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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 Ahmed (Member)
3. Mr. Shafqat Masood (Member)

HUMAN RESOURCES AND REMUNERATION COMMITTEE

1. Mian Mohammad Ahmad (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

JWAFFS REGISTRAR (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

Deloitte Yousuf Adil
Chartered Accountants Multan.

DIRECTOR'S REPORT

Dear Share Holders,

We are pleased to present the 3rd quarterly (un-audited) accounts for the period ended March 31,2016. Your company earned pretax profit of Rs.59.617 (M) during the period under review. Depressed business environment prevailed during the period under review which causes decrease in profitability. Spinning sector is facing challenges of continuous decline in yarn prices due to world wide depressed demand and unstable cotton prices in domestic and International markets. The textile Industry particularly spinning sector is expected to remain under pressure in subsequent period. Your's management is doing its best efforts to maintain the profitability margin. 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.6.32(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

Kashif Riaz

Kashif Riaz
CHIEF EXECUTIVE

Dated April 29, 2016

**CONDENSED INTERIM BALANCE SHEET
AS AT MARCH 31, 2016**

ASSETS	<i>Note</i>	<i>(Unaudited)</i> March 31, 2016	<i>(Audited)</i> June 30, 2015
		<i>Rupees in '000'</i>	
Non-current assets			
Property, plant and equipment	4	1,183,725	1,072,488
Investment property		2,342	2,342
Long term deposits		6,991	6,991
		1,193,058	1,081,821
Current assets			
Stores and spares		76,271	75,811
Stock in trade	5	1,177,816	832,152
Trade debts		234,103	407,736
Loans and advances		90,020	87,555
Trade deposits and short term prepayments		4,412	4,246
Sales tax refundable		38,816	64,025
Income tax refundable		11,291	12,348
Other receivables		2,449	3,332
Other financial assets		26,953	222,588
Cash and bank balances		26,243	44,052
		1,688,374	1,753,845
Total assets		2,881,432	2,835,666
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised capital			
10,000,000 (June 30, 2014: 10,000,000) ordinary shares of Rs. 10 each		100,000	100,000
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		1,230,567	1,165,075
		2,053,167	1,987,675
Surplus on revaluation of property plant and equipment		359,919	381,788
Non-current liabilities			
Deferred liabilities		43,187	43,035
Current liabilities			
Trade and other payables		263,608	273,639
Accrued mark up		3,061	1,135
Short term borrowings	6	142,497	105,016
Provision for taxation		15,993	43,378
		425,159	423,168
Total equity and liabilities		2,881,432	2,835,666
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, 2016

 Nine months ended Three months ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
<i>Note</i>	----- Rupees in '000' -----			
Sales	2,846,455	3,179,910	918,525	980,016
Cost of goods sold	8 (2,662,234)	(2,881,596)	(867,250)	(878,977)
Gross profit	184,221	298,314	51,275	101,039
Profit /(loos) on other operations	129	695	(641)	(776)
	184,350	299,009	50,634	100,263
Distribution expenses	(41,938)	(55,961)	(12,998)	(16,418)
Administrative expenses	(79,040)	(76,466)	(26,589)	(25,712)
Other operating expenses	(4,419)	(12,124)	(760)	(3,948)
Finance cost	(9,171)	(27,574)	(317)	(8,033)
Other income	9,835	36,307	275	7,118
	(124,733)	(135,818)	(40,389)	(46,993)
Profit before taxation	59,617	163,191	10,245	53,270
Provision for taxation	(15,993)	(37,881)	(8,916)	(10,964)
Profit for the period	43,624	125,310	1,329	42,306
Other comprehensive income	-	-	-	-
Total comprehensive income	43,624	125,310	1,329	42,306
Earnings per share - basic and diluted	6.32	18.16	0.19	6.13

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

Munir Ahmad
CHAIRMAN

I L Ashraf
CHIEF EXECUTIVE

**CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2016**

	<i>.....Nine months ended.....</i>	
	<i>March 31,</i> 2016	<i>March 31,</i> 2015
	<i>Rupees in '000'</i>	
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	59,617	163,191
Adjustments for :		
Depreciation on property, plant and equipment	87,465	74,907
Provision for staff retirement benefits - gratuity	9,111	9,609
(Gain) on sale of property, plant and equipment	(66)	-
Finance cost	9,171	27,574
Operating cash flows before movements in working capital	165,298	275,281
Changes in working capital		
(Increase) / decrease in current assets		
Stores and spares	(460)	1,226
Stock in trade	(345,664)	(690,493)
Trade debts	173,633	11,012
Loans and advances	(2,465)	19,095
Trade deposits and short term prepayments	(166)	(74)
Sales tax refundable	25,209	(8,199)
Income tax refundable	1,057	(8,670)
Other receivables	883	5,190
Trade and other payables	(9,758)	34,444
	(157,731)	(636,469)
Cash (used)/generated from operations	7,567	(361,188)
Finance cost paid	(7,245)	(28,199)
Staff retirement benefits - gratuity paid	(8,959)	(4,030)
Tax paid/Adjusted	(43,378)	(45,424)
Net cash (used)/generated from operating activities	(52,015)	(438,841)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Addition to property plant and equipment	(198,894)	(7,475)
Proceeds from disposal of property plant and equipment	258	-
Purchase of other financial assets	(1,288,489)	(2,175,911)
Proceeds from disposal of financial assets	1,484,124	2,937,345
Net cash used in investing activities	(3,001)	753,959
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long term financing	-	(57,133)
Dividend paid	(274)	(33,936)
Short term borrowings obtained/(paid) - net	37,481	(266,109)
Net cash generated from/(used) in financing activities	37,207	(357,178)
Net (decrease)/increase in cash and cash equivalents (A+B+C)	(17,809)	(42,060)
Cash and cash equivalents at beginning of the period	44,052	72,276
Cash and cash equivalents at end of the period	26,243	30,216

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, 2016**

	<i>Share capital</i>	<i>Share premium</i>	<i>General reserve</i>	<i>Un-appropriated profit</i>	<i>Total</i>
	<i>.....Rupees in '000'.....</i>				
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	-	-	-	125,310	125,310
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. 10 per share	-	-	-	(103,500)	(103,500)
Balance as at March 31, 2015	69,000	3,600	750,000	1,215,661	2,038,261
Balance as at July 01, 2015	69,000	3,600	750,000	1,165,075	1,987,675
Profit for the period	-	-	-	43,624	43,624
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period ended March 31, 2016	-	-	-	43,624	43,624
Incremental depreciation arising due to surplus on revaluation of property, plant and equipment - net of deferred tax	-	-	-	21,868	21,868
Balance as at March 31, 2016	69,000	3,600	750,000	1,230,567	2,053,167

Moin Ahmad
CHAIRMAN

I L Ashraf
CHIEF EXECUTIVE

**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
(UNAUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2016**

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 Pakistan Stock Exchange Limited. The Company is principally engaged in manufacturing and sale of yarn. The company is also operating a ginning unit and an ice factory 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 six months period ended December 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, 2015. Comparative balance sheet is extracted from annual audited financial statements for the year ended June 30, 2015 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, 2015.

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, 2015.

4. PROPERTY, PLANT AND EQUIPMENT

		<i>(Unaudited) March 31, 2016</i>	<i>(Audited) June 30, 2015</i>
<i>Rupees in '000'</i>			
Operating assets	4.1	1,180,825	1,072,488
Capital work in progress		2,900	-
		1,183,725	1,072,488
4.1. Operating assets			
Opening book value		1,072,488	1,090,224
Additions during the period / year - cost			
Plant and machinery		181,848	47,602
Electric Installations		-	26,335
Factory Equipment		-	2,538
Electric appliances		126	233
Vehicles		14,020	7,834
		195,994	84,542
Disposals during the period / year - cost		(1,571)	(5,130)
Depreciation charge for the period / year		(87,465)	(92,547)
Depreciation charge on disposals		1,379	(4,601)
Closing book value		1,180,825	1,072,488

	<i>(Unaudited)</i>	<i>(Audited)</i>
	<i>March 31,</i>	<i>June 30,</i>
	<i>2016</i>	<i>2015</i>
	<i>Rupees</i>	<i>Rupees</i>
	<i>Rupees in '000'</i>	
5. STOCK IN TRADE		
Raw material	856,447	565,827
Raw material in-transit	177,112	144,304
Work in process	25,259	21,703
Finished goods		
-Spinning unit	96,233	48,090
-Ginning factory	16,780	45,996
	113,013	94,086
Waste	5,985	6,232
	<u>1,177,816</u>	<u>832,152</u>
6. SHORT-TERM BORROWINGS		
<i>Secured - under mark-up arrangements</i>		
Running finances (RF)	106,935	513
Finance Exchange -FE 25	-	100,713
Bank Overdraft	35,562	3,790
	<u>142,497</u>	<u>105,016</u>
7. CONTINGENCIES AND COMMITMENTS		
7.1. Contingencies		
Bank guarantees	7.1.1. 60,724	47,464
Inland bills discounted	4,992	-
Foreign bills discounted	156,497	301,555
	<u>222,213</u>	<u>349,019</u>
7.1.1. Bank guarantees		
<i>In favour of</i>	<i>Bank</i>	
Sui Northern Gas Pipelines Limited	MCB Bank Limited	23,203
Excise and taxation	Soneri Bank Limited	23,986
CCI & E	Habib Bank Limited	275
Excise and taxation	United Bank Limited	-
		<u>60,724</u>
7.2 Commitments		
Under letters of credit for:		
- Stores & spares	2,789	4,356
- Raw material	264,218	38,714
	<u>267,007</u>	<u>43,070</u>

8. **COST OF GOODS SOLD**

	'----- Nine months ended -----'		'----- Three months ended -----'	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	----- Rupees in '000' -----			
Raw material consumed	1,915,984	2,210,668	655,787	676,919
Power & fuel	235,802	314,553	70,822	98,081
Salaries wages & benefits	122,052	143,527	34,056	49,616
Packing material consumed	46,234	52,457	15,344	16,280
Stores & spares consumed	37,160	42,448	14,285	14,293
Repair and maintenance	4,321	2,880	853	1,052
Insurance	4,500	4,500	1,500	1,500
Depreciation	81,220	69,032	27,073	23,076
others	535	429	164	177
	<u>2,447,808</u>	<u>2,840,494</u>	<u>819,884</u>	<u>880,994</u>
Adjustment in work in process	(3,556)	6,560	3,297	1,958
Cost of goods manufactured	2,444,252	2,847,054	823,181	882,952
Opening finished goods	54,323	43,974	-	-
Purchase of finished goods	265,876	108,270	79,829	32,377
Closing finished goods	(102,217)	(117,702)	(35,760)	(36,352)
Adjustment in Finished goods	217,982	34,542	44,069	(3,975)
	<u>2,662,234</u>	<u>2,881,596</u>	<u>867,250</u>	<u>878,977</u>

The above detail of finished goods does not include stock of ginning unit.

9. **RELATED PARTY TRANSACTIONS**

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

	'----- Nine months ended -----'		'----- Three months ended -----'	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	----- Rupees -----			
Sale of goods	120,099	105,677	48,266	56,668
Purchase of goods	-	26,100	-	-

9.2 All transactions with related parties have been carried out on agreed 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, 2015.

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 29, 2016.

12. **FIGURES**

Figures have been rounded off to the nearest thousand rupees.


CHAIRMAN


CHIEF EXECUTIVE