

2019

December 31,
Half Yearly Report

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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

Audit Committee

Humayun Maqbool (Chairman)

Ahsan Bashir (Member)

Adil 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

Riaz Ahmad & Co

Chartered Accountants

Bankers

Allied Bank Limited

Habib Bank Limited

MCB Bank Limited

MCB Islamic Bank Limited

United Bank Limited

Dubai Islamic Bank Limited

Habib Metropolitan Bank Limited

Registered Office

7-B-III, Aziz Avenue, Gulberg-V, Lahore

Ph: +92-423-5760379, 35760382

Fax: +92-423-5760376

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.

Chief Executive's Review

We are pleased to present the six-month financial statements for the period up to 31 December 2019 following a review by the auditors. In the period under review, the Company's operating performance has been excellent with profit after tax at Rs. 575.202 million. Annualized earnings per share for the period Rs. 15.69 (HY2018: Rs. 6.96). Net sales of the company were Rs. 7.588 billion as compared to Rs. 6.737 billion for the corresponding period, an increase of approximately 12%. This is largely due to adjustments in the parity of the Pakistan rupee vs world currencies. Distribution costs increased by approximately 22% due to higher export sales. Administrative costs rose due to normal inflationary pressures. The company has also made some provisions for meeting its CSR responsibilities. Financial charges were within control showing an increase of 8% compared to the corresponding period. Other operating expenses for the half year are Rs. 75.659 million accounting for the impairment in the company's investment portfolio.

The cotton crop output for this year till now is approximately 8.5 million bales which is lower by more than 20% as compared to the previous season. The crop harvesting is almost over and we expect the final figure to be close to this level. The additional cotton needed by the industry to operate at full capacity will have to be met through imports. Most of these imports have been delayed due to imposition of duty and sales tax which has only been removed on 15 January 2020. This has resulted in inflated prices of raw cotton during the first six months of the accounting year. Although we agree that the farming sector needs support, more innovative methods can be adopted to achieve these objectives.

Although the provision of energy has improved but the Punjab based energy has a multitude of problems with regards to the tariff regime for the export-oriented sectors. As of now it is not clear what tariff will be charged for RLNG and WAPDA and these issues remain subjudice. The determination of final tariffs will only be finalized after the issues are resolved by the government. It is essential that regionally competitive prices are maintained for the industry so that the industry remains competitive.

Future Prospects

The next period is expected to remain positive although there are certain factors, the outcome of which is being viewed with caution. Firstly, the US-China tariff regime

remains uncertain even though there are positive signs that it will be resolved in an amicable manner and second point of concern is the coronavirus epidemic which has affected China adversely. However, we feel that these issues will be resolved and the textile industry should continue to perform well. Due to a sharp exchange rate adjustment, Pakistani textile products have become competitive and we have been able to increase our market share. Imported yarns have become more expensive as a result of which the unfair competition being faced from regional countries has reduced.

The cotton crop during current season has been disastrous in terms of quantity and quality. Year after year the size of the crop is reducing and the country's reliance on imported cotton is increasing thereby reducing our competitiveness as well as using valuable foreign exchange. Although this year a certain part of the shortage can be attributed to weather conditions, it is imperative to address issues in seed and pesticide quality. We urge the government to take immediate remedial measures and institute measures to increase the size of the cotton crop in Pakistan.

In our earlier reports we had indicated that the company was seeking new avenues of investment with an emphasis on diversification. Various options are being considered and we will inform the stakeholders as soon as some proposal achieves finality.

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 guidance and advice at all times.



Nadeem Maqbool
Chief Executive

20 February 2020
Lahore

ڈائریکٹر رپورٹ

بورڈ آف ڈائریکٹرز کی جانب سے، میں 31 دسمبر 2019 کو ختم ہونے والی پہلی ششماہی کے لئے مالیاتی گوشوارے پیش کرتا ہوں۔ زیر جائزہ مدت میں کمپنی کی آپریٹنگ کارکردگی شاندار رہی جس کے نتیجہ میں 575,202 ملین روپے بعد از ٹیکس منافع حاصل ہوا۔ اس مدت کے لئے فی شیئر سالانہ آمدنی 15.69 روپے (6.96 HY 2018 روپے)۔ کمپنی کی خالص آمدنی گزشتہ سال کی اسی مدت میں 6,737 ملین روپے کے مقابلے میں 7,588 ملین روپے رہی، لہذا تقریباً 12 فیصد اضافہ ہوا۔ اس کی بڑی وجہ پاکستان کرنسی کے مقابلہ عالمی کرنسیوں کی برابری میں ایڈجسٹمنٹ ہے۔ زیادہ برآمدی فروخت کے سبب تقسیم کے اخراجات میں تقریباً 22 فیصد اضافہ ہوا ہے۔ عام اخراجات کے دباؤ کی وجہ سے انتظامی اخراجات بڑھ گئے۔ کمپنی نے انجی CSR ذمہ داریوں کو پورا کرنے کے لئے چند دفعات بھی تیار کیں۔ مالیاتی چار جزائی عرصے کے مقابلے میں 8 فیصد اضافہ ظاہر کر رہے تھے۔ کمپنی کے سرمایہ کاری پورٹ فولیو میں اسٹیمپرز منٹ کی مد میں ششماہی کے لئے دیگر آپریٹنگ اخراجات 75,659 ملین روپے ہیں۔

اس سال کے لئے اسٹیک کپاس کی فصل کی پیداوار تقریباً 8,588 ملین گانٹھیں ہے جو گزشتہ سیزن کے مقابلے میں 20 فیصد سے بھی کم ہے۔ فصلوں کی کٹائی تقریباً ختم ہو چکی ہے اور ہم توقع کرتے ہیں کہ حتمی اعداد و شمار اس سطح کے قریب ہوں گے۔ انڈسٹری کو مکمل صلاحیت سے چلانے کے لئے درکار اضافی روٹی درآمدات کے ذریعہ پوری کی جائے گی۔ اس میں سے زیادہ تر درآمدات ڈیوٹی اور ٹیکس کے نفاذ کی وجہ سے تاخیر کا شکار ہو گئی ہیں جو 15 جنوری 2020 کو ختم کیا گیا۔ اس کے نتیجے میں ایک وینٹگ سال کی پہلی ششماہی کے دوران خام کپاس کی قیمتوں میں اضافہ ہوا ہے۔ اگرچہ ہم اس بات سے اتفاق کرتے ہیں کہ کاشتکاری کے شعبے کو تعاون کی ضرورت ہے، ان مقاصد کے حصول کے لئے مزید جدید طریقوں کو اپنایا جاسکتا ہے۔

اگرچہ بجلی کی فراہمی میں بہتری آئی ہے لیکن درآمدات پر مبنی شعبوں میں محصولات کی فراہمی کے حوالے سے پنجاب میں قائم توانائی کو بہت سارے مسائل درپیش ہیں۔ ابھی تک یہ واضح نہیں ہے کہ آریل این جی اور واپڈاکے لئے کیا ٹیرف وصول کیا جائے گا اور یہ معاملات زیر تجویز ہیں۔ حکومت کی طرف سے معاملات حل ہونے کے بعد ہی حتمی محصولات کے تعین کو حتمی شکل دی جائے گی۔ یہ ضروری ہے کہ انڈسٹری کے لئے علاقائی مسابقتی قیمتیں برقرار رہیں تاکہ صنعت مسابقت پذیر رہے۔

مستقبل کے امکانات

توقع ہے کہ اگلی مدت مثبت رہے گی اگرچہ چند عوامل ہیں، جس کے نتائج کو احتیاط کے ساتھ دیکھا جا رہا ہے۔ سب سے پہلے، امریکہ چین ٹریف نظام غیر یقینی رہا ہے اگرچہ اس کی مثبت علامات ہیں کہ اس کو دوستانہ انداز سے حل کیا جائے گا اور تشویش کو دوسرا پوائنٹ کورونا وائرس کی وبا ہے جس نے چین کو بڑی طرح متاثر کیا ہے۔ تاہم، ہمیں لگتا ہے کہ ان مسائل کو حل کر لیا جائے گا اور ٹیکسٹائل انڈسٹری کو بہتر کارکردگی کا مظاہرہ کرنا چاہئے۔ شرح تبادلہ میں تیزی سے ایڈجسٹمنٹ کی وجہ سے، پاکستانی ٹیکسٹائل مصنوعات مسابقتی ہو گئیں اور ہم اپنا مارکیٹ شیئر بڑھانے کے قابل ہو گئے ہیں۔ درآمدہ یارن زیادہ مہنگا ہو گیا ہے جس کے نتیجے میں علاقائی ممالک سے غیر منصفانہ مقابلے میں کمی آئی ہے۔

موجودہ سیزن کے دوران روٹی کی فصل مقدار اور معیار کے لحاظ سے تباہ کن رہی ہے۔ سال ہا سال فصل کا سائز کم ہوتا جا رہا ہے اور درآمد شدہ روٹی پر ملک کا انحصار بڑھتا جا رہا ہے جس سے ہماری مسابقت کم اور قیمتی زرمبادلہ کا استعمال بڑھتا جا رہا ہے۔ اگرچہ اس سال کے زیادہ عرصہ میں قلت کو خاص موسمی حالات سے منسوب کیا جاسکتا ہے، لیکن یہ ضروری ہے کہ بیج اور پیسٹیفائیڈ کے معیار کے معاملات کو حل کیا جائے۔ ہم حکومت سے گزارش کرتے ہیں کہ وہ پاکستان میں روٹی کی فصل کو بڑھانے کے لئے فوری طور پر ریسیڈ میل اور انسٹی ٹیوٹ اقدامات اٹھائے۔

اپنی سابقہ رپورٹس میں ہم نے اشارہ دیا تھا کہ کمپنی تنوع پر زور دیتے ہوئے سرمایہ کاری کی نئی راہیں تلاش کر رہی ہے۔ متعدد آپشنز پر غور کیا جا رہا ہے اور جلد ہی چند حتمی تجاویز سے ہم اسٹیک ہولڈرز کو آگاہ کریں گے۔

اظہار تشکر

ہم اپنے تمام شیئر ہولڈرز اور کاروباری پارٹنرز کی قابل قدر حمایت کا شکریہ ادا کرتے ہیں۔ ہم بورڈ آف ڈائریکٹرز کی قابل قدر بصیرت اور رہنمائی کے بھی شکریہ ادا کرتے ہیں۔

ندیم مقبول

چیف ایگزیکٹو

لاہور: 20 فروری 2020ء

Independent Auditor's Review Report

To the members of Suraj Cotton Mills Limited

Report on review of Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of SURAJ COTTON MILLS LIMITED as at 31 December 2019 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the condensed interim financial statements for the half year then ended (here-in-after referred to as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarters ended 31 December 2019 and 31 December 2018 have not been reviewed and we do not express a conclusion on them as we are required to review only the cumulative figures for the half year ended 31 December 2019.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other Matter

The condensed interim financial statements for the half year ended 31 December 2018 and financial statements for the year ended 30 June 2019 were reviewed / audited by another firm of Chartered Accountants whose review report dated 27 February 2019 and auditor's report dated 07 October 2019 expressed unqualified conclusion / opinion.

The engagement partner on the review resulting in this independent auditor's review report is Atif Anjum.

RIAZ AHMAD & COMPANY
Chartered Accountants

20 February 2020
Lahore

Condensed Interim Statement of Financial Position

As at December 31, 2019

		Un-Audited Dec 31, 2019	Audited June 30, 2019
	Note	(Rupees in thousand)	
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital 50,000,000 (30 June 2019: 50,000,000) ordinary shares of Rupees 10/- each		500,000	500,000
Issued, subscribed and paid up share capital	4	366,713	366,713
Reserves		6,225,929	5,701,265
TOTAL EQUITY		6,592,642	6,067,978
LIABILITIES			
Non current liabilities			
Long term financing	5	2,391,299	2,474,995
Deferred tax		277,828	277,828
		2,669,127	2,752,823
Current liabilities			
Trade and other payables	6	2,409,882	1,870,028
Accrued mark-up		37,311	47,747
Short term borrowings		410,996	698,968
Unclaimed dividends		6,731	3,359
Current portion of non current liabilities		344,626	347,602
		3,209,546	2,967,704
TOTAL LIABILITIES		5,878,673	5,720,527
CONTINGENCIES AND COMMITMENTS	7		
TOTAL EQUITY AND LIABILITIES		12,471,315	11,788,505

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

		Un-Audited	Audited
		Dec 31, 2019	June 30, 2019
	Note	(Rupees in thousand)	
ASSETS			
Non-current Assets			
Property, plant and equipment	8	5,165,747	5,349,114
Investment properties		100,000	100,000
Investment in joint venture		50,000	50,000
Long term deposits		19,532	19,879
Long term investments	9	818,538	771,719
		6,153,817	6,290,712
Current Assets			
Stores, spares and loose tools	10	224,792	202,325
Stock in trade	11	2,684,355	3,087,533
Trade debts	12	1,037,662	913,047
Loans and advances	13	119,791	32,827
Trade deposits and short term prepayments		69,302	52,366
Tax refunds due from the government		472,499	615,090
Other receivables		1,397	16,248
Investments held at fair value through profit or loss	14	1,546,602	134,342
Cash and bank balances		147,825	433,938
		6,304,225	5,487,716
Non-current assets classified as held for sale		13,273	10,077
		6,317,498	5,497,793
TOTAL ASSETS			
		12,471,315	11,788,505


 CHIEF EXECUTIVE OFFICER


 DIRECTOR


 CHIEF FINANCIAL OFFICER

Condensed Interim Statement Of Profit Or Loss (Un-Audited)

For The Half Year Ended 31 December 2019

	Note	Half Year Ended		Quarter Ended	
		Dec 31, 2019	Dec 31, 2018	Dec 31, 2019	Dec 31, 2018
----- (Rupees in thousand) -----					
		(Restated)		(Restated)	
Revenue	15	7,588,138	6,737,873	4,163,200	3,646,262
Cost of Sales	16	6,668,009	6,105,422	3,694,391	3,337,972
Gross Profit		920,129	632,451	468,809	308,290
Distribution Cost	17	69,319	56,455	37,181	26,074
Administrative Expenses	18	130,073	80,108	77,667	40,582
Other Expenses	19	75,659	54,757	35,671	(25,019)
		275,051	191,320	150,519	41,637
		645,078	441,131	318,290	266,653
Other Income	20	162,189	52,534	121,942	45,645
Profit from Operations		807,267	493,665	440,232	312,298
Finance Cost	21	94,812	87,237	47,942	49,182
Profit Before Taxation		712,455	406,428	392,290	263,116
Taxation	22	137,253	151,375	77,278	151,375
Profit After Taxation		575,202	255,053	315,012	111,741
Earnings per share - Basic and diluted (Rupees)		15.69	6.96	8.59	3.05

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



CHIEF EXECUTIVE OFFICER



DIRECTOR




CHIEF FINANCIAL OFFICER

Condensed Interim Statement of Comprehensive Income (Un-Audited)

For The Half Year Ended 31 December 2019

	Half Year Ended		Quarter Ended	
	Dec 31, 2019	Dec 31, 2018	Dec 31, 2019	Dec 31, 2018
	----- (Rupees in thousand) -----			
Profit After Taxation	575,202	(Restated) 255,053	315,012	(Restated) 111,741
Other comprehensive income / (loss):				
Items that will not be reclassified to profit or loss:				
Surplus / (deficit) arising on remeasurement of investments at fair value through other comprehensive income	132,819	(128,976)	117,886	(158,520)
Items that may be reclassified subsequently to profit or loss				
Other comprehensive income / (loss) for the period	132,819	(128,976)	117,886	(158,520)
Total comprehensive income for the period	708,021	126,077	432,898	(46,779)

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

Condensed Interim Statement of Cash Flows (Un-Audited)

For The Half Year Ended 31 December 2019

	Half Year Ended	
	Dec 31, 2019	Dec 31, 2018
	(Rupees in thousand)	
		(Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	712,455	406,428
Adjustment for non-cash and other items:		
Depreciation	246,629	247,755
Gain on disposal of property, plant and equipment	(12,712)	(3,864)
Net (gain) on short term investment	(39,944)	25,518
Provision for Workers' Profit Participation Fund	38,263	18,122
Provision for Workers' Welfare Fund	14,540	6,886
Profit on bank deposits	(9,777)	(2,202)
Dividend income	(95,621)	(38,757)
Exchange (gain) / loss	339	(3,057)
Finance cost	94,812	87,237
Cash flows from operating activities before working capital changes	948,983	744,066
EFFECT ON CASH FLOW DUE TO WORKING CAPITAL CHANGES		
(Increase) / decrease in current assets:		
Stores, spares and loose tools	(22,467)	2,158
Stock in trade	403,178	(192,317)
Trade debts	(124,954)	28,521
Loans and advances	(86,964)	(8,292)
Trade deposits and short term prepayments	(16,936)	(19,314)
Other receivables	93,001	20,267
Increase in current liabilities:		
Trade and other payables	547,845	325,424
Net cash from / (used in) working capital	792,703	156,447
CASH GENERATED FROM / (USED IN) OPERATIONS	1,741,687	900,513
Finance cost paid	(105,248)	(89,014)
Workers' profit participation fund paid	(60,792)	(19,097)
Profit on bank deposits received	9,777	2,202
Income tax paid	(72,813)	(4,430)
NET CASH FROM / (USED IN) OPERATING ACTIVITIES	1,512,611	790,174
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure incurred	(74,246)	(98,054)
Proceeds from disposal of property, plant and equipment	20,500	5,430
Investments - net	(1,286,317)	(34,124)
Dividend received	95,621	38,757
(Increase) / decrease in long term deposits - net	347	-
NET CASH USED IN INVESTING ACTIVITIES	(1,244,095)	(87,991)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing - net	(86,672)	(31,556)
Finance lease liabilities repaid	-	(570)
(Decrease) / increase in short term borrowings - net	(287,972)	(321,209)
Dividend paid	(179,985)	(127,486)
NET CASH (USED IN) / FROM FINANCING ACTIVITIES	(554,629)	(480,821)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(286,113)	221,362
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	433,938	64,827
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	147,825	286,189

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

Condensed Interim Statement of Changes in Equity (Un-Audited)

For The Half Year Ended 31 December 2019

	RESERVES									Total Equity
	Share capital	Capital Reserves				Revenue Reserves			Total	
		Share premium reserve	Fair value reserve on AFS investments	Fair value reserve on FVTOCI investments	Sub total	General	Unappropriated profit	Sub total		
------(Rupees in thousand)-----										
Balance as on 30 June 2018	318,881	29,000	41,976	-	70,976	3,714,000	1,516,342	5,230,342	5,301,318	5,620,199
Adjustment on adoption of IFRS 9	-	-	(41,976)	42,460	484	-	(484)	(484)	-	-
Adjusted total equity as at 01 July 2018	318,881	29,000	-	42,460	71,460	3,714,000	1,515,858	5,229,858	5,301,318	5,620,199
Transactions with owners:	-	-	-	-	-	-	(127,552)	(127,552)	(127,552)	(127,552)
Final dividend for the year ended 30 June 2018 @ Rupees 4.00 per share	47,832	-	-	-	-	-	(47,832)	(47,832)	(47,832)	-
Bonus shares issued for the year ended 30 June 2018 @ 15%	47,832	-	-	-	-	-	(175,384)	(175,384)	(175,384)	(127,552)
Transfer of gain on disposal of investments held at FVTOCI to retained earnings	-	-	-	(38)	(38)	-	38	38	-	-
Profit for the period - restated	-	-	-	-	-	-	255,053	255,053	255,053	255,053
Other comprehensive loss for the period - restated	-	-	-	(128,976)	(128,976)	-	-	-	(128,976)	(128,976)
Total comprehensive income for the period	-	-	-	(128,976)	(128,976)	-	255,053	255,053	126,077	126,077
Balance as at 31 December 2018 - (Un-Audited)	366,713	29,000	-	(86,554)	(57,554)	3,714,000	1,595,565	5,309,565	5,252,011	5,618,724
Profit for the period	-	-	-	-	-	-	603,664	603,664	603,664	603,664
Other comprehensive loss for the period	-	-	-	(154,410)	(154,410)	-	-	-	(154,410)	(154,410)
Total comprehensive income for the period	-	-	-	(154,410)	(154,410)	-	603,664	603,664	449,254	449,254
Balance as at 30 June 2019 - (Audited)	366,713	29,000	-	(240,964)	(211,964)	3,714,000	2,199,229	5,913,229	5,701,265	6,067,978
Transaction with owners:	-	-	-	-	-	-	(183,357)	(183,357)	(183,357)	(183,357)
Final dividend for the year ended 30 June 2019 @ Rupees 5.00 per share	-	-	-	-	-	-	(183,357)	(183,357)	(183,357)	(183,357)
Profit for the period	-	-	-	-	-	-	575,202	575,202	575,202	575,202
Other comprehensive income for the period	-	-	-	132,819	132,819	-	-	-	132,819	132,819
Total comprehensive income for the period	-	-	-	132,819	132,819	-	575,202	575,202	708,021	708,021
Balance as at 31 December 2019 - (Un-Audited)	366,713	29,000	-	(108,145)	(79,145)	3,714,000	2,591,074	6,305,074	6,225,929	6,592,642

The annexed notes form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

Selected Notes to the Condensed Interim Financial Statements (Un-Audited)

For The Half Year Ended 31 December 2019

1. THE COMPANY AND ITS OPERATIONS

Suraj Cotton Mills Limited ('the Company') was incorporated in Pakistan as a public limited company under the Companies Act, 1913 (now Companies Act, 2017) and is listed on Pakistan Stock Exchange Limited. Its registered office is situated at 7-B-3, Aziz Avenue, Gulberg-5, Lahore. The Company is engaged in the manufacturing, sale and trading of yarn, cloth and processing of cloth.

2. BASIS OF PREPARATION

2.1 These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.
- Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 These condensed interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended 30 June 2019. These condensed interim financial statements are un-audited, however, have been subjected to limited scope review by the auditors and are being submitted to the shareholders as required by the Listed Companies (Code of Corporate Governance) Regulations, 2019 and Section 237 of the Companies Act, 2017.

3. ACCOUNTING POLICIES

The accounting policies and methods of computations adopted for the preparation of these condensed interim financial statements are the same as applied in the preparation of the preceding audited annual published financial statements of the Company for the year ended 30 June 2019. The Company has adopted IFRS 16 from 01 July 2019. The new standard eliminates the classification of leases as either operating leases or finance leases and instead introduces a single lessee accounting model. IFRS 16 is not applicable on short-term leases and leases of low-value assets. The Company has only short-term operating leases, hence, the adoption of IFRS 16 does not have any impact on the amounts recognized in prior periods and is not expected to significantly affect the current or future periods.

3.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these condensed interim financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Selected Notes to the Condensed Interim Financial Statements

For The Half Year Ended 31 December 2019

During preparation of these condensed interim financial statements, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Company for the year ended 30 June 2019.

4. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

Un-Audited	Audited		Un-Audited	Audited
Dec 31, 2019	June 30, 2019		Dec 31, 2019	June 30, 2019
(No. of Shares in thousand)			(Rupees in thousand)	
17,400	17,400	Ordinary shares of Rupees 10 each fully paid up in cash	174,000	174,000
19,271	19,271	Ordinary shares of Rupees 10 each issued as fully paid bonus shares	192,713	192,713
36,671	36,671		366,713	366,713

5. LONG TERM FINANCING - SECURED

Opening balance	2,822,597	2,925,708
Acquired/(repaid) during the period / year	(86,672)	(103,111)
	2,735,925	2,822,597
Less: Current portion	344,626	347,602
	2,391,299	2,474,995

6. TRADE AND OTHER PAYABLES

Creditors	817,114	474,293
Accrued liabilities	1,487,712	1,310,946
Payable to employees' provident fund trust	41	39
Workers' welfare fund	36,378	21,838
Workers' profit participation fund	38,263	60,792
Income tax deducted at source	30,374	2,120
	2,409,882	1,870,028

Selected Notes to the Condensed Interim Financial Statements

For The Half Year Ended 31 December 2019

7. CONTINGENCIES AND COMMITMENTS

CONTINGENCIES

- On 13 January 2020, Power Division, Ministry of Energy, Government of Pakistan through a letter directed for forthwith billing to industrial electricity consumers belonging to the export-oriented sectors of financial cost surcharge, Neelum-Jhelum surcharge, taxes, fixed charges and positive fuel adjustment. By way of the aforesaid letter, it was clarified that concessionary rate of 7.5 cents / KWh for industrial electricity consumers belonging to the export oriented sectors notified through SRO 12(I)/2019 dated 01 January 2019 was only limited to the extent of schedule of tariff notified through SROs 1 to 10 dated 01 January 2019 and SRO 11(I)/2010 dated 01 January 2010 for K-Electric, as amended from time to time. Hence, billing of aforesaid charges to industrial electricity consumers has started. The Company, based on advice of the legal counsel, has not recognized such charges amounting to Rupees 54.88 million in these condensed interim financial statements as there exist meritorious grounds to defend the Company's stance.

COMMITMENTS

- i) Letters of credit for capital expenditure are of Rupees 78.742 million (30 June 2019: Rupees 9.800 million).
- ii) Other commitment are of Rupees 20.00 million (30 June 2019: Rupees 9.800 million).

		Un-Audited	Audited
		Dec 31, 2019	June 30,2019
Note		(Rupees in thousand)	
8.	PROPERTY, PLANT AND EQUIPMENT		
	Operating fixed assets - tangible	(8.1) 5,072,847	5,327,574
	Capital work in progress	(8.2) 92,900	21,540
		5,165,747	5,349,114
8.1	Operating Fixed Assets - Tangible		
	Opening book value	5,327,574	5,318,000
	Add: Additions during the period / year -cost	(8.1.1) 2,886	534,183
		5,330,460	5,852,183
	Less: Deletions during the period / year	10,984	24,067
		5,319,476	5,828,116
	Less: depreciation during the period / year	246,629	500,542
	Book value at the end of the period / year	5,072,847	5,327,574
8.1.1	Additions During the Period / Year - Cost		
	Factory building	-	25,258
	Residential building	-	21,707
	Office premises	-	121,912
	Plant and machinery	2,886	354,335
	Vehicles	-	10,971
		2,886	534,183

Selected Notes to the Condensed Interim Financial Statements

For The Half Year Ended 31 December 2019

		Un-Audited	Audited
		Dec 31, 2019	June 30,2019
Note		(Rupees in thousand)	
8.1.2	Capital Work in Progress		
	Factory building	7,760	2,216
	Plant and machinery	32,356	19,324
	Vehicles	52,784	-
		92,900	21,540
9.	LONG TERM INVESTMENT		
	Refund Payment Orders	-	86,000
	Securities held at fair value through other comprehensive income	799,866	667,047
	Investment in related party	18,472	18,472
	Other investments	200	200
		818,538	771,719
10.	STORE , SPARE PARTS AND LOOSE TOOLS		
	Stores in transit	18,795	3,310
	Stores	230,277	223,575
	Spares parts	9,429	9,155
	Loose tools	227	221
		258,728	236,261
	Less : Provision for slow moving / obsolete items	33,936	33,936
		224,792	202,325
11.	STOCK IN TRADE		
	Raw material in transit	147,277	-
	Raw material	1,465,620	2,236,861
	Work in process	189,420	159,344
	Finished goods	839,227	684,544
	Waste	42,811	6,784
		2,684,355	3,087,533
12.	TRADE DEBTS		
	Considered good:		
	Secured against letters of credit	14,966	20,291
	Unsecured	1,055,693	925,237
		1,070,659	945,528
	Less: Provision for doubtful debts	(32,997)	(32,481)
		1,037,662	913,047

Selected Notes to the Condensed Interim Financial Statements

For The Half Year Ended 31 December 2019

		Un-Audited	Audited
		Dec 31, 2019	June 30, 2019
Note		(Rupees in thousand)	
13.	LOANS AND ADVANCES		
	Considered good:		
	Loans to employees	8,383	5,728
	Advances to suppliers	95,334	15,039
	Advance against letter of credit	6,336	8,297
	Due from related parties - unsecured	9,738	3,763
		119,791	32,827
14.	INVESTMENTS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS		
	Equity investments 14.1	167,982	134,342
	Mutual funds 14.2	1,378,620	-
		1,546,602	134,342
14.1	Securities Held at Fair Value Through Profit or Loss		
	Opening balance	200,938	-
	Reclassified to FVPL under IFRS 9	-	180,821
	Purchases	-	24,820
	Redemptions	-	(4,703)
		200,938	200,938
	Fair value adjustment	(32,956)	(66,596)
		167,982	134,342
14.2	Mutual Funds		
	HBL Cash Fund	262,763	-
	Alfalah GHP Money Market Fund	287,985	-
	MCB Cash Management Optimizer	212,868	-
	NBP Money Market Fund	205,171	-
	ABL Cash Fund	309,378	-
	ATLAS Money Market Fund	100,455	-
		1,378,620	-

Selected Notes to the Condensed Interim Financial Statements (Un-Audited)
For The Half Year Ended 31 December 2019

		Half Year Ended					
		Dec 31, 2019			Dec 31, 2018		
		Spinning	Weaving	Total	Spinning	Weaving	Total
		-----Rupees in Thousand-----					
15. SALES							
Local		5,994,536	2,754,212	8,748,748	5,306,387	2,271,533	7,577,920
Export		34,957	39,383	74,340	37,902	190,802	228,704
Inter Segments		(1,234,950)	-	(1,234,950)	(1,068,751)	-	(1,068,751)
		4,794,543	2,793,595	7,588,138	4,275,538	2,462,335	6,737,873
15.1 Disaggregation of the Company's Revenue From Contracts with Customer is as Follows.							
Segments							
Sale of yarn		5,658,267	-	5,658,267	4,999,300	-	4,999,300
Sale of fabric		-	2,780,805	2,780,805	-	2,446,096	2,446,096
Sale of waste		371,226	12,790	384,016	344,989	16,239	361,228
Inter-segment eliminations		(1,234,950)	-	(1,234,950)	(1,068,751)	-	(1,068,751)
Total revenue from contracts with customers		4,794,543	2,793,595	7,588,138	4,275,538	2,462,335	6,737,873
Geographic markets							
Pakistan		5,994,536	2,754,212	8,748,748	5,306,387	2,271,533	7,577,920
China		-	115	115	-	-	-
Hong Kong		-	-	-	-	110,546	110,546
Italy		-	33,531	33,531	-	36,573	36,573
Sri Lanka		3,009	-	3,009	1,704	-	1,704
South Korea		-	5,737	5,737	-	25,972	25,972
Turkey		-	-	-	-	17,711	17,711
UAE		31,948	-	31,948	36,198	-	36,198
Inter-segment eliminations		(1,234,950)	-	(1,234,950)	(1,068,751)	-	(1,068,751)
Total revenue from contracts with customers		4,794,543	2,793,595	7,588,138	4,275,538	2,462,335	6,737,873
Timing of revenue recognition							
Goods transferred at a point in time		4,794,543	2,793,595	7,588,138	4,275,538	2,462,335	6,737,873
Total revenue from contracts with customers		4,794,543	2,793,595	7,588,138	4,275,538	2,462,335	6,737,873

Selected Notes to the Condensed Interim Financial Statements (Un-Audited)

For The Half Year Ended 31 December 2019

	Half Year Ended		Quarter Ended	
	Dec 31, 2019	Dec 31, 2018	Dec 31, 2019	Dec 31, 2018
-----Rupees in Thousand-----				
16. COST OF SALES				
Raw material consumed	5,064,240	4,609,601	2,542,951	2,227,396
Sizing expenses	35,541	31,513	17,217	15,769
Stores, spares and loose tools consumed	128,294	102,608	58,339	57,736
Packing materials	73,148	71,994	37,517	39,206
Salaries, wages and other benefits	471,144	432,057	234,125	210,403
Fuel and power	820,967	777,280	443,192	376,747
Repairs and maintenance	35,312	14,249	21,878	7,196
Insurance	14,609	14,787	7,148	7,610
Depreciation	233,495	239,638	116,819	120,027
Other factory overheads	12,045	10,238	6,617	5,404
	6,888,795	6,303,965	3,485,803	3,067,494
Work-in-process:				
Opening stock	159,344	148,646	176,345	162,354
Closing stock	(189,420)	(164,082)	(189,420)	(164,082)
	(30,076)	(15,436)	(13,075)	(1,728)
Cost of goods manufactured	6,858,719	6,288,529	3,472,728	3,065,766
Finished goods:				
Opening stock	691,328	714,347	1,103,701	1,169,660
Closing stock	(882,038)	(897,454)	(882,038)	(897,454)
	(190,710)	(183,107)	221,663	272,206
	6,668,009	6,105,422	3,694,391	3,337,972
17. DISTRIBUTION COST				
Salaries, wages and other benefits	2,553	2,227	999	1,315
Commission on sales	49,124	37,898	26,408	19,148
Freight and shipment	13,319	13,032	6,833	5,201
Clearing and forwarding	4,136	2,725	2,863	-
Export development surcharge	187	573	78	410
	69,319	56,455	37,181	26,074

Selected Notes to the Condensed Interim Financial Statements (Un-Audited)
For The Half Year Ended 31 December 2019

		Half Year Ended		Quarter Ended	
		Dec 31,2019	Dec 31,2018	Dec 31,2019	Dec 31,2018
-----Rupees in Thousand-----					
18.	ADMINISTRATIVE EXPENSES				
	Salaries, wages and other benefits	56,646	47,824	29,392	24,409
	Rent, rates and taxes	3,498	3,233	1,750	1,467
	Electricity and gas	4,031	2,843	1,829	1,192
	Traveling and conveyance	3,374	2,580	589	699
	Repair and maintenance	3,614	3,717	2,388	2,329
	Vehicle running and maintenance	3,670	3,236	1,786	1,816
	Printing and stationery	2,652	3,787	1,010	1,594
	Communication	1,011	1,148	532	817
	Fee and subscription	2,087	2,196	1,204	1,533
	Advertisement	125	296	125	47
	Insurance	1,147	1,101	566	555
	Depreciation	13,144	8,115	6,449	4,115
	Entertainment	44	32	17	9
	Donation	35,030	-	30,030	-
		130,073	80,108	77,667	40,582
19.	OTHER OPERATING EXPENSES				
	Workers profit participation fund	38,263	18,122	21,068	10,579
	Workers welfare fund	14,540	6,886	8,008	6,886
	Impairment loss on short term investment	-	27,031	-	(43,883)
	Others	22,856	2,718	6,595	1,399
		75,659	54,757	35,671	(25,019)
20.	OTHER OPERATING INCOME				
	Exchange gain / (loss)	-	3,057	-	1,835
	Profit on bank deposits	9,777	2,202	4,682	1,841
	Dividend income	95,621	38,757	82,379	36,555
	Net gain on short term investment	39,943	1,514	20,333	545
	Sale of empties and scrap	4,136	3,140	1,836	1,984
	Gain on disposal of operating fixed assets	12,712	3,864	12,712	2,885
		162,189	52,534	121,942	45,645

Selected Notes to the Condensed Interim Financial Statements (Un-Audited)

For The Half Year Ended 31 December 2019

	Half Year Ended		Quarter Ended	
	Dec 31, 2019	Dec 31, 2018	Dec 31, 2019	Dec 31, 2018
-----Rupees in Thousand-----				
21. FINANCE COST				
Interest / mark-up on:				
Long term financing	46,451	54,834	22,981	29,160
Short term borrowings	44,543	28,365	22,624	17,694
Liabilities against assets subject to finance lease	-	26	-	9
	90,994	83,225	45,605	46,863
Bank charges and commission	3,818	4,012	2,337	2,319
	94,812	87,237	47,942	49,182
22. TAXATION				
Charge for the period:				
Current	137,253	-	77,278	-
Deferred	-	151,375	-	151,375
	137,253	151,375	77,278	151,375

23. OPERATING SEGMENT INFORMATION

23.1 Business Segments

The Company has two reportable segments. The following summary describes the operation in each of the Company's reportable segments:

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

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

Transactions between operating segments are recorded on arm's length basis in a manner similar to transactions with third parties. Inter segment sales and purchases have been eliminated from the total.

Selected Notes to the Condensed Interim Financial Statements (Un-Audited)

For The Half Year Ended 31 December 2019

	Spinning		Weaving		Un-Audited				Elimination of Inter-segment transactions		Total	
	Dec 31, 2019	Dec 31, 2018	Dec 31, 2019	Dec 31, 2018	Dec 31, 2019	Dec 31, 2018	Dec 31, 2019	Dec 31, 2018	Dec 31, 2019	Dec 31, 2018	Dec 31, 2019	Dec 31, 2018
----- (Rupees in thousand) -----												
Sales												
External	4,794,543	4,275,537	2,793,595	2,462,336	-	-	-	-	7,588,138	6,737,873		
Inter-segment	1,234,950	1,068,751	-	-	1,234,950	1,068,751	1,068,751	1,068,751	-	-		
	6,029,493	5,344,288	2,793,595	2,462,336	1,234,950	1,068,751	1,068,751	1,068,751	7,588,138	6,737,873		
Cost of sales												
External	5,334,094	4,833,998	1,333,915	1,271,424	-	-	-	-	6,668,009	6,105,422		
Inter-segment	-	-	1,234,950	1,068,751	1,234,950	1,068,751	1,068,751	1,068,751	-	-		
	5,334,094	4,833,998	2,568,865	2,340,175	1,234,950	1,068,751	1,068,751	1,068,751	6,668,009	6,105,422		
Gross profit	695,399	510,290	224,730	122,161	-	-	-	-	920,129	632,451		
Distribution cost	41,370	30,708	27,949	25,747	-	-	-	-	69,319	56,455		
Administrative expenses	103,564	60,389	26,509	19,719	-	-	-	-	130,073	80,108		
	144,934	91,097	54,458	45,466	-	-	-	-	199,392	136,563		
Profit before taxation and unallocated income and expenses	550,465	419,193	170,272	76,695	-	-	-	-	720,737	495,888		
Unallocated income and expenses:												
Operating expenses									(75,659)	(54,757)		
Other income									162,189	52,534		
Finance cost									(94,812)	(87,237)		
									(8,282)	(89,460)		
Profit before taxation									712,455	406,428		
Taxation									137,253	151,375		
Profit for the period									575,202	255,053		

Inter segment sales and purchases have been eliminated on consolidation.

Selected Notes to the Condensed Interim Financial Statements (Un-Audited)
For The Half Year Ended 31 December 2019

23.3 Reconciliation of Reportable Segment Assets and Liabilities

	Spinning		Weaving		Total Company	
	Un-Audited Dec 31, 2019	Audited June 30, 2019	Un-Audited Dec 31, 2019	Audited June 30, 2019	Un-Audited Dec 31, 2019	Audited June 30, 2019
	(Rupees in thousand)					
Total assets for reportable segment	7,964,813	8,729,223	1,505,590	1,378,054	9,470,403	10,107,277
Unallocated assets:						
Investment properties					100,000	100,000
Investment in joint venture					50,000	50,000
Long term investments					818,538	771,719
Tax refunds due from the government					472,499	615,090
Investments held at fair value through profit or loss					1,546,602	134,342
Non-current assets classified as held for sale					13,273	10,077
Total assets as per condensed interim statement of financial position					12,471,315	11,788,505
Total liabilities for reportable segments	4,888,579	4,767,483	705,536	671,857	5,594,115	5,439,340
Unallocated liabilities:						
Deferred income tax liability					277,828	277,828
Unclaimed dividend					6,731	3,359
Total liabilities as per condensed interim statement of financial position					5,878,674	5,720,527

Selected Notes to the Condensed Interim Financial Statements (Un-Audited)

For The Half Year Ended 31 December 2019

24. RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

(i) Fair value hierarchy

Judgements and estimates are made in determining the fair values of the financial instruments that are recognised and measured at fair value in these condensed interim financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the following three levels. An explanation of each level follows underneath the table.

Recurring fair value measurements at 31 December 2019 - Un-audited	Level 1	Level 2	Level 3	Total
	-----Rupees in Thousand -----			
Financial assets				
Investments at fair value through profit or loss	1,546,602	-	-	1,546,602
Investments at fair value through other comprehensive income	799,866	-	-	799,866
	2,346,468	-	-	2,346,468
Recurring fair value measurements at 30 June 2019 - Audited				
Financial assets				
Investments at fair value through profit or loss	134,342	-	-	134,342
Investments at fair value through other comprehensive income	667,047	-	-	667,047
	801,389	-	-	801,389

The above table does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amounts are a reasonable approximation of fair value. Due to short term nature, carrying amounts of certain financial assets and financial liabilities are considered to be the same as their fair value. For the majority of the non-current receivables, the fair values are also not significantly different to their carrying amounts.

There were no transfers between levels 1 and 2 for recurring fair value measurements during the half year ended 31 December 2019. Further there was no transfer in and out of level 3 measurements.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

(ii) Valuation techniques used to determine level 1 fair values

Specific valuation technique used to value financial instruments was use of quoted market prices.

Selected Notes to the Condensed Interim Financial Statements (Un-Audited)

For The Half Year Ended 31 December 2019

25. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated companies, key management personnel and provident fund trust. The Company is in the normal course of business carries out transactions with various related parties. Detail of transactions with related parties are as follows:

		Un-Audited			
		Half Year Ended		Quarter Ended	
		Dec 31,2019	Dec 31,2018	Dec 31,2019	Dec 31,2018
		(Rupees in thousand)			
i)	Transactions				
	Associated companies				
	Purchase of electricity	157	5,518	65	4,209
	Sale of goods	26,787	60,596	10,726	33,615
	Purchase of goods	163,971	141,787	129,491	54,144
	Insurance expense	38,233	32,518	1,069	1,648
	Dividend paid	87,145	60,622	-	-
	Bonus shares issued	-	2,273	-	-
	Key management personnel				
	Remuneration paid to Chief Executive Officer, Director and Executive	21,733	19,203	10,703	9,473
	Dividend paid	32,958	22,870	32,958	22,870
	Bonus shares issued	-	8,576	-	8,576
	Other related parties				
	Company's contribution to provident fund trust	13,461	10,266	7,536	5,226

		As At 31 December 2019 (Un-Audited)		
		Associated Companies	Other Related Parties	Total
		Rupees in Thousand		
ii)	Period end Balances			
	Trade debts	10,999	-	10,999
	Loans and advances	22,235	-	22,235
	Trade and other payables	34,965	41	35,006

		As At 30 June 2019 (Audited)		
		Associated Companies	Other Related Parties	Total
		Rupees in Thousand		
	Trade debts	816	-	816
	Loans and advances	3,763	-	3,763
	Trade and other payables	5,961	39	6,000

Selected Notes to the Condensed Interim Financial Statements (Un-Audited)

For The Half Year Ended 31 December 2019

26. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual published financial statements of the Company for the year ended 30 June 2019.

27. DATE OF AUTHORIZATION

These condensed interim financial statements were approved by the Board of Directors and authorized for issue on 20 February 2020.

28. CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard (IAS) 34 "Interim Financial Reporting", the condensed interim statement of financial position and condensed interim statement of changes in equity have been compared with the balances of annual audited financial statements of preceding financial year, whereas, the condensed interim statement of profit or loss, condensed interim statement of comprehensive income and condensed interim statement of cash flows have been compared with the balances of comparable period of immediately preceding financial year.

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison.

The Company adopted IFRS 9 'Financial Instruments' from 01 July 2018. However, at the time of preparation of condensed interim financial statements for the half year ended 31 December 2018, IFRS 9 was not applied in view of relaxation granted by the Securities and Exchange Commission of Pakistan. Hence, now, the corresponding figures appearing in the condensed interim statement of profit or loss, condensed interim statement of comprehensive income and condensed interim statement of cash flows have been restated as follows:

	<u>Un-Audited</u> <u>Half Year Ended</u> <u>Dec 31 - 2018</u> <u>Rupees in Thousand</u>
Other income decreased by	(38)
Other expenses decreased by	(69,032)
Profit after taxation increased by	68,994
Other comprehensive income increased by	68,994
Total comprehensive income increased by	-

29. GENERAL

Figures have been rounded off to the nearest thousand of Rupees unless otherwise stated.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER















Notes



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SURAJ COTTON MILLS LIMITED

7-B-3, Aziz Avenue,
Gulberg-5, Lahore, PK

T: 92 42 3576 0381

F: 92 42 3576 0376