

SUNRAYS TEXTILE MILLS LIMITED



HALF YEARLY STATEMENT (UN-AUDITED)

**FOR THE HALF YEAR
ENDED DECEMBER 31,2022**

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Sunrays Textile Mills Limited

COMPANY PROFILE
BOARD OF DIRECTORS

1. Mian Imran Ahmed
2. Mr. Kashif Riaz
3. Mr. Naveed Ahmed
4. Mian Shahzad Ahmed
5. Mrs. Fadia Kashif
6. Mr. Irfan Ahmed
7. Mr. Shahwaiz Ahmed
8. Mr. Shafqat Masood
9. Mr. Faisal Hanif
10. Ms. Azra Yaqub Vawda
11. Mr. Farooq Hassan

Chairman
Chief Executive

AUDIT COMMITTEE

1. Mr. Faisal Hanif (Chairman)
2. Mr. Shahwaiz Ahmed (Member)
3. Mrs. Fadia Kashif (Member)

HUMAN RESOURCES AND REMUNERATION COMMITTEE

1. Mr. Faisal Hanif (Chairman)
2. Mr. Irfan Ahmed (Member)
3. Mrs. Fadia Kashif (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>

REGISTRAR & SHARE TRANSFER OFFICE

JWAFFS REGISTRAR 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

MCB Bank Limited
Allied Bank Limited
Soneri Bank Limited
United Bank Limited
Meezan Bank Limited
Habib Bank Limited
Bank Alfalah Limited

AUDITORS

Yousuf Adil
Chartered Accountants

DIRECTOR'S REPORT

The Directors of the Company have pleasure in submitting their Report together with the un-audited financial statements of the Company for the half year ended December 31, 2022 duly reviewed by external auditors. During the period under review your Company has earned pre-tax profit Rs. Rs. 248.153 (M).

FINANCIAL HIGHLIGHTS

	Half Year Ended December 31.(Rs.In Millions)	
	2022	2021
Sales – Net	4,584.458	4,820.446
Gross Profit	402.739	1,275.842
Other Income	148.395	23.610
Profit Before Taxation	248.153	1,026.317
Taxation	(58.861)	(53.682)
Profit After Taxation	189.293	972.635

REVIEW OF OPERATIONS

Yours Company earned profit after tax Rs.189.293 million as compared to Rs.972.635 million over the last corresponding period. Gross profit decreased by 68% as compared to the last corresponding period. The main reason of decrease in profit as compared to the last corresponding period is due to increase in cotton prices and disproportionate decrease in corresponding yarn prices. During the period Rs2,329.820 (M) was invested in the fixed assets for BMR and addition of new plant comprises of ten sets of Rooter machines along with necessary back process. Retained earnings and long term financing were used to finance these investments.

EARNING PER SHARE

The earnings per share for the half year ended December 31, 2022 is Rs.9.14 as compared to Rs.46.99 for the previous corresponding period

FUTURE PROSPECTS

Pakistan along with other world is in a dire economic crisis, with rising inflation, a depleted rupee and diminishing foreign exchange reserves. Inflation is at the top of the world over but in Pakistan inflation is many times higher than in all textile- exporting economies. A part from increase in cotton prices, raising of markup rates by central banks, wage-increase etc. was the main reason for decrease in profit. In China, COVID-19 outbreaks have undermined the regions' growth trajectory and disrupted supply chains. The Pakistani textile sector is highly dependent on China's economy. Pakistan textile industry is facing additional drawback in shape of weak economy and volatile political polarization. All these factors would continue to haunt the textile industry in 2023. In spite of all these obstacles, we hope by the grace of ALLAH and hard work of the management by focusing on specialized and value-added high-quality textile products, your company will be able to achieve better results.

COMPOSITION OF BOARD

The composition of the Board is in compliance with the requirements of the Code of Corporate Governance regulations, 2019 applicable on listed entities which is given below:

1. The total number of directors are 11 as per follows;
 - a) Male 09
 - b) Female 02
2. The Composition of Board is as followed ;

Category	Names
Independent Directors	Mr. Faisal Hanif Ms. Azra Yaqub Vawda Mr. Farooq Hassan
Executive Directors	Mr. Kashif Riaz (CEO) Mr. Sheikh Shafqat Masood Mr. Naveed Ahmed
Non-Executive Directors	Mian Shahzad Ahmed Mian Imran Ahmed Mrs. Fadia Kashif Mr. Irfan Ahmed Mr. Shahwaiz Ahmed
Female Directors	Ms. Azra Yaqub Vawda Mrs. Fadia Kashif

ENVIRONMENT, HEALTH AND SAFETY.

Your Company is committed towards protecting a sound climate for everyone by complying with all environmental policies at the production facilities.


WEB PRESENCE

Annual and periodic financial statements of the company are also available on the website of the company <http://www.indus-group.com> for information of the shareholders and others.

ACKNOWLEDGEMENT

The Directors acknowledge the contribution of each and every employee of the Company. We would like to express our thanks to our customers for the trust they have shown in our products and the bankers for continued support to the Company. We are also grateful to our shareholders for their confidence in our management.

FOR AND ON BEHALF OF THE BOARD



Kashif Riaz
CHIEF EXECUTIVE OFFICER

Karachi
Dated: March 01, 2023

سنریز ٹیکسٹائل ملز لمیٹڈ

ڈائریکٹرز رپورٹ ششماہی ۳۱ دسمبر ۲۰۲۲

بورڈ آف ڈائریکٹرز اپنی رپورٹ اور اس کے ساتھ ششماہی ۳۱ دسمبر ۲۰۲۲ کے مالیاتی گوشوارے (غیر آڈٹ شدہ) اور بیرونی آڈیٹرز کے جائزہ لی ہوئی رپورٹ بخوشی پیش کرتے ہیں۔ زبردت جس کا جائزہ لیا جا رہا ہے آپ کی کمپنی نے 24.81 کروڑ روپے قبل از ٹیکس منافع کمایا ہے۔ مالی اور آپریشنل نتائج:

ششماہی ۳۱ دسمبر		000 روپے
2022	2021	تفصیل
4,584,458	4,820,446	فروختگی
402,739	1,275,842	خام منافع
148,395	23,610	دیگر آمدن
248,153	1,026,317	قبل از ٹیکس منافع
(58,861)	(53,682)	ٹیکس
189,293	972,635	بعد از ٹیکس منافع

آپریشنل تجزیہ

آپ کی کمپنی کا اس عرصہ میں بعد از ٹیکس منافع 18.92 کروڑ رہا جو کہ گزشتہ اس عرصہ میں 97.26 کروڑ تھا۔ خام منافع میں گزشتہ اس عرصہ کے مقابلے میں 68 فیصد کمی ہوئی۔ گزشتہ اسی مدت کے مقابلے میں منافع میں کمی کی بنیاد پر کپاس کی قیمتوں میں اضافہ اور دھات کی متعلقہ قیمتوں میں غیر متناسب کمی ہے۔ اس مدت کے دوران BMR کے لیے مقررہ اثاثوں میں 2,329.820 ملین روپے کی سرمایہ کاری کی گئی اور نئے پلانٹ کا اضافہ ضروری بینک پر وٹیس کے ساتھ روڑ مینوں کے دس سیلوں پر مشتمل ہے۔ اس مقصد کی مالی اعانت کے لیے برقرار رکھی گئی آمدنی اور طویل مدتی قرضوں کا استعمال کیا گیا۔

نی حصص آمدن؟

نی حصص آمدن سماہی - ۳۱ دسمبر ۲۰۲۲ ختم ہونے پر 9.14 روپے ہے، جبکہ پچھلی اسی مدت میں یہ 46.99 روپے تھی۔

مستقبل کی صورت حال:

بڑھتی ہوئی مہنگائی، روپے کی کمی اور زرمبادلہ کے کم ہوتے ڈخائز کے ساتھ دنیا کے ساتھ ساتھ پاکستان بھی شدید معاشی بحران کا شکار ہے۔ مہنگائی دنیا بھر میں سرفہرست ہے لیکن پاکستان میں مہنگائی ٹیکسٹائل برآمد کرنے والی تمام معیشتوں سے کئی گنا زیادہ ہے۔ کپاس کی قیمتوں میں اضافہ، مرکزی بیگیوں کی جانب سے مارک اپ ریٹ میں اضافہ، اجرت میں اضافہ وغیرہ منافع میں کمی کی بڑی وجہ تھی۔ چین میں Covid-19 پھیلنے نے خطوں کی ترقی کی رفتار کو نقصان پہنچایا ہے اور سپلائی چین میں خلل ڈالا ہے۔ پاکستانی ٹیکسٹائل کا شعبہ چین کی معیشت پر بہت زیادہ انحصار کرتا ہے۔ پاکستان کی ٹیکسٹائل انڈسٹری کو کمزور معیشت اور غیر مستحکم سیاسی پولرائزیشن کی صورت میں اضافی خرابیوں کا سامنا ہے۔ یہ تمام عوامل 2023 میں ٹیکسٹائل کی صنعت کو پریشان کرتے رہیں گے۔ ان تمام رکاوٹوں کے باوجود ہم امید کرتے ہیں کہ اللہ کے فضل اور انتظامیہ کی سخت محنت سے خصوصی اور پبلک ایڈوائسٹی معیار کی ٹیکسٹائل مصنوعات پر توجہ مرکوز کرنے سے آپ کی کمپنی بہتر نتائج حاصل کرنے میں کامیاب ہوگی۔

بورڈ کی تشکیل:-

بورڈ کی تشکیل کارپورٹ گورننس کے ضابطہ اخلاق 2019 کے تقاضوں کے مطابق درج ذیل ہے۔

ڈائریکٹرز کی کل تعداد:-

1- ڈائریکٹرز کی کل تعداد گیارہ ہے جو کہ درج ذیل ہے۔

الف) مرد 9

ب) خاتون 2

2- بورڈ کی تشکیل درج ذیل ہے۔

نام	کمپنی
فیصل حفیظ مسز عذرا یعقوب فاروق حسن	آزاد ڈائریکٹرز
کاشف ریاض شیخ شفقت مسعود نوید احمد	فعال ڈائریکٹرز
میاں شہزاد احمد میاں عمران احمد مسز فادیہ کاشف عرفان احمد شاہد ویز احمد	غیر فعال ڈائریکٹرز
مسز عذرا یعقوب مسز فادیہ کاشف	خواتین ڈائریکٹرز

ماحولیات، صحت اور حفاظت:

آپ کی کمپنی پیداواری سہولیات پر تمام ماحولیاتی پالیسیوں کی تعمیل کرتے ہوئے ہر ایک کے لئے اچھی آب و ہوا کے تحفظ کے لئے پرعزم ہے۔

ویب پر موجودگی:

کمپنی کے سالانہ اور مختلف مدت کے مالیاتی بیانات کو کمپنی کی ویب سائٹ <http://indus-group.com> پر موجود ہیں جہاں سے شیئر ہولڈر اور دوسرے لوگ معلومات حاصل کر سکتے ہیں۔

اظہار تشکر:-

ادارے کے ڈائریکٹرز تمام ملازمین کی کوششوں کا اعتراف کرتے ہیں۔ ہم اپنے ان تمام گاہکوں کا شکریہ ادا کرتے ہیں جنہوں نے ہماری مصنوعات پر اعتماد کیا اور وہ تمام بینکرز جنہوں نے تسلسل کے ساتھ ہماری معاونت کی۔ ہم اپنے تمام حصہ داروں کے شکر گزار ہیں جنہوں نے اظہار یہ پر اپنے اعتماد کا اظہار کیا۔

بورڈ آف ڈائریکٹرز کی جانب سے

Lasalaf

کاشف ریاض

چیف ایگزیکٹو آفیسر

01 مارچ 2023

INDEPENDENT AUDITORS' REVIEW REPORT

To the members of Sunrays Textile Mills Limited

Report on the Review of Interim Financial Statements

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of **Sunrays Textile Mills Limited** (the Company) as at December 31, 2022 and the related unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of changes in equity, unconsolidated condensed interim statement of cash flows, and notes to the financial statements for the six month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

The figures of the unconsolidated condensed interim statement of profit or loss and unconsolidated condensed interim statement of comprehensive income and the related notes for the three-month period ended December 31, 2022 have not been reviewed, as we are required to review only the cumulative figures for the six month period ended December 31, 2022.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditor's review report is Muhammad Sufyan



Chartered Accountants

Multan

Date: MARCH 01, 2023

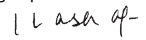
UDIN: RR202210180c9Dw4MGtS

**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF
FINANCIAL POSITION
AS AT DECEMBER 31, 2022**

ASSETS	Note	(Unaudited) December 31, 2022 Rupees	(Audited) June 30, 2022 Rupees
<u>Non-current assets</u>			
Property, plant and equipment	3	6,418,737,052	4,224,016,141
Investment properties		2,342,055	2,342,055
Long Term Investment		190,850,000	190,850,000
Long term deposits		6,991,200	6,991,200
		6,618,920,307	4,424,199,396
<u>Current assets</u>			
Stores and spares		118,801,000	95,727,359
Stock in trade	4	1,613,957,047	2,188,607,098
Trade debts		1,799,828,223	765,425,459
Loans and advances		100,938,133	113,472,576
Trade deposits and short term prepayments		1,139,136	3,239,226
Advance Income Tax		46,395,998	113,363,625
Other financial assets		906,889,007	1,980,330,141
Due from Government		155,980,446	92,904,155
Other receivables		34,062,783	46,902,050
Cash and bank balances		37,363,019	96,648,425
		4,815,354,792	5,496,620,115
Total assets		11,434,275,099	9,920,819,511
<u>EQUITY AND LIABILITIES</u>			
<u>Share capital and reserves</u>			
Issued, subscribed and paid-up capital		207,000,000	207,000,000
Share premium		3,600,000	3,600,000
Surplus on revaluation of property, plant and equipment		2,068,145,204	2,131,810,253
General reserves		612,000,000	612,000,000
Unappropriated profit		5,401,317,288	5,148,424,850
		8,292,062,492	8,102,835,103
<u>Non-current liabilities</u>			
Long term financing	5	1,674,631,115	883,441,966
Deferred liabilities		5,999,767	76,464,325
		1,680,630,882	959,906,291
<u>Current liabilities</u>			
Trade and other payables		456,917,709	514,701,614
Accrued markup		32,083,934	8,320,237
Short term borrowings	6	697,103,227	-
Current portion of long term financing		154,082,000	159,288,605
Current portion of deferred government grant		-	204,438
Unclaimed dividend		22,112,213	22,759,665
Provision for taxation		99,282,642	152,803,558
		1,461,581,725	858,078,117
Total equity and liabilities	7	11,434,275,099	9,920,819,511

The annexed notes from 1 to 16 form an integral part of these interim financial statements.


Shabbir Kausar
Chief Financial Officer


Kashif Riaz
Chief Executive Officer


Mian Imran Ahmed
Chairman

**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF
PROFIT OR LOSS
FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2022**

Note	<i>...Six month period ended...</i>		<i>...Three month period ended...</i>		
	<u>December 31,</u>	<u>December 31,</u>	<u>December 31,</u>	<u>December 31,</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	
----- Rupees -----					
Revenue from contract with customers - net	8	4,584,457,828	4,820,446,238	2,621,864,889	2,296,138,988
Cost of goods sold	9	(4,181,256,043)	(3,544,604,588)	(2,479,391,551)	(1,707,481,355)
Gross profit		403,201,785	1,275,841,650	142,473,338	588,657,633
Other income	10	147,615,457	23,610,112	60,994,457	473,420
		550,817,242	1,299,451,762	203,467,795	589,131,053
Distribution cost		(68,192,343)	(80,224,265)	(33,978,343)	(38,324,338)
Administrative expenses		(123,318,607)	(92,145,677)	(61,456,607)	(43,754,808)
Other expenses		(39,503,979)	(68,032,699)	(28,360,979)	(15,586,865)
		(231,014,929)	(240,402,641)	(123,795,929)	(97,666,011)
Finance cost		(71,895,087)	(32,732,136)	(43,489,087)	(18,763,584)
Profit before taxation		247,907,226	1,026,316,985	36,182,779	472,701,458
Taxation		(58,679,836)	(53,682,067)	(27,902,836)	(32,152,693)
Profit after tax		189,227,390	972,634,918	8,279,943	440,548,765
		9.14	46.99	0.40	21.28

The annexed notes from 1 to 16 form an integral part of these interim financial statements.


Shabbir Kausar
Chief Financial Officer


Kashif Riaz
Chief Executive Officer


Mian Imran Ahmed
Chairman

**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF
COMPREHENSIVE INCOME
FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2022**

	<u>...Six month period ended...</u>	<u>...Three month period ended...</u>		
	<u>December 31,</u>	<u>December 31,</u>	<u>December 31,</u>	<u>December 31,</u>
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	<u>----- Rupees -----</u>			
Profit for the period	189,227,390	972,634,918	8,279,943	440,548,765
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	189,227,390	972,634,918	8,279,943	440,548,765

The annexed notes from 1 to 16 form an integral part of these interim financial statements.


Shabbir Kausar
Chief Financial Officer

| k ash of-
Kashif Riaz
Chief Executive Officer


Mian Imran Ahmed
Chairman


**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2022**

	Issued, subscribed and paid-up capital	Capital reserves		Revenue reserves		Total
		Share Premium	Surplus on revaluation of fixed assets	General reserve	Unappropriated profits	
Balance as at June 30, 2021 - Audited	207,000,000	3,600,000	269,214,931	612,000,000	3,315,924,412	4,407,739,343
Profit for the six month period ended December 31, 2021	-	-	-	-	972,634,918	972,634,918
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the six month period ended December 31, 2021	-	-	-	-	972,634,918	972,634,918
Transferred to unappropriated profits on account of incremental depreciation on surplus on revaluation of property, plant and equipment	-	-	(7,783,448)	-	7,783,448	-
Balance as at December 31, 2021 - Unaudited	207,000,000	3,600,000	261,431,483	612,000,000	4,296,342,778	5,380,374,261
Balance as at June 30, 2022 - Audited	207,000,000	3,600,000	2,131,810,253	612,000,000	5,148,424,850	8,102,835,103
Profit for the six month period ended December 31, 2022	-	-	-	-	189,227,390	189,227,390
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the six month period ended December 31, 2022	-	-	-	-	189,227,390	189,227,390
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation	-	-	(63,665,049)	-	63,665,049	-
Balance as at December 31, 2022 - Unaudited	207,000,000	3,600,000	2,068,145,204	612,000,000	5,401,317,288	8,292,062,492

The annexed notes from 1 to 16 form an integral part of these interim financial statements.


Shahbir Kausar
Chief Financial Officer


Kashif Riaz
Chief Executive Officer

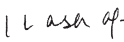

Mian Imran Ahmed
Chairman

**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF
CASH FLOWS
FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2022**

	----- Six month period ended -----	
	December 31,	December 31,
	2022	2021
	Rupees	Rupees
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	247,907,226	1,026,316,985
Adjustments for:		
Depreciation on property, plant and equipment	135,099,369	77,922,493
Provision for staff retirement benefits - gratuity	7,500,000	8,130,000
Realized gain on disposal of other financial assets	(13,273,739)	13,231,076
Unrealized gain on re-measurement of other financial assets	(26,380,982)	(9,305,765)
Realized loss on disposal of other financial assets	25,133,419	-
Gain on disposal of property, plant and equipment	-	(185,564)
Finance cost	71,895,087	32,732,136
	199,973,154	122,524,376
Operating cash flows before movements in working capital	447,880,380	1,148,841,361
Changes in working capital		
<i>(Increase) / decrease in current assets</i>		
Stores and spares	(23,073,641)	12,322,952
Stock in trade	574,650,051	(1,849,638,842)
Trade debts	(1,034,402,764)	462,995,256
Loans and advances	12,534,443	31,244,943
Due from Government	(63,076,291)	(187,468,744)
Trade deposits and short term prepayments	2,100,090	-
Other receivables	12,839,267	(491,376)
<i>Increase in current liability</i>		
Trade and other payables	(57,783,905)	179,631,480
	(576,212,749)	(1,351,404,331)
Cash used in operations	(128,332,369)	(202,562,970)
Finance cost paid	(48,131,390)	(30,727,038)
Staff retirement benefits - gratuity paid	(77,964,558)	(4,710,509)
Income Taxes paid - net	(45,233,125)	(88,361,971)
Net cash used in operating activities	(299,661,442)	(326,362,488)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Addition to property plant and equipment	(30,347,600)	(52,343,815)
Additions to capital work in progress	(2,299,472,680)	(78,484,991)
Proceeds from disposal of property, plant and equipment	-	2,481,752
Payments for purchase of other financial assets	(2,543,297,285)	(1,688,246,645)
Proceeds from disposal of other financial assets	3,631,259,719	1,896,718,059
Net cash (used in) / generated from investing activities	(1,241,857,846)	80,124,360
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing - receipt	884,036,260	64,790,433
Long term financing - payments	(98,258,153)	(60,692,036)
Dividend paid	(647,452)	(75,942)
Net cash generated from financing activities	785,130,655	4,022,455
Net decrease in cash and cash equivalents (A+B+C)	(756,388,633)	(242,215,673)
Cash and cash equivalents at beginning of the period	96,648,425	91,221,471
Cash and cash equivalents at end of the period	(659,740,208)	(150,994,202)
CASH AND CASH EQUIVALENT		
Cash and bank balances	37,363,019	27,593,058
Running Finance	(697,103,227)	(178,587,260)
	(659,740,208)	(150,994,202)

The annexed notes from 1 to 16 form an integral part of these interim financial statements.


Shabbir Kausar
Chief Financial Officer


Kashif Riaz
Chief Executive Officer


Mian Imran Ahmed
Chairman

NOTES TO THE UNCONSOLIDATED INTERIM FINANCIAL STATEMENT FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2022

1. LEGAL STATUS AND OPERATIONS

1.1 Sunrays Textile Mills Limited "the Company" was incorporated in Pakistan on August 27, 1987 as a public limited company under the repealed Companies Ordinance, 1984 (Now Companies Act 2017) and its shares are quoted on the Pakistan Stock Exchange. The Company is principally engaged in trade, manufacture and sale of yarn. The registered office of the Company is situated at Office no. 508, 5th floor, Beaumont Plaza, Beaumont Road, Civil Lines Quarters, Karachi. The area of the mill is 114 kanals and 10 marlas, and is located at Khanpur Shumali khewat no. 359, District Muzaffargarh, Dera Ghazi Khan Division, in the province of Punjab.

1.2 These financial statements are the separate financial statements of the Company in which investment in subsidiary companies is accounted for on the basis of actual cost less impairment, if any. Consolidated financial statements are prepared separately.

1.3 These interim financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

These interim financial statements of the Company have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed. These interim financial statements are un-audited but subject to limited scope review by auditors and are being submitted to the shareholders as required under Section 237 of the Act.

2.2 These condensed interim financial statements do 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, 2022. Comparative condensed interim statement of financial position has been extracted from annual audited financial statements for the year ended June 30, 2022 whereas comparative condensed statement profit or loss and condensed interim statement of comprehensive income, comparative condensed interim statement of changes in equity and comparative condensed interim statement of cash flows has been extracted from un-audited condensed interim financial statements for the six month period ended December 31, 2021.

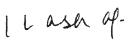
2.3 SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS.

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information and the significant judgements made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied in the preparation of the financial statements as at and for the year ended June 30, 2022. Certain new IFRSs and amendments to existing IFRSs are effective for periods beginning on or after July 1, 2022, which do not have any impact on the Company's financial reporting and therefore, have not been detailed in this condensed interim financial information.

3. PROPERTY, PLANT AND EQUIPMENT

	<i>Note</i>	<i>(Unaudited)</i> December 31, 2022 <i>Rupees</i>	<i>(Audited)</i> June 30, 2022 <i>Rupees</i>
Operating assets	3.1	3,463,915,164	3,568,666,933
Capital work-in progress	3.2	2,954,821,888	655,349,208
		6,418,737,052	4,224,016,141
		<i>(Unaudited)</i> December 31, 2022 <i>Rupees</i>	<i>(Audited)</i> June 30, 2022 <i>Rupees</i>
3.1 Operating assets			
Opening book value		3,568,666,933	1,661,109,666
Additions during the period / year - cost			
Freehold land		-	43,162,200
Plant and machinery		-	108,667,294
Office equipment		-	183,000
Vehicles		28,572,800	22,311,800
Furniture and fittings		1,774,800	244,445
		30,347,600	174,568,741


Shabbir Kausar
Chief Financial Officer


Kashif Riaz
Chief Executive Officer


Mian Imran Ahmed
Chairman

Revaluation during the period/year			
Freehold land	-	744,963,309	
Building on freehold land	-	325,348,678	
Plant and machinery	-	826,326,507	
	-	1,896,638,494	
Disposals during the period / year - cost			
Plant and Machinery	-	(20,613,027)	
Vehicles	-	(13,111,697)	
Depreciation relating to disposals during the period / year	-	29,875,704	
Net book value of disposed asset	-	(3,849,020)	
Depreciation charge for the period / year	(135,099,369)	(159,800,948)	
Closing carrying value	3,463,915,164	3,568,666,933	
3.2 Capital Work in Progress			
Opening balance		655,349,208	-
Additions during the year			
Machinery in transit	3.2.1	1,430,266,757	456,936,184
Building	3.2.2	754,419,333	198,413,024
Electric Installations	3.2.1	114,786,590	-
		2,299,472,680	655,349,208
Transferred to operating assets		-	-
		2,954,821,888	655,349,208

3.2.1 This amounts represents advance against letter of credit for machinery and electric installations of new spinning unit.

3.2.2 This amount represents expense incurred by entity for construction of building of new spinning unit .

		<u>(Unaudited)</u> <u>December 31,</u> <u>2022</u>	<u>(Audited)</u> <u>June 30,</u> <u>2022</u>
	<u>Note</u>	<u>Rupees</u>	<u>Rupees</u>
4. STOCK IN TRADE			
Raw material		1,011,209,678	1,422,495,562
Raw material in-transit		405,688,606	511,929,544
Work in process		68,447,094	49,121,588
Finished goods		22,568,654	105,250,471
Waste		106,043,015	99,809,933
		1,613,957,047	2,188,607,098
5. LONG TERM FINANCING			
From banking companies - secured			
Term finance:			
Allied Bank Limited	5.1	-	3,600,000
Allied Bank Limited	5.2	115,304,000	115,304,000
Allied Bank Limited	5.3	64,465,761	-
Bank Al Habib Limited	5.4	789,765,150	-
MCB Bank Limited	5.5	24,468,500	-
Balance carried forward		994,003,411	118,904,000
		(Unaudited) December 31, 2022	(Audited) June 30, 2022
	Note	Rupees	Rupees
Balance brought forward		994,003,411	118,904,000
LTFE:			
United Bank Limited	5.6	29,547,060	36,933,825
MCB Bank Limited	5.7	325,653,978	352,405,247
Bank Al Falah Limited	5.8	339,843,750	363,281,250
Allied Bank Limited	5.9	73,462,949	104,914,486
Allied Bank Limited	5.1	66,201,967	66,496,200
		834,709,704	924,031,008
		1,828,713,115	1,042,935,008
Less: Current portion		(154,082,000)	(159,288,605)
Less: Current portion of deferred grant		-	(204,437)
		1,674,631,115	883,441,966


Shabbir Kausar
Chief Financial Officer


Kashif Riaz
Chief Executive Officer


Mian Imran Ahmed
Chairman

5.1 Allied Bank Limited - LTFF

This finance has been obtained from Allied Bank Limited for Balancing, Modernization and Replacement (BMR). The loan was repayable in 16 equal half yearly installments commencing from May 25, 2022 with 3 months grace period from the date of 1st disbursement. It carried mark up at the rate of 6 Months KIBOR + 0.50%. The finance was secured against first pari passu charge over all present and future fixed assets of the Company for Rs. 134 million inclusive of 25% margin.

5.2 Allied Bank Limited - Term Finance (Routers)

This finance has been obtained from Allied Bank Limited for BMR. The loan was repayable in 16 equal half yearly installments commencing from June 14, 2024 with 2 years grace period. It carried mark up at the rate of 6 Months KIBOR + 0.75%. The finance was secured against first pari passu charge over present and future fixed assets of the Company for Rs.800 million inclusive of 25% margin.

5.3 Allied Bank Limited -Term Finance

This finance has been obtained from Allied Bank Limited for BMR. The loan was repayable in 16 equal half yearly installments commencing from August 12, 2024 with 2 years grace period. It carried mark up at the rate of 6 Months KIBOR + 0.75%. The finance was secured against first pari passu charge over present and future fixed assets of the Company for Rs.800 million inclusive of 25% margin.

5.4 Bank Al Habib Limited - Term Finance

This finance has been obtained from Bank Al Habib Limited for Solar Power Project of 1.64 MW and Rooter. The loan was repayable in 20 quarterly installments commencing from November 22, 2022. It carried mark up at the rate of 6 Months KIBOR + 1%. The finance was secured against first pari passu charge of Rs 1,143 million over fixed assets of the Company.

5.5 MCB Bank Limited - Term Finance

This finance has been obtained from MCB Bank Limited for BMR. The loan was repayable in 16 equal half yearly installments commencing from August 14, 2024 with 2 years grace period. It carried mark up at the rate of 6 Months KIBOR + 1%. The finance was secured against first pari passu hypo/equitable mortgage charge of Rs 934 million over present and future fixed assets of the Company.

5.6 United Bank Limited - LTFF

This finance has been obtained from United bank Limited for BMR. The loan is repayable in 10 equal half yearly installments commencing from February 18, 2019 with 11 months grace period. It carried markup at flat rate of 3%. The finance was secured against first pari passu charge amounting to Rs. 125 million over all present and future fixed assets of the Company with 25% margin.

5.7 MCB Bank Limited - LTFF

This finance has been obtained from MCB Bank Limited for BMR. The loan is repayable in 16 equal half yearly installments commencing from April 18, 2020 with 2 years grace period. It carried markup at rate of 2.5%. The finance was secured against first pari passu charge amounting to Rs. 600 million over all present and future fixed assets of the Company with 25% margin.

5.8 Bank Alfalah Limited- LTFF

This finance has been obtained from Bank Alfalah Limited for BMR. The loan is repayable in 32 equal quarterly installments commencing from June 18, 2021 with 2 years grace period. It carried markup at flat rate of 3%. The finance was secured against first pari passu charge amounting to Rs. 500 million over all present and future fixed assets of the Company with 25% margin.

5.9 Allied Bank Limited - LTFF (salaries and wages)

This finance has been obtained from Allied Bank to pay salaries and wages under SBP's Refinance Scheme for payment of wages and salaries. The loan is repayable in 8 equal quarterly installments commencing from Jan 31, 2021. It carried mark up at flat rate of 1.25%. The finance was secured against first pari passu charge amounting to Rs. 152 million over all present and future fixed assets of the Company with 25% margin.

6. SHORT TERM BORROWINGS

Secured - under markup arrangements from banking Companies	Note	(Unaudited)	(Audited)
		December 31, 2022	June 30, 2022
Running Finance	6.1	Rupees 697,103,227	Rupees -

6.1 Short term facilities available from commercial banks under mark up arrangements amount to Rs. 6,475 million (June 30, 2022: Rs. 6,475 million) of which facilities aggregating to Rs.5,777.9 million (June 30, 2022: Rs. 6,475 million) remained utilized at the year end. The rate of mark up ranges from 14.66% to 17.58% per annum (June 30, 2022: 14.66% to 17.33% per annum) payable on quarterly basis. These finances are secured against pledge of raw material and finished goods and charge on current assets of the Company.


Shabbir Kausar
Chief Financial Officer


Kashif Riaz
Chief Executive Officer


Mian Imran Ahmed
Chairman

7. CONTINGENCIES AND COMMITMENTS

7.1 Contingencies

There is no significant change in status of contingent liabilities since the annual financial statements as at June 30, 2022.

	Note	<u>(Unaudited)</u>	<u>(Audited)</u>
		<u>December 31,</u>	<u>June 30,</u>
		<u>2022</u>	<u>2022</u>
		Rupees	Rupees
7.2 Commitments			
Bank guarantees	7.2.1	242,481,302	201,481,302
Foreign bills purchased		532,853,270	1,182,441,108
In land bill purchased		143,840,034	50,785,020
Letters of credit	7.2.2	606,091,877	1,250,236,942

7.2.1 Bank guarantees

<u>In favor of</u>	<u>Bank</u>		
Sui Northern Gas Pipelines Limited	MCB Bank Limited	54,933,161	57,061,261
Sui Northern Gas Pipelines Limited	MCB Bank Limited	383,528	-
Sui Northern Gas Pipelines Limited	MCB Bank Limited	1,744,572	-
Ministry of textile Excise and taxation	MCB Bank Limited	599,574	599,574
Excise and taxation	Soneri Bank Limited	-	23,985,915
Excise and taxation	MCB Bank Limited	50,000,000	9,000,000
Excise and taxation	MCB Bank Limited	7,285,915	-
Excise and taxation	MCB Bank Limited	16,700,000	-
Import licence fee	Habib Bank Limited	-	274,552
Excise and taxation	United Bank Limited	110,560,000	110,560,000
CCI & E	Habib Bank Limited	274,552	-
		<u>242,481,302</u>	<u>201,481,302</u>

7.2.2 Letters of credit

	<u>(Unaudited)</u>	<u>(Audited)</u>
	<u>December 31,</u>	<u>June 30,</u>
	<u>2022</u>	<u>2022</u>
	Rupees	Rupees
- Stores & spares	25,052,534	21,388,308
- Raw material	227,117,129	239,520,128
- Plant and machinery	353,922,214	989,328,506
	<u>606,091,877</u>	<u>1,250,236,942</u>

----- Six month period ended -----

---Three month period ended ---

<u>December 31,</u>	<u>December 31,</u>
<u>2022</u>	<u>2021</u>
Rupees	Rupees

8. REVENUE FROM CONTRACT WITH CUSTOMERS - NET

Exports

Yarn 3,848,624,245 4,330,173,990 2,068,951,675 1,975,599,100

Local

Yarn 1,059,546,081 546,241,455 731,003,875 342,380,551

Doubling 3,172,905 6,330,956 3,172,905 4,232,100

Waste 134,065,632 198,145,749 82,499,925 104,266,779

1,196,784,618 750,718,160 816,676,705 450,879,430

Less:

Sales tax on local sales (426,619,891) (234,051,002) (243,690,522) (117,139,455)

Commission (34,331,144) (26,394,910) (20,072,969) (13,200,087)

4,584,457,828 4,820,446,238 2,621,864,889 2,296,138,988


Shabbir Kausar
Chief Financial Officer


Kashif Riaz
Chief Executive Officer


Mian Imran Ahmed
Chairman

	<u>----- Six month period ended -----</u>		<u>---Three month period ended---</u>	
	<u>December 31,</u>		<u>December 31,</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Rupees.....			
9. COST OF GOODS SOLD				
Raw material consumed	3,362,162,827	3,126,586,465	1,868,429,827	1,635,948,507
Power and fuel	328,412,540	222,359,761	148,998,540	124,230,931
Salaries, wages and benefits	167,124,612	141,307,030	77,748,612	62,148,726
Packing material consumed	44,228,490	53,922,606	24,146,490	26,660,714
Stores and spares consumed	48,313,728	47,675,245	26,610,728	24,580,032
Repair and maintenance	5,015,327	1,647,310	3,052,327	810,427
Insurance	9,621,389	3,800,000	7,521,389	2,000,000
Depreciation	126,295,617	71,108,780	63,147,617	35,773,120
Others	980,784	1,007,177	543,784	593,897
	4,092,155,314	3,669,414,374	2,220,199,314	1,912,746,354
Work in process				
Opening stock	49,121,588	40,247,255	50,586,000	48,333,833
Closing stock	(68,447,094)	(57,885,814)	(68,447,094)	(57,885,814)
	(19,325,506)	(17,638,559)	(17,861,094)	(9,551,981)
Cost of goods manufactured	4,072,829,808	3,651,775,815	2,202,338,220	1,903,194,373
Finished goods				
Opening stock	205,060,404	124,796,243	405,665,000	78,891,952
Purchase of finished goods	31,977,500	113,962,500	-	71,325,000
Closing stock	(128,611,669)	(345,929,970)	(128,611,669)	(345,929,970)
	108,426,235	(107,171,227)	277,053,331	(195,713,018)
	4,181,256,043	3,544,604,588	2,479,391,551	1,707,481,355
			<i>(Unaudited)</i>	<i>(Unaudited)</i>
			<u>December 31,</u>	<u>December 31,</u>
			<u>2022</u>	<u>2021</u>
			<u>Rupees</u>	<u>Rupees</u>
10. OTHER INCOME				
Income from financial assets				
Unrealized gain on remeasurement of other financial assets			26,380,982	10,090,705
Realized gain on disposal of other financial assets			13,273,739	-
Interest / profit on bank deposits			9,313,924	168,074
Dividend income			98,646,812	13,165,769
Income from non financial assets				
Gain on sale of property, plant and equipment			-	185,564
			147,615,457	23,610,112


 Shabbir Kausar
 Chief Financial Officer


 Kashif Riaz
 Chief Executive Officer


 Mian Imran Ahmed
 Chairman

11. TAXATION

Current year:
Current

58,679,836 53,682,067

11. RELATED PARTY TRANSACTIONS

11.1 The related parties comprise of associated undertakings, directors and key management personnel. The Company in normal course of business carries out transactions with related parties. Transactions with related parties are as follows:

	<u>----- Six month period ended -----</u>		<u>---Three month period ended ---</u>	
	<u>December 31,</u>		<u>December 31,</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	<u>.....Rupees.....</u>			
Transactions with directors and key management personnel				
Remuneration and other benefits of chief executive, directors and executives	58,433,131	43,862,028	31,419,495	21,187,421

	<u>----- Six month period ended -----</u>		<u>---Three month period ended ---</u>	
	<u>December 31,</u>		<u>December 31,</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	<u>.....Rupees.....</u>			

Transactions with associated undertakings

Indus Home Limited

Sale of goods and services	19,327,955	60,699,933	7,852,765	25,998,362
Due from associates	-	6,007,712	-	-

Embee Industries (Pvt) Limited

Due to associates	-	600,000	-	-
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All transactions with related parties have been carried out on agreed terms and conditions.

12. FAIR VALUE MEASUREMENTS

IFRS 13 requires fair value measurement disclosures using following three level fair value hierarchy that reflects the significance of the inputs used in measuring fair value of financial instruments.

Information about fair value hierarchy and asset classified under the hierarchy as follows.

- Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derive from prices).
- Level 3: Inputs for asset or liability that are not based on observable market data (unobservable inputs).

12.1 Fair value of property, plant and equipment and other financial assets

The Company has its freehold land, building on freehold land and plant and machinery revalued on June 30, 2022 by M.Y.K Associates (Private) Limited and Joseph Lobo (Private) Limited. Both are independent valuer not connected with the Company. The basis used for the revaluation of these assets were as follows:

Freehold land

Fair market value of the land was assessed through inquiries in the vicinity of land, recent market deals and information obtained through estate agents and property dealers of the area.

Building on freehold land

Fair market value of the building was assessed mainly through new construction value, depreciation cost factors, state of infrastructure, current trends in prices of real estate in the vicinity and information obtained through estate agents, builders and developers.

Plant and machinery

Fair market value of the plant and machinery was assessed through inquiries of local authorized dealers who deal in old and new similar type of plant and machineries. Replacement value was then ascertained from competitive rates of the plant and machinery and thereafter, an average depreciation factor was applied on the replacement value of the plant and machinery.


Shabbir Kausar
Chief Financial Officer


Kashif Riaz
Chief Executive Officer


Mian Imran Ahmed
Chairman

Other Financial Assets

Other financial assets include investments in quoted equity shares and units in mutual funds. The investment is remeasured at each reporting date at its fair value by using the prevailing market rates.

As at December 31,

2022

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
	<u>Rupees</u>		
Free holdland	-	981,040,000	-
Building on free holdland	-	475,000,000	-
Investment Property	-	2,342,055	-
Plant and machinery	-	1,900,000,000	-
Other financial assets	193,766,902	613,122,105	-
Total	193,766,902	3,971,504,160	-

As at June 30, 2022

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
	<u>Rupees</u>		
Freehold land	-	981,040,000	-
Building on freehold land	-	500,000,000	-
Investment Property	-	2,342,055	-
Plant and machinery	-	2,000,000,000	-
Other financial assets	299,668,983	1,680,661,158	-
Total	299,668,983	5,164,043,213	-

Fair value of all other financial assets and liabilities approximated their carrying value. There were no transfers between levels of fair value hierarchy during the period.

13. FINANCIAL RISK MANAGEMENT

The company's risk management objectives and policies are consistent with those objectives and policies which were disclosed in the annual financial statements of the Company as at and for the year ended June 30, 2022.

14. CORRESPONDING FIGURES

The preparation and presentation of these unconsolidated financial statement for the period ended December 31, 2022 is in accordance with the requirements of IFRSs. Following is the major reclassification made for better presentation:

<u>Reclassified from</u>	<u>Reclassified to</u>	<u>Rupees</u>
Other Income	Other Expenses	14,016,016

15. DATE OF AUTHORIZATION OF INTERIM FINANCIAL STATEMENTS

The condensed interim financial statements were authorized for issue on March 01 2023 by the Board of Directors of the Company.

16. FIGURES

Figures have been rounded-off to the nearest rupee except as stated otherwise.


Shabbir Kausar
Chief Financial Officer


Kashif Riaz
Chief Executive Officer


Mian Imran Ahmed
Chairman

**CONSOLIDATED CONDENSED INTERIM STATEMENT OF
FINANCIAL POSITION
AS AT DECEMBER 31, 2022**

ASSETS	Note	(Unaudited) December 31, 2022 Rupees	(Audited) June 30, 2022 Rupees
<u>Non-current assets</u>			
Property, plant and equipment	3	6,614,802,634	4,420,544,944
Investment properties		2,342,055	2,342,055
Long Term Investment		-	-
Long term deposits		<u>7,011,240</u>	<u>7,011,240</u>
		6,624,155,929	4,429,898,239
<u>Current assets</u>			
Stores and spares		118,801,000	95,727,359
Stock in trade	4	1,613,957,047	2,188,607,098
Trade debts		1,799,828,223	765,425,459
Loans and advances		100,938,133	113,472,576
Trade deposits and short term prepayments		1,139,136	3,239,226
Advance Income Tax		46,395,998	113,363,625
Short term investments		906,889,007	1,980,330,141
Due from government		155,980,446	72,537,332
Other receivables		34,387,250	46,922,498
Cash and bank balances		<u>38,303,209</u>	<u>97,675,556</u>
		4,816,619,449	5,497,667,692
Total assets		<u>11,440,775,378</u>	<u>9,927,565,931</u>
<u>EQUITY AND LIABILITIES</u>			
<u>Share capital and reserves</u>			
Issued, subscribed and paid-up capital		207,000,000	207,000,000
Share premium		3,600,000	3,600,000
Surplus on revaluation of property, plant and equipment		2,068,145,204	2,131,048,389
General reserves		612,000,000	612,000,000
Unappropriated profit		<u>5,407,792,568</u>	<u>5,155,596,805</u>
		8,298,537,772	8,109,245,194
<u>Non-current liabilities</u>			
Long term financing	5	1,674,631,115	883,441,966
Deferred liabilities		<u>5,999,767</u>	<u>76,464,325</u>
		1,680,630,882	959,906,291
<u>Current liabilities</u>			
Trade and other payables		456,942,708	515,037,944
Accrued markup		32,083,934	8,320,237
Short term borrowings	6	697,103,227	-
Current portion of long term financing		154,082,000	159,288,605
Current portion of deferred government grant		-	204,437
Unclaimed dividend		22,112,213	22,759,665
Provision for taxation		<u>99,282,642</u>	<u>152,803,558</u>
		1,461,606,724	858,414,446
Contingencies and commitments	7		
Total equity and liabilities		<u>11,440,775,378</u>	<u>9,927,565,931</u>

The annexed notes from 1 to 16 form an integral part of these interim financial statements.


Shabbir Kausar
Chief Financial Officer


Kashif Riaz
Chief Executive Officer


Mian Imran Ahmed
Chairman

**CONSOLIDATED CONDENSED INTERIM STATEMENT OF
PROFIT OR LOSS
FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2022**

Note	...Six month period ended...		...Three month period ended...		
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021	
	-----Rupees -----				
Revenue from contract with customers - net	8	4,584,457,828	4,820,446,238	2,621,864,889	2,296,138,988
Cost of goods sold	9	(4,181,719,202)	(3,544,604,588)	(2,479,818,721)	(1,707,481,355)
Gross profit		402,738,626	1,275,841,650	142,046,168	588,657,633
Other income	10	148,395,457	23,610,112	61,684,457	473,420
		551,134,083	1,299,451,762	203,730,625	589,131,053
Distribution cost		(68,192,343)	(80,224,265)	(33,978,343)	(38,324,338)
Administrative expenses		(123,389,300)	(92,145,677)	(61,648,786)	(43,754,808)
Other expenses		(39,503,979)	(68,032,699)	(28,360,979)	(15,586,865)
		(231,085,622)	(240,402,641)	(123,988,108)	(97,666,011)
Finance cost		(71,895,087)	(32,732,136)	(43,489,087)	(18,763,584)
Profit before taxation		248,153,374	1,026,316,985	36,253,430	472,701,458
Taxation	8	(58,860,796)	(53,682,067)	(27,992,915)	(32,152,693)
Profit after tax		189,292,578	972,634,918	8,260,515	440,548,765
		9.14	46.99	0.40	21.28

The annexed notes from 1 to 16 form an integral part of these interim financial statements.


Shabbir Kausar
Chief Financial Officer


Kashif Riaz
Chief Executive Officer


Mian Imran Ahmed
Chairman

**CONSOLIDATED CONDENSED INTERIM STATEMENT OF
COMPREHENSIVE INCOME
FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2022**

	...Six month period endedThree month period ended ...	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
	----- Rupees -----			
Profit for the period	189,292,578	972,634,918	8,260,515	440,548,765
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	189,292,578	972,634,918	8,260,515	440,548,765

The annexed notes from 1 to 16 form an integral part of these interim financial statements.


Shabbir Kausar
Chief Financial Officer


Kashif Riaz
Chief Executive Officer


Mian Imran Ahmed
Chairman


**CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2022**

	Capital reserves		Revenue reserves		Total	
	Issued, subscribed and paid-up capital	Share Premium	Surplus on revaluation of fixed assets	General reserve		Unappropriated profits
Balance as at June 30, 2021 - Audited	207,000,000	3,600,000	269,214,931	612,000,000	3,315,924,412	4,407,739,343
Profit for the six month period ended December 31, 2021	-	-	-	-	972,634,918	972,634,918
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the six month period ended December 31, 2020	-	-	-	-	972,634,918	972,634,918
Transactions with shareholders:						
Transferred to unappropriated profits on account of incremental depreciation on surplus on revaluation of property, plant and equipment	-	-	(7,783,448)	-	7,783,448	-
Balance as at December 31, 2021 - Unaudited	207,000,000	3,600,000	261,431,483	612,000,000	4,296,342,778	5,380,374,261
Balance as at June 30, 2022 - Audited	207,000,000	3,600,000	2,131,048,389	612,000,000	5,155,596,805	8,109,245,194
Profit for the six month period ended December 31, 2022	-	-	-	-	189,292,578	189,292,578
Transactions with shareholders:						
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation (net of deferred tax)	-	-	(62,903,185)	-	62,903,185	-
Balance as at December 31, 2022 - Unaudited	207,000,000	3,600,000	2,068,145,204	612,000,000	5,407,792,568	8,298,537,772

The annexed selected notes from 1 to 16 form an integral part of these interim financial statements.


Shabbir Kausar
Chief Financial Officer



Kaashif Niazi
Chief Executive Officer

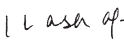

Mian Imran Ahmed
Chairman

**CONSOLIDATED CONDENSED INTERIM STATEMENT OF
CASH FLOWS
FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2022**

	<i>----- Six month period ended -----</i>	
	<i>December 31,</i>	<i>December 31,</i>
	<i>2022</i>	<i>2021</i>
	<i>Rupees</i>	<i>Rupees</i>
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	247,853,374	1,026,276,796
Adjustments for:		
Depreciation on property, plant and equipment	135,562,589	78,420,520
Provision for staff retirement benefits - gratuity	7,500,000	8,130,000
Realized gain on disposal of other financial assets	(13,273,739)	13,231,076
Unrealized gain on re-measurement of other financial assets	(26,380,982)	(9,305,765)
Realized loss on disposal of other financial assets	25,133,419	-
Gain on disposal of property, plant and equipment	-	(185,564)
Finance cost	71,895,087	32,732,136
	200,436,374	123,022,403
Operating cash flows before movements in working capital	448,289,748	1,149,299,199
Changes in working capital		
<i>(Increase) / decrease in current assets</i>		
Stores and spares	(23,073,641)	12,322,952
Stock in trade	574,650,051	(1,849,638,842)
Trade debts	(1,034,402,764)	462,995,256
Loans and advances	12,534,443	31,244,943
Due from Government	(63,076,291)	(187,468,744)
Trade deposits and short term prepayments	2,100,090	-
Other receivables	12,659,267	(1,091,376)
<i>Increase in current liability</i>	-	-
Trade and other payables	(57,795,235)	179,775,340
	(576,404,079)	(1,351,860,471)
Cash used in operations	(128,114,331)	(202,561,272)
Finance cost paid	(48,131,390)	(30,727,038)
Staff retirement benefits - gratuity paid	(77,964,558)	(4,710,509)
Income Taxes paid - net	(45,541,525)	(88,415,969)
Net cash used in operating activities	(299,751,804)	(326,414,788)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Addition to property plant and equipment	(30,347,600)	(52,343,815)
Additions to capital work in progress	(2,299,472,680)	(78,484,991)
Proceeds from disposal of property, plant and equipment	-	2,481,752
Payments for purchase of short term investments	(2,543,297,285)	(1,688,246,645)
Proceeds from disposal of short term investments	3,631,259,719	1,896,718,059
Net cash (used in) generated from investing activities	(1,241,857,846)	80,124,360
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing - receipt	884,036,260	64,790,433
Long term financing - payment	-	(60,692,036)
Dividend paid	(647,452)	(75,942)
Net cash generated from financing activities	883,388,808	4,022,455
Net decrease in cash and cash equivalents (A+B+C)	(658,220,842)	(242,267,973)
Cash and cash equivalents at beginning of the period	97,678,977	91,645,577
Cash and cash equivalents at end of the period	(560,541,865)	(150,622,396)
CASH AND CASH EQUIVALENT		
Cash and bank balances	38,303,209	27,964,864
Running Finance	(697,103,227)	(178,587,260)
	(658,800,018)	(150,622,396)

The annexed selected notes from 1 to 16 form an integral part of these interim financial statements.


Shabbir Kausar
Chief Financial Officer


Kashif Riaz
Chief Executive Officer


Mian Imran Ahmed
Chairman

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENT FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2022

The Group consists of Sunrays Textile Mills Limited (the Holding Company) and its subsidiary namely Embee Industries (Private) Limited.

1. LEGAL STATUS AND OPERATIONS

1.1 Sunrays Textile Mills Limited "the Company" was incorporated in Pakistan on August 27, 1987 as a public limited company under the repealed Companies Ordinance, 1984 (Now Companies Act 2017) and its shares are quoted on the Pakistan Stock Exchange. The Company is principally engaged in trade, manufacture and sale of yarn. The registered office of the Company is situated at Office no. 508, 5th floor, Beaumont Plaza, Beaumont Road, Civil Lines Quarters, Karachi. The area of the mill is 114 kanals and 10 marlas, and is located at Khanpur Shumali khewat no. 359, District Muzaffargarh, Dera Ghazi Khan Division, in the province of Punjab.

1.2 These consolidated interim financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency.

1.3 These consolidated condensed interim financial statements do 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, 2022. Comparative condensed interim statement of financial position has been extracted from annual audited financial statements for the year ended June 30, 2022 whereas comparative condensed statement profit or loss and condensed interim statement of comprehensive income, comparative condensed interim statement of changes in equity and comparative condensed interim statement of cash flows has been extracted from un-audited condensed interim financial statements for the six month period ended December 31, 2021.

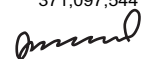
2. SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS.

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information and the significant judgements made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied in the preparation of the financial statements as at and for the year ended June 30, 2022. Certain new IFRSs and amendments to existing IFRSs are effective for periods beginning on or after July 1, 2022, which do not have any impact on the Company's financial reporting and therefore, have not been detailed in this condensed interim financial information.

	<u>Note</u>	<u>(Unaudited)</u> <u>December 31,</u> <u>2022</u> <u>Rupees</u>	<u>(Audited)</u> <u>June 30,</u> <u>2022</u> <u>Rupees</u>
		3. PROPERTY, PLANT AND EQUIPMENT	
Operating assets	3.1	3,659,980,748	3,765,195,736
Capital work-in progress	3.2	2,954,821,886	655,349,208
		<u>6,614,802,634</u>	<u>4,420,544,944</u>
		<u>(Unaudited)</u> <u>December 31,</u> <u>2022</u> <u>Rupees</u>	<u>(Audited)</u> <u>June 30,</u> <u>2022</u> <u>Rupees</u>
3.1 Operating assets			
Opening book value		3,765,195,736	1,661,109,666
Additions during the period / year - cost			
Freehold land		-	43,162,200
Building on free hold land		-	196,528,803
Plant and machinery		-	108,667,294
Office equipment		-	183,000
Vehicles		28,572,800	22,311,800
Furniture and fittings		1,774,800	244,445
		<u>30,347,600</u>	<u>371,097,544</u>


Shabbir Kausar
Chief Financial Officer


Kashif Riaz
Chief Executive Officer


Mian Imran Ahmed
Chairman

Revaluation during the period/year		
Freehold land	-	744,963,309
Building on freehold land	-	325,348,678
Plant and machinery	-	826,326,507
	-	1,896,638,494
Disposals during the period / year - cost		
Plant and Machinery	-	(20,613,027)
Vehicles	-	(13,111,697)
Depreciation relating to disposals during the period / year	-	29,875,704
Net book value of disposed asset	-	(3,849,020)
Depreciation charge for the period / year	(135,562,588)	(159,800,948)
Closing carrying value	3,659,980,748	3,765,195,736

3.2 Capital Work in Progress

Opening balance		655,349,208	-
Additions during the year			
Machinery in transit	3.2.1	1,430,266,755	456,936,184
Building	3.2.2	754,419,333	198,413,024
Electric Installations	3.2.1	114,786,590	-
		2,299,472,678	655,349,208
Transferred to operating assets		-	-
		2,954,821,886	655,349,208

3.2.1 This amounts represents advance against letter of credit for machinery and electric installations of new spinning unit.

3.2.2 This amount represents expense incurred by entity for construction of building of new spinning unit .

4. STOCK IN TRADE

Raw material	1,011,209,678	1,422,495,562
Raw material in-transit	405,688,606	511,929,544
Work in process	68,447,094	49,121,588
Finished goods	22,568,654	105,250,471
Waste	106,043,015	99,809,933
	1,613,957,047	2,188,607,098

5. LONG TERM FINANCING

From banking companies - secured

Term finance:

Allied Bank Limited	5.1	-	3,600,000
Allied Bank Limited	5.2	115,304,000	115,304,000
Allied Bank Limited	5.3	64,465,761	-
Bank Al Habib Limited	5.4	789,765,150	-
MCB Bank Limited	5.5	24,468,500	-
		994,003,411	118,904,000

(Unaudited) (Audited)

December 31, June 30,

2022 2022

Rupees Rupees

LTFE:

United Bank Limited	5.6	29,547,060	36,933,825
MCB Bank Limited	5.7	325,653,978	352,405,247
Bank Al Falah Limited	5.8	339,843,750	363,281,250
Allied Bank Limited	5.9	73,462,949	104,914,486
Allied Bank Limited	5.1	66,201,967	66,496,200
		834,709,704	924,031,008

1,828,713,115 1,042,935,008

Less: Current portion **(154,082,000)** (159,288,605)

Less: Current portion of deferred grant - (204,437)

1,674,631,115 883,441,966


Shabbir Kausar
Chief Financial Officer


Kashif Riaz
Chief Executive Officer


Mian Imran Ahmed
Chairman

5.1 Allied Bank Limited - Term Finance

This finance has been obtained from Allied Bank Limited for Balancing, Modernization and Replacement (BMR). The loan was repayable in 16 equal half yearly installments commencing from May 25, 2022 with 3 months grace period from the date of 1st disbursement. It carried mark up at the rate of 6 Months KIBOR + 0.50%. The finance was secured against first pari passu charge over all present and future fixed assets of the Company for Rs. 134 million inclusive of 25% margin.

5.2 Allied Bank Limited - Term Finance (Rooters)

This finance has been obtained from Allied Bank Limited for BMR. The loan was repayable in 16 equal half yearly installments commencing from June 14, 2024 with 2 years grace period. It carried mark up at the rate of 6 Months KIBOR + 0.75%. The finance was secured against first pari passu charge over present and future fixed assets of the Company for Rs.800 million inclusive of 25% margin.

5.3 Bank Al Habib Limited -Term Finance

This finance has been obtained from Allied Bank Limited for BMR. The loan was repayable in 16 equal half yearly installments commencing from August 12, 2024 with 2 years grace period. It carried mark up at the rate of 6 Months KIBOR + 0.75%. The finance was secured against first pari passu charge over present and future fixed assets of the Company for Rs.800 million inclusive of 25% margin.

5.4 Allied Bank Limited - Term Finance

This finance has been obtained from Bank Al Habib Limited for Solar Power Project of 1.64 MW and Rooter. The loan was repayable in 20 quarterly installments commencing from November 22, 2022. It carried mark up at the rate of 6 Months KIBOR + 1%. The finance was secured against first pari passu charge of Rs 1,143 million over fixed assets of the Company.

5.5 MCB Bank Limited - Term Finance

This finance has been obtained from MCB Bank Limited for BMR. The loan was repayable in 16 equal half yearly installments commencing from August 14, 2024 with 2 years grace period. It carried mark up at the rate of 6 Months KIBOR + 1%. The finance was secured against first pari passu hypo/equitable mortgage charge of Rs 934 million over present and future fixed assets of the Company.

5.6 United Bank Limited - LTFF

This finance has been obtained from United bank Limited for BMR. The loan is repayable in 10 equal half yearly installments commencing from February 18, 2019 with 11 months grace period. It carries markup at flat rate of 3%. The finance is secured against first pari passu charge amounting to Rs. 125 million over all present and future fixed assets of the Company with 25% margin.

5.7 MCB Bank Limited - LTFF

This finance has been obtained from MCB Bank Limited for BMR. The loan is repayable in 16 equal half yearly installments commencing from April 18, 2020 with 2 years grace period. It carries markup at rate of 2.5%. The finance is secured against first pari passu charge amounting to Rs. 600 million over all present and future fixed assets of the Company with 25% margin.

5.8 Bank Alfalah Limited- LTFF

This finance has been obtained from Bank Alfalah Limited for BMR. The loan is repayable in 32 equal quarterly installments commencing from June 18, 2021 with 2 years grace period. It carries markup at flat rate of 3%. The finance is secured against first pari passu charge amounting to Rs. 500 million over all present and future fixed assets of the Company with 25% margin.

5.9 Allied Bank Limited - LTFF (salaries and wages)

This finance has been obtained from Allied Bank to pay salaries and wages under SBP's Refinance Scheme for payment of wages and salaries. The loan is repayable in 8 equal quarterly installments commencing from Jan 31, 2021. It carries mark up at flat rate of 1.25%. The finance is secured against first pari passu charge amounting to Rs. 152 million over all present and future fixed assets of the Company with 25% margin.

6. SHORT TERM BORROWINGS

		<i>(Unaudited)</i> December 31,	<i>(Audited)</i> June 30,
		2022	2021
		Rupees	Rupees
Secured - under markup arrangements from banking Companies			
Running Finance	6.1	<u>697,103,227</u>	<u>-</u>

6.1 Short term facilities available from commercial banks under mark up arrangements amount to Rs. 6475 Million (June 30, 2022: Rs. 6,475 million) of which facilities aggregating to Rs.697.103 million (June 30, 2022: Nil) remained utilized at the year end. The rate of mark up ranges from 14.66% to 17.58% per annum (June 30, 2022: 14.66% to 17.33% per annum) payable on quarterly basis. These finances are secured against pledge of raw material and finished goods and charge on current assets of the Company.


Shabbir Kausar
Chief Financial Officer


Kashif Riaz
Chief Executive Officer


Mian Imran Ahmed
Chairman

7. CONTINGENCIES AND COMMITMENTS

7.1 Contingencies

There is no significant change in status of contingent liabilities since the annual financial statements as at June 30, 2022.

		<i>(Unaudited)</i> <u>December 31,</u> <u>2022</u>	<i>(Audited)</i> <u>June 30,</u> <u>2022</u>
	<i>Note</i>	<i>Rupees</i>	<i>Rupees</i>
7.2 Commitments			
Bank guarantees	7.2.1	242,481,302	201,481,302
Foreign bills purchased		532,853,270	1,182,441,108
In land bill purchased		143,840,034	50,785,020
Letters of credit	7.2.2	606,091,877	-
7.2.1 Bank guarantees			
<i>In favor of</i>			
	<i>Bank</i>		
Sui Northern Gas Pipelines Limited	MCB Bank Limited	54,933,161	57,061,261
Sui Northern Gas Pipelines Limited	MCB Bank Limited	383,528	-
Sui Northern Gas Pipelines Limited	MCB Bank Limited	1,744,572	-
Ministry of textile	MCB Bank Limited	599,574	599,574
Excise and taxation	Soneri Bank Limited	-	23,985,915
Excise and taxation	MCB Bank Limited	50,000,000	9,000,000
Excise and taxation	MCB Bank Limited	7,285,915	-
Excise and taxation	MCB Bank Limited	16,700,000	-
Import licence fee	Habib Bank Limited	-	274,552
Excise and taxation	United Bank Limited	110,560,000	110,560,000
CCI & E	Habib Bank Limited	274,552	-
		<u>242,481,302</u>	<u>201,481,302</u>
		<i>(Unaudited)</i> <u>December 31,</u> <u>2022</u>	<i>(Audited)</i> <u>June 30,</u> <u>2022</u>
		<i>Rupees</i>	<i>Rupees</i>
7.2.2 Letters of credit			
- Stores & spares		25,052,534	21,388,308
- Raw material		227,117,129	239,520,128
- Plant and machinery		353,922,214	989,328,506
		<u>606,091,877</u>	<u>1,250,236,942</u>

----- Six month period ended -----

---Three month period ended---

December 31,

December 31,

2022

2021

2022

2021

.....Rupees.....

8. REVENUE FROM CONTRACT WITH CUSTOMERS - NET

Exports

Yarn 3,848,624,245 4,330,173,990 2,068,951,675 1,975,599,100

Local

Yarn 1,059,546,081 546,241,455 731,003,875 342,380,551

Doubling 3,172,905 6,330,956 3,172,905 4,232,100

Waste 134,065,632 198,145,749 82,499,925 104,266,779

1,196,784,618 750,718,160 816,676,705 450,879,430

Less:

Sales tax on local sales (426,619,891) (234,051,002) (243,690,522) (117,139,455)

Commission (34,331,144) (26,394,910) (20,072,969) (13,200,087)

4,584,457,828 4,820,446,238 2,621,864,889 2,296,138,988


Shabbir Kausar
Chief Financial Officer


Kashif Riaz
Chief Executive Officer


Mian Imran Ahmed
Chairman

	----- Six month period ended -----		---Three month period ended ---	
	December 31,		December 31,	
	2022	2021	2022	2021
Rupees.....			
9. COST OF GOODS SOLD				
Raw material consumed	3,362,162,827	3,126,586,465	1,868,429,827	1,635,948,507
Power and fuel	328,412,540	222,359,761	148,998,540	124,230,931
Salaries, wages and benefits	167,124,612	141,307,030	77,748,612	62,148,726
Packing material consumed	44,228,490	53,922,606	24,146,490	26,660,714
Stores and spares consumed	48,313,728	47,675,245	26,610,728	24,580,032
Repair and maintenance	5,015,327	1,647,310	3,052,327	810,427
Insurance	9,621,389	3,800,000	7,521,389	2,000,000
Depreciation	126,758,776	71,108,780	63,575,287	35,773,120
Others	980,784	1,007,177	543,784	593,897
	4,092,618,473	3,669,414,374	2,220,626,984	1,912,746,354
Work in process				
Opening stock	49,121,588	40,247,255	50,586,000	48,333,833
Closing stock	(68,447,094)	(57,885,814)	(68,447,094)	(57,885,814)
	(19,325,506)	(17,638,559)	(17,861,094)	(9,551,981)
Cost of goods manufactured	4,073,292,967	3,651,775,815	2,202,765,890	1,903,194,373
Finished goods				
Opening stock	205,060,404	124,796,243	405,665,000	78,891,952
Purchase of finished goods	31,977,500	113,962,500	(500)	71,325,000
Closing stock	(128,611,669)	(345,929,970)	(128,611,669)	(345,929,970)
	108,426,235	(107,171,227)	277,052,831	(195,713,018)
	4,181,719,202	3,544,604,588	2,479,818,721	1,707,481,355

	(Unaudited)		(Audited)	
	December 31,		December 31,	
	2022	2021	2022	2021
Rupees.....			
10. OTHER INCOME				
Income from financial assets				
Unrealized gain on remeasurement of other financial assets			26,380,982	10,090,705
Realized gain on disposal of other financial assets			13,273,739	-
Interest / profit on bank deposits			9,313,924	168,074
Dividend income			98,646,812	13,165,769
Others			780,000	-
Income from non financial assets				
Gain on sale of property, plant and equipment			-	185,564
			148,395,457	23,610,112

11. RELATED PARTY TRANSACTIONS

11.1 The related parties comprise associated undertakings, directors and key management personnel. The Company in normal course of business carries out transactions with related parties. Transactions with related parties are as follows:

	----- Six month period ended -----		---Three month period ended ---	
	December 31,		December 31,	
	2022	2021	2022	2021
Rupees.....			
Transactions with directors and key management personnel				
Remuneration and other benefits of chief executive, directors and executives	58,433,131	43,862,028	31,419,495	21,187,421

Shabbir Kausar
Chief Financial Officer

Kashif Riaz
Chief Executive Officer

Mian Imran Ahmed
Chairman

	----- Six month period ended -----		---Three month period ended ---	
	December 31,		December 31,	
	2022	2021	2022	2021

.....Rupees.....

Transactions with associated undertakings

Indus Home Limited

Sale of goods and services 19,327,955 60,699,933 7,852,765 25,998,362

Due from associates - 6,007,712 - -

Embee Industries(PVT) limited

Due from associates - 600,000 - -

12. FAIR VALUE MEASUREMENTS

IFRS 13 requires fair value measurement disclosures using following three level fair value hierarchy that reflects the significance of the inputs used in measuring fair value of financial instruments.

Information about fair value hierarchy and asset classified under the hierarchy as follows.

- Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derive from prices).
- Level 3: Inputs for asset or liability that are not based on observable market data (unobservable inputs).

12.1 Fair value of property, plant and equipment and other financial assets

The Company has its freehold land, building on freehold land and plant and machinery revalued on June 30, 2022 by M.Y.K Associates (Private) Limited and Joseph Lobo (Private) Limited. Both are independent valuer not connected with the Company. The basis used for the revaluation of these assets were as follows:

Freehold land

Fair market value of the land was assessed through inquiries in the vicinity of land, recent market deals and information obtained through estate agents and property dealers of the area.

Building on freehold land

Fair market value of the building was assessed mainly through new construction value, depreciation cost factors, state of infrastructure, current trends in prices of real estate in the vicinity and information obtained through estate agents, builders and developers.

Plant and machinery

Fair market value of the plant and machinery was assessed through inquiries of local authorized dealers who deal in old and new similar type of plant and machineries. Replacement value was then ascertained from competitive rates of the plant and machinery and thereafter, an average depreciation factor was applied on the replacement value of the plant and machinery.

Other Financial Assets

Other financial assets includes investments in quoted equity shares and units in mutual funds. The investment is remeasured at each reporting date at its fair value by using the prevailing market rates.

As at December 31, 2022

	Level 1	Level 2	Level 3
	-----Rupees-----		
Free hold land	-	981,040,000	-
Building on free hold land	-	475,000,000	-
Investment Property	-	2,342,055	-
Plant and machinery	-	1,900,000,000	-
Short term investments	193,766,902	613,122,105	-
Total	193,766,902	3,971,504,160	-


Shabbir Kausar
Chief Financial Officer


Kashif Riaz
Chief Executive Officer


Mian Imran Ahmed
Chairman

As at June 30, 2022

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
	<u>Rupees</u>		
Free hold land	-	981,040,000	-
Building on free hold land	-	500,000,000	-
Investment Property	-	2,342,055	-
Plant and machinery	-	2,000,000,000	-
Short term investments	299,668,983	1,680,661,158	-
Total	<u>299,668,983</u>	<u>5,164,043,213</u>	<u>-</u>

Fair value of all other financial assets and liabilities approximated their carrying value.

There were no transfers between levels of fair value hierarchy during the period.

13. FINANCIAL RISK MANAGEMENT

The company's risk management objectives and policies are consistent with those objectives and policies which were disclosed in the annual financial statements of the Company as at and for the year ended June 30, 2022.

14. CORRESPONDINGS FIGURES

The preparation and presentation of these consolidated financial statement for the period ended december 31,2022 is in accordance with the requirements of IFRSs.following is the majour reclassification made for better presentation:

<u>Reclassified from</u>	<u>Reclassified to</u>	<u>Rupees</u>
Other income	Other Expenses	14,016,016

15. DATE OF AUTHORIZATION OF INTERIM FINANCIAL STATEMENTS

The condensed interim financial statements were authorized for issue on March 01, 2023 by the Board of Directors of the Company.

16. FIGURES

Figures have been rounded-off to the nearest rupee except as stated otherwise.


Shabbir Kausar
Chief Financial Officer


Kashif Riaz
Chief Executive Officer


Mian Imran Ahmed
Chairman