

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

On behalf of the Board of Directors, I am pleased to present the review of the Company's operational results for the third quarter and nine months period ended 31 March 2009.

Financial Results

Sales revenue for the period under review reflects marginal increase from Rs.3,182 million to Rs.3,235 million as compared to the corresponding period of 2008. Although there has been an improvement in the sales prices of Polyester Filament Yarn and Staple Fiber, but due to reduction in the quantity of Yarn and Staple Fiber sold, the sales revenue does not reflect the effect of price increase.

The gross margin remained under pressure due to increase in prices of our major raw materials namely PTA and MEG.

The administrative, selling & general expenses were slightly increased. Financial charges increased from Rs.1.457 million to Rs.2.103 million. The other income reduced from Rs.60.782 million to Rs.47.571 million. Pre-tax profit for the nine months period under review is marginally decreased by 1.50% from Rs.172.105 million to Rs.169.527 million. The after-tax profit also decreased to Rs.109.729 million from Rs.111.868 million in the previous period.

Future Outlook

It has always been Management's endeavor to increase the profit margins by enhancing operational efficiencies. As we all know that due to gas and power shortages in the country, the industries are badly disturbed. Due to gas load shedding we have to generate electricity on furnace oil resulting in substantial increase in our cost of production. Price of major raw material PTA is showing upward trend starting from January 2009. In view of the foregoing situation, pressure on business margins is expected to persist in the next quarter. 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.

On behalf of the Board

Jafferali M. Feerasta
Chairman

Lahore.
24 April 2009

Rupali Condensed Interim Balance Sheet as at 31 March 2009

	Rupees in thousand	
	Un-audited 31 March 2009	Audited 30 June 2008
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorised Share Capital 35,000,000 (30 June 2008: 35,000,000) Ordinary Shares of Rs. 10 each	350,000	350,000
Issued, Subscribed and Paid-up Capital 34,068,514 (30 June 2008: 34,068,514) Ordinary Shares of Rs. 10 each	340,685	340,685
Capital Reserves	71,490	71,490
Revenue Reserves	1,424,125	1,424,125
Unappropriated Profit	306,083	298,560
	<u>2,142,383</u>	<u>2,134,860</u>
NON-CURRENT LIABILITIES		
Staff Retirement Benefits - Gratuity	61,815	58,954
Deferred Taxation	209,568	220,724
CURRENT LIABILITIES		
Trade and Other Payables	256,673	516,869
Short Term Borrowings	-	-
	<u>256,673</u>	<u>516,869</u>
CONTINGENCIES AND COMMITMENTS		
	<u>-</u>	<u>-</u>
	<u>2,670,439</u>	<u>2,931,407</u>
ASSETS		
NON-CURRENT ASSETS		
Property, Plant and Equipment		
Operating Fixed Assets	939,010	986,262
Capital Work-in-Progress	10,995	6,271
	<u>950,005</u>	<u>992,533</u>
Long Term Investments	92,063	91,844
Long Term Loans	37,499	37,499
Long Term Deposits	4,285	4,084
	<u>1,083,852</u>	<u>1,125,960</u>
CURRENT ASSETS		
Stores, Spares and Loose Tools	401,946	291,490
Stock-in-Trade	380,638	881,259
Trade Debts - Unsecured	73,937	3,945
Loans and Advances	30,349	61,876
Trade Deposits and Short Term Prepayments	5,097	1,764
Other Receivables	197,386	136,414
Taxation - Net	8,928	62,055
Cash and Bank Balances	488,306	366,644
	<u>1,586,587</u>	<u>1,805,447</u>
	<u>2,670,439</u>	<u>2,931,407</u>

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

Jafferali M. Feerasta
Chairman

Nooruddin Feerasta
Chief Executive



Condensed Interim Profit and Loss Account (Un-audited)
for Nine months ended 31 March 2009

	Rupees in thousand			
	Nine Months Ended		Quarter Ended	
	31 Mar. 2009	31 Mar. 2008	31 Mar. 2009	31 Mar. 2008
Sales	3,235,312	3,182,021	1,003,301	1,036,253
Cost of Sales	(3,024,160)	(2,990,230)	(882,637)	(984,484)
Gross Profit	211,152	191,791	120,664	51,769
Selling and Distribution Expenses	(9,540)	(8,984)	(2,951)	(2,693)
Administrative and General Expenses	(61,077)	(53,801)	(22,849)	(17,073)
Other Operating Expenses	(16,476)	(16,226)	(10,460)	(3,688)
	(87,093)	(79,011)	(36,260)	(23,454)
Other Operating Income	47,571	60,782	10,643	17,269
Profit from Operations	171,630	173,562	95,047	45,584
Finance Costs	(2,103)	(1,457)	(1,115)	(563)
Profit before Taxation	169,527	172,105	93,932	45,021
Taxation	(59,798)	(60,237)	(39,661)	(15,601)
Profit after Taxation	109,729	111,868	54,271	29,420
Earnings Per Share - Basic and Diluted	Rupees			
	<u>3.22</u>	<u>3.28</u>	<u>1.59</u>	<u>0.86</u>

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 Nine months ended 31 March 2009

Rupees in thousand
Nine Months Ended
31 March 2009 31 March 2008

CASH FLOW FROM OPERATING ACTIVITIES

Profit Before Taxation	169,527	172,105
Add / (Less):		
Adjustment for Non Cash Charges and Other Items:		
Depreciation	65,525	63,024
Amortization of Long Term Deposits and Prepayments	-	3,758
Staff Retirement Benefits - Gratuity	6,551	5,201
Mark-up / Interest Income	(23,551)	(28,144)
Remission of Liabilities	(1,654)	-
Profit on Disposal of Operating Fixed Assets	(714)	(143)
Mark-up on Short Term Borrowings	59	10
Bank Charges	2,043	1,448
	48,259	45,154
Effect on Cash Flow Due to Working Capital Changes:		
(Increase) / Decrease In Current Assets:		
Stores, Spares and Loose Tools	(110,456)	(12,820)
Stock-in-Trade	500,621	(19,284)
Trade Debts	(69,992)	(93,556)
Loans and Advances	31,527	(93,146)
Trade Deposits and Short Term Prepayments	(3,333)	(5,651)
Other Receivables	(60,972)	(79,359)
	287,395	(303,816)
Increase / (Decrease) In Current Liabilities:		
Trade and Other Payables	(259,593)	124,893
	27,802	(178,923)
Cash generated from Operations	245,588	38,336
Mark-up on Short Term Borrowings and Bank Charges Paid	(2,102)	(1,458)
Income Tax Paid	(17,828)	(20,463)
Staff Retirement Benefits - Gratuity Paid	(3,690)	(3,215)
Mark-up / Interest Received	23,551	28,145
	245,519	41,345
Net Cash Inflow from Operating Activities	245,519	41,345



Condensed Interim Cash Flow Statement (Un-audited)
for Nine months ended 31 March 2009

Rupees in thousand
Nine Months Ended
31 March 2009 31 March 2008

	31 March 2009	31 March 2008
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed Capital Expenditure	(27,168)	(96,040)
Long Term Investments	(219)	(2,468)
Long Term Deposits and Prepayments	(201)	(384)
Proceeds from Sale of Operating Fixed Assets	4,887	1,930
Net Cash Outflow from Investing Activities	(22,701)	(96,962)
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend Paid	(101,156)	(85,129)
Net Cash Outflow from Financing Activities	(101,156)	(85,129)
Net Increase/(Decrease) In Cash and Cash Equivalents	121,662	(140,746)
Cash and Cash Equivalents at the Beginning of the Period	366,644	458,118
Cash and Cash Equivalents at the End of the Period	488,306	317,372

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 Nine months ended 31 March 2009

Rupees in thousand

	Issued Subscribed and Paid - up Capital	Capital Reserves	Revenue Reserves		Total Reserve	Total Equity
		Share Premium	General Reserve	Un - appropriated Profit		
Balance as on 01 July 2007	340,685	71,490	1,424,125	212,708	1,708,323	2,049,008
Final Dividend for the year ended 30 June 2007 @ 25%	-	-	-	(85,171)	(85,171)	(85,171)
Net Profit for 9 months ended 31 March 2008	-	-	-	111,868	111,868	111,868
Balance as on 31 March 2008	340,685	71,490	1,424,125	239,405	1,735,020	2,075,705
Net Profit for last quarter ended 30 June 2008	-	-	-	59,155	59,155	59,155
Balance as on 30 June 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 9 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

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 Nine months ended 31 March 2009

1. ACCOUNTING POLICIES

The accounting policies adopted for the preparation of these condensed interim 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 have been rounded off to the nearest thousand rupees, unless otherwise stated.

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	
	31 March 2009	30 June 2008
- Guarantees issued to different organizations	74,455	72,225
- Commitment against irrevocable letters of credit	221,056	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 condensed interim financial statements have been prepared in accordance with the requirements of the 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 2008.

6.2 These condensed interim financial statements were authorized for issue on 24 April 2009 by the Board of Directors of the Company.

Jafferali M. Feerasta
Chairman

Nooruddin Feerasta
Chief Executive