



Quarterly Accounts (Unaudited)
for the 3rd Quarter ended
31 March 2010



Rupali Polyester Limited



CORPORATE DATA

Board of Directors

Jafferali M. Feerasta
Chairman

Nooruddin Feerasta
Chief Executive

Muhammad Rashid Zahir
Amin A. Feerasta
Syed Ali Zafar
Muhammad Ali H. Sayani
Abdul Hayee

Audit Committee

Jafferali M. Feerasta
Chairman
Amin A. Feerasta
Member / Secretary
Muhammad Rashid Zahir
Member

Chief Financial Officer

Ayub Saqib

Secretary

S. Ghulam Shabbir Gilani

Bankers

Bank Al-Habib Limited
Habib Bank Ltd.
Meezan Bank Limited
Soneri Bank Limited
Citibank, N.A.
MCB Bank Limited
NIB Bank Limited
The Royal Bank of Scotland 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 feel privileged to present the review of the Company's unaudited operational results for the third quarter and nine months period ended 31 March 2010.

Financial Results

Sales revenue for the period under review reflects an increase from Rs.3,235 million to Rs.3,527 million as compared to the corresponding period of 2009. This increase is mainly attributable to improvement in the sale prices of Polyester Filament Yarn & Polyester Staple Fiber and partly due to volumetric increase in sale of these products.

The revenue would have been better, if there was no **unplanned load shedding** of gas and power supplies throughout this period, which bitterly disturbed the downstream industrial operations, resulting in production losses and wastages.

The prices of our basic raw materials, PTA and MEG witnessed an increasing trend in the third quarter because of supply demand situation, however, due to effective management of resources and better planning of production, the gross margin has improved.

The administrative and general expenses were increased to Rs.193.720 million from Rs.61.077 million mainly due to Bad Debts Expense of Rs.124.704 million representing write-off of Long Term Investment and Long Term Loans advanced to World Bridge Connect (Pvt.) Limited.

The other operating income increased from Rs.47.571 million to Rs.62.826 million due to increase in interest income by Rs.13.467 million compared to corresponding period of 2009. Pre-tax profit for the nine months period under review is marginally increased by 2% from Rs.169.527 million to Rs.172.939 million. However, the after-tax profit decreased to Rs.104.561 million from Rs.109.729 million in the previous period.

Future Outlook

The profitability in future will depend upon the Government policies towards the tariff structure of Polyester Staple Fiber and Filament Yarn Industries as well as the condition of gas and power supply in the country. In the forthcoming budget, Government of Pakistan is considering to introduce cascading tariff structure and to undo present policy of monetization of custom duty on PTA. At





the regulatory forums, it is the unanimous proposal from the Polyester Industry that tariff protection to Textile chain should remain at the present level in order to safeguard the domestic industry against illegal dumping mostly from Far-Eastern countries and China.

In view of the foregoing situation, pressure on business margins is expected to continue in the near future. However, the Company would strive to maximize sales volume and control costs so that the impact of higher production costs on the profitability could be minimized through prudent operational and administrative measures.

On behalf of the Board

Jafferali M. Feerasta
Chairman

Lahore
24 April 2010



CONDENSED INTERIM BALANCE SHEET

as at 31 March 2010

Rupees in thousand

	Un-audited 31 Mar. 2010	Audited 30 June 2009
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorised Share Capital 35,000,000 (30 June 2009: 35,000,000) Ordinary Shares of Rs. 10 each	350,000	350,000
Issued, Subscribed and Paid-up Capital 34,068,514 (30 June 2009: 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	121,273	152,986
	<u>2,197,573</u>	<u>2,229,286</u>
NON-CURRENT LIABILITIES		
Staff Retirement Benefits - Gratuity	67,904	64,871
Deferred Taxation	196,239	198,422
CURRENT LIABILITIES		
Trade and Other Payables	179,129	226,860
Short Term Borrowings	-	-
Taxation - Net	847	3,172
	<u>179,976</u>	<u>230,032</u>
CONTINGENCIES AND COMMITMENTS		
	<u>2,641,692</u>	<u>2,722,611</u>
ASSETS		
NON-CURRENT ASSETS		
Property, Plant and Equipment Operating Fixed Assets	925,093	969,334
Capital Work-in-Progress	3,498	2,845
	<u>928,591</u>	<u>972,179</u>
Long Term Investments	32,147	92,064
Long Term Loans	-	44,797
Long Term Deposits	4,064	4,123
	<u>964,802</u>	<u>1,113,163</u>
CURRENT ASSETS		
Stores, Spares and Loose Tools	371,397	300,554
Stock-in-Trade	592,361	607,564
Trade Debts - Unsecured	69,800	5,481
Loans and Advances	37,676	22,143
Trade Deposits and Short Term Prepayments	3,895	856
Accrued Interest	-	19,984
Other Receivables	224,146	125,540
Cash and Bank Balances	377,615	527,326
	<u>1,676,890</u>	<u>1,609,448</u>
	<u>2,641,692</u>	<u>2,722,611</u>

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

Jafferali M. Feerasta
Chairman

Nooruddin Feerasta
Chief Executive



CONDENSED INTERIM CASH FLOW STATEMENT (Un-Audited) for the nine months ended 31 March 2010

	Rupees in thousand Nine Months Ended	
	31 Mar. 2010	31 Mar. 2009
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed Capital Expenditure	(20,805)	(27,168)
Long Term Investments	(5)	(219)
Long Term Deposits	59	(201)
Proceeds from Sale of Operating Fixed Assets	344	4,887
Net Cash (Outflow) from Investing Activities	(20,407)	(22,701)
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend Paid	(137,058)	(101,156)
Net Cash (Outflow) from Financing Activities	(137,058)	(101,156)
Net Increase / (Decrease) In Cash and Cash Equivalents	(149,711)	121,662
Cash and Cash Equivalents at the Beginning of the Period	527,326	366,644
Cash and Cash Equivalents at the End of the Period	377,615	488,306

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

Jafferali M. Feerasta
Chairman

Nooruddin Feerasta
Chief Executive



CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Un-Audited) for the nine months ended 31 March 2010

	Rupees in thousand			
	Nine Months Ended		Quarter Ended	
	31 Mar. 2010	31 Mar. 2009	31 Mar. 2010	31 Mar. 2009
Comprehensive Income for the period	104,561	109,729	35,887	54,271
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income for the period	<u>104,561</u>	<u>109,729</u>	<u>35,887</u>	<u>54,271</u>

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

Jafferali M. Feerasta
Chairman

Nooruddin Feerasta
Chief Executive



CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-Audited) for the nine months ended 31 March 2010

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 01 July 2008	340,685	71,490	1,424,125	298,560	1,794,175	2,134,860
Final Dividend for the year ended 30 June 2008 @ 30%	-	-	-	(102,206)	(102,206)	(102,206)
Total Comprehensive Income for nine months ended 31 March 2009	-	-	-	109,729	109,729	109,729
Balance as on 31 March 2009	340,685	71,490	1,424,125	306,083	1,801,698	2,142,383
Total Comprehensive Income for last quarter ended 30 June 2009	-	-	-	86,903	86,903	86,903
Transfer to General Reserve	-	-	240,000	(240,000)	-	-
Balance as on 30 June 2009	340,685	71,490	1,664,125	152,986	1,888,601	2,229,286
Final Dividend for the year ended 30 June 2009 @ 40%	-	-	-	(136,274)	(136,274)	(136,274)
Total Comprehensive Income for nine months ended 31 March 2010	-	-	-	104,561	104,561	104,561
Balance as on 31 March 2010	340,685	71,490	1,664,125	121,273	1,856,888	2,197,573

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

Jafferli M. Feerasta
Chairman

Nooruddin Feerasta
Chief Executive

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS for the nine months ended 31 March 2010

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

These condensed interim financial statements have been prepared in accordance with the requirements of International Financial Reporting Standards (IFRSs) IAS 34 "Interim Financial Reporting" as applicable in Pakistan and does not include all the disclosures and information required for full annual financial statements, and should be read in conjunction with the annual audited financial statements of the Company for the year ended 30 June 2009. These condensed interim financial statements are being submitted to the shareholders as required under Section 245 of the Companies Ordinance, 1984 and other directives issued by the Securities and Exchange Commission of Pakistan and the Listing Regulations.

3 ACCOUNTING POLICIES

The accounting policies adopted and method of computation followed in the preparation of these condensed interim financial statements are the same as those applied in preparation of the preceding annual audited financial statements for the year ended 30 June 2009.



4 TAXATION

Provision for current taxation is based on current rates of tax after taking into account tax credit available under the Income Tax Ordinance, 2001.

5 CONTINGENCIES AND COMMITMENTS

5.1 Contingencies:

5.1.1 Guarantees issued to different organizations in the normal course of business amounted to Rs. 66.314 million (30 June 2009: Rs. 66.314 million).

5.1.2 Outstanding guarantees given on behalf of Related Parties amounted to Rs. 6.161 million (30 June 2009: Rs. 6.161 million).

5.2 Commitments:

Commitments against irrevocable letters of credit as at 31 March 2010 amounted to Rs. 538.427 million (30 June 2009: Rs. 256.355 million).

6 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 Company has fully complied with the best practices on Transfer Pricing as contained in the Listing Regulations of the Karachi, Lahore and Islamabad Stock Exchanges. The Board of Directors have duly ratified the transactions executed with the related parties during the current accounting period.

7 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized for issue on 24 April 2010 by the Board of Directors of the Company.

8 GENERAL

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

Jafferli M. Feerasta
Chairman

Nooruddin Feerasta
Chief Executive





Rupali Polyester Limited