



31 March 2016

**QUARTERLY REPORT**

(Un-audited)





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## Company Information

### Board of Directors

Khalid Bashir	(Chairman)
Ahsan Bashir	
Amjad Mahmood	
Adil Bashir	
Humayun Maqbool	
Mohammad Iqbal	
Sharik Bashir	

### Chief Executive

Nadeem Maqbool

### Chief Financial Officer

Farooq Ahmad

### Company Secretary

Gulraiz Ali

### Audit Committee

Humayun Maqbool	(Chairman)
Ahsan Bashir	(Member)
Adil Bashir	(Member)

### HR & R Committee

Ahsan Bashir	(Chairman)
Adil Bashir	(Member)
Humayun Maqbool	(Member)

### Head of Internal Audit

Muhammad Mubasshar Sarwar

### Legal Advisor

Muhammad Iqbal Khawaja

### Share Registrar

Corptech Associates (Pvt.) Ltd.  
503-E, Johar Town, Lahore

### Auditors

Ernst & Young Ford Rhodes Sidat Hyder  
Chartered Accountants

### Bankers

Allied Bank Limited  
Habib Bank Limited  
MCB Bank Limited  
United Bank Limited  
Habib Metropolitan Bank Limited

### Registered Office

7-B-III, Aziz Avenue, Gulberg-V, Lahore.  
Ph: +92-423-576 0381  
Fax: +92-423-576 0376  
Email: info@suraj.com  
Web: www.suraj.com

### Project Locations

Nooriabad, Sindh.  
Shahkot, District Nankana Sahib, Punjab.  
Rawind, District Lahore, Punjab.

## Directors' Report

I am pleased to present the unaudited financial statements for the nine month period ended 31 March 2016.

For the period under review, earnings after tax are Rs. 276.402 million and earnings per share of Rs. 10.49. Net sales of the company were recorded at approximately Rs. 5.841 billion, a decrease of approximately 15% over the corresponding period. Distribution cost were lower by 17% over the corresponding period due to reduced export sales. Administrative cost rose by about 15% due to normal inflationary pressures. Financial charges reduced by 8.70% at Rs. 46.95 million. The company has maintained its profitable performance leading to reduction in borrowings and thus lower finance cost.

Since the second quarter of the financial year, the demand for yarn and fabrics has remained under a great deal of pressure especially the medium count yarns with prices falling considerably. Due to slack demand from the main market of China, the domestic demand and price also remained under pressure. As is evident from the declining export statistics Pakistani products have become uncompetitive due to the rising cost of doing business. The cotton crop in Pakistan for 2015-16 has been disastrous with output declining almost 35% and the industry has been forced to import raw cotton in order to meet its needs. The imported cotton is expensive due to 3% import duty levied by the Government of Pakistan which should be abolished so that the textile industry is able to fulfill its raw material requirements at competitive prices. World cotton prices at this time have also shown an increasing trend as it is the end of the season in most cotton growing countries. Although your company has managed to retain its profitability, the results are significantly lower from the corresponding period.

The current domestic cotton crop is 9.7 million bales which is well short of target as well as industry requirements.

### Future Prospects

During the current year, the challenges facing the industry are severe and urgent measures are required to enable it to stay competitive. There are many challenges and amongst them the influx of Indian yarn and Chinese fabrics will continue to exert further pressure on our profitability. During the current year, the availability of gas and electricity remained much better. The cost of electricity also declined due to falling oil prices and the government also managed to import RLNG which has been made available to the Punjab based industry.

In recent days there has been a marginal improvement in end product prices and off take has also increased. However, we expect that the margins for this period will remain under strain and it is essential to keep our costs in control.

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The company is examining several avenues for diversification in both the textile and other sectors. We will keep our stakeholders apprised of further developments in this regard.

### Acknowledgements

We would take this opportunity to thank all our shareholders and partners for their valued support and our employees for their dedication. We would also like to thank the Board of Directors for their valuable insight and guidance.

Nadeem Maqbool  
26 April 2016  
Lahore

## Condensed Interim Balance Sheet

AS AT MARCH 31, 2016

	Un-Audited	Audited
	31 March 2016	30 June 2015
Note	(Rupees in thousand)	
<b>EQUITY AND LIABILITIES</b>		
<b>Share capital and reserves</b>		
Authorized share capital		
50,000,000 (30 June 2015: 50,000,000) ordinary shares of Rupees 10 each	500,000	500,000
Issued, subscribed and paid up share capital	263,538	239,580
Capital reserves	119,832	111,785
Revenue reserves	4,284,339	4,151,685
<b>Total equity</b>	<b>4,667,709</b>	<b>4,503,050</b>
<b>Non-current liabilities</b>		
Long term financing	302,192	90,263
Liabilities against assets subject to finance lease	1,209	399
Deferred tax	213,970	213,970
	517,371	304,632
<b>Current liabilities</b>		
Trade and other payables	1,047,287	987,599
Accrued interest on financing	20,606	12,425
Short term borrowings	568,760	149,857
Current portion of non current liabilities	44,184	54,827
	1,680,837	1,204,708
<b>Total liabilities</b>	<b>2,198,208</b>	<b>1,509,340</b>
<b>Total equity and liabilities</b>	<b>6,865,917</b>	<b>6,012,390</b>
<b>CONTINGENCIES AND COMMITMENTS</b>		
	6	

The annexed notes form an integral part of this interim financial information.

CHIEF EXECUTIVE OFFICER

## Condensed Interim Balance Sheet

AS AT MARCH 31, 2016

		Un-Audited	Audited
		31 March 2016	30 June 2015
	Note	(Rupees in thousand)	
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	7	2,474,574	1,970,611
Long Term Investment		50,000	-
Investment Properties		100,600	100,000
Long term deposits		19,650	19,531
		2,644,824	2,090,142
<b>Current assets</b>			
Stores, spares and loose tools		90,609	83,027
Stock in trade		1,508,119	933,159
Trade debts		411,192	230,127
Loans and advances	8	97,171	43,482
Trade deposits and short term prepayments		11,959	4,105
Balances with statutory authorities		105,599	57,710
Taxation- net		22,305	12,131
Other receivables		6,991	2,916
Short term investments	9	1,929,599	2,448,452
Cash and bank balances		26,158	95,556
Assets held for sale		11,391	11,583
		4,221,093	3,922,248
<b>TOTAL ASSETS</b>		<b>6,865,917</b>	<b>6,012,390</b>

DIRECTOR

## Condensed Interim Profit and Loss Account (Un-Audited)

For The Nine Months Ended 31 March 2016

	Note	Nine Months Ended		Quarter ended	
		31 March 2016	31 March 2015	31 March 2016	31 March 2015
		(Rupees in thousand)			
Sales	10	5,841,237	6,819,777	1,974,131	1,980,864
Cost of sales	11	5,304,582	6,095,660	1,790,810	1,737,539
Gross profit		536,655	724,117	183,321	243,325
Distribution cost		106,682	128,162	36,110	38,482
Administrative expenses		98,453	85,132	30,906	27,772
Other operating expenses	12	65,752	45,553	11,287	16,334
		270,887	258,847	78,303	82,588
		265,768	465,270	105,018	160,737
Other operating income		144,454	157,328	30,904	68,397
		410,222	622,598	135,922	229,134
Finance cost		46,956	51,430	20,251	14,956
Profit before taxation		363,266	571,168	115,671	214,178
Taxation	13	86,864	91,287	31,851	29,510
Profit after taxation		276,402	479,881	83,820	184,668
Earnings per share			Restated		Restated
- basic and diluted (Rupees)		10.49	18.21	3.18	7.01

The annexed notes form an integral part of this interim financial information.



## Condensed Interim Statement of Comprehensive Income (Un-Audited) For The Nine Months Ended 31 March 2016

	Nine Months Ended		Quarter ended	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
	(Rupees in thousand)			
Profit for the period	276,402	479,881	83,820	184,668
Other comprehensive income / (loss): Items not to be reclassified to profit and loss in subsequent periods				
Net unrealized gain / (Loss) on available for sale investments	8,047	(5,012)	34,612	(44,095)
<b>Total comprehensive income for the period</b>	<b>284,449</b>	<b>474,869</b>	<b>118,432</b>	<b>140,573</b>

The annexed notes from an integral part of this interim financial information.

## Condensed Interim Cash Flow Statement (Un-Audited)

For The Nine Months Ended 31 March 2016

	Nine Months Ended 31 March 2016	Nine Months Ended 31 March 2015
	(Rupees in thousand)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	363,266	571,168
Adjustment for non-cash and other items:		
Depreciation	152,455	149,538
Gain on disposal of property, plant and equipment	(13,184)	(1,374)
Unrealized (gain)/loss on revaluation of held for trading investments	-	4,976
Dividend income	(26,791)	(14,237)
Exchange gain	(1,034)	(4,110)
Finance cost	46,956	51,430
Cash flows from operating activities before working capital changes	521,668	757,391
<b>Effect on cash flow due to working capital changes</b>		
(Increase) / decrease in current assets:		
Stores, spares and loose tools	(7,582)	(11,280)
Stock in trade	(574,960)	20,763
Trade debts	(180,031)	93,579
Loans and advances	(53,689)	884
Trade deposits and short term prepayments	(7,854)	(12,053)
Balances with statutory authorities	(47,889)	23,676
Other receivables	(4,075)	(869)
<b>Increase in current liabilities:</b>		
<b>Trade and other payables</b>	<b>59,688</b>	<b>175,171</b>
Net cash (used in) / generated from working capital	(816,392)	289,871
<b>Cash (used in) generated from operations</b>	<b>(294,724)</b>	<b>1,047,262</b>
Finance cost paid	(38,775)	(55,762)
Income tax paid	(97,073)	(95,045)
Dividend paid	(119,790)	(108,900)
<b>Net cash from operating activities</b>	<b>(550,362)</b>	<b>787,555</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditure incurred	(669,250)	(165,727)
Proceeds from disposal of property, plant and equipment	27,437	2,850
Investments made - net	476,300	(678,068)
Dividend received	26,791	14,237
Increase in long term deposits	(119)	-
<b>Net cash used in investing activities</b>	<b>(138,841)</b>	<b>(826,708)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from/(repayment of) long term financing - net	200,902	(199,044)
Repayment of finance lease liabilities	-	(165)
Increase in short term borrowings - net	418,903	183,231
<b>Net cash generated from / (used in) financing activities</b>	<b>619,805</b>	<b>(15,978)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(69,398)</b>	<b>(55,131)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>95,556</b>	<b>190,673</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>26,158</b>	<b>135,542</b>

The annexed notes from an integral part of this interim financial information.

## Condensed Interim Statement of Changes in Equity (Un-Audited) For The Nine Months Ended 31 March 2016

	Share capital	Capital Reserves			Revenue Reserves			Total
		Premium on issue of shares	Unrealized gain / (loss) on available-for-sale investments	Sub total	General	Unappropriated profit	Sub total	
------(Rupees in thousand)-----								
Balance as on 01 July 2014	217,800	29,000	9,667	38,667	2,964,000	726,874	3,690,874	3,947,341
Net profit for the period from 01 July 2014 to 31 March 2015	-	-	-	-	-	479,881	479,881	479,881
Other comprehensive income	-	-	(5,012)	(5,012)	-	-	-	(5,012)
Total comprehensive income for the period	-	-	(5,012)	(5,012)	-	479,881	479,881	474,869
Transfer to general reserve	-	-	-	-	500,000	(500,000)	-	-
Issue of bonus shares for the year ended 30 June 2014 at the rate of 10%	21,780	-	-	-	-	(21,780)	(21,780)	-
Final dividend for the year ended 30 June 2014 at the rate of Rs. 5 per share	-	-	-	-	-	(108,900)	(108,900)	(108,900)
Balance as on 31 March 2014	239,580	29,000	4,655	33,655	3,464,000	576,075	4,040,075	4,313,310
Balance as on 01 July 2015	239,580	29,000	82,785	111,785	3,714,000	437,685	4,151,685	4,503,050
Net profit for the period from 01 July 2015 to 31 March 2016	-	-	-	-	-	276,402	276,402	276,402
Other comprehensive income	-	-	8,047	8,047	-	-	-	8,047
Total comprehensive income for the period	-	-	8,047	8,047	-	276,402	276,402	284,449
Transfer to general reserve	-	-	-	-	400,000	(400,000)	-	-
Issue of bonus shares for the year ended 30 June 2015 at the rate of 10%	23,958	-	-	-	-	(23,958)	(23,958)	-
Final dividend for the year ended 30 June 2015 at the rate of Rs. 5 per share	-	-	-	-	-	(119,790)	(119,790)	(119,790)
Balance as on 31 March 2015	263,538	29,000	90,832	119,832	4,114,000	170,339	4,284,339	4,667,709

The annexed notes from an integral part of this interim financial information.

CHIEF EXECUTIVE OFFICER

DIRECTOR

## Selected Notes to the Interim Financial Information (Un-Audited) For The Nine Months Ended 31 March 2016

### 1. THE COMPANY AND ITS ACTIVITIES

'Suraj Cotton Mills Limited (the Company) is a public limited company incorporated in Pakistan on 18 December 1984 under the Companies Act, 1913 (Now Companies Ordinance, 1984). The registered office of the Company is located at 7-B-III, Aziz Avenue, Gulberg-V, Lahore. Its shares are quoted on Pakistan Stock Exchange Limited. The Company is engaged in the manufacturing, sale and trading of yarn, cloth and processing of cloth.

### 2. BASIS OF PREPARATION

2.1 This interim financial information is unaudited and is being submitted to shareholders, as required by section 245 of Companies Ordinance, 1984.

2.2 This interim financial information of the Company for the nine month period ended 31 March 2016 has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34, "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

2.3 The accounting policies and computation methods adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of the preceding annual published financial statements of the Company for the year ended 30 June 2015 except for as disclosed in note 2.4 below.

2.4 The Company has adopted the following amended International Financial Reporting Standards (IFRSs) which became effective during the period:

IFRS 10 – Consolidated Financial Statements

IFRS 11 – Joint Arrangements

IFRS 12 – Disclosure of Interests in Other Entities

IFRS 13 – Fair Value Measurement

The adoption of the above amendments and interpretation did not have any significant impact on this condensed interim financial information.

### 3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Judgments and estimates made by the management in the preparation of this interim financial information are the same as those applied in the preparation of the preceding annual published financial statements of the Company for the year ended 30 June 2015.

### 4. ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of condensed interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amount of assets and liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and the key sources of the estimation are the same as those that applied to the financial statements for the year ended 30 June 2015.

	Un-Audited 31 March 2016	Audited 30 June 2015
	( Rupees in thousand )	
<b>5. LONG TERM FINANCING - secured</b>		
Opening balance	144,838	367,010
Obtained / (repaid) during the period / year	200,902	(222,172)
	345,740	144,838
Less: Current portion	43,548	54,575
	302,192	90,263

## Selected Notes to the Interim Financial Information (Un-Audited) For The Nine Months Ended 31 March 2016

### 6. CONTINGENCIES AND COMMITMENTS

#### Contingencies

- There has been no significant change in the contingencies since the date of preceding published annual financial statements.

#### Commitments

- Commitments as at 31 March 2016 amounts to Rs. Nil (30 June 2015: Rs. 266,658 thousand).

		Un-Audited 31 March 2016	Audited 30 June 2015
	Note	( Rupees in thousand )	
<b>7. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets - tangible	(7.1)	2,357,422	1,921,544
Assets subject to finance lease	(7.2)	1,963	928
Capital work-in-progress		115,189	48,139
		<b>2,474,574</b>	<b>1,970,611</b>
<b>7.1 Operating fixed assets - tangible</b>			
Opening book value		1,921,544	1,935,757
Add: Additions during the period / year -cost	(7.1.1)	602,200	192,358
		<b>2,523,744</b>	<b>2,128,115</b>
Less: Deletions during the period / year	(7.1.2)	14,026	4,844
		<b>2,509,718</b>	<b>2,123,271</b>
Less: Depreciation during the period / year		152,296	201,727
Book value at the end of the period / year		<b>2,357,422</b>	<b>1,921,544</b>
<b>7.1.1 Additions during the period / year - cost</b>			
Land		363,418	18,831
Plant and machinery		236,197	147,514
Vehicles		2,585	26,013
		<b>602,200</b>	<b>192,358</b>
<b>7.2 Assets subject to finance lease</b>			
Opening book value		928	1,160
Add: Additions during the period / year -cost		1,194	-
Less: Depreciation during the period / year		159	232
Book value at the end of the period / year		<b>1,963</b>	<b>928</b>

## Selected Notes to the Interim Financial Information (Un-Audited)

For The Nine Months Ended 31 March 2016

	Note	Un-Audited	Audited
		31 March 2016	30 June 2015
		( Rupees in thousand )	
<b>8. LOANS AND ADVANCES</b>			
Loans to employees		5,633	4,156
Advances to suppliers		77,394	33,092
Advance against letter of credit		14,144	6,234
		<b>97,171</b>	<b>43,482</b>
<b>9. SHORT TERM INVESTMENTS</b>			
Available for sale		934,051	698,207
Held for trading		995,548	1,750,245
		<b>1,929,599</b>	<b>2,448,452</b>

	Un-Audited			
	Nine Months ended		Quarter ended	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
( Rupees in thousand )				
<b>10. SALES</b>				
Export	885,770	1,738,083	158,963	448,308
Local	4,822,787	4,951,471	1,764,779	1,488,344
Waste	132,680	130,223	50,389	44,212
	<b>5,841,237</b>	<b>6,819,777</b>	<b>1,974,131</b>	<b>1,980,864</b>
<b>11. COST OF SALES</b>				
Raw material consumed	3,597,064	4,099,937	1,120,849	1,223,104
Sizing expenses	45,035	44,320	14,799	14,973
Stores, spares and loose tools consumed	132,991	120,616	41,877	39,581
Packing materials	73,467	75,303	23,992	24,161
Salaries, wages and other benefits	481,612	441,125	156,786	149,697
Fuel and power	695,344	854,850	216,320	252,169
Repairs and maintenance	25,263	37,579	(1,866)	14,122
Insurance	33,667	14,987	20,941	2,908
Other factory overheads	13,227	12,494	4,502	3,723
Depreciation	142,972	140,515	49,366	48,634
	<b>5,240,642</b>	<b>5,841,726</b>	<b>1,647,566</b>	<b>1,773,072</b>

## Selected Notes to the Interim Financial Information (Un-Audited)

### For The Nine Months Ended 31 March 2016

	Un-Audited			
	Nine Months ended		Quarter ended	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
	( Rupees in thousand )			
Work-in-process:				
Opening stock	103,093	113,163	113,938	124,674
Closing stock	(123,633)	(110,308)	(123,633)	(110,308)
	(20,540)	2,855	(9,695)	14,366
Cost of goods manufactured	5,220,102	5,844,581	1,637,871	1,787,438
Finished goods:				
Opening stock	583,138	673,903	651,597	372,926
Closing stock	(498,658)	(422,825)	(498,658)	(422,825)
	84,480	251,078	152,939	(49,899)
	5,304,582	6,095,660	1,790,810	1,737,539
<b>12. OTHER OPERATING EXPENSES</b>				
Workers profit participation fund	22,632	30,062	7,091	11,011
Workers welfare fund	9,238	12,270	2,895	4,494
Impairment loss on investment	29,923	-	-	-
Others	3,959	3,221	1,301	829
	65,752	45,553	11,287	16,334
<b>13. TAXATION</b>				
Charge for the period:				
Current	86,864	91,287	31,851	29,510
	86,864	91,287	31,851	29,510

#### 14. OPERATING SEGMENT INFORMATION

The textile sector comprises of spinning, combing, weaving, dyeing, bleaching, printing, stitching, buying, selling and dealing in yarn, cloth and other goods and fabrics made from raw cotton and synthetic fiber(s). This sector also includes power generation facilities which provide electricity for internal consumption purposes.

#### 14.1 Business segments

For management purposes, the Suraj Cotton Mills is organized into business units based on their products and services and has two reportable operating segments as follows:

Spinning: Production of different quality of yarn using natural and artificial fibers.

Weaving: Production of different quality of greige fabric using yarn.

No operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements.

Transfer prices between operating segments are on arm's length basis in a manner similar to transactions with third parties.

	Spinning		Weaving		Elimination of inter-segment transactions		Total	
	Un-Audited				Nine Months Ended			
	31 March 2016	31 March 2015	31 March 2016	31 March 2015	31 March 2016	31 March 2015	31 March 2016	31 March 2015
	(Rupees in thousand)							
<b>Sales</b>								
External	3,204,501	3,937,108	2,636,737	2,882,670	-	-	5,841,238	6,819,778
Inter-segment	886,091	961,583	-	-	886,091	961,583	-	-
	4,090,592	4,898,691	2,636,737	2,882,670	886,091	961,583	5,841,238	6,819,778
<b>Cost of sales</b>								
External	3,681,957	4,328,676	1,622,625	1,766,982	-	-	5,304,582	6,095,658
Inter-segment	-	-	886,091	961,583	886,091	961,583	-	-
	3,681,957	4,328,676	2,508,716	2,728,565	886,091	961,583	5,304,582	6,095,658
Gross profit	408,635	570,015	128,021	154,105	-	-	536,656	724,120
Distribution cost	39,072	53,659	67,611	74,505	-	-	106,683	128,164
Administrative expenses	78,755	68,955	19,698	16,178	-	-	98,453	85,133
	117,827	122,614	87,309	90,683	-	-	205,136	213,297
Profit before taxation and unallocated income and expenses	290,808	447,401	40,712	63,422	-	-	331,520	510,823



## Selected Notes to the Interim Financial Information (Un-Audited) For The Nine Months Ended 31 March 2016

	Un-Audited Nine Months Ended					
	31 March 2016	31 March 2015	31 March 2016	31 March 2015	31 March 2016	31 March 2015
	----- (Rupees in thousand) -----					
	Spinning	Weaving	Elimination of Inter-segment transactions		Consolidated	
Unallocated income and expenses:						
Other operating expenses					(65,752)	(45,553)
Other operating income					144,454	157,328
Finance cost					(46,956)	(51,430)
					31,746	60,345
Profit before taxation					363,266	571,168
Taxation					86,864	91,287
Profit for the year					276,402	479,881
Inter segment sales and purchases have been eliminated on consolidation.						
<b>Other disclosures</b>					669,250	167,112
Capital expenditure	621,397	147,271	47,853	19,841	-	-
	Un-audited 31 March 2016	Audited 30 June 2015	Un-audited 31 March 2016	Audited 30 June 2015	Un-audited 31 March 2016	Audited 30 June 2015
Segment assets	3,803,465	2,563,857	727,769	770,518	4,531,234	3,334,375
Unallocated assets					2,334,683	2,678,015
Consolidated total assets					6,865,917	6,012,390
Segment liabilities	1,658,042	990,393	232,414	215,481	1,890,456	1,205,874
Unallocated liabilities					307,752	303,466
Consolidated total liabilities					2,198,208	1,509,340
<b>14.2 Geographical segments</b>						
Secondary information is reported geographically.						
The Company operates in three major geographical segments i.e. Pakistan, Europe and Far East. The cumulative revenue attributable to foreign countries is disclosed in note 10.						

## Selected Notes to the Interim Financial Information (Un-Audited) For The Nine Months Ended 31 March 2016

### 15. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated companies, companies in which directors are interested, staff retirement funds, directors and key management personnel. Significant transactions with related parties and associated undertakings are as under:

Relationship with the Company	Nature of transactions	Un-Audited	
		Nine Months Ended 31 March 2016	Nine Months Ended 31 March 2015
		(Rupees in thousand)	
Associated companies	Sale of goods	15,002	57,169
	Purchase of goods and services	478,960	630,341
	Dividend paid	56,933	40,966
Employees Provident Fund Trust	Amount contributed	9,139	10,483
Director and Chief Executive	Remuneration	17,064	15,455

Transactions entered into with the key management personnel as per their terms of employment are excluded from related party transactions.

Relationship with the Company	Nature of transactions	Un-Audited	Audited
		31 March 2016	30 June 2015
		(Rupees in thousand)	
The outstanding balances of such parties are as under:			
Associated companies	Creditors	38,374	22,246
	Trade debts	-	225
Employees Provident Fund Trust	Provident fund payable	226	2
Director and Chief Executive	Remuneration payable	655	655

### 16. DATE OF AUTHORIZATION

This interim financial information was authorized for issue by the Board of Directors of the Company on April 26, 2016.

### 17. GENERAL

17.1 The figures of condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended 31 March 2016 and 2015 were not subject to limited scope review by the auditors as scope of review covered only the cumulative figures.

17.2 Provisions in respect of Worker's Welfare Fund (WWF), Worker's Profit Participation Fund (WPPF) and taxation are estimated and these are subject to final adjustment in the annual financial statements.

17.3 Figures have been rounded off to the nearest thousand rupees.

CHIEF EXECUTIVE OFFICER

DIRECTOR





[www.suraj.com](http://www.suraj.com)

► Suraj Cotton Mills Limited, 7-B III, Aziz Avenue, Gulberg-V, Lahore - Pakistan

☎ +92 42 35760381 📠 +92 42 35760376 ✉ [info@suraj.com](mailto:info@suraj.com)