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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 Ahmed (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>

REGISTRAR & SHARE TRANSFER OFFICE

JWAFFS REGISTRAR SERVICES (PVT) LTD

407 -408, Al – Ameera 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

M/s Deloitte Yousuf Adil & Company

Chartered Accountants Multan .

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 1st quarter ended September 30, 2017. The Textile Industry- spinning sector in particular continued to squeeze due to strong competition in international market and limited support from the Government which causes the decrease in profit. Provision of duty drawback on export of yarn has not been accounted for in these accounts. Despite of all these obstacle yours management is taking all possible measures for smooth operation of the mill and to control expenses to minimum level for better results in coming period.

FINANCIAL HIGHLIGHTS

	1st Quarter Ended September 30 (Rs.in million)	
	2017	2016
Sales – Net	1,065.540	999.888
Gross Profit	73.370	90.148
Other Income	2.213	6.090
Profit Before Taxation	22.754	53.560
Taxation	(7.184)	(13.142)
Profit After Taxation	15.570	40.418

REVIEW OF OPERATIONS

There has been an increase of 6.57% in sales and 9.06% increase in cost of sale during the period under review over the corresponding period; however net profit after tax has been decreased by 61.48% over the last period which shows the effect of increased cost of Raw material .

EARNING PER SHARE

The earnings per share for the 1st quarter ended September 30, 2017 is Rs.2.26 as compared to Rs. 5.86 for the previous corresponding period.

FUTURE PROSPECTS

Keeping in view the current circumstances, future for textile industry is likely to remain challenging as subsidized imported yarn is getting the market share. The Textile industry has been badly affected due to high cost of production and Pakistan's exports are uncompetitive in the global market. Despite various challenges the management is confident that the Company will improve its profitability in the future quarters.

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

1 Kashif Riaz

Karachi

Dated: October 30, 2017

Kashif Riaz
CHIEF EXECUTIVE OFFICER

سفریز ٹیکسٹائل ملز لمیٹڈ

ڈائریکٹر ز رپورٹ پہلی سہ ماہی۔ ۳۰ ستمبر ۲۰۱۷

بورڈ آف ڈائریکٹر ز اپنی رپورٹ اور اس کے ساتھ سہ ماہی ۳۰ ستمبر ۲۰۱۷ کے مالیاتی گوشوارے (غیر آڈٹ شدہ) بخوشی پیش کرتے ہیں۔ ٹیکسٹائل انڈسٹری خاص طور پر پیننگ کے شعبے میں بین الاقوامی مارکیٹ میں مضبوط مقابلہ اور حکومت کی محدود حمایت کی وجہ سے منافع میں کمی ہوئی۔ ڈیوٹی ڈرا بینک جو دھاکے کی برآمد پر ملتی ہے اس کو ان اکاؤنٹس میں نہیں لیا گیا۔ تمام رکاوٹ کے باوجود آپ کی انتظامیہ آنے والے وقت میں بہتر نتائج حاصل کرنے کے لیے مل کو بہتر طریقے سے چلانے اور اخراجات کو کم سطح پر کنٹرول کرنے کے لیے تمام ممکنہ اقدامات کر رہی ہے۔

مالی اور آپریشنل نتائج:

تفصیل	۲۰۱۷	۳۰ ستمبر ۲۰۱۷
فرہنگی	1,065.540	999.888
خام منافع	73.370	90.148
دیگر آمدن	2.213	6.090
قبل از ٹیکس منافع	22.754	53.560
ٹیکس	(7.184)	(13.142)
بعد از ٹیکس منافع	15.570	40.418

آپریشنل تجزیہ

تین ماہ جس کا جائزہ لیا جا رہا ہے اس کی فرونگی میں کچھلی اسی مدت کے مقابلہ میں 6.57 فیصد اور فرونگی کی لاگت میں 9.06 فیصد کا اضافہ ہوا ہے۔ تاہم بعد از ٹیکس منافع میں 61.48 فیصد کمی ہوئی ہے جس میں خام مال کی قیمت میں اضافہ کا عنصر نظر آتا ہے۔

فی حصص آمدن؛

فی حصص آمدن سہ ماہی۔ ۳۰ ستمبر ۲۰۱۷ ختم ہونے پر 2.26 روپے ہے، جبکہ کچھلی اسی مدت میں یہ 5.86 روپے تھی۔

مستقبل کی صورت حال:

موجودہ حالات کو دیکھتے ہوئے ٹیکسٹائل کی صنعت کے لیے مستقبل میں چیلنجز کا امکان ہے کیونکہ سہ ماہی ڈائریکٹر ز دور آمد شدہ دھاکہ بھی مارکیٹ پر اثر انداز ہو رہا ہے۔ ٹیکسٹائل انڈسٹری پیداواری لاگت میں اضافہ کی وجہ سے متاثر ہوئی ہے جس کی وجہ سے پاکستان کی برآمدات عالمی مارکیٹ میں مقابلہ نہیں کر پارہی ہیں۔ مختلف چیلنجزوں کے باوجود مستقبل میں کمپنی کے منافع کو بہتر بنانے کے لیے آپ کی انتظامیہ پر اعتماد ہے۔

اظہار تشکر:-

ادارے کے ڈائریکٹر ز 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 بینکرز 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 ڈائریکٹر ز کی جانب سے

- asha 11

کاشف ریاض

چیف ایگزیکٹو آفیسر

۳۰ اکتوبر ۲۰۱۷

CONDENSED INTERIM BALANCE SHEET AS AT SEPTEMBER 30, 2017

	Note	Sep. 30, 2017 Rupees (000)	June. 30, 2017 Rupees (000)
ASSETS			
Non-current assets			
Property, plant and equipment		1,151,888	1,175,677
Investment property		2,342	2,342
Long term deposits		6,991	6,991
		1,161,221	1,185,010
CURRENT ASSETS			
Stores and spares		88,858	83,379
Stock in trade		1,213,618	1,216,603
Trade debts		475,603	304,386
Loans and advances		83,234	78,667
Trade deposits and short term prepayments		5,571	5,546
Sales tax Refundable		44,437	59,325
Income tax refundable		31,822	31,822
Other Receivables		35,846	37,021
Other financial assets		114,634	1,007,808
Cash and bank balances		46,458	34,977
		2,140,081	2,859,534
Total assets		3,301,302	4,044,544
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital		69,000	69,000
Reserves		753,600	753,600
Unappropriated profit		1,344,913	1,323,932
		2,167,513	2,146,532
Surplus on revaluation of property, plant and equipment-net of tax		301,211	308,167
Long term loan		73,868	-
Non-current liabilities			
Deferred liabilities		89,547	89,440
Current liabilities			
Trade and other payables		332,861	263,088
Accrued markup		3,020	6,045
Short term borrowings		323,056	1,190,490
Provision for taxation		10,226	40,782
		669,163	1,500,404
Contingencies and commitments	4	-	-
Total equity and liabilities		3,301,302	4,044,544

Chairman
CHAIRMAN

Chief Executive
CHIEF EXECUTIVE

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)

For The First Quarter Ended September 30, 2017

		Sep. 30, 2017	Sep. 30, 2016
		Rupees (000)	Rupees (000)
Sales -net	Note	1,065,540	999,888
Cost Of sales	7	(992,170)	(909,740)
Gross Profit		73,370	90,148
Profit from other operation		657	2,987
		74,027	93,135
Distribution cost		(13,228)	(11,125)
Administrative expenses		(32,400)	(26,668)
Other expenses		(1,198)	(3,969)
Finance cost		(6,660)	(3,903)
Other income		2,213	6,090
		(51,273)	(39,575)
Profit before taxation		22,754	53,560
Taxation		(7,184)	(13,142)
Profit for the period		15,570	40,418
Other comprehensive income for the period-net of tax		-	-
Total comprehensive income for the period		15,570	40,418
Earning per share-basic and diluted		2.26	5.86


CHAIRMAN


CHIEF EXECUTIVE

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
For The First Quarter ended September 30, 2017

	Sep. 30, 2017 Rupees	Sep. 30, 2016 Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	22,755	53,560
Adjustment for:		
Depreciation on property, plant and equipment	26,835	26,750
Unrealized gain on re-measurement of other financial assets	(301)	(1,735)
Realized gain on disposal of other financial assets	(1,436)	(4,188)
Provision for gratuity	4,347	3,075
Finance cost	6,660	(3,903)
Operating cash flows before movement in working capital	58,859	73,559
(Increase)/decrease in current assets		
Stores ,spares and loose tools	(5,480)	3,919
Stock -in- trade	2,985	73,865
Trade debts	(171,217)	(41,333)
Loans and advances	(4,567)	10,366
Trade deposits and short term prepayments	(25)	(125)
Tax refund due from Government(excluding advance income tax)	14,888	(4,909)
Other receivables	1,175	(5,643)
Increase/(decrease) in current liabilities		
Trade and other payables	71,349	23,921
	(90,891)	60,061
Cash generated from operations	(32,032)	133,620
Finance cost paid	(9,684)	3,740
Gratuity paid	(2,608)	(1,227)
Income taxes paid/adjusted	(40,918)	(30,087)
Net cash generated from operating activities	(85,243)	106,046
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(3,046)	(8,464)
Payment for purchase of other financial assets	(474,238)	(1,388,383)
Proceeds from disposal of other financial assets	1,369,149	1,389,788
Net cash used in investing activities	891,865	(7,059)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Long Term loan obtained	73,868	-
Increase/(decrease) in short term bank borrowings	(867,434)	(111,312)
Dividend paid	(1,576)	-
Net cash from financing activities	(795,142)	(111,312)
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	11,480	(12,325)
Cash and cash equivalents at the beginning of the year	34,977	41,506
Cash and cash equivalents end of the period	46,458	29,181


CHAIRMAN


CHIEF EXECUTIVE

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
For The First Quarter Ended September 30, 2017

	Share Capital Rupees (000)	Share Premium Rupees (000)	General Reserve Rupees (000)	Un-Appropriated Profit/(Loss) Rupees (000)	Total Rupees (000)
Balance as at June :30,2016	69,000	3,600	750,000	1,226,977	2,049,577
Comprehensive income for the year					
Profit for the year	-	-	-	144,324	144,324
Other comprehensive income for the year- net of tax	-	-	-	(2,586)	(2,586)
Remeasurement of defined benefit obligation	-	-	-	-	-
Total comprehensive income for the year	-	-	-	141,738	141,738
Transaction with owners					
Annual dividend for the year june 30,2016 @ rs.5 per share	-	-	-	(34,500)	(34,500)
Interim dividend for the year june 30,2017 @ rs.5 per share	-	-	-	(34,500)	(34,500)
	-	-	-	(69,000)	(69,000)
Transferd to unappropriated profit on account of incremental depreciatin on surplus on Revaluation of property,plant and equipment-net of deferred tax				24,218	24,218
Balance as at June : 30,2017	69,000	3,600	750,000	1,323,932	2,146,532
Comprehensive income for the period					
Profit for the period	-	-	-	15,570	15,570
Other comprehensive income for the period- net of tax	-	-	-	-	-
Total comprehensive income for the period ended september,2017	-	-	-	15,570	15,570
Transferd to unappropriated profit from Revaluation surplus-net of deferred tax				5,410	5,410
Balance as at Sep. 30,2017	69,000	3,600	750,000	1,344,913	2,167,513


CHAIRMAN


CHIEF EXECUTIVE

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
(UNAUDITED)
For The First Quarter Ended September 30, 2017

1. STATUS AND ACTIVITIES

- 1.1** Sunrays Textile Mills Limited (the Company) was incorporated in Pakistan on August 27, 1987 under the Companies Ordinance, 1984 and its shares are quoted on Karachi Stock Exchange. The Company is principally engaged in manufacturing and sale of yarn. The company is also operating ginning units and ice factories 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 1st quarter ended September 30, 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** During the year, the Companies Act, 2017 was enacted on May 30, 2017 and came into force at once. Subsequently the Securities and Exchange Commission of Pakistan has notified its application through Circular No. 17 of July 20, 2017. Therefore, these financial statements have been prepared under the Companies Act, 2017.
- 2.3.** 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, 2017. Comparative balance sheet is extracted from annual audited financial statements for the year ended June 30, 2017 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 1st quarter ended on September 30, 2016.

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, 2017.

4-	CONTINGENCIES AND COMMITMENTS	Sep 30,	Sep 30,
		2017	2016
		Rupees	Rupees
		(000)	(000)
	CONTINGENCIES		
	Bank/financial institution/insurance guarantees	367,189	412,716
	COMMITMENTS		
	Under letters of credit	435,847	96,400
5-	AGGREGATE TRANSACTION WITH ASSOCIATED UNDERTAKING		
	Sales of goods and services	27,555	19,927
	5.1 These transaction have been carried out on the commercial terms and conditions.		
6-	ACQUISITION OF PROPERTY PLANT AND MACHINERY		
	Acquisition	3,046	8,464

	Sep 30, 2017	Sep 30, 2016
7- COST OF GOODS SOLD		
	Rupees (000)	Rupees (000)
Raw Material	740,265	662,246
Stores and Spares	13,869	13,478
Packing material	13,654	14,503
Salaries ,wages and benefits & Doubling Charges	58,944	38,296
Power and fuel	93,419	91,767
Insurance	1,500	1,500
Repair and maintenance	1,552	1,126
Depreciation	24,541	24,376
Others	177	137
	947,922	847,429
Work in process		
Opening stock	26,496	26,400
Closing stock	(31,219)	(27,337)
	<u>(4,723)</u>	<u>(937)</u>
Cost of goods manufactured	943,199	846,492
Purchase of yarn	81,677	63,089
Finished Goods		
Opening stock	136,601	55,964
Closing stock	(169,307)	(55,805)
	<u>(32,706)</u>	<u>159</u>
	992,170	909,740

8- These financial statements were authorised for issue by the Board of Directors of the company on October 30, 2017

9- Figures have been rounded off to the nearest thousand rupee.


CHAIRMAN


CHIEF EXECUTIVE