2 Commitments:

4.2.1 Contracts for Capital expenditure commitments outstanding as at 31 March 2013 amounted to Rs. 145.367 million (30 June 2012: Rs. 431.374 million).

4.2.2 Commitments against irrevocable letters of credit as at 31 March 2013 amounted to Rs. 687.165 million (30 June 2012: Rs. 711.620 million).

5. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise 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. The Board of Directors has duly ratified the transactions executed with the related parties during the current accounting period.

6. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized for issue on 20 April 2013 by the Board of Directors of the Company.

7. GENERAL

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

Jafferali M. Feerasta
Chairman

Nooruddin Feerasta
Chief Executive Officer



RUPALI POLYESTER LIMITED