

<i>Contents</i>	<i>Page</i>
Company profile	3
Director's Report English / Urdu	4-5
Condensed Interim Balance Sheet	6
Condensed Interim Profit & Loss Account	7
Condensed Interim Cash Flow Statement	8
Condensed Interim Statement of Changes in Equity	9
Selected Notes to the Condensed Interim Financial Information	10

COMPANY PROFILE

BOARD OF DIRECTORS

1. Mian Riaz Ahmed (Chairman)
2. Mr. Kashif Riaz (Chief Executive)
3. Mian Mohammad Ahmad
4. Mr. Shahzad Ahmad
5. Mr. Naveed Ahmad
6. Mr. Irfan Ahmed
7. Mr. Shahwaiz Ahmed
8. Mr. Shafqat Masood
9. Sheikh Nishat Ahmed

AUDIT COMMITTEE

1. Mr. Sheikh Nishat Ahmed (Chairman)
2. Mr. Naveed Ahmed (Member)
3. Mr. Shafqat Masood (Member)

HUMAN RESOURCES AND REMUNERATION COMMITTEE

1. Mian Mohammad Ahmad (Chairman)
2. Mr. Irfan Ahmed (Member)
3. Mr. Shahwaiz Ahmed (Member)

CHIEF FINANCIAL OFFICER

Mr. Shabbir Kausar

CHIEF INTERNAL AUDITOR

Mr. Imran Iftikhar

COMPANY SECRETARY

Mr. Ahmed Faheem Niazi

LEGAL ADVISOR

Mr. Yousuf Naseem

Advocates & Solicitors

REGISTERED OFFICE

5th floor, Office # 508, Beaumont Plaza,
Beaumont Road, Civil Lines Quarters, Karachi

SYMBOL OF THE COMPANY

SUTM

WEBSITE

<http://www.Indus-group.com/web/download.htm>

REGISTRAR & SHARE TRANSFER OFFICE

JWAFFS REGISTRAR (PVT) LTD.

407 -408, Al – Ameer Center,
Shahrah-e-Iraq, Saddar Karachi.

Tel. 35662023 – 24

Fax. 35221192

FACTORY LOCATION

Khanpur Shomali Bagga Sher M.M. Road Muzaffar Garh

BANKERS

Muslim Commercial Bank Limited
Allied Bank Limited
Soneri Bank Limited
United Bank Limited
Meezan Bank Limited
Habib Bank Limited

AUDITORS

Deloitte Yousuf Adil
Chartered Accountants . . .

DIRECTOR'S REPORT

The Directors of the Company have pleasure in submitting their Report together with the un-audited financial statements of the Company for the period nine month ended March 31, 2017. The cotton prices have increased during the period due to lower cotton production. The cotton prices are rising and expected to be bullish in the forthcoming period also. Consequential increase in sales prices and duty drawback of taxes package announced by the Government provided some breathing space for the textile industry.

FINANCIAL HIGHLIGHTS

	Nine Months Ended March 31 (Rs. In Million)	
	2017	2016
Sales – Net	3,269.759	2,846.455
Gross Profit	255.757	184.221
Other Income	20.665	9.835
Profit Before Taxation	130.636	59.617
Taxation	(43.433)	(15.993)
Profit After Taxation	87.203	43.624

REVIEW OF OPERATIONS

There has been an increase of 14.87% in sales during nine months under review over the corresponding period; however net profit after tax has been increased by 99.90% over the last period which shows the effect of increased yarn prices. Due to better management and control over operation and expenses, the Company earned handsome profits.

EARNING PER SHARE

The earnings per share for the nine months ended March 31, 2017 is Rs.12.64 as compared to Rs. 6.32 for the previous corresponding period.

FUTURE PROSPECTS

In order to revive the textile industry, the Government's initiatives in the form of drawback of taxes and withdrawal of duties on raw material and machinery is encouraging but only provide relief to some extent. No relief is provided in terms of cutting down the cost of production and other major issues of competitiveness have not been addressed in textile package. The positive trend of our operations clearly shows that your management is confident to achieve better results in coming period through better marketing and continues efforts towards cost control.

ACKNOWLEDGEMENT

The Directors acknowledge the contribution of each and every employee of the Company. We would like to express our thanks to our customers for the trust they have shown in our products and the bankers for continued support to the Company. We are also grateful to our shareholders for their confidence in our management.

FOR AND ON BEHALF OF THE BOARD

Kashif Riaz

Kashif Riaz

CHIEF EXECUTIVE OFFICER

karachi
Dated April 28, 2017

سن ریز ٹیکسٹائل مل لمیٹڈ

ڈائریکٹرز رپورٹ

نومائی۔ ۳۱ مارچ ۲۰۱۷

بورڈ آف ڈائریکٹرز اپنی رپورٹ اور اس کے ساتھ نومائی ۳۱ مارچ ۲۰۱۷ کے مالیاتی گوشوارے (غیر آڈٹ شدہ) بخوشی پیش کرتے ہیں۔ اس مدت میں کمپاس کی پیداوار کم ہونے سے خام مال کی قیمت میں اضافہ ہوا ہے۔ کمپاس کی قیمتوں میں اضافہ ہو رہا ہے اور آئندہ مدت میں بھی قیمتوں میں تیزی کی توقع ہے۔ فروخت کی قیمتوں میں اضافہ اور ڈیوٹی ڈرایبک اور ٹیکسز میں چھوٹ کے اعلان کے نتیجے میں حکومت نے ٹیکسٹائل کی صنعت کی بحالی کے لیے کچھ کوشش کی ہے۔

مالی اور آپریشنل نتائج:

نومائی۔ ۳۱ مارچ ۲۰۱۷		
تفصیل	2017	2016
فروختگی	3,269.759	2,846.455
خام منافع	255.757	184.221
دیگر آمدن	20.665	9.835
قبل از ٹیکس منافع	130.636	59.617
ٹیکس	(43.433)	(15.993)
بعد از ٹیکس منافع	87.203	43.624

آپریشنل تجزیہ

نوماد جس کا جائزہ لیا جا رہا ہے اس کی فروختگی میں کچھلی اسی مدت کے مقابلہ میں 14.87 فیصد کا اضافہ ہوا ہے۔ تاہم بعد از ٹیکس منافع میں 99.90 فیصد اضافہ ہوا ہے جس میں دھاگہ کی قیمت میں اضافہ کا عنصر نظر آتا ہے۔ آپریشنز اور اخراجات کو بہتر انتظام سے کنٹرول کیا گیا جسکی وجہ سے کمپنی نے بہت اچھا منافع کمایا۔

فی حصص آمدن؛

فی حصص آمدن نومائی۔ ۳۱ مارچ ۲۰۱۷ ختم ہونے پر 12.64 روپے ہے، جبکہ کچھلی اسی مدت میں یہ 6.32 روپے تھی۔

مستقبل کی صورت حال:

ٹیکسٹائل کی صنعت کی بحالی کے لیے حکومت نے دھاگہ کی برآمد پر ڈیوٹی ڈرایبک اور خام مال اور مشینری کی درآمد پر ڈیوٹی کی جو چھوٹ دی ہے وہ صرف ایک حد تک ریلیف مہیا کرتی ہے، لیکن پیداواری لاگت کو کم کرنے کے معاملے میں کوئی یقین دہانی نہیں کرائی گئی اور نہ ہی مقابلے کے دوسرے اہم مسائل کا ٹیکسٹائل کینج میں کہیں ذکر ہے۔ ہماری مثبت کارکردگی کے برخلاف سے صاف دکھائی دیتا ہے کہ آپریشنل بہتر مارکیٹنگ اور پیداواری لاگت کو کنٹرول کرنے کی کوششوں کو جاری رکھے ہوئے ہے اور آنے والی مدت میں بہتر نتائج حاصل کرنے کے لیے بہت پر اعتماد ہے۔

اظہار تشکر:-

ادارے کے ڈائریکٹرز تمام ملازمین کی کوششوں کا اعتراف کرتے ہیں۔ ہم اپنے ان تمام گاہکوں کا شکریہ ادا کرتے ہیں جنہوں نے ہماری مصنوعات پر اعتماد کیا اور وہ تمام ڈیکریز جنہوں نے تسلسل کے ساتھ ہماری معاونت کی۔ ہم اپنے تمام حصہ داروں کے شکر گزار ہیں جنہوں نے انتظامیہ پر اپنے اعتماد کا اظہار کیا۔

بورڈ آف ڈائریکٹرز کی جانب سے

- Isha ap

کاشف ریاض

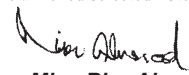
چیف ایگزیکٹو آفیسر

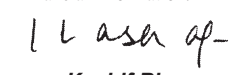
28 اپریل 2017

CONDENSED INTERIM BALANCE SHEET AS AT MARCH 31, 2017

		<i>(Unaudited)</i> March 31, 2017	<i>(Audited)</i> June 30, 2016
<i>ASSETS</i>	<i>Note</i>	<i>Rupees in '000'</i>	
<i>Non-current assets</i>			
Property, plant and equipment	4	1,204,915	1,168,303
Investment property		2,342	2,342
Long term deposits		6,991	6,991
		<u>1,214,248</u>	<u>1,177,636</u>
<i>Current assets</i>			
Stores and spares		79,077	79,021
Stock in trade	5	1,096,378	814,926
Trade debts		252,099	189,475
Loans and advances		81,319	64,035
Trade deposits and short term prepayments		4,581	4,424
Sales tax refundable		54,501	41,091
Income tax refundable		11,291	11,291
Other receivables		19,132	1,863
Other financial assets		1,090,386	1,030,913
Cash and bank balances		27,072	41,506
		<u>2,715,836</u>	<u>2,278,545</u>
<i>Total assets</i>		<u><u>3,930,084</u></u>	<u><u>3,456,181</u></u>
<i>EQUITY AND LIABILITIES</i>			
<i>Share capital and reserves</i>			
Authorised capital 10,000,000 (June 30, 2016: 10,000,000) ordinary shares of Rs. 10 each		<u>100,000</u>	<u>100,000</u>
Issued, subscribed and paid-up capital 6,900,000 (June 30, 2016: 6,900,000) ordinary shares of Rs. 10 each		69,000	69,000
Reserves		1,253,600	753,600
Unappropriated profits		763,487	1,226,977
		2,086,087	2,049,577
<i>Surplus on revaluation of property plant and equipment</i>		315,991	344,954
<i>Non-current liabilities</i>			
Deferred liabilities		76,334	62,493
<i>Current liabilities</i>			
Trade and other payables		271,350	245,952
Accrued mark up		3,827	953
Short term borrowings	6	1,136,271	722,558
Provision for taxation		40,224	29,694
		<u>1,451,672</u>	<u>999,157</u>
<i>Total equity and liabilities</i>		<u><u>3,930,084</u></u>	<u><u>3,456,181</u></u>
<i>Contingencies and commitments</i>	7		

The annexed selected notes from 1 to 12 form an integral part of this condensed interim financial information.


Mian Riaz Ahmed
CHAIRMAN

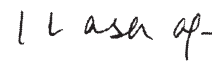

Kashif Riaz
CHIEF EXECUTIVE

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2017

 Nine months ended Three months ended	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Note	----- Rupees in '000' -----			
Sales	3,269,759	2,846,455	1,118,076	918,525
Cost of goods sold	8 (3,014,002)	(2,662,234)	(1,024,007)	(867,250)
Gross profit	255,757	184,221	94,069	51,275
Profit /(loos) on other operations	1,957	129	(701)	(641)
	257,714	184,350	93,368	50,634
Distribution expenses	(38,757)	(41,938)	(14,873)	(12,998)
Administrative expenses	(84,617)	(79,040)	(29,899)	(26,589)
Other operating expenses	(6,876)	(4,419)	(2,490)	(760)
Finance cost	(17,493)	(9,171)	(10,296)	(317)
Other income	20,665	9,835	11,500	275
	(127,078)	(124,733)	(46,058)	(40,389)
Profit before taxation	130,636	59,617	47,310	10,245
Provision for taxation	(43,433)	(15,993)	(16,575)	(8,916)
Profit for the period	87,203	43,624	30,735	1,329
Other comprehensive income	-	-	-	-
Total comprehensive income	87,203	43,624	30,735	1,329
Earnings per share - basic and diluted	12.64	6.32	4.45	0.19

The annexed selected notes from 1 to 12 form an integral part of this condensed interim financial information.


Mian Riaz Ahmed
 CHAIRMAN

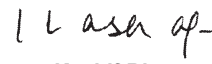

Kashif Riaz
 CHIEF EXECUTIVE

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2017

	<i>.....Nine months ended.....</i>	
	<i>March 31,</i>	<i>March 31,</i>
	<i>2017</i>	<i>2016</i>
	<i>Rupees in '000'</i>	
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	130,636	59,617
Adjustments for :		
Depreciation on property, plant and equipment	81,967	87,465
Provision for staff retirement benefits - gratuity	8,167	9,111
(Gain) on sale of property, plant and equipment	-	(66)
Finance cost	17,493	9,171
Operating cash flows before movements in working capital	238,263	165,298
Changes in working capital		
(Increase) / decrease in current assets		
Stores and spares	(56)	(460)
Stock in trade	(281,452)	(345,664)
Trade debts	(62,624)	173,633
Loans and advances	(17,284)	(2,465)
Trade deposits and short term prepayments	(157)	(166)
Sales tax refundable	(13,410)	25,209
Income tax refundable	-	1,057
Other receivables	(17,269)	883
Trade and other payables	23,032	(9,758)
	(369,220)	(157,731)
Cash (used)/generated from operations	(130,957)	7,567
Finance cost paid	(14,619)	(7,245)
Staff retirement benefits - gratuity paid	(7,681)	(8,959)
Tax paid/Adjusted	(30,205)	(43,378)
Net cash (used)/generated from operating activities	(183,462)	(52,015)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Addition to property plant and equipment	(118,579)	(198,894)
Proceeds from disposal of property plant and equipment	-	258
Purchase of other financial assets	(4,371,758)	(1,288,489)
Proceeds from disposal of financial assets	4,312,286	1,484,124
Net cash used in investing activities	(178,051)	(3,001)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(66,634)	(274)
Short term borrowings obtained/(paid) - net	413,713	37,481
Net cash generated from/(used) in financing activities	347,079	37,207
Net (decrease)/increase in cash and cash equivalents (A+B+C)	(14,434)	(17,809)
Cash and cash equivalents at beginning of the period	41,506	44,052
Cash and cash equivalents at end of the period	27,072	26,243

The annexed selected notes from 1 to 12 form an integral part of this condensed interim financial information.


Mian Riaz Ahmed
CHAIRMAN


Kashif Riaz
CHIEF EXECUTIVE

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2017**

	Share capital	Share premium	General reserve	Un-appropriated profit	Total
Rupees in '000'.....				
Balance as at July 01, 2015	69,000	3,600	750,000	1,165,075	1,987,675
Profit for the period	-	-	-	43,624	43,624
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	-	-
for the period ended March 31, 2016	-	-	-	43,624	43,624
Transferred to unappropriated profit on account of Incremental depreciation on surplus on revaluation of property, plant and equipment	-	-	-	21,868	21,868
Balance as at March 31, 2016	69,000	3,600	750,000	1,230,567	2,053,167
Balance as at July 01, 2016 -(audited)	69,000	3,600	750,000	1,226,977	2,049,577
Profit for the period	-	-	-	87,203	87,203
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	-	-
for the period ended March 31, 2017	-	-	-	87,203	87,203
Unappropriated profits transferred to General reserves			500,000	(500,000)	-
Transactions with owners:					
Transferred to unappropriated profit on account of Incremental depreciation on surplus on revaluation of property, plant and equipment	-	-	-	18,307	18,307
Annual dividend for the year ended June 30, 2016 at the rate of Rs. 5 per share	-	-	-	(34,500)	(34,500)
Interim dividend for the year ended June 30, 2017 at the rate of Rs. 5 per share	-	-	-	(34,500)	(34,500)
Balance as at March 31, 2017	69,000	3,600	1,250,000	763,487	2,086,087


Mian Riaz Ahmed
CHAIRMAN


Kashif Riaz
CHIEF EXECUTIVE

**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
(UNAUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2017**

1. STATUS AND ACTIVITIES

- 1.1** Sunrays Textile Mills Limited (the Company) was incorporated in Pakistan on August 27, 1987 as a public limited company under the Companies Ordinance, 1984 and its shares are quoted on Pakistan Stock Exchange Limited(PSX). The Company is principally engaged in trade, manufacturing and sale of yarn. The Company is also operating a ginning unit and an ice factory on leasing arrangement. The registered office of the Company is situated at Karachi. The mill is located at District Muzaffargarh, Dera Ghazi Khan Division, in the province of Punjab.
- 1.2** This condensed interim financial information is presented in Pak Rupees, which is the Company's functional and presentation currency.

2. BASIS OF PREPARATION

- 2.1** This condensed interim financial information of the Company for the nine months ended March 31, 2017 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.
- 2.2** This condensed interim financial information does not include all information required for full annual financial statements and should be read in conjunction with annual audited financial statements for the year ended June 30, 2016. Comparative balance sheet is extracted from annual audited financial statements for the year ended June 30, 2015 whereas comparative profit and loss account, comparative statement of changes in equity and comparative cash flow statement are stated from un-audited condensed interim financial information for the nine months ended on March 31, 2017.

3. ACCOUNTING POLICIES AND ESTIMATES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of financial statements of the Company for the year ended June 30, 2016.

		<i>(Unaudited)</i> <i>March 31,</i> <i>2017</i>	<i>(Audited)</i> <i>June 30,</i> <i>2016</i>
		<i>Rupees in '000'</i>	
4. PROPERTY, PLANT AND EQUIPMENT			
Operating assets	4.1	1,204,915	1,168,303
4.1. Operating assets			
Opening book value		1,168,303	1,072,488
Additions during the period / year - cost			
Freehold land		-	17,378
Building on freehold land		-	1,876
Plant and machinery		97,409	182,560
Electric Installations		8,189	-
Electric appliances		-	126
Vehicles		12,981	14,020
		118,579	215,960
Disposals during the period / year - cost		-	(3,286)
Depreciation charge for the period / year		(81,967)	(116,859)
Closing book value		1,204,915	1,168,303

		<i>(Unaudited)</i> <i>March 31,</i> <i>2017</i> <i>Rupees</i>	<i>(Audited)</i> <i>June 30,</i> <i>2016</i> <i>Rupees</i>
		<i>Rupees in '000'</i>	
5.	STOCK IN TRADE		
	Raw material	738,447	565,545
	Raw material in-transit	164,499	157,124
	Work in process	26,297	26,400
	Finished goods		
	-Spinning unit	110,915	51,229
	-Ginning factory	43,908	9,892
		154,823	61,121
	Waste	12,313	4,735
		1,096,378	814,926
6.	SHORT-TERM BORROWINGS		
	<i>Secured - under mark-up arrangements</i>		
	Running finances (RF)	665,322	710,907
	Cash finances (CF)	105,600	-
	Finance Exchange -FE 25	349,272	-
	Bank Overdraft	16,077	11,651
		1,136,271	722,558
7.	CONTINGENCIES AND COMMITMENTS		
	7.1. Contingencies		
	Bank guarantees	7.1.1. 77,912	62,724
	Inland bills discounted	25,596	-
	Foreign bills discounted	411,933	104,051
		515,441	166,775
	7.1.1. Bank guarantees		
	<i>In favour of</i>	<i>Bank</i>	
	Sui Northern Gas Pipelines Limited	MCB Bank Limited	41,651 32,463
	Excise and taxation	Soneri Bank Limited	23,986 23,986
	Excise and taxation	United Bank Limited	12,000 6,000
	CCI & E	Habib Bank Limited	275 275
			77,912 62,724
	7.2 Commitments		
	Under letters of credit for:		
	- Stores & spares	4,844	3,089
	- Raw material	683,300	166,633
	- Plant and machinery	212,748	16,417
		900,892	186,139

8. **COST OF GOODS SOLD**

	'----- Nine months ended -----'		'----- Three months ended -----'	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
	----- Rupees in '000' -----			
Raw material consumed	2,114,252	1,915,984	784,774	655,787
Power & fuel	270,359	235,802	81,635	70,822
Salaries wages & benefits	122,136	122,052	13,550	34,056
Packing material consumed	44,839	46,234	14,070	15,344
Stores & spares consumed	43,239	37,160	15,457	14,285
Repair and maintenance	3,915	4,321	1,695	853
Insurance	4,500	4,500	1,500	1,500
Depreciation	74,259	81,220	25,458	27,073
others	468	535	209	164
	2,677,967	2,447,808	938,348	819,884
Adjustment in work in process	103	(3,556)	1,199	3,297
Cost of goods manufactured	2,678,070	2,444,252	939,547	823,181
Opening finished goods	55,964	54,323	-	-
Purchase of finished goods	403,196	265,876	181,597	79,829
Closing finished goods	(123,228)	(102,217)	(97,136)	(35,760)
Adjustment in Finished goods	335,932	217,982	84,461	44,069
	3,014,002	2,662,234	1,024,008	867,250

The above detail of finished goods does not include stock of ginning unit.

9. **RELATED PARTY TRANSACTIONS**

9.1 Aggregate transactions made with the associated undertakings were as follows:

	'----- Nine months ended -----'		'----- Three months ended -----'	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
	----- Rupees -----			
Sale of goods	59,851	120,099	16,379	48,266
Purchase of goods	15,960	-	15,960	-

9.2 All transactions with related parties have been carried out on agreed terms and conditions.

10. **FINANCIAL RISK MANAGEMENT**

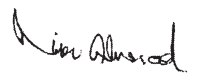
The company's risk management objectives and policies are consistent with those objectives and policies which were disclosed in the financial statements of the company as at and for the year ended June 30, 2016.

11. **DATE OF AUTHORIZATION OF ISSUE**

The condensed interim financial information is authorized for issue by the Board of Directors of the Company on April 28, 2017

12. **FIGURES**

Figures have been rounded off to the nearest thousand rupees.


Mian Riaz Ahmed
CHAIRMAN


Kashif Riaz
CHIEF EXECUTIVE