3rd QUARTER
REPORT
March 31
2018
Un-Audited



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Company Information

Board of Directors

Khalid Bashir (Chairman)

Adil Bashir

Ahsan Bashir

Amjad Mahmood

Humayun Maqbool

Mohammad Igbal

Sharik Bashir

Chief Executive

Nadeem Magbool

Chief Financial Officer

Faroog Ahmad

Audit Committee

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

HR & R Committee

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

Share Registrar

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

Auditors

EY Ford Rhodes
Chartered Accountants

Bankers

Allied Bank Limited
Habib Bank Limited
MCB Bank Limited
Standard Chartered Bank (Pakistan) Limited
United Bank Limited
Dubai Islamic Bank Limited
Habib Metropolitan Bank Limited

Registered Office

7-B-III, Aziz Avenue, Gulberg-V, Lahore Ph: +92-423-576 0379, 576 0382

Fax: +92-423-576 0376 Email: info@suraj.com Web: www.suraj.com

Project Locations

Nooriabad, District Dadu, Sindh.

Kotla Kahloon, District Nankana Sahib, Punjab. Bhaikot, Rawind, District Lahore, Punjab.

Directors' Report

I am pleased to present the unaudited financial statements for the nine month period ended 31 March 2018.

For the period under review, earnings after tax are Rs. 296.112 million and earnings per share of Rs. 9.29. Net sales of the company were recorded at approximately Rs. 7,926 million, an increase of approximately 25% over the corresponding period. Distribution costs were higher by 5% over the corresponding period. Administrative costs were higher by about 12% due to normal inflationary pressures. Financial charges have increased significantly due to commercial operations of the new spinning unit

We saw an improvement in prices in the period under review and there was increased demand. Prices in the domestic market showed a marked improvement and there was increased activity in the export markets. This can be attributed to adjustment of the Pak rupee as well as the continuation of the export rebate scheme by the government. The export figures now show a steady trend and all textile product exports have picked up. The cotton crop in Pakistan for 2016-17 once again did not meet the targets and the industry was compelled to import raw cotton to meet its needs. The imposition of import duty and sales tax on raw cotton until almost end January led to higher input costs and made our products uncompetitive. We disagree with this method to compensate farmers. The government should consider provision of a direct subsidy to the cotton farmers instead of direct duties on the exporting industry.

Future Prospects

The demand for yam and fabric form China and other countries is starting to show improvement with higher price points. The economic package and the adjustment of the Pak rupee has started to bear results. The downstream industry is also performing better and this has led to better domestic offlake and prices. We expect the industry to perform on the same lines as the third quarter but still feel that challenges remain especially energy costs in the Punjab. Due to higher oil prices the cost of RLNG, an important component of the energy mix in Punjab will lead to a high cost of energy.

We understand the need to keep a stringent watch on our cost of production in order to remain competitive. Our new spinning unit is expected to contribute significantly to our bottom line and we expect the fourth quarter results to be in line with current results.

The company continues to examine 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 Chief Executive

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April 27, 2018 Lahore Humayun Maqbool Director

ڈائر ^{بی}ٹرزر پورٹ

ہم نواہ31 مارچ2018 کے الیاتی نتائج بخوشی پیش کرتے ہیں

اس عرصہ میں نئیس کے بعد کا خالص منافع 296.112 ملین روپے بکیسا مدن ایک شیئر کر 9.2 ورپ ورپ دی اس عرصہ کی سل 7926 ملین روپ دری جو کہ میں اور وجہ تھی لاگت پچھاع مسک مقابل کی نیادہ ہے۔ایڈس لاگت پچھاع مسک مقابل 20 زیادہ ہے جو کہ ملک میں افراطوز رکی دجہ سے سے نیٹ ایونے کی پیدا دار سے شروع ہونے کی دجہ سے بالیاتی خوجہ میں ماضافہ ہوا۔

اس عرصہ کے دوران قیت میں اضافے کے ساتھ طلب میں بہت اضافہ ہوا یکل منڈی میں قبیتوں میں بہت بہتری آئی اور برآ مدات میں بھی اسافہ ہوا۔ اس کی دجہ سے پاکستانی روپے کا توازن اور گورمنٹ کا برآ مدگی محصولات پر بھیوٹ جاری رکھنکا فیصلہ ہے۔ برآمدات میں مستقل روش اورتمام کیکسٹان کی مصنوعات میں اضافہ ہوا۔ کہاس کی 2017-2018 کی قصل اپنے اہداف پورے نہ کرکئی۔ جمکی وجہ سے لاگت میں اضافہ ہوا اور دراری مصنوعات کی تیمین مقابلہ کے قابل شدری۔ بم گورمنٹ کی کسان دوست پالیسوں سے اتفاق ٹیمین کرتے کہ در آمدات برکیکس لگاہ باجائے بلد کسان کو بدا واسطہ فائد دورینا جائے۔

منتقبل کےاقدامات

دھا گے اور کپڑے کی چٹن اور دوسرےممالک کی طرف سے زیادہ قیت پر مجی طلب میں اضافہ ہوا ہے گونشٹ کی پالیسوں کے نتائج آنے شروع ہوگئے ہیں ٹیکشا ٹیل کا گرتی صنعت میں بہتری آئی ہے جسکی وجد سے ملکی مصنوعات کی طلب اور قیت میں اضافہ رہا۔ہم امیدکرتے ہیں کہ ٹیکشائل کی صنعت ای روژن پر چلے گل مگرایندھن کی قیت بہت نیا دو ہو گ

ہم جانتے ہیں کہ بمیں اپنی پیداداری لاگت کومقا بلہ سے قابل بنانے کے لئے اس پرخاص آوجہ دینی ہوگی۔ ہارانیا سپنگ بدنٹ ہمارے نتائج کواس طرح منافع میں دکھنے میں اہم کردارادا کرےگا۔ کمپنی مسلس نئے پر وجیکیز کو بیکسائل کی صنعت میں اور کسی دوسر ہے شیع میں کھی ایگیز اس کر رہتی ہے۔

اظهارتشكر؛

ہم بورڈ آف ڈائز کیشرز کا اُن کی رہنمائی پرشکریداداکرتے ہیں، اوراپے ملاز مین کا بھی جھنوں نے دل جی کےساتھ کا م کیا، ہم شیئر ہولڈرز اوراپے کاروباری پارٹیز زکا بھی شکریدادا کرتے ہیں۔

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ندىم مقبول چىف ايگزيكۇ

چيف ايزيدو 27ايريل 2018

لا ہور

ے <u>حرب</u> ہما یوں مقبول

ڈائر یکٹر

Financial Statements

For the nine months ended March 31, 2018



Condensed Interim Balance Sheet

As At March 31, 2018

		Un-Audited March 31,	Audited June 30,
		2018	2017
	Note	(Rupees i	n thousand)
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital			
50,000,000 (30 June 2017: 50,000,000) ordinary			
shares of Rupees 10/- each		500,000	500,000
Issued, subscribed and paid up share capital		318,881	289,892
Share premium		29,000	29,092
Revenue reserves		4,960,993	4,780,838
Available for sale reserve		90,183	180,506
Available for sale reserve	l	5,399,057	5,280,236
		5,399,057	5,200,230
Non-current liabilities	Γ		
Long term financing	5	2,762,023	2,307,475
Liabilities against assets subject to finance lease		260	1,198
Deferred tax		195,817	195,817
		2,958,100	2,504,490
Current liabilities			
Trade and other payables		1,654,889	1,304,379
Accrued interest on loans		39,037	35,084
Short term borrowings		1,348,231	379,394
Current portion of non current liabilities		40,723	64,112
	'	3,082,880	1,782,969
		6,040,980	4,287,459
TOTAL EQUITY AND LIABILITIES		11,440,037	9,567,695

CONTINGENCIES AND COMMITMENTS

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

		Un-Audited March 31, 2018	Audited June 30, 2017
	Note	(Rupees in	
	Note	(hupees iii	triousariu)
ASSETS			
Non-current assets			
Property, plant and equipment	7	5,536,401	4,952,530
Investment properties		100,000	100,000
Investment in joint venture		50,000	50,000
Long term deposits		19,879	19,879
Long term deposits		5,706,280	5,122,409
Current assets		0,700,200	0,122,400
Stores, spares and loose tools		186,127	149,265
Stock in trade		2,937,340	1,407,007
Trade debts		663,079	371,238 w
Loans and advances	8	68,607	116,749
Trade deposits and short term prepayments		21,222	17,540
Balances with statutory authorities		973	2,239
Tax refunds due from the government		550,775	375,157
Other receivables		26,244	10,414
Short term investments	9	1,206,462	1,909,120
Cash and bank balances		21,139	41,676
		5,681,968	4,400,405
Assets held for sale		51,789	44,881
		·	
TOTAL ASSETS		11,440,037	9,567,695

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

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Condensed Interim Profit And Loss Account (Un-Audited) For the nine months ended March 31, 2018

		Nine mon	ths ended	Quarte	r ended
		March 31,	March 31,	March 31,	March 31,
		2018	2017	2018	2017
	Note	(Rupees in	thousand)	(Rupees ir	thousand)
Sales	10	7,926,767	6,354,434	3,045,316	2,125,233
Cost of sales	11	7,297,955	5,899,033	2,789,486	1,928,684
Gross profit		628,812	455,401	255,830	196,549
Distribution cost		102,178	97,000	31,384	31,350
Administrative expenses		108,333	96,782	37,516	31,329
Other expenses	12	101,886	40,644	5,070	15,093
		312,397	234,426	73,970	77,772
		316,415	220,975	181,860	118,777
Other operating income	13	84,029	299,253	39,461	97,899
		400,444	520,228	221,321	216,676
Finance cost		96,615	42,681	42,297	16,877
Profit before taxation		303,829	477,547	179,024	199,799
Taxation	14	7,717	114,469	3,916	37,509
Profit after taxation		296,112	363,078	175,108	162,290
			Restated		Restated
Earnings per share					
- Basic and diluted (Rupees)		9.29	11.39	5.49	5.09

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

Condensed Interim Statement of Comprehensive Income (Un-Audited)

For the nine months ended March 31, 2018

	Nine months ended		Quarter ended		
	March 31,	March 31,	March 31,	March 31,	
	2018	2017	2018	2017	
	(Rupees ir	n thousand)	(Rupees in	thousand)	
Profit for the period	296,112	363,078	175,108	162,290	
Other comprehensive income / (loss):					
Items not to be reclassified to profit and loss in					
subsequent periods					
Net realized (loss) / gain on available for sale					
investment	(90,323)	85,009	102,881	2,443	
Total comprehensive income for the period	205,789	448,087	277,989	164,733	

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

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Condensed Interim Cash Flow Statement (Un-Audited) For the nine months ended March 31, 2018

	March 31,	March 31,
	2018	2017
	(Rupees i	n thousand)
OAGULEI OMO EDOM ODERATINO ACTIVITIES		
CASH FLOWS FROM OPERATING ACTIVITIES Profit before taxation	303.829	477,547
Adjustment for non-cash and other items:	303,029	411,041
Depreciation	276,993	145,398
Gain on disposal of property, plant and equipment	(18,505)	(5,358)
Net gain of short term investment	(15,815)	(254,455)
mpairment loss on available for sale investment	72,865	(201,100)
Dividend income	(41,102)	(34,446)
Exchange (gain) / loss	(957)	227
Finance cost	96,615	42,688
	673,923	371,601
FEFECT ON CASH FLOW DUE TO WORKING CAPITAL CHANGES		
(Increase) / decrease in current assets:		
Stores, spares and loose tools	(36,862)	(20,192)
Stock in trade	(1.530.333)	(821,461)
Trade debts	(290,884)	72,460
Loans and advances	48,142	48,637
Trade deposits and short term prepayments	(3,682)	410
Balances with statutory authorities	1,266	(17,254)
Other receivables	(15.830)	(5,775)
Increase in current liabilities:	(10,000)	(0,110)
Trade and other payables	350,510	247,491
Net cash from /(used in) working capital		(495,684)
CASH GENERATED FROM /(USED IN) OPERATIONS	(803,750)	(124,083)
Finance cost paid	(92,662)	(41,943)
Income tax paid	(183,335)	(84,178)
Dividend paid	(86,968)	(131,769)
NET CASH FROM /(USED IN) OPERATING ACTIVITIES	(1,166,715)	(381,973)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure incurred	(877,776)	(2,048,500)
Proceeds from disposal of property, plant and equipment	28,509	9,175
nvestments - net	555,285	616,655
Dividend received	41,102	34,446
NET CASH USED IN INVESTING ACTIVITIES	(252,880)	(1,388,224)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in long term financing - net	431,660	1,529,737
Decrease in finance lease liabilities - net	(1,439)	(1,017)
Increase in short term borrowings - net	968,837	38,001
NET CASH FROM FINANCING ACTIVITIES	1,399,058	1,566,721
NET CASH (USED IN) FINANCING ACTIVITIES	(20,537)	(203,476)
CACLLAND CACLLEGUINALENTS AT THE DECININING OF THE DEDICE	41.070	000.004
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	41,676	222,084
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	21,139	18,608

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

Condensed Interim Statement of Changes in Equity (Un-Audited) For the nine months ended March 31, 2018

	Share Share		R	evenue Reser	Revenue Reserves		
	capital	premium	General	Unapprop- riated profit	Sub total	 Available for sale reserve 	Total
			(Rı	upees in thous	and)		
	•						
Balance as on 01 July 2016	263,538	29,000	3,714,000	719,155	4,433,155	129,129	4,854,822
Net profit for the period from 01 July 2017 to 31 March 2017	-	-	-	363,078	363,078		363,078
Other comprehensive income	-	-	-	-	-	85,009	85,009
Total comprehensive income for the period	-	-		363,078	363,078	85,009	448,087
Issue of bonus shares for the year ended 30 June 2016 at the rate of 10%	26,354	-		(26,354)	(26,354)		
Final dividend for the year ended 30 June 2016 at the rate of Rs. 5 per share				(131,769)	(131,769)	-	(131,769)
Balance as on 31 March 2017	289,892	29,000	3,714,000	924,110	4,638,110	214,138	5,171,140
•							
Balance as on 01 July 2017	289,892	29,000	3,714,000	1,066,838	4,780,838	180,506	5,280,236
Net profit for the period from 01 July 2018 to 31 March 2018	-	-	-	296,112	296,112	-	296,112
Other comprehensive loss	-	-	-	-	-	(90,323)	(90,323)
Total comprehensive income for the period	-	-	-	296,112	296,112	(90,323)	205,789
Issue of bonus shares for the year ended 30 June 2017 at the rate of 10%	28,989	-	-	(28,989)	(28,989)	-	
Final dividend for the year ended 30 June 2017 at the rate of Rs. 3 per share	-	-	-	(86,968)	(86,968)	-	(86,968)
Balance as on 31 March 2018	318,881	29,000	3,714,000	1,246,993	4,960,993	90,183	5,399,057

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

CHIEF EXECUTIVE OFFICER



Selected Notes To The Interim Financial Information (Un-Audited)

For the nine months ended March 31, 2018

THE COMPANY AND ITS ACTIVITIES

The Company was incorporated in Pakistan as a public limited company under the Companies Act, 1913 (now the repealed Companies Ordinance, 1984) and is listed on Pakistan Stock Exchange Limited (formerly known as Karachi Stock Exchange in which Lahore and Islamabad stock exchanges have merged). The Company is engaged in the manufacturing, sale and trading of yarn, cloth and processing of cloth. Registered Office of the Company is situated at 7-B-III, Aziz Avenue, Gulberg-V, Lahore.

2. STATEMENT OF COMPLIANCE

2.1 During the year, the Companies Act 2017 (the Act) has been promulgated, however, Securities and Exchange Commission of Pakistan vide its circular no. 17 of 2017 dated 06 October 2017 communicated that the companies whose financial year closes on or before December 31, 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984.

Hence, the interim financial information of the Company for the nine months ended 31 March 2018 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 repealed Companies Ordinance, 1984. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board and Islamic Financial Accounting Standards (IFAS) issued by Institute of Chartered Accountants of Pakistan as are notified under the repealed Companies Ordinance, 1984, provisions of and directives issued under the repealed Companies Ordinance, 1984. Wherever the requirements or directives issued by Securities and Exchange Commission of Pakistan differ with the requirements of IFRS or IFAS, the requirements of the repealed Companies Ordinance, 1984 or the requirements of the said directives shall prevail.

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

BASIS OF PREPARATION

- 3.1 The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the annual financial statements as at 30 June 2017.
- 3.2 The accounting policies and computation methods adopted for the preparation of this condensed interim financial statements 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 2017.

Standard or Interpretation

IAS 7 Statement of Cash Flows - Disclosure Initiative - (Amendment)
IAS 12 Income Taxes - Recognition of Deferred Tax Assets for Unrealized Iosses (Amendments)

Improvements to Accounting Standards Issued by the IASB in September 2014

IFRS 12 Disclosure of Interests in Other Entities - Clarification of the scope of the disclosure requirements in IFRS 12

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

Selected Notes To The Interim Financial Information (Un-Audited)

For the nine months ended March 31, 2018

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 2017.

	Un-Audited	Audited
	March 31,	June 30,
	2018	2017
Note	(Rupees	in thousand)
LONG TERM FINANCING - secured		
Opening balance	2,370,242	287,773
Obtained / (repaid) during the period / year	431,661	2,082,469
	2,801,903	2,370,242
Less: Current portion	39,880	62,767
	2,762,023	2,307,475

6. CONTINGENCIES AND COMMITMENTS

Contingencies

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

Commitments

As on balance sheet date the commitments in respect of capital expenditure was amounted to Rs. 90,285 thousand (June 30, 2017: Rs. 280,710 thousand).

7. PROPERTY, PLANT AND EQUIPMENT

	Operating fixed assets - tangible (7.1)	4,854,531	2,441,092
	Assets subject to finance lease (7.2)	2,299	3,290
	Capital work-in-progress	679,571	2,508,148
		5,536,401	4,952,530
•			
7.1	Operating fixed assets - tangible		
	Opening book value	2,441,092	2,291,827
	Add: Additions during the period / year -cost (7.1.1)	2,706,353	390,489
		5,147,445	2,682,316
	Less: Deletions during the period / year	16,912	42,969
		5,130,533	2,639,347
	Less: depreciation during the period / year	276,002	198,255
	Book value at the end of the period / year	4,854,531	2,441,092



Selected Notes To The Interim Financial Information (Un-Audited) For the nine months ended March 31, 2018

		Un-Audited	Audited
		March 31,	June 30,
		2018	2017
	Note	(Rupees i	in thousand)
7.1.1	Additions during the period / year - cost		
	Land	-	13,510
	Building - Factory	389,490	
	- Residential	65,123	
	Plant and machinery	2,156,596	325,985
	Electric installations	73,003	1,461
	Office equipment	-	20,712
	Factory equipment	2,190	
	Vehicles	19,951	28,821
		2,706,353	390,489
7.2	Assets subject to finance lease		
	Opening book value	3,290	4,113
	Add: Additions during the period / year -cost	-	-
	Less: Depreciation during the period / year	991	823
	Book value at the end of the period / year	2,299	3,290
_	LOANS AND ADVANCES		
8.	LOANS AND ADVANOLS		
	Considered good:		
	Loans to employees		
	Advances to suppliers	5,537	5,406
	Advance against letter of credit	46,380	95,034
		16,690	16,309
		68,607	116,749
0	SHORT TERM INVESTMENTS		
9.	Available for sale	1 000 400	1 000 457
		1,206,462	1,326,457
	Held for trading	1 000 400	582,663
		1,206,462	1,909,120

Selected Notes To The Interim Financial Information (Un-Audited) For the nine months ended March 31, 2018

		Un-Audited					
		Nine mo	nths ended	Quarter ended			
		March 31,	March 31,	March 31,	March 31,		
		2018	2017	2018	2017		
		(Rupees	in thousand)	(Rupees in	n thousand)		
10.	SALES - net						
	Export	390,469	679,520	62,187	164,699		
	Local	7,200,065	5,495,799	2,835,560	1,904,822		
	Waste	336,233	179,115	147,569	55,712		
		7,926,767	6,354,434	3,045,316	2,125,233		
	•						
11.	COST OF SALES						
	Raw material consumed	5,201,554	4,211,105	2,025,385	1,386,939		
	Sizing expenses	42,210	40,769	14,683	13,138		
	Stores, spares and loose tools						
	consumed	140,202	94,439	37,269	34,565		
	Packing materials	83,281	67,414	30,162	20,398		
	Salaries, wages and other benefits	568,983	499,501	195,537	162,697		
	Fuel and power	953,351	723,577	374,008	240,900		
	Repairs and maintenance	24,897	33,688	6,435	10,746		
	Insurance	21,399	18,280	8,158	6,229		
	Depreciation	264,100	135,435	112,060	45,443		
	Other factory overheads	13,103	10,056	4,617	3,464		
		7,313,080	5,834,264	2,808,314	1,924,519		
	Work-in-process:						
	Opening stock	104,445	106,511	121,214	101,979		
	Closing stock	(138,335)	(110,030)	(138,335)	(110,030)		
		(33,890)	(3,519)	(17,121)	(8,051)		
	Cost of goods manufactured	7,279,190	5,830,745	2,791,193	1,916,468		
	Finished goods:						
	Opening stock	715,798	574,949	695,326	518,877		
	Closing stock	(697,033)	(506,661)	(697,033)	(506,661)		
		18,765	68,288	(1,707)	12,216		
		7,297,955	5,899,033	2,789,486	1,928,684		
12.	OTHER OPERATING EXPENSES						
14.	Workers profit participation fund	15,988	25,647	9,419	9,310		
	Workers welfare fund	10,900	9,746	3,413	3,538		
		70 065	9,740	-	3,338		
	Impairment loss on investment	72,865		(F. F.70)			
	Loss on investment - held for trading	9,094	- E 0E1	(5,572)	0.045		
	Others	3,939	5,251	1,223	2,245		
		101,886	40,644	5,070	15,093		



Selected Notes To The Interim Financial Information (Un-Audited) For the nine months ended March 31, 2018

		Un-Audited			
		Half ye	ar ended	Quarter ended	
		March 31,	March 31,	March 31,	March 31,
		2018	2017	2018	2017
		(Rupees i	n thousand)	(Rupees i	n thousand)
13.	OTHER OPERATING INCOME				
	Exchange gain - net	957	-	895	-
	Profit on bank deposits	1,124	2,993	293	1,467
	Dividend income	41,102	34,446	9,784	6,418
	Net gain of short term investment	15,815	254,455	11,357	86,328
	Sale of empties and scrap	6,526	2,001	2,254	297
	Gain on disposal of operating fixed assets	18,505	5,358	14,878	3,389
		84,029	299,253	39,461	97,899
14.	TAXATION				
	Charge for the period:				
	Current	7,717	114,469	3,916	37,509
		7,717	114,469	3,916	37,509

For the nine months ended March 31, 2018

Business segments 15.1

OPERATING SEGMENT INFORMATION

5

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

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

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

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

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

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

Spining Spining Weaving Binination of Interesegment Total Interesegment Total Interesegment Sales Interesegment Sales Interesegment Sales Interesegment Sales			0						
March 31, March		Spir	guint	Wea	wing	Elimina Inter-so transa	ation of egment actions	2	otal
March 31, March		1			Un-A	ndited			
Section Carried Color Ca		March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
4,986,257 977,567 3,834,563 77,967 2,940,510 77,968 2,519,871 2,519,871 977,567 977,567 779,689 77,967 779,689 7,297,356 7,326,767 779,689 6, 7,297,356 6, 7,297,356 6, 7,297,356 6, 7,297,356 7,326,767 779,689 6, 7,297,356 6, 7,297,356 7,297,356 5, 7,297,356 7,297,356 5, 7,297,356 7, 7,114 7, 7,114 7, 7,114 7, 7,114 7, 7,117 8, 7,297,356 7, 7,114 7, 7,117 8, 7,297,356 7, 7,117 8, 7,297,356 7, 7,117 8, 7,297,367 7, 7,117 8, 7,297,366 7, 7,117 7, 7,117 8, 7,297,367 7, 7,297,367 7, 7,297,367 7, 7,297,367 7, 7,297,367 7, 7,297,369 7, 7,297,367 7, 7,297,367 7, 7,297,367 7, 7,297,367 7, 7,297,367 7, 7,297,367 7, 7,297,367 7, 7, 7, 7, 7, 7, 7, 7, 7,					(Rupees in	thousand)			
4,986,257 3,834,563 2,940,510 2,519,871 - 977,567 779,689 7,926,767 6,6 6,963,824 4,614,252 2,940,510 2,519,871 977,567 779,689 7,926,767 6,6 6,442,607 4,266,123 1,855,348 1,632,910 977,567 779,689 7,297,965 6,6 5,442,607 4,266,123 2,832,916 777,669 977,567 779,689 7,297,965 6,6 5,442,607 4,266,123 2,832,916 777,276 779,689 7,297,965 6,6 5,442,607 41,345 47,532 56,655 777,662 7,297,965 6,6 54,646 41,345 47,532 56,656 76,762 7,118 7,114 penses 85,506 76,762 76,762 7,712 7,712 sypenses 381,065 230,109 37,236 31,510 7,717 prome 100 2,22,827 2,2,23 2,2,2,27 2,2,2,27 prome 10,107	Sales						•		•
6,968,824 4,614,252 2,940,510 2,519,871 977,567 779,689 7,297,956 6,61,252 6,442,607 4,266,123 2,832,915 2,412,599 977,567 779,689 7,297,956 5,7297,956 5,656 5,656 5,7297,956	External Inter-segment	4,986,257	3,834,563	2,940,510	2,519,871	- 272 567	- 279 689	7,926,767	6,354,434
5442,607 4,266,123 1,856,348 1,632,910 977,567 779,689 77,297,955 5,642,007 7,297,955 5,663 6,642,007 7,297,955 6,663 6,642,007 7,297,955 7,297,955 6,663 6,663 6,663 6,663 7,297,955 7,297,955 6,727 7,297,955 7,297,955 6,727 7,297,955 7,297,955 7,297,955 7,297,955 6,727 7,297,955 7,297,955 7,297,955 7,297,955 6,788 7,297,955 7,297,955 6,788 7,297,955 7,297,955 7,297,955 6,788 7,297,955 7,297,955 7,297,955 7,297,955 6,717 7	Cost of sales	5,963,824	4,614,252	2,940,510	2,519,871	977,567	779,689	7,926,767	6,354,434
6,442,607 4,266,123 2,832,915 2,412,599 977,567 779,689 7,297,956 56, 56 peness 85,506 76,75 107,782 - - 628,812 - - 628,812 - - 628,812 - - 628,812 - - 628,812 - - 628,812 - - 628,812 - - 628,812 - - 628,812 - - 628,812 - - 628,812 - - 628,812 - - 628,812 - - 102,178 - - 102,178 - - 102,178 - - 103,172 -	External Inter-segment	5,442,607	4,266,123	1,855,348	1,632,910	- 977,567	- 779,689	7,297,955	5,899,033
E21,217 348,129 107,272 - 628,812 penses 85,666 41,345 47,532 55,655 - 102,178 penses 140,152 118,020 70,359 75,762 - 210,511 penses 381,065 230,109 37,236 31,510 - 418,301 me and expenses: 381,065 230,109 37,236 31,510 - 418,301 prome 418,172 1114,472 1114,472 1114,472 1114,472 prome 296,112 - 22,6112 - 22,6112 -	,	5,442,607	4,266,123	2,832,915	2,412,599	977,567	779,689	7,297,955	5,899,033
penses	Gross profit	521,217	348,129	107,595	107,272			628,812	455,401
Penses 85,506 76,675 22,827 20,107 108,333 penses 140,152 118,020 70,359 75,762	Distribution cost	54,646	41,345	47,532	55,655	1		102,178	97,000
to and unallocated to a serious seriou	Administrative expenses	85,506	76,675	22,827	20,107		-	108,333	96,782
tion and unallocated perses 381,065 220,109 37,236 31,510		140,152	118,020	70,359	75,762	1		210,511	193,782
openses 381,065 230,109 37,236 31,510 - 418,301 me and expenses: ***Spenses ***B4,029 84,029 84,029 101,4472 moorme ***Intervention ***A1,029 3303,829 1,717 1,717 ston ***A1,029 1,717 1,717 1,717 1,717 1,717	Profit before taxation and unallocated								
me and expenses: (101,886) 84,029 84,029 (114,472) (114,472) (114,472) (116,187) (116	income and expenses	381,065	230,109	37,236	31,510	,		418,301	261,619
(101,886) (101	Unallocated income and expenses:								
84,029 (96,615) (114,472) (114,472) (114,472) (114,472) (114,472) (114,472) (114,472) (114,472) (114,472) (114,472) (114,472) (114,472) (114,472) (114,472)	Other operating expenses							(101,886)	(40,644)
(96,615) (114,472) (114,47	Other operating income							84,029	299,253
ion 303,829 7,717 7,717 296,112	Finance costs							(96,615)	(42,681)
7,717	Profit before taxation							303,829	477,547
296,112	Taxation							7,717	114,469
	Profit for the year							296,112	363,078
	Other disclosures								

15.2 GEOGRAPHICAL SEGMENTS

872,449

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 March 31, 2018

16. 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	ationship with the Company Nature of transactions		Un-Audited		
			March 31,		
		2018	2017		
		(Rupees ir	n thousand)		
Associated companies	Sale of goods and services	85,952	785		
	Purchase of goods and services	283,988	395,506		
	Purchase of fixed assets	4,212			
	Insurance claim	16,253	=		
	Dividend paid	41,334	62,627		
Employees Provident Fund Trust	Amount contributed	13,454	12,054		
Director and Chief Executive	Remuneration	20,028	18,331		

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

17. DATE OF AUTHORIZATION

This interim financial information was authorized for issue by the Board of Directors of the Company on April 27, 2018.

18. GENERAL

- 18.1 Provisions in respect of Worker's Profit Participation Fund (WPPF) and taxation are estimated and these are subject to final adjustment in the annual financial statements.
- 18.2 Figures have been rounded off to the nearest thousand rupees.

CHIEF EXECUTIVE OFFICER

DIRECTOR









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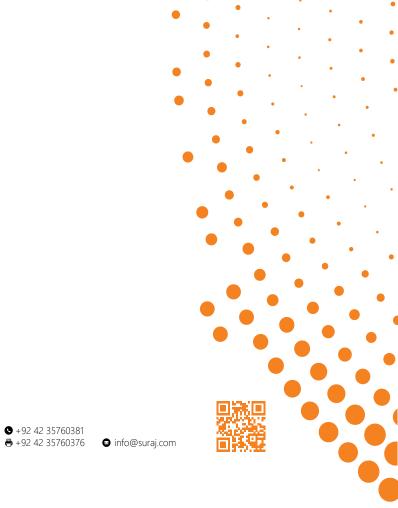
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