

1st Quarter Report 2016





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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 Officer

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(CAdil Bashir(NHumayun Maqbool(N

(Chairman) (Member) (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 0381 Fax: +92-423-576 0376 Email: infor@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

On behalf of the Board of Directors, I present the financial statements for the first quarter ended 30 September 2016.

The company's performance resulted in a net profit of Rs.66.792 million yielding earnings per share of Rs. 2.53. Sales for the period were approximately 20% higher than the corresponding period. Administrative and other operating expenses remained equivalent to the corresponding period and distribution costs declined due to lower exports. Financial charges for the period saw a marginal increase of about 8%. This was due to higher raw material costs and also above normal inventories. Other income for the period was Rs. 67.171 million, which was primarily through gain on investments.

Future Prospects

The current situation of the textile industry has not show significant improvement. Input costs continue to rise and demand for our products in our traditional export markets as well as the domestic markets continues to be poor. The raw material prices have opened higher than anticipated even though the crop is expected to be better than the previous year. The textile industry is facing increasing competitionfrom regional countries and there is an increasing trend of cotton yarn imports into Pakistan. There is no move by the Government to rationalize utility prices which remain the highest in the region. The government continues to impact the input costs negatively whereas they should be move to ensure that the industry is able to remain competitive in the region. Your company has managed to remain profitable and we hope that with further efforts for cost reductions and better efficiencies we will be able to perform well. We are considering to replace old machinery helping us to save on labour and utility costs and making our plants become more productive. This will enable us to maintain our operating margins but in view of other factors we view the future with caution.

We expect that the current year will be very challenging and we will make every effort to maintain our bottom line. We look forward to support in reducing our costs so that we are able to remain competitive. Regional competition and low demand in our major markets make it essential for us to control costs and diversify our product lines to maintain our profitability. We look forward to the future with caution and hope that we will be able to meet these challenges.

The management is working towards improvement in efficiencies and productivity as well as enhanced cost controls.

Acknowledgements

We would like to thank the Board of Directors for their guidance at all times and to our employees for their dedication. We would also like to thank our shareholders and all our business partners for their cooperation.

Nadeem Maqbool Chief Executive

October 26, 2016 Lahore

د اتر يکٹرريور بي :

میں بورڈ آف ڈائر کیٹرز کی جانب سے پہلی سہ ماہی کے اختتام پر 30 ستمبر 2016 کے مالیاتی حسابات پیش کرتا ہوں۔ کمپنی نے اس دورانیہ میں خالص منافع 66.792 ملین روپے کمایا اور فی حصص آمد نی 2.53 روپے رہی۔ کمپنی کی کل سیل 20 فیصد پچھلے سال کے مقابلے میں زیادہ رہی ۔ جبکہ انتظامی خرچہ اور دوسرے اخراجات پچھلے سال کے مطابق رہے اور تسیمی لاگت میں کمی برآمدات میں کمی کی وجہ سے ہوئی فنانشل خرچہ میں 8 فیصدا ضافہ ہوا جو کہ خام مال کی قیمت میں اضافہ اور سٹاک میں اضافہ کی وجہ سے ہوئی وزانشل خرچہ میں 8 فیصدا ضافہ ہوا جو کہ خام مال

مستقبل کے امکانات:

ٹیکسٹائل انڈسٹری کی حالیہ صورت حال میں کسی قسم کی بہتری کا کوئی امکان نہیں ہے۔خام مال کی قیمت میں اضافہ جبکہ ہماری مصنوعات کی برآ مداور ملکی منڈی میں طلب کم ہور ہی ہے۔اگر چہ کپاس کی پیداوار پیچھلے سال کے مقابلے زیادہ رہی مگر اس کے ساتھ خام مال کی قیمت میں بھی اضافہ ہوا اور علاقائی مارکیٹ میں مقابلے میں اضافہ ہور ہا ہے اس کے ساتھ ساتھ پاکستان میں دھا گے کی درآ مد میں بھی اضافہ ہوا اور علاقائی مارکیٹ میں مقابلے میں اضافہ ہور ہا ہے اس ک کرر ہی جبکہ علاقہ میں ہمار کی یوانائی کی لاگت سب سے زیادہ ہے۔ان حالات میں بھی آپ کی کمپنی منافع میں رہی اور ہم امید کرتے ہیں کہ ماری میں بھی ہما پنی کا وشوں کی وجہ سے پیداواری لاگت کم رکھنے کی کوشش کریں گے۔ اور ہما مید کرتے ہیں کہ ماری کی قدانائی کی لاگت سب سے زیادہ ہے۔ان حالات میں بھی آپ کی کمپنی منافع میں رہی اور ہم امید کرتے ہیں کہ مند میں بھی ہم اپنی کا وشوں کی وجہ سے پیداواری لاگت کم رکھنے کی کوشش کریں گے۔ اور ہمیں تو قع ہے کہ حالیہ سال میں مارکیٹ میں گا ڈی مقابلہ ہوگا لیکن ہم اپنا منافع برقر ارر کھنے کی کوشش کریں گے۔ ہمیں تو قع ہے کہ ماری کی ہیں اور کا ڈی میں گو مقابلہ ہوگا گین ہم اپنا منافع برقر ارر کھنے کی کوشش کریں گے۔ اور ہم امید کرتے ہیں کہ ہماری پیداواری لاگت سے کہ ہوگا ہی کا خرچہ کم ہواور ہواری پیداوارزیادہ ہو۔ اور ہم امید کرتے ہیں کہ مقابل میں مارکیٹ میں کافی مقابلہ ہوگا لیک ہم اپنا منافع ہو کر اور کھنے کوشش کریں گے۔ اور ہم امید کرتے ہیں کہ تماری ہیں مارکیٹ میں کافی مقابلہ ہوگا گی کی ہم اور میں نے کہ ہو ہوں کو شن کریں گے۔ اور ہم امید کرتے ہیں کہ تماری ہیں اواری لاگت کم ہو گی جو کہ علا تائی مارکیٹ میں اپنی جگہ ہو اور کھنے کی کوشش کریں گے۔ تن مرول رکھنے کی ہم کن کوشش کر ہے گو

اظهارتشكر:

میں تمام بورڈ آف ڈائر یکٹر کا ان کی جانب سے مسلسل رہنمائی پرشکر بیادا کرتا ہوں اور تمام کارکنوں اور دیگر حصہ داروں کابھی شکر بیادا کرتا ہوں۔

> نديم مقبول چيف ا گيزيکڻو تاريخ: 20,1 کتوبر 2016

Condensed Interim Balance Sheet

As At September 30, 2016

		Un-Audited	Audited
		September 30, 2016	June 30, 2016
	Note	(Rupees i	n thousand)
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital			
50,000,000 (30 June 2016: 50,000,000) ordinary			
shares of Rupees 10/- each		500,000	500,000
Issued, subscribed and paid up share capital		263,538	263,538
Share premium		29,000	29,000
Revenue reserves		4,499,947	4,433,155
Available for sale reserve		214,579	129,129
		5,007,064	4,854,822
Non-current liabilities			
Long term financing	5	250,326	287,773
Liabilities against assets subject to finance lease		2,564	2,586
Deferred tax		197,795	197,795
		450,685	488,154
Current liabilities			
Trade and other payables		1,116,372	1,041,073
Accrued interest on loans		16,503	17,576
Short term borrowings		309,941	357,536
Current portion of non current liabilities		74,914	44,801
		1,517,730	1,460,986
	L. L	1,968,415	1,949,140
TOTAL EQUITY AND LIABILITIES		6,975,479	6,803,962

CONTINGENCIES AND COMMITMENTS

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		Un-Audited	Audited
		September 30, 2016	June 30, 2016
	Note	(Rupees ii	n thousand)
ASSETS			
Non-current assets			
Property, plant and equipment	7	2,411,917	2,417,324
Investment properties		100,000	100,000
Investment in joint venture		50,000	50,000
Long term deposits		19,878	19,879
		2,581,795	2,587,203
Current assets			
Stores, spares and loose tools		90,125	88,839
Stock in trade		1,043,379	988,336
Trade debts		360,611	433,422
Loans and advances	8	111,791	136,659
Trade deposits and short term prepayments		25,670	13,406
Balances with statutory authorities		86,878	120,878
Taxation- net		48,146	61,390
Other receivables		3,046	3,993
Short term investments	9	2,455,049	2,136,361
Cash and bank balances		157,598	222,084
Assets held for sale		11,391	11,391
		4,393,684	4,216,759
TOTAL ASSETS		6,975,479	6,803,962

DIRECTOR

Condensed Interim Profit And Loss Account (Un-Audited) For the period ended September 30, 2016

		September 30, 2016	September 30, 2015
	Note	(Rupees i	n thousand)
Sales	14	2,043,592	1,691,847
Cost of sales	15	1,920,315	1,538,331
Gross profit		123,277	153,516
Distribution cost	16	33,896	35,447
Administrative expenses	17	33,872	32,611
Other operating expenses	18	10,619	11,102
		78,387	79,160
		44,890	74,356
Other operating income		67,171	60,842
		112,061	135,198
Finance cost		12,466	11,525
Profit before taxation		99,595	123,673
Taxation	13	32,803	26,817
Profit after taxation		66,792	96,856
Earnings per share Basic and diluted (Rupees)		2.53	4.04

Condensed Interim Statement of Comprehensive Income (Un-Audited) For the period ended September 30, 2016

	September 30, 2016	September 30, 2015
	(Rupees ir	n thousand)
Profit for the period	66,792	96,856
Other comprehensive income:		
Net unrealized gain/(loss) on available for sale inv <mark>estm</mark> ent	85,450	(75,205)
Total comprehensive income for the period	152,242	21,651

Condensed Interim Cash Flow Statement (Un-Audited) For the period ended September 30, 2016

	September 30,	September 30,
	2016	2013
	(Rupees ir	n thousand)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	99,595	123,673
Adjustment for non-cash and other items:		
Depreciation	48,144	47,843
Gain on disposal of property, plant and equipment	(231)	(984)
Net gain of short term investment	(64,411)	(56,853)
Dividend income	(500)	(625)
Finance cost	12,466	11,525
Cash flows from operating activities before working capital changes	95,063	124,579
Effect on cash flow due to working capital changes		
(Increase) / decrease in current assets:		
Stores, spares and loose tools	(1,286)	(21,170)
Stock in trade	(55,043)	(164,256)
Trade debts	72,811	(85,372)
Loans and advances	24,868	(86,580)
Trade deposits and short term prepayments	(12,264)	(21,113)
Balances with statutory authorities	34,000	2,694
Other receivables	947	274
Increase in current liabilities:		
Trade and other payables	75,299	41,350
Net cash from /(used in) working capital	139,332	(334,173)
Cash generated from /(used in) operations	234,395	(209,594)
Finance cost paid	(13,539)	(8,676)
Income tax paid	(19,808)	(36,541)
NET CASH FROM /(USED IN) OPERATING ACTIVITIES	201,048	(254,811)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure incurred	(43,432)	(235,676)
Proceeds from disposal of property, plant and equipment	1,175	5,850
Investments - net	(168,827)	21,045
Dividend received	500	625
NET CASH USED IN INVESTING ACTIVITIES	(210,584)	(208,156)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing - net	(7,356)	231,386
Repayment of finance lease liabilities	-	-
(Decrease)/ increase in short term borrowings - net	(47,595)	153,251
NET CASH (USED IN) / FROM FINANCING ACTIVITIES	(54,951)	384,637
NET CASH (USED IN) / FROM FINANCING ACTIVITIES	(64,487)	(78,330)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	222,085	95,556
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	157,598	17,226

Condensed Interim Statement of Changes in Equity (Un-Audited) For the period ended September 30, 2016

				Revenue reserves	3		
	Share Capital	Share premium	General	Unappropriated profit	Sub total	Available for sale reserve	Total
Balance as on 01 July 2015	239,580	29,000	3,714,000	437,685	4,151,685	82,785	4,503,050
Net profit for the period from 01 July 2015 to 30 September 2015	_	-		96,856	96,856		96,850
Other comprehensive income	-	-	-	-	-	(75,205)	(75,205
Total comprehensive income for the period	_	-		96,856	96,856	(75,205)	21,65
Balance as on 30 September 2015	239,580	29,000	3,714,000	534,541	4,248,541	7,580	4,524,70
Balance as on 01 July 2016	263,538	29,000	3,714,000	719,155	4,433,155	129,129	4,854,82
Net profit for the period from 01 July 2016 to 30 September 2016		-	-	66,792	66,792		66,792
Other comprehensive income		-	-	-	-	85,450	85,45
Total comprehensive income for the period		-	-	66,792	66,792	85,450	152,24
Balance as on 30 September 2016	263,538	29,000	3,714,000	785,947	4,499,947	214,579	5,007,06

1. THE COMPANY AND ITS ACTIVITIES

'Suraj Cotton Mills Limited (the Company) is a public limited company incorporated in Pakistan 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 condensed 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 period ended 30 September 2013 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 2016 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

IAS 19 - Employee Benefits - (Amendment) - Defined Benefit Plans: Employee Contributions

IAS 32 - Financial Instruments : Presentation - (Amendment) - offsetting Financial Assets and Financial Liabilities

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

IAS 39 - Financial Instruments: Recognition and Measurement - (Amendment) - Novation of derivatives and continuation of hedge accounting

IFRIC 21 - Levies

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 2016.

4 ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of condensed interim finanacial 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 2016.

		Un-Audited	Audited
		September 30, 2016	June 30, 2016
	Note	(Rupees ir	n thousand)
5.	LONG TERM FINANCING - secured		
	Opening balance	331,321	144,838
	Acquired/(repaid) during the period / year	(7,356)	186,483
		323,965	331,321
	Less: Current portion	73,639	43,548
		250,326	287,773

6. CONTINGENCIES AND COMMITMENTS

CONTINGENCIES

There is no significant change in the contingencies since the date of the preceding published annual financial statements

COMMITMENTS

Commitments in respect of letters of credit for capital expenditure amounted to Rupees 1,544,981 thousand (30 June 2016: Rupees 1,277,285 thousand) and commitment in respect of other capital expenditure was amountes to Rs. 283,257 thousand (30 June 2016: Rupees 283,257 thousand)

			Un-Audited	Audited
		Note	September 30, 2016	June 30, 2016 h thousand)
7.	PROPERTY, PLANT AND EQUIPMENT	Note	(Tupees II	
	Operating fixed assets - tangible	(7.1)	2,263,906	2,291,827
	Assets subject to finance lease	(7.2)	3,907	4,113
	Capital work-in-progress		144,104	121,384
			2,411,917	2,417,324
7.1	OPERATING FIXED ASSETS - TANGIBLE			
	Opening book value		2,291,827	1,921,544
	Add: Additions during the period / year -cost	(7.1.1)	20,712	589,569
			2,312,539	2,511,113
	Less: Deletions during the period / year - vehicles		695	14,155
			2,311,844	2,496,958
	Less: Depreciation during the period / year		47,938	205,131
	Book value at the end of the period / year		2,263,906	2,291,827
7.1.1	Additions during the period / year - cost			
	Land		-	350,786
	Building		20,712	236,198
	Vehicles		-	2,585
			20,712	589,569
7.2	Assets subject to finance lease			
	Opening book value		4,113	928
	Add: Additions during the period / year -cost		-	3,528
	Less: Depreciation during the period / year		206	343
	Book value at the end of the period / year		3,907	4,113

		Un-Audited	Audited
		September 30, 2016	June 30, 2016
	Note	(Rupees ir	thousand)
8.	LOANS AND ADVANCES		
	Considered good:		
	Loans to employees	5,307	5,152
	Advances to suppliers	86,727	119,559
	Advance against letter of credit	19,757	11,948
		111,791	136,659
		, , , , , , , , , , , , , , , , , , ,	
9.	SHORT TERM INVESTMENTS		
	Available for sale	1,109,865	1,017,171
	Held for trading	1,345,184	1,119,190
		2,455,049	2,136,361
		Un-Audited	Un-Audited
		September 30, 2016	September 30, 2015
	Note	,	thousand)
10.	SALES	(Tapooo II	
	Export	280,559	424,381
	Local	1,701,860	1,227,769
	Waste	61,173	39,697
		2,043,592	1,691,847
11.	COST OF SALES		
	Raw material consumed	1,442,471	1,149,227
	Sizing expenses	14,254	14,800
	Stores, spares and loose tools consumed	30,245	28,178
	Packing materials	24,013	23,769
	Salaries, wages and other benefits	171,024	165,063
	Fuel and power	238,302	238,817
	Repairs and maintenance	11,260	14,738
	Insurance	6,677	6,242
	Depreciation	44,865	44,760
	Other factory overheads	3,326	3,728
	•	1,986,437	1,689,322

		Un-Audited	Un-Audited
		September	September
		30, 2016	30, 2015
	Note	(Rupees i	n thousand)
	Work-in-process:		
	Opening stock	106,511	103,093
	Closing stock	(113,261)	(103,519)
		(6,750)	(426)
	Cost of goods manufactured	1,979,687	1,688,896
	Finished goods:		
	Opening stock	574,949	583,138
	Closing stock	(634,321)	(733,703)
		(59,372)	(150,565)
		1,920,315	1,538,331
12.	OTHER OPERATING EXPENSES		
	Workers profit participation fund	6,797	7,098
	Workers welfare fund	2,583	2,897
	Others	1,239	1,107
		10,619	11,102
13.	TAXATION		
	Charge for the period:		
	Current	32,803	26,817
		32,803	26,817

14. OPERATING SEGMENT INFORMATION

The textile sector comprise 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 purpose.

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.

	Spir	Spinning	Wee	Weaving	Elimina Inter-se transa	Elimination of Inter-segment transactions	TO	TOTAL
				Un-Audited				
	September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
				(Rupees in thousand)	and)			
Sales								
External	1,246,408	841,780	797,184	850,067	1		2,043,592	1,691,847
Inter-segment	305,736	256,179			305,736	256,179		ı
	1,552,144	1,097,959	797,184	850,067	305,736	256,179	2,043,592	1,691,847
Cost of sales								
External	1,455,174	967,513	465,141	570,818			1,920,315	1,538,331
Inter-segment			305,736	256,179	305,736	256,179		ı
	1,455,174	967,513	770,877	826,997	305,736	256,179	1,920,315	1,538,331
Gross profit	96,970	130,446	26,307	23,070	ı	I	123,277	153,516
Distribution cost	15,338	14,490	18,558	20,957	1	1	33,896	35,447
Administrative expenses	26,604	25,173	7,268	7,438		I	33,872	32,611
	41,942	39,663	25,826	28,395	ı	I	67,768	68,058
Profit / (Loss) before taxation and unallocated income and expenses	55,028	90,783	481	(5,325)		I	55,509	85,458
Unallocated income and expenses:								
Other operating expenses							(10,619)	(11,102)
Other operating income							67,171	60,842
Finance cost							(12,466)	(11,525)
							44,086	38,215
Profit before taxation							99,595	123,673

Selected Notes To The Interim Financial Information (Un-Audited) For the period ended September 30, 2016

	Spin	Spinning	Wea	Weaving	Elimina Inter-se transa	Elimination of Inter-segment transactions	TO	TOTAL
				Un-Audited				
	September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
				(Rupees in thousand)				
Taxation							32,803	26,817
Profit for the year							66,792	96,856
Inter segment sales and purchases have been eliminated on consolidation.	i eliminated on con	solidation.						
OTHER DISCLOSURES								
Capital expenditure	43,432	187,823		47,853			43,432	235,676
	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited
	September 30, 2016	June 30, 2016	September 30, 2016	June 30, 2016	September 30, 2016	June 30, 2016	September 30, 2016	June 30, 2016
				(Rupees i	(Rupees in thousand)			
Operating assets	3,198,477	3,434,721	881,434	767,837	•		4,079,911	4,202,558
4.2 Geographical segments								
Secondary information is reported geographically.	ally.							
The Company operates in only one geographical segment i.e. Pakistan, as the Company has no distinguishable component other than Pakistan that is engaged in providing products within a particular economic environment.	cal segment i.e. Pa	lkistan, as the Cor	mpany has no dist	inguishable compo	onent other than P	akistan that is eng	Jaged in providing	products within

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	
		September 30, 2016	September 30, 2015
		(Rupees ir	n thousand)
Associated companies	Sale of goods and services	26	3,273
	Purchase of goods and services	84,993	113,077
Employees Provident Fund Trust	Amount contributed	3,784	3,653
Director and Chief Executive	Remuneration	8,089	5,796

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

16. EVENTS AFTER THE BALANCE SHEET DATE

The Board of Directors have proposed dividend for the period ended 30 September 2016 of Rupees Nil (30 June 2016: Rupees 5.0) per share amounting to Rupees Nil (30 June 2016: Rupees 131,769 thousand) and Nil bonus shares (2016: 10% bonus shares).

17. DATE OF AUTHORIZATION

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

18. GENERAL

- 18.1 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.
- 18.1 Figures have been rounded off to the nearest thousand rupees



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Suraj Cotton Mills Limited

 ♥ 7-B III, Aziz Avenue, Gulberg-V, Lahore - Pakistan
 ♥ +92 42 35760381

 ➡ +92 42 35760376
 ♥ info@suraj.com



