

**SUNRAYS TEXTILE MILLS LIMITED**



**QUARTERLY STATEMENT  
(UN-AUDITED)**

**FOR THE FIRST QUARTER  
ENDED SEPTEMBER 30, 2023**

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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

United Bank Limited

Meezan Bank Limited

Habib Bank Limited

Bank Alfalah Limited

**AUDITORS**

Yousuf Adil

Chartered Accountants

## DIRECTOR'S REPORT

The Directors are pleased to present the un-audited condensed interim financial information of the Company for the first quarter ended on Sep 30, 2023. The Comparative figures for the corresponding quarter ended on Sep 30, 2022 have been used for comparison, except in statement of financial position where figures used are for the year ended on Jun 30, 2023.

### **FINANCIAL RESULTS**

Sales for the three-month period ending on September 30, 2023 was Rs. 4686.932 million against Rs. 1962.593 million for the same period last year, whereas the consolidated net profit after tax was Rs. 71.331 million as compared to Rs. 181.032 million in the last corresponding period. The Company has shown satisfactory performance during the three months under review despite various challenges such as higher energy prices and uncertain economic conditions in Pakistan. Due to the persistent efforts of the management in procurement of raw material, increase in sales and cash flow planning, the Company was able to achieve these results. The following are the financial results of the Company for the three months ended September 30, 2023.

### **FINANCIAL HIGHLIGHTS**

	1st Quarter ended September 30 ( Rs. 1 Million )	
	2023	2022
Sales – Net	4686.932	1962.593
Gross Profit	450.797	260.692
Other Income	35.029	86.711
Profit Before Taxation	110.358	211.900
Taxation	(39.027)	(30.868)
Profit After Taxation	71.331	181.032

During the period Rs.334.643 million was invested by the Company in the fixed assets for BMR and addition of new plant comprises of ten sets of Rotor machines along with necessary back process

The earnings per share for the first quarter ended September 30, 2023 is Rs.3.45 per share as compared to Rs.8.75 per share over the last corresponding period.

The textile industry in Pakistan is currently facing a challenging period. It's a two-fold challenge with economic slowdown in global markets due to a recession and domestic political and economic crises. The government has eliminated several subsidies and rebates, which has led to the withdrawal of subsidized electricity and gas tariffs for the textile sector. Consequently, textile units had no choice but to suspend their operations due to increased production costs stemming from elevated fuel and power costs, a rise in interest rates and wages etc . These factors have hindered the textile sector's ability to compete effectively in the international market.

Nevertheless, despite these formidable obstacles, we remain optimistic that, with the grace of ALLAH and through diligent management, our company can achieve improved results. Our strategy will revolve around producing specialized, high-quality textile products that add value, allowing us to stand out in the global marketplace

**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:

**Total Number of Directors:**

Male 09  
Female 02

**Composition:**

Executive Director 03  
Independent Director 03  
Non Executive Director 05

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 30, 2023

# سنریز ٹیکسٹائل ملز لمیٹڈ

ڈائریکٹرز رپورٹ سہ ماہی۔ ۳۰ ستمبر ۲۰۲۳

بورڈ آف ڈائریکٹرز اپنی رپورٹ اور اس کے ساتھ پہلی سہ ماہی ۳۰ ستمبر ۲۰۲۳ کے مالیاتی گوشوارے (خیر آڈٹ شدہ) بخوشی پیش کرتے ہیں۔ ۳۰ ستمبر ۲۰۲۳ کو ختم ہونے والی اسی سہ ماہی کے تقابلی اعداد و شمار کو مقابلے کے لیے استعمال کیا گیا ہے سوائے مالیاتی پوزیشن کے بیان کے جہاں استعمال کیے گئے اعداد و شمار ۳۰ جون ۲۰۲۳ کو ختم ہونے والے سال کے ہیں۔

مالیاتی نتائج:

۳۰ ستمبر ۲۰۲۳ کو ختم ہونے والی تین ماہ کی مدت کے لیے فروختگی 4686.932 ملین روپے کے مقابلے میں گزشتہ سال اسی مدت کے لیے 1962.593 ملین تھی۔ جبکہ ٹیکس کے بعد مجموعی خالص منافع 71.331 ملین روپے کے مقابلے میں گزشتہ سال اسی مدت میں 181.032 ملین تھا۔ کمپنی نے پاکستان میں توانائی کی بلند قیمتوں اور غیر یقینی معاشی حالات جیسے مختلف چینوں کے باوجود بر جائزہ تین ماہ کے دوران تلی پتیش کارکردگی دکھائی ہے۔ خام مال کی خریداری، فروخت میں اضافہ اور نقد بہاؤ کی منصوبہ بندی میں انتظامیہ کی مسلسل کوششوں کی وجہ سے کمپنی یہ نتائج حاصل کرنے میں کامیاب رہی۔

۳۰ ستمبر ۲۰۲۳ کو ختم ہونے والے تین ماہ کے لیے کمپنی کے مالی نتائج درج ذیل ہیں۔

مالی اور آپریشنل نتائج:

سہ ماہی۔ ۳۰ ستمبر		000 روپے
2023	2022	تفصیل
4686.932	1962.593	فروختگی
450.797	260.692	خام منافع
35.029	86.711	دیگر آمدن
110.358	211.900	قبل از ٹیکس منافع
(39.027)	(30.868)	ٹیکس
71.331	181.032	بعد از ٹیکس منافع

آپریشنل تجربہ

دوران مدت 334.643 ملین روپے مقررہ اثاثوں میں سرمایہ کاری کی گئی ہے کہ کمپنی کو مجموعی BMR پیمانہ کا حصہ اور نئے پلانٹ کا اضافہ کہ ضروری بیک پر وٹس کے ساتھ روز مہینوں کے دس سیوں پر مشتمل 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 ۲۰۲۳ ختم ہونے پر 3.45 روپے ہے، جبکہ پچھلی اسی مدت میں یہ 8.75 روپے تھی۔

مستقبل کی صورت حال:

پاکستان میں ٹیکسٹائل کی صنعت اس وقت ایک مشکل دور سے گزر رہی ہے۔ کساد بازاری اور ملکی سیاسی اور اقتصادی بحرانوں کی وجہ سے عالمی منڈیوں میں معاشی سست روی کے ساتھ دو گنا چیلنج ہے۔ حکومت نے نئی سبسڈیز اور چھوٹ ختم کردی ہیں جس کی وجہ سے ٹیکسٹائل سیکٹر کے لیے بجلی اور گیس کے نرخوں میں سبسڈی واپس لے لی گئی ہے۔ نتیجہ یہ کہ ٹیکسٹائل پینس کے پاس ایندھن اور بجلی کی بڑھتی ہوئی قیمتوں، شرح سود اور اجرتوں میں اضافے وغیرہ سے پیداواری لاگت میں اضافے کی وجہ سے اپنا کام معطل کرنے کے سوا کوئی چارہ نہیں ہے۔ ان عوامل نے ٹیکسٹائل سیکٹر کی بین الاقوامی مارکیٹ میں مؤثر طریقے سے مقابلہ کرنے کی صلاحیت میں رکاوٹ ڈالی ہے۔

بہر حال ان سخت رکاوٹوں کے باوجود ہم پر امید ہیں کہ اللہ کے فضل سے اور مستعد انتظام کے ذریعے ہماری کمپنی بہتر نتائج حاصل کر سکتی ہے۔ ہماری حکمت عملی خصوصی اعلیٰ معیار کی ٹیکسٹائل مصنوعات تیار کرنے پر مرکوز رہے گی جو اس کی قدر میں اضافہ کرتی ہیں جس سے ہمیں عالمی منڈی میں نمایاں ہونے کا موقع ملتا ہے۔

بورڈ کی تشکیل:-

بورڈ کی تشکیل کارپورٹ گورننس کے ضابطہ اخلاق، 2017 کے تقاضوں کے مطابق درج ذیل ہے۔  
ڈائریکٹرز کی کل تعداد:-

الف۔	مرد	9
ب۔	خاتون	2
تفصیل:-		
i۔	آزاد ڈائریکٹر	3
ii۔	فعال ڈائریکٹر	3
iii۔	غیر فعال ڈائریکٹر	5

کمیٹری	نام
آزاد ڈائریکٹرز	فیصل حفیظ مس عذرا بیگم فاروق حسن
فعال ڈائریکٹرز	کاشف ریاض شیخ شفقت مسعود نوید احمد
غیر فعال ڈائریکٹرز	میاں شہزاد احمد میاں عمران احمد مسز فادیہ کاشف عرفان احمد شاہد یزید احمد
خواتین ڈائریکٹرز	مس عذرا بیگم مسز فادیہ کاشف

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 آف ڈائریکٹرز کی جانب سے

Lasalaf  
کاشف ریاض  
چیف ایگزیکٹو آفیسر

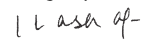
30 اکتوبر 2023

**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF  
FINANCIAL POSITION  
AS AT SEPTEMBER 30, 2023**

	Note	Sep. 30 2023	June. 30 2023
		----- Rupees -----	
ASSETS		(000)	(000)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		7,549,568	7,336,403
Investment property		2,342	2,342
Long term investment		190,850	190,850
Long term deposits		6,991	6,991
		<b>7,749,751</b>	<b>7,536,586</b>
<b>Current assets</b>			
Stores and spares		145,490	109,839
Stock in trade		3,982,439	2,251,843
Trade debts		2,282,687	1,181,300
Loans and advances		105,209	109,282
Advance income tax		49,483	164,021
Trade deposits and short term prepayments		29,279	21,139
Other receivables		70,572	56,469
Short term investments		339,009	308,589
Sales tax refundable		916,997	560,414
Income tax refundable		51,532	51,532
Cash and bank balances		138,655	50,403
		<b>8,111,352</b>	<b>4,864,831</b>
<b>Total assets</b>		<b>15,861,103</b>	<b>12,401,417</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</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		1,955,229	1,983,350
General reserves		612,000	612,000
Unappropriated profit		5,642,380	5,543,302
		<b>8,420,209</b>	<b>8,349,252</b>
<b>Non-current liabilities</b>			
Long term financing		2,936,643	2,753,805
Deferred liabilities		22,937	18,391
		<b>2,959,580</b>	<b>2,772,196</b>
<b>Current liabilities</b>			
Trade and other payables		1,200,750	599,193
Accrued markup		219,207	133,652
Short term borrowings		2,812,279	191,101
Current portion of long term financing		170,729	164,308
Unclaimed dividend		24,095	24,201
Provision for taxation		54,254	167,514
		<b>4,481,314</b>	<b>1,279,970</b>
Contingencies and commitments			
<b>Total equity and liabilities</b>		<b>15,861,103</b>	<b>12,401,417</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, 2023**

	Sep. 30 2023	Sep. 30 2022
<i>Note</i>	----- Rupees -----	
	(000)	(000)
Sales-net	4,686,932	1,962,593
Cost of sales	6 (4,236,135)	(1,701,864)
Gross profit	450,797	260,729
Distribution cost	(55,152)	(34,213)
Administrative expenses	(69,649)	(61,862)
Other expenses	(5,788)	(11,143)
Finance cost	(244,727)	(28,406)
Other income	34,492	86,621
	(340,824)	(49,004)
Profit before taxation	109,973	211,725
Taxation	(39,017)	(30,777)
Profit for the period	70,957	180,948
<i>Earnings per share - basic and diluted</i>	3.43	8.74

  
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, 2023**

	Sep. 30 2023	Sep. 30 2022
<i>Note</i>	<i>Rupees</i>	
	(000)	(000)
Profit for the year	<b>70,957</b>	180,948
<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><u>70,957</u></b>	<b><u>180,948</u></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, 2023**

	Share capital	Capital reserve		Revenue reserves		Total
		Share premium	Surplus on revaluation of fixed assets	General reserve	Unappropriated profit	
	207,000	3,600	2,131,810	612,000	5,148,425	8,102,835
Rupees(000)						
Balance as at June 30, 2022	-	-	-	-	287,817	287,817
Comprehensive income for the year	-	-	-	-	-	-
Profit for the year	-	-	-	-	287,817	287,817
Other comprehensive loss	-	-	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	-	-	287,817	287,817
<b>Transactions with owners</b>						
Interim dividend for the period ended June 30, 2023 @ Rs.2					(41,400)	(41,400)
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation						
			(127,035)		127,035	-
Transfer of revaluation surplus due to disposal of revalued assets						
			(31,823)		31,823	-
Balance as at June 30, 2023	207,000	3,600	1,983,350	612,000	5,543,302	8,349,252
<b>Comprehensive income for the year</b>						
Profit for the year	-	-	-	-	70,957	70,957
Other comprehensive loss	-	-	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	-	-	70,957	70,957
<b>Transactions with owners</b>						
Transferred to unappropriated profit on account of incremental depreciation on surplus on revaluation of property, plant and equipment						
			(28,121)		28,121	-
Balance as at Sep 30, 2023	207,000	3,600	1,955,229	612,000	5,642,380	8,420,209

  
Shabbir Kausar  
Chief Financial Officer

  
Kashif Riaz  
Chief Executive Officer

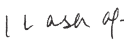
  
Mian Imran Ahmed  
Chairman

**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF  
CASH FLOWS (UNAUDITED)  
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2023**

	Sep. 30 2023	Sep. 30 2022
	----- Rupees -----	
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>(000)</b>	<b>(000)</b>
Profit before taxation	109,973	211,725
Adjustments for:		
Depreciation on property, plant and equipment	121,478	67,431
Unrealized loss/(gain) on re-measurement of other financial assets-net	(28,041)	(10,634)
Realized gain on disposal of other financial assets-net	-	(13,815)
Provision for staff retirement benefits - gratuity	4,546	3,525
Finance cost	244,727	28,406
Operating cash flows before changes in working capital	342,711	74,913
<b>Changes in working capital</b>		
<i>(Increase) / decrease in current assets</i>		
Stores and spares	(35,651)	(9,526)
Stock in trade	(1,730,596)	(260,801)
Trade debts	(1,101,386)	8,014
Loans and advances (excluding advance income tax )	4,073	65,439
Trade deposits and short term prepayments	(8,139.6)	(17,196.1)
Other receivables	(14,103)	20,481
Sales tax refundable	(356,583)	(108,031)
Income tax refundable	-	-
<i>Increase in current liabilities</i>		
Trade and other payables	601,557	(11,115)
	(2,640,829)	(312,734)
Cash (used in) operations	(2,188,145)	(26,096)
Finance cost paid	(159,172)	(18,612)
Staff retirement benefits - gratuity paid	-	(77,965)
Income taxes paid/adjusted	(37,739)	(35,347)
<b>Net cash (used in) operating activities</b>	(2,385,056)	(158,019)
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions to property, plant and equipment	(334,643)	(1,074,662)
Payment for purchase of short term investments	(2,380)	(2,088,869)
Proceeds from disposal of short term investments	-	2,412,144
<b>Net cash generated from / (used in) investing activities</b>	(337,023)	(751,387)
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from long term financing	222,795	171,203
Repayment long term financing	(33,536)	(37,021)
Short term borrowings - net	2,621,178	760,524
Dividends paid	(106)	(467)
<b>Net cash generated from financing activities</b>	2,810,331	894,238
Net increase / (decrease) in cash and cash equivalents (A+B+C)	88,252	(15,168)
Cash and cash equivalents at beginning of the year	50,403	96,648
<b>Cash and cash equivalents at end of the year</b>	<b>138,655</b>	<b>81,480</b>

The annexed selected notes from 1 to 10 form an integral part of this condensed interim financial information.

  
Shabbir Kausar  
Chief Financial Officer

  
Kashif Riaz  
Chief Executive Officer

  
Mian Imran Ahmed  
Chairman

## **NOTES TO THE UNCONSOLIDATED INTERIM FINANCIAL STATEMENT FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2023**

### **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, 2023. 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, 2022

#### **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, 2023

	<b>Sep 30, 2023</b>	<b>Sep 30, 2022</b>
	Rupees (000)	Rupees (000)
<b>3- CONTINGENCIES AND COMMITMENTS</b>		
<b>CONTINGENCIES</b>		
Bank/financial institution/insurance guarantees	285,394	455,021
<b>COMMITMENTS</b>		
Under letters of credit	198,132	1,814,556
<b>4- AGGREGATE TRANSACTION WITH ASSOCIATED UNDERTAKING</b>		
Sales of goods and services	40,391	11,475
Purchase of goods and services	269,306	-
4.1 These transaction have been carried out on the commercial terms and conditions.		
<b>5- ACQUISITION OF PROPERTY PLANT AND MACHINERY</b>		
Acquisition	334,643	1,074,662
<b>6- COST OF GOODS SOLD</b>	<b>Sep 30, 2023</b>	<b>Sep 30, 2022</b>
	Rupees (000)	Rupees (000)
Raw Material	3,167,670	1,493,733
Stores and Spares	50,322	21,703
Packing material	43,808	20,082
Salaries ,wages and benefits & Doubling Charges	130,760	89,376
Power and fuel	357,259	179,414
Insurance	3,000	2,100
Repair and maintenance	11,587	1,963
Depreciation	116,869	63,148
Others	1,204	437
	<b>3,882,478</b>	<b>1,871,956</b>
Work in process		
Opening stock	79,556	49,122
Closing stock	(128,154)	(50,586)
	(48,598)	(1,465)
Cost of goods manufactured	<b>3,833,880</b>	<b>1,870,491</b>
Purchase of yarn	318,803	31,978
Finished Goods		
Opening stock	510,155	205,060
Closing stock	(426,703)	(405,665)
	83,452	(200,605)
	<b>4,236,135</b>	<b>1,701,864</b>

7- These financial statements were authorised for issue by the Board of Directors of the company on October 30, 2023

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, 2023**

	Note	Sep. 30 2023	June. 30 2023
		----- Rupees -----	
ASSETS		(000)	(000)
<b>Non-current assets</b>			
Property, plant and equipment		7,744,807	7,531,944
Investment property		2,342	2,342
Long term deposits		7,011	7,011
		<b>7,754,160</b>	<b>7,541,297</b>
<b>Current assets</b>			
Stores and spares		145,490	109,839
Stock in trade		3,982,439	2,251,843
Trade debts		2,282,687	1,181,300
Loans and advances		107,041	109,282
Advance income tax		49,483	164,021
Trade deposits and short term prepayments		29,279	21,139
Other receivables		70,572	56,469
Short term investments		339,009	310,062
Sales tax refundable		916,997	560,414
Income tax refundable		51,532	51,640
Cash and bank balances		138,964	50,481
		<b>8,113,493</b>	<b>4,866,490</b>
<b>Total assets</b>		<b>15,867,653</b>	<b>12,407,787</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</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		1,953,453	1,981,809
General reserves		612,000	612,000
Unappropriated profit		5,650,187	5,550,500
		<b>8,426,240</b>	<b>8,354,909</b>
<b>Non-current liabilities</b>			
Long term financing		2,936,643	2,753,805
Deferred liabilities		23,278	18,732
		<b>2,959,921</b>	<b>2,772,537</b>
<b>Current liabilities</b>			
Trade and other payables		1,200,928	599,565
Accrued markup		219,207	133,652
Short term borrowings		2,812,279	191,101
Current portion of long term financing		170,729	164,308
Unclaimed dividend		24,095	24,201
Provision for taxation		54,254	167,514
		<b>4,481,492</b>	<b>1,280,341</b>
<b>Contingencies and commitments</b>			
<b>Total equity and liabilities</b>		<b>15,867,653</b>	<b>12,407,787</b>

The annexed notes from 1 to 10 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  
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2023**

	Sep. 30 2023	Sep. 30 2022
<i>Note</i>	----- Rupees -----	
	(000)	(000)
Sales-net	4,686,932	1,962,593
Cost of sales	8 (4,236,135)	(1,701,900)
Gross profit	450,797	260,693
Distribution cost	(55,152)	(34,213)
Administrative expenses	(69,801)	(61,741)
Other expenses	(5,788)	(11,144)
Finance cost	(244,727)	(28,406)
Other income	35,029	86,711
	(340,439)	(48,793)
Profit before taxation	110,358	211,900
Taxation	(39,027)	(30,868)
Profit for the period	71,331	181,032
<i>Earnings per share - basic and diluted</i>	3.45	8.75

  
Shabbir Kausar  
Chief Financial Officer

  
Kashif Riaz  
Chief Executive Officer

  
Mian Imran Ahmed  
Chairman



**CONSOLIDATED CONDENSED INTERIM STATEMENT OF  
COMPREHENSIVE INCOME  
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2023**

	Sep 30, 2023	Sep 30, 2022
<i>Note</i>	----- Rupees ----- (000)	(000)
Profit for the year	71,331	181,032
<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>71,331</b>	<b>181,032</b>

  
Shabbir Kausar  
Chief Financial Officer

  
Kashif Riaz  
Chief Executive Officer

  
Mian Imran Ahmed  
Chairman

**CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY  
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2023**

	Capital reserve		Revenue reserves		Total	
	Share premium	Surplus on revaluation of fixed assets	General reserve	Unappropriated profit		
Balance as at June 30, 2022	207,000	3,600	2,131,048	612,000	5,155,597	8,109,245
<b>Comprehensive income for the year</b>						
Profit for the year	-	-	-	-	287,057	287,057
Other comprehensive loss	-	-	-	-	7	7
<b>Total comprehensive income for the year</b>	-	-	-	-	287,064	287,064
<b>Transactions with owners</b>						
Interim dividend for the period ended June 30, 2023 @ Rs.2 per share	-	-	-	-	(41,400)	(41,400)
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation	-	-	(127,814)	-	127,814	-
Transfer of revaluation revaluation surplus due to disposal of revalued assets	-	-	(21,425)	-	21,425	-
<b>Balance as at June 30, 2023</b>	<b>207,000</b>	<b>3,600</b>	<b>1,981,809</b>	<b>612,000</b>	<b>5,550,500</b>	<b>8,354,909</b>
<b>Comprehensive income for the year</b>						
Profit for the year	-	-	-	-	71,331	71,331
Other comprehensive loss	-	-	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	-	-	71,331	71,331
<b>Transactions with owners</b>						
Transferred to unappropriated profit on account of incremental depreciation on surplus on revaluation of property, plant and equipment	-	-	(28,356)	-	28,356	-
<b>Balance as at Sep 30, 2023</b>	<b>207,000</b>	<b>3,600</b>	<b>1,953,453</b>	<b>612,000</b>	<b>5,650,187</b>	<b>8,426,240</b>

Rupees(000)

Shabbir Kausar  
Chief Financial Officer

Kashif Riaz  
Chief Executive Officer

Mian Imran Ahmed  
Chairman

**CONSOLIDATED CONDENSED INTERIM STATEMENT OF  
CASH FLOWS  
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2023**

	Sep 30, 2023	Sep 30, 2022
	Rupees	
	(000)	(000)
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	110,358	211,900
Adjustments for:		
Depreciation on property, plant and equipment	121,478	67,468
Unrealized loss/gain) on re-measurement of other financial assets-net	(28,041)	(10,634)
Realized gain on disposal of other financial assets-net	-	(13,815)
Provision for staff retirement benefits - gratuity	4,546	3,525
Finance cost	244,727	28,406
Operating cash flows before changes in working capital	342,711	74,950
<b>Changes in working capital</b>		
<i>(Increase) / decrease in current assets</i>		
Stores and spares	(35,651)	(9,526)
Stock in trade	(1,730,596)	(260,801)
Trade debts	(1,101,386)	8,014
Loans and advances (excluding advance income tax )	3,854	65,439
Trade deposits and short term prepayments	(8,140)	(17,196)
Other receivables	(14,103)	20,091
Sales tax refundable	(356,583)	(108,031)
Income tax refundable	-	-
<i>Increase in current liabilities</i>	-	-
Trade and other payables	601,664	(11,114)
	(2,640,941)	(313,124)
Cash (used in) operations	(2,187,872)	(26,274)
Finance cost paid	(159,172)	(18,612)
Staff retirement benefits - gratuity paid	-	(77,965)
Income taxes paid/adjusted	(37,782)	(35,438)
<b>Net cash (used in) operating activities</b>	(2,384,826)	(158,289)
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions to property, plant and equipment	(334,643)	(1,074,662)
Payment for purchase of short term investments	(2,380)	(2,088,869)
Proceeds from disposal of short term investments	-	2,412,144
<b>Net cash generated from / (used in) investing activities</b>	(337,023)	(751,387)
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from long term financing	222,795	171,203
Repayment long term financing	(33,536)	(37,021)
Short term borrowings - net	2,621,178	760,524
Dividends paid	(106)	(467)
<b>Net cash generated from financing activities</b>	2,810,331	894,239
Net increase / (decrease) in cash and cash equivalents (A+B+C)	88,482	(15,437)
Cash and cash equivalents at beginning of the year	50,482	97,679
<b>Cash and cash equivalents at end of the year</b>	138,964	82,242

  
Shabbir Kausar  
Chief Financial Officer

  
Kashif Riaz  
Chief Executive Officer

  
Mian Imran Ahmed  
Chairman

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL  
STATEMENT  
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2023**

**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

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

### **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

- International accounting standards ( 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.

### **4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND RISK MANAGEMENT POLICIES**

**4.1** The preparation of the condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

The accounting policies, underlying estimates and methods of computations adopted in the preparation of these consolidated condensed interim financial statements are the same as those applied in the preparation of the annual audited consolidated financial statements of

**4.2** The financial risk management policies and objectives adopted by the Group are consistent with those disclosed in the Group's annual audited consolidated financial statements for the year ended June 30, 2023.

### **5. BASIS OF PREPARATION**

**5.1** These consolidated condensed interim financial statements has been prepared under the historical cost convention modified by: -

- recognition of certain employee retirement benefits at present value.
- recognition of certain financial instruments at fair value.

**5.2** These consolidated condensed interim financial statements does not include all of the information required for annual audited financial statements and therefore should be read in conjunction with the annual audited consolidated financial statements of the Group for the year ended June 30, 2023.

**5.3** These consolidated condensed interim financial statements is presented in Pakistani Rupees which is also the Group's functional currency.

**5.4** The comparative consolidated statement of financial position presented has been extracted from annual consolidated audited financial statements for the year ended June 30, 2022, whereas comparative consolidated condensed interim statement of profit and loss, consolidated condensed interim statement of comprehensive income, consolidated condensed interim statement of cash flows and consolidated condensed interim statement of changes in equity presented in these consolidated condensed interim financial statements have been extracted from the unaudited consolidated condensed interim financial statement for the three months period ended September 30, 2022

5- CONTINGENCIES AND COMMITMENTS	Sep 30, 2023	Sep 30, 2022
	Rupees (000)	Rupees (000)
<b>CONTINGENCIES</b>		
Bank/financial institution/insurance guarantees	285,394	455,021
<b>COMMITMENTS</b>		
Under letters of credit	198,132	1,814,556
<b>6- AGGREGATE TRANSACTION WITH ASSOCIATED UNDERTAKING</b>		
Sales of goods and services	40,391	11,475
purchase of goods and services	269,306	
<b>6.1</b> These transaction have been carried out on the commercial terms and conditions.		
<b>7- ACQUISITION OF PROPERTY PLANT AND MACHINERY</b>		
Acquisition	334,643	1,074,662
<b>8- COST OF GOODS SOLD</b>		
	Sep 30, 2023	Sep 30, 2022
	Rupees (000)	Rupees (000)
Raw Material	3,167,670	1,493,733
Stores and Spares	50,322	21,703
Packing material	43,808	20,082
Salaries ,wages and benefits & Doubling Charges	130,760	89,376
Power and fuel	357,259	179,414
Insurance	3,000	2,100
Repair and maintenance	11,587	1,963
Depreciation	116,869	63,148
Others	1,204	474
	<b>3,882,478</b>	<b>1,871,993</b>
Work in process		
Opening stock	79,556	49,122
Closing stock	(128,154)	(50,586)
	<u>(48,598)</u>	<u>(1,465)</u>
Cost of goods manufactured	<b>3,833,880</b>	<b>1,870,528</b>
Purchase of yarn	318,803	31,978
Finished Goods		
Opening stock	510,155	205,060
Closing stock	(426,703)	(405,665)
	<u>83,452</u>	<u>(200,605)</u>
	<b><u>4,236,135</u></b>	<b><u>1,701,900</u></b>

9- These financial statements were authorised for issue by the Board of Directors of the company on October 30, 2023

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

10.1 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