

SUNRAYS TEXTILE MILLS LIMITED



QUARTERLY STATEMENT (UN-AUDITED)

**FOR THE 3rd QUARTER
ENDED MARCH 31, 2023**

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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 nine month ended March 31, 2023. During the period under review your Company has earned pre-tax profit Rs. 395.688 (M).

FINANCIAL HIGHLIGHTS

	Nine Month Ended March 31.(Rs.In Millions)	
	2023	2022
Sales – Net	7,630.503	7,316.784
Gross Profit	681.901	1,848.836
Other Income	157.189	93.097
Profit Before Taxation	395.688	1,541,030
Taxation	(89.753)	(76.028)
Profit After Taxation	305.935	1,465.002

REVIEW OF OPERATIONS

Yours Company earned profit after tax Rs.305.935 million as compared to Rs.1,465.002 million over the last corresponding period. Gross profit decreased by 63% and profit after tax decreased by 79% 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 Rs3,294.299 (M) was invested in the fixed assets including building for BMR and addition of new plant comprises of ten sets of Rotor 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 nine-month ended March 31, 2023 is Rs.14.78 as compared to Rs.70.77 for the previous corresponding period.

FUTURE PROSPECTS

Pakistan's Textile industry is going through toughest times. On one side, there is economic slowdown being observed in the international markets due to recession and on the other hand there is political and economic crisis being witnessed in the country. Foreign reserve has dropped to the lowest level. Due to scarcity of foreign exchange, imports have been strongly discouraged & regulated by the banks/SBP resultantly industry has been facing problem for import of raw materials & spare parts. Pak Rupees has been significantly depreciated against US dollar. Rate of inflation has been observed at more than 27.6% in the country. SBP has significantly increased interest rate to 20% p.a. in order to lessen inflation in the country. The government has abolished various subsidies & rebates resultantly subsidized tariff of electricity & gas for textile industry has withdrawn by the government. The prices of fuel has been significantly increased in the country despite lowering of price in the international market. In addition therewith, crop of cotton has already

substantially effected due to recent devastating flood in the country. Due to lowering of demand, shortage & higher rate of raw material, higher rates of fuel & power as well as higher interest rate, textile sector in the country has undergone into huge losses. 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

Kashif Riaz
CHIEF EXECUTIVE OFFICER

Karachi
Dated: APRIL 28, 2023

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۔

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

ماحولیات، صحت اور حفاظت:

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

وہب پر موجودگی:

کھپنی کے سالانہ اور مختلف مدت کے مالیاتی بیانات کو کھپنی 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

28 اپریل 2023

**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF
FINANCIAL POSITION
AS AT MARCH 31, 2023**

ASSETS	<i>Note</i>	<i>(Unaudited)</i> March 31, 2023	<i>(Audited)</i> June 30, 2022
		<i>Rupees in '000'</i>	
Non-current assets			
Property, plant and equipment	3	7,311,092	4,224,016
Investment property		2,342	2,342
Long term investment		190,850	190,850
Long term deposits		6,991	6,991
		7,511,275	4,424,199
Current assets			
Stores and spares		120,925	95,727
Stock in trade	4	1,660,356	2,188,607
Trade debts		2,479,237	765,425
Loans and advances		149,862	113,473
Trade deposits and short term prepayments		1,139	3,239
Advance income tax		119,258	113,364
Other financial assets		698,647	1,980,330
Due from Government		207,209	92,904
Other receivables		43,656	46,902
Cash and bank balances		58,745	96,648
		5,539,036	5,496,620
Total assets		13,050,311	9,920,820
EQUITY AND LIABILITIES			
Share capital and reserves			
Issued, subscribed and paid-up capital		207,000	207,000
Share premium		3,600	3,600
Surplus on revaluation of property, plant and equipment		2,036,313	2,131,810
General reserves		612,000	612,000
Unappropriated profits		5,549,205	5,148,425
		8,408,118	8,102,835
Non-current liabilities			
long term financing			
Deferred liabilities		2,673,600	883,442
		9,685	76,464
		2,683,285	959,906
Current liabilities			
Trade and other payables		590,116	514,702
Accrued mark up		91,090	8,320
Short term borrowings		972,587	-
Current portion of long term financing		154,082	159,289
Current portion of deferred government grant		-	204
Unclaimed dividend		22,112	22,760
Provision for taxation		128,921	152,804
		1,958,908	858,078
Contingencies and commitments			
	5	-	-
Total equity and liabilities		13,050,311	9,920,820

The annexed selected notes from 1 to 10 form an integral part of this condensed interim financial information.


Shabbir Kausar
Chief Financial Officer


Kashif Riaz
Chief Executive Officer


Mian Imran Ahmed
Chairman

**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF
PROFIT OR LOSS (UNAUDITED)
FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2023**

 Nine months ended Three months ended	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	----- Rupees in '000' -----			
Revenue from contract with customers-net	7,630,502	7,316,784	3,046,044	2,496,337
Cost of goods sold	(6,948,491)	(5,467,948)	(2,767,235)	(1,923,343)
Gross profit	682,011	1,848,836	278,809	572,994
Other income	156,011	93,097	8,396	83,503
	838,023	1,941,933	287,205	656,497
Distribution expenses	(107,122)	(130,456)	(38,930)	(50,231)
Administrative expenses	(190,612)	(145,451)	(67,293)	(53,306)
Other operating expenses	(37,723)	(81,107)	1,781	(27,090)
	(335,457)	(357,014)	(104,442)	(130,627)
Finance cost	(107,802)	(43,889)	(35,907)	(11,157)
Profit before taxation	394,764	1,541,030	146,857	514,713
Taxation	(89,481)	(76,028)	(30,801)	(22,346)
Profit after tax	305,283	1,465,002	116,055	492,368
Earnings per share - basic and diluted	14.75	70.77	5.61	23.79

The annexed selected notes from 1 to 10 form an integral part of this condensed interim financial information.


Shabbir Kausar
Chief Financial Officer


Kashif Riaz
Chief Executive Officer


Mian Imran Ahmed
Chairman

**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF
COMPREHENSIVE INCOME (UNAUDITED)
FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2023**

	...Nine month period endedThree month period ended ...	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	----- Rupees -----			
Profit for the period	305,283	1,465,002	116,055	492,368
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Transfer from deferred tax due to change rate on opening revaluation surplus		-	-	-
Total comprehensive income for the period	305,283	1,465,002	116,055	492,368

The annexed notes from 1 to 10 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 CHANGES IN EQUITY (UNAUDITED)
FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2023**

	Share capital	Share premium	Surplus on revaluation of fixed assets	General reserve	Un-appropriated profit	Total
Balance as at July 01, 2021 (audited)	207,000	3,600	269,215	612,000	3,315,924	4,407,739
Profit for the period	-	-	-	-	1,465,002	1,465,002
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period ended March 31, 2022	-	-	-	-	1,465,002	1,465,002
Transaction with owners:						
1st interim dividend for the period ended December 31, 2022 @ Rs.5 per share	-	-	-	-	(103,500)	(103,500)
Transactions with owners: Transferred to unappropriated profit on account of Incremental depreciation on surplus on revaluation of property, plant and equipment	-	-	(11,675)	-	11,675	-
Balance as at March 31, 2022	207,000	3,600	257,540	612,000	4,689,102	5,769,242
Balance as at July 01, 2022 (audited)	207,000	3,600	2,131,810	612,000	5,148,425	8,102,835
Profit for the period	-	-	-	-	305,283	305,283
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period ended March 31, 2023	-	-	-	-	305,283	305,283
Transferred to unappropriated profit on account of Incremental depreciation on surplus on revaluation of property, plant and equipment	-	-	(95,498)	-	95,498	-
Balance as at March 31, 2023	207,000	3,600	2,036,313	612,000	5,549,205	8,408,118

The annexed selected notes from 1 to 10 form an integral part of this condensed interim financial information.


Shabbir Kausar
Chief Financial Officer


Kashif Riaz
Chief Executive Officer

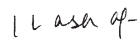

Mian Imran Ahmed
Chairman

**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF
CASH FLOWS (UNAUDITED)
FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2023**

	<i>.....Nine months ended.....</i>	
	<i>March 31,</i>	<i>March 31,</i>
	<i>2023</i>	<i>2022</i>
	<i>Rupees in '000'</i>	
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	394,764	1,541,030
Adjustments for :		
Depreciation on property, plant and equipment	202,672	118,149
Provision for staff retirement benefits - gratuity	11,205	12,195
Realized (gain)/loss on disposal of other financial assets	(16,184)	(10,442)
Unrealized gain/(loss) on re-measurement of other financial assets	(6,390)	16,533
(Gain) /loss on sale of property, plant and equipment	352	(580)
Finance cost	107,802	43,889
Operating cash flows before movements in working capital	694,220	1,720,774
Changes in working capital		
(Increase) / decrease in current assets		
Stores and spares	(25,198)	(1,396)
Stock in trade	528,251	(1,004,786)
Trade debts	(1,713,812)	(649,696)
Loans and advances	(36,390)	19,348
Trade deposits and short term prepayments	2,100	(0)
Due from government	(114,305)	49,678
Other receivables	3,246	(20,596)
Trade and other payables	75,414	158,816
	(1,280,693)	(1,448,632)
Cash (used)/generated from operations	(586,473)	272,142
Finance cost paid	(25,032)	(46,926)
Staff retirement benefits - gratuity paid	(77,985)	(6,633)
Tax paid/Adjusted	(119,258)	(88,115)
Net cash (used)/generated from operating activities	(808,747)	130,469
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Addition to property plant and equipment	(3,294,299)	(174,344)
Proceeds from disposal of property plant and equipment	4,200	4,429
Payment for purchase of other financial assets	(3,820,812)	(2,805,335)
Proceeds from disposal of other financial assets	5,125,069	2,970,493
Net cash used in investing activities	(1,985,842)	(4,757)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(647)	(101,729)
Long term financing-net	1,784,747	(15,804)
Short term borrowings - net	972,587	(18,294)
Net cash generated from/(used) in financing activities	2,756,686	(135,827)
Net (decrease)/increase in cash and cash equivalents (A+B+C)	(37,903)	(10,115)
Cash and cash equivalents at beginning of the period	96,648	120,759
Cash and cash equivalents at end of the period	58,745	110,644

The annexed selected notes from 1 to 10 form an integral part of this condensed interim financial information.


Shabbir Kausar
Chief Financial Officer


Kashif Riaz
Chief Executive Officer


Mian Imran Ahmed
Chairman

**NOTES TO THE UNCONSOLIDATED INTERIM FINANCIAL
STATEMENT
FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2023**

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 nine month period ended March 31, 2022.

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.

	<i>(Unaudited)</i>	<i>(Audited)</i>
	<i>March 31,</i>	<i>June 30,</i>
	<i>2023</i>	<i>2022</i>
<i>Note</i>	<i>Rupees</i>	<i>Rupees</i>
	<i>Rupees in '000'</i>	
3. PROPERTY, PLANT AND EQUIPMENT		
Operating assets	3.1 3,398,448	3,568,667
Capital work-in progress	3.2 3,912,643	655,349
	7,311,092	4,224,016

		<i>(Unaudited)</i> March 31, 2023	<i>(Audited)</i> June 30, 2022
	Note	Rupees	Rupees
3.1 Operating assets		3,568,667	1,661,110
Opening book value			
Additions during the period / year - cost			
Freehold land		-	43,162
Plant and machinery		-	108,667
Office equipment		-	183
Vehicles		35,231	22,312
Furniture and fittings		1,775	244
		37,006	174,569
Revaluation during the period/year			
Freehold land		-	744,963
Building on freehold land		-	325,349
Plant and machinery		-	826,327
		-	1,896,638
Disposals during the period / year - cost			
Plant and Machinery		(25,425)	(20,613)
Vehicles		(1,010)	(13,112)
Depreciation relating to disposals during the period / year		21,883	29,876
Net book value of disposed asset		(4,552)	(3,849)
Depreciation charge for the period / year		(202,672)	(159,801)
Closing carrying value		<u>3,398,448</u>	<u>3,568,667</u>
3.2 Capital Work in Progress			
Opening balance		655,349	-
Additions during the year			
Machinery in transit	3.2.1	2,473,826	456,936
Building	3.2.2	783,468	198,413
		3,257,294	655,349
Transferred to operating assets		-	-
		<u>3,912,643</u>	<u>655,349</u>

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 .

		<i>(Unaudited)</i> March 31, 2023	<i>(Audited)</i> June 30, 2022
	Note	Rupees	Rupees
		<i>Rupees in '000'</i>	
4. STOCK IN TRADE			
Raw material		823,996	1,422,496
Raw material in-transit		579,757	511,930
Work in process		61,997	49,122
Finished goods		41,464	105,250
Waste		153,143	99,810
		<u>1,660,356</u>	<u>2,188,607</u>

5. CONTINGENCIES AND COMMITMENTS

5.1 Contingencies

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

		<i>(Unaudited)</i> March 31, 2023	<i>(Audited)</i> June 30, 2022
	Note	Rupees	Rupees
		<i>Rupees in '000'</i>	
5.2 Commitments			
Bank guarantees	7.2.1	257,481	201,481
Foreign bills purchased		-	1,182,441
In land bill purchased		143,840	50,785
Letters of credit	7.2.2	1,690,236	1,250,237

		(Unaudited) March 31, 2023 Rupees	(Audited) June 30, 2022 Rupees
	Bank	Rupees in '000'	
5.2.1 Bank guarantees			
<i>In favor of</i>			
Sui Northern Gas Pipelines Limited	MCB Bank Limited	54,933	57,061
Sui Northern Gas Pipelines Limited	MCB Bank Limited	384	-
Sui Northern Gas Pipelines Limited	MCB Bank Limited	1,745	-
Ministry of textile	MCB Bank Limited	600	600
Excise and taxation	Soneri Bank Limited	-	23,986
Excise and taxation	MCB Bank Limited	65,000	9,000
Excise and taxation	MCB Bank Limited	7,286	-
Excise and taxation	MCB Bank Limited	16,700	-
Excise and taxation	United Bank Limited	110,560	110,560
CCI & E	Habib Bank Limited	275	275
		<u>257,481</u>	<u>201,482</u>
5.2.2 Letters of credit			
- Stores & spares		47,948	21,388
- Raw material		1,364,835	239,520
- Plant and machinery		277,453	989,329
		<u>1,690,236</u>	<u>1,250,237</u>

6. COST OF GOODS SOLD

	'----- Nine months ended -----' March 31, March 31, 2023 2022		'----- Three months ended -----' March 31, March 31, 2023 2022	
	----- Rupees in '000' -----			
Raw material consumed	5,711,136	4,534,333	2,348,973.23	1,407,747
Power & fuel	527,203	399,611	198,790.85	177,252
Salaries wages & benefits	263,791	215,415	96,666.88	74,108
Packing material consumed	73,602	79,676	29,373.20	25,753
Stores & spares consumed	80,041	75,457	31,727.13	27,782
Repair and maintenance	10,994	4,078	5,979.06	2,431
Insurance	10,758	6,860	1,136.87	3,060
Depreciation	189,111	107,838	62,815.07	36,729
others	1,898	1,669	916.77	662
	<u>6,868,534</u>	<u>5,424,937</u>	<u>2,776,379</u>	<u>1,755,523</u>
Adjustment in work in process	(12,875)	(9,843)	6,450	7,796
Cost of goods manufactured	6,855,659	5,415,095	2,782,829	1,763,319
Opening finished goods	205,060	124,796	128,612	345,930
Purchase of finished goods	82,378	222,878	50,400	108,915
Closing finished goods	(194,606)	(294,821)	(194,606)	(294,821)
Adjustment in Finished goods	92,831	52,853	(15,595)	160,024
	<u>6,948,491</u>	<u>5,467,948</u>	<u>2,767,235</u>	<u>1,923,343</u>

7. RELATED PARTY TRANSACTIONS

7.1 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:

	----- Nine months ended -----		----- Three months ended -----	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	----- Rupees '000' -----			
Transactions with directors and key management personnel				
Remuneration and other benefits of chief executive officer, directors and executives	90,982	71,285	32,549	27,423
Transactions with associated undertakings				
Sale of goods and services	37,353	129,690	18,025	68,990

7.2 All transactions with related parties have been carried out on agreed terms and conditions.

8. FINANCIAL RISK MANAGEMENT

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

9. DATE OF AUTHORIZATION OF ISSUE

The condensed interim financial information is authorized for issue by the Board of Directors of the Company on April 28, 2023

10. FIGURES

Figures have been rounded off to the nearest thousand rupees.


Shabbir Kausar
Chief Financial Officer


Kashif Riaz
Chief Executive Officer


Mian Imran Ahmed
Chairman

**CONSOLIDATED CONDENSED INTERIM STATEMENT OF
FINANCIAL POSITION
AS AT MARCH 31, 2023**

		(Unaudited) March 31, 2023	(Audited) June 30, 2022
		Rupees in '000'	
ASSETS	Note	Rupees	Rupees
Non-current assets			
Property, plant and equipment	3	7,506,926	4,420,545
Investment properties		2,342	2,342
Long Term Investment		-	-
Long term deposits		7,011	7,011
		7,516,279	4,429,898
Current assets			
Stores and spares		120,925	95,727
Stock in trade	4	1,660,356	2,188,607
Trade debts		2,479,237	765,425
Loans and advances		149,862	113,473
Trade deposits and short term prepayments		1,139	3,239
Advance Income Tax		119,258	113,364
Other financial assets		700,155	1,980,330
Due from government		207,209	92,904
Other receivables		43,854	46,922
Cash and bank balances		58,904	97,676
		5,540,900	5,497,668
Total assets		13,057,179	9,927,566
EQUITY AND LIABILITIES			
Share capital and reserves			
Issued, subscribed and paid-up capital		207,000	207,000
Share premium		3,600	3,600
Surplus on revaluation of property, plant and equipment		2,036,313	2,131,048
General reserves		612,000	612,000
Unappropriated profit		5,555,683	5,155,597
		8,414,596	8,109,245
Non-current liabilities			
Long term financing		2,673,600	883,442
Deferred liabilities		9,685	76,464
		2,683,285	959,906
Current liabilities			
Trade and other payables		590,506	515,038
Accrued markup		91,090	8,320
Short term borrowings		972,587	-
Current portion of long term financing		154,082	159,289
Current portion of deferred government grant		-	204
Unclaimed dividend		22,112	22,760
Provision for taxation		128,921	152,804
		1,959,298	858,414
Contingencies and commitments	5	-	-
Total equity and liabilities		13,057,179	9,927,566

The annexed notes from 1 to 10 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 NINE MONTH PERIOD ENDED MARCH 31, 2023**

	Note	...Nine month period ended...		...Three month period ended...	
		March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2023
----- Rupees in '000' -----					
Revenue from contract with customers - net	0	7,630,502	7,316,784	3,046,044	2,496,337
Cost of goods sold	6	(6,948,601)	(5,467,948)	(2,766,882)	(1,923,343)
Gross profit		681,901	1,848,836	279,162	572,994
Other income		157,189	93,097	8,793	83,503
		839,090	1,941,933	287,956	656,497
Distribution cost		(107,122)	(130,456)	(38,930)	(50,231)
Administrative expenses		(190,755)	(145,451)	(67,366)	(53,306)
Other expenses		(37,723)	(81,107)	1,781	(27,090)
		(335,600)	(357,014)	(104,515)	(130,627)
Finance cost		(107,802)	(43,889)	(35,907)	(11,157)
Profit before taxation		395,688	1,541,030	147,534	514,713
Taxation		(89,753)	(76,028)	(30,892)	(22,346)
Profit after tax		305,935	1,465,002	116,642	492,368
		14.78	70.77	5.63	23.79

The annexed notes from 1 to 10 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 NINE MONTH PERIOD ENDED MARCH 31, 2023**

	...Nine month period ended ... March 31, 2023	...March 31, 2022	...Three month period ended ... March 31, 2023	March 31, 2022
	----- Rupees in '000' -----			
Profit for the period	305,935	1,465,002	116,642	492,368
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	305,935	1,465,002	116,642	492,368

The annexed notes from 1 to 10 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 NINE MONTH PERIOD ENDED MARCH 31, 2023**

	Share capital	Share premium	Surplus on revaluation of fixed assets	General reserve	Un-appropriated profit	Total
Balance as at July 01, 2021 -(audited)	207,000	3,600	269,215	612,000	3,315,924	4,407,739
Profit for the period	-	-	-	-	1,465,002	1,465,002
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period ended March 31, 2022	-	-	-	-	1,465,002	1,465,002
Transaction with owners: 1st interim dividend for the period ended December 31, 2022 @ Rs.5 per share	-	-	-	-	(103,500)	(103,500)
Transferred to unappropriated profit on account of Incremental depreciation on surplus on revaluation of property, plant and equipment	-	-	(11,675)	-	11,675	-
Balance as at March 31, 2022	207,000	3,600	257,540	612,000	4,689,102	5,769,242
Balance as at July 01, 2022 -(audited)	207,000	3,600	2,131,048	612,000	5,155,597	8,109,245
Profit for the period	-	-	-	-	305,935	305,935
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period ended March 31, 2023	-	-	-	-	305,935	305,935
Transferred to unappropriated profit on account of Incremental depreciation on surplus on revaluation of property, plant and equipment	-	-	(94,736)	-	94,152	(584)
Balance as at March 31, 2023	207,000	3,600	2,036,313	612,000	5,555,683	8,414,596

The annexed selected notes from 1 to 10 form an integral part of this condensed interim financial information.


Shabbir Kausar
Chief Financial Officer



Kashif Riaz
Chief Executive Officer


Mian Imran Ahmed
Chairman

**CONSOLIDATED CONDENSED INTERIM STATEMENT OF
CASH FLOWS
FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2023**

Nine months ended.....	
	March 31, 2023	March 31, 2022
	Rupees in '000'	
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	395,688	1,541,030
Adjustments for :		
Depreciation on property, plant and equipment	202,782	118,149
Provision for staff retirement benefits - gratuity	11,205	12,195
Realized (gain)/loss on disposal of other financial assets	(16,184)	(10,442)
Unrealized gain/(loss) on re-measurement of other financial assets	(6,390)	16,533
(Gain) /loss on sale of property, plant and equipment	352	(580)
Finance cost	107,802	43,889
Operating cash flows before movements in working capital	695,254	1,720,774
Changes in working capital		
(Increase) / decrease in current assets		
Stores and spares	(25,198)	(1,396)
Stock in trade	528,251	(1,004,786)
Trade debts	(1,713,812)	(649,696)
Loans and advances	(36,390)	19,348
Trade deposits and short term prepayments	2,100	(0)
Due from government	(114,305)	49,678
Other receivables	3,246	(20,596)
Trade and other payables	75,768	158,816
	(1,280,340)	(1,448,632)
Cash (used)/generated from operations	(585,085)	272,142
Finance cost paid	(25,032)	(46,926)
Staff retirement benefits - gratuity paid	(77,985)	(6,633)
Tax paid/Adjusted	(119,710)	(88,115)
Net cash (used)/generated from operating activities	(807,812)	130,469
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Addition to property plant and equipment	(3,294,299)	(174,344)
Proceeds from disposal of property plant and equipment	4,200	4,429
Payment for purchase of other financial assets	(3,822,319)	(2,805,335)
Proceeds from disposal of other financial assets	5,124,769	2,970,493
Net cash used in investing activities	(1,987,650)	(4,757)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(647)	(101,729)
Long term financing-net	1,784,747	(15,804)
Short term borrowings - net	972,587	(18,294)
Net cash generated from/(used) in financing activities	2,756,686	(135,827)
Net (decrease)/increase in cash and cash equivalents (A+B+C)	(38,775)	(10,115)
Cash and cash equivalents at beginning of the period	97,679	120,759
Cash and cash equivalents at end of the period	58,904	110,644

The annexed selected notes from 1 to 10 form an integral part of this condensed interim financial information.


Shabbir Kausar
Chief Financial Officer


Kashif Riaz
Chief Executive Officer


Mian Imran Ahmed
Chairman

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENT FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2023

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 nine month period ended March 31, 2022.

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.

		<i>(Unaudited)</i> March 31, 2023	<i>(Audited)</i> June 30, 2022
<i>Rupees in '000'</i>			
	<i>Note</i>	<i>Rupees</i>	<i>Rupees</i>
3. PROPERTY, PLANT AND EQUIPMENT			
Operating assets	3.1	3,594,282	3,765,196
Capital work-in progress	3.2	3,912,643	655,349
		7,506,926	4,420,545
<i>(Unaudited)</i> March 31, 2023			
<i>(Audited)</i> June 30, 2022			
	<i>Note</i>	<i>Rupees</i>	<i>Rupees</i>
----- <i>Rupees in '000'</i> -----			
3.1 Operating assets			
Opening book value		3,568,667	1,661,110
Additions during the period / year - cost			
Freehold land		-	43,162
Building on free hold land		195,834	196,529
Plant and machinery		-	108,667
Office equipment		-	183
Vehicles		35,231	22,312
Furniture and fittings		1,775	244
		232,839	371,098

		<i>(Unaudited)</i> March 31, 2023 Rupees	<i>(Audited)</i> June 30, 2022 Rupees
	Note	Rupees in '000'	
Revaluation during the period/year			
Freehold land		-	744,963
Building on freehold land		-	325,349
Plant and machinery		-	826,327
		-	1,896,638
Disposals during the period / year - cost			
Plant and Machinery		(25,425)	(20,613)
Vehicles		(1,010)	(13,112)
Depreciation relating to disposals during the period / year		21,883	29,876
Net book value of disposed asset		(4,552)	(3,849)
Depreciation charge for the period / year		(202,672)	(159,801)
Closing carrying value		<u>3,594,282</u>	<u>3,765,196</u>
3.2 Capital Work in Progress			
Opening balance		655,349	-
Additions during the year			
Machinery in transit	3.2.1	2,473,826	456,936
Building	3.2.2	783,468	198,413
		3,257,294	655,349
Transferred to operating assets		-	-
		<u>3,912,643</u>	<u>655,349</u>

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	823,996	1,422,496
Raw material in-transit	579,757	511,930
Work in process	61,997	49,122
Finished goods	41,464	105,250
Waste	153,143	99,810
	<u>1,660,356</u>	<u>2,188,607</u>

5. CONTINGENCIES AND COMMITMENTS

5.1 Contingencies

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

5.2 Commitments

Bank guarantees	7.2.1	257,481	201,481
Foreign bills purchased		-	1,182,441
In land bill purchased		143,840	50,785
Letters of credit	7.2.2	1,690,236	1,250,237

5.2.1 Bank guarantees

<i>In favor of</i>	<i>Bank</i>		
Sui Northern Gas Pipelines Limited	MCB Bank Limited	54,933	57,061
Sui Northern Gas Pipelines Limited	MCB Bank Limited	384	-
Sui Northern Gas Pipelines Limited	MCB Bank Limited	1,745	-
Ministry of textile	MCB Bank Limited	600	600
Excise and taxation	Soneri Bank Limited	-	23,986
Excise and taxation	MCB Bank Limited	65,000	9,000
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CCI & E	Habib Bank Limited	275	275
		<u>257,481</u>	<u>201,482</u>

	(Unaudited) March 31, 2023 Rupees	(Audited) June 30, 2022 Rupees
	Rupees in '000'	
5.2.2 Letters of credit		
- Stores & spares	47,948	21,388
- Raw material	1,364,835	239,520
- Plant and machinery	277,453	989,329
	<u>1,690,236</u>	<u>1,250,237</u>

6. COST OF GOODS SOLD

	'----- Nine months ended -----' <i>March 31,</i> <i>2023</i>		'----- Three months ended -----' <i>March 31,</i> <i>2023</i>	
	<i>March 31,</i> <i>2022</i>		<i>March 31,</i> <i>2022</i>	
	----- Rupees in '000' -----			
Raw material consumed	5,711,136	4,534,333	2,348,973	1,407,747
Power & fuel	527,203	399,611	198,791	177,252
Salaries wages & benefits	263,791	215,415	96,667	74,108
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Stores & spares consumed	80,041	75,457	31,727	27,782
Repair and maintenance	10,994	4,078	5,979	2,431
Insurance	10,758	6,860	1,137	3,060
Depreciation	189,221	107,838	62,462	36,729
others	1,898	1,669	917	662
	<u>6,868,644</u>	<u>5,424,937</u>	<u>2,776,026</u>	<u>1,755,523</u>
Adjustment in work in process	(12,875)	(9,843)	6,450	7,796
Cost of goods manufactured	6,855,769	5,415,095	2,782,476	1,763,319
Opening finished goods	205,060	124,796	128,612	345,930
Purchase of finished goods	82,378	222,878	50,400	108,915
Closing finished goods	(194,606)	(294,821)	(194,606)	(294,821)
Adjustment in Finished goods	92,831	52,853	(15,595)	160,024
	<u>6,948,601</u>	<u>5,467,948</u>	<u>2,766,882</u>	<u>1,923,343</u>

7. RELATED PARTY TRANSACTIONS

7.1 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:

	----- Nine months ended ----- <i>March 31,</i> <i>2023</i>		----- Three months ended ----- <i>March 31,</i> <i>2023</i>	
	<i>March 31,</i> <i>2022</i>		<i>March 31,</i> <i>2022</i>	
	----- Rupees '000' -----			
Transactions with directors and key management personnel				
Remuneration and other benefits of chief executive officer, directors and executives	90,982	71,285	32,549	27,423
Transactions with associated undertakings				
Sale of goods and services	37,353	129,690	18,025	68,990

7.2 All transactions with related parties have been carried out on agreed terms and conditions.

8. **FINANCIAL RISK MANAGEMENT**

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

9. **DATE OF AUTHORIZATION OF ISSUE**

The condensed interim financial information is authorized for issue by the Board of Directors of the Company on April 28, 2023

10. **FIGURES**

Figures have been rounded off to the nearest thousand rupees.


Shabbir Kausar
Chief Financial Officer


Kashif Riaz
Chief Executive Officer


Mian Imran Ahmed
Chairman