

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 Muhammad Rashid Zahir
Chairman Member

Amin A. Feerasta
Member / Secretary

Chief Financial Officer

Ayub Saqib

Company Secretary

S. Ghulam Shabbir Gilani

Bankers

Bank Al-Habib Limited Citibank, N.A.
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

The Directors have pleasure to present their review together with the un-audited financial statements of the Company for the first quarter ended 30 September 2010.

Financial Results

The first quarter of the year 2010-11, notwithstanding the tragic economic conditions, began with turnover growth of the Company, and ALHAMDO LILLAH, with much Blessings of Almighty ALLAH the sales have increased to Rs.1,350 million compared to Rs.1,097 million in same period of last year. The operating profit in current quarter also reflected an increase of 18% over corresponding quarter in 2009. The increase in revenues is mainly due to upward price adjustments of our products and quantitative increase in Polyester Yarn sale. The prices of our main raw materials in the quarter under review remained higher in the local and international market. Business conditions, as explained in detail in our Annual Report 2010, remained very tough. The energy crises in the country have perpetually aggravated the industrial operations. The recently announced weekly gas load shedding for industrial consumers in coming months, coupled with heavy power load shedding is going to further intensify the difficulties.

The administrative and general expenses during the quarter remained comparable with the same quarter of 2009. Profit from operations showed an increase of Rs.12 million over corresponding quarter 2009. Profit before taxation has increased to Rs.108 million from Rs.97 million in same quarter of 2009. Profit after taxation also increased to Rs.68 million from Rs.63 million in last period.

Future Outlook

The raw material prices right from the start of the year 2010-11 showed a rising trend which may have declining effect on our financial results in future periods. The energy shortages and gas load shedding, a fluid security environment and political instability will have worsening effects on national economy. The aftermaths of heavy floods on cotton crops will give rise to Polyester demand and it will open a big corridor to dumping of Polyester Staple Fiber and Polyester Filament Yarn in the country at the cost of local Industry. It is all the more necessary for the National Tariff Commission to extend the anti dumping duties regime for further five years which otherwise is going to expire on 11 November 2010. Our heavy funds of Rs.50 million are stuck-up with the State Bank of Pakistan on account of monthly refunds of custom duty on PTA since February 2010.

The Management of your Company vows with aspirations of strong based business achievements and a healthy balance sheet through performance excellence in all our operational areas.

On behalf of the Board

Jafferali M. Feerasta
Chairman

Lahore:

22 October 2010

CONDENSED INTERIM BALANCE SHEET as at 30 September 2010

	30 Sep. 2010 Un-audited	30 June 2010 Audited
	Rupees in thousand	
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorised Share Capital 35,000,000 (30 June 2010: 35,000,000) Ordinary Shares of Rs. 10 each	350,000	350,000
Issued, Subscribed and Paid-up Capital 34,068,514 (30 June 2010: 34,068,514) Ordinary Shares of Rs. 10 each	340,685	340,685
Capital Reserves	71,490	71,490
Revenue Reserves	1,664,125	1,664,125
Unappropriated Profit	155,916	224,514
	2,232,216	2,300,814
NON-CURRENT LIABILITIES		
Staff Retirement Benefits - Gratuity	70,672	70,672
Deferred Taxation	190,962	190,962
CURRENT LIABILITIES		
Trade and Other Payables	279,361	240,394
Proposed Dividend	136,274	-
	415,635	240,394
CONTINGENCIES AND COMMITMENTS		
	-	-
	2,909,485	2,802,842
ASSETS		
NON-CURRENT ASSETS		
Property, Plant and Equipment		
Operating Fixed Assets	889,680	907,586
Capital Work-in-Progress	334,206	300,143
	1,223,886	1,207,729
Long Term Investments	31,839	32,150
Long Term Deposits	4,281	4,184
	1,260,006	1,244,063
CURRENT ASSETS		
Stores, Spares and Loose Tools	319,697	310,414
Stock-in-Trade	789,077	687,403
Trade Debts	62,855	61,302
Loans and Advances	45,267	40,016
Trade Deposits and Short Term Prepayments	596	712
Other Receivables	284,638	265,387
Taxation - Net	12,923	25,231
Cash and Bank Balances	134,426	168,314
	1,649,479	1,558,779
	2,909,485	2,802,842

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 quarter ended 30 September 2010

	Quarter Ended		Quarter Ended	
	Sep. 2010	Sep. 2010	Sep. 2009	Sep. 2009
	Rupees in thousand			
Sales	1,350,170	1,350,170	1,097,249	1,097,249
Cost of Goods Sold	1,215,636	1,215,636	983,964	983,964
Gross Profit	134,534	134,534	113,285	113,285
Selling and Distribution Expenses	3,748	3,748	2,942	2,942
Administrative and General Expenses	23,697	23,697	22,640	22,640
Other Operating Expenses	9,405	9,405	7,246	7,246
	36,850	36,850	32,828	32,828
Other Operating Income	11,495	11,495	16,907	16,907
Profit from Operations	109,179	109,179	97,364	97,364
Finance Costs	940	940	685	685
Profit before Taxation	108,239	108,239	96,679	96,679
Taxation	40,563	40,563	33,838	33,838
Profit after Taxation	67,676	67,676	62,841	62,841
	----- Rupees -----			
Earnings Per Share - Basic and Diluted	1.99	1.99	1.84	1.84

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

**CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME
(Un-audited) for the quarter ended 30 September 2010**

	Quarter Ended		Quarter Ended	
	Sep. 2010	Sep. 2010	Sep. 2009	Sep. 2009
	Rupees in thousand			
Profit after Taxation	67,676	67,676	62,841	62,841
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	<u>67,676</u>	<u>67,676</u>	<u>62,841</u>	<u>62,841</u>

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

Jafferli M. Feerasta
Chairman

Nooruddin Feerasta
Chief Executive

CONDENSED INTERIM CASH FLOW STATEMENT (Un-audited) for the quarter ended 30 September 2010

	2010	2009
	Rupees in thousand	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Taxation	108,239	96,679
Add / (Less):		
Adjustment for Non Cash Charges and Other Items:		
Depreciation	19,544	21,009
Staff Retirement Benefits - Gratuity	1,062	871
Mark-up/Interest Income	(4,039)	(11,000)
Loss / (Profit) on Disposal of Operating Fixed Assets	6	(68)
Exchange Loss	22	-
Mark-up on Short Term Borrowings	-	5
Finance Costs	940	680
	17,535	11,497
Effect on Cash Flow Due to Working Capital Changes:		
(Increase) / Decrease In Current Assets:		
Stores, Spares and Loose Tools	(9,283)	51,273
Stock-in-Trade	(101,674)	151,270
Trade Debts	(1,553)	(8,447)
Loans and Advances	(5,251)	(1,333)
Trade Deposits and Short Term Prepayments	116	(7,836)
Other Receivables	(19,251)	(13,346)
	(136,896)	171,581
Increase / (Decrease) In Current Liabilities:		
Trade and Other Payables	38,967	(86,787)
	(97,929)	84,794
Cash generated / (used) from Operations	27,845	192,970
Mark-up on Short Term Borrowings and Bank Charges Paid	(940)	(685)
Income Tax Paid	(28,254)	(4,393)
Staff Retirement Benefits - Gratuity Paid	(1,062)	(871)
Mark-up/Interest Received	4,039	11,000
Net Cash Inflow from Operating Activities	1,628	198,021
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed Capital Expenditure	(35,708)	(15,677)
Long Term Investments	311	(5)
Long Term Deposits and Prepayments	(97)	(35)
Proceeds from Sale of Operating Fixed Assets	-	70
Net Cash (Outflow) from Investing Activities	(35,494)	(15,647)
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend Paid	-	-
Net Cash Outflow from Financing Activities	-	-
Net (Decrease) / Increase In Cash and Cash Equivalents	(33,866)	182,374
Cash and Cash Equivalents at the Beginning of the Quarter	168,314	527,326
Effect of Exchange Rate Fluctuations	(22)	-
Cash and Cash Equivalents at the End of the Quarter	134,426	709,700

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

Jafferli M. Feerasta
Chairman

Nooruddin Feerasta
Chief Executive

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
(Un-audited) for the quarter ended 30 September 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 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)
Net Profit for Ist Quarter ended 30 Sep 2009	-	-	-	62,841	62,841	62,841
Balance as on 30 September 2009	340,685	71,490	1,664,125	79,553	1,815,168	2,155,853
Balance as on 01 October 2009	340,685	71,490	1,664,125	79,553	1,815,168	2,155,853
Net profit for last 3 quarters ended 30 June 2010	-	-	-	144,961	144,961	144,961
Proposed Final Dividend for the year ended 30 June 2010 @ 40%	-	-	-	(136,274)	(136,274)	(136,274)
Net Profit for Ist Quarter ended 30 Sep 2010	-	-	-	67,676	67,676	67,676
Balance as on 30 September 2010	340,685	71,490	1,664,125	155,916	1,891,531	2,232,216

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 for the quarter ended 30 September 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 2010. 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 2010.

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:

Guarantees issued to different organizations in the normal course of business amounted to Rs. 66.314 million (30 June 2010: Rs. 66.314 million).

5.2 Commitments:

Commitments against irrevocable letters of credit as at 30 September 2010 amounted to Rs. 272.248 million (30 June 2010: Rs. 133.132 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 22 October 2010 by the Board of Directors of the Company.

8. GENERAL

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