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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 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 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

DIRECTOR'S REPORT

Dear Share Holders,

Your Directors are pleased to present the first quarterly(un-audited)accounts for the period ended September 30, 2016.Your company earned pretax profit of Rs.53.560 (M) during the period under review.TheTextile industry as a whole is continuously under stress both locally and internationally. Competition in International market,political uncertaintyand high cost of production continue to pose a challenge for the Company and Textile industry as a whole.Future profitability will depend on direction of raw cotton.

The earning per share is Rs.5.86(Par value Rs.10/=per share)

We further state that:

- a) The Financial Statements together with notes thereon have been drawn up by management in conformity with the Companies Ordinance , 1984 .These statements present fairly the Company's state of affairs, the result of its operations, cash flow and changes in equity.
- b) The Company has maintained proper books of accounts.
- c) Appropriate accounting policies have been consistently applied in preparation of Financial Statements and accounting estimates are based on reasonable and prudent judgment.Internatioanl Accounting Standards, as applicable in Pakistan have been followed in preparation of Financial Statements and there has been no departure of there from.
- d) The system of internal control is sound in design and has been effectively implemented and monitored.
- e) There are no significant doubts upon the company's ability to continue as a going concern.
- f) There has been no material departure from the best practices of corporate governance, as detailed in the stock exchange listing regulations.
- g) There has been no trading of shares by chief executive,Director,Financial Officer and Company Secretary during the period.

FOR AND ON BEHALF OF THE BOARD

Kashif Riaz

Kashif Riaz
CHIEF EXECUTIVE OFFICER

Karachi

Dated: October 31, 2016

سنریز ٹیکسٹائل ملز لمیٹڈ

ڈائریکٹرز رپورٹ پہلی سہ ماہی۔ ۳۰ ستمبر ۲۰۱۶

بورڈ آف ڈائریکٹرز ۳۰ ستمبر ۲۰۱۶ کو ختم ہونے والی پہلی سہ ماہی کے مالیاتی گوشوارے (غیر آڈٹ شدہ) بخوشی پیش کرتے ہیں۔ آپ کی کمپنی نے زیر جائزہ مدت کے دوران 53.560 ملین روپے قبل از ٹیکس خالص منافع کمایا ہے۔ ٹیکسٹائل کی صنعت مجموعی طور پر ملکی اور بین الاقوامی سطح پر دباؤ میں ہے۔ بین الاقوامی منڈیوں میں سخت مقابلہ، سیاسی عدم استحکام اور پیداواری لاگت میں اضافے جیسے عوامل کمپنی اور پوری صنعت کیلئے مستقل چیلنج بنے ہوئے ہیں۔ مستقبل کے منافع کا انحصار کپاس کی صورتحال پر منحصر ہوگا۔ کمپنی کی فی حصص آمدنی 5.86 روپے رہی۔

کارپوریٹ اور مالیاتی رپورٹنگ کا ڈھانچہ:-

اس بات کی تصدیق کی جاتی ہے کہ:-

- (۱) مالیاتی گوشوارے ہمراہ اسکی تفصیلی نوٹس کمپنیز آرڈیننس 1984 کے تقاضوں کے تحت بنائے گئے ہیں۔ اور یہ گوشوارے ادارے کے معاملات کی حالت اور آپریشنز کے نتائج، مالی بہاؤ اور ایکویٹی میں تبدیلیوں کو منصفانہ پیش کرتے ہیں۔
- (۲) مالیاتی کتب کو مناسب طریقے سے برقرار رکھا گیا ہے۔
- (۳) مالیاتی گوشواروں کی تیاری میں مالیاتی پالیسیوں کو تسلسل سے لاگو کیا گیا ہے اور مالیاتی اندازے معقول اور دانشمندانہ فیصلے کی بنیاد پر مبنی ہیں۔
- (۴) اندرونی کنٹرول کا نظام بہترین ہے اور اس پر موثر طریقے سے عملدرآمد اور نگرانی کی جاتی ہے۔
- (۵) اس بارے میں کوئی شک نہیں کہ ادارہ آنے والے وقتوں میں قائم رہنے کی صلاحیت رکھتا ہے۔
- (۶) اسٹاک ایکسچینج کے لسٹنگ قوانین کے تحت وضع کردہ کارپوریٹ گورننس کے بہترین طریقوں میں کوئی بے ضابطگی عمل میں نہیں آئی ہے۔
- (۷) ڈائریکٹرز، چیف ایگزیکٹو آفیسر، چیف فنانشل آفیسر اور کمپنی سیکریٹری نے کمپنی کے حصص کی کوئی تجارت نہیں کی۔

بورڈ آف ڈائریکٹرز کی جانب سے

- a s s a p -

کاشف ریاض

چیف ایگزیکٹو آفیسر

۳۱ اکتوبر ۲۰۱۶

**CONDENSED INTERIM BALANCE SHEET
AS AT SEPTEMBER 30, 2016**

ASSETS	Note	Sep. 30, 2016 <u>Rupees</u> (000)	June. 30, 2016 <u>Rupees</u> (000)
Non-current assets			
Property, plant and equipment		1,150,016	1,168,303
Investment property		2,342	2,342
Long term deposits		6,991	6,991
		1,159,349	1,177,636
CURRENT ASSETS			
Stores and spares		75,102	79,021
Stock in trade		741,061	814,926
Trade debts		230,808	189,475
Loans and advances		53,669	64,035
Trade deposits and short term prepayments		4,549	4,424
Sales tax Refundable		46,000	41,091
Income tax refundable		11,291	11,291
Other Receivables		7,506	1,863
Other financial assets		1,035,431	1,030,913
Cash and bank balances		29,181	41,506
		2,234,598	2,278,545
Total assets		3,393,947	3,456,181
EQUITY AND LIABILITIES			
-			
Share capital and reserves			
Share capital		69,000	69,000
Reserves		753,600	753,600
Unappropriated profit		1,273,716	1,226,977
		2,096,316	2,049,577
Surplus on revaluation of property, plant and equipment-net of tax		338,634	344,954
Non-current liabilities			
Deferred liabilities		64,470	62,493
Current liabilities			
Trade and other payables		269,873	245,952
Accrued markup		790	953
Short term borrowings		611,246	722,558
Provision for taxation		12,618	29,694
		894,527	999,157
Contingencies and commitments	4	-	-
Total equity and liabilities		3,393,947	3,456,181

Chairman
CHAIRMAN

Chief Executive
CHIEF EXECUTIVE

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)

For The First Quarter Ended September 30, 2016

		Sep. 30, 2016	Sep. 30, 2015
		Rupees (000)	Rupees (000)
	Note		
Sales -net		999,888	928,005
Cost Of sales	7	<u>(909,740)</u>	<u>(862,438)</u>
Gross Profit		90,148	65,567
Profit from other operation		<u>2,987</u>	<u>846</u>
		93,135	66,413
Distribution cost		(11,125)	(15,432)
Administrative expenses		(26,668)	(26,163)
Other expenses		(3,969)	(1,788)
Finance cost		(3,903)	(3,914)
Other income		6,090	5,009
		<u>(39,575)</u>	<u>(42,288)</u>
Profit before taxation		53,560	24,125
Taxation		<u>(13,142)</u>	<u>(13,702)</u>
Profit for the period		40,418	10,423
Other comprehensive income for the period-net of tax		-	-
Total comprehensive income for the period		<u>40,418</u>	<u>10,423</u>
Earning per share-basic and diluted		<u>5.86</u>	<u>1.51</u>

Muhammad Ali
CHAIRMAN

I. L. Ashraf
CHIEF EXECUTIVE

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
For The First Quarter ended September 30, 2016

	Sep. 30, 2016	Sep. 30, 2015
A. CASH FLOW FROM OPERATING ACTIVITIES	Rupees	Rupees
Profit before taxation	53,560	24,125
Adjustment for:		
Depreciation on property, plant and equipment	26,750	28,910
Unrealized gain on re-measurement of other financial assets	(1,735)	(1,903)
Realized gain on disposal of other financial assets	(4,188)	(3,077)
Provision for gratuity	3,075	3,299
Finance cost	(3,903)	(3,914)
Operating cash flows before movement in working capital	73,559	47,440
(Increase)/decrease in current assets		
Stores ,spares and loose tools	3,919	(11,425)
Stock -in- trade	73,865	254,171
Trade debts	(41,333)	98,791
Loans and advances	10,366	36,285
Trade deposits and short term prepayments	(125)	(73)
Tax refund due from Government(excluding advance income tax)	(4,909)	21,954
Other receivables	(5,643)	3,239
Increase/(decrease) in current liabilities		
Trade and other payables	23,921	46,043
	60,061	448,985
Cash generated from operations	133,620	496,425
Finance cost paid	3,740	3,569
Gratuity paid	(1,227)	(2,642)
Income taxes paid/adjusted	(30,087)	(43,378)
Net cash generated from operating activities	106,046	453,974
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(8,464)	(181,096)
Payment for purchase of other financial assets	(1,388,383)	(451,360)
Proceeds from disposal of other financial assets	1,389,788	258,903
Net cash used in investing activities	(7,059)	(373,553)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long term financing	-	-
Increase/(decrease) in short term bank borrowings	(111,312)	(85,182)
Net cash from financing activities	(111,312)	(85,182)
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	(12,325)	(4,761)
Cash and cash equivalents at the beginning of the year	41,506	44,052
Cash and cash equivalents end of the period	29,181	39,291


CHAIRMAN


CHIEF EXECUTIVE

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
For The First Quarter Ended September 30, 2016

	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 :30,2014	69,000	3,600	750,000	1,165,075	1,987,675
Comprehensive income for the year					
Profit for the year	-	-	-	37,755	37,755
Other comprehensive income for the year- net of tax	-	-	-	-	-
Remeasurement of defined benefit obligation				(4,052)	(4,052)
Total comprehensive income for the year	-	-	-	33,703	33,703
Transferred to unappropriated profit on account of incremental depreciatin on surplus on Revaluation of property,plant and equipment-net of deferred tax				28,199	28,199
Balance as at June : 30,2016	69,000	3,600	750,000	1,226,977	2,049,577
Profit for the period	-	-	-	40,418	40,418
Other comprehensive income for the period- net of tax	-	-	-	-	-
Total comprehensive income for the period ended september,2016	-	-	-	40,418	40,418
Transferd to unappropriated profit from Revaluation surplus-net of deferred tax				6,321	6,321
Balance as at Sep. 30,2016	69,000	3,600	750,000	1,273,716	2,096,316


CHAIRMAN


CHIEF EXECUTIVE

**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
(UNAUDITED)
For The First Quarter Ended September 30, 2016**

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 ist quarter ended September 30, 2015 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, 2015. 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 ist quarter ended on September 30, 2015.

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.

4- CONTINGENCIES AND COMMITMENTS

	Sep 30, 2016	Sep 30, 2015
	Rupees	Rupees
	(000)	(000)
CONTINGENCIES		
Bank/financial institution/insurance guarantees	412,716	319,320
COMMITMENTS		
Under letters of credit	96,400	4,359

5- AGGREGATE TRANSACTION WITH ASSOCIATED UNDERTAKING

Sales of goods and services	19,927	48,524
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5.1 These transaction have been carried out on the commercial terms and conditions.

6- ACQUISITION OF PROPERTY PLANT AND MACHINERY

Acquisition	8,464	181,096
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7- COST OF GOODS SOLD	Sep 30, 2016 Rupees (000)	Sep 30, 2015 Rupees (000)
Raw Material	662,246	629,807
Stores and Spares	13,478	13,496
Packing material	14,503	15,509
Salaries ,wages and benefits & Doubling Charges	38,296	49,951
Power and fuel	91,767	76,651
Insurance	1,500	1,500
Repair and maintenance	1,126	1,529
Depreciation	24,376	27,051
Others	137	201
	847,429	815,695
Work in process		
Opening stock	26,400	21,703
Closing stock	(27,337)	(29,315)
	(937)	(7,612)
Cost of goods manufactured	846,492	808,083
Purchase of yarn	63,089	112,286
Finished Goods		
Opening stock	55,964	54,323
Closing stock	(55,805)	(112,254)
	159	(57,931)
	909,740	862,438

8- These financial statements were authorised for issue by the Board of Directors of the company on October 31, 2016

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

Mirza Ali Ahmad
CHAIRMAN

I L Asghar
CHIEF EXECUTIVE