



Quarterly Accounts (Unaudited)  
for the 1st Quarter ended  
30 September 2009



**Rupali Polyester Limited**



## CORPORATE DATA

### 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

### Audit Committee

Jafferali M. Feerasta  
Chairman

Muhammad Rashid Zahir  
Member

Amin A. Feerasta  
Member / Secretary

### Chief Financial Officer

Ayub Saqib

### Secretary

S. Ghulam Shabbir Gilani

### 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 - Shekhupura Road  
Sheikhupura - 39350  
PAKISTAN



## DIRECTORS' REVIEW

On behalf of the Board of Directors, I take pleasure in presenting the Company's unaudited operational results for the first quarter ended 30 September 2009.

### Financial Results

Despite numerous economic challenges, the Company continued to focus on sustained and healthy growth through operational efficiencies. ALHAMDO LILLAH, by the Grace of Allah Almighty, the operating profit for the first quarter ended 30 September 2009 was increased to Rs.97 million from Rs.73 million in corresponding quarter of 2008. Gross profit for the quarter under review also showed an increase to Rs.113 million from Rs.86 million in the same period of the year 2008. The improvement in gross profitability is mainly because of relatively cheaper prices of our major raw materials in the quarter under review as compared to the prices prevailing in the corresponding period in 2008. During the quarter ended September 2009, the revenue from sales was Rs.1,097 million as compared to Rs.1,359 million in same quarter of 2008. The reason for this decrease is mainly attributable to decrease in products sale prices because of downward trend in oil prices in the international market.

The administrative and general expenses in current quarter were increased to Rs.22.64 million from Rs.16.70 million in same quarter of 2008, mainly due to upward revision in staff salaries and amenities. Pre-tax profit for the current quarter was increased to Rs.96.68 million from Rs.72.65 million in same quarter last year. Net profit at Rs.62.84 million showed an increase of Rs.15.62 million over Rs.47.22 million in the corresponding quarter of 2008.

### Future Outlook

Deplorable security environment has disturbed peace in the country for the last several months which is not only a serious threat to the national solidarity as a whole, but is also worsening the national economy. Power and gas load shedding is also likely to further aggravate in coming winter months. The gas and power shortage in the country will continue to have its impact on Polyester Industry as our downstream consumers cannot afford installing their own power generation facilities. The local Industry is encountering persistent challenges of unfair competition with heavy influx of imported Polyester Filament Yarn from Far-Eastern countries particularly from China at a dumping price. These factors may affect our profitability in the coming quarter. However, it has always been the endeavour of the Management of your Company to increase profit margins through implementation of performance accelerating measures both of plant operations and human resources.

On behalf of the Board

Jafferali M. Feerasta  
Chairman

Lahore  
23 October 2009





# CONDENSED INTERIM BALANCE SHEET

as at 30 September 2009

	Rupees in thousand	
	Un-audited 30 Sep. 2009	Audited 30 June 2009
<b>EQUITY AND LIABILITIES</b>		
<b>SHARE CAPITAL AND RESERVES</b>		
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	79,553	152,986
	<u>2,155,853</u>	<u>2,229,286</u>
<b>NON-CURRENT LIABILITIES</b>		
Staff Retirement Benefits - Gratuity	64,871	64,871
Deferred Taxation	198,422	198,422
<b>CURRENT LIABILITIES</b>		
Trade and Other Payables	140,073	226,860
Taxation - net	32,619	3,172
Proposed Dividend	136,274	-
	<u>308,966</u>	<u>230,032</u>
<b>CONTINGENCIES AND COMMITMENTS</b>		
	<u>-</u>	<u>-</u>
	<u>2,728,112</u>	<u>2,722,611</u>
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, Plant and Equipment Operating Fixed Assets	962,521	969,334
Capital Work-in-Progress	4,325	2,845
	<u>966,846</u>	<u>972,179</u>
Long Term Investments	92,069	92,064
Long Term Loans	44,797	44,797
Long Term Deposits	4,158	4,123
	<u>1,107,870</u>	<u>1,113,163</u>
<b>CURRENT ASSETS</b>		
Stores, Spares and Loose Tools	249,281	300,554
Stock-in-Trade	456,295	607,564
Trade Debts - Unsecured	13,928	5,481
Loans and Advances	23,476	22,143
Trade Deposits and Short Term Prepayments	8,692	856
Accrued Interest	19,984	19,984
Other Receivables	138,886	125,540
Cash and Bank Balances	709,700	527,326
	<u>1,620,242</u>	<u>1,609,448</u>
	<u>2,728,112</u>	<u>2,722,611</u>

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

Jafferali M. Feerasta  
Chairman

Nooruddin Feerasta  
Chief Executive

## CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (Un-Audited) for the period ended 30 September 2009

	Rupees in thousand			
	Quarter Ended		Quarter Ended	
	Sep. 2009	Sep. 2009	Sep. 2008	Sep. 2008
Sales	1,097,249	1,097,249	1,359,459	1,359,459
Cost of Sales	983,964	983,964	1,273,934	1,273,934
<b>Gross Profit</b>	<b>113,285</b>	<b>113,285</b>	<b>85,525</b>	<b>85,525</b>
Selling and Distribution Expenses	2,942	2,942	3,340	3,340
Administrative and General Expenses	22,640	22,640	16,700	16,700
Other Operating Expenses	7,246	7,246	5,446	5,446
	32,828	32,828	25,486	25,486
Other Operating Income	16,907	16,907	12,907	12,907
<b>Profit from Operations</b>	<b>97,364</b>	<b>97,364</b>	<b>72,946</b>	<b>72,946</b>
Finance Costs	685	685	292	292
<b>Profit before Taxation</b>	<b>96,679</b>	<b>96,679</b>	<b>72,654</b>	<b>72,654</b>
Taxation	33,838	33,838	25,429	25,429
<b>Profit after Taxation</b>	<b>62,841</b>	<b>62,841</b>	<b>47,225</b>	<b>47,225</b>
	Rupees			
Earnings Per Share-Basic and Diluted	1.84	1.84	1.39	1.39

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

Jafferali M. Feerasta  
Chairman

Nooruddin Feerasta  
Chief Executive





## CONDENSED INTERIM CASH FLOW STATEMENT (Un-audited) for the period ended 30 September 2009

	Rupees in thousand	
	Quarter Ended	
	30 Sep. 2009	30 Sep. 2008
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit Before Taxation	96,679	72,654
Add / (Less):		
Adjustment for Non Cash Charges and Other Items:		
Depreciation	21,009	21,043
Staff Retirement Benefits - Gratuity	871	710
Mark-up/Interest Income	(11,000)	(6,252)
Remission of Liabilities	-	(1,655)
Profit on Disposal of Operating Fixed Assets	(68)	-
Mark-up on Short Term Borrowings	5	-
Bank Commission and Other Charges	680	292
	<u>11,497</u>	<u>14,138</u>
Effect on Cash Flow Due to Working Capital Changes: (Increase) / Decrease In Current Assets:		
Stores, Spares and Loose Tools	51,273	(31,725)
Stock-in-Trade	151,270	446,532
Trade Debts	(8,447)	(85,059)
Loans and Advances	(1,333)	(40,950)
Trade Deposits and Short Term Prepayments	(7,836)	(13,722)
Other Receivables	(13,346)	37,803
	<u>171,581</u>	<u>312,879</u>
Increase / (Decrease) In Current Liabilities:		
Trade and Other Payables	(86,787)	(346,426)
	<u>84,794</u>	<u>(33,547)</u>
Cash generated / (used) from Operations	192,970	53,245
Mark-up on Short Term Borrowings and Bank Charges Paid	(685)	(292)
Income Tax Paid	(4,393)	(5,723)
Staff Retirement Benefits - Gratuity Paid	(871)	(710)
Mark-up/Interest Received	11,000	6,252
	<u>198,021</u>	<u>52,772</u>
Net Cash (Outflow) / Inflow from Operating Activities	198,021	52,772



## CONDENSED INTERIM CASH FLOW STATEMENT (Un-audited) for the period ended 30 September 2009

	Rupees in thousand Quarter Ended	
	30 Sep. 2009	30 Sep. 2008
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Fixed Capital Expenditure	(15,677)	(10,164)
Long Term Investments	(5)	(108)
Long Term Deposits and Prepayments	(35)	(535)
Proceeds from Sale of Operating Fixed Assets	70	-
<b>Net Cash Outflow from Investing Activities</b>	<b>(15,647)</b>	<b>(10,807)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend Paid	-	-
<b>Net Cash Outflow from Financing Activities</b>	<b>-</b>	<b>-</b>
<b>Net (Decrease) / Increase In Cash and Cash Equivalents</b>	<b>182,374</b>	<b>41,965</b>
Cash and Cash Equivalents at the Beginning of the Quarter	527,326	366,644
Cash and Cash Equivalents at the End of the Quarter	709,700	408,609

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

Jafferali M. Feerasta  
Chairman

Nooruddin Feerasta  
Chief Executive





## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-audited) for the period ended 30 September 2009

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)
Net Profit for 1st Quarter ended 30 September 2008	-	-	-	47,225	47,225	47,225
Balance as on 30 Sep. 2008 as previously reported	340,685	71,490	1,424,125	243,579	1,739,194	2,079,879
Balance as on 01 October 2008	340,685	71,490	1,424,125	243,579	1,739,194	2,079,879
Net Profit for last 3 Quarters ended 30 June 2009	-	-	-	149,407	149,407	149,407
Proposed Final Dividend for the year ended 30 June 2009 @ 40%	-	-	-	(136,274)	(136,274)	(136,274)
Transfer to General Reserve	-	-	240,000	(240,000)	-	-
Net Profit for 1st Quarter ended 30 September 2009	-	-	-	62,841	62,841	62,841
Balance as on 30 Sep. 2009	340,685	71,490	1,664,125	79,553	1,815,168	2,155,853

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

Jafferali M. Feerasta  
Chairman

Nooruddin Feerasta  
Chief Executive



## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited) for the period ended 30 September 2009

### 1 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 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.

### 2 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.

### 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. 2009	30 June 2009
- Guarantees issued to different organizations	66,314	66,314
- Guarantees given on behalf of Related Parties	6,161	6,161
- Commitment against irrevocable letters of credit	187,278	256,355

### 5 TRANSACTIONS WITH RELATED PARTIES

The Company has fully complied with the best practices on Transfer Pricing as contained in the Listing Regulations of all the three Stock Exchanges as amended from time to time in respect of all transactions carried out during the quarter ended 30 September 2009. The Board of Directors have duly ratified the transactions executed with the related parties during the current accounting period.

### 6 DATE OF AUTHORIZATION FOR ISSUE

These condensed financial statements were authorized for issue on 23 October 2009 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



**Rupali Polyester Limited**