

SUNRAYS TEXTILE MILLS LIMITED
NOTES TO THE ACCOUNTS-UNAUDITED
FOR THE 3rd QUARTER ENDED MARCH 31, 2006

1. 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.
- 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 convention and policies adopted for the preparation of these quarterly financial statements are the same as those applied in the preparation of the financial statements for period ended june 30, 2005.

Unaudited March 31, 2006	Audited june 30, 2005
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4. CONTINGENCIES AND COMMITMENTS.

Rupees '000'

CONTINGENCIES

BANK/FINANCIAL INSTITUTION/
INSURANCE GUARANTEES

	34,600	27,700
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COMMITMENTS

UNDER LETTER OF CREDITS

Raw material

	139,071	11,637
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Machinery

	17,664	35,499
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Store

	3,998	928
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**5. ACQUISITION AND (DISPOSAL) OF
PROPERTY PLANT AND MACHINERY**

Acquisition

	159,448	176,218
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Disposal

	-	17,505
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**6. AGGREGATE TRANSACTIONS WITH
ASSOCIATED UNDERTAKINGS**

Sales

	573,534	106,521
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Purchaes

	109,762	29,246
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Purchase of fixed assets

	6,981	-
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- 6.1** These transaction have been carried out on the commercial terms and conditions

	Nine month Ended March 31, 2006	Nine month Ended March 31, 2005
Rupees '000'		
7. COST OF GOODS SOLD		
Raw material	865,507	601,262
Stores and spares	16,195	18,050
Packing material	14,877	13,692
Salaries, wages, and benefits	51,687	39,807
Power and fuel	61,557	40,714
Insurance	1,575	1,287
Repair and maintenance	4,589	2,852
Depreciation	49,177	37,878
Others	141	72
	1,065,305	755,614
Work in process		
Opening	7,481	9,125
Closing	(12,522)	(7,307)
	(5,041)	1,818
Cost of goods manufactured	1,060,264	757,432
Purchase of finished goods	11,960	45,598
Finished goods		
Opening	19,020	43,498
Closing	(30,483)	(14,912)
	(11,463)	28,586
	1,060,761	831,617

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

CHIEF EXECUTIVE

DIRECTOR