CONTENTS

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

ok

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 TH E 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 Multan.

ok

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that 25th Annual General Meeting of the members of Sunrays Textile Mills Ltd. (the Company) will be held on October 31, 2016 at 04:30 p.m. at **Indus Dyeing & Mfg Co. Ltd.** Plot # 3 & 7, Sector-25, Korangi, Industrial Area, Karachi, to transact the following business:

ORDINARY BUSINESS:

1. To confirm minutes of the 24th Annual General Meeting held on October 31, 2015.

2. To receive consider and adopt the Audited Accounts together with the Directors' and Auditors' report for the period ended June 30, 2016.

3. To appoint auditors for the year ended June 30, 2017, and to fix their remuneration (Messer Deloitte Yousuf Adil & Company Chartered Accountants, retire and being eligible have offered themselves for reappointment.)

4. To approve Final Cash dividend at the rate of 50% (Rs.5.00 per share), as recommended by the Board of Directors for the year ended June 30, 2016.

SPECIAL BUSINESS:

5. To consider and approve the alteration to be made in the Articles of Association of the Company for the purpose of compliance with the mandatory E-voting requirements as prescribed in the Companies (E-voting) Regulations, 2016 and if though fit, pass the following resolution as a Special Resolution:

   RESOLVED THAT the Article of Association of the Company be altered as follows:

   In Article 46, following new Articles 46(A) and 46(B) shall be inserted:

   46 (A) The provision and requirement for E-voting as prescribed by the SECP from time to time shall be deemed to be incorporated in these Article of Association, irrespective of other provisions of these Articles and notwithstanding anything contradictory therein.

   46 (B) In case of e-voting, voters may appoint either members or non-members as proxy and the company shall comply with the requirements of the Companies (E-voting) Regulations, 2016 prescribed under the Companies Ordinance, 1984.

6. To approve transmission of annual audited financial statements, auditor's report and directors' report etc. (annual audited accounts) to members through CD/DVD/USB at their registered address, as allowed by the Securities and Exchange Commission of Pakistan (SECP).

   To consider and if deemed appropriate propose the following resolution

   > "RESOLVED THAT transmission of annual audited financial statements, auditor's report and directors' report etc. (annual audited accounts) to members at their registered addresses in soft form i.e. CD/DVD/USB as notified by SECP vide its SRO No. 470 (1)/2016 dated May 31, 2016 be and is hereby approved".

To transact any other business with the permission of the chair

By order of the Board

Karachi;
Dated; 4-10-2016

Ahmed Faheem Niazi
Company Secretary

ok

STATEMENT UNDER SECTION 160(1)(b) OF THE COMPANIES ORDINANCE, 1984

a) **Amendments in the Articles of Association:**

To give effect to the Companies (E-voting) Regulation 2016, shareholders' approval is being sought to amend the Article of Association of the Company to enable e-voting.

b) **Transmission of Annual Audited financial statements through CD/DVD/USB:**

The SECP has allowed companies through SRO 470(I)2016 dated May 31, 2016 to circulate the annual balance sheet and profit and loss account, auditor's report and directors' report etc. ("annual audited accounts") to its members through CD/DVD/USB at their registered address. Printed copy of above referred statements shall be provided to such members who opt for having hard copy on the Request form which is available on the website of the Company i.e. www.indus-group.com.

Notes:

i) Members are requested to attend in person along with Computerized National Identity Card ("CNIC") or appoint some other member as proxy and send their proxy duly witnessed so as to reach the registered office of the company not later then 48 hours before the time of holding the meeting.

ii) The Share Transfer Books of the Company will remain closed from Wednesday, October 24, 2016 to October 31, 2016 (both days inclusive) and the final dividend will be paid to the Members whose names will appear in the Register of Members on October 22, 2016. Members (Non-CDC) are requested to promptly notify the Company's Registrar of any change in their addresses and submit, if applicable to them, the Non-deduction of Zakat Form CZ-50 with the Registrar of the Company M/s s Jwaffs Registrar Services (PVT) Ltd. 407-408 Al-Ameera Center Shahra-e-Iraq Saddar Karachi. All the Members holding the shares through the CDC are requested to please update their addresses and Zakat status with their participants. This will assist in prompt receipt of Dividend.

Submission of copies of CNIC:

It is hereby reiterated that the Securities and Exchange Commission of Pakistan (SECP) vide Notification S.R.O. 779(I)/2011 dated August 18, 2011 and Notification S.R.O. 831(1)/2012 dated July 5, 2012 has directed all the listed companies to issue dividend warrant only crossed as "A/c Payee only" and ensure that the Dividend Warrant should bear the Computerized National identity Card (CNIC) Numbers of the registered members except in the case of minor(s) and corporate shareholder(s).

All those members (holding physical shares) who have not submitted their valid CNICs are once again requested to send a photocopy of their valid CNIC/NTN along with the Folio number(s) to the Company's Share Registrar.

In case of non-availability of a valid copy of the CNIC in the records of the Company, the Company will be constrained to withhold the Dividend warrants in terms of Section 251(2)(a) of the Companies Ordinance 1984, which will be released by the Share Registrar only upon compliance with the aforesaid notifications.

Deduction of Income Tax from Dividend under Section 150 of the Income Tax Ordinance, 2001

Pursuant to the provisions of the Finance Act 2014 effective July 1, 2016, the rates of deduction of income tax from dividend payments under the income Tax Ordinance have been revised as follows:

(a)	Rate of tax deduction for filer of income tax returns	12.5%
(b)	Rate of deduction for non-filer of income tax returns	20%

All members of the Company who hold shares in physical form are therefore requested to send a valid copy of their CNIC and NTN Certificate, to the Company Shares Registrar, M/s Evolution Factor (PVT) Ltd. At the above mentioned address, to allow the Company to ascertain the status of the members.

Members of the Company who hold shares in scrip-less form on Central Depository System (CDS) of Central Depository Company of Pakistan Limited (CDC) are requested to send valid copies of their CNIC and NTN Certificate to their CDC participants CDC Investor Account Services.

Where the required documents are not submitted, the company will be constrained to treat the non-complying members as a non filer hereby attracting a higher rate of withholding tax.

Withholding Tax on Dividend in case of Joint Account Holders

In order to enable the Company to follow the directives of the regulations to determine shareholding ratio of the Joint Account Holder(s) (where shareholding has not been determined by the principal shareholder) for deduction of withholding Tax on dividends of the Company, shareholders are requested to please complete the forms (earlier dispatched) to furnish the shareholding ratio details of themselves as principal shareholder and their joint holders to the company's share registrar, enabling the company to compute withholding Tax of each shareholder accordingly. In the event of non-receipt of the information by 22 October 2016, each shareholder will be assumed to have equal proportion of shares and the tax will e deducted accordingly.

Dividend Mandate (Optional):

The Company wishes to inform its members that under the law they are also entitled to receive their cash dividend directly in their bank accounts instead of receiving it through dividend warrants. Members wishing to exercise this option may submit their application to the Company's Share Registrar, giving particulars relating to their name, folio number, bank account number, title of account and complete mailing address of the bank CDC account holders should submit their request directly to their broker (participant) / CDC.

ok

VISION

To be a most successful company in terms of quality products, services & Financials.

MISSION

To provide quality products & services to our customers and handsome return to the shareholders.

DIRECTOR'S REPORT

Your Directors are pleased to present the 25th Annual Report on the affairs of the company along with the Audited Financial Statements and Auditor's Report thereon for the year ended June 30, 2016.

Financial and operational results

The Company earned pretax profit of Rs.77.445 (M). For the year ended June, 2016.

Highlights

	Rs. 000
Pre tax profit for the period	77,445
Provision for taxation	(39,690)
Profit after taxation	37,755
Deferred tax and others	(4051)
Un-appropriated profit brought forward	1,165,075
Profit available for appropriations	1,198,779
Transfer from surplus on revaluation of fixed assets	28,198
Un-appropriated profit carried forward	1,226,977

The earnings per share is Rs. 5.47 (Par value Rs. 10/= per share)

Operational Review

During the period under review the company's performance was satisfactory. Sales during the year was Rs.3.858 billion (2015 : Rs.4.095 billion) against total cost of sales of Rs.3.628 billion(2015 : Rs.3.808 billion) resulting a gross profit of Rs.230.335 million (2015 :Rs.286.899 million).

Present year assessment

By the Grace of Almighty ALLAH your company performance was satisfactory in spite of crises during the period under review. A weak harvest season of local crop this year, particularly due to floods and pest attacks resulted in short supply of local cotton. Following the setback, the industry had to procure imported cotton in order to meet production requirements. Overall performance of textile sector in the financial year 2015-2016 was sluggish. Textile export is continuously decreasing both in volume and value. Both price and demand for cotton yarn in international market remained low during the period under review .This scenario negatively affected the profitability of the company. During the year Rs.215.960 (M) were invested in the fixed assets. This is the part of the company's BMR plan to improve the quality and reduce the manufacturing cost. Retained earnings / internal cash flow were used to finance this programme.

Future Outlook

The circumstances of domestic textile industry- spinning sector in particular continued to squeeze due to strong competition in international markets and limited support from the government.

Textile exports are continuously decreasing both in volume and value .Major reason behind the decline in export is high cost of production. The other reason of decline is that this sector have been relying on China for the last many years and due to slowdown in China yarn exports from Pakistan have been decline significantly. The availability of subsidized Indian yarn has also affected local yarn market significantly.

The Energy crisis is still a major threat and affecting the economy; however, some initiatives which are being taken by the government will hopefully improve the situation in near future. Future profitability will depend on direction of raw cotton prices and corresponding price of yarn.

CORPORATE AND FINANCIAL REPORTING FRAMEWORK:

As required by the Code of Corporate Governance, directors are pleased to report 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 flows and changes in equity.

b. The Company has maintained proper books of accounts.

ok

c. Appropriate accounting policies have been consistently applied in preparation of Financial Statements and accounting estimates are based on reasonable and prudent judgment. International Accounting Standards, as applicable in Pakistan have been followed in preparation of Financial Statements and there has been no departure 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. Key operating and financial data for last six years is annexed.

h. There has been no trading of shares by chief executive, Director, Financial Officer, Company Secretary, their spouses and minor children, during the year.

BOARD AUDIT COMMITTEE

The Board of Directors has established an Audit Committee, in compliance with the Code of Corporate Governance, which oversees internal controls and compliance and has been working efficiently since its inception. The Audit Committee reviewed the quarterly, half-yearly and annual financial statements before submission to the Board and their publication. The Audit Committee had detailed discussions with the external auditors on various issues, including their letter to the management. The Audit Committee also reviewed internal auditors' findings and held separate meetings with internal and external auditors as required under the Code of Corporate Governance.

Board & SUB Committee Meetings

Meetings held and attendance by each Director in the meetings of the Board and its subcommittee is as follows:

Name of Directors	Board of Directors 5-Meetings	Audit Committee 4-Meetings	HR &R 1- Meeting
	Attended	Attended	Attended
Mian Mohammad Ahmed^	4		1
Mian Riaz Ahmed	3		
Mr. Shahzad Ahmed	4		
Mr. Naveed Ahmed*	5	4	
Mr. Irfan Ahmed^	3		1
Mr. Kashif Riaz	4		
Mr. Shafqat Masood*	5	4	
Mr. Shahwaiz Ahmed^	4		1
Mr. Sheikh Nishat Ahmed*	5	4	

The Leave of absence was granted to the members not attending the Board and Committee meetings.

Members of the Board Audit Committee

^ Members of the Board HR Committee

Pattern of shareholding

The shareholding pattern as 30 June 2016 is annexed.

STATUTORY PAYMENTS

As on the date of closing, no government taxes, duties, levies and charges were outstanding or overdue except for routine payments of various levies and amounts in dispute pending decision in various appellate forums and the same have been disclosed in the financial statements.

DIVIDEND

The directors proposed 50% final cash dividend i.e. Rs 5/- per share for the year.

Auditors

The Messrs Deloitte Yousuf Adil Chartered Accountants retire at the Annual General Meeting and being eligible, offer themselves for re appointment for the financial year ending June 30, 2017.

Thanks and appreciation

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 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

Dated: October 04, 2016

Kashif Riaz
CHIEF EXECUTIVE

ok

ڈائریکٹرز رپورٹ سنریز ٹیکسٹائل ملز لمیٹڈ

بورڈ آف ڈائریکٹرز پچیسویں سالانہ رپورٹ پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

مالی اور آپریشنل نتائج:۔ **000روپے**

قبل از ٹیکس منافع	77,445
ٹیکس	(36,690)
بعد از ٹیکس منافع	37,755
ڈیفرڈ ٹیکس/دیگر	(4,051)
ابتدائی جمع شدہ منافع	1,165,075
منافع برائے تصرفات	1,198,779
فکسڈ اثاثہ جات کے ریلویشن پر سرپلس سے منتقل	28,198
آگے کیا گیا جمع شدہ منافع	1,226,977
فی حصص آمدن	5.47روپے

آپریشنل تجزیہ:۔

زیر نظر مدت کے دوران کمپنی کی کارکردگی تسلی بخش رہی۔ دوران سال مصنوعات کی فروخت 3.858ارب روپے رہی (2015 : 4.095ارب روپے)جبکہ مصنوعات کی کل لاگت 3.628ارب روپے رہی(2015 : 3.808ارب روپے)نتیجتاً مجموعی منافع 23.033 کروڑ روپے رہا(2015 : 28.688 کروڑ روپے)

موجودہ سال کا جائزہ:۔

اللہ تعالیٰ کے فضل سے موجودہ سال مسائل کے باوجود آپکی کمپنی کی کارکردگی عمدہ رہی۔

اس سال سیلاب اور کیڑوں کے حملے کے باعث کپاس کی دستیابی محدود رہی۔ جسکی وجہ سے صنعتوں کو کپاس درآمد کرنی پڑی۔ٹیکسٹائل سیکٹر کی مجموعی کارکردگی مالی سال 2015-2016 میں سست رہی۔ٹیکسٹائل کے برآمدی حجم اور قدر دونوں میں کمی رہی۔ زیر نظر مدت کے دوران بین الاقوامی منڈی میں کپاس اور دھاگے کی طلب اور قدر میں بھی کمی ہوئی۔نتیجۃً کمپنی کے منافع میں بھی کمی ہوئی۔

دوران سال 215.96ملین روپے مقررہ اثاثوں میں سرمایہ کاری کی گئی جو کمپنی کے مجموعی BMRپلان کا حصہ ہے تاکہ مصنوعات کی معیار کو بہتر اور لاگت کو کم کیا جاسکے اور اس مقصد کیلئے کمپنی کے اندرونی ذرائع سے وسائل مہیا کئے گئے۔

مستقبل کی صورتحال:۔

مقامی ٹیکسٹائل کی صنعت خصوصاً دھاگے کی صنعت کے حالات مسلسل خراب ہو رہے ہیں جسکی وجوہات میں بین الاقوامی منڈیوں میں سخت مقابلہ اور حکومت کی جانب سے محدود مدد فراہم کیا جانا ہے۔ٹیکسٹائل برآمدات حجم اور مالیت دونوں میں مسلسل کمی جاری ہے۔ برآمدات میں کمی کی بڑی وجہ پیداواری لاگت میں اضافہ ہے۔ دوسری بڑی وجہ پچھلے کئی سالوں سے اس شعبے کا چین پر انحصار ہے اور چین میں معاشی سست روی کے باعث برآمدات میں نمایاں کمی ہوئی ہے۔امدادی بھارتی دھاگے کی دستیابی نے بھی مقامی مارکیٹ کو کافی نقصان پہنچایا ہے۔توانائی کا بحران ابھی بھی ایک بڑا خطرہ اور معیشت کو متاثر کر رہا ہے۔ تاہم، کچھ اقدامات ہیں جو حکومت کی طرف سے اٹھائے جا رہے ہیں امید ہے کہ مستقبل قریب میں صورتحال میں بہتری آئے گی۔ مستقبل کا منافع خام کپاس کی قیمتوں اور دھاگے کی متعلقہ قیمت کی سمت پر انحصار کرے گا۔

کارپوریٹ اور مالیاتی رپورٹنگ کا ڈھانچہ:۔

اس بات کی تصدیق کی جاتی ہے کہ:۔

(ا) 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 بہاوٴ 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 موٴثر 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 ضابتگی عمل میں نہیں آئی ہے۔

(۷) گزشتہ چھ سالوں کی اہم آپریٹنگ اور مالیاتی معلومات اس رپورٹ کیساتھ علیحدہ سے منسلک ہے۔
(۸) ڈائریکٹرز، چیف ایگزیکٹو آفیسر، چیف فنانشل آفیسر اور کمپنی سیکریٹری نے کمپنی کے حصص کی کوئی تجارت نہیں کی۔

بورڈ آڈٹ کمیٹی:۔

کوڈ آف کارپوریٹ گورننس کی تعمیل میں بورڈ آف ڈائریکٹرز نے ایک آڈٹ کمیٹی تشکیل دی ہے جو اندرونی کنٹرول کے نظام کی عملدرآمد کی نگرانی بڑے موءثر طریقے سے کررہی ہے۔ یہ آڈٹ کمیٹی سہ ماہی۔ششماہی اور سالانہ مالیاتی گوشواروں کا جائزہ لیتی ہے قبل اسکے کہ یہ بورڈ کو پیش کئے جائیں یا چھاپے جائیں۔ یہ آڈٹ کمیٹی بیرونی آڈیٹرز کیساتھ انکے انتظامیہ کے نام خط اور دیگر مسائل پر تفصیلی گفتگو کرتی ہے۔ یہ کمیٹی اندرونی آڈیٹرز کی رپورٹ کا بھی جائزہ لیتی ہے اور دونوں طرح کے آڈیٹرز کیساتھ ملاقات کا بھی اہتمام کرتی ہے جیسا کہ کوڈ آف کارپوریٹ گورننس کے تحت ضروری ہے۔

بورڈ اور اسکی کمیٹیوں کی میٹنگز:۔

30جون2016 کوختم ہونے والے سال کیلئے بورڈ اور اسکی مختلف کمیٹیوں کے انعقاد اور حاضری کی صورتحال مندرجہ ذیل رہی:۔

	بورڈ میٹنگز	آڈٹ کمیٹی میٹنگز	انسانی وسائل اور معاوضہ کمیٹی کی میٹنگز
کل میٹنگز	5	4	1
نام	حاضری	حاضری	حاضری
میاں محمد احمد	4	-	1
میاں ریاض احمد	3	-	-
میاں شہزاد احمد	4	-	-
میاں نوید احمد	5	4	-
میاں عرفان احمد	3	-	1
میاں کاشف ریاض	4	-	-
میاں شاہویز احمد	4	-	1
شفقت مسعود	5	4	-
شیخ نشاط احمد	5	4	-

پیٹرن:۔

شیئر ہولڈنگ پیٹرن سے متعلق معلومات اس رپورٹ کیساتھ علیحدہ سے منسلک ہے۔

قانونی ادائیگیاں:۔

سال کے اختتام تک حکومتی ٹیکسوں، ڈیوٹیوں اور دیگر ادائیگیوں کی مد میں کوئی رقم زائد المیعاد واجب الادا نہیں ماسوائے عمومی ادائیگیوں کے اور ان ادائیگیوں کی مد میں جو مختلف سطحوں پر زیر سماعت ہیں اور مالیاتی گوشواروں میں جنکا ذکر ہو چکا ہے۔

ڈیویڈنڈ:۔

ادارے کے ڈائریکٹرز اختتام سال30جون2016 کیلئے % 50 فیصد ڈیویڈنڈ تجویز کرتے ہیں۔ جو کہ 5 روپے فی شیئر بنتا ہے۔

آڈیٹرز:۔

کمپنی کے سبکدوش ہونے والے آڈیٹرز میسرز ڈیلائٹ یوسف عادل، چارٹرڈ اکاوءنٹنٹ نے اہلیت کی بنیاد پر خود کہ 30جون2017 کوختم ہونے والے سال کیلئے دوبارہ تقرری کیلئے پیش کیا ہے۔
آڈٹ کمیٹی نے بھی اس کی سفارش کی ہے۔

اظہار تشکر:۔

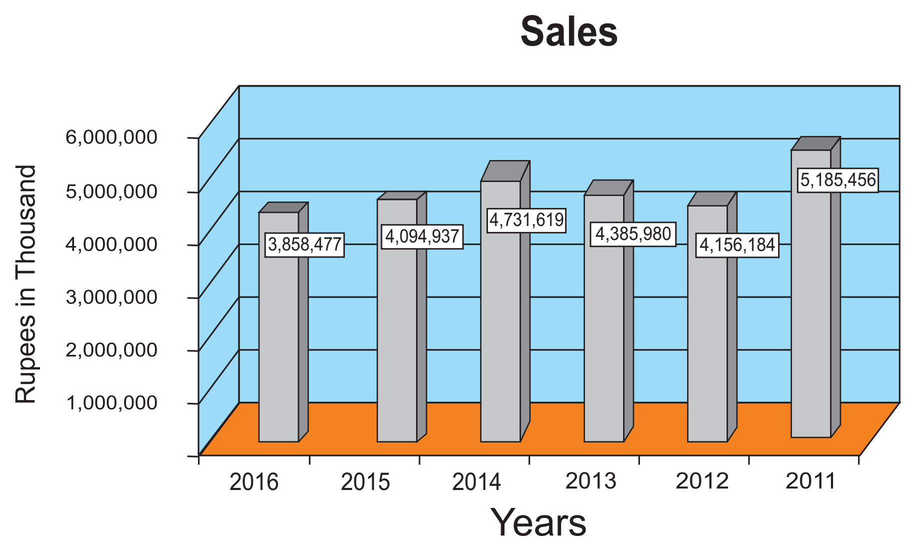
ادارے کے ڈائریکٹرز تمام ملازمین کی کوششوں کا اعتراف کرتے ہیں۔ ہم اپنے ان تمام گاہکوں کا شکریہ ادا کرتے ہیں جنھوں نے ہماری مصنوعات پر اعتماد کیا اور وہ تمام بینکرز جنھوں نے تسلسل کے ساتھ ہماری معاونت کی۔ ہم اپنے تمام حصہ داروں کے شکر گزار ہیں جنھوں نے انتظامیہ پر اپنے اعتماد کا اظہار کیا۔

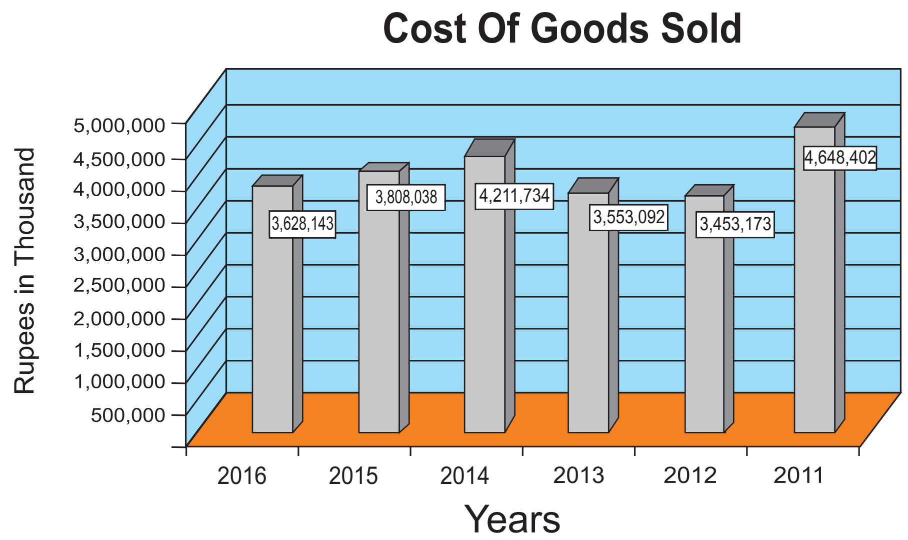
بورڈ آف ڈائریکٹرز کی جانب سے

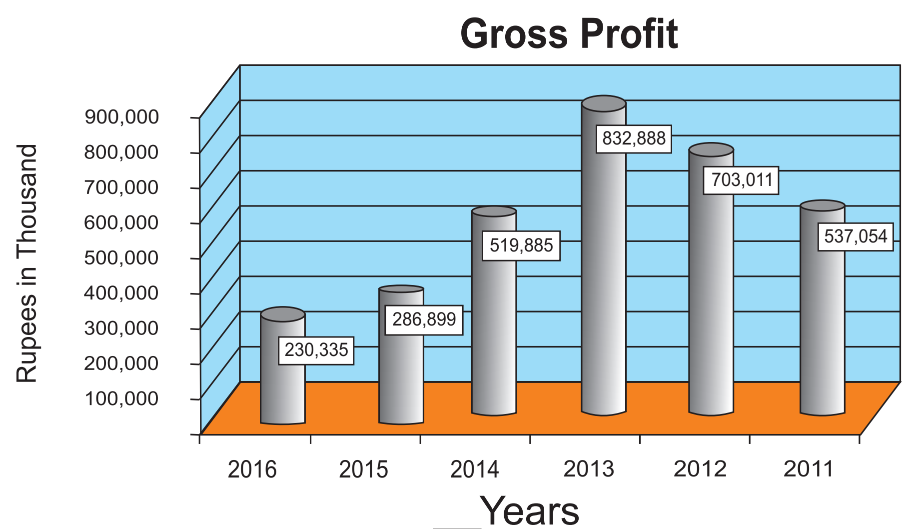
کاشف ریاض
چیف ایگزیکٹو آفیسر

4 اکتوبر 2016

OK

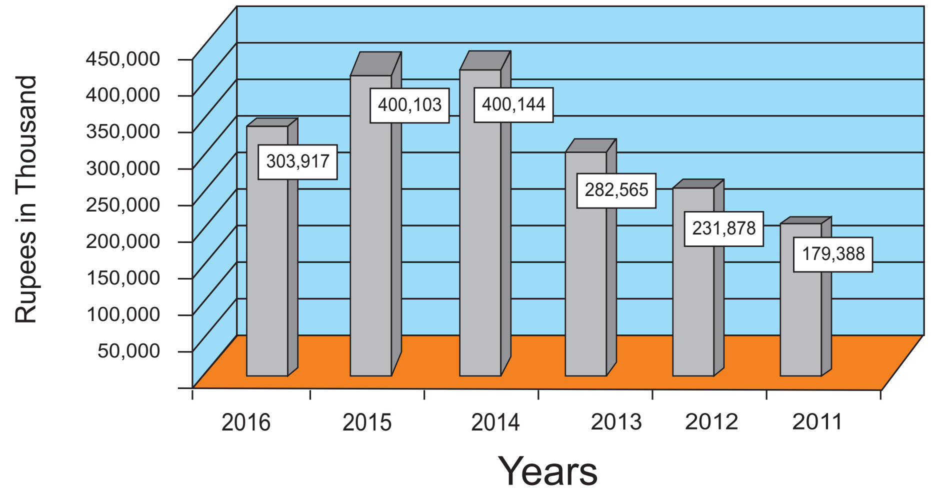

Sales
6,000,000
5,000,000
4,000,000
3,000,000
2,000,000
1,000,000
Rupees in Thousand
3,858,477
4,094,937
4,731,619
4,385,980
4,156,184
5,185,456
2016
2015
2014
2013
2012
2011
Years


Cost Of Goods Sold
5,000,000
4,500,000
4,000,000
3,500,000
3,000,000
2,500,000
2,000,000
1,500,000
1,000,000
500,000
Rupees in Thousand
3,628,143
3,808,038
4,211,734
3,553,092
3,453,173
4,648,402
2016
2015
2014
2013
2012
2011
Years

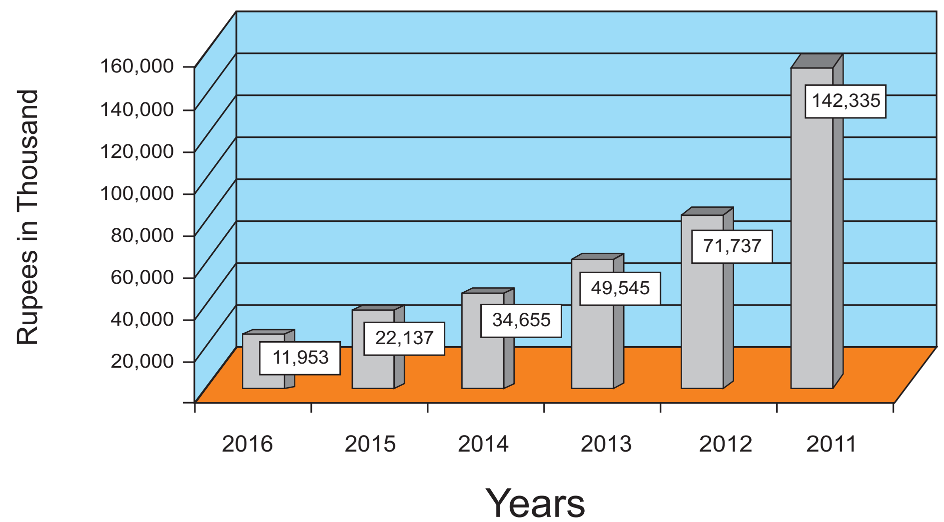

Gross Profit
900,000
800,000
700,000
600,000
500,000
400,000
300,000
200,000
100,000
Rupees in Thousand
230,335
286,899
519,885
832,888
703,011
537,054
2016
2015
2014
2013
2012
2011
Years

ok

Power and Fuel Charges

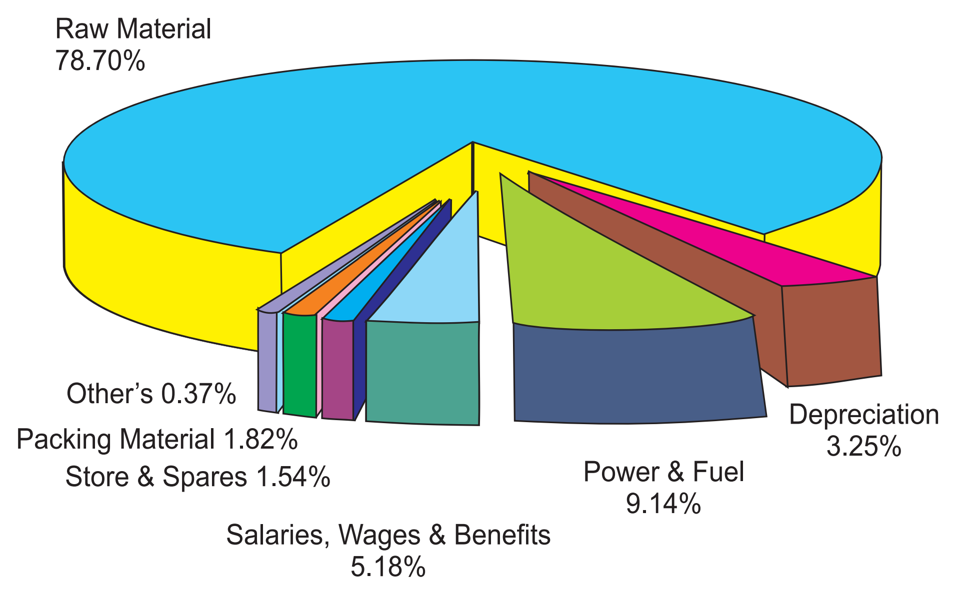


Financial Charges

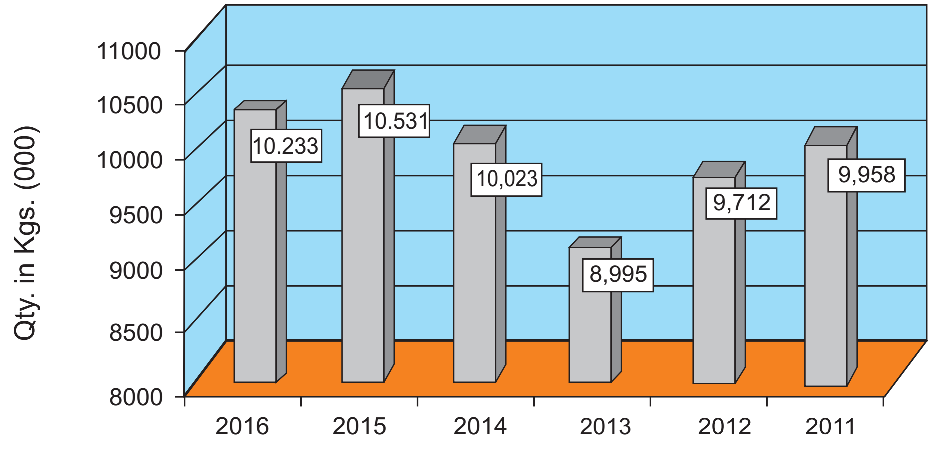


ok

Manufacturing Cost



Production in 20/S Count



SIX YEAR KEY OPERATING AND FINANCIAL DATA
FROM 2011 TO 2016
(Rupees in 000)

	FROM 2011 TO 2016			(Rupees in 000)		
	2016	2015	2014	2013	2012	2011
OPERATING DATA						
Sales	3,858,477	4,094,937	4,731,619	4,385,980	4,156,184	5,185,456
Cost of Goods Sold	3,628,143	3,808,038	4,211,734	3,553,092	3,453,173	4,648,402
Gross Profit	230,335	286,899	519,885	832,888	703,011	537,054
Profit Before Taxation	77,445	119,231	310,808	577,917	481,455	272,684
Profit After Taxation	33,704	66,624	284,279	540,033	442,540	234,689
FINANCIAL DATA						
Paid Up Capital	69,000	69,000	69,000	69,000	69,000	69,000
Fixed Assets	1,170,645	1,074,830	1,125,457	1,171,202	947,762	883,279
Current Assets	2,278,545	1,753,844	2,446,464	1,502,259	1,510,943	1,240,166
Current Liabilites	999,157	423,167	1,045,447	283,652	657,465	779,495
KEY RATIOS						
Gross Margin	5.97%	7.01%	10.99%	18.99%	16.91%	10.36%
Net Profit	0.87%	1.63%	6.01%	12.31%	10.65%	4.53%
Current Ratio	2.28	4.14	2.34	5.30	2.30	1.59
Earning Per Share(Rupees)	5.47	10.95	41.2	78.27	64.14	34.01
Cash Dividend						
STATISTICS						
Number Of Spindle	34405	34526	35093	34497	34411	33811
Production in to						
20/S Count(in 000 Kgs)	10233	10531	10023	8995	9712	9958

ok

ok

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED JUNE 30, 2016

The statement is being presented to comply with the Code of Corporate Governance (CCG/the Code) as per the requirements of Pakistan Stock Exchange Limited (PSX) where the Company is listed, for the purpose of establishing a framework of good governance, whereby a listed Company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the CCG in the following manner.

1) The Company encourages representation of independent non-executive directors and directors representing minority interests on its Board of Directors. At present the Board of Directors include:

Category	Names
Independent Directors	Mr. Sheikh Nishat Ahmed
Executive Directors	Mr. Kashif Riaz (CEO) Mr. Mian Riaz Ahmed
Non-Executive Directors	Mr. Shahzad Ahmed Mr. Naveed Ahmed Mr. Shafqat Masood Mr. Mian Mohammad Ahmed Mr. Shahwaiz Ahmed Mr. Irfan Ahmed

The Independent director meets the criteria of independence under clause 5.19.1 (b) of the Code.

2) The Directors have confirmed that none of them is serving as a Director on more than seven listed companies, including this Company (excluding listed subsidiaries of listed holding companies where applicable).
3) All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a development financial institution or a non-banking financial institution, or being a member of stock exchange, has been declared as a defaulter by that stock exchange.
4) The Company has prepared a 'Code of Conduct' and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
5) No casual vacancy occurred in the Board during the year.
6) The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along-with the dates on which they were approved or amended has been maintained.
7) All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors, have been taken by the Board.
8) The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose and the Board has met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

ok

9) In accordance with the criteria specified on clause 5.19.7 of PSX Rule Book, majority of directors of the Company are exempt from the requirements of directors' training program. One of the directors is certified under directors' training program. The Company is in the process of arranging training course and certification under directors trainihg program for remaining directors.

10) There were no new appointments of CFO, Company Secretary and Head of Internal Audit during the year.

11) The Directors' report for the year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.

12) The financial statements of the Company were duly endorsed by the CEO and CFO before approval of the Board.

13) The directors, CEO and executives do not hold any interest in the shares of the Company other than those disclosed in the pattern of shareholding.

14) The Company has complied with all the corporate and financial reporting requirements of the CCG.

15) The Board has formed an Audit Committee. It comprises of three members, of whom all are the non-executive directors. The chairman of the committee is an independent director.

16) The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the Company as required by the CCG. The terms of reference of the committee have been formed and advised to the committee for compliance. Further, the audit committee met external auditors subsequent to year end.

17) The Board has formed a Human Resource and Remuneration (HR&R) Committee. It comprises of three members, all of whom are non-executive directors. The chairman of the committee is an independent director.

18) The Board has set up an effective internal audit function which is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the Company.

19) The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review Program of the Institute of Chartered Accountants of Pakistan (ICAP), that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on the code of ethics as adopted by the ICAP

20) The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.

21) The 'closed period', prior to the announcement of interim / final results, and business decisions, which may materially affect the market price of the Company's securities, was determined and intimated to directors and stock exchange.

22) Material / price sensitive information has been disseminated among all market participants at once through stock exchange.

23) We confirm that all other material principles enshrined in the CCG have been complied with by the company.

On behalf of the Board of Directors

Kashif Riaz
Chief Executive Officer

Date: October 04, 2016

ok

REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors (the Board) of Sunrays Textile Mills Limited (the Company) for the year ended June 30, 2016 to comply with the Regulations of Pakistan Stock Exchange Limited where the Company is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Code.

As part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board's statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Code requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board for their review and approval, its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Company for the year ended June 30, 2016.

We draw attention to paragraph 16 in the Statement of Compliance wherein it has been stated that the audit committee met external auditors subsequent to the year end.

Deloitte Yousuf Adil

Chartered Accountants

Engagement Partner:
Talat Javed

Date: October 04, 2016
Place: Multan

ok

AUDITOR'S REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **Sunrays Textile Mills Limited** ("the Company") as at June 30, 2016 and the related profit and loss account, cash flow statement, and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that;

(a) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;

(b) In our opinion-

(i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984 and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;

(ii) the expenditure incurred during the year was for the purpose Company's business; and

(iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company.

(c) in our opinion, and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, cash flow statement and statement of changes in equity together with the notes forming parts thereof conform with the approved accounting standards as applicable in Pakistan, and give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2016 and of the profit, its cash flows and changes in equity for the year then ended; and

in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Deloitte Yousuf Adil

Chartered Accountants
Engagement Partner:
Talat Javed

Date: October 04, 2016
Place: Multan

ok

BALANCE SHEET AS AT JUNE 30, 2016

	Note	2016	2015
ASSETS		------------ Rupees	----------
Non-current assets			
Property, plant and equipment	4	1,168,302,719	1,072,488,174
Investment properties	5	2,342,055	2,342,055
Long term deposits		6,991,200	6,991,200
		1,177,635,974	1,081,821,429
Current assets			
Stores and spares	6	79,020,372	75,811,294
Stock in trade	7	814,925,655	832,151,899
Trade debts	8	189,475,357	407,734,517
Loans and advances	9	64,035,100	87,554,694
Trade deposits and short term prepayments	10	4,424,253	4,246,480
Other receivables		1,863,296	3,332,047
Other financial assets	11	1,030,912,888	222,588,293
Sales tax refundable		41,091,320	64,025,169
Income tax refundable		11,290,982	12,347,922
Cash and bank balances	12	41,505,757	44,051,710
		2,278,544,980	1,753,844,025
Total assets		**3,456,180,954**	**2,835,665,454**
EQUITY AND LIABILITIES			
Share capital and reserves			
Issued, subscribed and paid-up capital	13	69,000,000	69,000,000
Reserves	14	753,600,000	753,600,000
Unappropriated profit		1,226,977,066	1,165,074,911
		2,049,577,066	1,987,674,911
Surplus on revaluation of property, plant and equipment	15	344,954,213	381,787,925
Non-current liabilities			
Deferred liabilities	16	62,492,986	43,035,191
Current liabilities			
Trade and other payables	17	245,951,412	273,638,739
Accrued markup	18	952,765	1,134,658
Short term borrowings and running finance	19	722,558,359	105,016,172
Provision for taxation		29,694,153	43,377,858
		999,156,689	423,167,427
Total equity and liabilities		**3,456,180,954**	**2,835,665,454**
Contingencies and commitments	20		

The annexed notes from 1 to 40 form an integral part of these financial statements.

Mian Riaz Ahmed
Chairman

Kashif Riaz
Chief Executive

ok

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2016

	Note	*2016*	*2015*
		------------ Rupees ----------	
Sales-net	21	3,858,477,421	4,094,937,171
Cost of sales	22	(3,628,142,619)	(3,808,038,232)
Gross profit		230,334,802	286,898,939
Profit / (loss) on other operations	23	5,513,977	(1,549,372)
		235,848,779	285,349,567
Distribution cost	24	(52,768,793)	(68,772,380)
Administrative expenses	25	(101,708,459)	(102,061,793)
Other expenses	26	(5,739,733)	(8,865,668)
Finance cost	27	(11,952,554)	(22,137,232)
Other income	28	13,765,567	35,718,186
		(158,403,972)	(166,118,887)
Profit before taxation		77,444,807	119,230,680
Taxation	29	(39,689,474)	(43,687,220)
Profit for the year		37,755,333	75,543,460
Other comprehensive income			
Remeasurement of defined benefit obligation - gratuity		(4,189,517)	(8,919,527)
Related deferred tax		137,860	-
Total comprehensive income for the year		**33,703,676**	**66,623,933**
Earnings per share - basic and diluted	30	**5.47**	**10.95**

The annexed notes from 1 to 40 form an integral part of these financial statements.

Mian Riaz Ahmed
Chairman

Kashif Riaz
Chief Executive

ok

CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2016

		2016	2015
		------------ Rupees ----------	
A.	***CASH FLOWS FROM OPERATING ACTIVITIES***		
	Profit before taxation	77,444,807	119,230,680
	Adjustments for:		
	Depreciation on property, plant and equipment	116,858,819	101,748,781
	Unrealized gain on re-measurement of other financial assets	(360,154)	(188,293)
	Realized gain on disposal of other financial assets	(10,932,222)	(34,975,712)
	Provision for staff retirement benefits - gratuity	11,704,660	11,409,453
	Gain on sale of property, plant and equipment	(1,186,815)	(150,925)
	Finance cost	11,952,554	22,137,232
	Operating cash flows before changes in working capital	205,481,649	219,211,216
	Changes in working capital		
	(Increase) / decrease in current assets		
	Stores and spares	(3,209,078)	8,599,755
	Stock in trade	17,226,244	(180,830,228)
	Trade debts	218,259,160	83,025,903
	Loans and advances (excluding advance income tax)	3,469,445	(8,661,632)
	Trade deposits and short term prepayments	(177,773)	(2,118,065)
	Sales tax refundable	22,933,849	(19,256,696)
	Other receivables	1,468,751	5,889,530
	(Decrease) / increase in current liabilities		
	Trade and other payables (excluding unclaimed dividend)	(27,414,007)	36,585,766
		232,556,591	(76,765,667)
	Cash generated from operations	438,038,240	142,445,549
	Finance cost paid	(12,134,447)	(25,146,313)
	Staff retirement benefits - gratuity paid	(14,929,076)	(6,230,900)
	Income taxes paid	(22,270,769)	(35,898,331)
	Net cash generated from operating activities	388,703,948	75,170,005
B.	***CASH FLOWS FROM INVESTING ACTIVITIES***		
	Addition to property, plant and equipment	(215,959,549)	(58,206,741)
	Proceeds from disposal of property, plant and equipment	4,473,000	680,000
	Payment for purchase of other financial assets	(2,697,724,489)	(2,639,808,155)
	Proceeds from disposal of other financial assets	1,900,692,270	3,442,884,102
	Net cash (used in) / generated from investing activities	(1,008,518,768)	745,549,206
C.	***CASH FLOWS FROM FINANCING ACTIVITIES***		
	Repayment of long term financing	-	(57,133,334)
	Short term borrowings - net	617,542,187	(652,973,479)
	Dividends paid	(273,320)	(138,836,388)
	Net cash generated from / (used in) financing activities	617,268,867	(848,943,201)
	Net decrease in cash and cash equivalents (A+B+C)	(2,545,953)	(28,223,990)
	Cash and cash equivalents at beginning of the year	44,051,710	72,275,700
	Cash and cash equivalents at end of the year	**41,505,757**	**44,051,710**

The annexed notes from 1 to 40 form an integral part of these financial statements.

Mian Riaz Ahmed
Chairman

Kashif Riaz
Chief Executive

ok

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2016

	Share capital	Capital reserve	Revenue reserves		Total
		Share premium	*General reserve*	*Unappropriated profit*	
	---------- Rupees ----------				
Balance as at June 30, 2014	69,000,000	3,600,000	750,000,000	1,204,053,258	2,026,653,258
Comprehensive income for the year					
Profit for the year	-	-	-	75,543,460	75,543,460
Remeaurement of defined benefit obligation	-	-	-	(8,919,527)	(8,919,527)
Total comprehensive income for the year	-	-	-	66,623,933	66,623,933
Transactions with owners					
Interim dividend for the year ended June 30, 2015 @ Rs. 5 per share	-	-	-	(34,500,000)	(34,500,000)
Interim dividend for the year ended June 30, 2015 @ Rs. 15 per share	-	-	-	(103,500,000)	(103,500,000)
	-	-	-	(138,000,000)	(138,000,000)
Transferred to unappropriated profit on account of incremental depreciation on surplus on revaluation of property, plant and equipment - net of deferred tax	-	-	-	32,397,720	32,397,720
Balance as at June 30, 2015	69,000,000	3,600,000	750,000,000	1,165,074,911	1,987,674,911
Comprehensive income for the year					
Profit for the year	-	-	-	37,755,333	37,755,333
Other comprehensive income for the year - net of tax	-	-	-	-	-
Remeasurement of defined benefit obligation	-	-	-	(4,051,657)	(4,051,657)
Total comprehensive income for the year	-	-	-	33,703,676	33,703,676
Transferred to unappropriated profit on account of incremental depreciation on surplus on revaluation of property, plant and equipment - net of deferred tax	-	-	-	28,198,479	28,198,479
Balance as at June 30, 2016	**69,000,000**	**3,600,000**	**750,000,000**	**1,226,977,066**	**2,049,577,066**

The annexed notes from 1 to 40 form an integral part of these financial statements.

Mian Riaz Ahmed
Chairman

Kashif Riaz
Chief Executive

ok

NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED JUNE 30, 2016

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 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.

2. BASIS OF PRESENTATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or the directives of the Companies ordinance, 1984 shall prevail.

2.2 Basis of measurement

These financial statements have been prepared under historical cost convention except indicated in note 3.1, 3.4 and 3.5.

2.3 Functional and presentation currency

The financial statements are presented in Pak Rupees, which is the company's functional and presentation currency.

2.4 Significant accounting estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that effect the application of policies and reported amounts of property, plant and equipment, liabilities, income and expenses. The estimate and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under circumstances, the result of which form the basis of making the judgment about carrying values of assets and liabilitiesthat are not readily apparent from other resources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on the ongoing basis. Revisions to accounting estimates are recognized in the period in which estimates are revised.

- useful life of depreciable assets;
- provision for doubtful receivables;
- provision for current tax and deferred tax;
- revaluation of assets pertaining to freehold
- staff retirement benefits;
- net realizable value of stock-in-trade.

However, assumptions and judgments made by management in the application of accounting policies that have significant effect on the financial statements are not expected to result in material adjustments to the carrying amounts of assets and liabilities in the next year.

2.5 New accounting standards / amendments and IFRS interpretations that are effective for the year ended June 30, 2016

The following standards, amendments and interpretations are effective for the year ended June 30, 2016. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

ok

IFRS 10 – Consolidated Financial Statements — ***Effective from accounting period beginning on or after January 01, 2015***

IFRS 10 replaces the part of IAS 27 Consolidated and Separate Financial Statements that deals with consolidated financial statements and SIC 12 Consolidation - Special Purpose Entities. Under IFRS 10, there is only one basis for consolidation for all entities, and that basis is control. This change is to remove the perceived inconsistency between the previous version of IAS 27 and SIC 12; the former used a control concept while the latter placed greater emphasis on risks and rewards. IFRS 10 includes a more robust definition of control in order to address unintentional weaknesses of the definition of control set out in the previous version of IAS 27. Specific transitional provisions are given for entities that apply IFRS 10 for the first time. Specifically, entities are required to make the 'control' assessment in accordance with IFRS 10 at the date of initial application, which is the beginning of the annual reporting period for which IFRS 10 is applied for the first time. No adjustments are required when the 'control' conclusion made at the date of initial application of IFRS 10 is the same before and after the application of IFRS 10. However, adjustments are required when the 'control' conclusion made at the date of initial application of IFRS 10 is different from that before the application of IFRS 10.

IFRS 11 – Joint Arrangements — ***Effective from accounting period beginning on or after January 01, 2015***

IFRS 11 replaces IAS 31 Interest in Joint Ventures and SIC 13 Jointly Controlled Entities – Non monetary Contributions by Venturers. IFRS 11 deals with how a joint arrangement should be classified where two or more parties have joint control. There are two types of joint arrangements under IFRS 11: joint operations and joint ventures. These two types of joint arrangements are distinguished by parties' rights and obligations under the arrangements. Under IFRS 11, the existence of a separate vehicle is no longer a sufficient condition for a joint arrangement to be classified as a joint venture whereas, under IAS 31, the establishment of a separate legal vehicle was the key factor in determining whether a joint arrangement should be classified as a jointly controlled entity.

IFRS 12- Disclosure of Interests in Other Entities — ***Effective from accounting period beginning on or after Januray 01, 2015***

IFRS 12 is a new disclosure Standard that sets out what entities need to disclose in their annual consolidated financial statements when they have interests in subsidiaries, joint arrangements, associates or unconsolidated structured entities (broadly the same as special purpose entities under SIC 12). IFRS 12 aims to provide users of financial statements with information that helps evaluate the nature of and risks associated with the reporting entity's interest in other entities and the effects of those interests on its financial statements.

IAS 27 (Revised 2011) – Separate Financial Statements — ***Effective from accounting period beginning on or after January 01, 2015***

The revised Standard sets out the requirements regarding separate financial statements only. Most of the requirements in the revised Standard are carried forward unchanged from the previous Standard. Subsequently, IASB issued amendment to IAS 27 wherein it has allowed to follow the equity method in the separate financial statements also. These amendments will be effective from January 01, 2016 with earlier application allowed.

IAS 28 (Revised 2011) – Investments in Associates and Joint Ventures — ***Effective from accounting period beginning on or after January 01, 2015***

Similar to the previous Standard, the new Standard deals with how to apply the equity method of accounting. However, the scope of the revised Standard has been changed so that it covers investments in joint ventures as well because IFRS 11 requires investments in joint ventures to be accounted for using the equity method of accounting.

Certain annual improvements have also been made to a number of IFRSs.

2.6 New accounting standards / amendments and IFRS interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

ok

Amendments to IFRS 2 'Share-based Payment' - Clarification on the classification and measurement of share-based payment transactions

Effective from accounting period beginning on or after January 01, 2018

The amendments relate to the following areas :

- The accounting for the effects of vesting conditions on cash-settled share-based payment transactions;
- The classification of share-based payment transactions with net settlement features for withholding tax obligations; and
- The accounting for a modification to the terms and conditions of a share-based payment that changes the transactions from cash-settled to equity-settled.

Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures' - Sale or contribution of assets between an investor and its associate or joint venture

Effective date is deferred indefinitely. Earlier adoption is permitted.

The amendments deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. IAS 28 and IFRS 10 are amended, as follows:

IAS 28 has been amended to reflect the following:

- Gains and losses resulting from transactions involving assets that do not constitute a business between an investor and its associate or joint venture are recognised to the extent of unrelated

-Gains or losses from downstream transactions involving assets that constitute a business between an investor and its associate or joint venture should be recognised in full in the investor's financial

IFRS 10 has been amended to reflect the following:

- Gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or join venture. similarly, gains and losses resulting from the re-measurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associated or joint venture.

The amendments apply prospectively to transactions occurring in annual periods beginning on or after 1 January 2016 with earlier application permitted.

Amendments to IFRS 10 'Consolidated Financial Statements', IFRS 12 'Disclosure of Interests in Other Entities' and IAS 28 'Investments in Associates and Joint Ventures' - Investment Entities: Applying the consolidation exception

Effective from accounting period beginning on or after January 01, 2016

The amendments clarify that the exemption from preparing consolidated financial statements is availableto a parent entity that is a subsidiary of an investment entity, even if the investment entity measures all its subsidiaries at fair value in accordance with IFRS 10. Consequential amendments have also been made to IAS 28 to clarify that the exemption from applying the equity method is also applicable to an investor in an associate or joint venture if that investor is a subsidiary of an investment entity that measures all its subsidiaries at fair value.

The amendments further clarify that the requirement for an investment entity to consolidate a subsidiary providing services related to the former's investment activities applies only to subsidiaries that are not investment entities themselves.

Moreover, the amendments clarify that in applying the equity method of accounting to an associate or a joint venture that is an investment entity, an investor may retain the fair value measurements that the associate or joint venture used for its subsidiaries.

Lastly, clarification is also made that an investment entity that measures all its subsidiaries at fair value should provide the disclosures required by IFRS 12 Disclosures of Interests in Other Entities.

ok

Amendments to IFRS 11 'Joint Arrangements' - Accounting for acquisitions of interests in joint operations

Effective from accounting period beginning on or after January 01, 2016

The amendments to IFRS 11 provide guidance on how to account for the acquisition of an interest in a joint operation in which activities constitute a business as defined in IFRS 3 Business Combinations. Specifically, the amendments state that the relevant principles on accounting for business combinations in IFRS 3 and other standards (e.g. IAS 12 Income Taxes regarding recognition of deferred taxes at the time of acquisition and IAS 36 Impairment of Assets regarding impairment testing of a cash-generating unit to which goodwill on acquisition of a joint operation has been allocated) should be applied. The same requirements should be applied to the formation of a joint operation if and only if an existing business is contributed to the joint operation by one of the parties that participate in the joint operation.

A joint operator is also required to disclose the relevant information required by IFRS 3 and other standards for business combinations.

Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure initiative

Effective from accounting period beginning on or after January 01, 2016

The amendments were a response to comments that there were difficulties in applying the concept of materiality in practice as the wording of some of the requirements in IAS 1 had in some cases been read to prevent the use of judgment. Certain key highlights in the amendments are as follows:

- An entity should not reduce the understand ability of its financial statements by obscuring material information with immaterial information or by aggregating material items that have different natures or functions.

- An entity need not provide a specific disclosure required by an IFRS if the information resulting from that disclosure is not material.

- In the other comprehensive income, section of a statement of profit or loss and other comprehensive income, the amendments require separate disclosures for the following terms:

• the share of other comprehensive income of associates and joint ventures accounted for using the equity method that will not be 'reclassified subsequently to profit or loss; and

• the share of other comprehensive income of associates and joint ventures accounted for using the equity method that will be reclassified subsequently to profit or loss.

Amendments to IAS 7 'Statement of Cash Flows' - Amendments as a result of the disclosure initiative

Effective from accounting period beginning on or after January 01, 2017

The amendments are part of the IASB's Disclosure Initiative project and introduce additional disclosure requirements intended to address investors' concerns that financial statements do not currently enable them to understand the entity's cash flows; particularly in respect of the management of financing activities.

The amendments require disclosure of information enabling users financial statements to evaluate changes in liabilities arising from financing activities. The amendments do not define financing activities, instead they clarify that financing activities are based on the existing definition used in IAS 7.

Although there is no specific format required to comply with the new requirements, the amendments include illustrative examples to show how an entity can meet the objective to these

The amendments are to be applied prospectively. Entities are not required to present comparative information for earlier periods.

Amendments to IAS 12 'Income Taxes' - Recognition of deferred tax assets for unrealised losses

Effective from accounting period beginning on or after January 01, 2017

The amendments clarify that unrealised losses on debt instruments measured at fair value in the financial statements but at cost for tax purposes can give rise to deductible temporary differences.

The amendments also clarify that:

- The carrying amount of an assets does not limit the estimation of probable future taxable profits; and that

- when comparing deductible temporary differences with future taxable profits, the future taxable profits exclude tax deductions resulting from the reversal of those deductible temporary differences.

The amendments are to be applied retrospectively.

ok

Amendments to IAS 16 'Property Plant and Equipment' and IAS 38 'Intangible Assets' - Clarification of acceptable methods of depreciation and amortization

Effective from accounting period beginning on or after January 01, 2016

The amendments to IAS 16 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendment to IAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortization of an intangible asset. This presumption can only be rebutted in the following two limited circumstances:

a) When the intangible asset is expressed as a measure of revenue. For example, an entity could acquire a concession to explore and extract gold from a gold mine. The expiry of the contract might be based on a fixed amount of total revenue to be generated from the extraction (for example, a contract may allow the extraction of gold mine until the total cumulative revenue from the sale of goods reaches CU 2 billion) and not be based on time or on the amount of gold extracted. Provided that the contract specifies a fixed total amount of revenue to be generated on which amortization is to be determined, the revenue that is to be generated might be an appropriate basis for amortizing the intangible asset; or

b) When it can be demonstrated that revenue and the consumption of the economic benefits of the intangible assets are highly correlated.

The amendments apply prospectively.

Amendments to IAS 16 'Property Plant and Equipment' and IAS 41 'Agriculture' - Measurement of bearer plants

Effective from accounting period beginning on or after January 01, 2016

The amendments to IAS 16 Property, Plant and Equipment and IAS 41 Agriculture define a bearer plant and require biological assets that meet the definition of a bearer plant to be accounted for as property, plant and equipment in accordance with IAS 16, instead of IAS 41. In terms of the amendments, bearer plants can be measured using either the cost model or the revaluation model set out in IAS 16.

On the initial application of the amendments, entities are permitted to use the fair value of the items of bearer plants as their deemed cost as at the beginning of the earliest period presented. Any difference between the previous carrying amount and fair value should be recognized in opening retained earnings at the beginning of the earliest period presented.

The produce growing on bearer plants continues to be accounted for in accordance with IAS 41.

Amendments to IAS 27 'Separate Financial Statements' - Equity method in separate financial statements

Effective from accounting period beginning on or after January 01, 2016

The amendments focus on separate financial statements and allow the use of the equity method in such statements. Specifically, the amendments allow an entity to account for investments in subsidiaries, joint ventures and associates in its separate financial statements:

• at cost

• in accordance with IFRS 9 (or IAS 39 for entities that have not yet adopted IFRS 9); or

• Using the method as described in IAS 28 Investments in Associates and Joint ventures.

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 9 – Financial Instruments
- IFRS 14 – Regulatory Deferral Accounts
- IFRS 15 – Revenue from Contracts with Customers
- IFRS 16 – Leases

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 Staff retirement benefits

The company operates an unfunded gratuity scheme covering all its employees. The cost of providing benefit is determined using the projected unit credit method, with actuarial valuation. Actuarial gains and losses are recognized immediately as they arise. Past service cost is recognized immediately to the extent that the benefits are already vested. Otherwise it is amortized on a straight line basis over the average period until the amended benefits become vested.

Details of the scheme are given in the note 16.1 to these financial statements.

ok

3.2 *Taxation*

Current

The charge for current taxation is based on taxable income at the current rate of taxation after taking into account applicable tax credit, rebates and exemption available if any. For income covered under final tax regime, taxation is based on applicable tax rates under such regime.

Deferred

Deferred tax is provided using the liabilitymethod for all temporary differences at the balance sheet date between tax bases of assets and liabilitiesand their carrying amounts for financial reporting purposes. In this regard, the effects on deferred taxation of the portion of income subject to final tax regime is also considered in accordance with the requirement of Technical Release – 27 of Institute of Chartered Accountants of Pakistan.

Deferred income tax asset is recognized for all deductible temporary differences and carry forward of unused tax losses and credits, if any, to the extent that it is probable that taxable profit will be available against which such temporary differences and tax losses and credits can be utilized.

Deferred income tax assets and liabilitiesare measured at the tax rate that are expected to apply to the period when the asset is realized or the liabilityis settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date.

3.3 *Dividend distribution*

Dividend distribution to the Company's shareholders is recognized as a liability in the financial statements in the period in which the dividends are approved by the Company's shareholders.

3.4 *Foreign currencies*

Transactions in currencies other than Pakistani Rupees are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilitiesthat are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date except where forward exchange contracts have been entered into for repayment of liabilities, in that case, the rates contracted for are used.

Gains and losses arising on retranslation are included in profit or loss for the period.

3.5 *Property, plant and equipment*

Property, plant and equipment except free hold land, building on freehold land, plant and machinery and capital work in progress are stated at cost less accumulated depreciation and accumulated impairment losses.

Free hold land, building on free hold land and plant and machinery is stated at revalued amount being the fair value at the date of revaluation, less any subsequent accumulated depreciation and impairment losses. Revaluations are performed with sufficient regularity so that the fair value and carrying value do not differ materially at the balance sheet date. Any revaluation increase arising on the revaluation of such assets is credited in 'Surplus on revaluation of property, plant and equipment'. A decrease in the carrying amount arising on revaluation is charged to profit or loss to the extent that it exceeds the balance, if any, held in the surplus on revaluation account relating to previously revalued assets. To the extent of incremental depreciation charged on revalued assets, the related surplus on revaluation (net of deferred tax) is transferred directly to retained earnings / unappropriated profit.

Depreciation is charged to income applying reducing balance method to write-off the cost over the estimated remaining useful life of assets. The useful life and depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from items of property, plant and equipment. Rates of depreciation are stated in note 4. In respect of additions and disposals during the year, depreciation is charged from the month of acquisition and up to the month preceding the disposal respectively.

Gains / losses on disposal of operating assets, if any, are recognized in profit and loss account, as and when incurred. Assets are derecognized when disposed or when no future economic benefits are expected from its use or disposal.

Normal repairs and maintenance are charged to profit and loss account as and when incurred. Major renewals and improvements are capitalized and assets replaced, if any, other than those kept as stand-by, are retired.

Capital work-in-progress

Capital work-in-progress (CWIP) is stated at cost less any recognized impairment loss. All expenditures connected to the specific assets incurred during installation and construction period are carried under CWIP. These are transferred to specific assets as and when assets are available for use.

ok

3.6 Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is valued using the cost method i.e. at cost less any accumulated depreciation and any identified impairment loss.

Any gain or loss on disposal of investment property, calculated as difference between present value of the proceeds from disposal and the carrying amount is recognised in the profit and loss account.

3.7 Stores and spares

These are valued at cost, determined on the basis of moving average cost less allowance for obsolete and slow moving items, except for items in transit which are valued at cost accumulated to the balance sheet date.

3.8 Stock in trade

These are valued at lower of cost and net realizable value. Cost is determined by applying the

Raw material	
- At Mills	Weighted average cost
- In Transit	At cost accumulated to the balance sheet date.
Work in process	Average manufacturing cost
Finished goods	Average cost of goods manufactured
Waste	Net realizable value

Net realizable value signifies the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

3.9 Trade debts and other receivables

Trade debts and other receivables are carried at original invoice amount less an estimate made for doubtful receivables based on review of outstanding amounts at the year end. Balances considered bad and irrecoverable are written off when identified.

3.10 Investments

Financial assets at fair value through profit and loss

An investment that is acquired principally for the purpose of generating profit from short-term fluctuations in prices is classified as "fair value through profit or loss - held-for-trading"

Financial assets are initially recognized at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognized at fair value.

Subsequent to initial recognition, equity securities designated by the management as 'at fair value through profit or loss' are valued on the basis of closing quoted market prices availableat the stock

Net gains and losses arising from changes in the fair value of financial assets carried 'at fair value through profit or loss' are taken to the 'income statement'.

3.11 Financial instruments

Financial instrument is recognized using trade date accounting basis, when the company becomes a party to the contractual provisions of the instrument.

Financial assets

All financial assets are initiallyrecognized at nominal value of the consideration paid. Subsequent to initialrecognition these are remeasured to fair value except financial assets whose fair value cannot be measured reliably. Any gain or loss is included in current year income.

Financial liabilities

All financial liabilitiesare initiallyrecognized at nominal value of consideration received. Subsequent to initial recognition, financial liabilitiesare recognized at fair value, amortized cost or cost as the case may be. Any gain or loss is included in current year income.

3.12 Off setting of financial instruments

Financial assets and liabilitiesare off-set and the net amount reported in the balance sheet when there is a legally enforceable right to set-off the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

3.13 Provision

A provision is recognized in the balance sheet when the company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made to the amount of obligation.

ok

3.14 *Impairment*

Financial assets

The Company assesses at each balance sheet date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initialrecognition of the asset (an incurred "loss event") and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing a significant financial difficulty, default of delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Non-financial assets

The company assesses at each balance sheet date whether there is any indication that assets except deferred tax assets may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in profit and loss account. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Where impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised recoverable amount but limited to the carrying amount that would have been determined, had no impairment loss been recognized for assets in prior year. Reversal of impairment loss is recognized as income.

The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as an income or expense.

3.15 *Trade and other payables*

Liabilities for trade and other payables are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the company.

3.16 *Leases*

Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. These are stated at the lower of present value of minimum lease payments under the lease agreements and the fair value of the assets. The related obligations of lease are accounted for as liabilities. Financial charges are allocated to accounting periods in a manner so as to provide a constant periodic rate of financial cost on the remaining balance of principal liability for each period. Depreciation is charged at the rates stated in note 4.1 applying reducing balance method to write off a cost of the assets over its estimated useful life in view of certainty of ownership of assets at the end of the lease period.

All other leases are classified as operating leases.

Rental Income from operating lease is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased assets and recognized as expense on a straight-line basis over the lease term.

3.17 *Revenue recognition*

- Local sales through agents are booked on dispatch of good to the customers.
- Direct local sales and indirect export sales are accounted for when goods are delivered to customers and invoices raised.
- Direct export sales are recorded upon preparation of bill of lading. Export rebate is accounted for on accrual basis.

ok

3.18 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of cash flow statement, cash and cash equivalents comprise cash and cheques in hand, balances with banks on current and saving and deposit accounts.

3.19 Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are charged to income in the period in which these are incurred.

3.20 Earning Per share

The company presents basic and diluted earnings per share (EPS) data. Basic EPS is calculated by dividing the profit or loss attributable to the ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding ,as adjusted for the effects of all dilutive potential ordinary shares.

ok

4. *PROPERTY, PLANT AND EQUIPMENT*

	Note	2016	2015
		----------- Rupees ---------	
Operating assets	4.1	1,168,302,719	1,072,488,174
		1,168,302,719	**1,072,488,174**

4.1 *Operating assets*

Particulars	Cost / revalued amount			Depreciation			Written down value	Rate
	Opening	Additions / (disposal)	Closing	Opening	For the year / (on disposal)	Closing	As at June 30	
	---------- Rupees ----------							
Owned								
Freehold land	131,247,000	17,377,541	148,624,541	-	-	-	148,624,541	-
Building on freehold land	230,692,122	1,875,451	232,567,573	56,229,462	17,540,039	73,769,501	158,798,072	10%
Plant and machinery	1,388,572,886	182,560,300	1,557,548,688	699,113,623	86,977,677	774,749,592	782,799,096	10%
		(13,584,498)			(11,341,708)			
Electric installations	55,645,822	-	55,645,822	21,394,583	3,425,124	24,819,707	30,826,115	10%
Factory equipments	4,255,496	-	4,255,496	1,346,649	290,885	1,637,534	2,617,962	10%
Office equipments	4,708,546	-	4,708,546	3,315,342	139,320	3,454,662	1,253,884	10%
Electric appliances	4,151,069	126,000	4,277,069	2,281,182	199,589	2,480,771	1,796,298	10%
Furniture and fittings	7,785,873	-	7,785,873	4,953,865	283,201	5,237,066	2,548,807	10%
Vehicles	76,285,041	14,020,258	85,574,095	42,220,975	8,002,984	46,536,151	39,037,944	20%
		(4,731,204)			(3,687,808)			
2016	**1,903,343,855**	**197,643,848**	**2,100,987,703**	**830,855,681**	**101,829,303**	**932,684,984**	**1,168,302,719**	
Owned								
Freehold land	131,247,000	-	131,247,000	-	-	-	131,247,000	-
Building on freehold land	230,692,122	-	230,692,122	36,844,722	19,384,740	56,229,462	174,462,660	10%
Plant and machinery	1,340,971,169	47,601,717	1,388,572,886	627,218,509	71,895,114	699,113,623	689,459,263	10%
Electric installations	29,310,583	26,335,239	55,645,822	19,051,958	2,342,625	21,394,583	34,251,239	10%
Factory equipments	1,717,778	2,537,718	4,255,496	1,164,428	182,221	1,346,649	2,908,847	10%
Office equipments	4,708,546	-	4,708,546	3,160,541	154,801	3,315,342	1,393,204	10%
Electric appliances	3,918,043	233,026	4,151,069	2,079,891	201,291	2,281,182	1,869,887	10%
Furniture and fittings	7,785,873	-	7,785,873	4,639,197	314,668	4,953,865	2,832,008	10%
Vehicles	73,580,369	7,834,280	76,285,041	39,548,187	7,273,321	42,220,975	34,064,066	20%
		(5,129,608)			(4,600,533)			
2015	**1,823,931,483**	**79,412,372**	**1,903,343,855**	**733,707,433**	**97,148,248**	**830,855,681**	**1,072,488,174**	

4.2 The following assets were disposed off during the year.

Particulars	Cost	Accumulated Depreciation	Carrying value	Sale proceed	Gain	Mode Of Disposal	Particulars of buyers
	---------- Rupees ----------						
Plant and Machinery							
Draw Frame (DYH 500C)	13,584,498	11,341,708	2,242,790	3,200,000	957,210	Negotiation	Maqbool Textile Mills Ltd.
Vehicle							
Hyundai Santro - MLJ 610	615,090	539,322	75,768	100,000	24,232	Negotiation	Muhammad Zaffar
Honda City - MLK 9011	901,884	790,788	111,096	150,000	38,904	Negotiation	Muhammad Arif Awan
Honda CD70 - MLE 4223	54,000	49,072	4,928	8,000	3,072	Negotiation	Muhammad Arif Awan
Toyota Corolla GLI - MN 3894	1,689,500	954,230	735,270	815,000	79,730	Negotiation	Rafique Ahmad
Fork Lifter	1,470,730	1,354,397	116,333	200,000	83,667	Negotiation	Jameel Ahmad
2016	**18,315,702**	**15,029,517**	**3,286,185**	**4,473,000**	**1,186,815**		

There were disposals of Rs. 5.130 million of property, plant and equipment during the year ended June 30, 2015

ok

		Note	2016	2015
			------------ Rupees ----------	
4.3	Depreciation for the year has been allocated as under:			
	Cost of goods sold	22	108,233,725	93,804,699
	Administrative expense	25	8,625,094	7,944,082
			116,858,819	**101,748,781**

4.4 Revaluation of freehold land, building on freehold land and plant and machinery was carried out as on September 30, 1996 and June 30, 2007 by an independent valuer M/s. Iqbal A. Nanjee & Company, Lahore on the basis of depreciated replacement values. Revaluation surplus has been credited to surplus on revaluation of property, plant and equipment.

Further, The Company has its freehold land, building on freehold land and plant and machinery revalued on June 30, 2013 by K.G. Traders (Private) Limited, independent valuers not connected with the Company. The basis used for the revaluation of these assets were as follows:

Freehold land

Fair market value of the land was assessed through inquiries in the vicinity of land, recent market deals and information obtained through estate agents and property dealers of the area.

Building on freehold land

Fair market value of the building was assessed mainly through new construction value, depreciation cost factors, state of infrastructure, current trends in prices of real estate in the vicinity and information obtained through estate agents, builders and developers.

Plant and machinery

Fair market value of the plant and machinery was assessed through inquiries of local authorized dealers who deal in old and new similar type of plant and machineries. Replacement value was then ascertained from competitive rates of the plant and machinery and thereafter, an average depreciation factor was applied on the replacement value of the plant and machinery.

4.5 Had there been no revaluation the related figures of freehold land, building on freehold land and plant and machinery as at the balance sheet date would have been as follows:

	2016	2015
	------------ Rupees ----------	
Freehold land	58,416,103	41,038,562
Building on freehold land	46,006,104	49,138,251
Plant and machinery	633,169,526	523,204,185
	737,591,733	**613,380,998**

5. *INVESTMENT PROPERTIES*

Investment property comprise of land held by the Company for capital appreciation purposes, and is not currently in use by the Company for business purposes. The fair value of land as at June 30, 2016 is Rs. 3.10 million (2015: 3.00 million).

	Note	2016	2015
6. STORES AND SPARES		------------ Rupees ----------	
Stores		57,346,283	54,416,985
Spares		21,674,089	21,394,309
		79,020,372	**75,811,294**
7. STOCK-IN-TRADE			
Raw material		565,545,380	565,827,062
Raw material in-transit		157,123,502	144,303,521
Work in process		26,400,296	21,702,529
Finished goods			
- Spinning unit		51,229,243	48,090,428
- Ginning factory		9,892,230	45,996,175
		61,121,473	94,086,603
Waste		4,735,004	6,232,184
		814,925,655	**832,151,899**

ok

8. TRADE DEBTS	*Note*	***2016***	***2015***
		------------ Rupees ----------	
Foreign - secured and considered good		85,463,486	310,398,861
Local - unsecured	8.1	104,121,816	97,335,656
		189,585,302	407,734,517
Less : Provision for doubtful debts	8.2	109,945	-
		189,475,357	**407,734,517**

8.1 It includes due from associated undertakings relating to sale of yarn in normal course of business. Detail of balances due is as follows:

	Note	***2016***	***2015***
		------------ Rupees ----------	
Indus Home Limited		8,720,560	4,794,879.00
		8,720,560	**4,794,879**

8.2	Opening provision	-	-
	Provision recognised during the period	109,945	-
	Closing provison	**109,945**	**-**

8.3 Trade debts are generally on 60 to 90 days credit terms.

8.4 Trade debts consist of a large number of diversified customers. Ongoing credit evaluation is performed on the financial condition of trade debts. The fair vale of trade debts approximate their carrying amounts.

8.5 The Company provides for doubtful trade debts on the basis of past due balances. Balances considered bad and irrecoverable are written off when identified.

8.6 The aging of past due trade debts is as follows:

	Note	***2016***	***2015***
		------------ Rupees ----------	
Past due for more than 03 months but less than 01 year		159,650	4,940,448
Past due for more than 01 year but less than 02 years		13,275	66,593
Past due for more than 02 years		96,670	96,600
		269,595	**5,103,641**

9. LOANS AND ADVANCES			
Considered good			
Due from employees	9.1	8,767,960	9,352,701
Advances :			
Income tax		38,366,945	58,417,094
To suppliers / services		13,652,143	10,550,216
To contractor		41,530	184,337
L/C expenses		3,206,522	9,050,346
		64,035,100	**87,554,694**

9.1 This constitutes loan given to employees which is secured against gratuity and is normally deducted from their salaries as per agreed instalments.

10. TRADE DEPOSITS AND SHORT TERM PREPAYMENTS	*Note*	***2016***	***2015***
		------------ Rupees ----------	
Bank guarantee margin		3,694,410	3,694,410
Prepayments		729,843	552,070
		4,424,253	**4,246,480**

11. OTHER FINANCIAL ASSETS			
Carrying value of investment at fair value through profit and loss - held for trading	11.1	**1,030,912,888**	**222,588,293**

11.1 Market value of other financial assets

2016	***2015***			
Investments in units of mutual funds				
Number of Units				
-	2,117,805	Faysal - Money market fund	-	213,982,975
10,461,187	-	MCB - Arif habib savings	525,144,284	-
4,752,620	-	UBL - Money market	477,222,898	

ok

Investment in ordinary shares of listed companies

Number of Shares			2016	2015
			------------ Rupees ----------	
21,600	11,000	Pakistan Petroleum Limited	3,112,263	1,777,046
21,000	5,500	Engro Fertilizer	1,755,228	465,686
15,000	11,000	Allied Bank Ltd.	1,532,131	1,147,253
20,500	7,500	Engro Power Generation	763,080	294,188
5,000	3,000	Fatima Fertilizer	161,837	119,215
19,500	5,000	Fauji Fertilizer Bin Qasim	1,093,506	284,423
400	400	Gadoon Textile Mills	76,703	76,703
1,500	500	Nishat Mill	149,674	56,607
5,300	6,000	United Bank Ltd.	856,321	989,027
400	400	Pakistan Gum And Chemical	99,886	99,886
50,000	50,000	Bank Of Punjab Ltd.	401,765	401,765
-	10,000	Pak International Bulk	-	354,380
5,000	5,000	Pakgen Power Ltd.	152,688	152,688
65,500	25,000	Pakistan Telecommunication	1,319,669	571,920
10,000	10,000	Bank Al Habib Ltd.	450,390	450,390
500	400	Archroma Pakistan Ltd.	236,186	196,155
24,500	11,000	Treet Corporation Ltd.	1,684,422	849,344
-	5,000	Meezan Bank Ltd.	-	207,693
4,000	2,000	National Bank Of Pakistan	222,065	110,949
9,200	-	Oil and Gas Development Company Ltd	1,236,063	-
3,800	-	Pakistan Oilfields Limited	1,203,066	-
350	-	Abbot Labaratories Pakistan Limited	238,833	-
11,900	-	Fauji Fertilizer Company Limited	1,454,704	-
100	-	Gandhara Nissan Limited	17,562	-
250	-	Indus Motor Company Limited	234,357	-
110,000	-	K - Electric Limited	868,648	-
500	-	Luckey Cement Company Limited	253,170	-

ok

Number of Shares			2016	2015
2016	*2015*		------------ *Rupees* ----------	
4,000	-	Sui Sothern Gas Company Limited	130,350	-
1,000	-	Attock Petroleum Limited	437,699	-
700	-	Habib Bank Limited	121,261	-
1,000	-	Atlas Honda Limited	393,286	-
8,000	-	Gul Ahmed Textile Mills Limited	390,458	-
100	-	Honda Atlas Cars	25,723	-
160	-	Exide Pakistan Limited	154,321	-
1,500	-	Artistic Demin Mills Limited	118,614	-
50,000	-	Dolmen City	522,812	-
3,900	-	MCB Bank Limited	904,688	-
2,500	-	Cyan Limited	208,287	-
5,000	-	System Limited	327,035	-
10,000	-	Kot Addu Power Company Limited	836,573	-
11,000	-	Kohinoor Energy Limited	498,351	-
2,000	-	Arif Habib Corporation Limitrd	102,113	-
9,000	-	Nishat Chunian Power Limited	511,002	-
3,400	-	Engro Corporation Limited	983,669	-
1,000	-	General Tyre and Rubber Company Ltd	187,606	-
5,000	-	Pak Refinery limited	205,192	-
200	-	Al - Ghazi Tractors Limited	85,257	-
4,000	-	Al - Shaheen Corporation Limited	213,016	-
5,500	-	Amreli Steels Limited	264,395	-
3,000	-	Cresent Steel and Allied products Ltd.	354,738	-
1,500	-	Habib Metropolitan Bank Limited	44,251	-
1,000	-	Askari Bank Limited	18,671	-
200	-	Ghani Glass Limited	18,893	-
1,000	-	Kohat Cement Company Limited	246,790	-
1,600	-	Engro Foods	255,321	-
1,000	-	Glaxosmithkline	206,638	-
100	-	Ferozsons Laboratories Limited	98,166	-
3,000	-	Fauji Cement Company Limited	106,313	-
15,760,967	**2,286,505**		**1,030,912,888**	**222,588,293**

ok

	Note	2016	2015
		------------ Rupees ----------	
12. *CASH AND BANK BALANCES*			
Cash in hand		2,526,353	3,041,783
Cash with banks			
- Current accounts		33,816,357	40,142,012
- Term deposit receipt	12.1	5,041,452	746,320
- Saving accounts	12.1	121,595	121,595
		38,979,404	41,009,927
		41,505,757	**44,051,710**

12.1 Effective mark-up rate in respect of saving and deposit accounts ranges from 5.74% to 7.21% 6.00% to 8.50%) per annum.

13. *ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL*

2016	2015		Note	2016	2015
---------- Numbers	----------			------------ Rupees	----------
Authorized					
10,000,000	10,000,000	Ordinary shares of Rs. 10 each		**100,000,000**	**100,000,000**

2016	2015		Note	2016	2015
---------- Numbers	----------			------------ Rupees	----------
Issued, subscribed and paid up					
6,900,000	6,900,000	Ordinary shares of Rs. 10 each fully paid in cash		**69,000,000**	**69,000,000**

	Note	2016	2015
14. *RESERVES*			
Capital			
Share premium		3,600,000	3,600,000
Revenue			
General reserve		750,000,000	750,000,000
		753,600,000	**753,600,000**
15. *SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT*	15.1	344,954,213	381,787,925
15.1 Surplus on revaluation of property, plant and equipment			
Opening balance		381,787,925	414,185,645
Transferred to unappropriated profit on account of :			
Incremental depreciation - net of deferred tax		(28,198,479)	(32,397,720)
Related deferred tax liability		(959,470)	-
		(29,157,949)	(32,397,720)
Closing balance		352,629,976	381,787,925
Related deferred tax liability			
Opening balance		-	-
Addition during the year			
Deferred tax liability on incremental depreciation		959,470	-
Deferred tax liability on revaluation surplus		(8,635,233)	-
		(7,675,763)	-
Closing balance		**344,954,213**	**381,787,925**
16. *DEFERRED LIABILITIES*			
Staff retirement benefits - gratuity	16.1	44,000,292	43,035,191
Deferred taxation	16.2	18,492,694	-
		62,492,986	**43,035,191**

ok

16.1 *Provision for gratuity*

	2016	2015
	------------ Rupees ----------	
Liability recognized in the balance sheet		
Present value of defined benefit obligation	44,000,292	43,035,191
	44,000,292	**43,035,191**
Movement in the net liability		
Opening balance	43,035,191	28,937,111
Charge for the year	11,704,660	11,409,453
Payment made during the year	(14,929,076)	(6,230,900)
Remeaurement of defined benefit obligation	4,550,516	8,919,527
Actuarial gain from changes in financial assumptions	(360,999)	-
Provision for gratuity	**44,000,292**	**43,035,191**
Changes in present value of defined benefit obligation		
Opening defined benefit obligation	43,035,191	28,937,111
Current service cost	8,236,521	8,698,179
Interest cost	3,468,139	2,711,274
Benefits paid	(14,929,076)	(6,230,900)
Remeaurement of defined benefit obligation	4,550,516	8,919,527
Actuarial gain from changes in financial assumptions	(360,999)	-
	44,000,292	**43,035,191**

Charge for the year		
Current service cost	8,236,521	8,698,179
Interest cost	3,468,139	2,711,274
	11,704,660	**11,409,453**
Allocation of charge for the year		
Cost of sales	9,537,139	9,296,603
Administrative expenses	2,167,521	2,112,850
	11,704,660	**11,409,453**

As per actuarial valuation carried out as at June 30, 2016 by Nauman Associates using Projected Unit Credit Method, the following significant assumptions have been used for valuation of defined benefit obligation of the Company:

	2016	2015
Discount rate	9.75%	9.75%
Expected rate of salary increase in future years	7.25%	8.75%
Average expected remaining working life time of employees	7 years	6 years

Mortality rate was based on the EFU 61-66 mortality table.

16.2 *Movement in temporary differences:*

	As at July 01, 2015	*Recognised in Revaluation Surplus*	*Recognised in profit and loss*	*As at June 30, 2016*
	------------Rupees------------			
Deferred tax debits				
Surplus on revaluation of property, plant and equipment		8,635,233	959,470	9,594,703
Accelerated tax depreciation	-	-	10,471,872	10,471,872
Fair value gain on other financial assets	-	-	11,851	11,851
Deferred tax credits				
Provision for gratuity	-	-	(1,447,872)	(1,447,872)
Remeasurement of defined benefit obligation - gratuity	-	-	(137,860)	(137,860)
June 30, 2016	**-**	**8,635,233**	**9,857,461**	**18,492,694**

ok

	Note	2016	2015
		------------ Rupees	----------
17. *TRADE AND OTHER PAYABLES*			
Creditors		79,264,147	80,185,487
Accrued liabilities		107,913,794	116,610,486
Workers' Profit Participation Fund	17.1	4,159,227	6,432,389
Workers' Welfare Fund		22,664,772	36,123,502
Advance from customers		3,190,371	3,447,494
Dividend payable		12,437,903	12,711,223
Due to employees		1,481,222	507,258
Due to associated undertakings	17.2	9,912,489	788,548
Income tax deducted at source		256,848	229,790
Sales tax deducted at source		1,684,694	1,629,036
Due to directors		2,985,945	14,973,526
		245,951,412	**273,638,739**

17.1 Workers' Profit Participation Fund

	Note	2016	2015
Opening balance		6,432,389	16,764,679
Interest on funds utilized in the Company's business	27	-	551,425
		6,432,389	17,316,104
Payment to the fund		(6,432,389)	(17,316,104)
		-	-
Allocation for the year	26	4,159,227	6,432,389
Closing balance		**4,159,227**	**6,432,389**

17.2 Due to associated undertakings

On account of trading activities

	Note	2016	2015
Indus Dyeing & Manufacturing Co. Limited		9,858,786	788,548
Indus Laylpur		53,703	-
		9,912,489	**788,548**

18. *ACCRUED MARKUP*

	Note	2016	2015
Accrued mark-up on:			
- Short term borrowings		952,765	1,134,658
		952,765	**1,134,658**

19. *SHORT TERM BORROWINGS AND RUNNING FINANCE*

Secured - under markup arrangements

	Note	2016	2015
Running finances (RF)		710,906,529	512,986
Finance Exchange -FE 25		-	100,712,950
Bank / book overdraft		11,651,830	3,790,236
	19.1	**722,558,359**	**105,016,172**

19.1 Short term facilities available from commercial banks under mark up arrangements amounts to Rs. 5,830 million (2015: Rs. 5,830 million) of which facilities aggregating to Rs. 5,107 million (2015: Rs. 5,725 million) remained unutilized at the year end. The rate of mark up ranges from 7.24% to 7.99% per annum (2015: 9.33% to 11.62% per annum) payable on quarterly basis. These finances are secured against pledge of raw material and finished goods, hypothecation of stock, store and spares and charge on current assets of the Company.

ok

	Note	2016	2015
		------------ Rupees ----------	
20. CONTINGENCIES AND COMMITMENTS			
Contingencies			
Bank guarantees	20.1	62,723,545	47,463,713
Foreign bills discounted		104,051,079	301,554,695
		166,774,624	**349,018,408**

20.1 Bank guarantees

In favour of	*Bank*		
Sui Northern Gas Piplines Limited	MCB Bank Limited	32,463,078	23,203,246
Excise and taxation	Soneri Bank Limited	23,985,915	23,985,915
Excise and taxation	United Bank Limited	6,000,000	-
CCI & E	Habib Bank Limited	274,552	274,552
		62,723,545	**47,463,713**

Commitments

Under letters of credit for:		
- Stores and spares	3,089,037	4,356,436
- Raw Material	166,632,884	38,714,316
- Plant and machinery	16,416,641	-
	186,138,562	**43,070,752**

21. SALES -net

	Note	2016	2015
Exports			
Yarn	21.1	2,672,858,432	3,370,216,071
Waste		13,419,404	10,000,326
		2,686,277,836	3,380,216,397
Local			
Yarn		1,163,459,445	688,796,689
Doubling		545,145	10,494,677
Waste		70,011,155	68,581,171
		1,234,015,745	767,872,537
Less:			
Sales Tax @ 3% (2015: 2%) on local sales		(36,561,442)	(17,313,359)
Commission		(25,254,718)	(35,838,404)
		3,858,477,421	**4,094,937,171**

21.1 It includes indirect export of Rs. 122 million (2015: 353 million).

22. COST OF SALES

	Note	2016	2015
Raw material consumed	22.1	2,617,812,523	2,869,861,562
Power and fuel		303,916,985	400,103,149
Salaries, wages and benefits	22.2	172,205,950	188,802,588
Depreciation	4.1	108,233,725	93,804,699
Packing material consumed		60,629,564	68,356,074
Stores and spares consumed		51,098,615	61,284,645
Repairs and maintenance		7,205,684	6,595,766
Insurance		4,428,989	4,480,745
Others		716,985	648,388
		3,326,249,020	3,693,937,616
Work in process			
Opening stock		21,702,529	32,854,844
Closing stock		(26,400,296)	(21,702,529)
		(4,697,767)	11,152,315
Cost of goods manufactured		3,321,551,253	3,705,089,931
Finished goods			
Opening stock		54,322,612	43,974,128
Purchase of finished goods		308,233,001	113,296,785
Closing stock		(55,964,247)	(54,322,612)
		306,591,366	102,948,301
		3,628,142,619	**3,808,038,232**

ok

	Note	2016	2015
		------------ Rupees ----------	
22.1 Raw material consumed			
Opening stock		565,827,062	460,133,892
Purchases including purchase expenses		2,430,977,625	2,484,880,748
Transferred from ginning unit		186,553,216	490,673,984
		3,183,357,903	3,435,688,624
Closing stock		(565,545,380)	(565,827,062)
		2,617,812,523	**2,869,861,562**

22.2 It includes Rs.9.898 million (2015: Rs. 9.297 million) in respect of staff retirement benefits - gratuity.

23. PROFIT / (LOSS) ON OTHER OPERATIONS

	Note	2016	2015
Profit on ginning factory	23.1	-	62,690
Profit / (Loss) on ice factory	23.2	2,828,497	(1,612,062)
Profit on trading of cotton lint	23.3	2,685,480	-
		5,513,977	**(1,549,372)**
23.1 Profit on ginning factory			
Transferred to spinning operations		186,553,216	491,493,679
Sales - net		-	6,264,660
		186,553,216	497,758,339
Cost of goods transferred / sold (ginning)	23.1.1	(174,358,512)	(483,509,136)
Gross profit		12,194,704	14,249,203
Administrative expenses		(12,189,027)	(14,180,850)
Bank charges		(5,677)	(5,663)
		(12,194,704)	(14,186,513)
Net Profit		**-**	**62,690**
23.1.1 Cost of goods transferred / sold (ginning)			
Opening stock		45,996,175	13,000
Cost of ginning and oil		138,254,567	529,492,311
Closing stock		(9,892,230)	(45,996,175)
		174,358,512	**483,509,136**
23.2 Profit / (loss) on ice factory			
Sales - net		23,396,260	21,800,045
Cost of goods sold		(19,173,293)	(23,066,752)
Gross profit		4,222,967	(1,266,707)
Administrative expenses		(1,394,470)	(345,355)
		2,828,497	**(1,612,062)**
23.3 Profit on sales of cotton lint			
Sales - net		101,888,368	-
Cost of goods sold		(96,191,172)	-
Gross profit		5,697,196	-
Administrative expenses		(2,694,457)	-
Finance cost		(317,259)	-
		2,685,480	**-**

23.4 Profit / (loss) from other operations arises from the company's trading of cotton lint and an ice factory on leasing arrangements.

ok

24. *DISTRIBUTION COST*	*Note*	*2016*	*2015*
		------------ Rupees ----------	
Export development surcharge		7,087,030	7,678,747
Ocean freight		13,586,558	27,865,326
Forwarding expenses		12,533,992	12,743,935
Local freight		19,159,865	20,331,573
Others		401,348	152,799
		52,768,793	**68,772,380**

25. *ADMINISTRATIVE EXPENSES*			
Salaries, wages and benefits	25.1	48,044,381	45,862,283
Director's remuneration		18,837,465	14,400,000
Depreciation	4.1	8,625,094	7,944,082
Vehicle running and maintenance		5,947,557	6,098,749
Travelling and conveyance		3,708,821	5,780,762
Postage, telephone and fax		2,761,760	2,994,703
Electricity, gas & fuel		2,311,852	2,370,766
Printing and stationery		1,028,791	1,513,137
Auditors' remuneration	25.2	1,150,000	1,150,000
Rent, rates and taxes		1,772,299	4,182,750
Donations	25.3	3,027,842	1,872,800
Insurance		1,200,755	1,214,631
Fees, subscription and periodicals		1,317,449	1,018,345
Entertainment		1,302,398	1,225,169
Repairs and maintenance		374,645	205,242
Legal and professional charges		1,325,600	1,260,100
Provision for doubtful debt		109,945	-
Others		1,556,262	2,968,274
Expenses related to sale of cotton lint	23.3	(2,694,457)	-
		101,708,459	**102,061,793**

25.1 It includes Rs. 1.81 million (2015: Rs. 2.11 million) in respect of staff retirement benefits - gratuity.

25.2 Auditors' remuneration	*Note*	*2016*	*2015*
		------------ Rupees ----------	
Statutory audit		1,000,000	1,000,000
Review of compliance with Code of Corporate Governance		50,000	50,000
Half year review		100,000	100,000
		1,150,000	**1,150,000**

25.3 None of the directors or his / her spouse has any interest in the donee's fund.

26. *OTHER EXPENSES*			
Workers' Profit Participation Fund	17.1	4,159,227	6,432,389
Workers' Welfare Fund		1,580,506	2,433,279
		5,739,733	**8,865,668**

27. *FINANCE COST*			
Interest / mark up on:			
Long term financing		-	1,964,584
Short term borrowings		10,249,591	14,146,454
Interest on Worker's Profit Participation Fund	17.1	-	551,425
Bank charges and commission		2,020,222	5,474,769
Expenses related to sale of cotton lint	23.3	(317,259)	-
		11,952,554	**22,137,232**

ok

28. OTHER INCOME

	Note	2016	2015
		------------ Rupees ----------	
Income from financial assets			
Unrealized gain on remeasurement of other financial assets		360,154	188,293
Realized gain on disposal of other financial assets		10,932,222	34,975,712
Interest / profit on bank deposits		262,194	297,330
Dividend Income		1,024,182	105,926
Income from non financial assets			
Gain on sale of property, plant and equipment	4.2	1,186,815	150,925
		13,765,567	**35,718,186**

29. TAXATION

	2016	2015
Current year:		
Current	29,694,153	43,687,220
Deferred	9,995,321	-
	39,689,474	**43,687,220**

29.1 Finance Act, 2015 introduced income tax at the rate of 10% on undistributed reserves where such reserves of company are in excess of its paid up capital and company derives a profit for a tax year but does not distribute requisite cash dividend within six months of end of the said tax year. Liability in respect of such income tax, if any, is recognized when prescribed time period for distribution of devidend expires.

30. EARNINGS PER SHARE - BASIC AND DILUTED

		2016	2015
Profit after tax	***Rupees***	37,755,333	75,543,460
Weighted average number of ordinary shares outstanding during the year	***Numbers***	6,900,000	6,900,000
Earnings per share - basic and diluted	***Rupees***	**5.47**	**10.95**

30.1 There is no dilutive effect on the basic earnings per share of the Company.

31. REMUNERATION TO CHIEF EXECUTIVE OFFICER AND DIRECTOR

	Director	***Chief executive officer***	***Executives***
2016	----------------- Rupees -----------------		
Remuneration	6,480,000	6,480,000	9,878,800
House rent and other benefits	720,000	720,000	1,097,644
Conveyance - cars	554,964	1,572,933	1,403,578
Other benefits	1,767,000	2,670,465	-
	9,521,964	**11,443,398**	**12,380,022**
Number of persons	**1**	**1**	**13**
2015			
Remuneration	6,480,000	6,480,000	8,256,600
House rent	720,000	720,000	917,400
Conveyance - cars	578,211	1,016,844	1,121,920
	7,778,211	**8,216,844**	**10,295,920**
Number of persons	**1**	**1**	**13**

31.1 Chief Executive Officer and a director are also entitled to free use of the Company maintained cars.

ok

32. ***FINANCIAL INSTRUMENTS***

32.1 The Company has exposure to the following risks from its use of financial instruments:

Credit risk

Liquidity risk

Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is responsible for developing and monitoring the Company's risk management policies.

32.2 ***Credit risk***

Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations, and arises principally from deposits, trade debts, loans and advances, other receivables and bank balances. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2016	***2015***
	------------ ***Rupees*** ----------	
Long term deposits	6,991,200	6,991,200
Trade debts	189,475,357	407,734,517
Loans and advances	25,668,155	29,137,600
Trade deposits and other receivables	5,557,706	7,026,457
Other financial assets	1,030,912,888	222,588,293
Bank balances	38,979,404	41,009,927
	1,297,584,710	**714,487,994**

The Company's credit risk exposures are categorized under the following headings:

Counterparties

The Company conducts transactions with the following major counterparties:

Trade debtors

Banks and other financial institutions

The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company's exposure is continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management annually.

32.2.1 ***Credit risk related to trade debtors***

Trade debts are essentially due from local and foreign customers against sale of yarn and waste material and the Company does not expect these counterparties to fail to meet their obligations. The majority of sales to the Company's customers are made on specific terms. Customer credit risk is managed subject to established policies, procedures and controls relating to customer credit risk management. Credit limits are established for all customers based on internal rating criteria. Credit quality of the customer is assessed based on an extensive credit rating. Outstanding customer receivables are regularly monitored and any shipments to foreign customers are generally covered by letters of credit.

Trade receivables are generally on 60 to 90 days credit terms.

ok

Impairment losses

The aging of trade debts at the reporting date was:

	2016		2015	
	Gross	Impairment	Gross	Impairment
	----------------------- Rupees -----------------------			
Not yet due	189,315,707	-	402,630,876	-
Past due for:				
- more than 03 months but less than 01 year	159,650	-	4,940,448	-
- more than 01 year but less than 02 years	13,275	13,275	66,593	66,593
- more than 02 years	96,670	96,670	96,600	96,600
	189,585,302	**109,945**	**407,734,517**	**163,193**

Trade debts include debtors with a carrying amount of Rs. 3.23 million(2015: Rs 4.94 million)which are past due at the reporting date but not impaired as there has not been a significant change in credit quality and the amounts are still considered recoverable.

Concentration of credit risk

Trade debts consist of a large number of diversified customers, spread across geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable where appropriate. The Company does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

32.2.2 Credit risk related to banks and other financial institutions

Credit risk on balances with banks is managed by management in accordance with the Company's policy. Excess funds are placed in deposits with reputable banks and financial institutions.

32.3 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Management closely monitors the Company's liquidity and cash flow position. This includes maintenance of balance sheet liquidity ratios, debtors and creditors concentration both in terms of the overall funding mix and avoidance of undue reliance on large individual customer.

The Company's objective is to maintain a balance between continuity of funding and flexibilitythrough the use of bank overdrafts and bank loans.

32.3.1 Liquidity risk table

The following tables detail the Company's remaining contractual maturity for its financial liabilities.The tables have been drawn up based on the undiscounted cash flows of financial liabilitiesbased on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

Particulars	Less than 1 month	1 - 3 months	3 months - 1 years	1 - 5 years	More than 5 years	Total
	---------- Rupees ----------					
Short term borrowings	-	-	722,558,359	-	-	722,558,359
Trade and other payables	-	-	213,995,500	-	-	213,995,500
Accrued mark up	952,765	-	-	-	-	952,765
2016	**952,765**	**-**	**936,553,859**	**-**	**-**	**937,506,624**
Short term borrowings	-	-	105,016,172	-	-	105,016,172
Trade and other payables	-	-	268,332,419	-	-	268,332,419
Accrued mark up	1,134,658	-	-	-	-	1,134,658
2015	**1,134,658**	**-**	**373,348,591**	**-**	**-**	**374,483,249**

	2016	2015
Off balance sheets items	----------- Rupees ----------	
Letters of credit	186,138,562	43,070,752
Bank guarantees	62,723,545	47,463,713
Foreign bills discounted	104,051,079	301,554,695
Off balance sheet gap	**352,913,186**	**392,089,160**

ok

32.4 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company’s income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing returns.

32.4.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Exposure to currency risk

The Company is exposed to currency risk on trade debts which are denominated in currency other than the functional currency of the Company. The Company's exposure to foreign currency risk is as follows:

	2016		2015	
	Rupees	*US Dollar*	*Rupees*	*US Dollar*
Trade debts	85,463,486	822,080	310,398,861	3,058,117
	85,463,486	**822,080**	**310,398,861**	**3,058,117**

The following US Dollar exchange rates were applied during the year:

	2016	*2015*
	------------ *Rupees* ----------	
Average rate	104.70	101.71
Balance sheet date rate	103.96	101.50

Sensitivity analysis - foreign currency

At June 30, 2016, if the Rupee had weakened / strengthened by 10% against the US Dollar with all other variables held constant, Profit for the year would have been lower / higher by Rs. 9.21 million (2015: Rs. 20.97 million), as a result of foreign exchange gains / losses on translation of foreign currency trade debts. Profit / (loss) is more sensitive to movement in Rupee / foreign currency exchange rates in 2016 than 2015 because of high fluctuation in foreign currency exchange rate.

32.4.2 Interest rate risk

Interest / mark-up rate risk arises from the possibility that changes in interest / mark-up rates will effect the value of financial instruments. The Company has significant amount of interest based financial assets and financial liabilitieswhich are largely based on variable interest / mark-up rates, therefore the Company has to manage the related finance cost which exposes it to the risk of 3 months and 6 months KIBOR. Since the impact on interest rate exposure is significant to the Company, management is considering the alternative arrangement to manage interest rate exposure in future.

	2016		*2015*	
Fixed rate instruments	*Effective Interest Rate*	*Rupees*	*Effective Interest Rate*	*Rupees*
Financial assets:				
- Deposit Accounts	5.74% - 7.21%	5,163,047	6.00% - 8.50%	867,915
Variable rate instruments				
Financial liabilities:				
- Short term borrowings	7.24% - 7.99%	722,558,359	9.33% - 11.62%	105,016,172
		727,721,406		**105,884,087**

ok

Sensitivity analysis - interest rate

If interest rates had been 100 basis points higher / lower and all other variables were held constant, the Company's profit / loss for the year ended June 30, 2016 would decrease / increase by Rs. 7.23 million(2015: Rs. 1.05 million). This is mainly attributable to the Company's exposure to interest rates on its variable rate financial instruments.

32.4.3 Other price risk

Other price risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate due to changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individualfinancial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company is not materially exposed to other price risk on financial assets and liabilities.

32.4.4 Equity share price risk

The company is also exposed to the equity price risk arising from the fluctuations due to change in market price of those equity instruments ther than yhose arising from the interest rate risk or currency risk.

Sensitivity analysis - Equity share price risk

A 1% increase / decrease in share prices at year end would have decreased / increased surplus on remeasurement of investments as follows :

	2016	***2015***
	------------ ***Rupees*** ----------	
Effect on equity	10,309,129	2,225,883

32.5 Fair values

Fair value is the amount for which an asset could be exchanged, or a liabilitysettled, between knowledgeable willing parties in an arms length transaction other than in a forced or liquidation sale.

The carrying values of all financial assets and liabilitiesreflected in the financial statements approximate their fair values.

32.5.1 Fair value hierarchy

Following are three levels in fair value hierarchy that reflects the significance of the inputs used in measurement of fair values of financial instruments.

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. drive from prices).

Level 3: Inputs for asset or liability that are not based on observable market data (unobservable inputs).

The Company does not have any other financial instruments to be classified here other than "other financial assets" as disclosed in note 11, that are classified in level 1 as per hierarchy stated above.

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 theses assets was 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, Buildingon Free Hold Land, Plant and machinery the highest and best use of these assets is their current use.

ok

Since the date of last revaluation, there has been no material change in the market factors that derive fair value of these properties, therefore, management believes that the carrying value of 'office premises' approximate its fair market value.

Other financial assets includes quoted equity shares. The investment is re -measured at each reporting date at its fair value by using the prevailing market rate of shares on Pakistan Stock Exchange Limited ("PSX").

June 30, 2016

	Level 1	*Level 2*	*Level 3*	*Total*
	----------	**Rupees**	----------	
Other Financial	1,030,912,888	-	-	1,030,912,888
Free Hold Land	-	148,624,541	-	148,624,541
Building on Free Hold	-	158,798,072	-	158,798,072
Plant and Machinery	-	782,799,096	-	782,799,096
Total	**1,030,912,888**	**1,090,221,709**	**-**	**2,121,134,597**

Comparative June 30, 2015

	Level 1	*Level 2*	*Level 3*	*Total*
	----------	**Rupees**	----------	
Other Financial	222,588,293	-	-	222,588,293
Free Hold Land	-	131,247,000	-	131,247,000
Building on Free Hold	-	174,462,660	-	174,462,660
Plant and Machinery	-	689,459,263	-	689,459,263
Total	**222,588,293**	**995,168,923**	**-**	**1,217,757,216**

Fair value of other financial assets approximated their carrying value.

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

32.6 Financial instruments by category

The Company finance its operations through equity, borrowings and management of working capital with a view to maintaining an approximate mix between various sources of finance to minimize risk. Taken as a whole, the Company's risk arising from financial instruments is limited as there is no significant to price and cash flow risk in respect of such instruments.

The accounting policies for financial instruments have been applied for line items as below:

	2016	*2015*
	--------- **Rupees**	---------
Assets carried at fair value		
Other financial assets	1,030,912,888	222,588,293
	1,030,912,888	**222,588,293**
Assets categorized as loan and receivables		
Long term deposits	6,991,200	6,991,200
Trade debts	189,475,357	407,734,517
Loans and advances	25,668,155	29,137,600
Trade deposits and other receivables	5,557,706	7,026,457
Cash and bank balances	41,505,757	44,051,710
	269,198,175	**494,941,484**
Liabilities carried at amortized cost		
Trade and other payables	240,819,499	268,332,419
Short term borrowings	722,558,359	105,016,172
Accrued mark up	952,765	1,134,658
	964,330,623	**374,483,249**

ok

33. CAPITAL MANAGEMENT

The Company objectives when managing capital are:

- to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

Capital comprises all components of equity (i.e. share capital, reserves and unappropriated profit). The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders or issue new shares.

The debt-to-adjusted capital ratios at June 30, 2016 and June 30, 2015 were as follows:

	2016	***2015***
	------------ Rupees ----------	
Total debt	722,558,359	105,016,172
Less: Cash and cash equivalents	(41,505,757)	(44,051,710)
Net debt	681,052,602	60,964,462
Total equity	2,049,577,066	1,984,878,995
Adjusted capital	**2,730,629,668**	**2,045,843,457**
Debt-to-adjusted capital ratio	**24.94%**	**2.98%**

34. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated undertakings, other related group companies, directors of the Company and key management personnel. The Company in the normal course of business carries out transactions with various related parties. Amounts due from and to related parties are shown under trade debts (note 8), trade and other payables (note 17) and remuneration of Chief Executive Officer and director (note 31). Other significant transactions with related parties are as follows:

Transactions with associated undertakings	***2016***	***2015***
	------------ Rupees ----------	
Sale of goods and services	157,463,338	156,427,493
Purchase of goods and service	-	26,622,000

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

35. PLANT CAPACITY AND PRODUCTION

Number of spindles installed	35,328	35,328
Number of spindles worked	34,405	34,526
Number of shifts/ day	3	3
Installed capacity after	-	-
conversion into 20/s count KGs	12,063,655	12,063,655
Actual production of yarn after		
conversion into 20/s count KGs	10,232,780	10,531,307

Reasons for decrease

It is difficult to describe precisely the production capacity in spinning unit since it fluctuates widely depending on various factors such as count of yarn spun, spindles speed and twist etc. It also varies according to the pattern of production adopted in a particular year.

36. SEGMENT REPORTING

The Company’s core business is manufacturing and sale of yarn and it generate more than 90% of its revenue and profit from the production and sale of yarn. Decision making process is centralized at head office lead by Chief Executive Officer who continuously involves in day to day operations and regularly reviews operating results and assesses its performance and makes necessary decisions about resources to be allocated to the segments. Currently it has one yarn manufacturing unit. Owing to the similarity in nature of the products and services, nature of the production processes, type or class of customers for the products and services, the methods used to distribute the products, the nature of the regulatory environment all the yarn producing units are aggregated into a single operating segment and the Company's performance is evaluated by the management on an overall basis, therefore these operational segments by location are not separately reportable segments. Company also has an ice factory and ginning factory results of these operations are separately disclosed in note 23 of these financial statements.

ok

37. NUMBER OF EMPLOYEES

The total average number of employees during the year and as at June 30, 2016 and 2015 respectively are as follows:

	2016	2015
Number of employees as at year end	805	887
Average number of employees during the year	827	851

38. NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

In respect of current year, the directors proposed to pay cash dividend of Rs. 34.5 million(2015: Rs. Nil) @ Rs. 5 (2015 : Nil) per ordinary share of Rs. 10 each. This dividend is subject to approval by the shareholders at the forthcoming Annual General Meeting and has not been included as a liabilityin these financial statements. This will be accounted for subsequently in the year of payment.

39. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on October 04, 2016 by the Board of Directors of the Company.

40. GENERAL

Figures have been rounded off to the nearest Rupee, except where stated otherwise.

Mian Riaz Ahmed
Chairman

Kashif Riaz
Chief Executive

ok

SUNRAYS TEXTILE MILLS LIMITED
FORM 34 (A)
PATTERN OF SHARE HOLDING OF SHARES HELD BY THE SHARE HOLDERS
AS AT June 30, 2016

NUMBER OF SHARE HOLDERS	SHARE - HOLDING FROM	TO	TOTAL SHARES HELD
1,122	1	100	54,509
598	101	500	243,247
42	501	1,000	30,838
23	1,001	5,000	44,383
8	5,001	15,500	55,253
3	15,501	30,000	116,298
4	35,001	150,000	287,995
1	160,001	300,000	166,557
1	300,001	530,000	318,842
4	530,001	795,000	3,445,566
1	900,000	2,200,000	2,136,512
1,807			**6,900,000**

CATEGORIES OF SHARE HOLDERS
AS AT June 30, 2016

CATEGORIES OF SHARE HOLDERS	NUMBER OF SHARE HOLDERS	SHARES HELD	PERCENTAGE %
1. Individuals	1,771	387,840	5.62
2. Associated companies	1	72,284	1.05
3. Financial Institution	1	24,243	0.35
4. Insurance Companies	1	40,194	0.58
5. Mutual Fund	1	318,842	4.62
5. Joint Stock companies	15	94,038	1.36
6. Directors, CEO their Spouses & Minor Childrens	17	5,962,559	86.41
TOTAL	**1,807**	**6,900,000**	**100.00**

DETAIL OF CATEGORIES OF SHARE HOLDERS
AS AT June 30, 2016

Name	Number of Shareholders	Shares Held
INDIVIDUAL	1,771	387,840
ASSOCIATED COMPANIES	01	
M/s Indus Dyeing & Mfg Co.Ltd.		72,284
FINANCIAL INSTITUTIONS	01	
National Bank of Pakistan		24,243
		24,243
JOINT STOCK COMPANIES	15	
Y.S. Securities & Services (Pvt) Ltd.		700
S H Bukhari Securities (Pvt) Ltd.		400
Msmaniar Financial (Pvt) Ltd		100
Adeel & Nadeem Securities (Pvt) Ltd.		500
NH Capital Pvt Ltd		1
Mapel Leaf Capital Ltd		1
Treet Power Limited		21,300
Fikree SMC (pvt) Ltd		1,500
TRUSTEE NATIONAL BANK OF PAKISTAN EMPLOYEES PENSION FUND		29,150
TRUSTEE NATIONAL BANK OF PAKISTAN EMP BENEVOLENT FUND TRUST		1,023
TRUSTEES TREET CORP LTD SUPERANNUATION FD		18,000
TRUSTEES TREET CORP LTD EMP PROVIDENT FD		7,700
TRUSTEE- TREET CORPORATION LTD.GROUP EMPLOYEES SERVICE FUND		600
TREET CORPORATION LIMITED		8,263
TRUSTEE- TREET COR. LTD EMP. PROVIDENT FUND		4,800
		94,038

ok

INSURANCE COMPANIES	01	
State Life Insurance Company		40,194
MUTUAL FUND	01	
CDC-Trustee National Investment (Unit) Trust		318,842
		318,842
DIRECTORS, CEO, THEIR SPOUSES & MINOR CHILDERN	17	**Shares Held**
Mian Muhammad Ahmad		666,893
Mian Riaz Ahmad		1
Shahzad Ahmad		648,483
Naveed Ahmad		770,093
Kashif Riaz		2,136,512
Imran Ahmad		773,161
Irfan Ahmad		586,938
Shazia Naveed		4,482
Shafqat Masood		4,501
Shahwaiz Ahmed		198
Mr. Seikh Nishat Ahmed		100
Aisha Irfan		166,557
Mrs. Salma Jabeen		23,605
Mrs. Lozina Shahzad		126,695
Fadia Kashif		52,952
Tahia Imran		1,388
		5,962,559
GRAND TOTAL	**1,807**	**6,900,000**

Shareholders Holding 10% or More Voting Interest in the Company
AS AT June 30, 2016

DIRECTORS, CEO, THEIR SPOUSES AND MINOR CHILDERN	SHARES HELD	PERCENTAGE %
Mr. Kashif Riaz	2,136,512	30.96
Imran Ahmad	773,161	11.21
Naveed Ahmed	770,093	11.16

Detail of purchase / sale of shares by Directors, Company Secretary, Head of Internal Audit Department, Chief Finance Officer, Chief Executive Officer and their spouses, minor children during 2014-2015

Name	Purchase	Sold	Gift
Mr. Naveed Ahmed	Nil	Nil	100,000
Mrs. Shazia Naveed	Nil	Nil	(100,000)

ok

FORM OF PROXY

25th Annual General Meeting
SUNRAYS TEXTILE MILLS LIMITED

I / We --

of -- in the

district of --------------------- Being a member (s) of **SUNRAYS TEXTILE MILLS LIMITED** hereby

appoint --- of -----------------------------------

-----------------------as my proxy, and failing him, --of -----

--------------------------- another Member of the Company to vote for me and on my behalf at the

25th Annual General Meeting of the company to be held on the 31st day of October 2016 and at any adjournment thereof.

Signed by the said Member

Signed this _____________day of ____________ 2016.

SIGNED IN THE PRESENCE OF:

1. Signature: --
Name:--
Address: --
CNIC/Passport No---------------------------------

2. Signature: --------------------------------
Name: -------------------------------------
Address:---------------------------------
CNIC/Passport No:---------------------

Information required:		For Member (Shareholder)	For Proxy	For alternate Proxy(*)
Number of shares held			(if member)	
Folio No.				
CDC Account No.	Participant I.D.			
	Account no.			

(*) upon failing of appointed proxy.

Affix Revenue Stamp Rs. 5/-

ok

Notes:

1. *A member entitled to attend and vote at Annual General Meeting is entitled to appoint a proxy to attend and vote instead of him/her. A proxy need not be a member.*

2. *This proxy Form, duly completed and signed, together with Board Resolution / power of Attorney, if any under which it is signed or a notarially certified copy thereof, should be deposited, with our Registrar,* ***Jwaffs Registrar Services (Pvt) Ltd*** *407-408, Al Ammera Centre Sharah iraq, Saddar Karachi. Telephone No. 35662023-24, not later than 48 hours before the time of holding the meeting.*

3. *The instrument appointing a proxy should be signed by the member or his/her attorney duly authorized in writing. If the member is a corporate entity its common seal should be affixed on the instrument.*

4. *Any alteration made in this instrument of proxy should be initialed by the person who signs it.*

5. *Attested copies CNIC or the passport of the beneficial owner and proxy shall be provided with the proxy from.*

6. *If a member appoints more than one proxy and more than one instruments of proxies are deposited by a member with the company, all such instruments of proxy shall be rendered invalid.*

7. *In the case of joint holders the vote of the senior who tenders a vote whether in person or by proxy will be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority will be determined by the order in which the names stand in the Register of Members.*

8. *The proxy shall produce his / her original CNIC passport at the time of the meeting.*

AFFIX
CORRECT
POSTAGE

The Company Secretary
SUNRAYS TEXTILE MILLS LIMITED
5th Floor 508 Beaumont Plaza Beaumont Road
Civil Lines Qtrs Karachi

ok

DIVIDEND MANDATE FORM

Members of SUNRAYS TEXTILE MILLS LIMITED

Subject: Dividend Mandate Form

It is inform you that under section 250 of the Companies Ordinance, 1984 a shareholder may, if so desire, directs the Company to pay dividend through his / her / its bank account.

In pursuance of the directions given by the Securities and Exchange Commission of Pakistan from time to time relating to the subject you being the registered shareholder of Sunrays Textile Mills Limited. Are herby given the opportunity to authorize the Company to directly credit into your bank account cash dividend, if any, declared by the Company in future.

PLEASE NOTE THAT THIS DIVIDEND MANDATE IS OPTIONAL AND NOT COMPULSORY, IN CASE YOU DO NOT WISH YOUR DIVIDEND TO BE DIRECTLY CREDITED INTO YOUR BANK ACCOUNT THEN THE SAME SHALL BE PAID TO YOU THROUGH THE DIVIDEND WARRANTS.

Do you wish the cash dividend declared by the company, if any, is directly credited in your bank account, instead of issue of dividend warrants. Please tick "✓" any of the following boxes:

YES	NO

If yes, then please provide the following information:

(i) Shareholder's Detail	
Name of the Shareholder	
Folio No./ CDC Participants I D A/c No.	
CNIC NO.	
Passport No. (in case of foreign shareholder)**	
Land Line Phone Number	
Cell Number	
***(ii)* Shareholder's Bank Detail**	
Title of Bank Account	
Bank Account Number	
Bank's Name	
Branch Name and Address	

The company is hereby authorized to directly credit cash dividend declared by it, if any, from time to time, in the above-mentioned bank account.

It is stated that the above-mentioned information is correct, and that I will intimate the changes in the above-mentioned information to the company and the concerned Share Registrar as soon as they occur.

______________________ Date: ______________

Signature of the Shareholder

Note:

The shareholders who hold shares in physical form are requested to submit this Dividend Mandate Form duly filled-in to the Share Registrar concerned.

Shareholders maintaining their shareholdings under Central Depository System (CDS) are advised to submit this form directly to relevant Participant/ CDC Investor Account Service.

Please attach attested photocopy of the CNIC / passport (in case of Foreign Shareholder).

ok

AFFIX
CORRECT
POSTAGE

The company Secretary
SUNRAYS TEXTILE MILLS LTD.
Plot No. 3 & 7, Sector No. 25, Korangi Industrial Area, Karachi


www.jamapunji.pk
Jama Punji
سرمایہ کاری سمجھداری کے ساتھ
Be aware, Be alert, Be safe
Learn about investing at www.jamapunji.pk
Key features:
Licensed Entities Verification
Scam meter*
Jamapunji games*
Tax credit calculator*
Company Verification
Insurance & Investment Checklist
FAQs Answered
Stock trading simulator (based on live feed from KSE)
Knowledge center
Risk profiler*
Financial calculator
Subscription to Alerts (event notifications, corporate and regulatory actions)
Jamapunji application for mobile device
Online Quizzes
jamapunji.pk
@jamapunji_pk
*Mobile apps are also available for download for android and ios devices