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COMPANY PROFILE**BOARD OF DIRECTORS**

- | | |
|----------------------------------|---|
| 1. Mian Riaz Ahmed
(Chairman) | 2. Mr. Kashif Riaz
(Chief Executive) |
| 3. Mian Mohammad Ahmad | 4. Mr. Shahzad Ahmad |
| 5. Mr. Naveed Ahmad | 6. Mr. Irfan Ahmed |
| 7. Mr. Shahwaiz Ahmed | 8. Mr. Shafqat Masood |
| 9. Sheikh Nishat Ahmed | |

AUDIT COMMITTEE

- | | |
|----------------------------|------------|
| 1. Mr. Sheikh Nishat Ahmed | (Chairman) |
| 2. Mr. Naveed Ahmad | (Member) |
| 3. Mr. Shafqat Masood | (Member) |

HUMAN RESOURCES AND REMUNERATION COMMITTEE

- | | |
|------------------------|------------|
| 1. Mian Mohammad Ahmed | (Chairman) |
| 2. Mr. Irfan Ahmed | (Member) |
| 3. Mr. Shahwaiz Ahmed | (Member) |

CHIEF FINANCIAL OFFICER

Mr. Shabbir Kausar

CHIEF INTERNAL AUDITOR

Mr. Imran Iftikhar

COMPANY SECRETARY

Mr. Ahmed Faheem Niazi

LEGAL ADVISOR

Mr. Yousuf Naseem
Advocates & Solicitors

REGISTERED OFFICE

5th floor, Office # 508, Beaumont Plaza,
Beaumont Road, Civil Lines Quarters, Karachi

SYMBOL OF THE COMPANY

SUTM

WEBSITE

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

REGISTRAR & SHARE TRANSFER OFFICE

Evolution factor (private) limited
(Formerly Corporate Support Services (Pvt) Ltd.)
407-408, Al - Ameer Center,
Shahrah-e-Iraq, Saddar Karachi.

Tel. 35662023 - 24

Fax. 35221192

FACTORY LOCATION

Khanpur Shomali Bagga Sher M.M. Road Muzaffar Garh

BANKERS

Muslim Commercial Bank Limited
Allied Bank Limited
Soneri Bank Limited
United Bank Limited
Meezan Bank Limited
Habib Bank Limited

AUDITORS

M/s Yousuf Adil Saleem & Company
Chartered Accountants Karachi.



DIRECTOR'S REPORT

Dear Share Holders,

We are pleased to present the 3rd quarterly (un-audited) accounts for the period ended March 31, 2015. Your company earned pretax profit of Rs.163.191 (M) during the period under review. Textile sector is facing challenges of continuous decline in yarn prices due to world wide depressed demand. Depressed business environment prevailed during the nine months under review which cause in decrease in profitability as compared to previous period. In the present scenario the results are likely to be adverse in coming quarter. Your's management is trying hard, for maintaining profitability. We are closely monitoring the current market situation and taking all possible measures for smooth operation of the Company.

The earning per share is Rs.18.16 (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 labor 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

Il asha af-

Kashif Riaz
CHIEF EXECUTIVE OFFICER

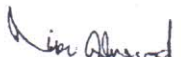
Dated April 30, 2015

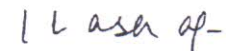


CONDENSED INTERIM BALANCE SHEET AS AT MARCH 31, 2015

		(Unaudited) March 31, 2015	(Audited) June 30, 2014
ASSETS	Note	Rupees in '000'	
Non-current assets			
Property, plant and equipment	4	1,055,683	1,123,115
Investment property		2,342	2,342
Long term deposits		435	435
		<u>1,058,460</u>	<u>1,125,892</u>
Current assets			
Stores and spares		83,185	84,411
Stock in trade	5	1,341,815	651,322
Trade debts		479,749	490,761
Loans and advances		78,303	97,398
Trade deposits and short term prepayments		2,202	2,128
Sales tax refundable		52,967	44,768
Income tax refundable		12,348	3,678
Other receivables		4,032	9,222
Other financial assets		229,066	990,500
Cash and bank balances		30,216	72,276
		<u>2,313,883</u>	<u>2,446,464</u>
Total assets		<u>3,372,343</u>	<u>3,572,356</u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised capital			
10,000,000 (June 30, 2014: 10,000,000) ordinary shares of Rs. 10 each		<u>100,000</u>	<u>100,000</u>
Issued, subscribed and paid-up capital			
6,900,000 (June 30, 2014: 6,900,000) ordinary shares of Rs. 10 each		69,000	69,000
Reserves		753,600	753,600
Unappropriated profits		1,215,661	1,204,053
		<u>2,038,261</u>	<u>2,026,653</u>
Surplus on revaluation of property plant and equipment		389,887	414,186
Non-current liabilities			
Long term financing		-	38,089
Deferred liabilities		34,516	28,937
		<u>34,516</u>	<u>67,026</u>
Current liabilities			
Trade and other payables		376,398	237,889
Accrued mark up		3,519	4,144
Short term borrowings	6	491,881	757,990
Current portion of non current liabilities		-	19,044
Provision for taxation		37,881	45,424
		<u>909,679</u>	<u>1,064,491</u>
Total equity and liabilities		<u>3,372,343</u>	<u>3,572,356</u>
Contingencies and commitments	7		

The annexed selected notes from 1 to 12 form an integral part of this condensed interim financial information.


CHAIRMAN

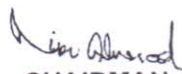

CHIEF EXECUTIVE




CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED) For The Nine Months Ended March 31, 2015

 Nine months ended Three months ended	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Note	----- Rupees in '000' -----			
Sales	3,179,910	3,555,317	980,016	1,290,488
Cost of goods sold	8 (2,881,596)	(3,097,316)	(878,977)	(1,187,305)
Gross profit	298,314	458,001	101,039	103,183
Profit/(loss) on other operations	695	-	(776)	-
	299,009	458,001	100,263	103,183
Distribution expenses	(55,961)	(62,643)	(16,418)	(24,401)
Administrative expenses	(76,466)	(70,486)	(25,712)	(23,887)
Other operating expenses	(12,124)	(21,322)	(3,948)	(3,670)
Finance cost	(27,574)	(29,974)	(8,033)	(11,260)
Other income	36,307	13,142	7,118	9,562
	(135,818)	(171,283)	(46,993)	(53,656)
Profit before taxation	163,191	286,718	53,270	49,527
Provision for taxation	(37,881)	(23,960)	(10,964)	(7,457)
Profit for the period	125,310	262,758	42,306	42,070
Other comprehensive income	-	-	-	-
Total comprehensive income	125,310	262,758	42,306	42,070
Earnings per share - basic and diluted	18.16	38.08	6.13	6.10

The annexed selected notes from 1 to 12 form an integral part of this condensed interim financial information.


CHAIRMAN


CHIEF EXECUTIVE

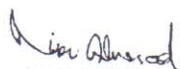


CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)

For The Nine Months ended March 31, 2015

Nine months ended.....	
	March 31, 2015	March 31, 2014
	Rupees in '000'	
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	163,191	286,718
Adjustments for :		
Depreciation on property, plant and equipment	74,907	79,446
Provision for staff retirement benefits - gratuity	9,609	6,750
(Gain) on sale of property, plant and equipment	-	(75)
Finance cost	27,574	29,974
Operating cash flows before movements in working capital	275,281	402,813
Changes in working capital		
(Increase) / decrease in current assets		
Stores and spares	1,226	(20,835)
Stock in trade	(690,493)	(280,018)
Trade debts	11,012	(75,160)
Loans and advances	19,095	(18,453)
Trade deposits and short term prepayments	(74)	(113)
Sales tax refundable	(8,199)	(11,652)
Income tax refundable	(8,670)	
Other receivables	5,190	(6,413)
Trade and other payables	34,444	24,788
	(636,469)	(387,856)
Cash (used)/generated from operations	(361,188)	14,957
Finance cost paid	(28,199)	(30,147)
Staff retirement benefits - gratuity paid	(4,030)	(3,612)
Tax paid	(45,424)	(48,185)
Net cash (used)/generated from operating activities	(438,841)	(66,987)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Addition to property plant and equipment	(7,475)	(47,357)
Proceeds from disposal of property plant and equipment	-	205
Purchase of other financial assets	(2,175,911)	(666,695)
Proceeds from disposal of financial assets	2,937,345	-
Net cash used in investing activities	753,959	(713,847)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long term financing	(57,133)	(25,919)
Dividend paid	(33,936)	(44,163)
Short term borrowings obtained (paid) - net	(266,109)	852,520
Net cash generated from (used) in financing activities	(357,178)	782,438
Net (decrease)/increase in cash and cash equivalents (A+B+C)	(42,060)	1,604
Cash and cash equivalents at beginning of the period	72,276	56,205
Cash and cash equivalents at end of the period	30,216	57,809

The annexed selected notes from 1 to 12 form an integral part of this condensed interim financial information.


CHAIRMAN


CHIEF EXECUTIVE



CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED) For The Nine Months Ended March 31, 2015

	Share capital	Share premium	General reserve	Un-appropriated profit	Total
			Rupees in '000'		
Balance as at July 01, 2013	69,000	3,600	750,000	987,277	1,809,877
Profit for the period	-	-	-	262,758	262,758
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	-	-
for the period ended March 31, 2014	-	-	-	-	-
Incremental depreciation arising due to surplus on revaluation of property, plant and equipment - net of deferred tax	-	-	-	17,549	17,549
Transactions with owners:					
Interim dividend for the period ended Sep 30, 2013 at the rate of Rs. 5 per share	-	-	-	(34,500)	(34,500)
Interim dividend for the period ended Dec 31, 2013 at the rate of Rs. 10 per share	-	-	-	(69,000)	(69,000)
Balance as at March 31, 2014	69,000	3,600	750,000	1,164,084	1,986,684
Balance as at July 01, 2014	69,000	3,600	750,000	1,204,053	2,026,653
Profit for the period	-	-	-	125,310	125,310
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	-	-
for the period ended March 31, 2015	-	-	-	-	-
Incremental depreciation arising due to surplus on revaluation of property, plant and equipment - net of deferred tax	-	-	-	24,298	24,298
Transactions with owners:					
Interim dividend for the period ended Sep 30, 2014 at the rate of Rs. 5 per share	-	-	-	(34,500)	(34,500)
Interim dividend for the period ended Dec 31, 2014 at the rate of Rs. 15 per share	-	-	-	(103,500)	(103,500)
Balance as at March 31, 2015	69,000	3,600	750,000	1,215,661	2,038,261

16 as on 31-
CHIEF EXECUTIVE

Chairman
CHAIRMAN



SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)

For The Nine Months Ended March 31, 2015

1. STATUS AND ACTIVITIES

1.1 Sunrays Textile Mills Limited (the Company) was incorporated in Pakistan on August 27, 1987 under the Companies Ordinance, 1984 and its shares are quoted on Karachi Stock Exchange. The Company is principally engaged in manufacturing and sale of yarn. The company is also operating ginning units and ice factories on leasing arrangement. 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 This condensed interim financial information is presented in Pak Rupees, which is the Company's functional and presentation currency.

2. BASIS OF PREPARATION

2.1 This condensed interim financial information of the Company for the nine months period ended March 31, 2015 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

2.2 This condensed interim financial information does 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, 2014. Comparative balance sheet is extracted from annual audited financial statements for the year ended June 30, 2014 whereas comparative profit and loss account, comparative statement of changes in equity and comparative cash flow statement are stated from un-audited condensed interim financial information for the nine months ended on March 31, 2014.

3. ACCOUNTING POLICIES AND ESTIMATES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of financial statements of the Company for the year ended June 30, 2014.

		(Unaudited) March 31, 2015	(Audited) June 30, 2014
		Rupees in '000'	
4. PROPERTY, PLANT AND EQUIPMENT	Note		
Operating assets	4.1	1,022,792	1,090,224
Capital work in progress		32,891	32,891
		<u>1,055,683</u>	<u>1,123,115</u>
4.1 Operating assets			
Opening book value		1,090,224	1,135,969
Additions during the period / year - cost			
Plant and machinery		2,111	40,181
Electric installations		-	4,923
Factory equipment		2,538	-
Furniture and fittings		-	809
Electric appliances		233	544
Vehicles		2,593	15,379
Deletions during the period / year - cost		7,475	61,836
Vehicles deletions -net		-	(916)
Depreciation charge for the period / year		(74,907)	(106,665)
Closing book value		<u>1,022,792</u>	<u>1,090,224</u>



		(Unaudited) March 31, 2015	(Audited) June 30, 2014
	Note	Rupees in '000'	
5. STOCK IN TRADE			
Raw material		887,589	460,134
Raw material in-transit		228,246	114,346
Work in process		26,295	32,855
Finished goods			
-Spinning unit		114,373	36,368
-Ginning factory		81,983	13
		196,356	36,381
Waste		3,329	7,606
		1,341,815	651,322

6. SHORT-TERM BORROWINGS

Secured - under mark-up arrangements

Running finances	672	100
Finance Exchange-FE 25	490,475	748,451
Book overdraft	734	9,439
	491,881	757,990

- 6.1 Short term facilities available from commercial banks under mark up arrangements amounts to Rs.5,830 million (June 30, 2014: Rs. 5,830 million) of which facilities aggregating to Rs. 5,338 million (June 30, 2014: Rs. 5,072 million) remained unutilized at the period end. The rate of mark up ranges from 11.62% to 9.76% per annum (June 30, 2014: 10.19% to 11.44% per annum) payable on quarterly basis. These finances are secured against pledge of raw material and finished goods, hypothecation of current assets of the Company.

		(Unaudited) March 31, 2015	(Audited) June 30, 2014
	Note	Rupees in '000'	
7. CONTINGENCIES AND COMMITMENTS			
7.1 Contingencies			
Bank guarantees	7.1.1	40,664	40,664
Inland bills purchased		9,766	-
Foreign bills purchased		406,201	704,905
		456,631	745,569
7.1.1 Bank guarantees			

In favour of

	Bank Name		
Sui Northern Gas Pipelines Limited	MCB Bank Limited	23,203	23,203
Directorate of Excise and taxation	Soneri Bank Limited	17,186	17,186
Collector of custom	Habib Bank Limited	275	275
		40,664	40,664

7.2 Commitments

Under letters of credit for:

- Stores & spares	1,519	1,776
- Plant & machinery	248,759	-
- Raw material	117,927	-
	368,205	1,776

8. COST OF GOODS SOLD

	----- Nine months ended -----		----- Three months ended -----	
	March 31 2015	March 31 2014	March 31 2015	March 31 2014
	----- Rupees in '000' -----			
Raw material consumed	2,210,668	2,429,970	676,919	836,800
Power & fuel	314,553	291,857	98,081	99,578
Salaries wages & benefits	143,527	123,419	49,616	41,433
Packing material consumed	52,457	49,073	16,280	17,880
Stores & spares consumed	42,448	42,107	14,293	15,266
Repair and maintenance	2,880	5,918	1,052	1,664
Insurance	4,500	3,825	1,500	1,275
Depreciation	69,032	74,285	23,076	25,307
others	429	448	177	126
	2,840,494	3,020,902	880,994	1,039,329
Adjustment in work in process	6,560	(5,832)	1,958	(3,382)
Cost of goods manufactured	2,847,054	3,015,070	882,952	1,035,947
Opening finished goods	43,974	43,608	-	-
Purchase of finished goods	108,270	80,186	32,377	27,297
Closing finished goods	(117,702)	(41,548)	(36,352)	124,061
Adjustment in Finished goods	34,542	82,246	(3,975)	151,358
	2,881,596	3,097,316	878,977	1,187,305

9. RELATED PARTY TRANSACTIONS

9.1 Aggregate transactions made with the associated undertakings were as follows:

	----- Unaudited -----			
	Nine months period ended 31 March		Three months period ended 31 March	
	2015	2014	2015	2014
	Rupees in '000'		Rupees in '000'	
Sale of goods	105,677	6,364	56,668	3,543
Purchase of goods	26,100	-	-	-

9.2 Sales, purchases and other transactions to related parties are carried out on commercial terms and conditions.

10. FINANCIAL RISK MANAGEMENT

The company's risk management objectives and policies are consistent with those objectives and policies which were disclosed in the financial statements of the company as at and for the year ended June 30, 2014.

11. DATE OF AUTHORIZATION OF ISSUE

The condensed interim financial information is authorized for issue by the Board of Directors of the Company on April 30, 2015.

12. FIGURES

Figures have been rounded off to the nearest thousand rupees.


CHAIRMAN


CHIEF EXECUTIVE