

Board of Directors

Jafferali M. Feerasta
Chairman

Nooruddin Feerasta
Chief Executive

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

Secretary

S. Ghulam Shabbir Gilani

Audit Committee

Jafferali M. Feerasta Muhammad Rashid Zahir
Chairman Member

Amin A. Feerasta
Member/Secretary

Bankers

Bank Al-Habib Limited Citibank, N.A.
Habib Bank Ltd. MCB Bank Limited
Meezan Bank Limited NIB Bank Limited
Soneri 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

It gives me great pleasure in presenting to you the un-audited financial results of the Company for the first quarter ended 30 September 2008.

Financial Results

The financial results for the quarter under review reflect improvement in Sales revenue by Rs.326 million to Rs.1,359 million from Rs.1,033 million in corresponding quarter 2007. The increase is because of improvement in sale prices of Polyester Staple Fiber and Filament Yarn. The gross profit for the current quarter also increased to Rs.86 million from Rs.58 million in same quarter of the year 2007.

The gross margin remained under pressure due to highly inflated prices of our major raw materials namely PTA and MEG due to unusual surge in oil prices in the world market which peaked at a historically high level of US\$147 per barrel in August 2008. The administrative and selling expenses remained comparable to the same period of 2007. Financial charges decreased to Rs.0.292 million from Rs.0.349 million due to very prudent utilization of borrowed funds. Pre-tax profit for the current quarter was increased to Rs.72.65 million compared to Rs.54.12 million in same quarter last year. Net profit also increased by Rs.12.05 million from Rs.35.18 million in the first quarter of 2007 to Rs.47.23 million in the quarter under review.

Future Outlook

It has always been Management's endeavor to increase the profit margins by enhancing operational efficiencies. Intense load shedding and power shortages coupled with recent all time high increase in electricity and natural gas tariff will put further burden on the cost of production. Continuous and increased volume of direct import of Polyester Staple Fiber and Filament Yarn from China and other Far-Eastern Countries will keep hampering growth of local Industry. The 7.5% Compensatory Support allowed by the Government to reimburse Duty on PTA has not yet been implemented although SRO for locally procured PTA has been issued. The SRO for imported PTA is still awaited. The industry will get relief if the reimbursement is made timely. Due to reduction in oil prices in International market, there has been some declining trend in PTA and MEG prices in September 2008, however, this decline may be a temporary phase.

On behalf of the Board

Nooruddin Feerasta
Chief Executive

Lahore.
24 October 2008

Rupali Balance Sheet as at 30 September 2008

Rupees in thousand
Un-Audited Audited
30 Sep. 2008 30 June 2008

EQUITY AND LIABILITIES

SHARE CAPITAL AND RESERVES

Share Capital

Authorised

35,000,000 Ordinary Shares of Rs. 10 each

350,000

350,000

Issued, Subscribed and Paid-up

340,685

340,685

Reserves

1,739,194

1,794,175

2,079,879

2,134,860

NON-CURRENT LIABILITIES

Deferred Liabilities

279,678

279,678

CURRENT LIABILITIES

Trade and Other Payables

162,067

516,869

Mark-up Accrued

-

-

Taxation - net

-

-

Proposed Dividend

102,206

-

264,273

516,869

CONTINGENCIES AND COMMITMENTS

-

-

2,623,830

2,931,407

ASSETS

NON-CURRENT ASSETS

Property, Plant and Equipment

Operating Fixed Assets

976,031

986,262

Capital Work-in-Progress

5,641

6,271

981,672

992,533

Long Term Investments

91,952

91,844

Long Term Loans

37,499

37,499

Long Term Deposits and Prepayments

4,619

4,084

1,115,742

1,125,960

CURRENT ASSETS

Stores, Spares and Loose Tools

323,215

291,490

Stock-in-Trade

434,726

881,259

Trade Debts - Unsecured

89,004

3,945

Loans and Advances

103,307

61,876

Trade Deposits and Short Term Prepayments

8,268

1,764

Other Receivables

98,611

136,414

Taxation - net

42,348

62,055

Cash and Bank Balances

408,609

366,644

1,508,088

1,805,447

2,623,830

2,931,407

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

Nooruddin Feerasta
Chief Executive

Muhammad Ali H. Sayani
Director



Profit and Loss Account (Un-audited) for the period ended 30 September 2008

	Rupees in thousand			
	2008		2007	
	Quarter		Quarter	
	Ended	Upto	Ended	Upto
	Sep. 2008	Sep. 2008	Sep. 2007	Sep. 2007
Sales	1,359,459	1,359,459	1,033,467	1,033,467
Cost of Sales	1,273,934	1,273,934	975,187	975,187
Gross Profit	85,525	85,525	58,280	58,280
Selling and Distribution Expenses	3,340	3,340	2,434	2,434
Administrative and General Expenses	16,700	16,700	16,784	16,784
Other Operating Expenses	5,446	5,446	4,080	4,080
	25,486	25,486	23,298	23,298
Other Operating Income	12,907	12,907	19,482	19,482
Profit from Operations	72,946	72,946	54,464	54,464
Finance Costs	292	292	349	349
Profit before Taxation	72,654	72,654	54,115	54,115
Taxation	25,429	25,429	18,940	18,940
Profit after Taxation	47,225	47,225	35,175	35,175
Basic Earnings Per Share (Rupees)	1.39	1.39	1.03	1.03

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

Nooruddin Feerasta
Chief Executive

Muhammad Ali H. Sayani
Director



Cash Flow Statement (Un-audited) for the period ended 30 September 2008

	Rupees in thousand	
	30 Sep. 2008	30 Sep. 2007
CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Taxation	72,654	54,115
Add / (Less):		
Adjustment for Non Cash Charges and Other Items:		
Depreciation	21,043	21,519
Amortization of Long Term Deposits and Prepayments	-	1,408
Staff Retirement Benefits - Gratuity	710	771
Bank Charges	292	349
Mark-up/Interest Income	(6,252)	(7,801)
Remission of Liabilities	(1,655)	-
Profit on Disposal of Operating Fixed Assets	-	-
	14,138	16,246
Effect on Cash Flow Due to Working Capital Changes:		
(Increase) / Decrease In Current Assets:		
Stores, Spares and Loose Tools	(31,725)	753
Stock-in-Trade	446,532	17,052
Trade Debts	(85,059)	(91,223)
Loans and Advances	(40,950)	(12,301)
Trade Deposits and Short Term Prepayments	(13,722)	222
Other Receivables	37,803	(2,387)
	312,879	(87,884)
Increase In Current Liabilities:		
Trade and Other Payables	(346,426)	20,778
	(33,547)	(67,106)
Cash generated / (used) from Operations	53,245	3,255
Mark-up on Short Term Borrowings and Bank Charges Paid	(292)	(349)
Income Tax Paid	(5,723)	(4,762)
Staff Retirement Benefits - Gratuity Paid	(710)	(770)
Mark-up/Interest Received	6,252	4,277
Net Cash Inflow from Operating Activities	52,772	1,651
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed Capital Expenditure	(10,164)	(12,820)
Long Term Investments	(108)	(2,026)
Long Term Deposits and Prepayments	(535)	(3,998)
Proceeds from Sale of Operating Fixed Assets	-	-
Net Cash Outflow from Investing Activities	(10,807)	(18,844)
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend Paid	-	-
Net Cash Flow from Financing Activities	-	-
Net (Decrease) / Increase In Cash and Cash Equivalents	41,965	(17,193)
Cash and Cash Equivalents at the Beginning of the Quarter	366,644	458,118
Cash and Cash Equivalents at the End of the Quarter	408,609	440,925

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

Nooruddin Feerasta
Chief Executive

Muhammad Ali H. Sayani
Director



Statement of Changes in Equity (Un-audited) for the period ended 30 September 2008

Rupees in thousand

	Ordinary Share Capital	Capital Reserve	Revenue Reserve	Un- appropri- ated Profit	Total
Balance as on 01 July 2007 as previously reported	340,685	71,490	1,424,125	212,708	2,049,008
Final Dividend for the year ended 30 June 2007 @ 25%	-	-	-	(85,171)	(85,171)
Net Profit for 1st Quarter ended 30 Sep. 2007	-	-	-	35,175	35,175
Balance as on 30 Sep. 2007 as previously reported	340,685	71,490	1,424,125	162,712	1,999,012
Balance as on 01 Oct. 2007	340,685	71,490	1,424,125	162,712	1,999,012
Net Profit for last 3 Quarters ended 30 June 2008	-	-	-	135,848	135,848
Proposed Final Dividend for the year ended 30 June 2008 @ 30%	-	-	-	(102,206)	(102,206)
Net Profit for 1st Quarter ended 30 Sep. 2008	-	-	-	47,225	47,225
Balance as on 30 Sep. 2008	340,685	71,490	1,424,125	243,579	2,079,879

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

Nooruddin Feerasta
Chief Executive

Muhammad Ali H. Sayani
Director

1. ACCOUNTING POLICIES

The accounting policies adopted for the preparation of these financial statements are the same as those applied in preparing the financial statements for the year ended 30 June 2008.

2. PRESENTATION

2.1 Previous period's figures, wherever necessary, have been re-arranged for the purpose of comparison.

2.2 Figures in these financial statements have been rounded off to the nearest thousand rupees, unless otherwise specified.

3. 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.

4. CONTINGENCIES AND COMMITMENTS

	Rupees in thousand	
	30 Sep. 2008	30 June 2008
- Guarantees issued to different organizations	72,225	72,225
- Commitment against irrevocable letters of credit	158,251	592,403

5. TRANSACTIONS WITH RELATED PARTIES

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.

6. GENERAL

6.1 These financial statements have been prepared in accordance with the requirements of International Accounting Standards-34: Interim Financial Reporting and are being submitted to 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.

6.2 These financial statements were authorized for issue on 24 October 2008 by the Board of Directors of the Company.

Nooruddin Feerasta
Chief Executive

Muhammad Ali H. Sayani
Director