

Quarterly Accounts (Un-audited)
for the 3rd Quarter ended
31 March 2011



Rupali Polyester Limited

Corporate Data

Board of Directors

Jafferali M. Feerasta
Chairman

Nooruddin Feerasta
Chief Executive Officer

Muhammad Rashid Zahir
Amin A. Feerasta
Muhammad Ali H. Sayani
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

Company Secretary

S. Ghulam Shabbir Gilani

Bankers

Bank Al-Habib Limited
Habib Bank Ltd.
NIB Bank Limited
Citibank, N.A.
MCB 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 - Shekhupura Road
Shekhupura - 39350
PAKISTAN



DIRECTORS' REVIEW

This is my pleasure to present the Company's un-audited financial statements for the quarter and nine months period ended 31 March 2011 together with a review on operational performance of the Company.

Financial Results

We bow before the Almighty ALLAH for His Blessings and Kindness on the Company during the third quarter and nine months period ended 31 March 2011 and feel pleased to announce that the period under review ended with next level of high achievements in financial results and operational performance in the history of the Company. ALHAMDO LILLAH the sales for the nine months period ended 31 March 2011 increased to Rs.4,697 million as compared to Rs.3,527 million in same period of 2010.

The growth in sales revenue is mainly attributable to increased demand of Polyester Staple Fiber and Polyester Filament Yarn in quarter January – March 2011 because of continuous price revision of cotton. The price adjustments in products were made in line with the market trend.

The raw material prices during the third quarter 2011 pushed up to alarmingly high level. The PTA increased from US\$978 per M.Ton in quarter Jan-March 2010 to US\$1,520 per M.Ton in March 2011. The MEG similarly increased from US\$1,050 per M.Ton in March 2010 to US\$1,380 per M.Ton in March 2011.

Profit before taxation for the nine months period under review increased to Rs.526 million from Rs.173 million in previous period. Profit after taxation for current period also increased to Rs.339 million from Rs.105 million in corresponding period of 2010.

Future Outlook

Financial performance of the Company in the fourth quarter of the year 2010-11 and the next year depends upon the raw material prices and taxation structure for the Textile Industry in the coming National Budget. The gas load shedding coupled with irregular gas supplies and WAPDA power outages will increase our power generation cost. With an optimistic approach, we will maintain the level of competencies in operational activities and cost controls.

On behalf of the Board

Jafferli M. Feerasta

Chairman

Lahore

22 April 2011

CONDENSED INTERIM BALANCE SHEET

as at 31 March 2011

31 Mar. 2011
Un-audited
Rupees in thousand

30 June 2010
Audited

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 Reserve	71,490	71,490
General Reserve	1,664,125	1,664,125
Unappropriated Profit	427,292	224,514
	2,503,592	2,300,814

NON-CURRENT LIABILITIES

Staff Retirement Benefits - Gratuity	74,730	70,672
Deferred Taxation	194,405	190,962

CURRENT LIABILITIES

Trade and Other Payables	1,279,931	240,394
Short Term Borrowings	-	-
Taxation - net	65,294	-
	1,345,225	240,394

CONTINGENCIES AND COMMITMENTS

	-	-
	4,117,952	2,802,842

ASSETS

NON-CURRENT ASSETS

Property, Plant and Equipment Operating Fixed Assets	901,135	907,586
Capital Work-in-Progress	307,895	300,143
	1,209,030	1,207,729
Long Term Investments	-	32,150
Long Term Deposits	4,280	4,184
	1,213,310	1,244,063

CURRENT ASSETS

Stores, Spares and Loose Tools	382,686	310,414
Stock-in-Trade	1,814,906	687,403
Trade Debts - Unsecured	61,903	61,302
Loans and Advances	41,738	40,016
Trade Deposits and Short Term Prepayments	3,597	712
Other Receivables	290,434	265,387
Taxation - Net	-	25,231
Cash and Bank Balances	309,378	168,314
	2,904,642	1,558,779
	4,117,952	2,802,842

The annexed notes 1 to 7 form an integral part of these condensed interim financial statements.

Jafferli M. Feerasta
Chairman

Nooruddin Feerasta
Chief Executive Officer

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (Un-Audited) for the nine months ended 31 March 2011

	Nine Months Ended		Quarter Ended	
	31 Mar. 2011	31 Mar. 2010	31 Mar. 2011	31 Mar. 2010
Rupees in thousand				
Sales	4,696,851	3,527,025	1,785,153	1,235,780
Cost of Goods Sold	(4,043,810)	(3,194,655)	(1,507,729)	(1,157,266)
Gross Profit	653,041	332,370	277,424	78,514
Selling and Distribution Expenses	(10,673)	(9,584)	(3,574)	(3,358)
Administrative and General Expenses	(104,591)	(193,720)	(24,373)	(22,353)
Other Operating Charges	(40,299)	(16,716)	(18,268)	(8,480)
Other Operating Income	38,611	62,826	16,962	23,076
Operating Profit	536,089	175,176	248,171	67,399
Finance Costs	(9,757)	(2,238)	(3,910)	(755)
Profit before Taxation	526,332	172,938	244,261	66,644
Taxation	(187,280)	(68,377)	(88,587)	(30,757)
Profit after Taxation	339,052	104,561	155,674	35,887
Earnings Per Share - Basic and Diluted - Rupees	9.95	3.07	4.57	1.05

Appropriations have been reflected in the condensed interim statement of changes in equity.

The annexed notes 1 to 7 form an integral part of these condensed interim financial statements.

Jafferali M. Feerasta
Chairman

Nooruddin Feerasta
Chief Executive Officer

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Un-Audited)
for the nine months ended 31 March 2011

	Nine Months Ended		Quarter Ended	
	31 Mar. 2011	31 Mar. 2010	31 Mar. 2011	31 Mar. 2010
	Rupees in thousand			
Comprehensive Income for the period	339,052	104,561	155,674	35,887
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income for the period	<u>339,052</u>	<u>104,561</u>	<u>155,674</u>	<u>35,887</u>

The annexed notes 1 to 7 form an integral part of these condensed interim financial statements.

Jafferali M. Feerasta
Chairman

Nooruddin Feerasta
Chief Executive Officer

CONDENSED INTERIM CASH FLOW STATEMENT (Un-Audited) for the nine months ended 31 March 2011

Nine Months Ended
31 Mar. 2011 31 Mar. 2010
Rupees in thousand

CASH FLOW FROM OPERATING ACTIVITIES

Profit Before Taxation	526,332	172,938
Add / (Less):		
Adjustment for Non Cash Charges and Other Items:		
Depreciation	60,384	64,115
Amortization of Prepayments	447	480
Staff Retirement Benefits - Gratuity	8,826	9,548
Reversal of Remission of Liabilities	164	-
Gain on Disposal of Operating Fixed Assets	(18)	(66)
Mark-up/Interest Income	(10,586)	(37,018)
Investment written off	31,839	124,704
Mark-up on Short Term Borrowings	5,872	5
Bank Commission & Other Charges	3,885	2,232
	100,813	164,000
Effect on Cash Flow Due to Working Capital Changes:		
(Increase) / Decrease In Current Assets:		
Stores, Spares and Loose Tools	(72,272)	(70,843)
Stock-in-Trade	(1,127,503)	15,203
Trade Debts	(601)	(64,319)
Loans and Advances	(1,722)	(15,533)
Trade Deposits and Short Term Prepayments	(3,332)	(3,519)
Other Receivables	(25,047)	(98,606)
	(1,230,477)	(237,617)
Increase/(Decrease) In Current Liabilities:		
Trade and Other Payables	1,039,189	(46,947)
	(191,288)	(284,564)
Cash generated from Operations	435,857	52,374
Mark-up on Short Term Borrowings and Bank Commission & Other Charges Paid	(9,757)	(2,237)
Income Tax Paid	(93,312)	(72,886)
Mark-up/Interest Income Received	10,586	37,018
Staff Retirement Benefits - Gratuity Paid	(4,768)	(6,515)
Net Cash Inflow from Operating Activities	338,606	7,754

CONDENSED INTERIM CASH FLOW STATEMENT (Un-Audited) for the nine months ended 31 March 2011

	Nine Months Ended	
	31 Mar. 2011	31 Mar. 2010
	Rupees in thousand	
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed Capital Expenditure	(61,760)	(20,805)
Long Term Investments	311	(5)
Long Term Deposits	(96)	59
Proceeds from Sale of Operating Fixed Assets	94	344
Net Cash Outflow from Investing Activities	(61,451)	(20,407)
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend Paid	(136,091)	(137,058)
Net Cash Outflow from Financing Activities	(136,091)	(137,058)
Net Increase / (Decrease) In Cash and Cash Equivalents	141,064	(149,711)
Cash and Cash Equivalents at the Beginning of the Period	168,314	527,326
Cash and Cash Equivalents at the End of the Period	<u>309,378</u>	<u>377,615</u>

The annexed notes 1 to 7 form an integral part of these condensed interim financial statements.

Jafferali M. Feerasta
Chairman

Nooruddin Feerasta
Chief Executive Officer

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-Audited) for the nine months ended 31 March 2011

	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 30 June 2009 (Audited)	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 (Un - audited)	340,685	71,490	1,664,125	121,273	1,856,888	2,197,573
Total Comprehensive Income for last quarter ended 30 June 2010	-	-	-	103,241	103,241	103,241
Balance as on 30 June 2010 (Audited)	340,685	71,490	1,664,125	224,514	1,960,129	2,300,814
Final Dividend for the year ended 30 June 2010 @ 40%	-	-	-	(136,274)	(136,274)	(136,274)
Total Comprehensive Income for nine months ended 31 March 2011	-	-	-	339,052	339,052	339,052
Balance as on 31 March 2011 (Un - audited)	340,685	71,490	1,664,125	427,292	2,162,907	2,503,592

The annexed notes 1 to 7 form an integral part of these condensed interim financial statements.

Jafferali M. Feerasta
Chairman

Nooruddin Feerasta
Chief Executive Officer

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Un-Audited) for the nine months ended 31 March 2011

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

This condensed interim financial information is un-audited and has been prepared in accordance with the requirements of International Accounting Standards (IAS) 34 - ‘Interim Financial Reporting’ and provisions of any directive 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 annual financial statements and, therefore, should be read in conjunction with the annual financial statements for the year ended 30 June 2010.

3 ACCOUNTING POLICIES

The accounting policies adopted and method of computation followed in the preparation of this condensed interim financial information are the same as those applied in preparation of the preceding annual audited financial statements for the year ended 30 June 2010.

4 CONTINGENCIES AND COMMITMENTS

4.1 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).

4.2 Commitments:

4.2.1 Contracts for Capital expenditure commitments outstanding as at 31 March 2011 amounted to Rs. 144.449 million (30 June 2010: Rs. 401.608 million).

4.2.2 Commitments against irrevocable letters of credit as at 31 March 2011 amounted to Rs. 1,372.163 million (30 June 2010: Rs. 133.132 million).

5 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.

6 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized for issue on 22 April 2011 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 Officer



(This page is left blank intentionally)



Rupali Polyester Limited
www.rupaligroup.com