

# **SUNRAYS TEXTILE MILLS LIMITED**

## **COMPANY PROFILE**

### **BOARD OF DIRECTORS**

- |                                  |   |
|----------------------------------|---|
| 1. Mian Riaz Ahmed<br>(Chairman) | 2. Mr. Kashif Riaz<br>(Chief Executive) |
| 3. Mian Mohammad Ahmad           | 4. Mr. Shahzad Ahmad                    |
| 5. Mr. Naveed Ahmad              | 6. Mr. Imran Ahmad                      |
| 7. Mr. Irfan Ahmed               | 8. Mr. Shafqat Masood                   |

### **AUDIT COMMITTEE**

- |                           |             |
|---------------------------|-------------|
| 1. Mr. Shahzad Ahmed      | (Chairman)  |
| 2. Mr. Naveed Ahmed       | (Member)    |
| 3. Mr. Shafqat Masood     | (Member)    |
| 4. Mr. Ahmed Faheem Niazi | (Secretary) |

### **CHIEF FINANCIAL OFFICER**

Mr. Shabbir Kausar

### **COMPANY SECRETARY**

Mr. Ahmed Faheem Niazi

### **REGISTERED OFFICE**

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

### **WEBSITE**

<http://www.Indus-group.com/web/download.htm>

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

Corporate Support Services ( Pvt ) Ltd.

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

Tel. 35662023 – 24

Fax. 35221192

### **FACTORY LOCATION**

Khanpur Shomali Bagga Sher M.M. Road Muzaffar Garh

### **BANKERS**

Muslim Commercial Bank Limited

Soneri Bank Limited

Allied Bank Limited

United Bank Limited

Meezan Bank Limited

Habib Bank Limited

### **AUDITORS**

M/s Yousuf Adil Saleem & Company

Chartered Accountants Lahore.

## **DIRECTOR'S REPORT**

### **Dear Share Holders,**

Your Directors are pleased to present the first quarterly(un-audited)accounts for the period ended September 30, 2011.Your company earned pretax profit of Rs.49.998 (M) during the period under review.The management is closely monitoring the current market situation and focused on maintaing his performance.Your management is taking all possible measures for smooth operations of the mill and to controle expenses to minimum level.Your company earned good profit during the first quarter and we hope INSHA ALLAH this trend will be maintained.

The earning per share is Rs.5.60(Par value Rs.10/=per share)

We further state that:

- a) The Financial Statements prepared by the Management, present fairly its state of affairs, the result of its operations, Cash Flows and changes in equity;
- b) Proper books of Accounts have been maintained;
- c) Appropriate accounting policies have been consistently applied in preparation of Financial Statements and accounting estimates are based on reasonable and prudent judgment.
- d) International Accounting Standards, as applicable in Pakistan have been followed in preparation of Financial Statements.
- e) There are no significant doubts upon the company's ability to continue as a going concern.
- f) Internal auditor is continuously reviewing the existing system of internal control and other procedures. The process of review will continue and any weakness in controls will have immediate attention of the Management.
- g) There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.

The labour management relations remained cordial and we would like to thanks to the employees of the company for their hard work and Company"s Bankers for their co-operation.

**FOR AND ON BEHALF OF THE BOARD**

Karachi  
Dated: October 28, 2011

**Kashif Riaz  
CHIEF EXECUTIVE OFFICER**

**SUN RAYS TEXTILE MILLS LIMITED**  
**BALANCE SHEET AS AT SEPTEMBER 30,2011**  
(Un-audited)

	<b>Sep. 30,</b>	<b>June. 30,</b>		<b>Sep. 30,</b>	<b>June. 30,</b>
	<b>2011</b>	<b>2011</b>		<b>2011</b>	<b>2011</b>
	<u>Rupees</u>	<u>Rupees</u>		<u>Rupees</u>	<u>Rupees</u>
	(000)	(000)		(000)	(000)
<b>SHARE CAPITAL AND RESERVES</b>			<b>FIXED CAPITAL EXPENDITURE</b>		
Authorized capital			Property, plant and equipment	879,698	880,937
10,000,000 Ordinary			Investment property	2,342	2,342
Shares of Rs.10/=each	100,000	100,000	Long term deposits	435	435
				882,475	883,714
Issued,Subscribed And paid up	69,000	69,000			
Reserves	253,600	253,600			
Un-appropriated profit	764,621	723,273			
	1,087,221	1,045,873			
<b>SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT</b>	169,677	169,528			
<b>NON-CURRENT LIABILITIES</b>					
Long term financing	16,041	18,332			
Liabilities against assets subject to finance lease	-	-			
Deferred liabilities	56,784	62,618			
	72,824	80,950			
<b>CURRENT LIABILITIES</b>			Stores,spares and loose tools	56,857	47,169
Trade and other payables	161,419	147,761	Stock-in-trade	159,574	520,627
Markup accrued on loans	2,730	18,809	Trade debts	241,012	527,639
Short term borrowings	86,189	560,882	Loans and advances	49,088	69,776
Current portion of non-current Liabilities	41,067	48,035	Trade deposits and short term prepayments	6,583	6,769
Provision for taxation	15,384	52,042	Tax refund due from Government	39,949	38,173
	306,789	827,530	Other Receivables	804	1,361
Contingencies and commitments	-	-	Cash and bank balances	200,168	28,652
				754,036	1,240,166
	<b>1,636,511</b>	<b>2,123,881</b>		<b>1,636,511</b>	<b>2,123,881</b>

**CHIEF EXECUTIVE OFFICER**

**DIRECTOR**

**CHIEF FINANCIAL OFFICER**

**SUN RAYS TEXTILE MILLS LIMITED**  
**PROFIT AND LOSS ACCOUNT ( UN-AUDITED)**  
**For The First Quarter Ended September 30, 2011**

	<b>Sep. 30, 2011</b>	<b>Sep. 30, 2010</b>
	<b>Rupees (000)</b>	<b>Rupees (000)</b>
<b>Sales -net</b>	1,035,790	926,347
<b>Cost Of Goods Sold</b>	<u>944,045</u>	<u>759,291</u>
<b>Gross Profit</b>	91,744	167,056
<b>Other operating income</b>	435	268
<b>Profit on trading of cotton lint</b>	<u>-</u>	<u>180</u>
	92,180	167,503
Distribution cost	<u>14,725</u>	<u>13,544</u>
Administrative expenses	13,828	12,336
Other operating expenses	2,666	8,987
Finance cost	<u>10,962</u>	<u>11,977</u>
	<u>42,182</u>	<u>46,844</u>
Profit before taxation	49,998	120,659
Provision for taxation	<u>11,346</u>	<u>8,688</u>
<b>Profit after taxation</b>	38,652	111,971
Other comprehensive income for the period-net of tax	<u>-</u>	<u>-</u>
<b>Total comprehensive income for the period-after tax</b>	<u><b>38,652</b></u>	<u><b>111,971</b></u>
<b>Earning per share-basic and diluted</b>	<u>5.60</u>	<u>16.23</u>

**CHIEF EXECUTIVE OFFICER**

**DIRECTOR**

**CHIEF FINANCIAL OFFICER**

**CASH FLOW STATEMENT**  
**For The First Quarter Ended September 30, 2011**

	<b>Sep. 30, 2011 Rupees</b>	<b>Sep. 30, 2010 Rupees</b>
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit before taxation</b>	49,998	120,659
<b>Adjustment for:</b>		
Depreciation on property, plant and equipment	19,219	19,319
Provision for gratuity	1,500	1,500
Finance cost	10,962	11,977
Operating cash flows before movement in working capital	81,679	153,455
<b>(Increase)/decrease in current assets</b>		
Stores ,spares and loose tools	(9,688)	(11,051)
Stock -in- trade	361,054	162,232
Trade debts	286,626	5,378
Loans and advances	20,688	17,162
Trade deposits and short term prepayments	186	1,309
Tax refund due from Government(excluding advance income tax)	(1,776)	(2,532)
Other receivables	557	232
<b>Increase/(decrease) in current liabilities</b>		
Trade and other payables	13,659	10,956
	671,305	183,686
Cash generated from operations	752,984	337,141
Finance cost paid	(27,042)	(22,167)
Gratuity paid	(1,004)	(604)
Income taxes paid	(51,490)	-
Net cash generated from operating activities	673,449	314,370
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(17,980)	(4,025)
<b>Net cash used in investing activities</b>	(17,980)	(4,025)
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of long term financing	(4,792)	(70,992)
Repayment of principal portion of finance lease	(4,468)	(3,933)
Increase/(decrease) in short term bank borrowings	(474,693)	(227,842)
<b>Net cash from financing activities</b>	(483,953)	(302,767)
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	171,516	7,577
Cash and cash equivalents at the beginning of the year	28,652	11,711
Cash and cash equivalents end of the period	200,168	19,288

**CHIEF EXECUTIVE OFFICER**

**DIRECTOR**

**CHIEF FINANCIAL OFFICER**

**STATEMENT OF CHANGES IN EQUITY**

**For The First Quarter Ended September 30, 2011**

	Share Capital Rupees (000)	Share Premium Rupees (000)	General Reserve Rupees (000)	Un-Appropriated Profit/(Loss) Rupees (000)	Total Rupees (000)
Balance as at June :30,2010	69,000	3,600	250,000	498,581	821,181
Dividend for the year ended june 30, 2010 @ Re. 1 per share				(20,700)	(20,700)
Transferd to unappropriated profit from					
Revaluation surplus-net of deferred tax				10,703	10,703
Profit after taxation	-	-	-	234,689	
Other comprehensive income for the year- net of tax	-	-	-	-	
Total comprehensive income for the year ended june,2011	-	-	-	234,689	234,689
Balance as at June : 30,2011	69,000	3,600	250,000	723,273	1,045,873
Transferd to unappropriated profit from					
Revaluation surplus-net of deferred tax				2,696	2,696
Profit after taxation				38,652	
Other comprehensive income for the year- net of tax				-	
Total comprehensive income for the period				38,652	38,652
Balance as at Sep. 30,2011	69,000	3,600	250,000	764,621	1,087,221

**CHIEF EXECUTIVE OFFICER**

**DIRECTOR**

**CHIEF FINANCIAL OFFICER**

## **NOTES TO THE FINANCIAL STATEMENTS**

**For The First Quarter Ended September 30, 2011**

1 The company was incorporated in Pakistan on 27 August 1987 as public company limited by share and is listed at karachi stock exchange. Its main business activity is manufacturing and marketing of yarn. The mill is located in district Muzaffargarh, Dera Ghazi Khan division, in the province of Punjab.

2 These unaudited interim financial statements have been prepared in accordance with the requirements of international Accounting Standard (IAS) 34 'Interim financial Reporting and in compliance with requirements of section 245 of the companies ordinance 1984

3 The accounting policies adopted for the preparation of these quarterly financial statements are the same as those applied in the preparation of the financial statements for the preceding period ended June 30, 2011

### **4 CONTINGENCIES AND COMMITMENTS**

	<b>Sep 30, 2011</b>	<b>Sep 30, 2010</b>
	Rupees (000)	Rupees (000)
<b>CONTINGENCIES</b>		
Bank/financial institution/insurance guarantees	521,586	56,854
<b>COMMITMENTS</b>		
Under letters of credit	92,459	19,649

### **5 AGGREGATE TRANSACTION WITH ASSOCIATED UNDERTAKING**

Sales of goods and services	63,353	-
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5.1 These transaction have been carried out on the commercial terms and conditions.

### **6 ACQUISITION OF PROPERTY PLANT AND MACHINERY**

Acquisition	17,980	4,025
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### **7 COST OF GOODS SOLD**

	<b>Sep 30, 2011</b>	<b>Sep 30, 2010</b>
	Rupees (000)	Rupees (000)
Raw Material	783,363	623,676
Stores and Spares	13,865	13,206
Packing material	13,482	11,642
Salaries ,wages and benefits & Doubling Charges	30,850	27,552
Power and fuel	51,642	44,807
Insurance	1,350	1,350
Repair and maintenance	1,468	2,238
Depreciation	18,277	18,443
Others	98	97
	<b>914,396</b>	<b>743,011</b>
Work in process		
Opening stock	30,680	18,162
Closing stock	(28,986)	(20,855)
	1,694	(2,694)
Cost of goods manufactured	<b>916,091</b>	<b>740,317</b>
Purchase of yarn	11,590	-
Finished Goods		
opening stock	60,825	95,321
Closing stock	(44,461)	(76,348)
	16,365	18,974
	<b>944,045</b>	<b>759,291</b>

8 These financial statements were authorised for issue by the Board of Directors of the company on October 28, 2011.

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

**CHIEF EXECUTIVE OFFICER      DIRECTOR      CHIEF FINANCIAL OFFICER**