



QUARTERLY STATEMENT

(UN-AUDITED)

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2018

SUNRAYS TEXTILE MILLS LIMITED

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COMPANY PROFILE
BOARD OF DIRECTORS

1. Mr. Riaz Ahmed (Chairman)
2. Mr. Kashif Riaz (Chief Executive)
3. Mian Imran Ahmad
4. Mian. Shahzad Ahmad
5. Mr. Naveed Ahmad
6. Mr. Irfan Ahmed
7. Mr. Shahwaiz Ahmed
8. Mr. Shafqat Masood
9. Sheikh Nishat Ahmed
10. Mr. Faisal Hanif
11. Mian Masud 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. Sheikh Nishat 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 – Aameera 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

Bank Alfalah

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, 2018. During the period under review Your Company earned pre-tax profit of Rs. Rs.196.502(M).

FINANCIAL HIGHLIGHTS

	1st Quarter Ended September 30 (Rs.in million)	
	2018	2017
Sales – Net	1,463.777	1,065.540
Gross Profit	295.823	73.370
Other Income	0.688	2.213
Profit Before Taxation	196.502	22.754
Taxation	(33.871)	(7.184)
Profit After Taxation	162.631	15.570

REVIEW OF OPERATIONS

By the Grace of Almighty Allah, during the period under review your Company performed well. The Company's sales increased by 37.37 % and gross profit increased by 303.20 % as corresponding to last corresponding period. Factor which contributed for achieving these extra ordinary profits, are US dollar devaluation, increase of yarn prices and management of raw material procurement by the Company.

EARNING PER SHARE

The earnings per share for the 1st quarter ended September 30, 2018 is Rs.23.57 per share as compared to Rs.2.26 per share of the previous corresponding period.

FUTURE PROSPECTS

Keeping in view the further devaluation in October 2018 of US dollar against rupee, the yarn prices are expected to rise further locally in the second quarter of the year 2018-19. On the other hand cost of sales will increase further due to lower than estimated cotton crop for the year 2018-19, insufficient support from Government, poor quality seeds, shortage of water and conversion of cotton production acreage to sugar cane production. In addition to these higher cost of labor, energy and withdrawal of DTL are posing a risk to the growth of spinning industry. Pakistan's exports are uncompetitive in the global market because of higher cost of production. Despite these difficulties, the management is sure that the Company will get better results for the coming quarters as well.

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: October 30, 2018

سنریز ٹیکسٹائل ملز لمیٹڈ

ڈائریکٹرز رپورٹ پہلی سہ ماہی - ۳۰ ستمبر ۲۰۱۸

بورڈ آف ڈائریکٹرز اپنی رپورٹ اور اس کے ساتھ سہ ماہی ۳۰ ستمبر ۲۰۱۸ کے مالیاتی گوشوارے (غیر آڈٹ شدہ) بخوشی پیش کرتے ہیں۔ زیر مدت جس کا جائزہ لیا جا رہا ہے آج کی کمپنی نے شاندار 19.650 کروڑ روپے قبل از ٹیکس منافع کمایا ہے۔
مالی اور آپریشنل نتائج:

سہ ماہی - ۳۰ ستمبر		000 روپے
2018	2017	تفصیل
1,463.777	1,065.540	فروختگی
295.823	73.370	خام منافع
0.688	2.213	دیگر آمدن
196.502	22.754	قبل از ٹیکس منافع
(33.871)	(7.184)	ٹیکس
162.631	15.570	بعد از ٹیکس منافع

آپریشنل تجزیہ

اللہ کے فضل سے زیر مدت جس کا جائزہ لیا جا رہا ہے آج کی کمپنی کی کارکردگی بہت اچھی رہی۔ کمپنی کی فروختگی میں 37.37 فیصد اضافہ ہوا اور خام منافع میں سچھلی اسی مدت کے مقابلے میں 303.20 فیصد اضافہ ہوا۔ جن عوامل کی وجہ سے یہ شاندار منافع حاصل ہوا ان میں امریکی ڈالر کے مقابلے میں روپے کی قدر میں کمی، دھماگہ کی قیمت میں اضافہ اور بہتر خام مال خریدنے کی کمپنی کی سٹریٹجی شامل ہے۔

فی حصص آمدن:

فی حصص آمدن سہ ماہی - ۳۰ ستمبر ۲۰۱۸ ختم ہونے پر 23.57 روپے ہے، جبکہ سچھلی اسی مدت میں یہ 2.26 روپے تھی۔

مستقبل کی صورت حال:

اکتوبر 2018 میں امریکی ڈالر کے مقابلے میں روپے کی قدر میں مزید کمی کو دیکھتے ہوئے سال 2018-19 کی دوسری سہ ماہی میں دھماگے کی قیمت میں مقامی طور پر مزید اضافہ کی توقع ہے۔ دوسری طرف 2018-19 میں اندازہ سے زیادہ کپاس کی پیداوار میں کمی، پانی کی قلت، حکومت کی عدم توجہی اور ناقص بیج اور کپاس کی کاشت کی بجائے کاشت جیسے عوامل سے فروختگی کی لاگت میں اضافہ ہو جائے گا۔ اس کے علاوہ لیبر اور انرجی کی قیمت میں اضافہ اور ڈی ٹی ایل کی واپسی بھی ٹیکسٹائل کی صنعت کی ترقی میں خطرے کا باعث بن رہی ہے۔ فروختگی کی لاگت میں اضافہ کی وجہ پاکستان کی برآمدات بین الاقوامی منڈی میں مقابلے نہیں کر پار ہیں۔ ان مشکلات کے باوجود آج کی انتظامیہ آنے والے وقت میں ایسے ہی اچھے نتائج کے لیے پرامید 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 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 ڈائریکٹرز کی جانب سے


کاشف ریاض
چیف ایگزیکٹو آفیسر

30 اکتوبر 2018

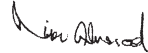
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2018**

<i>ASSETS</i>	Sep. 30, 2018 <i>Rupees</i> <i>(000)</i>	June. 30, 2018 <i>Rupees</i> <i>(000)</i>
<i>Non-current assets</i>		
Property, plant and equipment	1,492,107	1,499,250
Investment property	2,342	2,342
Long term deposits	6,991	6,991
	1,501,440	1,508,584
<i>Current assets</i>		
Stores and spares	82,603	79,577
Stock in trade	2,188,321	2,280,015
Trade debts	912,034	1,364,392
Loans and advances	126,842	114,232
Trade deposits and short term prepayments	6,331	6,257
Other receivables	88,609	93,804
Short term investments	143,422	128,848
Sales tax refundable	56,471	45,993
Income tax refundable	19,810	19,810
Cash and bank balances	67,979	51,247
	3,692,422	4,184,174
<i>Total assets</i>	5,193,862	5,692,757
<i>EQUITY AND LIABILITIES</i>		
<i>Share capital and reserves</i>		
Issued, subscribed and paid-up capital	69,000	69,000
Share premium	3,600	3,600
Surplus on revaluation of property, plant and equipment	273,505	278,596
General Reserves	750,000	750,000
Unappropriated profit	1,772,026	1,604,304
	2,868,131	2,705,500
<i>Non-current liabilities</i>		
Long term financing	487,114	494,501
Deferred liabilities	96,629	94,276
	583,743	588,777
<i>Current liabilities</i>		
Trade and other payables	349,222	330,775
Accrued markup	20,931	21,881
Short term borrowings	1,312,560	2,027,807
Current portion of long term financing	14,774	7,387
Unclaimed dividend	10,631	10,631
Provision for taxation	33,871	-
	1,741,988	2,398,481
<i>Contingencies and commitments</i>		
<i>Total equity and liabilities</i>	5,193,862	5,692,757

The annexed notes from 1 to 9 form an integral part of these financial statements.


Shabbir Kausar
Chief Financial Officer


Kashif Riaz
Chief Executive


Mian Riaz Ahmed
Chairman


CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS (UNAUDITED)
For The First Quarter Ended September 30, 2018

	<i>Note</i>	Sep. 30 2018	Sep. 30 2017
		<i>Rupees</i>	<i>Rupees</i>
		<i>(000)</i>	<i>(000)</i>
Sales-net		1,463,777	1,065,540
Cost of sales	7	(1,167,954)	(992,170)
Gross profit		295,823	73,370
Profit on other operations		755	657
		296,577	74,027
Distribution cost		(15,263)	(13,228)
Administrative expenses		(35,377)	(32,400)
Other expenses		(10,492)	(1,198)
Finance cost		(39,632)	(6,660)
Other income		688	2,213
		(100,076)	(51,272)
Profit before taxation		196,502	22,755
Taxation		(33,871)	(7,184)
Profit for the year		162,631	15,570
<i>Earnings per share - basic and diluted</i>		23.57	2.26

The annexed notes from 1 to 9 form an integral part of these financial statements.


Shabbir Kausar
Chief Financial Officer


Kashif Riaz
Chief Executive


Mian Riaz Ahmed
Chairman

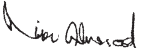
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
For The First Quarter Ended September 30, 2018

	Sep. 30	Sep. 30
<i>Note</i>	<i>2018</i>	<i>2017</i>
	<i>Rupees</i>	<i>Rupees</i>
	<i>(000)</i>	<i>(000)</i>
Profit for the year		
Other comprehensive income - net of tax	162,631	15,570
Remeasurement of defined benefit obligation - gratuity	-	-
Related deferred tax	-	-
Total comprehensive income for the year	162,631	15,570

The annexed notes from 1 to 9 form an integral part of these financial statements.


 Shabbir Kausar
 Chief Financial Officer


 Kashif Riaz
 Chief Executive


 Mian Riaz Ahmed
 Chairman

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
For The First Quarter Ended September 30, 2018

	Capital reserve		Revenue reserves		Total	
	Share capital	Share premium	Surplus on revaluation of fixed assets	General reserve		Unappropriated profit
	Rupees (000)					
Balance as at June 30, 2017 - restated	69,000	3,600	308,167	750,000	1,323,932	2,454,699
Comprehensive income for the year						
Profit for the year	-	-	-	-	281,885	281,885
Other comprehensive loss	-	-	-	-	(3,484)	(3,484)
Total comprehensive income for the year	-	-	-	-	278,400	278,400
Transactions with owners						
Annual dividend for the year ended June 30, 2017 @ Rs. 4 per share	-	-	-	-	(27,600)	(27,600)
Transferred to unappropriated profit on account of incremental depreciation on surplus on revaluation of property, plant and equipment	-	-	(22,626)	-	22,626	-
Transfer from surplus on revaluation of property, plant and equipment on account of disposal of assets (net of deferred tax)	-	-	(6,945)	-	6,945	-
Balance as at June 30, 2018	69,000	3,600	278,596	750,000	1,604,304	2,705,500
Comprehensive income for the year						
Profit for the year	-	-	-	-	162,631	162,631
Other comprehensive loss	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	162,631	162,631
Transactions with owners						
Transferred to unappropriated profit on account of incremental depreciation on surplus on revaluation of property, plant and equipment	-	-	(5,091)	-	5,091	-
Balance as at Sep 30, 2018	69,000	3,600	273,505	750,000	1,772,026	2,868,131

The annexed notes from 1 to 9 form an integral part of these financial statements.


Shabbir Kausar
Chief Financial Officer



Kashif Riaz
Chief Executive

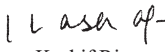

Mian Riaz Ahmed
Chairman

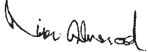
**CONDENSED INTERIM STATEMENT OF CASH FLOW STATEMENT (UNAUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2018**

	Sep. 30 2018 <i>Rupees</i>	Sep. 30 2017 <i>Rupees</i>
	<i>(000)</i>	<i>(000)</i>
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	196,502	22,755
Adjustments for:		
Depreciation on property, plant and equipment	35,188	26,835
Unrealized loss/gain) on re-measurement of other financial assets-net	188	(301)
Realized gain on disposal of other financial assets-net	(285)	(1,436)
Provision for staff retirement benefits - gratuity	4,347	4,347
Finance cost	39,632	6,660
Operating cash flows before changes in working capital	79,070	36,105
Changes in working capital		
<i>(Increase) / decrease in current assets</i>		
Stores and spares	(3,026)	(5,480)
Stock in trade	91,694	2,985
Trade debts	452,358	(171,217)
Loans and advances (excluding advance income tax)	9,598	(4,567)
Trade deposits and short term prepayments	(74)	(25)
Sales tax refundable	(10,478)	14,888
Other receivables	5,195	1,175
<i>Increase in current liabilities</i>		
Trade and other payables	18,447	71,349
	563,713	(90,892)
Cash (used in) operations	839,285	(32,032)
Finance cost paid	(40,582)	(9,684)
Staff retirement benefits - gratuity paid	(1,994)	(2,608)
Income taxes paid	(22,208)	(40,918)
Net cash (used in) operating activities	774,502	(85,242)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(28,045)	(3,046)
Payment for purchase of short term investments	(19,794)	(474,238)
Proceeds from disposal of short term investments	5,317	1,369,149
Net cash generated from / (used in) investing activities	(42,522)	891,865
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long term financing	-	73,868
Short term borrowings - net	(715,247)	(867,434)
Dividends paid	-	(1,576)
Net cash generated from financing activities	(715,247)	(795,142)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	16,732	11,481
Cash and cash equivalents at beginning of the year	51,247	34,977
Cash and cash equivalents at end of the year	67,979	46,458

The annexed notes from 1 to 9 form an integral part of these financial statements.


Shabbir Kausar
Chief Financial Officer


Kashif Riaz
Chief Executive


Mian Riaz Ahmed
Chairman

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENT
(UNAUDITED)
For The First Quarter Ended September 30, 2018**

1. GENERAL INFORMATION

- 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 the Pakistan Stock Exchange (PSX). The Company is principally engaged in trade, manufacture and sale of yarn. The Company is also operating ginning units and ice factories on leasing arrangements. The registered office of the Company is situated at 5th floor 508 Beaumont Plaza, Beaumont Road, Civil Lines Quarters, Karachi. The mill is located at Khanpur Shumali 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 PRESENTATION

These condensed interim financial statements of the Company for the 1st quarter ended have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 and provisions of and directives issued under the Companies Act, 2017. Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

The Companies Act, 2017 (the Act) has also brought certain changes with regard to preparation and presentation of annual and interim financial statements of the Company. These changes also include change in respect of recognition criteria of surplus on revaluation of fixed assets as more fully explained in annual accounts.

- 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, 2018. Comparative balance sheet is extracted from annual audited financial statements for the year ended June 30, 2018 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, 2018.

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, 2018.


	Sep 30, 2018	Sep 30, 2017
	Rupees (000)	Rupees (000)
4- CONTINGENCIES AND COMMITMENTS		
CONTINGENCIES		
Bank/financial institution/insurance guarantees	247,416	367,189
COMMITMENTS		
Under letters of credit	643,925	435,847
5- AGGREGATE TRANSACTION WITH ASSOCIATED UNDERTAKING		
Sales of goods and services	61,688	27,555
5.1 These transaction have been carried out on the commercial terms and conditions.		
6- ACQUISITION OF PROPERTY PLANT AND MACHINERY		
Acquisition	28,045	3,046
7- COST OF GOODS SOLD		
Raw Material	872,592	740,265
Stores and Spares	13,216	13,869
Packing material	17,176	13,654
Salaries ,wages and benefits & Doubling Charges	60,505	58,944
Power and fuel	117,946	93,419
Insurance	1,600	1,500
Repair and maintenance	1,336	1,552
Depreciation	32,699	24,541
Others	208	177
Work in process	1,117,278	947,922
Opening stock	30,600	26,496
Closing stock	(29,730)	(31,219)
	870	(4,723)
Cost of goods manufactured	1,118,148	943,199
Purchase of yarn	25,974	81,677
Finished Goods		
Opening stock	206,031	136,601
Closing stock	(182,199)	(169,307)
	23,832	(32,706)
	1,167,954	992,170

8- These financial statements were authorised for issue by the Board of Directors of the company on October 30, 2018

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


Shabbir Kausar
Chief Financial Officer


Kashif Riaz
Chief Executive


Mian Riaz Ahmed
Chairman