

**SUNRAYS TEXTILE MILLS LIMITED**



**HALF YEARLY STATEMENT**

**FOR THE SIX MONTH PERIOD  
ENDED DECEMBER 31, 2023**

**Contents****Page**

Company profile	<b>2</b>
Director's Report English	<b>3 - 4</b>
Director's Report Urdu	<b>5 - 6</b>
Independent Auditor's Review Report	<b>7</b>
Unconsolidated Condensed Interim Statement of Financial Position	<b>8</b>
Unconsolidated Condensed Interim Statement of Profit or Loss	<b>9</b>
Unconsolidated Condensed Interim Statement of Comprehensive Income	<b>10</b>
Unconsolidated Condensed Interim Statement of Changes in Equity	<b>11</b>
Unconsolidated Condensed Interim Statement of Cash Flows	<b>12</b>
Notes to the Unconsolidated Interim Financial Statement	<b>13-18</b>
Consolidated Condensed Interim Statement of Financial Position	<b>19</b>
Consolidated Condensed Interim Statement of Profit or Loss	<b>20</b>
Consolidated Condensed Interim Statement of Comprehensive income	<b>21</b>
Consolidated Condensed Interim Statement of Changes in Equity	<b>22</b>
Consolidated Condensed Interim Statement of Cash Flows	<b>23</b>
Notes to the Consolidated Interim Financial Statement	<b>24-29</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

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 half year ended December 31, 2023 duly reviewed by external auditors. During the period under review your Company has earned pre-tax profit Rs. Rs. 458.783 (M).

### **FINANCIAL HIGHLIGHTS**

	Half Year Ended December 31.(Rs.In Millions)	
	2023	2022
Sales – Net	9,957.531	4,584.458
Gross Profit	1,047.650	402.739
Other Income	222.862	148.395
Profit Before Taxation	458.783	248.153
Taxation	(116,799)	(58.861)
Profit After Taxation	341.985	189.293

### **REVIEW OF OPERATIONS**

The revenue has increased by Rs. 5,372 million as compared to last corresponding year. Your Company earned profit after tax Rs.341.985 million as compared to Rs. 189.293 million over the last corresponding period. Gross profit increased by Rs 645 million as compared to the last corresponding period. The admin expenses have increased by Rs 28 million where as the distribution cost have increased by Rs 39 million as compared to corresponding period last year. During the period under review the company has also added 6000 rotors as part of their expansion in production capacity to provide a wider mix of products to their customers.

### **EARNING PER SHARE**

The earnings per share for the half year ended December 31, 2023 is Rs.16.52 as compared to Rs.9.14 for the previous corresponding period.

### **FUTURE PROSPECTS**

Throughout the latter half of 2023, the economy grappled with formidable obstacles, including soaring inflation, an expanding fiscal deficit, and political instability. Nevertheless, amidst these challenges, there were encouraging signs such as the injection of IMF funding, enhanced export performance, and an increase in foreign exchange reserves. These developments hinted at the possibility of a resurgence in 2024. Anticipation surrounds the government's ongoing dedication to enacting reforms in energy, fiscal policies, and the external sector. Nonetheless, there looms the risk of fiscal setbacks and sluggish reform progress. While a stabilization of the economy is forecasted for 2024, the speed of recovery depends heavily on the effective execution of planned reforms and the assurance of sustained external funding.

The government has recently raised gas tariffs substantially for the textile sector, demonstrating its commitment to fulfilling the IMF standby agreement. It is anticipated that additional increases will follow in the coming months. Despite this, management remains dedicated to pursuing cost-effective strategies as part of its ongoing efforts.

### 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 02  
Independent Director 03  
Non-Executive Director 06

Category	Names
Independent Directors	Mr. Faisal Hanif Ms. Azra Yaqub Vawda Mr. Farooq Hassan
Executive Directors	Mr. Kashif Riaz (CEO) Mr. Sheikh Shafqat Masood
Non-Executive Directors	Mr. Naveed Ahmed 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*  
**Kashif Riaz**  
CHIEF EXECUTIVE OFFICER  
Karachi  
Dated: February 28, 2024

*[Signature]*  
DIRECTOR

# سنریز ٹیکسٹائل ملز لمیٹڈ

## ڈائریکٹرز رپورٹ ششماہی ۳۱ دسمبر ۲۰۲۳

بورڈ آف ڈائریکٹرز اپنی رپورٹ اور اس کے ساتھ ششماہی ۳۱ دسمبر ۲۰۲۳ کے مالیاتی گوشوارے (غیر آڈٹ شدہ) اور بیرونی آڈیٹرز کے جائزہ لی ہوئی رپورٹ بخوشی پیش کرتے ہیں۔ زیر مدت جس کا جائزہ لیا جا رہا ہے آئی کینی نے 45.88 کروڑ روپے قبل از ٹیکس منافع کمایا ہے۔

مالی اور آپریشنل نتائج:

ششماہی ۳۱ دسمبر		تفصیل
2023	2022	
9,957,531	4,584,458	فروختگی
1,047,650	402,739	خاص منافع
222,862	148,395	دیگر آمدن
458,783	248,153	قبل از ٹیکس منافع
(116,799)	(58,861)	ٹیکس
341,985	189,293	بعد از ٹیکس منافع

آپریشنل تجزیہ

فروختگی میں اسی مدت کے مقابلے میں 5,372.17 کروڑ روپے کا اضافہ ہوا ہے۔ آئی کینی کا اس عرصہ میں بعد از ٹیکس منافع 34.20 کروڑ روپے کا اضافہ ہے جبکہ گزشتہ اس عرصہ میں 18.92 کروڑ روپے کا اضافہ ہوا ہے۔ خاص منافع میں گزشتہ اسی عرصہ کے مقابلے میں 64.50 کروڑ روپے کا اضافہ ہوا ہے۔ انتظامی اخراجات میں 2.81 کروڑ روپے کا اضافہ ہوا ہے جبکہ فروختگی کی لاگت میں گزشتہ سال کی اسی مدت کو مقابلے میں 3.89 کروڑ روپے کا اضافہ ہوا ہے۔ زیر جائزہ مدت کے دوران کینی نے اپنی پیداواری صلاحیت میں اضافہ کے لیے 6000 روٹرز بھی شامل کیے ہیں تاکہ اپنے صارفین کو وسیع تر مصنوعات فراہم کی جاسکیں۔

فی حصص آمدن:

فی حصص آمدن سہ ماہی - ۳۱ دسمبر ۲۰۲۳ ختم ہونے پر 16.52 روپے ہے، جبکہ پچھلی اسی مدت میں یہ 9.14 روپے تھی۔

مشغل کی صورت حال:

سال 2023 کی آخری ششماہی کے دوران معیشت زبردست رکاوٹوں سے دوچار رہی، بشمول بڑھتی ہوئی افراط زر، بڑھتا ہوا مالیاتی خسارہ اور سیاسی عدم استحکام۔ اس کے باوجود ان چیلنجوں کے درمیان حوصلہ افزاء اشارے تھے جیسے IMF کی فنڈنگ، بہتر برآمدی کارکردگی اور زر مبادلہ کے ذخائر میں اضافہ۔ ان پیش رفتوں نے 2024 میں دوبارہ بہتری کے امکان کی طرف اشارہ کیا ہے۔ توانائی، مالیاتی پالیسیوں اور بیرونی شعبے میں اصلاحات کو نافذ کرنے کے لیے حکومت کی جاری لگن سے توقعات وابستہ ہیں۔ بہر حال مالیاتی دھچکے اور اصلاحات کی سست پیش رفت کا خطرہ ہے جبکہ 2024 کے لیے معیشت کے استحکام کی پیش گوئی کی گئی ہے۔ بحالی کی رفتار کا بہت زیادہ اٹھاؤ منصوبہ بند اصلاحات کے مؤثر نفاذ اور مستقل بیرونی فنڈنگ کی یقین دہانی پر ہے۔ حکومت نے حال ہی میں آئی ایم ایف کے ساتھ معاہدے کو پورا کرنے کے عزم کا اظہار کرتے ہوئے نیکسٹ سٹیپ کے لیے گیس کے نرخوں میں خاطر خواہ اضافہ کیا ہے۔ یہ متوقع ہے کہ آنے والے مہینوں میں مزید اضافہ ہوگا اس کے باوجود انتظامیہ اپنی لگائی شکاری حکمت عملی پر پوری طرح سے عمل پیرا ہے۔

بورڈ کی تشکیل:-

بورڈ کی تشکیل کارپوریٹ گورننس کے ضابطہ اخلاق، 2019 کے تقاضوں کے مطابق درج ذیل ہے۔

ڈائریکٹرز کی کل تعداد:-

9	الف ( مرد
2	ب ( خاتون
	تشکیل:-
2	فعال ڈائریکٹر
3	آزاد ڈائریکٹر
6	غیر فعال ڈائریکٹر

نام	کمیٹی
فیصل حنیف مس عذرا یعقوب فاروق حسن	آزاد ڈائریکٹرز
کاشف ریاض شیخ شفقت مسعود	فعال ڈائریکٹرز
نویدا احمد میاں شہزاد احمد میاں عمران احمد مسز فادیہ کاشف عرفان احمد شاہد ویز احمد	غیر فعال ڈائریکٹرز
مسز فادیہ کاشف مس عذرا یعقوب	خواتین ڈائریکٹرز

ماحولیات، صحت اور حفاظت:

آپ کی کپنی 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:

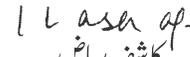
کپنی کے سالانہ اور مختلف مدت کے مالیاتی بیانات کو کپنی کی ویب سائٹ <http://indus-group.com> پر موجود ہیں جہاں سے شیئر ہولڈر اور دوسرے لوگ معلومات حاصل کر سکتے ہیں۔

اظہار تشکر:-

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

یورڈ آف ڈائریکٹرز کی جانب سے

  
ڈائریکٹر

  
کاشف ریاض  
چیف ایگزیکٹو آفیسر

28 فروری 2024

# INDEPENDENT AUDITORS' REVIEW REPORT

To the members of Sunrays Textile Mills Limited

Report on the Review of Unconsolidated Interim Financial Statements

## Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of **Sunrays Textile Mills Limited** (the Company) as at December 31, 2023 and the related unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of changes in equity, unconsolidated condensed interim statement of cash flows, and notes to the financial statements for the six month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

The figures of the unconsolidated condensed interim statement of profit or loss and unconsolidated condensed interim statement of comprehensive income and the related notes for the three-month period ended December 31, 2023 have not been reviewed, as we are required to review only the cumulative figures for the six month period ended December 31, 2023.

## Scope of Review

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

## Conclusion

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

The engagement partner on the review resulting in this independent auditor's review report is Muhammad Sufyan.

*Young Adil*

**Chartered Accountants**

Multan

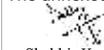
Date: 28 February 2024

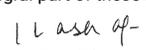
UDIN:RR2023101806aIBXbYHW

**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF  
FINANCIAL POSITION  
AS AT DECEMBER 31, 2023**

ASSETS	Note	(Unaudited) December 31, 2023 Rupees	(Audited) June 30, 2023 Rupees
<b>Non-current assets</b>			
Property, plant and equipment	3	7,451,628,592	7,336,402,867
Investment properties		2,342,055	2,342,055
Long term investment		190,850,000	190,850,000
Long term deposits		9,419,267	9,419,267
		<b>7,654,239,914</b>	<b>7,539,014,189</b>
<b>Current assets</b>			
Stores and spares		149,236,647	109,838,500
Stock in trade	4	3,474,877,504	2,251,843,475
Trade debts		3,152,301,333	1,181,300,477
Loans and advances		98,789,496	106,853,873
Trade deposits and short term prepayments		37,530,726	21,139,226
Advance income tax		92,342,241	164,021,250
Other financial assets		428,487,483	308,588,655
Sales tax refundable		1,043,122,097	560,413,914
income tax refundable		123,732,845	51,532,339
Other receivables		19,581,172	56,468,715
Cash and bank balances		79,728,901	50,402,621
		<b>8,699,730,445</b>	<b>4,862,403,045</b>
<b>Total assets</b>		<b>16,353,970,359</b>	<b>12,401,417,234</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Issued, subscribed and paid-up capital		207,000,000	207,000,000
Share premium		3,600,000	3,600,000
Surplus on revaluation of property, plant and equipment		1,927,255,295	1,983,349,881
General reserves		612,000,000	612,000,000
Unappropriated profit		5,941,379,206	5,543,302,217
		<b>8,691,234,501</b>	<b>8,349,252,098</b>
<b>Non-current liabilities</b>			
Long term financing	5	2,883,113,273	2,753,804,609
Deferred liabilities		30,618,112	18,390,994
		<b>2,913,731,385</b>	<b>2,772,195,603</b>
<b>Current liabilities</b>			
Trade and other payables		779,047,710	599,193,175
Accrued markup		244,484,197	133,652,081
Short term borrowings	6	3,330,307,993	191,100,843
Current portion of long term financing		175,543,911	164,308,301
Unclaimed dividend		22,523,062	24,201,201
Provision for taxation		197,097,600	167,513,932
		<b>4,749,004,473</b>	<b>1,279,969,533</b>
Contingencies and commitments	7		
<b>Total equity and liabilities</b>		<b>16,353,970,359</b>	<b>12,401,417,234</b>

The annexed notes from 1 to 16 form an integral part of these interim financial statements.

  
Shabbir Kausar  
Chief Financial Officer

  
Kashif Riaz  
Chief Executive Officer

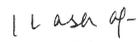
  
Mian Imran Ahmed  
Chairman

**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF  
PROFIT OR LOSS  
FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2023**

	Note	...Six month period ended...		...Three month period ended...	
		December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
----- Rupees -----					
Revenue from contract with customers - net	8	<b>9,957,530,887</b>	4,584,457,828	<b>5,270,599,197</b>	2,621,864,889
Cost of goods sold	9	<b>(8,909,880,261)</b>	(4,181,256,043)	<b>(4,673,744,003)</b>	(2,479,391,551)
<b>Gross profit</b>		<b>1,047,650,626</b>	403,201,785	<b>596,855,194</b>	142,473,338
Other income	10	<b>221,778,571</b>	147,615,457	<b>187,286,571</b>	60,994,457
		<b>1,269,429,197</b>	550,817,242	<b>784,141,765</b>	203,467,795
Distribution cost		<b>(107,136,921)</b>	(68,192,343)	<b>(51,984,921)</b>	(33,978,343)
Administrative expenses		<b>(150,603,941)</b>	(123,318,607)	<b>(80,954,941)</b>	(61,456,607)
Other expenses		<b>(34,513,888)</b>	(39,503,979)	<b>(28,725,888)</b>	(28,360,979)
		<b>(292,254,750)</b>	(231,014,929)	<b>(161,665,750)</b>	(123,795,929)
Finance cost		<b>(518,632,793)</b>	(71,895,087)	<b>(273,905,793)</b>	(43,489,087)
<b>Profit before taxation</b>		<b>458,541,654</b>	247,907,226	<b>348,570,222</b>	36,182,779
Taxation		<b>(116,559,251)</b>	(58,679,836)	<b>(77,542,251)</b>	(27,902,836)
<b>Profit after tax</b>		<b>341,982,403</b>	189,227,390	<b>271,027,971</b>	8,279,943
		<b>16.52</b>	<b>9.14</b>	<b>13.09</b>	<b>0.40</b>

The annexed notes from 1 to 16 form an integral part of these interim financial statements.

  
Shabbir Kausar  
Chief Financial Officer

  
Kashif Riaz  
Chief Executive Officer

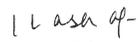
  
Mian Imran Ahmed  
Chairman

**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF  
COMPREHENSIVE INCOME  
FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2023**

	...Six month period ended ...		...Three month period ended ...	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	----- Rupees -----			
Profit for the period	<b>341,982,403</b>	189,227,390	<b>271,027,971</b>	8,279,943
<b>Other comprehensive income</b>	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>341,982,403</b>	189,227,390	<b>271,027,971</b>	8,279,943

The annexed notes from 1 to 16 form an integral part of these interim financial statements.

  
Shabbir Kausar  
Chief Financial Officer

  
Kashif Riaz  
Chief Executive Officer

  
Mian Imran Ahmed  
Chairman

**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY  
FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2023**

	Issued, subscribed and paid-up capital	Capital reserves		Revenue reserves		Total
		Share Premium	Surplus on revaluation of fixed assets	General reserve	Unappropriated profits	
	207,000,000	3,600,000	2,131,810,253	612,000,000	5,148,424,850	8,102,835,103
	-	-	-	-	189,227,390	441,336,464
	-	-	-	-	189,227,390	189,227,390
	-	-	(63,665,049)	-	63,665,049	-
	<b>207,000,000</b>	<b>3,600,000</b>	<b>2,068,145,204</b>	<b>612,000,000</b>	<b>5,401,317,288</b>	<b>8,292,062,492</b>
	<b>207,000,000</b>	<b>3,600,000</b>	<b>1,983,349,881</b>	<b>612,000,000</b>	<b>5,543,302,217</b>	<b>8,349,252,097</b>
	-	-	-	-	341,982,403	341,982,403
	-	-	-	-	341,982,403	341,982,403
	-	-	(56,094,586)	-	56,094,586	-
	<b>207,000,000</b>	<b>3,600,000</b>	<b>1,927,255,295</b>	<b>612,000,000</b>	<b>5,941,379,206</b>	<b>8,691,234,500</b>

----- Rupees -----

**Balance as at June 30, 2022 - Audited**

Profit for the six month period ended December 31, 2022  
Other comprehensive income  
Total comprehensive income for the six month period ended December 31, 2022

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

**Balance as at December 31, 2022 - Unaudited**

**Balance as at June 30, 2023 - Audited**

Profit for the six month period ended December 31, 2023  
Other comprehensive income  
Total comprehensive income for the six month period ended December 31, 2023

Transfer from surplus on revaluation of property, plant and equipment  
on account of incremental depreciation

**Balance as at December 31, 2023 - Unaudited**

The annexed notes from 1 to 16 form an integral part of these interim financial statements.

  
Shahbir Kausar  
Chief Financial Officer

  
Kashif Riaz  
Chief Executive Officer

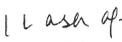
  
Mian Imran Ahmed  
Chairman

**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF  
CASH FLOWS  
FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2023**

	----- Six month period ended -----	
	December 31, 2023 Rupees	December 31, 2022 Rupees
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	458,541,654	247,907,226
Adjustments for:		
Depreciation on property, plant and equipment	284,692,850	135,099,369
Provision for staff retirement benefits - gratuity	14,232,000	7,500,000
Realized gain on disposal of other financial assets	-	(13,273,739)
Unrealized gain on re-measurement of other financial assets	(111,745,975)	(26,380,982)
Realized loss on disposal of other financial assets	-	25,133,419
Unrealized foreign currency exchange gain	(84,222,410)	-
Gain on disposal of property, plant and equipment	(185,628)	-
Finance cost	518,632,793	71,895,087
	621,403,630	199,973,154
Operating cash flows before movements in working capital	1,079,945,284	447,880,380
Changes in working capital		
(Increase) / decrease in current assets		
Stores and spares	(39,398,147)	(23,073,641)
Stock in trade	(1,223,034,029)	574,650,051
Trade debts	(1,971,000,856)	(1,034,402,764)
Loans and advances	8,064,377	12,534,443
Due from Government	(482,708,183)	(63,076,291)
Trade deposits and short term prepayments	(16,391,500)	2,100,090
Other receivables	36,887,543	12,839,267
Increase in current liability		
Trade and other payables	179,854,535	(57,783,905)
	(3,507,726,260)	(576,212,749)
Cash used in operations	(2,427,780,976)	(128,332,369)
Finance cost paid	(407,800,677)	(48,131,390)
Staff retirement benefits - gratuity paid	(2,004,882)	(77,964,558)
Income taxes paid - net	(87,497,080)	(45,233,125)
<b>Net cash used in operating activities</b>	(2,925,083,615)	(299,661,442)
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Addition to property plant and equipment	(17,779,900)	(30,347,600)
Additions to capital work in progress	(382,453,048)	(2,299,472,680)
Proceeds from disposal of property, plant and equipment	500,000	-
Payments for purchase of other financial assets	(8,152,851)	(2,543,297,285)
Proceeds from disposal of other financial assets	-	3,631,259,719
<b>Net cash used in investing activities</b>	(407,885,799)	(1,241,857,846)
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long term financing - receipt	222,795,172	884,036,260
Long term financing - payments	(82,250,899)	(98,258,153)
Short term borrowings - cash finance	3,110,815,458	-
Dividend paid	(1,678,139)	(647,452)
<b>Net cash generated from financing activities</b>	3,249,681,592	785,130,655
Net decrease in cash and cash equivalents (A+B+C)	(83,287,822)	(756,388,633)
Cash and cash equivalents at beginning of the period	(140,698,222)	96,648,425
<b>Cash and cash equivalents at end of the period</b>	(223,986,044)	(659,740,208)
<b>CASH AND CASH EQUIVALENT</b>		
Cash and bank balances	79,728,901	37,363,019
Running finance	(303,714,945)	(697,103,227)
	(223,986,044)	(659,740,208)

The annexed notes from 1 to 16 form an integral part of these interim financial statements.

  
Shabbir Kausar  
Chief Financial Officer

  
Kashif Riaz  
Chief Executive Officer

  
Mian Imran Ahmed  
Chairman

**NOTES TO THE UNCONSOLIDATED INTERIM FINANCIAL  
STATEMENT  
FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 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 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 area of the mill is 114 kanals and 10 marlas, and is located at Khanpur Shumali khewat no. 359, District Muzaffargarh, Dera Ghazi Khan Division, in the province of Punjab.

1.2 These financial statements are the separate financial statements of the Company in which investment in subsidiary companies is accounted for on the basis of actual cost less impairment, if any. Consolidated financial statements are prepared separately.

1.3 These interim financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency.

**2. MATERIAL ACCOUNTING POLICY INFORMATION**

**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 unconsolidated condensed interim financial statements do not include all information required for full unconsolidated annual financial statements and should be read in conjunction with unconsolidated annual audited financial statements for the year ended June 30, 2023. Comparative unconsolidated condensed interim statement of financial position has been extracted from unconsolidated annual audited financial statements for the year ended June 30, 2023 whereas comparative unconsolidated condensed statement of profit or loss and unconsolidated condensed interim statement of comprehensive income, comparative unconsolidated condensed interim statement of changes in equity and comparative unconsolidated condensed interim statement of cash flows has been extracted from un-audited unconsolidated condensed interim financial statements for the six month period ended December 31, 2022.

**2.3 MATERIAL ACCOUNTING POLICY INFORMATION, ESTIMATES AND JUDGEMENTS.**

The accounting policies and the methods of computation adopted in the preparation of this unconsolidated condensed interim financial information and the significant judgements made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied in the preparation of the financial statements as at and for the year ended June 30, 2023 except as disclosed below.

Certain new IFRSs and amendments to existing IFRSs are effective for periods beginning on or after July 1, 2023, which do not have any impact on the Company's financial reporting other than as disclosed following:

During the period, the Company adopted Disclosure of Accounting Policies (Amendments to IAS 1) from January 01, 2023. The amendments require the disclosure of 'material', rather than 'significant', accounting policies. Although the amendments did not result in any changes to the accounting policies themselves

		(Unaudited) December 31, 2023 Rupees	(Audited) June 30, 2023 Rupees
3. PROPERTY, PLANT AND EQUIPMENT	Note		
Operating assets	3.1	<b>6,947,026,762</b>	3,340,107,948
Capital work-in progress	3.2	<b>504,601,830</b>	3,996,294,918
		<b>7,451,628,592</b>	<b>7,336,402,865</b>
3.1 Operating assets			
Opening book value		<b>3,340,107,948</b>	3,568,666,933
Additions during the period / year - cost			
Building on freehold land	3.1.1	<b>1,226,061,920</b>	-
Plant and machinery	3.1.1	<b>2,648,084,216</b>	-
Vehicles		<b>17,779,900</b>	44,679,200
Furniture and fittings		-	1,774,800
		<b>3,891,926,036</b>	46,454,000
Disposals during the period / year - written down value			
Plant and machinery		-	(3,992,854)
Vehicles		<b>(314,372)</b>	(115,527)
Net book value of disposed asset		<b>(314,372)</b>	(4,108,381)
Depreciation charge for the period / year		<b>(284,692,850)</b>	(270,904,604)
Closing carrying value		<b>6,947,026,762</b>	3,340,107,948
3.1.1 This amounts represent for new spinning unit installed by the company to enhance its overall production capacity. The said unit was made available for commercial production on August 1, 2023.			
		(Unaudited) December 31, 2023 Rupees	(Audited) June 30, 2023 Rupees
3.2 Capital Work in Progress	Note		
Opening balance		<b>3,996,294,918</b>	655,349,208
Additions during the period / year			
Machinery	3.2.1	<b>94,951,610</b>	2,369,503,902
Building	3.2.2	<b>112,740,418</b>	971,441,808
Electric installations		<b>174,761,020</b>	-
		<b>382,453,048</b>	3,340,945,710
Transferred to operating assets		<b>(3,874,146,136)</b>	-
		<b>504,601,830</b>	3,996,294,918
3.2.1 This amounts represents advance against letter of credit for machinery and electric installations of new spinning unit.			
3.2.2 This amount represents expense incurred by entity for construction of building of new spinning unit .			
4. STOCK IN TRADE	Note		
Raw material		<b>2,622,610,256</b>	1,641,158,805
Raw material in-transit		-	20,973,412
Work in process		<b>144,882,021</b>	79,556,007
Finished goods		<b>477,185,120</b>	260,436,736
Waste		<b>230,200,107</b>	249,718,515
		<b>3,474,877,504</b>	2,251,843,475
5. LONG-TERM FINANCING	Note		
From banking companies - secured			
Term finance:			
Allied Bank Limited		<b>683,388,110</b>	687,088,110
Bank Al Habib Limited		<b>92,886,900</b>	105,070,500
Bank Al Habib Limited		<b>815,000,000</b>	815,000,000
		<b>1,591,275,010</b>	1,607,158,610

Demand finance:			
MCB Bank Limited	5.1	<b>617,216,894</b>	542,611,894
LTFE:			
United Bank Limited		<b>14,773,530</b>	22,160,295
Bank Alfalah Limited		<b>292,968,750</b>	316,406,250
MCB Bank Limited		<b>272,151,439</b>	298,902,709
Allied Bank Limited		<b>63,667,887</b>	68,565,418
Allied Bank Limited		<b>58,413,501</b>	62,307,734
Askari Bank Limited	5.2	<b>148,190,173</b>	-
		<b>850,165,280</b>	768,342,406
		<b>3,058,657,184</b>	<b>2,918,112,910</b>
Less: Current portion		<b>(175,543,911)</b>	(164,308,301)
		<b>2,883,113,273</b>	2,753,804,609

5.1 MCB Bank Limited

This finance has been obtained to retire / finance imported components / equipments / machinery imported through MCB used for setting-up new open ended Spinning unit. The loan is repayable in 16 equal half yearly installments after 2 years grace period against each LC. It carries mark up at the rate of 6 months KIBOR + 0.5%. The finance is secured against 1st pari passu hypothecation / Equitable mortgage charge of Rs 934 million on all fixed asset of the Company.

5.2 Askari Bank Limited - LTFE

This finance has been obtained from Askari Bank Limited for the payment of import documents drawn under LC sight having Limit of Rs 170 million for import of renewable energy equipment having capacity 2 MW. It carries mark up at the rate of 3 months KIBOR + 1.75%. The finance is secured against first pari passu charge of Rs. 227 million over all present and future fixed assets of the Company with 25% margin. The loan is repayable in 32 equal quarterly installments.

		(Unaudited) December 31, 2023	(Audited) June 30, 2023
6. SHORT TERM BORROWINGS			
Secured - under markup arrangements from banking companies	Note	Rupees	Rupees
Running finance		<b>303,714,945</b>	191,100,843
Cash finance		<b>3,026,593,048</b>	-
	6.1	<b>3,330,307,993</b>	191,100,843

6.1 Short term facilities available from commercial banks under mark up arrangements aggregates to Rs. 8,100 million (June 30, 2023: Rs.6,475 million) of which facilities aggregating to Rs. 4,686 million (June 30, 2023:Rs.6,284 million) remained unutilized at the period end. The rate of mark up ranges from 22.49% to 23.61% per annum (June 30, 2023: 14.66% to 22.70% per annum) payable on quarterly basis. These finances are secured against pledge of raw materials and finished goods, hypothecation charge and joint pari passu charge over present and future current assets of the Company.

7. CONTINGENCIES AND COMMITMENTS

7.1 Contingencies

There is no significant change in status of contingent liabilities since the annual financial statements as at December 31, 2023.

		(Unaudited) December 31, 2023	(Audited) June 30, 2023
7.2 Commitments	Note	Rupees	Rupees
Bank guarantees	7.2.1	<b>290,481,302</b>	280,481,302
Foreign bills purchased		<b>965,213,000</b>	251,000,000
In land bill purchased		<b>376,756,894</b>	299,890,000
Letters of credit	7.2.2	<b>846,044,738</b>	1,234,233,166
7.2.1 Bank guarantees			
In favor of	Bank		
Sui Northern Gas			
Pipelines Limited	MCB Bank Limited	<b>57,061,261</b>	57,061,261
Ministry of textile	MCB Bank Limited	<b>599,574</b>	599,574
Excise and taxation	MCB Bank Limited	<b>121,985,915</b>	111,985,915
Excise and taxation	United Bank Limited	<b>110,560,000</b>	110,560,000
CCI & E	Habib Bank Limited	<b>274,552</b>	274,552
		<b>290,481,302</b>	280,481,302

7.2.2 Letters of credit				
- Stores & spares			<b>31,905,359</b>	49,962,273
- Raw material			<b>463,092,011</b>	1,020,520,176
- Plant and machinery			<b>351,047,368</b>	163,750,717
			<b>846,044,738</b>	1,234,233,166
	----- Six month period ended -----			---Three month period ended---
	December 31,			December 31,
	2023	2022	2023	2022
	.....Rupees.....			
8. REVENUE FROM CONTRACT WITH CUSTOMERS - NET				
Exports				
Yarn	<b>6,921,178,510</b>	3,848,624,245	<b>4,265,167,597</b>	2,068,951,675
Local				
Yarn	<b>3,614,276,292</b>	1,059,546,081	<b>1,269,935,355</b>	731,003,875
Doubling	-	3,172,905	-	3,172,905
Waste	<b>132,940,912</b>	134,065,632	<b>89,497,764</b>	82,499,925
	<b>3,747,217,204</b>	1,196,784,618	<b>1,359,433,119</b>	816,676,705
Less:				
Sales tax on local sales	<b>(653,434,006)</b>	(426,619,891)	<b>(325,833,587)</b>	(243,690,522)
Commission	<b>(57,430,821)</b>	(34,331,144)	<b>(28,167,932)</b>	(20,072,969)
	<b>9,957,530,887</b>	<b>4,584,457,828</b>	<b>5,270,599,197</b>	<b>2,621,864,889</b>
	----- Six month period ended -----			---Three month period ended---
	December 31,			December 31,
	2023	2022	2023	2022
	.....Rupees.....			
9. COST OF GOODS SOLD				
Raw material consumed	<b>7,052,771,975</b>	3,362,162,827	<b>3,885,101,975</b>	1,868,429,827
Power and fuel	<b>806,396,320</b>	328,412,540	<b>449,137,320</b>	148,998,540
Salaries, wages and benefits	<b>306,347,021</b>	167,124,612	<b>175,587,021</b>	77,748,612
Packing material consumed	<b>96,577,412</b>	44,228,490	<b>52,769,412</b>	24,146,490
Stores and spares consumed	<b>95,272,680</b>	48,313,728	<b>44,950,680</b>	26,610,728
Repair and maintenance	<b>18,420,352</b>	5,015,327	<b>6,833,352</b>	3,052,327
Insurance	<b>9,280,464</b>	9,621,389	<b>6,280,464</b>	7,521,389
Depreciation	<b>274,911,350</b>	126,295,617	<b>158,042,350</b>	63,147,617
Others	<b>2,381,177</b>	980,784	<b>1,177,177</b>	543,784
	<b>8,662,358,751</b>	4,092,155,314	<b>4,779,879,751</b>	2,220,199,314
Work in process				
Opening stock	<b>79,556,007</b>	49,121,588	<b>128,154,000</b>	50,586,000
Closing stock	<b>(144,882,021)</b>	(68,447,094)	<b>(144,882,021)</b>	(68,447,094)
	<b>(65,326,014)</b>	(19,325,506)	<b>(16,728,021)</b>	(17,861,094)
<b>Cost of goods manufactured</b>	<b>8,597,032,737</b>	<b>4,072,829,808</b>	<b>4,763,151,730</b>	<b>2,202,338,220</b>
Finished goods				
Opening stock	<b>510,155,251</b>	205,060,404	<b>426,703,000</b>	405,665,000
Purchase of finished goods	<b>510,077,500</b>	31,977,500	<b>191,274,500</b>	-
Closing stock	<b>(707,385,227)</b>	(128,611,669)	<b>(707,385,227)</b>	(128,611,669)
	<b>312,847,524</b>	<b>108,426,235</b>	<b>(89,407,727)</b>	277,053,331
	<b>8,909,880,261</b>	4,181,256,043	<b>4,673,744,003</b>	2,479,391,551
			(Unaudited)	(Unaudited)
10. OTHER INCOME			December 31,	December 31,
<b>Income from financial assets</b>			2023	2022
Unrealized gain on remeasurement of other financial assets			Rupees	Rupees
			<b>111,745,975</b>	26,380,982
Realized gain on disposal of other financial assets			-	13,273,739
Unrealized foreign currency exchange gain			<b>84,222,410</b>	-
Interest / profit on bank deposits			<b>12,926,551</b>	9,313,924
Dividend income			<b>12,698,007</b>	98,646,812
<b>Income from non financial assets</b>				
Gain on sale of property, plant and equipment			<b>185,628</b>	-
			<b>221,778,571</b>	147,615,457

## 11. RELATED PARTY TRANSACTIONS

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

	----- Six month period ended ----- December 31, 2023		---Three month period ended --- December 31, 2022	
	.....Rupees.....			
Transactions with directors and key management personnel				
Remuneration and other benefits of chief executive, directors and executives	63,093,354	58,433,131	30,507,789	31,419,495
	----- Six month period ended ----- December 31, 2023		---Three month period ended --- December 31, 2022	
	.....Rupees.....			
Transactions with associated undertakings				
Indus Home Limited				
Sale of goods and services	107,901,017	19,327,955	67,510,017	7,852,765
Due from associates	27,329,366	15,943,375	27,329,366	15,943,375
Indus Dyeing & Manufacturing Company Limited				
Purchase of goods and services	468,387,125	-	199,081,125	-
Due to associates	(61,553,325)	-	(61,553,325)	-

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

## 12. FAIR VALUE MEASUREMENTS

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

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

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

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

The Company has its freehold land, building on freehold land and plant and machinery revalued on June 30, 2022 by M.Y.K Associates (Private) Limited and Joseph Lobo (Private) Limited. Both are independent valuer 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.

#### Other Financial Assets

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

As at December 31,  
2023

	Level 1	Level 2	Level 3
	-----Rupees-----		
Free holdland	-	981,040,000	-
Building on free holdland	-	427,500,000	-
Plant and machinery	-	4,222,308,262	-
Other financial assets	423,177,262	5,310,221	-
<b>Total</b>	<b>423,177,262</b>	<b>5,636,158,483</b>	<b>-</b>

As at June 30, 2023

	Level 1	Level 2	Level 3
	-----Rupees-----		
Freehold land	-	981,040,000	-
Building on freehold land	-	450,000,000	-
Plant and machinery	-	1,796,450,797	-
Other financial assets	308,509,009	79,646	-
<b>Total</b>	<b>308,509,009</b>	<b>3,227,570,443</b>	<b>-</b>

Fair value of all other financial assets and liabilities approximated their carrying value.  
There were no transfers between levels of fair value hierarchy during the period.

### 13. FINANCIAL RISK MANAGEMENT

The company's risk management objectives and policies are consistent with those objectives and policies which were disclosed in the annual financial statements of the Company as at and for the year ended June 30, 2023.

### 14. CORRESPONDING FIGURES

Corresponding figures have been rearranged or reclassified, wherever necessary, for the purpose of comparison and better presentation. However, no significant reclassification / rearrangement has been made except as given below:

Reclassified from	Reclassified to	Reason	Rupees
Loans and advances	Long term deposits	Better presentation	2,428,067

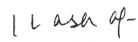
### 15. DATE OF AUTHORIZATION OF INTERIM FINANCIAL STATEMENTS

The condensed interim financial statements were authorized for issue on February 28, 2024 by the Board of Directors of the Company.

### 16. FIGURES

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

  
Shabbir Kausar  
Chief Financial Officer

  
Kashif Riaz  
Chief Executive Officer

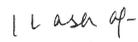
  
Mian Imran Ahmed  
Chairman

**CONSOLIDATED CONDENSED INTERIM STATEMENT OF  
FINANCIAL POSITION  
AS AT DECEMBER 31, 2023**

ASSETS	Note	(Unaudited) December 31, 2023	(Audited) June 30, 2023
		Rupees	Rupees
<b>Non-current assets</b>			
Property, plant and equipment	3	7,646,393,754	7,531,943,358
Investment properties		2,342,055	2,342,055
Long term deposits		9,439,307	9,439,307
		<b>7,658,175,116</b>	<b>7,543,724,720</b>
<b>Current assets</b>			
Stores and spares		149,236,647	109,838,500
Stock in trade	4	3,474,877,504	2,251,843,475
Trade debts		3,152,301,333	1,181,300,477
Loans and advances		100,774,490	106,853,873
Trade deposits and short term prepayments		37,530,726	21,139,226
Advance Income Tax		92,342,241	164,021,250
Other financial assets		428,487,483	310,061,739
Sales tax refundable		1,043,122,097	
Income tax refundable		123,732,845	612,053,760
Other receivables		19,581,172	56,468,715
Cash and bank balances		79,809,214	50,481,161
		<b>8,701,795,752</b>	<b>4,864,062,176</b>
<b>Total assets</b>		<b>16,359,970,868</b>	<b>12,407,786,896</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Issued, subscribed and paid-up capital		207,000,000	207,000,000
Share premium		3,600,000	3,600,000
Surplus on revaluation of property, plant and equipment		1,925,244,703	1,981,808,736
General reserves		612,000,000	612,000,000
Unappropriated profit		5,949,049,381	5,550,500,698
		<b>8,696,894,084</b>	<b>8,354,909,435</b>
<b>Non-current liabilities</b>			
Long term financing		2,883,113,273	2,753,804,609
Deferred liabilities		30,959,038	18,731,920
		<b>2,914,072,311</b>	<b>2,772,536,529</b>
<b>Current liabilities</b>			
Trade and other payables		779,047,710	599,564,574
Accrued markup		244,484,197	133,652,081
Short term borrowings		3,330,307,993	191,100,843
Current portion of long term financing		175,543,911	164,308,301
Unclaimed / unpaid dividend		22,523,062	24,201,201
Provision for taxation		197,097,600	167,513,932
		<b>4,749,004,473</b>	<b>1,280,340,932</b>
Contingencies and commitments	5		
<b>Total equity and liabilities</b>		<b>16,359,970,868</b>	<b>12,407,786,896</b>

The annexed notes from 1 to 16 form an integral part of these interim financial statements.

  
Shabbir Kausar  
Chief Financial Officer

  
Kashif Riaz  
Chief Executive Officer

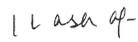
  
Mian Imran Ahmed  
Chairman

**CONSOLIDATED CONDENSED INTERIM STATEMENT OF  
PROFIT OR LOSS  
FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2023**

	Note	...Six month period ended...		...Three month period ended...	
		December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
		----- Rupees -----			
Revenue from contract with customers - net	6	9,957,530,887	4,584,457,828	5,270,598,887	2,621,864,889
Cost of goods sold	7	(8,909,880,261)	(4,181,719,202)	(4,673,745,261)	(2,479,818,721)
<b>Gross profit</b>		<b>1,047,650,626</b>	<b>402,738,626</b>	<b>596,853,626</b>	<b>142,046,168</b>
Other income		<b>222,861,952</b>	<b>148,395,457</b>	<b>187,832,952</b>	<b>61,684,457</b>
		<b>1,270,512,578</b>	<b>551,134,083</b>	<b>784,686,578</b>	<b>203,730,625</b>
Distribution cost		(107,136,921)	(68,192,343)	(51,984,921)	(33,978,343)
Administrative expenses		(151,445,815)	(123,389,300)	(81,644,815)	(61,648,786)
Other expenses		(34,513,888)	(39,503,979)	(28,725,888)	(28,360,979)
		(293,096,624)	(231,085,622)	(162,355,624)	(123,988,108)
Finance cost		(518,632,793)	(71,895,087)	(273,905,793)	(43,489,087)
<b>Profit before taxation</b>		<b>458,783,161</b>	<b>248,153,374</b>	<b>348,425,161</b>	<b>36,253,430</b>
Taxation	8	(116,798,511)	(58,860,796)	(77,771,511)	(27,992,915)
<b>Profit after tax</b>		<b>341,984,650</b>	<b>189,292,578</b>	<b>270,653,650</b>	<b>8,260,515</b>
		<b>16.52</b>	<b>9.14</b>	<b>13.08</b>	<b>0.40</b>

The annexed notes from 1 to 16 form an integral part of these interim financial statements.

  
Shabbir Kausar  
Chief Financial Officer

  
Kashif Riaz  
Chief Executive Officer

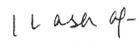
  
Mian Imran Ahmed  
Chairman

**CONSOLIDATED CONDENSED INTERIM STATEMENT OF  
COMPREHENSIVE INCOME  
FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2023**

	...Six month period ended ...		...Three month period ended ...	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	----- Rupees -----			
Profit for the period	<b>341,984,650</b>	189,292,578	<b>270,653,650</b>	8,260,515
<b>Other comprehensive income</b>	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>341,984,650</b>	189,292,578	<b>270,653,650</b>	8,260,515

The annexed notes from 1 to 16 form an integral part of these interim financial statements.

  
Shabbir Kausar  
Chief Financial Officer

  
Kashif Riaz  
Chief Executive Officer

  
Mian Imran Ahmed  
Chairman

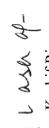
**CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY  
FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2023**

	Issued, subscribed and paid-up capital	Capital reserves		Revenue reserves		Total
		Share Premium	Surplus on revaluation of fixed assets	General reserve	Unappropriated profits	
<b>Balance as at June 30, 2022 - Audited</b>	207,000,000	3,600,000	2,131,048,389	612,000,000	5,155,596,805	8,109,245,194
Profit for the six month period ended December 31, 2021	-	-	-	-	189,292,578	189,292,578
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the six month period ended December 31, 2020	-	-	-	-	189,292,578	189,292,578
<b>Transactions with shareholders:</b>						
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation (net of deferred tax)	-	-	(62,903,185)	-	62,903,185	-
<b>Balance as at December 31, 2022 - Unaudited</b>	207,000,000	3,600,000	2,068,145,204	612,000,000	5,407,792,568	8,298,537,772
<b>Balance as at June 30, 2023 - Audited</b>	207,000,000	3,600,000	1,981,808,736	612,000,000	5,550,500,698	8,354,909,434
Profit for the six month period ended December 31, 2023	-	-	-	-	341,984,650	341,984,650
<b>Transactions with shareholders:</b>						
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation (net of deferred tax)	-	-	(56,564,033)	-	56,564,033	-
<b>Balance as at December 31, 2023 - Unaudited</b>	207,000,000	3,600,000	1,925,244,703	612,000,000	5,949,049,381	8,696,894,084

-----Rupees-----

The annexed selected notes from 1 to 16 form an integral part of these interim financial statements.

  
Shabbir Kausar  
Chief Financial Officer

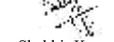
-----  
  
Kashif Riaz  
Chief Executive Officer

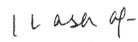
  
Milan Imran Ahmed  
Chairman

**CONSOLIDATED CONDENSED INTERIM STATEMENT OF  
CASH FLOWS  
FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2023**

	— Six month period ended —	
	December 31, 2023	December 31, 2022
	Rupees	Rupees
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	<b>458,783,161</b>	247,853,374
Adjustments for:		
Depreciation on property, plant and equipment	<b>285,468,180</b>	135,562,589
Provision for staff retirement benefits - gratuity	<b>14,232,000</b>	7,500,000
Realized gain on disposal of other financial assets	-	(13,273,739)
Unrealized gain on re-measurement of other financial assets	<b>(111,740,093)</b>	(26,380,982)
Realized loss on disposal of other financial assets	-	25,133,419
Unrealized foreign currency exchange gain	<b>(84,222,410)</b>	-
Gain on disposal of property, plant and equipment	<b>(185,628)</b>	-
Finance cost	<b>518,632,793</b>	71,895,087
	<b>622,184,842</b>	200,436,374
Operating cash flows before movements in working capital	<b>1,080,968,003</b>	448,289,748
Changes in working capital		
(Increase) / decrease in current assets		
Stores and spares	<b>(39,398,147)</b>	(23,073,641)
Stock in trade	<b>(1,223,034,029)</b>	574,650,051
Trade debts	<b>(1,971,000,856)</b>	(1,034,402,764)
Loans and advances	7,583,222	12,534,443
Due from Government	<b>(482,708,183)</b>	(63,076,291)
Trade deposits and short term prepayments	<b>(16,391,500)</b>	2,100,090
Other receivables	<b>36,887,543</b>	12,659,267
Increase in current liability		
Trade and other payables	<b>179,477,252</b>	(57,795,235)
	<b>(3,508,584,698)</b>	(576,404,080)
Cash used in operations	<b>(2,427,616,695)</b>	(128,114,332)
Finance cost paid	<b>(407,800,677)</b>	(48,131,390)
Staff retirement benefits - gratuity paid	<b>(2,004,882)</b>	(77,964,558)
Income Taxes paid - net	<b>(87,659,588)</b>	(45,541,525)
<b>Net cash used in operating activities</b>	<b>(2,925,081,842)</b>	<b>(299,751,805)</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Addition to property plant and equipment	<b>(17,779,900)</b>	(30,347,600)
Additions to capital work in progress	<b>(382,453,048)</b>	(2,299,472,680)
Proceeds from disposal of property, plant and equipment	500,000	-
Payments for purchase of other financial assets	<b>(8,152,851)</b>	(2,543,297,285)
Proceeds from disposal of other financial assets	-	3,631,259,719
<b>Net cash used in investing activities</b>	<b>(407,885,799)</b>	<b>(1,241,857,846)</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long term financing - receipt	<b>222,795,172</b>	884,036,260
Long term financing - payment	<b>(82,250,899)</b>	-
Short term borrowings - cash finance	<b>3,110,815,458</b>	-
Dividend paid	<b>(1,678,139)</b>	(647,452)
<b>Net cash from financing activities</b>	<b>3,249,681,592</b>	<b>883,388,808</b>
Net decrease in cash and cash equivalents (A+B+C)	<b>(83,286,049)</b>	<b>(658,220,843)</b>
Cash and cash equivalents at beginning of the period	<b>(140,619,682)</b>	97,678,977
<b>Cash and cash equivalents at end of the period</b>	<b>(223,905,731)</b>	<b>(560,541,866)</b>
<b>CASH AND CASH EQUIVALENT</b>		
Cash and bank balances	79,809,214	38,303,209
Running finance	<b>(303,714,945)</b>	<b>(598,845,075)</b>
	<b>(223,905,731)</b>	<b>(560,541,866)</b>

The annexed selected notes from 1 to 16 form an integral part of these interim financial statements.

  
Shabbir Kausar  
Chief Financial Officer

  
Kashif Riaz  
Chief Executive Officer

  
Mian Imran Ahmed  
Chairman

## **NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENT FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2023**

The Group consists of Sunrays Textile Mills Limited (the Holding Company) and its subsidiary namely Embee Industries (Private) Limited.

### **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 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 area of the mill is 114 kanals and 10 marlas, and is located at Khanpur Shumali khewat no. 359, District Muzaffargarh, Dera Ghazi Khan Division, in the province of Punjab.
- 1.2 These consolidated interim financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency.
- 1.3 These consolidated condensed interim financial statements do not include all information required for full annual financial statements and should be read in conjunction with annual audited financial statements for the year ended June 30, 2023. Comparative condensed interim statement of financial position has been extracted from annual audited financial statements for the year ended June 30, 2023 whereas comparative condensed statement profit or loss and condensed interim statement of comprehensive income, comparative condensed interim statement of changes in equity and comparative condensed interim statement of cash flows has been extracted from un-audited condensed interim financial statements for the six month period ended December 31, 2022.

### **2. MATERIAL ACCOUNTING POLICY INFORMATION**

#### **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 consolidated condensed interim financial statements do not include all information required for full consolidated annual financial statements and should be read in conjunction with consolidated annual audited financial statements for the year ended June 30, 2023. Comparative consolidated condensed interim statement of financial position has been extracted from consolidated annual audited financial statements for the year ended June 30, 2023 whereas comparative consolidated condensed statement of profit or loss and consolidated condensed interim statement of comprehensive income, comparative consolidated condensed interim statement of changes in equity and comparative consolidated condensed interim statement of cash flows has been extracted from un-audited consolidated condensed interim financial statements for the six month period ended December 31, 2022.

#### **2.3 MATERIAL ACCOUNTING POLICY INFORMATION, ESTIMATES AND JUDGEMENTS.**

The accounting policies and the methods of computation adopted in the preparation of this consolidated condensed interim financial information and the significant judgements made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied in the preparation of the financial statements as at and for the year ended June 30, 2023 except as disclosed below.

Certain new IFRSs and amendments to existing IFRSs are effective for periods beginning on or after July 1, 2023, which do not have any impact on the Company's financial reporting other than as disclosed following:

During the period, the Company adopted Disclosure of Accounting Policies (Amendments to IAS 1) from January 01, 2023. The amendments require the disclosure of 'material', rather than 'significant', accounting policies. Although the amendments did not result in any changes to the accounting policies themselves

	Note	(Unaudited) December 31, 2023 Rupees	(Audited) June 30, 2023 Rupees
<b>3. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating assets	3.1	<b>7,141,791,924</b>	3,535,648,440
Capital work-in progress	3.2	<b>504,601,830</b>	3,996,294,918
		<b>7,646,393,754</b>	<b>7,531,943,358</b>
<b>3.1 Operating assets</b>			
Opening book value		<b>3,535,648,440</b>	3,765,195,736
Additions during the period / year - cost			
Building on freehold land	3.1.1	<b>1,226,061,920</b>	-
Plant and machinery	3.1.1	<b>2,648,084,216</b>	-
Vehicles		<b>17,779,900</b>	44,679,200
Furniture and fittings		-	1,774,800
		<b>3,891,926,036</b>	46,454,000
Disposals during the period / year - written down value			
Plant and machinery		-	(3,992,854)
Vehicles		<b>(314,372)</b>	(115,527)
Net book value of disposed asset		<b>(314,372)</b>	(4,108,381)
Depreciation charge for the period / year		<b>(285,468,180)</b>	(271,892,915)
Closing carrying value		<b>7,141,791,924</b>	3,535,648,440
3.1.1 This amounts represent for new spinning unit installed by the company to enhance its overall production capacity. The said unit was made available for commercial production on August 1, 2023.			
		(Unaudited) December 31, 2023 Rupees	(Audited) June 30, 2023 Rupees
<b>3.2 Capital Work in Progress</b>			
Opening balance		<b>3,996,294,918</b>	655,349,208
Additions during the period / year			
Machinery	3.2.1	<b>94,951,610</b>	2,369,503,902
Building	3.2.2	<b>112,740,418</b>	971,441,808
Electric installations		<b>174,761,020</b>	-
		<b>382,453,048</b>	3,340,945,710
Transferred to operating assets		<b>(3,874,146,136)</b>	-
		<b>504,601,830</b>	3,996,294,918
3.2.1 This amounts represents advance against letter of credit for machinery and electric installations of new spinning unit.			
3.2.2 This amount represents expense incurred by entity for construction of building of new spinning unit .			
<b>4. STOCK IN TRADE</b>			
Raw material		<b>2,622,610,256</b>	1,641,158,805
Raw material in-transit		-	20,973,412
Work in process		<b>144,882,021</b>	79,556,007
Finished goods		<b>477,185,120</b>	260,436,736
Waste		<b>230,200,107</b>	249,718,515
		<b>3,474,877,504</b>	2,251,843,475
<b>5. LONG-TERM FINANCING</b>			
From banking companies - secured			
Term finance:			
Allied Bank Limited		<b>683,388,110</b>	687,088,110
Bank Al Habib Limited		<b>92,886,900</b>	105,070,500
Bank Al Habib Limited		<b>815,000,000</b>	815,000,000
		<b>1,591,275,010</b>	1,607,158,610
Demand finance:			
MCB Bank Limited	5.1	<b>617,216,894</b>	542,611,894

LTFE:

United Bank Limited		14,773,530	22,160,295
Bank Alfalah Limited		292,968,750	316,406,250
MCB Bank Limited		272,151,439	298,902,709
Allied Bank Limited		63,667,887	68,565,418
Allied Bank Limited		58,413,501	62,307,734
Askari Bank Limited	5.2	148,190,173	-
		<b>850,165,280</b>	<b>768,342,406</b>
Less: Current portion		<b>3,058,657,184</b>	<b>2,918,112,910</b>
		<b>(175,543,911)</b>	<b>(164,308,301)</b>
		<b>2,883,113,273</b>	<b>2,753,804,609</b>

5.1 MCB Bank Limited

This finance has been obtained to retire / finance imported components / equipments / machinery imported through MCB used for setting-up new open ended Spinning unit. The loan is repayable in 16 equal half yearly installments after 2 years grace period against each LC. It carries mark up at the rate of 6 months KIBOR + 0.5%. The finance is secured against 1st pari passu hypothecation / Equitable mortgage charge of Rs 934 million on all fixed asset of the Company.

5.2 Askari Bank Limited - LTFE

This finance has been obtained from Askari Bank Limited for the payment of import documents drawn under LC sight having Limit of Rs 170 million for import of renewable energy equipment having capacity 2 MW. It carries mark up at the rate of 3 months KIBOR + 1.75%. The finance is secured against first pari passu charge of Rs. 227 million over all present and future fixed assets of the Company with 25% margin. The loan is repayable in 32 equal quarterly installments.

		(Unaudited)	(Audited)
		December 31,	June 30,
		2023	2023
		Rupees	Rupees
6.	SHORT TERM BORROWINGS		
	Secured - under markup arrangements from banking companies	Note	
	Running finance	303,714,945	191,100,843
	Cash finance	3,026,593,048	-
		<b>3,330,307,993</b>	<b>191,100,843</b>

6.1 Short term facilities available from commercial banks under mark up arrangements aggregates to Rs. 8,100 million (June 30, 2023: Rs.6,475 million) of which facilities aggregating to Rs. 4,686 million (June 30, 2023:Rs.6,284 million) remained unutilized at the period end. The rate of mark up ranges from 22.49% to 23.61% per annum (June 30, 2023: 14.66% to 22.70% per annum) payable on quarterly basis. These finances are secured against pledge of raw materials and finished goods, hypothecation charge and joint pari passu charge over present and future current assets of the Company.

7. CONTINGENCIES AND COMMITMENTS

7.1 Contingencies

There is no significant change in status of contingent liabilities since the annual financial statements as at December 31, 2023.

		(Unaudited)	(Audited)
		December 31,	June 30,
		2023	2023
		Rupees	Rupees
7.2	Commitments		
	Bank guarantees	7.2.1	
	Foreign bills purchased	290,481,302	280,481,302
	In land bill purchased	376,756,894	299,890,000
	Letters of credit	7.2.2	
		846,044,738	1,234,233,166
7.2.1	Bank guarantees		
	In favor of		
	Sui Northern Gas		
	Pipelines Limited	MCB Bank Limited	57,061,261
	Ministry of textile	MCB Bank Limited	599,574
	Excise and taxation	MCB Bank Limited	121,985,915
	Excise and taxation	United Bank Limited	110,560,000
	CCI & E	Habib Bank Limited	274,552
		<b>290,481,302</b>	<b>280,481,302</b>
7.2.2	Letters of credit		
	- Stores & spares	31,905,359	49,962,273
	- Raw material	463,092,011	1,020,520,176
	- Plant and machinery	351,047,368	163,750,717
		<b>846,044,738</b>	<b>1,234,233,166</b>

	----- Six month period ended -----		--Three month period ended --	
	December 31,	December 31,	December 31,	December 31,
	2023	2022	2023	2022
	.....Rupees.....			
<b>8. REVENUE FROM CONTRACT WITH CUSTOMERS - NET</b>				
Exports				
Yarn	<b>6,921,178,510</b>	3,848,624,245	<b>4,265,167,597</b>	2,068,951,675
Local				
Yarn	<b>3,614,276,292</b>	1,059,546,081	<b>1,269,935,355</b>	731,003,875
Doubling	-	3,172,905	-	3,172,905
Waste	<b>132,940,912</b>	134,065,632	<b>89,497,764</b>	82,499,925
	<b>3,747,217,204</b>	1,196,784,618	<b>1,359,433,119</b>	816,676,705
Less:				
Sales tax on local sales	<b>(653,434,006)</b>	(426,619,891)	<b>(325,833,587)</b>	(243,690,522)
Commission	<b>(57,430,821)</b>	(34,331,144)	<b>(28,167,932)</b>	(20,072,969)
	<b>9,957,530,887</b>	<b>4,584,457,828</b>	<b>5,270,599,197</b>	<b>2,621,864,889</b>
	----- Six month period ended -----		--Three month period ended --	
	December 31,	December 31,	December 31,	December 31,
	2023	2022	2023	2022
	.....Rupees.....			
<b>9. COST OF GOODS SOLD</b>				
Raw material consumed	<b>7,052,771,975</b>	3,362,162,827	<b>3,885,101,975</b>	1,868,429,827
Power and fuel	<b>806,396,320</b>	328,412,540	<b>449,137,320</b>	148,998,540
Salaries, wages and benefits	<b>306,347,021</b>	167,124,612	<b>175,587,021</b>	77,748,612
Packing material consumed	<b>96,577,412</b>	44,228,490	<b>52,769,412</b>	24,146,490
Stores and spares consumed	<b>95,272,680</b>	48,313,728	<b>44,950,680</b>	26,610,728
Repair and maintenance	<b>18,420,352</b>	5,015,327	<b>6,833,352</b>	3,052,327
Insurance	<b>9,280,464</b>	9,621,389	<b>6,280,464</b>	7,521,389
Depreciation	<b>274,911,350</b>	126,758,776	<b>158,042,350</b>	63,575,287
Others	<b>2,381,177</b>	980,784	<b>1,177,177</b>	543,784
	<b>8,662,358,751</b>	4,092,618,473	<b>4,779,879,751</b>	2,220,626,984
Work in process				
Opening stock	<b>79,556,007</b>	49,121,588	<b>128,154,000</b>	50,586,000
Closing stock	<b>(144,882,021)</b>	(68,447,094)	<b>(144,882,021)</b>	(68,447,094)
	<b>(65,326,014)</b>	(19,325,506)	<b>(16,728,021)</b>	(17,861,094)
<b>Cost of goods manufactured</b>	<b>8,597,032,737</b>	<b>4,073,292,967</b>	<b>4,763,151,730</b>	<b>2,202,765,890</b>
Finished goods				
Opening stock	<b>510,155,251</b>	205,060,404	<b>426,703,000</b>	405,665,000
Purchase of finished goods	<b>510,077,500</b>	31,977,500	<b>191,274,500</b>	(500)
Closing stock	<b>(707,385,227)</b>	(128,611,669)	<b>(707,385,227)</b>	(128,611,669)
	<b>312,847,524</b>	<b>108,426,235</b>	<b>(89,407,727)</b>	277,052,831
	<b>8,909,880,261</b>	4,181,719,202	<b>4,673,744,003</b>	2,479,818,721
			(Unaudited)	(Unaudited)
			December 31,	December 31,
			2023	2022
			Rupees	Rupees
<b>10. OTHER INCOME</b>				
<b>Income from financial assets</b>				
Unrealized gain on remeasurement of other financial assets			<b>111,745,975</b>	26,380,982
Realized gain on disposal of other financial assets			-	13,273,739
Unrealized foreign currency exchange gain			<b>84,222,410</b>	-
Interest / profit on bank deposits			<b>12,926,551</b>	9,313,924
Dividend income			<b>12,698,007</b>	98,646,812
Others				780,000
<b>Income from non financial assets</b>				
Gain on sale of property, plant and equipment			<b>185,628</b>	-
			<b>221,778,571</b>	148,395,457

11. RELATED PARTY TRANSACTIONS

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

	----- Six month period ended -----		--Three month period ended --	
	December 31,		December 31,	
	2023	2022	2023	2022
	.....Rupees.....			
Transactions with directors and key management personnel				
Remuneration and other benefits of chief executive, directors and executives	<b>63,093,354</b>	<b>58,433,131</b>	<b>30,507,789</b>	<b>31,419,495</b>

	----- Six month period ended -----		--Three month period ended --	
	December 31,		December 31,	
	2023	2022	2023	2022
	.....Rupees.....			
Transactions with associated undertakings				

Indus Home Limited

Sale of goods and services	<b>107,901,017</b>	<b>19,327,955</b>	<b>67,510,017</b>	<b>7,852,765</b>
Due from associates	<b>27,329,366</b>	<b>15,943,375</b>	<b>27,329,366</b>	<b>15,943,375</b>

Indus Dyeing & Manufacturing Company Limited

Purchase of goods and services	<b>468,387,125</b>	-	<b>199,081,125</b>	-
Due to associates	<b>(61,553,325)</b>	-	<b>(61,553,325)</b>	-

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

12. FAIR VALUE MEASUREMENTS

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

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

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

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

The Company has its freehold land, building on freehold land and plant and machinery revalued on June 30, 2022 by M.Y.K Associates (Private) Limited and Joseph Lobo (Private) Limited. Both are independent valuer 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.

#### Other Financial Assets

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

As at December 31,  
2023

	Level 1	Level 2	Level 3
	-----Rupees-----		
Free holdland	-	1,159,040,000	-
Building on free holdland	-	445,038,152	-
Plant and machinery	-	4,222,308,262	-
Other financial assets	423,177,262	5,310,221	-
<b>Total</b>	<b>423,177,262</b>	<b>5,831,696,635</b>	-

As at June 30, 2023

	Level 1	Level 2	Level 3
	-----Rupees-----		
Freehold land	-	1,159,040,000	-
Building on freehold land	-	467,538,152	-
Plant and machinery	-	1,775,018,490	-
Other financial assets	214,649,093	79,646	-
<b>Total</b>	<b>214,649,093</b>	<b>3,401,676,288</b>	-

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

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

#### 13. FINANCIAL RISK MANAGEMENT

The company's risk management objectives and policies are consistent with those objectives and policies which were disclosed in the annual financial statements of the Company as at and for the year ended June 30, 2023.

#### 14. CORRESPONDING FIGURES

Corresponding figures have been rearranged or reclassified, wherever necessary, for the purpose of comparison and better presentation. However, no significant reclassification / rearrangement has been made except as given below:

Reclassified from	Reclassified to	Reason	Rupees
Loans and advances	Long term deposits	Better presentation	2,428,067

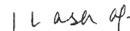
#### 15. DATE OF AUTHORIZATION OF INTERIM FINANCIAL STATEMENTS

The condensed interim financial statements were authorized for issue on February 28, 2024 by the Board of Directors of the Company.

#### 16. FIGURES

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

  
Shabbir Kausar  
Chief Financial Officer

  
Kashif Riaz  
Chief Executive Officer

  
Mian Imran Ahmed  
Chairman