

SUNRAYS TEXTILE MILLS LIMITED
NOTES TO THE ACCOUNTS-UNAUDITED
For The 3rd Quarter Ended March 31, 2007

- The company was incorporated in Pakistan on 27 August 1987 as a public company limited by shares and is listed at Karachi stock exchange. Its main business activity is manufacturing and marketing of yarn. The mills is located in district Muzaffargarh, Dera Ghazi Khan division, in the province of Punjab.
- 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.
- 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, 2006.

	Unaudited March 31, 2007	Audited June 30, 2006
4. CONTINGENCIES AND COMMITMENTS.		
Rupees '000'		
CONTINGENCIES		
BANK/FINANCIAL INSTITUTION/ INSURANCE GUARANTEES	38,181	36,881
COMMITMENTS		
UNDER LETTER OF CREDITS		
Raw material	117,678	-
Machinery	46,392	49,014
Store	1,100	1521
5. ACQUISITION AND (DISPOSAL OF PROPERTY PLANT AND MACHINERY		
Acquisition	64,693	157,722
Disposal	22,310	3,217
6. AGGREGATE TRANSACTIONS WITH ASSOCIATED UNDERTAKINGS		
Sales of goods and services	180,677	407,585
Purchaes of goods and services	45,318	108,070
Purchase of fixed assets	12,406	6,981
Sales of fixed assets	41,666	-

6.1 These transaction have been carried out on the commercial terms and conditions

	Unaudited March 31, 2007	Unaudited March 31, 2006
7. COST OF GOODS SOLD		
Rupees '000'		
Raw material	829,950	865,507
Stores and spares	17,901	16,195
Packing material	16,308	14,877
Salaries, wages, and benefits	57,992	51,687
Power and fuel	77,458	61,557
Insurance	1,575	1,575
Repair and maintenance	5,537	4,589
Depreciation	52,934	49,177
Others	178	141
	1,059,833	1,065,305
Work in process		
Opening	9,057	7,481
Closing	(9,068)	(12,522)
	(11)	(5,041)
Cost of goods manufactured	1,059,822	1,060,264
Purchase of finished goods	115,115	11,960
Finished goods		
Opening	30,626	19,020
Closing	(29,125)	(30,483)
	1,501	(11,463)
	1,176,438	1,060,761

8. These financial statements were authorised for issue by the Board of Directors of the company on April 28, 2007.

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

CHIEF EXECUTIVE

DIRECTOR