



Quarterly Accounts (Un-audited)
for the 1st Quarter ended
30 September 2015

moving
forward...



Rupali Polyester Limited

Corporate Data

Board of Directors

Chairman / Chief Executive Officer

Nooruddin Feerasta

Directors

Muhammad Rashid Zahir - Non-Executive	Muhammad Ali Sayani - Non-Executive
Sultan Ali Rajwani - Non-Executive	Amin A. Feerasta - Non-Executive
Shehzad Feerasta - Non-Executive	Abdul Hayee - Executive

Audit Committee

Sultan Ali Rajwani - Chairman	Muhammad Rashid Zahir - Member
Amin A. Feerasta - Member	

Human Resource & Remuneration Committee

Sultan Ali Rajwani - Chairman	Nooruddin Feerasta - Member
Amin A. Feerasta - Member	

Chief Financial Officer

Ayub Saqib

Company Secretary

S. Ghulam Shabbir Gilani

Bankers

Askari Bank Limited	Bank Alfalah Limited
Bank Al-Habib Limited	Faysal Bank Limited
Habib Bank Limited	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 un-audited financial statements of the Company for the first quarter ended 30 September 2015.

Financial Results

Although the Company has gone through a formidable phase, our current measures have begun to show improvement. It gives me great pleasure to report that the Company has managed to overcome the hurdles, and are steadily moving towards growth to achieve stability and a positive direction. Our gross margin during the quarter under review has also shown great improvement. Despite tough market conditions, sales revenue for the first quarter ended 30 September 2015 stood at Rs.1,215 million and remained comparable to Rs.1,216 million for the same quarter of 2014. Sales volume of Polyester Staple Fiber (PSF) and Polyester Filament Yarn (PFY) has also increased, but sale prices of these products remained lower than their prices in the same quarter of 2014. As a result of our Polymer modification and change from steam boilers to coal, our conversion cost has decreased thus leading to an improvement of gross margin. On the operational side, our cost saving measures resulted in positive results, but the market behavior in terms of price remained very detrimental to our manufacturing costs.

During the quarter under review, gross loss has decreased to Rs.38.943 million from Rs.68.352 million in the same quarter of the last year. Operating loss also declined to Rs.68.980 million from Rs.96.621 million in Q1 of FY 2014-15. Net loss for the quarter under review has decreased to Rs.100.875 million as opposed to Rs.138.168 million in the same quarter of the previous year.

Administrative and general expenses increased due to a rise in labor wages during the quarter ended 30 September 2015.

Future Outlook

As international oil prices remain extremely erratic and have yet to reach a stable point, raw material prices are expected to remain volatile. The dumping of PSF from China adversely affects the local Polyester industry and, therefore, the National Tariff Commission has imposed a provisional anti-dumping duty on PSF imports from China. This will provide some relief to the local PSF industry.

The Management is working hard to transform the Company's production facility into a financially sound and economically sustainable manufacturing unit.

We are thankful to our valued customers, stakeholders, DFI's and commercial banks for their confidence in the Company. We also appreciate the continued hard work by the management and staff of the Company.

On behalf of the Board

Nooruddin Feerasta
Chief Executive Officer

Lahore

19 October 2015



Condensed Interim Balance Sheet (Un-audited)

as at 30 September 2015

	Note	30 Sep. 2015 Un-audited Rupees in thousand	30 June 2015 Audited
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment		1,705,449	1,729,858
Investment property		325,000	325,000
Long-term deposits		4,361	4,361
CURRENT ASSETS			
Stores, spares and loose tools		794,818	783,764
Stock-in-trade		818,905	724,138
Trade debts		4,132	1,552
Loans and advances		23,131	22,788
Trade deposits and short-term prepayments		16,244	5,398
Other receivables		513,056	459,628
Taxation - net		214,600	212,345
Cash and bank balances		5,656	19,568
		<u>2,390,542</u>	<u>2,229,181</u>
		<u>4,425,352</u>	<u>4,288,400</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital 35,000,000 (30 June 2015: 35,000,000) ordinary shares of Rs. 10 each		350,000	350,000
Issued, subscribed and paid-up capital 34,068,514 (30 June 2015: 34,068,514) ordinary shares of Rs. 10 each			
Reserves	5	340,685	340,685
		631,329	732,204
		972,014	1,072,889
Surplus on revaluation of freehold land		293,388	293,388
		<u>1,265,402</u>	<u>1,366,277</u>
NON-CURRENT LIABILITIES			
Long-term financing		283,314	283,314
Staff retirement benefits		105,313	105,313
Deferred taxation		265,888	265,888
Liabilities against assets subject to finance lease		4,158	4,402
		<u>658,673</u>	<u>658,917</u>
CURRENT LIABILITIES			
Trade and other payables		850,418	927,618
Short-term borrowings		1,616,880	1,306,341
Accrued mark-up		33,117	28,404
Current portion of liabilities against assets subject to finance lease		862	843
		<u>2,501,277</u>	<u>2,263,206</u>
CONTINGENCIES AND COMMITMENTS			
	6	<u>4,425,352</u>	<u>4,288,400</u>

The annexed notes 1 to 9 form an integral part of this condensed interim financial information.

Nooruddin Feerasta
Chief Executive Officer

Muhammad Rashid Zahir
Director



Condensed Interim Profit and Loss Account (Un-audited) for the quarter ended 30 September 2015

	Quarter Ended		Quarter Ended	
	September 2015	September 2015	September 2014	September 2014
	Rupees in thousand			
Sales	1,215,265	1,215,265	1,216,557	1,216,557
Cost of goods sold	(1,254,208)	(1,254,208)	(1,284,909)	(1,284,909)
Gross loss	(38,943)	(38,943)	(68,352)	(68,352)
Selling and distribution expenses	(3,286)	(3,286)	(2,044)	(2,044)
Administrative and general expenses	(31,999)	(31,999)	(31,063)	(31,063)
Other charges	-	-	-	-
	(35,285)	(35,285)	(33,107)	(33,107)
Other income	5,248	5,248	4,838	4,838
Operating loss	(68,980)	(68,980)	(96,621)	(96,621)
Finance cost	(31,895)	(31,895)	(41,547)	(41,547)
Loss before taxation	(100,875)	(100,875)	(138,168)	(138,168)
Taxation	-	-	-	-
Loss after taxation	(100,875)	(100,875)	(138,168)	(138,168)
	Amount in Rupees			
Earnings per share - basic and diluted	(2.96)	(2.96)	(4.06)	(4.06)

Appropriations have been reflected in the condensed interim statement of changes in equity.
The annexed notes 1 to 9 form an integral part of this condensed interim financial information.

Nooruddin Feerasta
Chief Executive Officer

Muhammad Rashid Zahir
Director

Condensed Interim Statement of Comprehensive Income (Un-audited) for the quarter ended 30 September 2015

	Quarter Ended		Quarter Ended	
	September 2015	September 2015	September 2014	September 2014
	Rupees in thousand			
Loss after taxation	(100,875)	(100,875)	(138,168)	(138,168)
Other comprehensive income	-	-	-	-
Total comprehensive loss	<u>(100,875)</u>	<u>(100,875)</u>	<u>(138,168)</u>	<u>(138,168)</u>

The annexed notes 1 to 9 form an integral part of this condensed interim financial information.

Nooruddin Feerasta
Chief Executive Officer

Muhammad Rashid Zahir
Director



Condensed Interim Cash Flow Statement (Un-audited)

for the quarter ended 30 September 2015

	Quarter Ended	
	30 Sep. 2015	30 Sep. 2014
	Rupees in thousand	
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(100,875)	(138,168)
Adjustments for non-cash and other items		
Depreciation	40,659	35,109
(Profit)/Loss on disposal of property, plant and equipment	(939)	6
Provision for staff retirement benefits	158	1,402
Exchange gain	(19)	-
Finance cost	31,895	41,547
	<u>71,754</u>	<u>78,064</u>
Effect on cash flow due to working capital changes		
(Increase) / Decrease in current assets		
Stores, spares and loose tools	(11,053)	(28,239)
Stock-in-trade	(94,767)	90,753
Trade debts	(2,580)	(9,420)
Loans and advances	(343)	(17,824)
Trade deposits and short-term prepayments	(10,846)	(3,122)
Other receivables	(53,429)	(42,903)
	<u>(173,018)</u>	<u>(10,755)</u>
Decrease In current liabilities		
Trade and other payables	(77,200)	62,765
Cash used in operations	<u>(279,339)</u>	<u>(8,094)</u>
Finance cost paid	(27,182)	(33,286)
Income tax paid	(2,256)	(4,178)
Staff retirement benefits paid	(158)	(1,402)
	<u>(308,935)</u>	<u>(46,960)</u>
Net Cash outflow from operating activities		
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure	(16,362)	(26,508)
Long term deposits	-	-
Proceeds from disposal of property, plant and equipment	1,050	885
	<u>(15,312)</u>	<u>(25,623)</u>
Net cash outflow from investing activities		



Condensed Interim Cash Flow Statement (Un-audited)

for the quarter ended 30 September 2015

	Quarter Ended	
	30 Sep. 2015	30 Sep. 2014
	Rupees in thousand	
CASH FLOW FROM FINANCING ACTIVITIES		
Long term financing	-	21,297
Liabilities against assets subject to finance lease	(223)	-
Net cash (outflow)/inflow from financing activities	(223)	21,297
Net decrease in cash and cash equivalents	(324,470)	(51,286)
Cash and cash equivalents at the beginning of the period	(1,286,773)	(1,325,025)
Effect of exchange rate fluctuations	19	-
Cash and cash equivalents at the end of the period	(1,611,224)	(1,376,311)

The annexed notes 1 to 9 form an integral part of this condensed interim financial information.

Nooruddin Feerasta
Chief Executive Officer

Muhammad Rashid Zahir
Director

Condensed Interim Statement of Changes in Equity (Un-audited) for the quarter ended 30 September 2015

Rupees in thousand

	Issued Subscribed and Paid - up Capital	Capital Reserve Share Premium	General Reserve	Revenue Reserves Accumulated Loss	Total Equity	Surplus on revaluation of freehold land	Total
Balance as on 01 July 2014	340,685	71,490	1,664,125	(613,511)	1,462,789	-	1,462,789
Final dividend for the year ended 30 June 2014	-	-	-	-	-	-	-
Loss for 1st quarter ended 30 September 2014	-	-	-	(138,168)	(138,168)	-	(138,168)
Other comprehensive income for 1st quarter ended 30 September 2014	-	-	-	-	-	-	-
Balance as on 30 September 2014	340,685	71,490	1,664,125	(751,679)	1,324,621	-	1,324,621
Balance as on 01 October 2014	340,685	71,490	1,664,125	(751,679)	1,324,621	-	1,324,621
Loss for last 3 quarters ended 30 June 2015	-	-	-	(246,279)	(246,279)	-	(246,279)
Other comprehensive income for the year ended 30 June 2015	-	-	-	(5,453)	(5,453)	293,388	287,935
Balance as on 30 June 2015	340,685	71,490	1,664,125	(1,003,411)	1,072,889	293,388	1,366,277
Balance as on 01 July 2015	340,685	71,490	1,664,125	(1,003,411)	1,072,889	293,388	1,366,277
Final dividend for the year ended 30 June 2015	-	-	-	-	-	-	-
Loss for 1st Quarter ended 30 September 2015	-	-	-	(100,875)	(100,875)	-	(100,875)
Other comprehensive income for 1st Quarter ended 30 September 2015	-	-	-	-	-	-	-
Balance as on 30 September 2015	340,685	71,490	1,664,125	(1,104,286)	972,014	293,388	1,265,402

The annexed notes 1 to 9 form an integral part of this condensed interim financial information.

Nooruddin Feerasta
Chief Executive Officer

Muhammad Rashid Zahir
Director



Notes to the Condensed Interim Financial Information (Un-audited) for the quarter ended 30 September 2015

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 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 Standard (IAS) 34 - 'Interim Financial Reporting' and provisions of any directives 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 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 2015.

3 Significant accounting policies

The accounting policies and the methods of computation adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of audited annual financial statements of the Company for the year ended 30 June 2015.

The provision for taxation for the quarter ended 30 September 2015 has been made using the tax rate that would be applicable to expected total annual earnings.

4 Accounting estimates, judgments and financial risk management

In preparing this condensed interim financial information, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the audited annual financial statements as at and for the year ended 30 June 2015, with the exception of changes in estimates that are required in determining the provision for income taxes.

The Company's financial risk management objectives and policies are consistent with those disclosed in the audited annual financial statements as at and for the year ended 30 June 2015.

	30 Sep 2015	30 June 2015
	Rupees in thousand	
5 Reserves		
Capital		
- Share Premium	71,490	71,490
Revenue		
- General reserve	1,664,125	1,664,125
- Accumulated loss	(1,104,286)	(1,003,411)
	559,839	660,714
	631,329	732,204

6 Contingencies and commitments

6.1 Contingencies:

6.1.1 Guarantees issued to different organizations in the normal course of business amounted to Rs. 66.314 million (30 June 2015: Rs. 66.314 million).

6.1.2 No outstanding guarantees were given on behalf of related parties as at 30 June 2015 and 2014.

6.2 Commitments:

6.2.1 Contracts for capital expenditure commitments outstanding as at 30 September 2015 amounted to Rs.115.129 million (30 June 2015: Rs. 93.432 million).

6.2.2 Commitments against irrevocable letters of credit as at 30 September 2015 amounted to Rs. 803.373 million (30 June 2015: Rs. 1,049.124 million).

7 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.

8 Date of authorization for issue

These condensed interim financial statements were authorized for issue on 19 October 2015 by the Board of Directors of the Company.

9 General

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

Nooruddin Feerasta
Chief Executive Officer

Muhammad Rashid Zahir
Director

rupaligroup.com



Rupali Polyester Limited

Registered Office

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