

# **SUNRAYS TEXTILE MILLS LIMITED**



## **QUARTERLY STATEMENT** **(UN-AUDITED)**

**FOR THE FIRST QUARTER  
ENDED SEPTEMBER 30, 2022**

<i><b>Contents</b></i>	<i><b>Page</b></i>
Company profile	<b>2</b>
Director's Report English	<b>3 - 4</b>
Director's Report Urdu	<b>5 - 6</b>
Unconsolidated Condensed Interim Financial Position	<b>7</b>
Unconsolidated Condensed Interim Profit or Loss Account	<b>8</b>
Unconsolidated Condensed Interim Statement of Comprehensive income	<b>9</b>
Unconsolidated Condensed Interim Statement of Changes in Equity	<b>10</b>
Unconsolidated Condensed Interim Cash Flows Statement	<b>11</b>
Unconsolidated Condensed Interim Notes to the financial Statement	<b>12 - 13</b>
Consolidated Condensed Interim Financial Position	<b>14</b>
Consolidated Condensed Interim Profit or Loss Account	<b>15</b>
Consolidated Condensed Interim Statement of Comprehensive income	<b>16</b>
Consolidated Condensed Interim Statement of Changes in Equity	<b>17</b>
Consolidated Condensed Interim Cash Flows Statement	<b>18</b>
Consolidated Condensed Interim Notes to the financial Statement	<b>19 - 20</b>

## Sunrays Textile Mills Limited

### **COMPANY PROFILE**

#### **BOARD OF DIRECTORS**

1. Mian Imran Ahmed
2. Mr. Kashif Riaz
3. Mr. Naveed Ahmed
4. Mian Shahzad Ahmed
5. Mrs. Fadia Kashif
6. Mr. Irfan Ahmed
7. Mr. Shahwaiz Ahmed
8. Mr. Shafqat Masood
9. Mr. Faisal Hanif
10. Ms. Azra Yaqub Vawda
11. Mr. Farooq Hassan

Chairman  
Chief Executive

#### **AUDIT COMMITTEE**

1. Mr. Faisal Hanif (Chairman)
2. Mr. Shahwaiz Ahmed (Member)
3. Mrs. Fadia Kashif (Member)

#### **HUMAN RESOURCES AND REMUNERATION COMMITTEE**

1. Mr. Faisal Hanif (Chairman)
2. Mr. Irfan Ahmed (Member)
3. Mrs. Fadia Kashif (Member)

#### **CHIEF FINANCIAL OFFICER**

Mr. Shabbir Kausar

#### **CHIEF INTERNAL AUDITOR**

Mr. Imran Iftikhar

#### **COMPANY SECRETARY**

Mr. Ahmed Faheem Niazi

#### **LEGAL ADVISOR**

Mr. Yousuf Naseem

Advocates & Solicitors

#### **REGISTERED OFFICE**

5<sup>th</sup> floor, Office # 508, Beaumont Plaza,  
Beaumont Road, Civil Lines Quarters, Karachi

#### **SYMBOL OF THE COMPANY**

SUTM

#### **WEBSITE**

<http://www.Indus-group.com>

#### **REGISTRAR & SHARE TRANSFER OFFICE**

JWAFFS REGISTRAR SERVICES (PVT) LTD

407 -408, Al – Ameera Center,  
Shahrah-e-Iraq, Saddar Karachi.

Tel. 35662023 – 24

Fax. 35221192

#### **FACTORY LOCATION**

Khanpur Shomali Bagga Sher M.M. Road Muzaffar Garh

#### **BANKERS**

MCB Bank Limited  
Allied Bank Limited  
Soneri Bank Limited  
United Bank Limited  
Meezan Bank Limited  
Habib Bank Limited  
Bank Alfalah Limited

#### **AUDITORS**

Yousuf Adil  
Chartered Accountants

## **DIRECTOR'S REPORT**

The Directors of the Company have pleasure in submitting their report together with the un-audited financial statements of the Company for the 1st quarter ended September 30, 2022. During the period under review Your Company earned pre-tax profit Rs. Rs.211.900 million.

### **FINANCIAL HIGHLIGHTS**

	<b>1st Quarter Ended September 30 (Rs.in million)</b>	
	<b>2022</b>	<b>2021</b>
Sales – Net	1962.593	2524.307
Gross Profit	260.692	687.184
Other Income	86.711	9.121
Profit Before Taxation	211.900	553.616
Taxation	(30.868)	(21.529)
Profit After Taxation	181.032	532.086

### **REVIEW OF OPERATIONS**

Yours Company earned profit after tax Rs. 181.032 million as compared to Rs. 532.086 million over the last corresponding period. Gross profit decreased by 62% as compared to the last corresponding period. The main reason of decrease in profit as compared to the last corresponding period is due to increase in cotton prices and disproportionate decrease in corresponding yarn prices. During the period Rs.1,074.662 (M) The Company invested in the fixed assets for BMR and expansion of ten sets of Rooter machines. Retained earnings and long term financing were used to finance these investments.

### **EARNING PER SHARE**

The earnings per share for the first quarter ended September 30, 2022 is Rs.8.75 per share as compared to Rs.25.7 per share over the last corresponding period.

### **FUTURE PROSPECTS**

Pakistan along with other world is in a dire economic crisis, with rising inflation, a depleted rupee and diminishing foreign exchange reserves. Pakistan suffered from climate changes and the devastating floods in Pakistan have severely damaged the country's cotton crop. With the Russian war on Ukraine intensifying, most countries are beginning to feel the heat of the conflict in the shape of commodity shortages and surging prices. The potential snowball effect of this conflict is massive, with a surge in electricity rates, raising of interest rates by central banks, wage-increase demand to meet increased living costs, increase of prices by businesses to compensate higher wages, and workforce cuts leading to unemployment. So, in the coming months, Pakistanis will be faced with frequent and prolonged power outages, extortionate utility bills and impediments to other services. In spite of all these obstacles, we hope by the grace of ALLAH and hard work of the management by focusing on specialized and value-added high-quality textile products, your company will be able to achieve better results.

## COMPOSITION OF BOARD

The composition of the Board is in compliance with the requirements of the Code of Corporate Governance regulations, 2019 applicable on listed entities which is given below:

1. The total number of directors are 11 as per follows;
  - a) Male 09
  - b) Female 02
2. The Composition of Board is as followed ;

Category	Names
Independent Directors	Mr. Faisal Hanif Ms. Azra Yaqub Vawda Mr. Farooq Hassan
Executive Directors	Mr. Kashif Riaz (CEO) Mr. Sheikh Shafqat Masood Mr. Naveed Ahmed
Non-Executive Directors	Mian Shahzad Ahmed Mian Imran Ahmed Mrs. Fadia Kashif Mr. Irfan Ahmed Mr. Shahwaiz Ahmed
Female Directors	Ms. Azra Yaqub Vawda Mrs. Fadia Kashif

## ENVIRONMENT, HEALTH AND SAFETY.

Your Company is committed towards protecting a sound climate for everyone by complying with all environmental policies at the production facilities.

## WEB PRESENCE

Annual and periodic financial statements of the company are also available on the website of the company <http://www.indus-group.com> for information of the shareholders and others.

## ACKNOWLEDGEMENT

The Directors acknowledge the contribution of each and every employee of the Company. We would like to express our thanks to our customers for the trust they have shown in our products and the bankers for continued support to the Company. We are also grateful to our shareholders for their confidence in our management.

FOR AND ON BEHALF OF THE BOARD



**Kashif Riaz**  
CHIEF EXECUTIVE OFFICER

Karachi

Dated: October 29, 2022

# سنریز ٹیکسٹائل ملز لمیٹڈ

## ڈائریکٹر ز رپورٹ سہ ماہی۔ ۳۰ ستمبر ۲۰۲۲

بورڈ آف ڈائریکٹر ز اپنی رپورٹ اور اس کے ساتھ پہلی سہ ماہی ۳۰ ستمبر ۲۰۲۲ کے مالیاتی گوشوارے (غیر آڈٹ شدہ) بخوشی پیش کرتے ہیں۔ زیر مدت جس کا جائزہ لیا جا رہا ہے آپ کی کمپنی نے 21.19 کروڑ روپے قبل از ٹیکس منافع کمایا ہے۔

مالی اور آپریشنل نتائج:

سہ ماہی۔ ۳۰ ستمبر	000 روپے	
2022	2021	تفصیل
1962.593	2524.307	فروختگی
260.692	687.184	خام منافع
86.711	9.121	دیگر آمدن
211.900	553.616	قبل از ٹیکس منافع
(30.868)	(21.529)	ٹیکس
181.032	532.086	بعد از ٹیکس منافع

### آپریشنل تجزیہ

آپ کی کمپنی کا اس عرصہ میں بعد از ٹیکس منافع 18.10 کروڑ روپہ جو کہ گزشتہ اس عرصہ میں 53.21 کروڑ تھا۔ خام منافع میں گزشتہ اس عرصہ کے مقابلے میں 62 فیصد کمی ہوئی۔ گوشتہ اسی مدت کے مقابلے منافع میں کمی کی بنیادی وجہ کمپاس کی قیمتوں میں اضافہ اور دھاکہ کی حلقہ قیمتوں میں غیر متناسب کمی ہے۔ دوران مدت 1,074.662 ملین روپے مقررہ اثاثوں میں سرمایہ کاری کی گئی جو کمپنی کے مجموعی BMR پیمانہ کا حصہ ہے اور روڈ مشین کے دس سیٹوں کی توسیع پلانٹ کا حصہ ہے۔ اس مقصد کی مالی اعانت کے لیے برقرار رکھی گئی آمدنی اور طویل مدتی قرضوں کا استعمال کیا گیا۔

### فی حصص آمدن:

فی حصص آمدن سہ ماہی۔ ۳۰ ستمبر ۲۰۲۲ ختم ہونے پر 8.75 روپے ہے، جبکہ پچھلی اسی مدت میں یہ 25.7 روپے تھی۔

### مستقبل کی صورت حال:

دوسرے ممالک کے ساتھ پاکستان بھی ہونگائی، روپے کی کمی اور زرمبادلہ کے کم ہونے ذخائر کے ساتھ ہید معاشی بحر ان کا شکار ہے۔ پاکستان میں موسمیاتی تبدیلیوں کی وجہ اور پاکستان میں تباہ کن سیلاب نے مملکت میں کمپاس کی فصل کو ہید نقصان پہنچایا ہے۔ یوکرین کے خلاف روسی جنگ میں شدت آنے کے ساتھ زیادہ تر ممالک کو اجناس کی قلت اور برقی ہونے قیمتوں کی صورت میں پریشانی محسوس ہونے لگی ہے۔ اس تنازعہ کا ممکنہ اثر بہت زیادہ ہے جس میں بجلی کی شرح میں اضافہ، مرکزی بینکوں کی جانب سے شرح سود میں اضافہ، اجرتوں میں اضافے کی مانگ، زندگی کے بڑھتے ہوئے اخراجات کو پر راکرنے کے لیے، کاروباری اداروں کی جانب سے زیادہ اجرت کی تلافی کے لیے قیمتوں میں اضافہ، افرادی قوت میں کمی اور بے روزگاری ہے۔ لہذا آنے والے مہینوں میں پاکستان کو بجلی کی مسلسل اور طویل بندش، اضافی یوٹیلیٹی بلوں اور دیگر خدمات میں پریشانی کا سامنا کرنا پڑے گا۔ ان تمام رکاوٹوں کے باوجود ہم امید کرتے ہیں کہ اللہ کے فضل اور انتظامیہ کی محنت اور اس کی کوششوں کو خصوصاً اور ویٹو ایڈڈ اعلیٰ معیار کی ٹیکسٹائل مصنوعات پر مرکوز کرنے سے آپ کی کمپنی بہتر نتائج حاصل کرے گی میں کامیاب ہوگی۔

### یورڈ کی تفصیل:

یورڈ کی تفصیل کارپورٹ گورنرس کے ضابطہ اخلاق، 2019 کے تقاضوں کے مطابق درج ذیل ہے۔

ڈائریکٹرز کی کل تعداد:-

1۔ ڈائریکٹرز کی کل تعداد گیارہ ہے جو کہ درج ذیل ہے۔

الف) مرد 9

ب) خاتون 2

2۔ بورڈ کی تشکیل درج ذیل ہے۔

نام	کیٹیگری
فیصل حفیظ مس عذرا یعقوب فاروق حسن	آزاد ڈائریکٹرز
کاشف ریاض شیخ شفیقت مسعود نوید احمد	فعال ڈائریکٹرز
میال شہزاد احمد میال عمران احمد مسز فادیہ کاشف عرفان احمد شاہد ویز احمد	غیر فعال ڈائریکٹرز
مس عذرا یعقوب مسز فادیہ کاشف	خواتین ڈائریکٹرز

ماحولیات، صحت اور حفاظت:

آپ کی کمپنی پیداواری سہولیات پر تمام ماحولیاتی پالیسیوں کی تعمیل کرتے ہوئے ہر ایک کے لئے اچھی آب و ہوا کے تحفظ کے لئے پرعزم ہے۔

ویب پر موجودگی:

کمپنی کے سالانہ اور مختلف مدت کے مالیاتی بیانات کو کمپنی کی ویب سائٹ <http://indus-group.com/> پر موجود ہیں جہاں سے شیئر ہولڈر اور دوسرے لوگ

معلومات حاصل کر سکتے ہیں۔

اظہار تشکر:-

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

کے ساتھ ہماری معاونت کی۔ ہم اپنے تمام حصہ داروں کے شکر گزار ہیں جنہوں نے انتظامیہ پر اپنے اعتماد کا اظہار کیا۔

بورڈ ف ڈریکٹرز کی جانب سے

ap asha la

کاشف ریاض

چیف ایگزیکٹو آفیسر

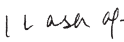
29 اکتوبر 2022

**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF  
FINANCIAL POSITION  
AS AT SEPTEMBER 30, 2022**

	Sep. 30 2022	June. 30 2022
<u>Note</u>		
	----- Rupees ----- (000)	(000)
<b>ASSETS</b>		
<b><u>Non-current assets</u></b>		
Property, plant and equipment	5,231,247	4,224,016
Investment property	2,342	2,342
Long term investment	190,850	190,850
Long term deposits	6,991	6,991
	5,431,431	4,424,199
<b><u>Current assets</u></b>		
Stores and spares	105,253	95,727
Stock in trade	2,449,408	2,188,607
Trade debts	757,412	765,426
Loans and advances	48,034	113,473
Advance income tax	35,347	113,364
Trade deposits and short term prepayments	20,435	3,239
Other receivables	26,421	46,902
Short term investments	1,681,504	1,980,330
Sales tax refundable	180,568	72,537
Income tax refundable	20,367	20,367
Cash and bank balances	81,480	96,648
	5,406,229	5,496,620
<b>Total assets</b>	<b>10,837,660</b>	<b>9,920,819</b>
<b><u>EQUITY AND LIABILITIES</u></b>		
<b><u>Share capital and reserves</u></b>		
Issued, subscribed and paid-up capital	207,000	207,000
Share premium	3,600	3,600
Surplus on revaluation of property, plant and equipment	2,099,978	2,131,810
General reserves	612,000	612,000
Unappropriated profit	5,361,205	5,148,425
	8,283,783	8,102,835
<b><u>Non-current liabilities</u></b>		
Long term financing	1,031,105	883,442
Deferred liabilities	2,025	76,464
	1,033,130	959,906
<b><u>Current liabilities</u></b>		
Trade and other payables	503,587	514,702
Accrued markup	18,114	8,320
Short term borrowings	760,524	-
Current portion of long term financing	146,012	159,289
Current portion of deferred grant	-	204
Unclaimed dividend	22,293	22,760
Provision for taxation	70,217	152,803
	1,520,747	858,078
<b>Contingencies and commitments</b>		
<b>Total equity and liabilities</b>	<b>10,837,660</b>	<b>9,920,819</b>

The annexed notes from 1 to 8 form an integral part of these financial statements.

  
Shabbir Kausar  
Chief Financial Officer

  
Kashif Riaz  
Chief Executive Officer

  
Mian Imran Ahmed  
Chairman



**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF  
PROFIT OR LOSS(UNAUDITED)  
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2022**

		Sep. 30 2022	Sep. 30 2021
	<i>Note</i>	----- Rupees ----- (000)	(000)
Sales-net		1,962,593	2,524,307
Cost of sales	6	(1,701,864)	(1,837,123)
Gross profit		260,729	687,184
Distribution cost		(34,213)	(41,900)
Administrative expenses		(61,862)	(48,391)
Other expenses		(11,143)	(38,430)
Finance cost		(28,406)	(13,969)
Other income		86,621	9,121
		(49,004)	(133,568)
Profit before taxation		211,725	553,616
Taxation		(30,777)	(21,529)
Profit for the period		180,948	532,086
<i>Earnings per share - basic and diluted</i>		8.74	25.70

  
Shabbir Kausar  
Chief Financial Officer

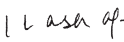
  
Kashif Riaz  
Chief Executive Officer

  
Mian Imran Ahmed  
Chairman

**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF  
COMPREHENSIVE INCOME (UNAUDITED)  
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2022**

	Sep. 30 2022	Sep. 30 2021
<i>Note</i>	----- Rupees ----- (000)	(000)
Profit for the year	180,948	532,086
<b>Other comprehensive income - net of tax</b>		
Remeasurement of defined benefit obligation - gratuity	-	-
Related deferred tax	-	-
<b>Total comprehensive income for the year</b>	<b>180,948</b>	<b>532,086</b>

  
Shabbir Kausar  
Chief Financial Officer

  
Kashif Riaz  
Chief Executive Officer

  
Mian Imran Ahmed  
Chairman

**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY(UNAUDITED)  
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2022**

	Capital reserve		Revenue reserves		Total
	Share premium	Surplus on revaluation of fixed assets	General reserve	Unappropriated profit	
Balance as at June 30, 2021	207,000	3,600	269,215	612,000	3,315,924
<b>Comprehensive income for the year</b>					<b>4,407,739</b>
Profit for the year	-	-	-	-	1,909,806
Other comprehensive loss	-	-	1,896,639	-	1,888,790
<b>Total comprehensive income for the year</b>	-	-	1,896,639	-	3,798,596
<b>Transactions with owners</b>					
Interim dividend for the period ended December 30, 2021 @ Rs.5 per share	-	-	-	-	(103,500)
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation	-	-	(15,567)	-	15,567
Transfer of revaluation revaluation surplus due to disposal of revalued assets	-	-	(18,476)	-	18,476
<b>Balance as at June 30, 2022</b>	<b>207,000</b>	<b>3,600</b>	<b>2,131,811</b>	<b>612,000</b>	<b>5,148,424</b>
<b>Comprehensive income for the year</b>					<b>8,102,835</b>
Profit for the year	-	-	-	-	180,948
Other comprehensive loss	-	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	-	-	180,948
<b>Transactions with owners</b>					
Transferred to unappropriated profit on account of incremental depreciation on surplus on revaluation of property, plant and equipment	-	-	(31,833)	-	31,833
<b>Balance as at Sep 30, 2022</b>	<b>207,000</b>	<b>3,600</b>	<b>2,099,978</b>	<b>612,000</b>	<b>5,361,205</b>
					<b>8,283,783</b>

Transferred to unappropriated profit on account of incremental depreciation on surplus on revaluation of property, plant and equipment

Balance as at Sep 30, 2022

  
Shabbir Kausar  
Chief Financial Officer

  
Kashif Riaz  
Chief Executive Officer

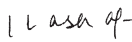
  
Mian Imran Ahmed  
Chairman

**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF  
CASH FLOWS(UNAUDITED)  
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2022**

	Sep. 30 2022	Sep. 30 2021
	----- Rupees -----	
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>	(000)	(000)
Profit before taxation	211,725	553,616
Adjustments for:		
Depreciation on property, plant and equipment	67,431	38,666
Unrealized loss/(gain) on re-measurement of other financial assets-net	(10,634)	16,839
Realized gain on disposal of other financial assets-net	(13,815)	(7,547)
Provision for staff retirement benefits - gratuity	3,525	4,065
Finance cost	28,406	13,969
Operating cash flows before changes in working capital	74,913	65,992
<b>Changes in working capital</b>		
<i>(Increase) / decrease in current assets</i>		
Stores and spares	(9,526)	7,827
Stock in trade	(260,801)	(662,560)
Trade debts	8,014	(637,197)
Loans and advances (excluding advance income tax )	65,439	52,917
Trade deposits and short term prepayments	(17,196.1)	-
Other receivables	20,481	1,921
Sales tax refundable	(108,031)	(150,298)
Income tax refundable	-	74,034.65
<i>Increase in current liabilities</i>		
Trade and other payables	(11,115)	274,813
	(312,734)	(1,038,542)
Cash (used in) operations	(26,096)	(418,935)
Finance cost paid	(18,612)	(16,637)
Staff retirement benefits - gratuity paid	(77,965)	(2,359)
Income taxes paid/adjusted	(35,347)	(88,362)
<b>Net cash (used in) operating activities</b>	(158,019)	(526,293)
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions to property, plant and equipment	(1,074,662)	(35,048)
Payment for purchase of short term investments	(2,088,869)	(1,134,921)
Proceeds from disposal of short term investments	2,412,144	1,575,652
<b>Net cash generated from / (used in) investing activities</b>	(751,387)	405,683
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from long term financing	171,203	18,300
Repayment long term financing	(37,021)	(25,303)
Short term borrowings - net	760,524	47,789
Dividends paid	(467)	(28)
<b>Net cash generated from financing activities</b>	894,238	40,759
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(15,168)	(79,851)
Cash and cash equivalents at beginning of the year	96,648	120,759
<b>Cash and cash equivalents at end of the year</b>	81,480	40,908

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

  
Shabbir Kausar  
Chief Financial Officer

  
Kashif Riaz  
Chief Executive Officer

  
Mian Imran Ahmed  
Chairman

## NOTES TO THE UNCONSOLIDATED INTERIM FINANCIAL STATEMENT (UNAUDITED) FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2022

### 1. LEGAL STATUS AND OPERATIONS

- 1.1 Sunrays Textile Mills Limited (the Company) was incorporated in Pakistan on August 27, 1987 as a public limited company under the Companies Ordinance, 1984 (the Ordinance) [now Companies Act, 2017] and its shares are quoted on Pakistan Stock Exchange Limited (PSX). The Company is principally engaged in trade, manufacture and sale of yarn. The registered office of the Company is situated at Karachi. The mill is located at District Muzaffargarh, Dera Ghazi Khan Division, in the province of Punjab.
- 1.2 These interim financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Statement of compliance

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed. These interim financial statements are un-audited but subject to limited scope review by auditors and are being submitted to the shareholders as required under Section 237 of the Act.

- 2.2 These interim financial statements do not include all information required for full annual financial statements and should be read in conjunction with annual audited financial statements for the year ended June 30, 2022. Comparative condensed interim statement of financial position has been extracted from annual audited financial statements for the year ended June 30, 2022 whereas comparative condensed statement profit or loss and condensed interim statement of other comprehensive income, comparative condensed interim statement of changes in equity and comparative condensed interim statement of cash flows has been extracted from un-audited interim financial statements for the nine month period ended September 30, 2021

#### 2.3 Changes in accounting standards, interpretations and amendments

##### 2.3.1 Standards, interpretations & amendments to published approved accounting standards that are effective and relevant

The Securities and Exchange Commission of Pakistan (SECP) has adopted new IFRS - 16 "Leases". Impact of this IFRS Standard on these interim financial statements are explained in note 2.4.

There are other new standards, amendments to standards and interpretations that became effective during the period and are mandatory for accounting periods of the Company beginning on or after July 01, 2020 but are considered not to be relevant or not to have any significant effect on the Company's operations and are, therefore, not disclosed in these interim financial statements.

##### 2.3.2 Standards, interpretations & amendments to published approved accounting standards that are not yet effective

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

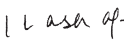
#### 2.4 Accounting policies and methods of computation

The accounting policies and methods of computation followed in the preparation of these interim financial statements are the same as those applied in the preparation of the published audited financial statements for the year ended June 30, 2022

### 3- CONTINGENCIES AND COMMITMENTS

	Sep 30, 2022 Rupees (000)	Sep 30, 2021 Rupees (000)
<b>CONTINGENCIES</b>		
Bank/financial institution/insurance guarantees	455,021	414,018
<b>COMMITMENTS</b>		
Under letters of credit	1,814,556	808,118

  
Shabbir Kausar  
Chief Financial Officer

  
Kashif Riaz  
Chief Executive Officer

  
Mian Imran Ahmed  
Chairman

**4- AGGREGATE TRANSACTION WITH ASSOCIATED UNDERTAKING**

Sales of goods and services	11,475	34,702
4.1 These transaction have been carried out on the commercial terms and conditions.		

**5- ACQUISITION OF PROPERTY PLANT AND MACHINERY**

Acquisition	1,074,662	35,048
	<b>Sep 30, 2022</b>	<b>Sep 30, 2021</b>

**6- COST OF GOODS SOLD**

	Rupees (000)	Rupees (000)
Raw Material	1,493,733	1,490,638
Stores and Spares	21,703	23,095
Packing material	20,082	27,262
Salaries ,wages and benefits & Doubling Charges	89,376	79,158
Power and fuel	179,414	98,129
Insurance	2,100	1,800
Repair and maintenance	1,963	837
Depreciation	63,148	35,336
Others	437	413
	<b>1,871,956</b>	<b>1,756,668</b>
Work in process		
Opening stock	49,122	40,247
Closing stock	(50,586)	(48,334)
	<b>(1,465)</b>	<b>(8,087)</b>
Cost of goods manufactured	<b>1,870,491</b>	<b>1,748,581</b>
Purchase of yarn	31,978	42,638
Finished Goods		
Opening stock	205,060	124,796
Closing stock	(405,665)	(78,892)
	<b>(200,605)</b>	<b>45,904</b>
	<b>1,701,864</b>	<b>1,837,123</b>

7- These financial statements were authorised for issue by the Board of Directors of the company on October 29, 2022

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

  
Shabbir Kausar  
Chief Financial Officer

  
Kashif Riaz  
Chief Executive Officer

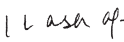
  
Mian Imran Ahmed  
Chairman

**CONSOLIDATED CONDENSED INTERIM STATEMENT OF  
FINANCIAL POSITION  
AS AT SEPTEMBER 30, 2022**

	Sep. 30 2022	June. 30 2022
<u>Note</u>	----- Rupees -----	
	(000)	(000)
<b><u>ASSETS</u></b>		
<b><u>Non-current assets</u></b>		
Property, plant and equipment	5,427,545	4,420,545
Investment property	2,342	2,342
Long term investment	-	-
Long term deposits	7,011	7,011
	<b>5,436,899</b>	<b>4,429,898</b>
<b><u>Current assets</u></b>		
Stores and spares	105,253	95,727
Stock in trade	2,449,408	2,188,607
Trade debts	757,412	765,426
Loans and advances	48,034	113,473
Advance income tax	35,347	113,364
Trade deposits and short term prepayments	20,435	3,239
Other receivables	26,828	46,922
Short term investments	1,681,504	1,980,330
Sales tax refundable	180,568	72,537
Income tax refundable	20,367	20,367
Cash and bank balances	82,242	97,676
	<b>5,407,397</b>	<b>5,497,668</b>
<b>Total assets</b>	<b>10,844,296</b>	<b>9,927,566</b>
<b><u>EQUITY AND LIABILITIES</u></b>		
<b><u>Share capital and reserves</u></b>		
Issued, subscribed and paid-up capital	207,000	207,000
Share premium	3,600	3,600
Surplus on revaluation of property, plant and equipment	2,099,022	2,131,048
General reserves	612,000	612,000
Unappropriated profit	5,368,461	5,155,597
	<b>8,290,083</b>	<b>8,109,245</b>
<b><u>Non-current liabilities</u></b>		
Long term financing	1,031,105	883,442
Deferred liabilities	2,025	76,464
	<b>1,033,130</b>	<b>959,906</b>
<b><u>Current liabilities</u></b>		
Trade and other payables	503,924	515,038
Accrued markup	18,114	8,320
Short term borrowings	760,524	-
Current portion of long term financing	146,012	159,289
Current portion of deferred grant	-	204
Unclaimed dividend	22,293	22,760
Provision for taxation	70,217	152,804
	<b>1,521,083</b>	<b>858,415</b>
<b>Contingencies and commitments</b>		
<b>Total equity and liabilities</b>	<b>10,844,296</b>	<b>9,927,566</b>

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

  
Shabbir Kausar  
Chief Financial Officer

  
Kashif Riaz  
Chief Executive Officer

  
Mian Imran Ahmed  
Chairman

**CONSOLIDATED CONDENSED INTERIM STATEMENT OF  
PROFIT OR LOSS(UNAUDITED)  
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2022**

		Sep. 30 2022	Sep. 30 2021
	<i>Note</i>	----- Rupees ----- (000)	(000)
Sales-net		1,962,593	2,524,307
Cost of sales	7	(1,701,900)	(1,837,123)
Gross profit		260,692	687,184
Distribution cost		(34,213)	(41,900)
Administrative expenses		(61,741)	(48,391)
Other expenses		(11,143)	(38,430)
Finance cost		(28,406)	(13,969)
Other income		86,711	9,121
		(48,792)	(133,568)
Profit before taxation		211,900	553,616
Taxation		(30,868)	(21,529)
Profit for the period		181,032	532,086
<i>Earnings per share - basic and diluted</i>		8.75	25.70

  
Shabbir Kausar  
Chief Financial Officer

  
Kashif Riaz  
Chief Executive Officer

  
Mian Imran Ahmed  
Chairman



**CONSOLIDATED CONDENSED INTERIM STATEMENT OF  
COMPREHENSIVE INCOME (UNAUDITED)  
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2022**

<i>Note</i>	<i>2022</i> ----- <i>(000)</i>	<i>2021</i> ----- <i>(000)</i>
	<i>Rupees</i>	
Profit for the year	181,032	532,086
<b>Other comprehensive income - net of tax</b>		
Remeasurement of defined benefit obligation - gratuity	-	-
Related deferred tax	-	-
<b>Total comprehensive income for the year</b>	<b>181,032</b>	<b>532,086</b>

  
Shabbir Kausar  
Chief Financial Officer

  
Kashif Riaz  
Chief Executive Officer

  
Mian Imran Ahmed  
Chairman

**CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)**  
**FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2022**

Share capital	Capital reserve		Revenue reserves		Total
	Share premium	Surplus on revaluation of fixed assets	General reserve	Unappropriated profit	

Rupees(000)

207,000      3,600      269,215      612,000      3,315,924      4,407,739

Balance as at June 30, 2021

**Comprehensive income for the year**

Profit for the year

Other comprehensive loss

**Total comprehensive income for the year**

**Transactions with owners**

Interim dividend for the period ended December 30, 2021 @ Rs.5 per share

Transfer from surplus on revaluation of property, plant and equipment

on account of incremental depreciation

Transfer of revaluation revaluation surplus due to disposal of revalued assets

**Balance as at June 30, 2022**

**Comprehensive income for the year**

Profit for the year

Other comprehensive loss

**Total comprehensive income for the year**


**Transactions with owners**


Transferred to unappropriated profit on account of incremental depreciation on surplus on revaluation of property, plant and equipment

**Balance as at Sep 30, 2022**

-	-	-	(32,027)	-	31,833	(194)
207,000	3,600	2,099,022	612,000	5,368,461	8,290,083	

  
Shabbir Kausar  
Chief Financial Officer

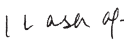
  
Kashif Riaz  
Chief Executive Officer

  
Mian Imran Ahmed  
Chairman

**CONSOLIDATED CONDENSED INTERIM STATEMENT OF  
CASH FLOWS(UNAUDITED)  
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2022**

	2022	2021
	----- Rupees -----	
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>	(000)	(000)
Profit before taxation	211,900	553,616
Adjustments for:		
Depreciation on property, plant and equipment	67,468	38,666
Unrealized loss/(gain) on re-measurement of other financial assets-net	(10,634)	16,839
Realized gain on disposal of other financial assets-net	(13,815)	(7,547)
Provision for staff retirement benefits - gratuity	3,525	4,065
Finance cost	28,406	13,969
Operating cash flows before changes in working capital	74,950	65,992
<b>Changes in working capital</b>		
<i>(Increase) / decrease in current assets</i>		
Stores and spares	(9,526)	7,827
Stock in trade	(260,801)	(662,560)
Trade debts	8,014	(637,197)
Loans and advances (excluding advance income tax )	65,439	52,917
Trade deposits and short term prepayments	(17,196)	-
Other receivables	20,091	1,921
Sales tax refundable	(108,031)	(150,298)
Income tax refundable	-	74,034.65
<i>Increase in current liabilities</i>	-	-
Trade and other payables	(11,114)	274,813
	(313,124)	(1,038,542)
Cash (used in) operations	(26,274)	(418,935)
Finance cost paid	(18,612)	(16,637)
Staff retirement benefits - gratuity paid	(77,965)	(2,359)
Income taxes paid/adjusted	(35,438)	(88,362)
<b>Net cash (used in) operating activities</b>	(158,289)	(526,293)
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions to property, plant and equipment	(1,074,662)	(35,048)
Payment for purchase of short term investments	(2,088,869)	(1,134,921)
Proceeds from disposal of short term investments	2,412,144	1,575,652
<b>Net cash generated from / (used in) investing activities</b>	(751,387)	405,683
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from long term financing	171,203	18,300
Repayment long term financing	(37,021)	(25,303)
Short term borrowings - net	760,524	47,789
Dividends paid	(467)	(28)
<b>Net cash generated from financing activities</b>	894,239	40,759
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(15,437)	(79,851)
Cash and cash equivalents at beginning of the year	97,679	120,759
<b>Cash and cash equivalents at end of the year</b>	82,242	40,908

  
Shabbir Kausar  
Chief Financial Officer

  
Kashif Riaz  
Chief Executive Officer

  
Mian Imran Ahmed  
Chairman

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL  
STATEMENT (UNAUDITED)  
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2022**

**1. THE GROUP AND ITS OPERATIONS**

The Group consists of Sunrays Textile Mills Limited (the Holding Company) and its subsidiary namely Embee Industries (Private) Limited. Brief profile of the Holding Company and Subsidiary are as follows:

**1.1 Sunrays Textile Mills Limited**

Sunrays Textile Mills Limited "the Company" was incorporated in Pakistan on August 27, 1987 as a public limited company under the repealed Companies Ordinance, 1984 (Now Companies Act 2017) and its shares are quoted on the Pakistan Stock Exchange. The Company is principally engaged in trade, manufacture and sale of yarn. The registered office of the Company is situated at Office no. 508, 5th floor, Beaumont Plaza, Beaumont Road, Civil Lines Quarters, Karachi. The mill site is located at Khanpur Shumali khewat no. 359, District Muzaffargarh, Dera Ghazi Khan Division, in the province of Punjab.

**1.2 Embee Industries (Private) Limited**

Embee Industries (Private) Limited (the company) was incorporated in Pakistan under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017) as a private limited company on 16th April, 1985. The principal business of the Company is manufacturing and sale of ice. The registered office and works of the company are located at Riaz Cotton Factory, Factory Area, Faisalabad in the province of the Punjab.

**1.3 Basis of Consolidation**

The consolidated financial statements include the financial statements of the Holding Company and its subsidiary.

Subsidiary company is fully consolidated from the date on which more than 50% of voting rights are transferred to the Group or power to control them is established and excluded from consolidation from the date of disposal or when the control is lost.

The financial statements of the subsidiary are prepared for the same reporting year as of the Holding Company for the purpose of consolidation, using consistent accounting policies. The accounting policies of the subsidiaries have been changed to conform with accounting policies of the Group, where required.

The assets, liabilities, income and expenses of subsidiary companies are consolidated on a line by line basis and carrying value of investments held by the Holding Company is eliminated against the subsidiary companies' shareholders' equity in these consolidated financial statements.

All intra-group balances, transactions and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

**2 Business combination**

Acquisition of business is accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as a sum of the acquisition-date fair values of the assets transferred by the Holding Company, liabilities incurred by the Holding Company to the former owners of the acquiree and the equity interests issued by the Company in exchange for the control of the acquiree. Acquisition-related costs are recognized in the statement of profit or loss as incurred.

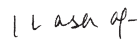
At the acquisition date, the identified assets acquired and the liabilities assumed are recognized at their fair value.

Goodwill is initially measured at acquisition date as the excess of the sum of the consideration transferred and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, net amounts at the acquisition-date of the identifiable assets acquired and the liabilities assumed exceeds the sum of the consideration transferred and the fair value of the acquirer's previously held interest in the acquiree (if any), excess is recognized immediately in the statement of profit or loss as a bargain purchase gain.

**3. STATEMENT OF COMPLIANCE**

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

  
Shabbir Kausar  
Chief Financial Officer

  
Kashif Riaz  
Chief Executive Officer

  
Mian Imran Ahmed  
Chairman

**4- CONTINGENCIES AND COMMITMENTS**

	<b>Sep 30, 2022</b>	<b>Sep 30, 2021</b>
	<b>Rupees</b>	<b>Rupees</b>
	<b>(000)</b>	<b>(000)</b>
<b>CONTINGENCIES</b>		
Bank/financial institution/insurance guarantees	455,021	414,018
<b>COMMITMENTS</b>		
Under letters of credit	1,814,556	808,118
<b>5- AGGREGATE TRANSACTION WITH ASSOCIATED UNDERTAKING</b>		
Sales of goods and services	11,475	34,702
5.1 These transaction have been carried out on the commercial terms and conditions.		
<b>6- ACQUISITION OF PROPERTY PLANT AND MACHINERY</b>		
Acquisition	1,074,662	35,048

**7- COST OF GOODS SOLD**

	<b>Sep 30, 2022</b>	<b>Sep 30, 2021</b>
	<b>Rupees</b>	<b>Rupees</b>
	<b>(000)</b>	<b>(000)</b>
Raw Material	1,493,733	1,490,638
Stores and Spares	21,703	23,095
Packing material	20,082	27,262
Salaries ,wages and benefits & Doubling Charges	89,376	79,158
Power and fuel	179,414	98,129
Insurance	2,100	1,800
Repair and maintenance	1,963	837
Depreciation	63,148	35,336
Others	474	413
	<b>1,871,993</b>	<b>1,756,668</b>
Work in process		
Opening stock	49,122	40,247
Closing stock	(50,586)	(48,334)
	<b>(1,465)</b>	<b>(8,087)</b>
Cost of goods manufactured	<b>1,870,528</b>	<b>1,748,581</b>
Purchase of yarn	31,978	42,638
Finished Goods		
Opening stock	205,060	124,796
Closing stock	(405,665)	(78,892)
	<b>(200,605)</b>	<b>45,904</b>
	<b>1,701,900</b>	<b>1,837,123</b>

**8-** These financial statements were authorised for issue by the Board of Directors of the company on October 29, 2022

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

9.1 Corresponding figures have been arranged and recalssified , where necessary ,for purpose of better presentation.

  
Shabbir Kausar  
Chief Financial Officer

  
Kashif Riaz  
Chief Executive Officer

  
Mian Imran Ahmed  
Chairman