



COMPANY PROFILE BOARD OF DIRECTORS

- | | |
|----------------------------------|---|
| 1. Mian Riaz Ahmed
(Chairman) | 2. Mr. Kashif Riaz
(Chief Executive) |
| 3. Mian Mohammad Ahmad | 4. Mr. Shahzad Ahmad |
| 5. Mr. Naveed Ahmad | 6. Mr. Irfan Ahmed |
| 7. Mr. Shahwaiz Ahmed | 8. Mr. Shafqat Masood |

9. Sheikh Nishat Ahmed

AUDIT COMMITTEE

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

HUMAN RESOURCES AND REMUNERATION COMMITTEE

- | | |
|------------------------|------------|
| 1. Mian Mohammad Ahmad | (Chairman) |
| 2. Mr. Irfan Ahmed | (Member) |
| 3. Mr. Shahwaiz Ahmed | (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/web/download.htm>

REGISTRAR & SHARE TRANSFER OFFICE

Evolution factor (private) limited
(Formerly Corporate Support Services (Pvt) Ltd.)

FACTORY LOCATION

Khanpur Shomali Bagga Sher M.M. Road Muzaffar Garh

BANKERS

Muslim Commercial Bank Limited
Allied Bank Limited
Soneri Bank Limited
United Bank Limited
Meezan Bank Limited
Habib Bank Limited

AUDITORS

M/s Yousuf Adil Saleem & Company
Chartered Accountants Karachi.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that 23rd Annual General Meeting of the members of Sunrays Textile Mills Ltd. (the Company) will be held on October 29, 2014 at 05:30 p.m. at **Indus Dyeing & Mfg Co. Ltd.** Plot # 3 & 7, Sector-25, Korangi, Industrial Area, Karachi, to transact the following business:

ORDINARY BUSINESS:

1. To confirm minutes of the 22nd Annual General Meeting held on October 30, 2013.
2. To receive and adopt the Annual Audited Accounts of the Company for the financial period ended June 30, 2014 together with Directors' and Auditors' reports thereon.
3. To appoint auditors for the ensuing year, and to fix their remuneration (Messer Yousuf Adil Saleem & Company Chartered Accountants, retire and being eligible have offered themselves for reappointment.)
4. To approve Interim cash dividend of Rs.15/- per share i.e. 150%.
5. To transact any other business with the permission of the chair.

By order of the Board

Karachi;
Dated; 03-10-2014

Ahmed Faheem Niazi
Company Secretary

Notes:

- i) Members are requested to attend in person along with Computerized National Identity Card ("CNIC") or appoint some other member as proxy and send their proxy duly witnessed so as to reach the registered office of the company not later than 48 hours before the time of holding the meeting.
- ii) The Share Transfer Books of the Company will remain closed from Wednesday, October 22, 2014 to October 29, 2014 (both days inclusive) and the final dividend will be paid to the Members whose names will appear in the Register of Members on October 21, 2014. Members (Non-CDC) are requested to promptly notify the Company's Registrar of any change in their addresses and submit, if applicable to them, the Non-deduction of Zakat Form CZ -50 with the Registrar of the Company M/s Evolution Factor (PVT) Ltd. 407 -408 Al -Ammara Center Shahra-e-Iraq Saddar Karachi. All the Members holding the shares through the CDC are requested to please update their addresses and Zakat status with their participants. This will assist in prompt receipt of Dividend.

Submission of copies of CNIC:

It is hereby reiterated that the Securities and Exchange Commission of Pakistan (SECP) vide Notification S.R.O. 779(1)/2011 dated August 18, 2011 and Notification S.R.O. 831(1)/2012 dated July 5, 2012 has directed all the listed companies to issue dividend warrant only crossed as "A/c Payee only" and ensure that the Dividend Warrant should bear the Computerized National identity Card (CNIC) Numbers of the registered members except in the case of minor(s) and corporate shareholder(s).

All those members (holding physical shares) who have not submitted their valid CNICs are once again requested to send a photocopy of their valid CNIC/NTN along with the Folio number(s) to the Company's Share Registrar.



In case of non -availability of a valid copy of the CNIC in the records of the Company, the Company will be constrained to withhold the Dividend warrants in terms of Section 251(2)(a) of the Companies Ordinance 1984, which will be released by the Share Registrar only upon compliance with the aforesaid notifications.

Deduction of Income Tax from Dividend under Section 150 of the Income Tax Ordinance, 2001

Pursuant to the provisions of the Finance Act 2014 effective July 1, 2014, the rates of deduction of income tax from dividend payments under the income Tax Ordinance have been revised as follows:

(a)	Rate of tax deduction for filer of income tax returns	10%
(b)	Rate of deduction for non-filer of income tax returns	15%

All members of the Company who hold shares in physical form are therefore requested to send a valid copy of their CNIC and NTN Certificate, to the Company Shares Registrar, M/s Evolution Factor (PVT) Ltd. At the above mentioned address, to allow the Company to ascertain the status of the members.

Members of the Company who hold shares in scrip -less form on Central Depository System (CDS) of Central Depository Company of Pakistan Limited (CDC) are requested to send valid copies of their CNIC and NTN Certificate to their CDC participants CDC Investor Account Services.

Where the required documents are not submitted, the company will be constrained to treat the non-complying members as a non filer hereby attracting a higher rate of withholding tax.

Dividend Mandate (Optional):

The Company wishes to inform its members that under the law they are also entitled to receive their cash dividend directly in their bank accounts instead of receiving it through dividend warrants. Members wishing to exercise this option may submit their application to the Company's Share Registrar, giving particulars relating to their name, folio number, bank account number, title of account and complete mailing address of the bank CDC account holders should submit their request directly to their broker (participant)/ CDC.

E-mailing of Annual Report along with Notice of Annual General Meeting

Interested Members are encouraged to send their e-mail address with their consent (to opt for transmission of annual reports and AGM notices through e-mail) at company's registered office to enable the company to transmit the annual report along with AGM notice through e-mail as per SECP' notification dated: 10th September 2014.



VISION

To be a most successful company in terms of quality products, services & Financials.

MISSION

To provide quality products & services to our customers and handsome return to the shareholders.



DIRECTOR'S REPORT

Your Directors are pleased to present the 23rd Annual Report on the affairs of the company along with the Audited Financial Statements and Auditor's Report thereon for the year ended June 30, 2014.

Financial and operational results

The Company earned pretax profit of Rs.310.808 (M). For the year ended June, 2014.

	Rs. 000
Pre tax profit for the period	310,808
Provision for taxation	(26,529)
Profit after taxation	284,279
Un-appropriated profit brought forward	987,277
Interim Dividend for the year ended June 30, 2014	(34,500)
Interim Dividend for the year ended June 30, 2014	(69,000)
Profit available for appropriations	1,168,056
Transfer from surplus on revaluation of fixed assets	35,997
Un-appropriated profit carried forward	1,204,053

The earning per share is Rs. 41.20 (Par value Rs. 10/= per share)

Operational Review

During the period under review the company's performance was excellent. Net sales during the year was Rs.4.732 billion (2013 : Rs.4.385 billion) against total cost of sales of Rs. 4.212 billion(2013 : Rs.3.553 billion) giving a gross profit of Rs.519.885 million (2013 :Rs.832.889 million).

Dividends

The Company paid 150% cash interim dividend during the year ended june-2014

Present year assessment

By the Grace of Almighty ALLAH your company performed well and earned good profit during the year under review. Even with the adverse business environment like energy crises, law and order situation etc. company has performed well. These financial results were possible with well-focused raw material procurement planning and keen eye on sale planning. In last quarter of financial year, cotton prices of world came down a lot, we had cotton stock of high prices which is a cause of low profits in last quarter. During the year Rs.61.836 (M) were invested in the fixed assets. This is the part of the company's BMR plan to improve the quality and reduce the manufacturing cost. Retained earning / internal cash flow were used to finance this programme.

Future Outlook

Unmatched levels of electric and gas load shedding is a key challenge for the industry. The economic planners and policymakers are urged to ensure uninterrupted gas as well as electric supply to the industry for meeting energy requirement. Prices of utilities should also be brought down to the minimum

level in order to accelerate production activity. We request the Government to exempt the textile industry from gas shut down so that this significant industry can operate smoothly.

Additionally business environment direly needs improvements in political stability along with safety and security in the country.

Future profitability will depend on direction of raw cotton prices and corresponding price of yarn. China is still in driving position and still biggest producer and consumer of cotton. In recent days, china is expecting to change its cotton policy which will affect cotton prices world over. Under these very difficult challenges, your Management is confident to achieve better results in future through better marketing and continues efforts towards cost control. We hope that these efforts will continue to achieve fruitful results and that we will be able to maximize our return to the shareholders.

CORPORATE AND FINANCIAL REPORTING FRAMEWORK:

As required by the Code of Corporate Governance, directors are pleased to report that:

- a. The Financial Statement prepared by the Management, present fairly its state of affairs, the result of its operations, Cash Flows and changes in equity;
- b. Proper books of accounts have been maintained;

- c. Appropriate accounting policies have been consistently applied in preparation of Financial Statements and accounting estimates are based on reasonable and prudent judgement.
- d. International Accounting Standards, as applicable in Pakistan have been followed in preparation of Financial Statements.
- e. Internal Auditors is continuously reviewing the existing system of internal control and other procedures. The process of review will continue and any weakness in controls will have immediate attention of the management.
- f. There are no significant doubts upon the company's ability to continue as a going concern.
- g. There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.
- h. Key operating and financial data for last six years is annexed.
- i. The information about statutory payments on account of taxes, duties and levies is given in the notes to the accounts.
- j. During the period under review the trading in shares of the Company by CEO, Directors, Financial Officer, Company Secretary, their spouse and minor children.

Purchase

1. Mian Mohammad Ahmed	20,700
2. Mian Riaz Ahmed	1,000
3. Mian Shahzad Ahmed	3,700
4. Mian Kashif Riaz	5,800

- k. During the period under review Four (4) Board of Director meeting and Four Audit Committee meeting were held .Causal vacancy occurred on the Board during the period under review were immediately filled up. Audit committee comprises of three members, all of them are non-executive Directors including Chairman.
Meeting held and attendance by each Directors in the meetings of the Board and its sub-committee is as follows.

<u>Name of Director</u>	<u>Board Meeting Attendance</u>	<u>Audit Committee Meeting Attendance</u>
• Mian Muhammad Ahmed	3	-
• Mian Riaz Ahmed	3	-
• Mr. Shahzad Ahmed	4	3
• Mr. Kashif Riaz	4	-
• Mr. Naveed Ahmed	4	4
• Mr. Irfan Ahmed	3	-
• Mr. Shafqat Masood	4	4
• Mr. Shahwaiz Ahmed *	4	-
• Mr. Sheikh Nishat Ahmed	3	-

*Appointed on 29/8/2013

Pattern of Shareholding

The pattern of shareholding as at June 30, 2014 is annexed.

Web Presence

Annual and periodical financial statement of the company we are also available on the Sunrays Textile Mills Limited website www.indus-group.com/web/download.htm for the information of the shareholders and others.

Auditors

The Messrs M. Yousaf Adil Saleem And Company Chartered Accountants retire at the Annual General Meeting and being eligible, offer themselves for re appointment for the financial year ending June 30,2015.

Thanks and appreciation

Your Directors feel pleasure in expressing the highly dedicated services rendered by the employees of the Company and wish to convey their thanks to the Company's bankers and financial institutions for their co-operation and support extended to the Company.

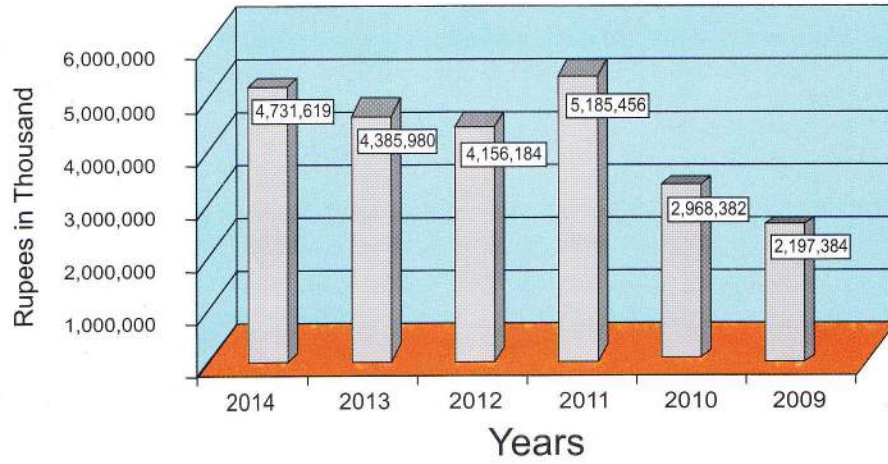
FOR AND ON BEHALF OF THE BOARD

Kashif Riaz
Kashif Riaz
CHIEF EXECUTIVE

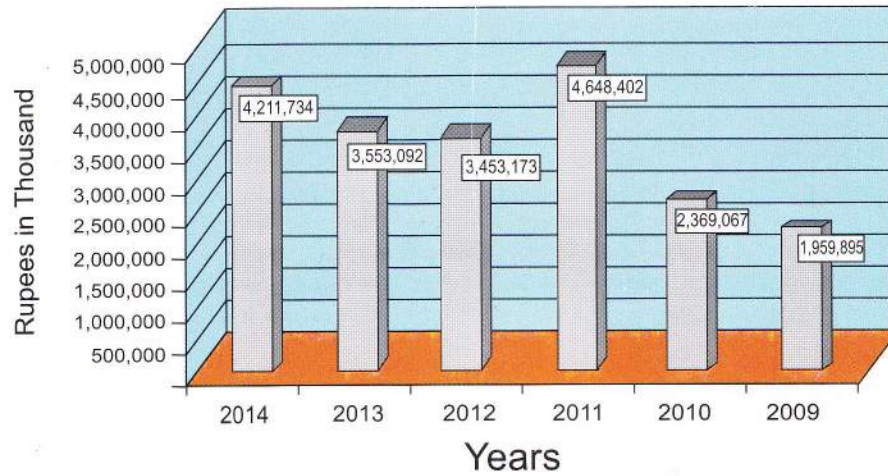
Dated: October 03, 2014



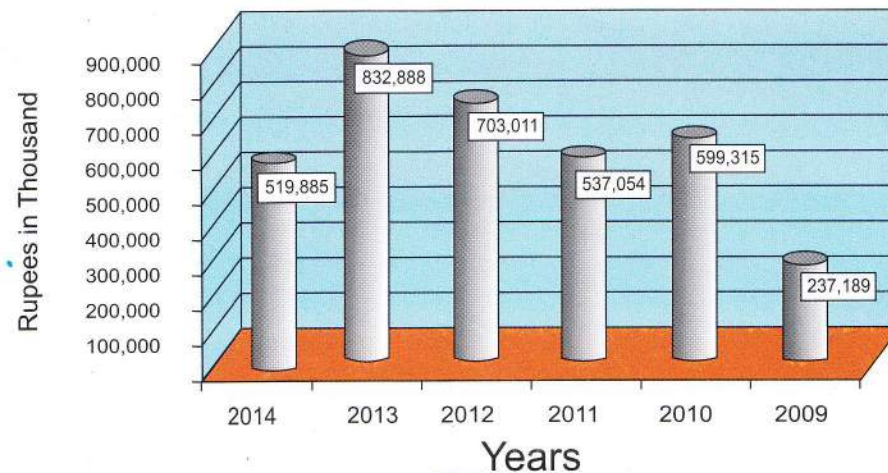
Sales



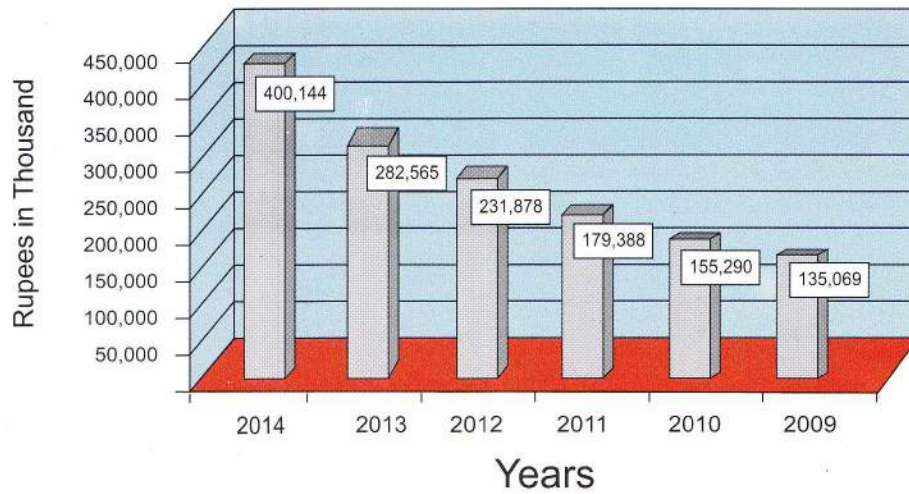
Cost Of Goods Sold



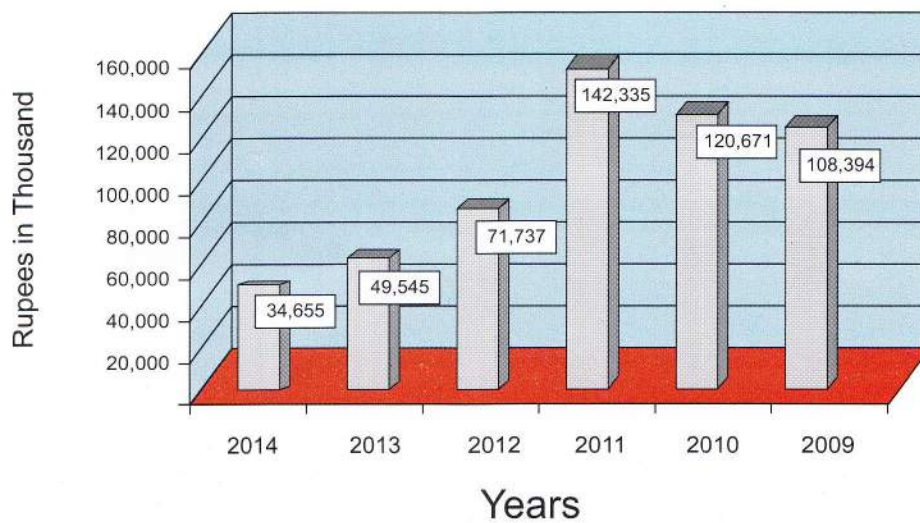
Gross Profit



Power and Fuel Charges

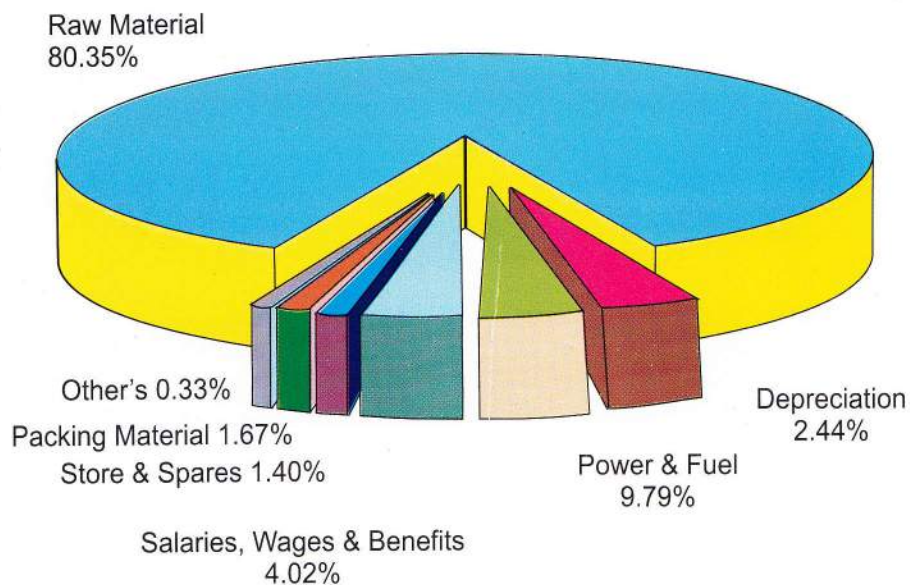


Financial Charges

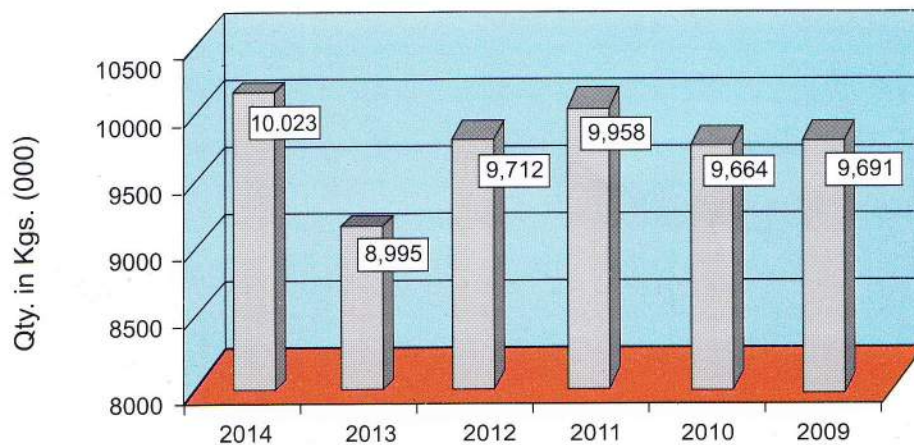




Manufacturing Cost



Production in 20/S Count





SIX YEAR KEY OPERATING AND FINANCIAL DATA FROM 2009 TO 2014 (rupees in 000)

	FROM 2009 TO 2014		(Rupees in 000)			
	2014	2013	2012	2011	2010	2009
OPERATING DATA						
Sales	4,731,619	4,385,980	4,156,184	5,185,456	2,968,382	2,197,384
Cost of Goods Sold	4,211,734	3,553,092	3,453,173	4,648,402	2,369,067	1,959,895
Gross Profit	519,885	832,888	703,011	537,054	599,315	237,489
Profit Before Taxation	310,808	577,917	481,455	272,684	361,722	73,996
Profit After Taxation	284,279	540,033	442,540	234,689	337,492	52,413
FINANCIAL DATA						
Paid Up Capital	69,000	69,000	69,000	69,000	69,000	69,000
Fixed Assets	1,125,457	1,171,202	947,762	883,279	860,828	889,010
Current Assets	2,446,464	1,502,259	1,510,943	1,240,166	832,088	915,113
Current Liabilities	1,045,447	283,652	657,465	779,495	419,117	742,650
KEY RATIOS						
Gross Margin	10.99%	18.99%	16.91%	10.36%	20.19%	10.81%
Net Profit	6.01%	12.31%	10.65%	4.53%	11.37%	2.39%
Current Ratio	2.34	5.30	2.30	1.59	1.99	1.23
Earning Per Share(Rupees)	41.20	78.27	64.14	34.01	48.91	7.6
Cash Dividend						
STATISTICS						
Number Of Spindle	35093	34497	34411	33811	32421	32597
Production in to 20/S Count(in 000 Kgs)	10023	8995	9712	9958	9664	9691



STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED JUNE 30, 2014

The statement is being presented to comply with the Code of Corporate Governance (CCG) contained in the regulation No. 35 of the listing regulations of Karachi Stock exchange Limited, for the purpose of establishing a framework of good governance, where by a listed company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the CCG in the following manner.

- 1) The Company encourages the representation of independent non-executive directors and directors representing minority interest on its Board of Directors. At present the board includes:

Category	Names
Independent Director	Mr. Sheikh Nishat Ahmed
Executive Directors	Mr. Riaz Ahmed / Mr. Kashif Riaz.
Non-Executive Directors	Mian Mohammad Ahmed / Mr. Irfan Ahmed / Mr. Shawaiz Ahmed / Mr. Shafqat Masood / Mr. Naveed Ahmed / Mr. Shehzad Ahmed.

- 2) The Directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company (excluding the listed subsidiaries of listed holding companies where applicable).
- 3) All the resident directors of the Company are registered as tax payers and none of them has defaulted in payment of any loan to a banking company, a development financial institution or a non-banking financial company, or being a member of a stock exchange, has been declared as defaulter by the stock exchange.
- 4) A casual vacancy occurred on the board during the year which was filled up by the directors immediately.
- 5) The company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
- 6) The board has developed a vision/mission statement, overall corporate strategy and Company is in process of developing significant policies that will be approved by the board. A complete record of particulars of significant policies along with the dates on which they were approved or amended will be maintained.
- 7) All the powers of the board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors, have been taken by the board.
- 8) The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose and the board has met at least once in every quarter. Written notices of the board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
- 9) The board did not arrange director training program required under the code as out of 9 directors 8 directors meet the exemption criteria of minimum fourteen years of education and fifteen years of experience.



- 10) There were no new appointments of CFO, Company Secretary and Head of Internal Audit during the year. Previously remuneration of Chief Financial Officer, Head of Internal Audit and Company Secretary was approved by the board.
- 11) The Directors' report for this year has been prepared in compliance with the requirement of the Code of Corporate Governance and fully describes the salient matters required to be disclosed.
- 12) The financial statements of the Company were duly endorsed by the CEO and CFO before approval of the board.
- 13) The directors, CEO and executives do not hold any interest in the shares of the Company other than those disclosed in the pattern of shareholdings.
- 14) The Company has complied with all the corporate and financial reporting requirements of the Code of Corporate Governance.
- 15) The board has formed an Audit Committee. It comprises of three members, of whom all are the non-executive directors and the chairman of the Committee is an independent director.
- 16) The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the Company and as required by the CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.
- 17) The board has formed an HR and Remuneration Committee. It comprises of three members, all of whom are non-executive directors and chairman of the committee is an independent director.
- 18) The board has set up an effective internal audit function which is suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the Company.
- 19) The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review Program of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on the code of ethics as adopted by the Institute of Chartered Accountants of Pakistan.
- 20) The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
- 21) The 'closed period', prior to the announcement of interim / final results, and business decisions, which may materially affect the market price of the Company's securities, was determined and intimated to directors and stock exchange.
- 22) Material/price sensitive information has been disseminated among all market participants at once through stock exchange.
- 23) We confirm that all other material principles enshrined in the Code of Corporate Governance have been complied with, except for the following, toward which reasonable progress is being made by the company to seek compliance by the end of next accounting year.
 - The board has not evaluated its own performance.
 - The board has not defined materiality level.
 - There are no adequate systems and controls in place for identification and redress of grievanances arising from unethical practices.

On behalf of the Board of Directors

Kashif Riaz

Kashif Riaz
Chief Executive

Date: October 03, 2014



REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the code) prepared by the Board of Directors (the Board) of Sunrays Textile Mills Limited (the Company) for the year ended June 30, 2014 to comply with the requirements of Listing Regulation no. 35 of the Karachi Stock Exchange where the Company is listed.

The responsibility for compliance with the Code is that of the Board of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code and report if it does not and to highlight any non compliance with the requirements of the Code. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Code.

As part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board's statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Code requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board for their review and approval of its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of approval of related party transactions by the Board upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code, as applicable to the Company for the year ended June 30, 2014.

Further, we highlight following instances of non-compliance with the requirement(s) of the Code as stated in below mentioned paragraphs in the Statement of Compliance:

- i. Paragraph 6 which states that the Board is yet to develop significant policies as required by clause v(c) of the Code; and
- ii. Paragraph 23 which states that the Board has not;
 - a. developed formal mechanism for annual evaluation of its own performance as required by clause v(e) of the Code;
 - b. defined materiality level as required by clause v(g) of the Code; and
 - c. developed adequate systems and controls for identification and redress of grievances arising from unethical practices as required by clause v(b) of the Code

M. Yousuf Adil

Chartered Accountants
Engagement Partner:
Nadeem Yousuf Adil

Date: October 03, 2014
Place: Karachi

AUDITOR'S REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **Sunrays Textile Mills Limited** ("the Company") as at June 30, 2014 and the related profit and loss account, cash flow statement, and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that;

- (a) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;
- (b) In our opinion-
 - (i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984 and are in agreement with the books of account and are further in accordance with accounting policies consistently applied except for the changes as stated in note 2.6 with which we concur;
 - (ii) the expenditure incurred during the year was for the purpose of Company's business; and
 - (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company.
- (c) in our opinion, and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, cash flow statement and statement of changes in equity together with the notes forming parts thereof conform with the approved accounting standards as applicable in Pakistan, and give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2014 and of the profit, its cash flows and changes in equity for the year then ended; and
- (d) in our opinion, Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980) was deducted by the Company and deposited in the Central Zakat Fund established under Section 7 of that Ordinance.

M. Yusuf Adil

Chartered Accountants

Engagement Partner:

Nadeem Yusuf Adil

Date: October 03, 2014

Karachi



SUNRAYS TEXTILE MILLS LIMITED

BALANCE SHEET AS AT JUNE 30, 2014

	Note	2014 ----- Rupees -----	2013
ASSETS			
<i>Non-current assets</i>			
Property, plant and equipment	5	1,123,115,289	1,168,860,270
Investment property	6	2,342,055	2,342,055
Long term deposits		435,200	435,200
		1,125,892,544	1,171,637,525
<i>Current assets</i>			
Stores and spares	7	84,411,049	61,287,766
Stock in trade	8	651,321,671	859,942,192
Trade debts	9	490,760,420	399,650,553
Loans and advances	10	97,398,412	83,355,833
Trade deposits and short term prepayments	11	2,128,415	2,106,288
Other receivables		9,221,577	3,160,787
Other financial assets	12	990,500,235	-
Sales tax refundable		44,768,473	32,872,438
Income tax refundable		3,677,753	3,677,753
Cash and bank balances	13	72,275,700	56,205,408
		2,446,463,705	1,502,259,018
		3,572,356,249	2,673,896,543
<i>Total assets</i>			
EQUITY AND LIABILITIES			
<i>Share capital and reserves</i>			
Share capital	14	69,000,000	69,000,000
Reserves	15	753,600,000	753,600,000
Unappropriated profit		1,204,053,258	987,276,511
		2,026,653,258	1,809,876,511
Surplus on revaluation of property, plant and equipment - net of tax	16	414,185,645	419,464,982
<i>Non-current liabilities</i>			
Long term financing	17	38,088,890	57,133,334
Deferred liabilities	18	28,937,111	75,559,221
		67,026,001	132,692,555
<i>Current liabilities</i>			
Trade and other payables	19	237,889,361	229,124,779
Accrued markup	20	4,143,739	5,363,867
Short term borrowings	21	757,989,651	-
Current portion of non-current liabilities	22	19,044,444	28,210,105
Provision for taxation		45,424,150	49,163,744
		1,064,491,345	311,862,495
		3,572,356,249	2,673,896,543
<i>Total equity and liabilities</i>			
<i>Contingencies and commitments</i>			
	23		

The annexed notes from 1 to 43 form an integral part of these financial statements.

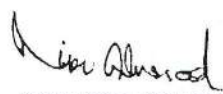

Mian Riaz Ahmed
Chairman

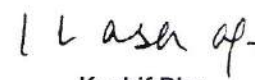

Kashif Riaz
Chief Executive

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED JUNE 30, 2014

	Note	2014 ----- Rupees -----	2013 ----- (Restated)
Sales - net	24	4,731,619,297	4,385,980,230
Cost of goods sold	25	(4,211,733,863)	(3,553,091,638)
Gross profit		519,885,434	832,888,592
Profit on other operations	26	7,429,454	6,703,833
		527,314,888	839,592,425
Distribution cost	27	(85,898,978)	(72,424,169)
Administrative expenses	28	(94,325,536)	(81,302,159)
Other expenses	29	(23,107,711)	(58,573,939)
Finance cost	30	(34,654,849)	(49,544,589)
Other income	31	21,480,779	169,225
		(216,506,295)	(261,675,631)
Profit before taxation		310,808,593	577,916,794
Taxation	32	(26,529,313)	(37,883,424)
Profit for the year		284,279,280	540,033,370
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit and loss:</i>			
Remeasurement of post retirement benefits obligation		-	(9,584,735)
Related deferred tax impact		-	817,905
Other comprehensive income for the year - net of tax		-	(8,766,830)
Total comprehensive income for the year		284,279,280	531,266,540
			(Restated)
Earnings per share - basic and diluted	33	41.20	78.27

The annexed notes from 1 to 43 form an integral part of these financial statements.


Mian Riaz Ahmed
Chairman

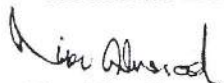

Kashif Riaz
Chief Executive

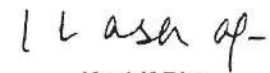


CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2014

	2014	2013
	----- Rupees -----	(Restated)
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	310,808,593	577,916,794
Adjustments for:		
Depreciation on property, plant and equipment	106,664,813	85,659,782
Unrealized gain on re-measurement of other financial assets	(6,700,236)	-
Realized gain on disposal of other financial assets	(14,285,764)	-
Provision for staff retirement benefits - gratuity	8,914,113	6,975,345
Gain on sale of property, plant and equipment	(179,014)	-
Finance cost	34,654,849	49,544,589
Operating cash flows before changes in working capital	<u>439,877,354</u>	<u>720,096,510</u>
Changes in working capital		
<i>(Increase) / decrease in current assets</i>		
Stores and spares	(23,123,283)	(7,945,982)
Stock in trade	208,620,521	(151,254,612)
Trade debts	(91,109,867)	235,417,943
Loans and advances (excluding advance income tax)	1,212,048	(3,145,535)
Trade deposits and short term prepayments	(22,127)	(4,661)
Sales tax refundable	(11,896,035)	(8,568,528)
Other receivables	(6,060,790)	(2,838,802)
<i>Increase in current liabilities</i>		
Trade and other payables (excluding unclaimed dividend)	17,258,935	47,071,487
	<u>94,879,402</u>	<u>108,731,310</u>
Cash generated from operations	534,756,756	828,827,820
Finance cost paid	(35,874,977)	(50,393,591)
Staff retirement benefits - gratuity paid	(5,817,068)	(7,292,130)
Income taxes paid	(64,524,559)	(54,182,392)
Net cash from operating activities	<u>428,540,152</u>	<u>716,959,707</u>
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Addition to property, plant and equipment	(61,835,818)	(24,936,787)
Proceeds from disposal of property, plant and equipment	1,095,000	-
Payment for purchase of other financial assets	(2,023,100,000)	-
Proceeds from disposal of other financial assets	1,053,585,765	-
Net cash used in investing activities	<u>(1,030,255,053)</u>	<u>(24,936,787)</u>
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long term financing	(28,210,105)	(18,688,890)
Short term borrowings - net	757,989,651	(443,705,783)
Dividends paid	(111,994,353)	(189,305,195)
Net cash used in financing activities	<u>617,785,193</u>	<u>(651,699,868)</u>
Net increase / (decrease) in cash and cash equivalents (A+B+C)	16,070,292	40,323,052
Cash and cash equivalents at beginning of the year	56,205,408	15,882,356
Cash and cash equivalents at end of the year	<u><u>72,275,700</u></u>	<u><u>56,205,408</u></u>

The annexed notes from 1 to 43 form an integral part of these financial statements.


Mian Riaz Ahmed
Chairman



Kashif Riaz
Chief Executive



STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2014

	Share capital	Capital reserve		Revenue reserves		Total
		Share premium	General reserve	Unappropriated profit		
Balance as at July 01, 2012	69,000,000	3,600,000	750,000,000	655,898,524	1,478,498,524	
Transactions with owners						
Final dividend for the year ended June 30, 2012 @ Rs. 10 per share	-	-	-	(69,000,000)	(69,000,000)	
Interim dividend for the year ended June 30, 2013 @ Rs. 20 per share	-	-	-	(138,000,000)	(138,000,000)	
Comprehensive income for the year						
Profit for the year (restated)	-	-	-	540,033,370	540,033,370	
Other comprehensive income for the year - net of tax (restated)	-	-	-	(8,766,830)	(8,766,830)	
Total comprehensive income for the year (restated)	-	-	-	531,266,540	531,266,540	
Transferred to general reserves	-	-	-	-	-	
Transferred to unappropriated profit on account of incremental depreciation on surplus on revaluation of property, plant and equipment - net of deferred tax	-	-	-	7,111,447	7,111,447	
Balance as at June 30, 2013	69,000,000	3,600,000	750,000,000	987,276,511	1,809,876,511	
Transactions with owners						
Interim dividend for the year ended June 30, 2014 @ Rs. 5 per share	-	-	-	(34,500,000)	(34,500,000)	
Interim dividend for the year ended June 30, 2014 @ Rs. 10 per share	-	-	-	(69,000,000)	(69,000,000)	
Comprehensive income for the year						
Profit for the year	-	-	-	284,279,280	284,279,280	
Other comprehensive income for the year - net of tax	-	-	-	-	-	
Total comprehensive income for the year	-	-	-	284,279,280	284,279,280	
Transferred to unappropriated profit on account of incremental depreciation on surplus on revaluation of property, plant and equipment - net of deferred tax	-	-	-	35,997,467	35,997,467	
Balance as at June 30, 2014	69,000,000	3,600,000	750,000,000	1,204,053,258	2,026,653,258	

The annexed notes from 1 to 43 form an integral part of these financial statements.


Mian Riaz Ahmed
 Chairman

I L Ashraf
Kashif Riaz
 Chief Executive



NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED JUNE 30, 2014

1. GENERAL INFORMATION

1.1 Sunrays Textile Mills Limited "the Company" was incorporated in Pakistan on August 27, 1987 as a public limited company under the Companies Ordinance, 1984 and its shares are quoted on the Karachi Stock Exchange. The Company is principally engaged in trade, manufacture and sale of yarn. The Company is also operating a ginning unit and an ice factory on leasing arrangements. The registered office of the Company is situated at Karachi. The mill is located at District Muzaffargarh, Dera Ghazi Khan Division, in the province of Punjab.

2. BASIS OF PRESENTATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or the directives of the Companies ordinance, 1984 shall prevail.

2.2 Basis of measurement

These financial statements have been prepared under historical cost convention except indicated in note 3.1, 3.4 and 3.5.

2.3 Functional and presentation currency

The financial statements are presented in Pak Rupees, which is the company's functional and presentation currency.

2.4 Significant accounting estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that effect the application of policies and reported amounts of property, plant and equipment, liabilities, income and expenses. The estimate and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under circumstances, the result of which form the basis of making the judgment about carrying values of assets and liabilities that are not readily apparent from other resources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on the ongoing basis. Revisions to accounting estimates are recognised in the period in which estimates are revised.

- useful life of depreciable assets;
- provision for doubtful receivables;
- provision for current tax and deferred tax;
- revaluation of assets pertaining to freehold land, building on freehold land and plant machinery;
- staff retirement benefits;
- net realisable value of stock-in-trade.

However, assumptions and judgments made by management in the application of accounting policies that have significant effect on the financial statements are not expected to result in material adjustments to the carrying amounts of assets and liabilities in the next year.

2.5 New accounting standards / amendments and IFRS interpretations that are effective for the year ended June 30, 2014

The following standards, amendments and interpretations are effective for the year ended June 30, 2014. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

Amendments to IAS 1 - Presentation of Financial Statements – Clarification of Requirements for Comparative information

Effective from accounting period beginning on or after January 01, 2013

This improvement clarifies the difference between voluntary additional comparative information and the minimum required comparative information. Generally, the minimum required comparative information is the previous period.

Amendments to IAS 16 - Property, Plant and Equipment – Classification of servicing equipment

Effective from accounting period beginning on or after January 01, 2013

This improvement clarifies that major spare parts and servicing equipment that meet the definition of property, plant and equipment are not inventory.

Amendments to IAS 32 Financial Instruments: Presentation - Tax effects of distributions to holders of an equity instrument, and transaction costs of an equity transaction

Effective from accounting period beginning on or after January 01, 2013

This improvement clarifies that income taxes arising from distributions to equity holders are accounted for in accordance with IAS 12 Income Taxes.

Amendments to IAS 34 - Interim Financial Reporting - Interim reporting of segment information for total assets and total liabilities

Effective from accounting period beginning on or after January 01, 2013

The amendment aligns the disclosure requirements for total segment assets with total segment liabilities in interim financial statements. This clarification also ensures that interim disclosures are aligned with annual disclosures.

Amendments to IFRS 7 Financial Instruments: Disclosures - Offsetting financial assets and financial liabilities

Effective from accounting period beginning on or after January 01, 2013

These amendments require an entity to disclose information about rights to set-off and related arrangements (e.g., collateral agreements). The disclosures would provide users with information that is useful in evaluating the effect of netting arrangements on an entity's financial position. The new disclosures are required for all recognised financial instruments that are set off in accordance with IAS 32 Financial Instruments: Presentation. The disclosures also apply to recognised financial instruments that are subject to an enforceable master netting arrangement or similar agreement, irrespective of whether they are set off in accordance with IAS 32.

- 2.6 The amendments to IAS 19 - Employee Benefits is effective from accounting period beginning on or after January 01, 2013 and have significant impact on the Company's financial statements for the year as discussed in the pursuing paragraph. These changes are considered as change in policy.

IAS 19 - Employee Benefits (as revised in 2011)

In the current year, the Company has applied IAS 19 Employee Benefits (as revised in 2011) and the related consequential amendments for the first time.

IAS 19 (as revised in 2011) changes the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligation and plan assets. The amendments require the recognition of changes in defined benefit obligations and in the fair value of plan assets when they occur, and hence eliminate the 'corridor approach' permitted under the previous versions of IAS 19 and accelerate the recognition of past service costs. All actuarial gains and losses are recognised immediately through other comprehensive income in order for the net pension asset or liability recognised in the consolidated statement of financial position to reflect the full value of plan deficit or surplus. Furthermore, the interest cost and expected return on plan assets used in the previous version of IAS 19 are replaced with a 'net interest' amount under IAS 19 (as revised in 2011), which is calculated by applying the discount rate to the net defined benefit liability or asset. These changes have had an impact on the amounts recognised in profit or loss and other comprehensive income in prior years. In addition, IAS 19 (as revised in 2011) introduces certain changes in the presentation of the defined benefit cost including more extensive disclosures.

Specific transitional provisions are applicable to the first-time application of IAS 19 (as revised in 2011). The Company has applied the relevant transitional provisions and restated the comparative amounts on a retrospective basis.

The impact of amendments to "IAS 19 Employee Benefits" on the financial statements has been disclosed in note 4.



2.7 *New accounting standards and IFRS interpretations that are not yet effective*

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

Amendments to IAS 19 - Employee Benefits: Employee contributions

*Effective from accounting period
beginning on or after
July 1, 2014*

This amendment clarifies the application of IAS 19, 'Employee benefits' (2011) – referred to as 'IAS 19R', to plans that require employees or third parties to contribute towards the cost of benefits. The amendment does not affect the accounting for voluntary contributions. The 2011 revisions to IAS 19 distinguished between employee contributions related to service and those not linked to service. The current amendment further distinguishes between contributions that are linked to service only in the period in which they arise and those linked to service in more than one period. The amendment allows contributions that are linked to service, and do not vary with the length of employee service, to be deducted from the cost of benefits earned in the period that the service is provided.

Amendments to IAS 32 Financial Instruments: Presentation - Offsetting financial assets and financial liabilities

*Effective from accounting period
beginning on or after
January 1, 2014*

These amendments clarify the meaning of "currently has a legally enforceable right to set-off". It will be necessary to assess the impact to the entity by reviewing settlement procedures and legal documentation to ensure that offsetting is still possible in cases where it has been achieved in the past. In certain cases, offsetting may no longer be achieved. In other cases, contracts may have to be renegotiated. The requirement that the right of set-off be available for all counterparties to the netting agreement may prove to be a challenge for contracts where only one party has the right to offset in the event of default.

IAS 36 Impairment of Assets - Recoverable Amount Disclosures for Non-Financial Assets

*Effective from accounting period
beginning on or after
January 1, 2014*

The amendments:

- remove the requirement to disclose the recoverable amount of a cash-generating unit (or group of cash-generating units) to which a significant amount of goodwill or intangible assets with indefinite useful lives has been allocated in periods when no impairment or reversal has been recognized (this requirement having been inadvertently introduced as part of consequential amendments on the introduction of IFRS 13; and
- introduce additional disclosure requirements in respect of assets for which an impairment has been recognized or reversed and for which the recoverable amount is determined using fair value less costs of disposal.

IAS 39 Financial Instruments: Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting

*Effective from accounting period
beginning on or after
January 1, 2014*

The amendment allows the continuation of hedge accounting (under IAS 30 and IFRS 9 chapter on hedge accounting) when a derivative is novated to a clearing counterparty and certain conditions are met.

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 9 – Financial Instruments
- IFRS 14 – Regulatory Deferral Accounts
- IFRS 15 – Revenue from Contracts with Customers

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 Staff retirement benefits

The company operates an unfunded gratuity scheme covering all its employees. The cost of providing benefit is determined using the projected unit credit method, with actuarial valuation. Actuarial gains and losses are recognised immediately as they arise. Past service cost is recognized immediately to the extent that the benefits are already vested. Otherwise it is amortized on a straight line basis over the average period until the amended benefits become vested.

The Company has adopted IAS 19 (as revised in 2011) during the year and all the changes have been fully explained in note 4.

Details of the scheme are given in the note 18.1 to these financial statements.

3.2 Taxation

Current

The charge for current taxation is based on taxable income at the current rate of taxation after taking into account applicable tax credit, rebates and exemption available if any. For income covered under final tax regime, taxation is based on applicable tax rates under such regime.

Deferred

Deferred tax is provided using the liability method for all temporary differences at the balance sheet date between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. In this regard, the effects on deferred taxation of the portion of income subject to final tax regime is also considered in accordance with the requirement of Technical Release – 27 of Institute of Chartered Accountants of Pakistan.

Deferred income tax asset is recognized for all deductible temporary differences and carry forward of unused tax losses, if any, to the extent that it is probable that taxable profit will be available against which such temporary differences and tax losses can be utilized.

Deferred income tax assets and liabilities are measured at the tax rate that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date.

3.3 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the financial statements in the period in which the dividends are approved by the Company's shareholders.

3.4 Foreign currencies

Transactions in currencies other than Pakistani Rupees are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date except where forward exchange contracts have been entered into for repayment of liabilities, in that case, the rates contracted for are used.

Gains and losses arising on retranslation are included in profit or loss for the period.

3.5 Property, plant and equipment

Property, plant and equipment except free hold land, building on freehold land, plant and machinery and capital work in progress are stated at cost less accumulated depreciation and accumulated impairment losses.

Free hold land, building on free hold land and plant and machinery is stated at revalued amount being the fair value at the date of revaluation, less any subsequent accumulated depreciation and impairment losses. Revaluations are performed with sufficient regularity so that the fair value and carrying value do not differ materially at the balance sheet date. Any revaluation increase arising on the revaluation of such assets is credited in 'Surplus on revaluation of property, plant and equipment'. A decrease in the carrying amount arising on revaluation is charged to profit or loss to the extent that it exceeds the balance, if any, held in the surplus on revaluation account relating to previously revalued assets. To the extent of incremental depreciation charged on revalued assets, the related surplus on revaluation (net of deferred tax) is transferred directly to retained earnings / unappropriated profit.

Depreciation is charged to income applying reducing balance method to write-off the cost over the estimated remaining useful life of assets. The useful life and depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from items of property, plant and equipment. Rates of depreciation are stated in note 4. In respect of additions and disposals during the year, depreciation is charged from the month of acquisition and up to the month preceding the disposal respectively.

Gains / losses on disposal of operating assets, if any, are recognized in profit and loss account, as and when incurred. Assets are derecognised when disposed or when no future economic benefits are expected from its use or disposal.

Normal repairs and maintenance are charged to profit and loss account as and when incurred. Major renewals and improvements are capitalized and assets replaced, if any, other than those kept as stand-by, are retired.



Capital work-in-progress

Capital work-in-progress (CWIP) is stated at cost less any recognized impairment loss. All expenditures connected to the specific assets incurred during installation and construction period are carried under CWIP. These are transferred to specific assets as and when assets are available for use.

3.6 Investment property

Investment property is stated at cost less accumulated depreciation and accumulated impairment losses if any.

Subsequent expenditure relating to investment property is added to carrying amount when it is probable that future economic benefits in excess of originally assessed standard of performance of the existing property will flow to the enterprise.

All other subsequent expenditures are recognized as expense in the period in which they are incurred.

3.7 Stores and spares

These are valued at cost, determined on the basis of moving average cost less allowance for obsolete and slow moving items, except for items in transit which are valued at cost accumulated to the balance sheet date.

3.8 Stock in trade

These are valued at lower of cost and net realizable value. Cost is determined by applying the following basis:

Raw material

- At Mills

Weighted average cost

- In Transit

At cost accumulated to the balance sheet date.

Work in process

Average manufacturing cost

Finished goods

Average cost of goods manufactured

Waste

Net realizable value

Net realizable value signifies the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

3.9 Trade debts and other receivables

Trade debts and other receivables are carried at original invoice amount less an estimate made for doubtful receivables based on review of outstanding amounts at the year end. Balances considered bad and irrecoverable are written off when identified.

3.10 Investments

Financial assets at fair value through profit and loss

An investment that is acquired principally for the purpose of generating profit from short-term fluctuations in prices is classified as "fair value through profit or loss - held-for-trading"

Financial assets are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value.

Subsequent to initial recognition, equity securities designated by the management as 'at fair value through profit or loss' are valued on the basis of closing quoted market prices available at the stock exchange.

Net gains and losses arising from changes in the fair value of financial assets carried 'at fair value through profit or loss' are taken to the 'income statement'.

3.11 Financial instruments

Financial instrument is recognized using trade date accounting basis, when the company becomes a party to the contractual provisions of the instrument.

Financial assets

All financial assets are initially recognized at nominal value of the consideration paid. Subsequent to initial recognition these are remeasured to fair value except financial assets whose fair value cannot be measured reliably. Any gain or loss is included in current year income.

Financial liabilities

All financial liabilities are initially recognized at nominal value of consideration received. Subsequent to initial recognition, financial liabilities are recognized at fair value, amortized cost or cost as the case may be. Any gain or loss is included in current year income.



3.12 Off setting of financial instruments

Financial assets and liabilities are off-set and the net amount reported in the balance sheet when there is a legally enforceable right to set-off the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

3.13 Provision

A provision is recognized in the balance sheet when the company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made to the amount of obligation.

3.14 Impairment

Financial assets

The Company assesses at each balance sheet date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred "loss event") and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing a significant financial difficulty, default of delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Non-financial assets

The company assesses at each balance sheet date whether there is any indication that assets except deferred tax assets may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in profit and loss account. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Where impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised recoverable amount but limited to the carrying amount that would have been determined, had no impairment loss been recognized for assets in prior year. Reversal of impairment loss is recognized as income.

The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as an income or expense.

3.15 Trade and other payables

Liabilities for trade and other payables are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company.

3.16 Leases

Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. These are stated at the lower of present value of minimum lease payments under the lease agreements and the fair value of the assets. The related obligations of lease are accounted for as liabilities. Financial charges are allocated to accounting periods in a manner so as to provide a constant periodic rate of financial cost on the remaining balance of principal liability for each period. Depreciation is charged at the rates stated in note 4.1 applying reducing balance method to write off a cost of the assets over its estimated useful life in view of certainty of ownership of assets at the end of the lease period.

All other leases are classified as operating leases.

Rental Income from operating lease is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased assets and recognized as expense on a straight-line basis over the lease term.

3.17 Revenue recognition

- Local sales through agents are booked on dispatch of good to the customers.
- Direct local sales and indirect export sales are accounted for when goods are delivered to customers and invoices raised.
- Direct export sales are recorded upon preparation of bill of lading. Export rebate is accounted for on accrual basis.

3.18 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of cash flow statement, cash and cash equivalents comprise cash and cheques in hand, balances with banks on current and saving and deposit accounts.



3.19 Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are charged to income in the period in which these are incurred.

3.20 Earning Per share

The company presents basic and diluted earnings per share (EPS) data. Basic EPS is calculated by dividing the profit or loss attributable to the ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, as adjusted for the effects of all dilutive potential ordinary shares.

4 CHANGE IN ACCOUNTING POLICY

4.1 Adoption of amendments in IAS 19, (Revised) 'Employee benefits'

During the current year, the Company has applied IAS 19 Employee Benefits (as revised in 2011) and the related consequential amendments for the first time.

As per IAS 19 (revised) actuarial gains and losses are recognised in other comprehensive income in the periods in which they occur. Amounts recorded in the profit and loss account are limited to current and past service costs, gains or losses on settlements, and net interest income (expense). All other changes in the net defined benefit obligation are recognised directly in other comprehensive income with no subsequent recycling through the profit and loss account.

The change in accounting policy has been accounted for retrospectively in accordance with the requirements of IAS 8, 'Accounting policies, Changes in Accounting Estimates and Errors' and corresponding figures have been restated. The effects of the change in accounting policy on the prior periods' financial statements have been summarized as follow:

	<i>2013</i> <i>Rupees</i>
<i>Profit and loss account:</i>	
Increase in profit for the year	9,584,735
Increase in earnings per share	1.27
Increase in tax expense for the year	817,905
<i>Statement of comprehensive income:</i>	
Decrease in other comprehensive income for the year	9,584,735
Related deferred tax impact	(817,905)
<i>Impact on cash flow statement:</i>	
Increase in profit before taxation	9,584,735
Decrease in provision for employee benefits	(9,584,735)

The change in accounting policy has no impact on the balance sheet for the current and previous years. Therefore, third balance sheet as at July 01, 2012 has not been presented.



5. PROPERTY, PLANT AND EQUIPMENT

	2014	2013
	Rupees	
Operating assets	1,090,224,050	1,135,969,031
Capital work-in-progress	32,891,239	32,891,239
	<u>1,123,115,289</u>	<u>1,168,860,270</u>

Note

5.1

Operating assets

5.1 Operating assets

Particulars	Cost / revalued amount		Depreciation			Written down value		Rate
	Opening	Additions / (disposal)	Closing	For the year / (on disposal)	Revaluation adjustments	As at June 30		
						Opening	Closing	
Rupees								
Owned								
Freehold land	131,247,000	-	131,247,000	-	-	131,247,000	-	-
Building on freehold land	230,692,122	-	230,692,122	-	-	230,692,122	-	10%
Plant and machinery	1,300,790,190	40,180,979	1,340,971,169	77,328,319	-	627,218,509	713,752,660	10%
Electric installations	24,387,315	4,923,268	29,310,583	762,477	-	19,051,958	10,258,625	10%
Factory equipments	1,717,778	-	1,717,778	61,483	-	1,164,428	553,350	10%
Office equipments	4,708,546	-	4,708,546	172,001	-	3,160,541	1,548,005	10%
Electric appliances	3,374,021	544,022	3,918,043	181,674	-	2,079,891	1,838,152	10%
Furniture and fittings	6,977,324	808,549	7,785,873	4,309,368	-	4,639,197	3,146,676	10%
Vehicles	61,324,369	15,379,000	73,580,369	6,290,430	-	39,548,187	34,032,182	20%
	<u>1,765,218,665</u>	<u>58,712,818</u>	<u>1,823,931,483</u>	<u>104,457,799</u>	<u>-</u>	<u>733,707,433</u>	<u>1,090,224,050</u>	
Owned								
Freehold land	102,708,000	28,539,000	131,247,000	-	-	131,247,000	-	-
Building on freehold land	230,692,122	-	230,692,122	122,262,319	(117,799,177)	15,306,122	215,386,000	10%
Plant and machinery	1,279,753,903	21,036,287	1,300,790,190	620,278,271	(137,825,399)	549,890,190	750,900,000	10%
Electric installations	24,387,315	-	24,387,315	17,611,944	-	18,289,481	6,097,834	10%
Factory equipments	1,717,778	-	1,717,778	1,034,630	-	1,102,945	614,833	10%
Office equipments	4,708,546	-	4,708,546	2,797,428	-	2,988,540	1,720,006	10%
Electric appliances	3,251,021	123,000	3,374,021	1,741,369	-	1,898,217	1,475,804	10%
Furniture and fittings	6,977,324	-	6,977,324	4,012,928	-	4,309,368	2,667,956	10%
Vehicles	57,546,869	-	57,546,869	29,475,539	-	35,464,771	25,859,598	20%
	<u>1,711,742,878</u>	<u>24,936,787</u>	<u>1,765,218,665</u>	<u>799,214,428</u>	<u>(255,624,576)</u>	<u>629,249,634</u>	<u>1,135,969,031</u>	

5.2 The following assets were disposed off during the year

Particulars	Cost	Accumulated Depreciation	Carrying value	Sale proceed	Gain/Loss	Mode Of Disposal	Particulars of buyers
Hyundai Santro MLK-8811	609,000	503,634	105,366	130,000	24,634	Negotiation	Muhammad Rashid Khan
Suzuki Cuhus MLG-690	590,000	517,081	72,919	100,000	27,081	Negotiation	Muhammad Sarwar
Suzuki Alto MNX-9430	459,000	434,870	24,130	60,000	35,870	Negotiation	Mazhar Hussain
Honda City ATZ-441	1,401,000	695,643	705,357	790,000	84,643	Negotiation	Adnan Ahmad
Honda CD-100 MLF-1603	64,000	55,786	8,214	15,000	6,786	Negotiation	Muhammad Asghar Khan
	<u>3,123,000</u>	<u>2,207,014</u>	<u>915,986</u>	<u>1,095,000</u>	<u>179,014</u>		

There were no disposals of property, plant and equipment during the year ended June 30, 2013



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		2014	2013
		----- Rupees -----	
5.3 Depreciation for the year has been allocated as under:			
Cost of goods sold	25	99,690,880	79,026,150
Administrative expense	28	6,973,934	6,633,632
		<u>106,664,814</u>	<u>85,659,782</u>

5.4 Revaluation of freehold land, building on freehold land and plant and machinery was carried out as on September 30, 1996 and June 30, 2007 by an independent valuer M/s. Iqbal A. Nanjee & Company, Lahore on the basis of depreciated replacement values. Revaluation surplus has been credited to surplus on revaluation of property, plant and equipment.

Further, The Company has its freehold land, building on freehold land and plant and machinery revalued on June 30, 2013 by K.G. Traders (Private) Limited, independent valuers not connected with the Company. The bases 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 authorised 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.

5.5 Had there been no revaluation the related figures of freehold land, building on freehold land and plant and machinery as at the balance sheet date would have been as follows:

		2014	2013
		----- Rupees -----	
Freehold land		41,038,562	41,038,562
Building on freehold land		57,180,524	63,533,915
Plant and machinery		524,662,550	542,777,410
		<u>622,881,636</u>	<u>647,349,887</u>

5.6 Capital work-in-progress

Electricity connection

	32,891,239	32,891,239
	<u>32,891,239</u>	<u>32,891,239</u>

5.6.1 Movement in capital work in progress

Opening balance		32,891,239	32,891,239
Addition during the year		-	-
Transfer to operating assets		-	-
Closing balance		<u>32,891,239</u>	<u>32,891,239</u>

6. INVESTMENT PROPERTY

Investment property comprise of land held by the Company for capital appreciation purposes, and is not currently in use by the Company for business purposes. The fair value of land Rs. 2.5 million approximates the carrying amount at the year end.

7. STORES AND SPARES

Stores		61,380,952	39,292,932
Spares		23,030,097	17,836,607
		<u>84,411,049</u>	<u>57,129,539</u>
Stores in-transit		-	4,158,227
		<u>84,411,049</u>	<u>61,287,766</u>

7.1 The Company does not hold any stores and spares for specific capitalization.

8. STOCK-IN-TRADE

Raw material		460,133,892	705,500,857
Raw material in-transit		114,345,807	78,764,885
Work in process		32,854,844	27,665,361
Finished goods			
- Spinning unit		36,367,917	33,820,419
- Ginning factory		13,000	4,403,541
		<u>36,380,917</u>	<u>38,223,960</u>
Waste		7,606,211	9,787,129
		<u>651,321,671</u>	<u>859,942,192</u>

9. TRADE DEBTS

		2014	Rupees	2013
Foreign - secured and considered good		448,215,877		348,392,286
Local - unsecured				
Considered good	9.1	42,544,543		51,258,267
Considered doubtful		-		1,410,080
		42,544,543		52,668,347
Provision for doubtful trade debts		-		(1,410,080)
		<u>490,760,420</u>		<u>399,650,553</u>

9.1 It includes due from associated undertakings relating to sale of yarn in normal course of business. Detail of balances due is as follows:

Indus Home Limited	474,342	88,000
Indus Dyeing & Manufacturing Co. Limited	81,028	719,730
Haji Maula Bakhsh Cotton Factory	137,218	-
	<u>692,588</u>	<u>807,730</u>

9.2 Trade debts are non-interest bearing and are generally on 60 to 90 days credit terms.

9.3 Trade debts consist of a large number of diversified customers. Ongoing credit evaluation is performed on the financial condition of trade debts. The fair value of trade debts approximate their carrying amounts.

9.4 The Company provides for doubtful trade debts on the basis of past due balances. Balances considered bad and irrecoverable are written off when identified.

9.5 The aging of past due trade debts is as follows:

Past due for more than 03 months but less than 01 year	5,576,614	96,758
Past due for more than 01 year but less than 02 years	96,758	3,210
Past due for more than 02 years but less than 03 years	-	241,553
Past due for more than 03 years	-	1,165,317
	<u>5,673,372</u>	<u>1,506,838</u>

10. LOANS AND ADVANCES

Considered good

Due from employees	8,157,512	7,131,590
Advances :		
Income tax	76,922,444	61,667,817
To suppliers / services	9,568,635	11,130,153
To contractor	224,337	139,454
L/C margin and expenses	2,525,484	3,286,819
	<u>97,398,412</u>	<u>83,355,833</u>

11. TRADE DEPOSITS AND SHORT TERM PREPAYMENTS

Security deposits	-	111,200
Bank guarantee margin	1,694,410	1,794,410
Prepayments	434,005	200,678
	<u>2,128,415</u>	<u>2,106,288</u>

12. OTHER FINANCIAL ASSETS

Carrying value of investment at fair value through profit and loss - held for trading	12.1	<u>990,500,235</u>	-
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12.1 Market value of other financial assets

	2014	2013			
(No. of Units)					
5,167,737	-		Faysal - Money market fund	521,062,951	-
4,500,531	-		ABL - Government securities fund - B	45,190,737	-
448,563	-		UBL - Government securities fund - class 'C'	45,023,999	-
7,584,451	-		MCB - Pakistan cash management fund	379,222,548	-
				<u>990,500,235</u>	-



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		2014	2013
		----- Rupees -----	
13. CASH AND BANK BALANCES			
Cash in hand	Note	2,313,723	1,401,858
Cash with banks			
- Current accounts		68,640,382	51,701,409
- Term deposit receipt	13.1	1,300,000	3,081,479
- Saving accounts	13.1	21,595	20,662
		<u>69,961,977</u>	<u>54,803,550</u>
		<u>72,275,700</u>	<u>56,205,408</u>
13.1 Effective mark-up rate in respect of saving and deposit accounts ranges from 7.00% to 9.00% (2013: 7.00% to 10.00%) per annum.			
14. SHARE CAPITAL			
		2014	2013
		----- Numbers -----	
<i>Authorised</i>			
<u>10,000,000</u>	<u>10,000,000</u>	Ordinary shares of Rs. 10 each	<u>100,000,000</u>
			<u>100,000,000</u>
		2014	2013
		----- Numbers -----	
<i>Issued, subscribed and paid up</i>			
<u>6,900,000</u>	<u>6,900,000</u>	Ordinary shares of Rs. 10 each fully paid in cash	<u>69,000,000</u>
			<u>69,000,000</u>
15. RESERVES			
<i>Capital</i>			
Share premium		3,600,000	3,600,000
<i>Revenue</i>			
General reserve		<u>750,000,000</u>	<u>750,000,000</u>
		<u>753,600,000</u>	<u>753,600,000</u>
16. SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT - NET OF TAX			
16.1 Surplus on revaluation of property, plant and equipment			
Opening balance		450,183,112	177,613,992
Transferred to unappropriated profit on account of:			
Incremental depreciation - net of deferred tax		(35,997,467)	(7,111,447)
Related deferred tax liability		-	(4,483,009)
Effect of revaluation of property, plant and equipment carried out at year end		-	284,163,576
		<u>(35,997,467)</u>	<u>272,569,120</u>
Closing balance		414,185,645	450,183,112
<i>Related deferred tax liability</i>			
Opening balance		(30,718,130)	(13,387,635)
Transferred to unappropriated profit on account of:			
Incremental depreciation - net of deferred tax		-	4,483,009
Reversal of deferred tax liability		30,718,130	-
Effect of revaluation of property, plant and equipment carried out at year end		-	(21,813,504)
Closing balance		-	(30,718,130)
		<u>414,185,645</u>	<u>419,464,982</u>
17. LONG TERM FINANCING			
<i>From banking companies</i>			
MCB Bank Limited			
- Demand finance - I	17.1	57,133,334	76,177,778
Soneri Bank Limited			
- Term finance - I	17.2	-	9,165,661
		<u>57,133,334</u>	<u>85,343,439</u>
Less:			
Current portion shown under current liabilities	22	<u>19,044,444</u>	<u>28,210,105</u>
		<u>38,088,890</u>	<u>57,133,334</u>

17.1 MCB Bank Limited - Demand finance - I

This finance has been obtained to finance textile machinery imported through MCB bank limited for BMR and is secured against already registered pari passu hypothecation/equitable mortgage charge of Rs. 115 million over current and fixed assets of the Company including land measuring 90 Kanals and 10 Marlas and personal guarantees of all the directors of the Company. The loan is repayable in 09 equal half yearly installments starting from February 28, 2013 where as 06 installments remain outstanding at June 30, 2014. It carries mark-up at the rate of 6 month KIBOR + 2.00 % per annum.

17.2 Soneri Bank Limited - Term finance - I

This finance of Rs.11.5 million was obtained to finance BMR and is secured against first pari passu charge over the fixed assets of the Company amounting to Rs.76 million. It carries mark up at the rate of 3 month KIBOR + 1.25% per annum. The loan has been repaid fully during the year.

17.3 Management considers that there is no non-compliance of agreements with financial institutions, where the Company could be exposed to further penalties.

18. DEFERRED LIABILITIES

		2014	2013
		----- Rupees -----	
Staff retirement benefits - gratuity	18.1	28,937,111	25,840,066
Deferred taxation	18.2	-	49,719,155
		<u>28,937,111</u>	<u>75,559,221</u>
			<i>(Restated)</i>
		28,937,111	25,840,066
		<u>28,937,111</u>	<u>25,840,066</u>

18.1 Provision for gratuity

Liability recognised in the balance sheet

Present value of defined benefit obligation

Movement in the net liability

		2014	2013
Opening balance		25,840,066	16,572,116
Charge for the year		8,914,113	6,975,345
Payment made during the year		(5,817,068)	(7,292,130)
Remeasurement changes chargeable to other comprehensive income		-	9,584,735
Provision for gratuity		<u>28,937,111</u>	<u>25,840,066</u>

Changes in present value of defined benefit obligation

Opening defined benefit obligation		25,840,066	16,572,116
Current service cost		6,200,906	4,655,249
Interest cost		2,713,207	2,320,096
Benefits paid		(5,817,068)	(7,292,130)
Remeasurement of obligation		-	9,584,735
		<u>28,937,111</u>	<u>25,840,066</u>

Charge for the year

Current service cost		6,200,906	4,655,249
Interest cost		2,713,207	2,320,096
		<u>8,914,113</u>	<u>6,975,345</u>

Allocation of charge for the year

Cost of sales		7,486,950	5,858,582
Administrative expenses		1,427,163	1,116,763
		<u>8,914,113</u>	<u>6,975,345</u>

Total remeasurement chargeable to other comprehensive income

Remeasurement of defined benefit obligation:			
Experience adjustment		-	9,584,735

As per actuarial valuation carried out as at June 30, 2013 by Nauman Associates using Projected Unit Credit Method, the following significant assumptions have been used for valuation of defined benefit obligation of the Company:

	2014	2013
Discount rate	10.50%	10.50%
Expected rate of salary increase in future years	9.50%	9.50%
Average expected remaining working life time of employees	6 years	6 years
Mortality rate was based on the EFU 61-66 mortality table.		

18.2 Deferred taxation

As the Company's export sales were more than 80%, management opted for the Income Tax Circular No. 05 of 2000, according to which local sales of goods (manufactured for export) as well as waste material, not constituting more than 20% of such production, may also be treated as export sales if the assessee opts to pay tax on such sales at the rate applicable to export sales. As a result, management recognized the provision for taxation for local sale at rate applicable to export sales. Therefore, no deferred tax has been recognized as all income of the company falls under the Final Tax Regime.



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	Note	2014 ----- Rupees -----	2013 ----- Rupees -----
The deferred taxation comprises of:			
<i>Taxable temporary differences on :</i>			
Surplus on revaluation of property, plant and equipment		-	30,718,130
Accelerated tax depreciation on property, plant and equipment and finance lease		-	21,206,065
Fair value gain on other financial assets		-	-
		-----	-----
		-	51,924,195
<i>Deductible temporary differences on:</i>			
Provision for staff retirement benefits - gratuity		-	(2,205,040)
		-----	-----
		-	49,719,155

18.3 Movement in temporary differences during the year

	As at July 01, 2013	Recognised in OCI	Recognised in equity	Recognised in profit and loss	As at June 30, 2014
----- Rupees -----					
<i>Deferred tax credits</i>					
Surplus on revaluation of property, plant and equipment	30,718,130	-	(30,718,130)	-	-
Accelerated tax depreciation	21,206,065	-	-	(21,206,065)	-
Fair value gain on other financial assets	-	-	-	-	-
<i>Deferred tax debits</i>					
Provision for gratuity	(2,205,040)	-	-	2,205,040	-
Remeasurement of defined benefit obligation to other comprehensive income	-	-	-	-	-
June 30, 2014	49,719,155	-	(30,718,130)	(19,001,025)	-
----- Rupees -----					
	As at July 01, 2013	Recognised in OCI	Recognised in equity	Recognised in profit and loss	As at June 30, 2013
<i>Deferred tax credits</i>					
Surplus on revaluation of property, plant and equipment	13,387,635	-	21,813,504	(4,483,009)	30,718,130
Accelerated tax depreciation	26,861,769	-	-	(5,655,704)	21,206,065
Fair value gain on other financial assets	-	-	-	-	-
<i>Deferred tax debits</i>					
Provision for gratuity	(1,903,673)	-	-	(301,367)	(2,205,040)
Remeasurement of defined benefit obligation to other comprehensive income	-	(817,905)	-	817,905	-
June 30, 2013	38,345,731	(817,905)	21,813,504	(9,622,175)	49,719,155

19. TRADE AND OTHER PAYABLES

	Note	2014 ----- Rupees -----	2013 ----- Rupees -----
Creditors		82,382,855	65,534,966
Accrued liabilities		86,537,437	75,184,725
Workers' Profit Participation Fund	19.1	16,764,679	31,584,742
Workers' Welfare Fund		33,690,223	27,347,191
Advance from customers		3,618,797	3,381,184
Dividend payable		13,547,611	22,041,964
Due to employees		528,756	409,927
Due to associated undertakings	19.2	19,400	657,631
Income tax deducted at source		46,684	199,436
Sales tax deducted at source		649,037	726,913
Due to directors		103,882	2,056,100
		-----	-----
		237,889,361	229,124,779

		2014	2013
		----- Rupees -----	
19.1 Workers' Profit Participation Fund			
Opening balance		31,584,742	25,401,683
Interest on funds utilized in the Company's business	30	1,377,285	4,788,842
		<u>32,962,027</u>	<u>30,190,525</u>
Payment to the fund		<u>(32,962,027)</u>	<u>(30,190,525)</u>
		-	-
Allocation for the year	29	16,764,679	31,584,742
Closing balance		<u>16,764,679</u>	<u>31,584,742</u>
19.2 Due to associated undertakings			
On account of trading activities			
Indus Dyeing & Manufacturing Co. Limited		19,400	19,400
Gellawala Cotton Company Limited		-	95,841
Silver Seeds (Pvt) Limited		-	375,000
Embee Industries (Pvt) Limited		-	167,390
		<u>19,400</u>	<u>657,631</u>
20. ACCRUED MARKUP			
Accrued mark-up on:			
- Long term financing		1,780,105	2,477,006
- Short term borrowings		2,363,634	2,886,861
		<u>4,143,739</u>	<u>5,363,867</u>
21. SHORT TERM BORROWINGS			
Secured - under markup arrangements			
Running finances (RF)		100,000	-
Finance Exchange -FE 25		748,451,128	-
Book overdraft		9,438,523	-
		<u>757,989,651</u>	<u>-</u>
21.1 Short term facilities available from commercial banks under mark up arrangements amounts to Rs. 5,830 million (2013: Rs. 4,800 million) of which facilities aggregating to Rs. 5,072 million (2013: Rs. 4,800 million) remained unutilized at the year end. The rate of mark up ranges from 10.19% to 11.44% per annum (2013: 10.02% to 14.10% per annum) payable on quarterly basis. These finances are secured against pledge of raw material and finished goods, hypothecation of stock,store and spares and charge on current assets of the Company.			
22. CURRENT PORTION OF NON-CURRENT LIABILITIES			
Current portion of long term financing	17	19,044,444	28,210,105
		<u>19,044,444</u>	<u>28,210,105</u>
23. CONTINGENCIES AND COMMITMENTS			
Contingencies			
Bank guarantees	23.1	40,663,713	36,663,713
Foreign bills discounted		704,904,974	422,991,298
		<u>745,568,687</u>	<u>459,655,011</u>
23.1 Bank guarantees			
In favour of		Bank	
Sui Northern Gas Pipelines Limited		23,203,246	23,203,246
Excise and taxation		17,185,915	13,185,915
CCI & E		274,552	274,552
		<u>40,663,713</u>	<u>36,663,713</u>
Commitments			
Under letters of credit for:			
- Stores and spares		1,776,000	3,509,604
		<u>1,776,000</u>	<u>3,509,604</u>



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		2014	2013
		----- Rupees -----	
24. SALES - net			
<i>Exports</i>			
Direct		3,543,397,683	3,323,605,586
Indirect		270,993,058	194,200,800
Waste		29,658,145	32,678,910
		<u>3,844,048,886</u>	<u>3,550,485,296</u>
<i>Local</i>			
Yarn		843,826,574	802,126,746
Doubling		12,266,931	12,801,921
Waste		76,974,930	60,564,905
		<u>933,068,435</u>	<u>875,493,572</u>
Less:			
Commission		(45,498,024)	(39,998,638)
		<u>4,731,619,297</u>	<u>4,385,980,230</u>
25. COST OF GOODS SOLD			
			<i>(Restated)</i>
Raw material consumed	25.1	3,285,340,557	2,778,060,320
Power and fuel		400,143,676	282,565,354
Salaries, wages and benefits	25.2	164,547,494	152,800,522
Depreciation	5.3	99,690,880	79,026,150
Packing material consumed		68,338,648	56,811,169
Stores and spares consumed		57,239,301	46,797,630
Repairs and maintenance		7,500,186	7,448,882
Insurance		5,203,089	3,965,236
Others		654,045	1,107,756
		<u>4,088,657,876</u>	<u>3,408,583,019</u>
<i>Work in process</i>			
Opening stock		27,665,361	27,765,267
Closing stock		(32,854,844)	(27,665,361)
		<u>(5,189,483)</u>	<u>99,906</u>
Cost of goods manufactured		<u>4,083,468,393</u>	<u>3,408,682,925</u>
<i>Finished goods</i>			
Opening stock		43,607,548	53,435,001
Purchase of finished goods		128,632,050	134,581,260
Closing stock		(43,974,128)	(43,607,548)
		<u>128,265,470</u>	<u>144,408,713</u>
		<u>4,211,733,863</u>	<u>3,553,091,638</u>
25.1 Raw material consumed			
Opening stock		705,500,857	407,075,564
Purchases including purchase expenses		2,308,327,279	2,661,014,324
Transferred from ginning unit		731,646,313	415,471,289
		<u>3,745,474,449</u>	<u>3,483,561,177</u>
Closing stock		(460,133,892)	(705,500,857)
		<u>3,285,340,557</u>	<u>2,778,060,320</u>
25.2 It includes Rs. 7.49 million (2013 : Rs. 5.86 million) in respect of staff retirement benefits - gratuity.			
26. PROFIT ON OTHER OPERATIONS			
Profit on ginning factory	26.1	123,610	-
Profit on ice factory	26.2	7,305,844	6,703,833
		<u>7,429,454</u>	<u>-</u>
26.1 Profit on ginning factory			
Transferred to spinning operations		731,646,313	415,471,288
Sales - net		12,111,028	-
		<u>743,757,341</u>	<u>415,471,288</u>
Cost of goods transferred / sold (ginning)	26.1.1	(732,365,745)	(403,804,958)
Gross profit		11,391,596	11,666,330
Administrative expenses		(11,257,933)	(11,660,141)
Bank charges		(10,053)	(6,189)
		<u>(11,267,986)</u>	<u>(11,666,330)</u>
Net Profit		<u>123,610</u>	<u>-</u>
26.1.1 Cost of goods transferred / sold (ginning)			
Opening stock		4,403,541	21,765,973
Cost of ginning and oil		727,975,204	386,442,526
Closing stock		(13,000)	(4,403,541)
		<u>732,365,745</u>	<u>403,804,958</u>



	Note	2014	2013
		----- Rupees -----	
26.2 Profit on ice factory			
Sales - net		25,810,496	25,311,505
Cost of goods sold		(18,149,574)	(17,639,634)
Gross profit		7,660,922	7,671,871
Administrative expenses		(355,078)	(968,038)
		7,305,844	6,703,833
27. DISTRIBUTION COST			
Export development surcharge		7,801,056	7,765,841
Ocean freight		39,430,472	27,071,982
Forwarding expenses		14,500,019	12,473,047
Local freight		23,476,800	24,682,126
Others		690,631	431,173
		85,898,978	72,424,169
28. ADMINISTRATIVE EXPENSES			
			<i>(Restated)</i>
Salaries, wages and benefits	28.1	38,991,037	32,861,727
Director's remuneration		14,400,000	14,400,000
Depreciation	5.3	6,973,934	6,633,632
Vehicle running and maintenance		6,267,121	5,045,770
Travelling and conveyance		6,675,965	5,815,850
Postage, telephone and fax		3,423,542	2,780,207
Electricity, gas & fuel		2,621,901	2,344,711
Printing and stationery		2,091,173	1,350,527
Auditors' remuneration	28.2	1,150,000	1,150,000
Rent, rates and taxes		4,310,008	3,741,604
Donations	28.3	1,252,550	768,060
Insurance		1,593,082	856,386
Fees, subscription and periodicals		1,389,957	988,511
Entertainment		1,441,173	1,019,072
Repairs and maintenance		361,646	793,027
Legal and professional charges		980,120	396,899
Others		402,327	356,176
		94,325,536	81,302,159
28.1	It includes Rs. 1.43 million (2013: Rs. 1.12 million) in respect of staff retirement benefits - gratuity.		
28.2 Auditors' remuneration			
Statutory audit		1,000,000	1,000,000
Review of compliance with Code of Corporate Governance		50,000	50,000
Half year review		100,000	100,000
		1,150,000	1,150,000
28.3	None of the directors or his / her spouse has any interest in the donee's fund.		
29. OTHER EXPENSES			
Workers' Profit Participation Fund	19.1	16,764,679	31,584,742
Workers' Welfare Fund		6,343,032	26,989,197
		23,107,711	58,573,939
30. FINANCE COST			
Interest / markup on:			
Long term financing		7,302,897	10,797,754
Short term borrowings		20,529,780	30,248,639
Interest on Worker's Profit Participation Fund	19.1	1,377,285	4,788,842
Bank charges and commission		5,444,887	3,709,354
		34,654,849	49,544,589
31. OTHER INCOME			
Income from financial assets			
Unrealized gain on remeasurement of other financial assets		6,700,236	-
Realized gain on disposal of other financial assets		14,285,764	-
Interest / profit on bank deposits		315,765	169,225
Income from non financial assets			
Gain on sale of property, plant and equipment	5.2	179,014	-
		21,480,779	169,225



SUNRAYS TEXTILE MILLS LIMITED

	2014	2013
	----- Rupees -----	
	(Restated)	
32. TAXATION		
Current year:		
Current	45,530,338	49,218,193
Deferred	(19,001,025)	(9,622,175)
	26,529,313	39,596,018
Prior year:		
Current	-	(1,712,594)
	<u>26,529,313</u>	<u>37,883,424</u>
32.1 Relationship between tax expense and accounting profit		
Accounting profit	310,808,593	568,332,059
Tax Rate	34%	35%
Charge for the year	105,674,922	198,916,221
Income chargeable to tax at reduced rates	(51,222,789)	(108,381,002)
Tax Impact tax credit	(9,609,791)	(5,480,645)
Unrecognised temporary differences	-	(48,729,109)
Reversal of previously recognized deferred tax liability	(19,001,025)	-
Prior year charge	-	(1,712,594)
Other	687,996	3,270,553
Total Charge for the year as per accounts	<u>26,529,313</u>	<u>37,883,424</u>

	2014	2013
33. EARNINGS PER SHARE - BASIC AND DILUTED		
Profit after tax	Rupees 284,279,280	540,033,370
Weighted average number of ordinary shares outstanding during the year	Numbers 6,900,000	6,900,000
Earnings per share - basic and diluted	Rupees 41.20	78.27

33.1 There is no dilutive effect on the basic earnings per share of the Company.

34. REMUNERATION TO CHIEF EXECUTIVE OFFICER AND DIRECTOR

	Director	Chief executive officer	Executives
	----- Rupees -----		
2014			
Remuneration	6,480,000	6,480,000	7,708,915
House rent	720,000	720,000	856,546
Conveyance - cars	541,791	886,251	1,052,726
	<u>7,741,791</u>	<u>8,086,251</u>	<u>9,618,187</u>
Number of persons	<u>1</u>	<u>1</u>	<u>13</u>
2013			
Remuneration	6,480,000	6,480,000	7,479,457
House rent	720,000	720,000	821,918
Conveyance - cars	618,616	687,714	739,727
	<u>7,818,616</u>	<u>7,887,714</u>	<u>9,041,102</u>
Number of persons	<u>1</u>	<u>1</u>	<u>13</u>

34.1 Chief Executive Officer and a director are also entitled to free use of the Company maintained cars.

35. FINANCIAL INSTRUMENTS

35.1 The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is responsible for developing and monitoring the Company's risk management policies.

35.2 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations, and arises principally from deposits, trade debts, loans and advances, other receivables and bank balances. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2014	2013
	----- Rupees -----	
Long term deposits	435,200	435,200
Trade debts - net of provision	490,760,420	399,650,553
Loans and advances	8,157,512	7,131,590
Trade deposits and other receivables	10,915,987	5,066,397
Other financial assets	990,500,235	-
Bank balances	69,961,977	54,803,550
	<u>1,570,731,331</u>	<u>467,087,290</u>

The Company's credit risk exposures are categorized under the following headings:

Counterparties

The Company conducts transactions with the following major counterparties:

Trade debtors

Banks and other financial institutions

The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company's exposure is continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management annually.

35.2.1 Credit risk related to trade debtors

Trade debts are essentially due from local and foreign customers against sale of yarn and waste material and the Company does not expect these counterparties to fail to meet their obligations. The majority of sales to the Company's customers are made on specific terms. Customer credit risk is managed subject to established policies, procedures and controls relating to customer credit risk management. Credit limits are established for all customers based on internal rating criteria. Credit quality of the customer is assessed based on an extensive credit rating. Outstanding customer receivables are regularly monitored and any shipments to foreign customers are generally covered by letters of credit.

Trade receivables are non-interest bearing and are generally on 60 to 90 days credit terms.

Impairment losses

The aging of trade debts at the reporting date was:

	2014		2013	
	Gross	Impairment	Gross	Impairment
	----- Rupees -----			
Not yet due	485,087,048	-	399,553,795	-
Past due for:				
- more than 03 months but less than 01 year	5,576,614	-	96,758	-
- more than 01 year but less than 02 years	96,758	96,758	3,210	3,210
- more than 02 years but less than 03 years	-	-	241,553	241,553
- more than 03 years	-	-	1,165,317	1,165,317
	<u>490,760,420</u>	<u>96,758</u>	<u>401,060,633</u>	<u>1,410,080</u>

Trade debts include debtors with a carrying amount of Rs. 5.58 million (2013: Rs 0.10 million) which are past due at the reporting date but not impaired as there has not been a significant change in credit quality and the amounts are still considered recoverable.

Concentration of credit risk

Trade debts consist of a large number of diversified customers, spread across geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable where appropriate. The Company does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

35.2.2 Credit risk related to banks and other financial institutions

Credit risk on balances with banks is managed by management in accordance with the Company's policy. Excess funds are placed in deposits with reputable banks and financial institutions.

35.3 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Management closely monitors the Company's liquidity and cash flow position. This includes maintenance of balance sheet liquidity ratios, debtors and creditors concentration both in terms of the overall funding mix and avoidance of undue reliance on large individual customer.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank loans. At June 30, 2014, 33.33% of the Company's debt will mature in less than one year (2013: 33.05%) based on the carrying value of borrowings reflected in the financial statements.



35.3.1 Liquidity risk table

The following tables detail the Company's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

Particulars	Rupees					Total
	Less than 1 month	1 - 3 months	3 months - 1 years	1 - 5 years	More than 5 years	
Long term financing	-	-	19,044,444	38,088,890	-	57,133,334
Short term borrowings	-	-	757,989,651	-	-	757,989,651
Trade and other payables	-	-	233,574,843	-	-	233,574,843
Accrued markup	4,143,739	-	-	-	-	4,143,739
2014	4,143,739	-	1,010,608,938	38,088,890	-	1,052,841,567
Long term financing	-	-	28,210,105	57,133,334	-	85,343,439
Short term borrowings	-	-	-	-	-	-
Trade and other payables	-	-	224,817,246	-	-	224,817,246
Accrued markup	5,363,867	-	-	-	-	5,363,867
2013	5,363,867	-	253,027,351	57,133,334	-	315,524,552

2014 2013

Rupees

Off balance sheets items

Letters of credit	1,776,000	3,509,604
Bank guarantees	40,663,713	36,663,713
Foreign bills discounted	704,904,974	422,991,298
Off balance sheet gap	747,344,687	463,164,615

35.4 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing returns.

35.4.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Exposure to currency risk

The Company is exposed to currency risk on trade debts which are denominated in currency other than the functional currency of the Company. The Company's exposure to foreign currency risk is as follows:

	2014		2013	
	Rupees	US Dollar	Rupees	US Dollar
Trade debts	448,215,877	4,548,106	348,392,286	3,528,023
	<u>448,215,877</u>	<u>4,548,106</u>	<u>348,392,286</u>	<u>3,528,023</u>

The following US Dollar exchange rates were applied during the year:

	2014	2013
	----- Rupees -----	
Average rate	102.89	95.72
Balance sheet date rate	98.55	98.75

Sensitivity analysis - foreign currency

At June 30, 2014, if the Rupee had weakened / strengthened by 10% against the US Dollar with all other variables held constant, Profit for the year would have been lower / higher by Rs. 30.02 million (2013: Rs. 34.84 million), as a result of foreign exchange gains / losses on translation of foreign currency trade debts. Profit / (loss) is more sensitive to movement in Rupee / foreign currency exchange rates in 2014 than 2013 because of high fluctuation in foreign currency exchange rate.

35.4.2 Interest rate risk

Interest / mark-up rate risk arises from the possibility that changes in interest / mark-up rates will effect the value of financial instruments. The Company has significant amount of interest based financial assets and financial liabilities which are largely based on variable interest / mark-up rates, therefore the Company has to manage the related finance cost which exposes it to the risk of 3 months and 6 months KIBOR. Since the impact on interest rate exposure is significant to the Company, management is considering the alternative arrangement to manage interest rate exposure in future.

	2014		2013	
	Effective Interest Rate	Rupees	Effective Interest Rate	Rupees
Fixed rate instruments				
Financial assets:				
- Deposit Accounts	7.00% - 10.00%	1,321,595	7.00% - 10.00%	3,102,141
Variable rate instruments				
Financial liabilities:				
- Long term financing	10.28% - 12.17%	57,133,334	10.53% - 13.93%	85,343,439
- Short term borrowings	10.19% - 11.44%	757,989,651	-	-
		<u>816,444,580</u>		<u>88,445,580</u>

Sensitivity analysis - interest rate

If interest rates had been 100 basis points higher / lower and all other variables were held constant, the Company's profit / loss for the year ended June 30, 2014 would decrease / increase by Rs. 0.81 million (2013: Rs. 0.85 million). This is mainly attributable to the Company's exposure to interest rates on its variable rate financial instruments.

35.4.3 Other price risk

Other price risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate due to changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company is not materially exposed to other price risk on financial assets and liabilities.

35.5 Fair values

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arms length transaction other than in a forced or liquidation sale.

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values.



35.5.1 Fair value hierarchy

Following are three levels in fair value hierarchy that reflects the significance of the inputs used in measurement of fair values of financial instruments.

- 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).

The Company does not have any other financial instruments to be classified here other than "other financial assets" as disclosed in note 12, that are classified in level 1 as per hierarchy stated above.

35.6 Financial instruments by category

The Company finance its operations through equity, borrowings and management of working capital with a view to maintaining an approximate mix between various sources of finance to minimise risk. Taken as a whole, the Company's risk arising from financial instruments is limited as there is no significant to price and cash flow risk in respect of such instruments.

The accounting policies for financial instruments have been applied for line items as below:

	2014	2013
	----- Rupees -----	
<i>Assets carried at fair value</i>		
Other financial assets	990,500,235	-
	<u>990,500,235</u>	<u>-</u>
<i>Assets categorized as loan and receivables</i>		
Long term deposits	435,200	435,200
Trade debts - net of provision	490,760,420	399,650,553
Loans and advances	8,157,512	7,131,590
Trade deposits and other receivables	10,915,987	5,066,397
Cash and bank balances	72,275,700	56,205,408
	<u>582,544,819</u>	<u>468,489,148</u>
<i>Liabilities carried at amortized cost</i>		
Long term finances	57,133,334	85,343,439
Trade and other payables	233,574,843	224,817,246
Short term borrowings	757,989,651	-
Accrued markup	4,143,739	5,363,867
	<u>1,052,841,567</u>	<u>315,524,552</u>

36. CAPITAL MANAGEMENT

The Company objectives when managing capital are:

- to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

Capital comprises all components of equity (i.e. share capital, reserves and unappropriated profit). The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders or issue new shares.

The debt-to-adjusted capital ratios at June 30, 2014 and June 30, 2013 were as follows:

	2014	2013
	----- Rupees -----	
Total debt	815,122,985	85,343,439
Less: Cash and cash equivalents	(72,275,700)	(56,205,408)
Net debt	742,847,285	29,138,031
Total equity	2,026,653,258	1,809,876,511
Adjusted capital	<u>2,769,500,543</u>	<u>1,839,014,542</u>
Debt-to-adjusted capital ratio	<u>26.82%</u>	<u>1.58%</u>

37. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated undertakings, other related group companies, directors of the Company and key management personnel. The Company in the normal course of business carries out transactions with various related parties. Amounts due from and to related parties are shown under trade debts (note 9), trade and other payables (note 19) and remuneration of Chief Executive Officer and director (note 34). Other significant transactions with related parties are as follows:

	2014	2013
	----- Rupees -----	
<i>Transactions with associated undertakings</i>		
Sale of goods and services	20,377,453	25,871,315

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

38. PLANT CAPACITY AND PRODUCTION

	2014	2013
Number of spindles installed	35,328	35,328
Number of spindles worked	35,093	34,497
Number of shifts/ day	3	3
Installed capacity after conversion into 20/s count KGs	12,063,655	12,063,655
Actual production of yarn after conversion into 20/s count KGs	10,022,778	8,995,462

Reasons for Increase

It is difficult to describe precisely the production capacity in spinning unit since it fluctuates widely depending on various factors such as count of yarn spun, spindles speed and twist etc. It also varies according to the pattern of production adopted in a particular year.

39. SEGMENT REPORTING

The Company's core business is manufacturing and sale of yarn and it generate more than 90% of its revenue and profit from the production and sale of yarn. Decision making process is centralized at head office lead by Chief Executive Officer who continuously involves in day to day operations and regularly reviews operating results and assesses its performance and makes necessary decisions about resources to be allocated to the segments. Currently it has one yarn manufacturing unit. Owing to the similarity in nature of the products and services, nature of the production processes, type or class of customers for the products and services, the methods used to distribute the products, the nature of the regulatory environment all the yarn producing units are aggregated into a single operating segment and the Company's performance is evaluated by the management on an overall basis, therefore these operational segments by location are not separately reportable segments. Company also has an ice factory and ginning factory results of these operations are separately disclosed in note 24 of these financial statements.

40. NUMBER OF EMPLOYEES

The total average number of employees during the year and as at June 30, 2014 and 2013 respectively are as follows:

	2014	2013
Number of employees as at year end	775	755
Average number of employees during the year	771	701

41. NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

In respect of current year, the directors proposed to pay cash dividend of Rs. Nil (2013: Rs. Nil).

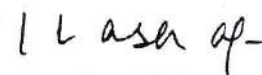
42. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on October 03, 2014 by the Board of Directors of the Company.

43. GENERAL

Figures have been rounded off to the nearest Rupee, except where stated otherwise.


Mian Riaz Ahmed
 Chairman


Kashif Riaz
 Chief Executive



SUNRAYS TEXTILE MILLS LIMITED

SUNRAYS TEXTILE MILLS LIMITED
FORM 34 (A)
PATTERN OF SHARE HOLDING OF SHARES HELD BY THE SHARE HOLDERS
AS AT JUNE 30, 2014

NUMBER OF SHARE HOLDERS	SHARE - HOLDING		TOTAL SHARES HELD
	FROM	TO	
1,139	1	100	56,134
610	101	500	248,000
49	501	1,000	34,332
30	1,001	5,000	77,466
7	5,001	15,500	41,420
2	15,501	30,000	112,681
6	35,001	150,000	432,477
2	160,001	300,000	467,387
1	300,001	530,000	318,842
6	530,001	795,000	4,058,898
1	900,000	1,055,000	1,052,363
1,853			6,900,000

CATEGORIES OF SHARE HOLDERS
AS AT JUNE 30, 2014

CATEGORIES OF SHARE HOLDERS	NUMBER OF SHARE HOLDERS	SHARES HELD	PERCENTAGE %
1. Individuals	1,821	464,644	6.73
2. Associated companies	1	84,084	1.22
3. Financial Institution	4	35,151	0.51
4. Insurance Companies	1	40,194	0.58
5. Mutual Fund	1	318,842	4.62
5. Joint Stock companies	8	6,200	0.09
6. Directors, CEO their Spouses & Minor Childrens	17	5,950,885	86.24
TOTAL	1,853	6,900,000	100.00

DETAIL OF CATEGORIES OF SHARE HOLDERS
AS AT JUNE 30, 2014

Name	Number of Shareholders	Shares Held
INDIVIDUAL	1,821	464,644
ASSOCIATED COMPANIES	01	84,084
M/s Indus Dyeing & Mfg Co.Ltd.		
FINANCIAL INSTITUTIONS	04	24,243
National Bank of Pakistan		10,908
Credit Suisse (Hong Kong) Limited		35,151
JOINT STOCK COMPANIES	08	2,800
Treet Corporation limited		700
Y.S. Securities & Services (Pvt) Ltd.		1,000
Reliance Securities		200
MRA Securities (Pvt) Ltd		500
Axis Global Ltd		400
S H Bukhari Securities (Pvt) Ltd.		100
Msmaniar Financial (Pvt) Ltd		500
Adeel & Nadeem Securities (Pvt) Ltd.		
		6,200

Name	Number of Shareholders	Shares Held
INSURANCE COMPANIES	01	
State Life Insurance Company		40,194
MUTUAL FUND	02	
National Bank of Pakistan		318,842
		<u>318,842</u>
DIRECTORS, CEO, THEIR SPOUSES & MINOR CHILDREN	17	Shares Held
Mian Muhammad Ahmad		627,793
Mian Riaz Ahmad		793,820
Yasmeen Riaz		278,830
Shahzad Ahmad		687,483
Naveed Ahmad		670,093
Kashif Riaz		1,052,363
Imran Ahmad		773,187
Irfan Ahmad		586,938
Shazia Naveed		104,482
Shafqat Masood		4,501
Shahwaiz Ahmed		198
Aisha Irfan		166,557
Mrs. Salma Jabeen		23,605
Mrs. Lozina Shahzad		126,695
Fadia Kashif		52,952
Tahia Imran		1,388
		<u>5,950,885</u>
GRAND TOTAL	1,854	6,900,000

**Shareholders Holding 10% or More Voting Interest in the Company
AS AT JUNE 30, 2014**

DIRECTORS, CEO, THEIR SPOUSES AND MINOR CHILDREN	SHARES HELD	PERCENTAGE %
Mr. Kashif Riaz	1,052,363	15.25
Mian Riaz Ahmad	793,820	11.50
Imran Ahmad	773,187	11.21

Detail of purchase / sale of shares by Directors, Company Secretary, Head of Internal Audit Department, Chief Finance Officer, Chief Executive Officer and their spouses, minor children during 2013-2014

NAME	PURCHASE	SOLD
Mian Mohammad Ahmed	20,700	Nil
Mian Riaz Ahmed	1,000	Nil
Mian Shahzad Ahmed	3,700	Nil
Mian Kashif Riaz	5,800	Nil