



HALF YEARLY STATEMENT

(UN-AUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 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/web/download.htm>

REGISTRAR & SHARE TRANSFER OFFICE

JWAFFS REGISTRAR (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
Bank Alfalah

AUDITORS

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 half year ended December 31, 2018 duly reviewed by external auditors. During the period under review Your Company Earned handsome pre-tax profit Rs. Rs.301.004 (M).

FINANCIAL HIGHLIGHTS

	Half Year Ended December 31. (Rs. In Millions)	
	2018	2017
Sales – Net	2,857.859	2,198.491
Gross Profit	535.579	191.670
Other Income	4.373	(13.107)
Profit Before Taxation	301.004	43.037
Taxation	(25.412)	-
Profit After Taxation	275.592	43.037

REVIEW OF OPERATIONS

Company's turnover increased by 30% during the six months under review over the last corresponding period. Your company has also posted an increase in gross profit by 179.43% over the corresponding period. Despite increase in raw material prices, minimum wages slab, distribution and administrative costs your company performed exceptionally well by managing the financial requirements and procurement of raw materials.

EARNING PER SHARE

The earnings per share for the half year ended December 31, 2018 is Rs.39.94 as compared to Rs.6.24 for the previous corresponding period.

FUTURE PROSPECTS

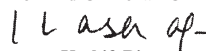
Textile sector in Pakistan has been losing competitiveness in the region due to higher cost of doing business here. While, the recent steps taken by the Government of Pakistan for zero rated sectors will improve the situation, the inflationary pressures (both on the operating and financing costs) will continue to dampen sector profitability. Further the government needs to look into the matters such as DLT, Income Tax and Sales Tax refunds to improve the liquidity position of the company. Despite these challenges, the Management of your Company is committed to achieve sustainable results in remaining period of the year and is exploring different avenues for generating revenue by working on value-added products, exploring new arenas and by upgrading the existing setup.

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.

Karachi
Dated: March 01, 2019

For And On Behalf Of Board


Kashif Riaz
Chief Executive Officer

سن ریزٹیکسٹائل مل لمیٹڈ ڈائریکٹرز رپورٹ

ششماہی ۳۱ دسمبر ۲۰۱۸

بورڈ آف ڈائریکٹرز اپنی رپورٹ اور اس کے ساتھ ششماہی ۳۱ دسمبر ۲۰۱۸ کے مالیاتی گوشوارے (غیر آڈٹ شدہ) اور بیرونی آڈیٹرز کے جائزہ لی ہوئی رپورٹ بخوشی پیش کرتے ہیں۔ زیر مدت جس کا جائزہ لیا جا رہا ہے آپ کی کمپنی نے شاندار 301.004 کروڑ روپے قفل از گیس منافع کمایا ہے۔ مالی اور آپریشنل نتائج:

ششماہی ۳۱ دسمبر		000 روپے
2018	2017	تفصیل
2,857.859	2,198.491	فروختی
535.579	191.670	خام منافع
4.373	(13.107)	دیگر آمدن
301.004	43.037	قفل از گیس منافع
(13.689)	-	فیس
275.592	43.037	بعد از گیس منافع

آپریشنل تجزیہ

چھ ماہ جس کا جائزہ لیا جا رہا ہے، آپ کی کمپنی کے کاروبار میں پچھلے اسی مدت کے مقابلہ میں 30 فیصد اضافہ اور خام مال منافع میں 179.43 فیصد اضافہ ہوا ہے۔ خام مال کی قیمتوں میں اضافہ اس کے علاوہ کم از کم اجرت، تقسیم اور انتظامی اخراجات میں اضافہ کے باوجود آپ کی کمپنی نے مالی ضروریات اور خام مال کی خریداری کے ذریعے غیر معمولی کارکردگی کا مظاہرہ کیا ہے۔

فی حصص آمدن:

فی حصص آمدن ششماہی ۳۱ دسمبر ۲۰۱۸ ختم ہونے پر 39.94 روپے ہے، جبکہ پچھلی اسی مدت میں یہ 6.24 روپے تھی۔

مستقبل کی صورت حال:

پاکستان میں ٹیکسٹائل کی اپنی صنعت پیداواری لاگت میں اضافہ کی وجہ سے اس خطہ میں مقابلہ سے محروم ہو رہی ہے۔ اگرچہ حکومت پاکستان کے حالیہ اقدامات جزیروں، پیکٹر کے لیے کیے گئے سے بہتری کی توقع کی جا سکتی ہے لیکن افراط زر کے دباؤ اور آپریشنل اور ٹرانسپورٹ دہوں کے اخراجات میں اضافہ اس شعبے میں منافع کو کم کرتے رہیں گے۔ اس کے علاوہ کمپنی کی مالی حالت کی بہتری کے لئے حکومت کو ڈیوٹی ڈرائیگ، آئی ٹیکس اور پی ٹیکس کی واپسیوں کے معاملات کو دیکھنے کی ضرورت ہے۔ ان سب چیزوں کے باوجود آپ کی کمپنی کی انتظامیہ سال کی باقی مدت میں پائیدار نتائج حاصل کرنے میں مصروف عمل ہے، اور بہتر آمدنی کے حصول کے لئے موجودہ میٹ اپ کو بہتر کر کے اضافی بہتر مصنوعات بنا رہے ہیں اور نئی منڈیوں کو تلاش کر رہے ہیں۔

تلمہا رنگار:

ادارے کے ڈائریکٹرز تمام ملازمین کی کوششوں کا اعتراف کرتے ہیں۔ ہم اپنے ان تمام کا کھوں کا شکریہ ادا کرتے ہیں جنہوں نے ہماری مصنوعات پر اعتماد کیا اور وہ تمام پیگزر 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

Ilasha ap-

کاشف ریاض

چیف ایگزیکٹو آفیسر

کیم مارچ 2019

**DRAFT INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF SUNRAYS TEXTILE MILLS LIMITED
REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS**

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Sunrays Textile Mills Limited** (the Company) as at December 31, 2018 and the related condensed interim statement of profit or loss, condensed statement of comprehensive income, condensed interim statement of cash flows, and condensed interim statement of changes in equity and notes to the financial statements for the six month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed financial statements based on our review. The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income and the related notes for the three-month period ended December 31, 2018 have not been reviewed, as we are required to review only the cumulative figures for the six month period ended December 31, 2018.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements for the six month period ended December 31, 2018 are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditor's review report is Rana M. Usman Khan.

Deloitte Jousuf Adin

Chartered Accountants

Multan

Date: March 01, 2019

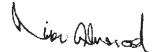
CONDENSED INTERIM BALANCE SHEET AS AT DECEMBER 31, 2018

ASSETS	Note	(Unaudited) December 31, 2018 Rupees	(Audited) June 30, 2018 Rupees
Non-current assets			
Property, plant and equipment	3	1,457,139,834	1,499,250,391
Investment properties		2,342,055	2,342,055
Long term deposits		6,991,200	6,991,200
		1,466,473,089	1,508,583,646
Current assets			
Stores and spares		73,363,452	79,576,616
Stock in trade	4	2,913,060,833	2,280,014,689
Trade debts		1,150,939,616	1,364,392,085
Loans and advances		146,993,490	114,231,799
Trade deposits and short term prepayments		6,343,129	6,257,107
Other receivables		87,326,532	93,803,831
Short term investments		126,213,683	128,848,309
Sales tax refundable		57,491,174	45,992,819
Income tax refundable		19,809,573	19,809,573
Cash and bank balances		45,741,328	51,246,935
		4,627,282,810	4,184,173,763
Total assets		6,093,755,899	5,692,757,409
EQUITY AND LIABILITIES			
Share capital and reserves			
Issued, subscribed and paid-up capital		69,000,000	69,000,000
Share premium		3,600,000	3,600,000
Surplus on revaluation of property, plant and equipment- net of deferred tax		269,895,993	278,595,889
General reserves		750,000,000	750,000,000
Unappropriated profit		1,826,826,729	1,604,303,678
		2,919,322,723	2,705,499,567
Non-current liabilities			
Long term borrowings	5	487,204,430	494,501,195
Deferred liabilities		92,101,323	94,276,037
		579,305,753	588,777,232
Current liabilities			
Trade and other payables		351,282,639	330,775,055
Accrued markup		25,610,387	21,881,247
Short term borrowings	6	2,160,247,409	2,027,807,023
Current portion of long term financing		14,773,530	7,386,765
Unclaimed / unpaid dividend		12,149,029	10,630,520
Provision for taxation		31,064,429	-
		2,595,127,423	2,398,480,610
Contingencies and commitments	7		
Total equity and liabilities		6,093,755,899	5,692,757,409

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.


Shabbir Kausar
Chief Financial Officer


Kashif Riaz
Chief Executive


Mian Riaz Ahmed
Chairman


CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)
For The Six Months Ended December 31, 2018

	Note	...Six month period ended...		...Three month period ended...	
		December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
----- Rupees -----					
Sales - net	8	2,857,859,571	2,198,491,768	1,394,083,054	1,132,951,859
Cost of goods sold	9	(2,322,280,078)	(2,006,821,291)	(1,154,326,301)	(1,014,651,766)
Gross profit		535,579,493	191,670,477	239,756,754	118,300,093
Profit/ (loss) on other operations		503,536	396,662	(251,172)	(260,108)
		536,083,029	192,067,139	239,505,582	118,039,985
Distribution cost		(34,932,204)	(28,700,998)	(19,669,040)	(15,472,829)
Administrative expenses		(71,941,070)	(70,962,133)	(36,564,234)	(38,562,300)
Other expenses		(41,741,877)	(2,265,127)	(31,249,837)	(1,067,505)
Finance cost		(90,837,159)	(33,993,996)	(51,205,520)	(27,334,413)
Other income/ (loss)		4,373,389	(13,107,476)	3,685,323	(15,320,341)
		(235,078,921)	(149,029,730)	(135,003,308)	(97,757,388)
Profit before taxation		301,004,108	43,037,409	104,502,274	20,282,597
Taxation	10	(25,412,209)	-	8,458,558	-
Profit after tax		275,591,899	43,037,409	112,960,832	20,282,597
Earnings per share - basic and diluted		39.94	6.24	16.37	2.94

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.


Shabbir Kausar
Chief Financial Officer


Kashif Riaz
Chief Executive


Mian Riaz Ahmed
Chairman

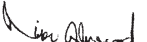
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
For The Six Months Ended December 31, 2018

	----- Six month period ended -----	
	December 31, 2018	December 31, 2017
	Rupees	Rupees
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	301,004,108	43,037,409
Adjustments for:		
Depreciation on property, plant and equipment	70,646,986	56,408,795
Provision for staff retirement benefits - gratuity	8,693,664	8,693,664
Realized gain on disposal of other financial assets ¹	(315,487)	(2,463,751)
Unrealized loss on re-measurement of other financial assets	19,433,302	17,844,256
Gain on disposal of property, plant and equipment	-	(18,584)
Finance cost	90,837,159	33,993,996
	<u>189,295,624</u>	<u>114,458,376</u>
Operating cash flows before movements in working capital	490,299,732	157,495,785
Changes in working capital		
<i>(Increase) / decrease in current assets</i>		
Stores and spares	6,213,164	(12,492,547)
Stock in trade	(633,046,144)	(774,927,994)
Trade debts	213,452,469	(677,929,758)
Loans and advances	(1,458,591)	(31,004,878)
Trade deposits and short term prepayments	(86,022)	(1,474,827)
Sales tax refundable	(11,498,355)	10,369,503
Other receivables	6,477,299	(21,992,543)
<i>Increase in current liability</i>		
Trade and other payables	20,507,584	25,517,776
	<u>(399,438,596)</u>	<u>(1,483,935,268)</u>
Cash generated from / (used in) from operations	90,861,136	(1,326,439,483)
Finance cost paid	(87,108,019)	(18,057,550)
Staff retirement benefits - gratuity paid	(4,884,900)	(6,134,960)
Income Taxes paid	(31,303,100)	(30,859,095)
Net cash used in operating activities	(32,434,883)	(1,381,491,088)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Addition to property plant and equipment	(28,347,483)	(367,896,934)
Additions to capital work in progress	(188,946)	-
Proceeds from disposal of property plant and equipment	-	6,410,000
Payments for purchase of other financial assets	(21,798,859)	(486,719,502)
Proceeds from disposal of other financial assets	5,315,669	1,374,401,659
Net cash (used in) / generated from investing activities	(45,019,619)	526,195,223
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long term financing	90,000	427,668,030
Short term borrowings - net	132,440,386	461,907,070
Dividend paid	(60,581,491)	(29,345,233)
Net cash generated from financing activities	71,948,895	860,229,867
Net decrease in cash and cash equivalents (A+B+C)	(5,505,607)	4,934,002
Cash and cash equivalents at beginning of the period	51,246,935	34,977,344
Cash and cash equivalents at end of the period	<u>45,741,328</u>	<u>39,911,346</u>

The annexed selected notes from 1 to 14 form an integral part of these condensed interim financial statements.


Shabbir Kausar
Chief Financial Officer


Kashif Riaz
Chief Executive


Mian Riaz Ahmed
Chairman

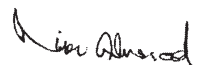
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
For The Six Months Ended December 31, 2018

	Issued, subscribed and paid-up capital	Capital reserve		Revenue reserves		Total
		Share Premium	Surplus on revaluation of fixed assets	General reserve	Unappropriated profits	
----- Rupees -----						
Balance as at June 30, 2017 - Audited	69,000,000	3,600,000	308,166,730	750,000,000	1,323,932,345	2,454,699,075
Profit for the six month period ended December,31 2017	-	-	-	-	43,037,409	43,037,409
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the six month period ended December 31, 2017	-	-	-	-	43,037,409	43,037,409
Transactions with owners:						
Annual dividend for the year ended June 30, 2017 @ Rs. 4 per share	-	-	-	-	(27,600,000)	(27,600,000)
Transferred to unappropriated profits on account of incremental depreciation on surplus on revaluation of property, plant and equipment	-	-	(10,881,324)	-	10,881,324	-
Balance as at December 31, 2017 - Un-Audited	69,000,000	3,600,000	297,285,406	750,000,000	1,350,251,078	2,470,136,484
Balance as at July 01, 2018 - Audited	69,000,000	3,600,000	278,595,889	750,000,000	1,604,303,678	2,705,499,567
Profit for the six month period ended December 31, 2018	-	-	-	-	275,591,899	275,591,899
Other comprehensive income	-	-	331,257	-	-	331,257
Total comprehensive income for the six month period ended December 31, 2018	-	-	331,257	-	275,591,899	275,923,156
Transactions with owners:						
Annual dividend for the year ended June 30, 2018 @ Rs. 9 per share	-	-	-	-	(62,100,000)	(62,100,000)
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation (net of deferred tax)	-	-	(9,031,152)	-	9,031,152	-
Balance as at December 31, 2018	69,000,000	3,600,000	269,895,993	750,000,000	1,826,826,729	2,919,322,723

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.


Shabbir Kausar
 Chief Financial Officer


Kashif Riaz
 Chief Executive


Mian Riaz Ahmed
 Chairman

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) For The Six Months Ended December 31, 2018

1. LEGAL STATUS AND OPERATIONS

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 (the Ordinance) [now Companies Act, 2017] and its shares are quoted on Pakistan Stock Exchange Limited (PSX). The Company is principally engaged in trade, manufacture and sale of yarn. The Company is also operating a ginning unit and an ice factory on leasing arrangements. 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 statement is presented in Pak Rupees, which is the Company's functional and presentation currency.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

These condensed interim financial statements of the Company have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, 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 the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed. These condensed interim financial statements are unaudited but subject to limited scope review by auditors and is being submitted to the shareholders as required under Section 237 of the Act.

2.2 These condensed interim financial statements do 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 condensed interim statement of financial position has been extracted from annual audited financial statements for the year ended June 30, 2018 whereas comparative condensed statement profit or loss account and condensed interim statement of comprehensive income, comparative condensed interim statement of changes in equity and comparative condensed interim statement of cash flows has been extracted from un-audited condensed interim financial statements for the six month period ended December 31, 2017.

2.3 Application of new and revised International Financial Reporting Standards (IFRS Standards)

2.3.1 Standards, amendments to standards and interpretations becoming effective during the period

The Securities and Exchange Commission of Pakistan (SECP) has adopted new IFRS - 15 "Revenue from contracts with customers". Impact of this IFRS Standard on these condensed interim financial statements is explained in note 2.5.

Furthermore, SECP through SRO 1007(I)/2017, dated October 4, 2017, had notified IFRS 9 "Financial Instruments", replacing the International Accounting Standard (IAS) 39 "Financial Instruments: Recognition and Measurement" with effect from reporting periods starting July 1, 2018. Applicability of this IFRS 9 has been subsequently deferred through SRO 229 (I)/2019, dated February 14, 2019. Accordingly the requirements of IFRS 9 have not been considered in the preparation of these condensed interim financial statements.

There are other new standards, amendments to standards and interpretations that became effective during the period and are mandatory for accounting periods of the Company beginning on or after July 01, 2018 but are considered not to be relevant or not to have any significant effect on the Company's operations and are, therefore, not disclosed in these condensed interim financial statements.

2.3.2 Standards, amendments to standards and interpretations becoming effective in future periods

There are certain new standards, amendments to standards and interpretations that will become effective in future accounting periods but are considered not to be relevant or not to have any significant effect on Company's operations and are, therefore, not disclosed in these condensed interim financial statements.

2.4 Basis of preparation

These condensed interim financial statements have been prepared under the "historical cost convention" except staff retirement gratuity carried at present value. These condensed interim financial statements do not include all the information required for complete set of financial statements and should be read in conjunction with the Company's published audited financial statements for the year ended June 30, 2018.

2.5 Accounting policies and methods of computation

The accounting policies and methods of computation followed in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the published audited financial statements for the year ended June 30, 2018 except the following:

- IFRS - 15 "Revenue from contracts with customers" amends revenue recognition requirements and establishes principles for reporting information about the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. Under new IFRS Standard, revenue is recognised when control is transferred to the customer which replaced the notion of transfer of risks and rewards in IAS 18 - Revenue.

The application of this IFRS Standard does not have any material impact on these condensed interim financial statements.

	<i>(Unaudited)</i> <i>December 31,</i> <i>2018</i> <i>Rupees</i>	<i>(Audited)</i> <i>June 30,</i> <i>2018</i> <i>Rupees</i>
3. PROPERTY, PLANT AND EQUIPMENT		
Operating assets	3.1 1,454,367,133	1,496,666,636
Capital work-in progress	2,772,701	2,583,755
	1,457,139,834	1,499,250,391
3.1. Operating assets		
Opening book value	1,496,666,636	1,175,676,415
Additions during the period / year - cost		
Freehold land	-	10,393,511
Plant and machinery	16,139,097	442,658,900
Furniture and fittings	1,025,050	372,706
Vehicles	8,753,000	11,837,500
Building on freehold land	2,430,336	-
Electric installations	-	5,628,464
Electric appliances	-	230,672
	28,347,483	471,121,753
Disposals during the period / year - cost	-	(92,119,485)
Depreciation charge for the period / year	(70,646,986)	(129,600,022)
Depreciation related to disposals	-	71,587,975
Closing book value	1,454,367,133	1,496,666,636
4. STOCK IN TRADE		
Raw material	2,033,363,900	1,605,521,640
Raw material in-transit	611,623,080	386,823,338
Work in process	28,513,829	30,599,760
Finished goods		
-Spinning unit	101,040,537	150,641,498
-Ginning factory	71,755,698	51,039,287
	172,796,235	201,680,785
Waste	66,763,789	55,389,166
	2,913,060,833	2,280,014,689
5. LONG-TERM BORROWINGS		
<i>From banking companies - secured</i>		
MCB Bank Limited		
- LTFF	5.1 428,110,310	353,800,380
- Demand Finance	5.2 -	74,219,930
	428,110,310	428,020,310
United Bank Limited		
- LTFF	5.3 73,867,650	73,867,650
	73,867,650	73,867,650
	501,977,960	501,887,960
Less: Current portion	(14,773,530)	(7,386,765)
	487,204,430	494,501,195
5.1 MCB Bank Limited - LTFF		
This finance has been obtained from MCB Bank Limited for BMR. The loan is repayable in 16 equal half yearly installments commencing from April 18, 2020 with 2 years grace period. It carries markup at flat rate 2.5%. This finance is secured against first pari passu charge amounting to Rs. 600 million over all present and future fixed assets of the Company with 25% margin.		
5.2 MCB Bank Limited - Demand Finance		
This finance has been obtained from MCB Bank Limited for BMR. The loan is repayable in 16 equal half yearly installments commencing from Aug 27, 2020 with 2 years grace period. It carries markup at the rate of 6 months KIBOR + 0.5%. This finance is secured against first pari passu charge amounting to Rs. 600 million over all present and future fixed assets of the Company with 25% margin.		
5.3 United Bank Limited - LTFF		
This finance has been obtained from United bank Limited for BMR. The loan is repayable in 10 equal half yearly installments commencing from Feb 18, 2019 with 11 months grace period. It carries markup at flat rate 3%. This finance is secured against first pari passu charge amounting to Rs. 125 million over all present and future fixed assets of the Company with 25% margin.		

		(Unaudited) December 31, 2018 Rupees	(Audited) June 30, 2018 Rupees
6.	SHORT-TERM BORROWINGS		
	<i>Secured - under markup arrangements from banking Companies</i>		
	Running finances	772,720,110	575,586,129
	Cash Finance	155,781,859	61,297,737
	Bank overdraft	86,745,440	123,157
	Short term demand finance	1,145,000,000	1,390,800,000
		2,160,247,409	2,027,807,023
6.1.	Short term facilities available from commercial banks under mark up arrangements amounts to Rs. 4,400 million (June 30, 2018: Rs.5,900 million) of which facilities aggregating to Rs. 2,240 million (June 30, 2018: Rs.3,872 million) remained unutilized at the period end. The rate of mark up ranges from 7.06% to 9.42% per annum (June 30, 2018: 6.18% to 7.54% per annum) payable on quarterly basis. These finances are secured against pledge of raw material and finished goods, hypothecation of stores and spares and charge on current assets of the Company.		
7.	CONTINGENCIES AND COMMITMENTS		
7.1.	Contingencies		
	Bank guarantees	104,531,302	99,530,467
	Foreign bills purchased	15,751,787	14,526,000
	In land bill purchased	28,330,160	-
		148,613,249	114,056,467
7.1.1.	Bank guarantees		
	<i>In favour of</i>		
	Sui Northern Gas Pipelines Ltd.	42,270,835	42,270,835
	Excise and taxation	23,985,915	23,985,915
	Excise and taxation	38,000,000	33,000,000
	CCI & E	274,552	274,552
		104,531,302	99,531,302
7.2.	Commitments		
	<i>Under letters of credit for:</i>		
	- Stores & spares	24,659,625	6,562,379
	- Raw material	327,542,219	270,612,059
	- Plant and machinery	244,274,777	178,917,984
		596,476,621	456,092,422
	----- Six month period ended ----- December 31,	2018	2017
8.	SALES - NET	Rupees	Rupees
	Exports		
	Yarn	2,408,999,852	1,513,696,689
	Rebate claim	-	29,523,791
		2,408,999,852	1,543,220,480
	Local		
	Yarn	349,422,764	563,769,439
	Doubling	673,713	400,667
	Waste	115,050,590	107,067,087
		465,147,067	671,237,193
	Less:		
	Commission	(16,287,348)	(15,965,905)
		2,857,859,571	2,198,491,768
		1,359,142,779	865,203,062
		1,359,142,779	865,203,062
		(8,866,800)	236,607,187
		416,160	-
		51,819,281	39,939,057
		43,368,641	276,546,244
		(8,428,366)	(8,797,447)
		1,394,083,054	1,132,951,859
9.	COST OF GOODS SOLD		
	Raw material consumed	1,755,383,103	1,507,392,829
	Power & fuel	205,782,801	193,460,752
	Salaries, wages & benefits	116,143,701	118,073,414
	Packing material consumed	32,613,238	27,394,298
	Stores & spares consumed	33,840,162	32,627,021
	Repair and maintenance	3,011,304	7,996,405
	Insurance	3,400,000	3,000,000
	Depreciation	65,409,288	51,814,427
	Others	422,612	356,201
		2,216,006,209	1,942,115,347
	Work in process		
	Opening stock	30,599,760	26,495,665
	Closing stock	(28,513,829)	(34,510,753)
		2,085,931	(8,015,088)
	Cost of goods manufactured	2,218,092,140	1,934,100,259
	Finished goods		
	Opening stock	206,030,664	136,600,742
	Purchase of finished goods	65,961,600	157,189,000
	Closing stock	(167,804,326)	(221,068,710)
		104,187,938	72,721,032
		2,322,280,078	2,006,821,291
		1,098,728,122	994,193,002
		29,729,596	31,218,760
		(28,513,829)	(34,510,753)
		1,215,767	(3,291,993)
		1,099,943,889	990,901,009
		182,199,138	169,306,967
		39,987,600	75,512,500
		(167,804,326)	(221,068,710)
		54,382,412	23,750,757
		1,154,326,301	1,014,651,766
	The above detail of finished goods does not include stock of ginning unit.		

		<i>(Unaudited)</i>	<i>(Unaudited)</i>
		<i>December 31,</i>	<i>December 31,</i>
10. TAXATION		2018	2017
Current year:		<i>Rupees</i>	<i>Rupees</i>
Current		31,064,429	-
Deferred		(5,652,220)	-
		25,412,209	-

11. RELATED PARTY TRANSACTIONS

11.1 The related parties comprise associated undertakings, directors and key management personnel. The Company in normal course of business carries out transactions with related parties. Transactions with related parties are as follows:

	<i>Un audited</i>			
	<i>---Six month period ended---</i>	<i>---Three month period ended---</i>		
	<i>December 31,</i>	<i>December 31,</i>	<i>December 31,</i>	<i>December 31,</i>
	2018	2017	2018	2017
	<i>.....Rupees.....</i>			
Transactions with directors and key management personnel				
Remuneration and other benefits of chief executive, directors and executives	23,712,401	22,383,655	13,073,617	11,191,828
Transactions with associated undertakings				
Indus Home Limited				
Sale of goods and services	74,348,589	33,155,254	12,660,426	5,600,655
Purchase of goods and services	-	-	-	-

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

12. FAIR VALUE MEASUREMENTS

IFRS 13 requires fair value measurement disclosures using following three level fair value hierarchy that reflects the significance of the inputs used in measuring fair value of financial instruments.

Information about fair value hierarchy and asset classified under the hierarchy as follows.

- Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derive from prices).
- Level 3: Inputs for asset or liability that are not based on observable market data (unobservable inputs).

12.1 Fair value of property, plant and equipment and other financial assets

The Company follows the revaluation model for its Free hold land, Building on free hold land, Plant and machinery. The fair value measurement as at June 30, 2013 was performed by KG Traders (Private) Limited, independent valuer not related to the Company. KG Traders (Private) Limited is on panel of Pakistan Banks Association as 'Any Amount' asset valuator. It is also on panel of State Bank of Pakistan and possesses appropriate qualification and recent experience in the fair value measurements in the relevant locations. The fair value of these assets were determined using the comparable price method after performing detailed enquiries and verification from various estate agents, brokers and builders keeping in view the location of the property/project, condition, size, utilization, and other relevant factors. In the estimating the fair value of Free hold land, Building on free hold land, Plant and machinery highest and best use of these assets is their current use.

Other financial assets includes investments in quoted equity shares and units in mutual funds. The investment is re-measured at each reporting date at its fair value by using the prevailing market rates.

As at December 31, 2018

	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>
	<i>.....Rupees.....</i>		
Other financial assets	126,213,683	-	-
Free hold land	-	157,893,052	-
Building on free hold land	-	125,106,803	-
Plant and machinery	-	1,080,149,908	-
Total	126,213,683	1,363,149,763	-
Comparative June 30, 2018			
Other financial assets	128,848,309	-	-
Free hold land	-	157,893,052	-
Building on free hold land	-	129,261,036	-
Plant and machinery	-	1,120,860,804	-
Total	128,848,309	1,408,014,892	-

Fair value of all other financial assets and liabilities approximated their carrying value.

There were no transfers between levels of fair value hierarchy during the period.

13. FINANCIAL RISK MANAGEMENT


The company's risk management objectives and policies are consistent with those objectives and policies which were disclosed in the annual financial statements of the Company as at and for the year ended June 30, 2018.

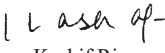
14. DATE OF AUTHORIZATION OF CONDENSED INTERIM FINANCIAL STATEMENTS

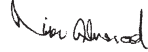
The condensed interim financial statements were authorized for issue by Board of Directors of the Company on March 01, 2019.

15. FIGURES

Figures have been rounded-off to the nearest rupee except as stated otherwise.


Shabbir Kausar
Chief Financial Officer


Kashif Riaz
Chief Executive


Mian Riaz Ahmed
Chairman