

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. Imran Ahmad |
| 7. Mr. Irfan Ahmed | 8. Mr. Shafqat Masood |
| 9. Mr. Shahwaiz Ahmed | |

AUDIT COMMITTEE

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

Human Resource and Remuneration Committee

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

CHIEF FINANCIAL OFFICER

Mr. Shabbir Kausar

COMPANY SECRETARY

Mr. Ahmed Faheem Niazi

CHIEF INTERNAL AUDITOR

Mr. Imran Iftikhar

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 – 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
Allied Bank Limited
Soneri Bank Limited
United Bank Limited
Meezan Bank Limited
Habib Bank Limited

AUDITORS

M/s Yousuf Adil Saleem & Company
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, 2013. Your company earned pretax profit of Rs.408.915 (M) and after tax profit of Rs.377.259 (M) during the period under review. These encouraging financial results were possible with well-focused raw material procurement planning and healthy yarn demand in international market . At present , power and gas shortage has significantly affected production efficiencies resulting increase in per unit production cost. Yours company earned hand some profit during the period under review and we hope INSHA-ALLAH this trend will be continued for the next remaining quarter. your management is closely monitoring the current market situation and taking all possible measures for smooth operations of the mill.

The earning per share is Rs.54.68(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

Karachi
Dated: April 30, 2013

**Kashif Riaz
CHIEF EXECUTIVE OFFICER**

SUNRAYS TEXTILE MILLS LIMITED
CONDENSED INTERIM BALANCE SHEET
AS AT MARCH 31, 2013

Unaudited March 31, 2013	Audited June 30, 2012
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RUPEES '000'

EQUITY AND LIABILITIES

Shares capital and reserves

Authorised capital	100000	100000
Issued, subscribed and paid-up capital	69,000	69,000
Reserves	753,600	753,600
Unappropriated profit	971,854	655,899
	1,794,454	1,478,499
Surplus on revaluation of property, plant and equipment	160,554	164,226

Non-current liabilities

Long term financing	59,424	85,343
Deferred liabilities	44,373	54,918
	103,797	140,261

Current liabilities

Trade and other payables	215,951	164,359
Accrued markup	14,983	6,213
Short term borrowings	404,020	443,706
Current portion of non-current liabilities	28,211	18,689
Provision for taxation	32,400	43,187
	695,565	676,154

Contingencies and commitments

	-	-
Total equity and liabilities	2,754,370	2,459,140

ASSETS

Non-current assets

Property, plant and equipment	903,103	945,420
Investment property	2,342	2,342
Long term deposits	435	435
	905,880	948,197

Current assets

Stores and spares	62,821	53,342
Stock in trade	1,432,049	708,688
Trade debts	244,739	635,068
Loans and advances	40,607	67,557
Trade deposits and short term prepayments	2,184	2,102
Sales tax refundable	35,132	24,304
Income tax refundable	3,678	3,678
Other receivables	5,359	322
Cash and bank balances	21,921	15,882
	1,848,490	1,510,943

Total assets	2,754,370	2,459,140
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The annexed selected notes from I to 13 an integral part of this condensed interim financial information

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

SUNRAYS TEXTILE MILLS LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2013

	Quarter Ended Mar. 31, 2013	Nine Month Ended Mar. 31, 2013	Quarter Ended Mar. 31, 2012	Nine Month Ended Mar. 31, 2012
Note	-----RUPEES '000'-----			
Sales	1,093,306	3,320,578	1,130,784	3,106,200
Cost of goods sold	(867,618)	(2,702,498)	(941,562)	(2,640,922)
Gross profit	225,688	618,080	189,223	465,279
Other operating income/(loss)	(556)	3,303	(2)	2,925
	225,131	621,383	189,221	468,204
Distribution expenses	(19,263)	(58,165)	(22,544)	(52,878)
Administrative expenses	(20,580)	(60,320)	(15,657)	(46,823)
Other operating expenses	(31,987)	(46,759)	(5,974)	(15,307)
Finance cost	(20,277)	(47,223)	(31,536)	(63,550)
	(92,106)	(212,468)	(75,711)	(178,557)
Profit before taxation	133,025	408,915	113,510	289,647
Provision for taxation	(9,609)	(31,656)	(12,349)	(32,749)
Profit after taxation	123,416	377,259	101,161	256,897
Other comprehensive income	-	-	-	-
Total comprehensive income	123,416	377,259	101,161	256,897
Earnings per share- Basic and diluted	17.89	54.68	14.61	37.23

The annexed selected notes from I to 13 an integral part of this condensed interim financial information

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

SUNRAYS TEXTILE MILLS LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2013

	Nine Month Ended March 31, 2013	Nine Month Ended March 31, 2012
CASH FLOWS FROM OPERATING ACTIVITIES		
	RUPEES '000'	
Profit before taxation	408,915	289,647
Adjustments For:		
Depreciation on property, plant and equipment	64,057	60,466
Provision for gratuity	5,400	4,500
Finance cost	47,223	63,550
Loss / (gain) on disposal of property, plant and equipment	-	(185)
Cash flow from operating activities before working capital changes	525,595	417,977
(Increase)/decrease in current assets		
Stores, spares and loose tools	(9,480)	(13,151)
Stock in trade	(723,362)	(616,969)
Trade debts	390,330	360,738
Loans and advances	26,950	(8,218)
Deposits and prepayments	(83)	(111)
Tax refund due from Government	(10,828)	8,680
Other receivables	(5,037)	1,039
Increase in trade and other payables	50,685	10,079
	(280,823)	(257,912)
Cash generated from operations	244,772	160,065
Tax paid / adjusted	(49,069)	(51,490)
Gratuity paid	(5,296)	(3,306)
Financial charges paid	(38,453)	(66,805)
Net cash used in operating activities	151,954	38,464
CASH FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(21,740)	(133,827)
Sale proceeds of fixed assets	-	4,500
Net cash used in investing activities	(21,740)	(129,327)
CASH FLOW FROM FINANCING ACTIVITIES		
Long term loans obtained	-	85,700
Long term loans repaid	(16,397)	(19,707)
Lease finance paid	-	(13,902)
Dividend paid	(68,094)	(20,067)
Short term bank borrowings- net	(39,685)	41,038
Net cash inflow from financing activities	(124,176)	73,062
Net Increase in cash and bank balances during the period	6,039	(17,802)
Cash and bank balances at the beginning of the period	15,882	28,652
Cash and bank balances at the end of the period	21,921	10,850

The annexed selected notes from I to 13 an integral part of this condensed interim financial information

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

SUNRAYS TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2013

	Share Capital	Share Premium	General Reserve	Unappropriated Profit	Total
	-----RUPEES '000'-----				
Balance as at July 01, 2011	69,000	3,600	250,000	723,273	1,045,873
Profit for the period	-	-	-	256,897	256,897
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period ended march 31,2011	-	-	-	256,897	256,897
Incremental depreciation arising due to surplus on revaluation of property,plant & equipment-net of deferred tax				8,089	8,089
Dividend at the rate of Re. 1 per share	-	-	-	(20,700)	(20,700)
Balance as at March 31, 2012	<u>69,000</u>	<u>3,600</u>	<u>250,000</u>	<u>967,559</u>	<u>1,290,159</u>
Balance as at July 01, 2012	69,000	3,600	750,000	655,899	1,478,499
Profit for the period	-	-	-	377,259	377,259
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period ended march 31,2013	-	-	-	377,259	377,259
Incremental depreciation arising due to surplus on revaluation of property,plant & equipment-net of deferred tax				7,697	7,697
Dividend at the rate of Re. 10 per share	-	-	-	(69,000)	(69,000)
Balance as at March 31, 2013	<u>69,000</u>	<u>3,600</u>	<u>750,000</u>	<u>971,854</u>	<u>1,794,454</u>

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

SUNRAYS TEXTILE MILLS LIMITED
SELECTED NOTES TO THE CONDENSED
INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2013

1. STATUS AND ACTIVITIES

Sunrays Textile Mills Limited (the Company) was incorporated in Pakistan on August 27, 1987 under the Companies Ordinance, 1984 and listed at Karachi Stock Exchange. The principal business of the Company is to manufacture and sale of yarn. The registered office of the Company is situated at Karachi. The Mills is located at District Muzaffargarh, Dera Ghazi Khan Division, in the province of Punjab.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

This condensed interim financial report of the Company for the nine months period ended March 31, 2013 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.

3. BASIS OF MEASUREMENT

3.1 These financial statements have been prepared under the historical cost convention as modified by the revaluation of operating fixed assets and certain financial instruments at fair value and recognition of certain employee retirement benefits at present value.

3.2 Presentation and functional currency

The condensed interim financial information are presented in Pak Rupees, which is the Company's functional and presentation currency.

3.3 Accounting estimates and judgments

The preparation of the condensed interim financial information in conformity with approved accounting standards as applicable in Pakistan for interim financial reporting requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revision to accounting estimates are recognized prospectively commencing from the period of revision.

In preparing this condensed interim financial information, the significant judgments made by the management in applying the Company's accounting policies and the key source of estimation and uncertainty were the same as those that applied to the annual audited financial statements as at and for the year ended June 30, 2012.

3.4 Significant accounting policies

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial report are the same as those applied in the preparation of the financial statements for the year ended June 30, 2012.

4 **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 30 June 2012.

	<i>(Unaudited)</i> March 31, 2013 <i>Rupees</i>	<i>(Audited)</i> June 30, 2012 <i>Rupees</i>
	RUPEES '000'	
5. <i>PROPERTY, PLANT AND EQUIPMENT</i>		
Operating assets	870,211	912,528
Capital work in progress	32,891	32,891
	<u>903,103</u>	<u>945,420</u>
5.1 <i>Operating assets</i>		
Opening book value	912,528	846,366
Additions during the period / year - cost		
Building on freehold Land	20,050	12,167
Plant and machinery	-	123,936
Office equipment	-	-
Furniture and fittings	-	-
Electric appliances	-	176
Vehicles	1,690	18,077
	<u>21,740</u>	<u>154,357</u>
Book value of assets disposed off during the period / year	-	(24,663)
Depreciation charge for the period / year	(64,057)	(63,531)
Closing book value	<u>870,211</u>	<u>912,528</u>
6. <i>STOCK IN TRADE</i>		
Raw material	1,299,893	407,076
Raw material in-transit	-	198,646
Work in process	26,504	27,765
Finished goods	105,652	75,201
	<u>1,432,049</u>	<u>708,688</u>
7. <i>SHORT-TERM BORROWINGS</i>		
<i>Secured - under mark-up arrangements</i>		
Cash finances	297,440	74,425
Running finances	100,882	88,810
Finances against imported merchandise	-	280,337
Short term demand finance	5,698	134
	<u>404,020</u>	<u>443,706</u>
7.1		
Short term facilities available from commercial banks under mark up arrangements amounts to Rs.4,638 million (June 30, 2012: Rs.4,512 million) of which facilities aggregating to Rs.4,234 million (June 30, 2012: Rs.4,068 million) remained unutilized at the period end. The rate of mark up ranges from 10.02% to 14.10% per annum (June 30, 2012: 12.54% to 15.66% per annum) payable on quarterly basis. These		

finances are secured against pledge of raw material and finished goods, hypothecation of store and spares and charge on floating assets of the Company.

8. **TAXATION**

Provision for current period taxation is based on taxable income at the current rates of taxation after taking into account tax credits and tax rebates available, if any, or minimum tax whichever is higher.

WORKERS' WELFARE FUND

9. "An amount of Rs.23.736 (M) has been provisioned against a demand raised under the Workers' Welfare Fund Ordinance, 1971, (the "Ordinance") for the period from July 01, 2010 to March 31, 2013. This demand is under challenge by the Company in departmental proceedings. Moreover, the Company has also challenged, *inter alia*, certain amendments made to the Ordinance through the Finance Act, 2006, and the Finance Act, 2008 (which significantly alter the Company's liability with regards to the levy) through a petition before the High Court of Sindh. Following an adverse finding at the High Court, a petition for leave to appeal has been preferred by the Company before the Supreme Court of Pakistan. The Company has been advised that it has a reasonable case however that there is no certainty in litigation. Therefore, the disputed amount has been

<i>(Unaudited)</i>	<i>(Audited)</i>
<i>March 31,</i>	<i>June 30,</i>
<i>2013</i>	<i>2012</i>
<i>Rupees</i>	<i>Rupees</i>
RUPEES '000'	

10. **CONTINGENCIES AND COMMITMENTS**

Contingencies

Bank guarantees	37,664	32,164
Inland bills purchased	56,687	24,565
Foreign bills purchased	843,303	342,089
	937,654	398,817

10.1 **Bank guarantees**

<i>In favour of</i>	<i>Bank Name</i>		
Sui Northern Gas Pipelines Limited	MCB Bank Limited	23,203	23,203
Excise and taxation	Soneri Bank Limited	14,186	8,686
CCI & E	Habib Bank Limited	275	275
		37,664	32,164

Commitments

Under letters of credit for		
- Raw material	85,439	-
- Property, plant and equipment	-	7,846
- Stores and spares	5,933	-
	91,372	7,846

11. **RELATED PARTY TRANSACTIONS**

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

	-----Unaudited-----			
	<i>Nine months period ended 31 March</i>		<i>Three months period ended 31 March</i>	
	<i>2013</i>	<i>2012</i>	<i>2013</i>	<i>2012</i>
	Rupees in '000'		Rupees in '000'	
Sale of goods	13,122	74,494	780	9,071
Purchase of goods	-	6,655	-	-

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

12. **DATE OF AUTHORIZATION OF ISSUE**

These condensed interim financial information are authorized for issue by the Board of Directors of the Company on April 30, 2013.

13. **FIGURES**

Figures have been rounded off to the nearest thousand rupees

Chief Executive Officer

Director

Chief Financial Officer