

# 2020

Half Yearly Report  
December 31,  
Un-Audited



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## Company Information

### Board of Directors

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

### Chief Executive Officer

Nadeem Maqbool

### Chief Financial Officer

Muhammad Naeem Sheikh

### 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

### Company Secretary

Haseeb Ahmad

### Bankers

Allied Bank Limited  
Habib Bank Limited  
MCB Bank Limited  
National Bank of Pakistan  
MCB Islamic Bank Limited  
United Bank Limited  
Dubai Islamic Bank Limited  
Habib Metropolitan Bank Limited  
Samba Bank Limited  
FINCA Microfinance 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.

## Directors' Review

On behalf of Board of Directors, I am pleased to present the operating and financial performance of the company for the Half Year ended 31 December 2020.

The pandemic which has ravaged the world economies is now over a year old and most countries are struggling to keep their growth curves stable. In Pakistan, after the initial 3 months, the economy has become stable and most sectors started to perform. The textile sector has performed extremely well as a result of good demand for its products. For the current financial year (FY 2020-21) we hope that the growth cycle will sustain and are optimistic about the future outlook. Growth in the index of Pakistan Stock Exchange PSX is reflection of our optimistic outlook.

This pattern is evident in the operating results of your company for the half year ended Dec 31, 2020. Compared with the corresponding period, company has achieved revenue growth of 11.2% and financial charges dropped by more than 15% due to recent drop in Policy Rate by SBP. The Company has witnessed a 57.48% increase in profit after tax with the support of 54.5% boost in other income. Earnings per share for the half year ended 31 December 2020 are 22.46 (Dec 2019: PKR 14.26).

Income Statement	Half Year 2021	Half Year 2020	% Change
(PKR in Million)			
Sales	8,437	7,588	11.20%
Gross profit	1,262	920	37.16%
Operating profit	1,227	807	52.04%
Financial cost	(80)	(94)	-15.24%
Profit before taxation	1,146	712	60.99%
Taxation	(241)	(137)	75.69%
Net Profit	905	575	57.48%
Earnings per Share (EPS)	22.46	14.26	

Increase in Other Income is on account of present value discounting of GIDC provision, reversal of expected credit losses and realized / unrealized gains on equity investments due to robust recovery in the Pakistan's equity market. This recovery is largely attributable to positive economic fundamentals discussed above. Going forward, we expect this positive sentiment to persist and economic activity to gain further momentum.

The main issue of inadequate quantity and unsatisfactory quality of cotton being produced locally continues to cause great concern. The current cotton season has resulted in the country producing one of the lowest crops and quality has been very poor. Inherent issues in the crop cultivation and seed methodology remain with no significant progress towards a resolution. With the demand for raw cotton expected to be at optimum levels due to improvement in textile demand, it is certain that mills will have to rely on imported cotton to meet their requirements. Pakistan spinning industry has already contracted for large scale imports from nearly all origins in the world. Once again we draw the attention of the policy managers to tackle the issue of seed and upgrade ginning technology so that the textile industry is well equipped to boost the exports and contribute to industrial growth.

A competitive exchange rate parity and fears of COVID-19 in our neighboring countries has made Pakistan prime choice for sourcing textile products globally; strengthening demand in Pakistan. The textile sector is running at full capacity with no dearth of orders and we expect that for the near future demand will remain strong.

In line with our policy of investment in new technology and to take advantage of economies of scale, the Company has just started the construction work to set up additional weaving capacity comprising of 154 wider width, airjet looms. Currently we are operating 204 Looms, producing about 30 Million meters of fabric annually. With this addition, our production capacity would be enhanced substantially; and we expect this project to be a profitable addition. Site for the proposed unit is adjacent to the current facilities and is equipped with availability of utilities and necessary technical expertise under one roof. It is expected that the unit will be operational in second half of calendar year 2021.

We are committed to focus on our core competencies and our managerial expertise for risk management and continue to try and perform as per expectations of stakeholders. We are always looking for new opportunities to expand and diversify and shall keep you apprised of our efforts.

### Acknowledgements

On behalf of the Board of Directors, I would take this opportunity to thank all our partners and employees for their continued support. I would also take this opportunity to express my gratitude to the Board for their valuable insights and guidance.



Nadeem Maqbool  
Chief Executive



Director

February 26, 2021  
Lahore

## ڈائریکٹرز رپورٹ

بورڈ آف ڈائریکٹرز کی جانب سے، میں 31 دسمبر 2020 کو ختم ہونے والی ششماہی کے لئے کمپنی کی آپریٹنگ اور مالیاتی کارکردگی پیش کرتا ہوں۔

ہوائی پتہ ایسی جس نے پوری دنیا کی معیشتوں کو متاثر کیا اب ایک سال سے زیادہ پرانی ہو چکی ہے اور بیشتر ممالک اپنے نمونہ برقرار رکھنے کی جدوجہد کر رہے ہیں۔ پاکستان میں، ابتدائی 3 ماہ کے بعد، معیشت منہدم ہو گئی اور بیشتر شعبوں نے کارکردگی کا مظاہرہ کرنا شروع کر دیا۔ لیگنانل کے شعبے نے اپنی

مصنوعات کی بہتر طلب کے نتیجے میں انتہائی عمدہ کارکردگی کا مظاہرہ کیا ہے۔ موجودہ مالی سال (مالی سال 2020-21) کے لئے ہم امید کرتے ہیں کہ نوکودہ برقرار رہے گا اور مستقبل کے نقطہ نظر کے بارے میں بڑھاپہ ہیں۔ پاکستان اسٹاک ایکسچینج (PSX) انڈیکس میں نمونہ ہاری امید کے نقطہ نظر کی عکاس ہے۔

مالی سال 2021 کی پہلی ششماہی میں آپ کی کمپنی کے آپریٹنگ نتائج میں بڑھوتری ہوئی ہے۔ اسی مدت کے مقابلہ میں، اسٹیٹ بینک پاکستان کی طرف سے پالیسی شرح میں حالیہ کی وجہ سے کمپنی کی آمدنی میں 11.2 فیصد کا اضافہ ہوا اور مالی ماحول میں تقریباً 5 فیصد کی کمی واقع ہوئی ہے۔ کمپنی نے

دیگر آمدنی میں 54.5% اضافہ کی مدد کے ساتھ ٹیکس کے بعد منافع میں 57.4 فیصد کا اضافہ کیا۔ 31 دسمبر 2020 کو ختم ہونے والی ششماہی کی فی شخص آمدنی 22.46 روپے (دسمبر 2019 14.26 روپے) ہے۔

مالی سال 2021 کی پہلی ششماہی کی آمدنی کی تفصیل کا خلاصہ مندرجہ ذیل میں ہے:

آمدنی کی تفصیل	مالی سال 2021 کی پہلی ششماہی	مالی سال 2020 کی پہلی ششماہی	فیصد تبدیلی
			(پاکستانی روپے ملین میں)
فروخت	8,437	7,588	11.20%
مجموعی منافع	1,262	920	37.16%
آپریٹنگ منافع	1,227	907	52.04%
مالی لاگت	(80)	(94)	-15.24%
ٹیکس سے پہلے منافع	1,146	712	60.99%
ٹیکسیشن	(241)	(137)	75.69%
خالص منافع	905	575	57.48%
فی شخص آمدنی (EPS)	22.46	14.26	

GIDC پروڈکٹ کی موجودہ معیاری قیمت، جو ترقی کر کے نصف اتھارڈ کی واپسی، پاکستان کی انکوبین مارکیٹوں میں بحالی کی وجہ سے انکوبین سرمایہ کاری پر محسوس اور غیر محسوس ٹیکنیکی مد میں دیگر آمدنی میں اضافہ ہوا۔ یہ بحالی زیادہ تر مذکورہ بالا اثبات معافی بنیادی اصولوں کی وجہ سے ہوئی ہے۔ آگے بڑھتے ہوئے ہم توقع کرتے ہیں کہ یہ اثبات بہت بڑا اور معافی مرکزی ہو جائے گا۔

مقامی طور پر پیدا ہونے والی کپاس کی کافی مقدار اور غیر اطمینان بخش عمیل کار بنیادی مسئلہ بدستور نشانی کا باعث ہے۔ موجودہ کپاس بین میں ملک میں سب سے کم فصلیں پیدا ہوئیں اور معیار بھی بہت خراب رہا ہے۔ فصلوں کی کاشت اور بیج کے طریقہ کار میں موردی اور آب بھی کسی حد تک طرف پشیمانی نہیں کرتے ہیں۔ لیگنانل کی طلب میں بھڑکی کی وجہ سے خام کپاس کی طلب زیادہ سے زیادہ منگ کی توقع کی جا رہی ہے، یہ یقینی ہے کہ کھوں کو اپنی ضروریات کو پوری کرنے کے لئے درآمد شدہ کپاس پر انحصار کرنا پڑے گا۔ پاکستان اسٹاک ایکسچینج انڈیکس نے پچھلے دنوں میں تقریباً تمام اور بیکن سے بڑے پیمانے پر درآمدات کا مظاہرہ کیا ہے۔ ایک بار پھر ہم پچھلے تھری کوارٹر میں تیسرا بائ پر میڈل کرنا چاہتے ہیں کہ اس مسئلہ کو سنبھالیں اور نئے شعبوں اور نئے شعبوں کو کھولنے کے ذریعہ حل کیا جائے گا لیگنانل انڈیکس برآمدات کو فروغ دینے اور مصدقہ نمونہ حاصل کرنے کی کئی اچھی پوزیشن میں ہوں۔

مسابقتی چالو شرح کی برابری اور ہمارے پڑوسی ممالک میں COVID-19 کے خدشات نے عالمی سطح پر لیگنانل مصنوعات کی سوریٹنگ کے لئے پاکستان کو اولین انتخاب بنایا۔ پاکستان میں طلب کا مضبوط کردیا ہے۔ لیگنانل شعبہ پوری صلاحیت کے ساتھ چل رہا ہے جس میں آؤڈر کی کمی نہیں ہوئی اور ہم امید کرتے ہیں کہ مستقبل قریب میں طلب منہدم ہوگی۔

نئی ٹیکنالوجی میں سرمایہ کاری کی ہماری پالیسی کے سبب مطابق اور اسکیل کی معیشتوں سے فائدہ اٹھانے کے لئے، کمپنی نے 15 جولائی کی ایگزیکٹو میٹنگ پر مختل اضافی ادائیگی صلاحیت قائم کرنے کے لئے تقریبی رقم خرچ کر دیا ہے۔ فی سال 204 لاکھ کے ساتھ کام کر رہے ہیں جو سالانہ 30 ملین میٹر فیٹرک تیار کر رہے ہیں۔ اس اضافے کے ساتھ فیٹرک کے لئے ہماری پیداواری صلاحیت میں کافی اضافہ ہوگا، اور ہم توقع کرتے ہیں کہ یہ منصوبہ پوری منافع بخش اضافہ ہوگا۔ تجویز دیات کے لئے سامعہ موجودہ کالیات سے متصل ہے اور اس میں کالیات کی دستیابی اور ضروری تکنیکی مہارت ایک ہی جگہ کے نیچے حاصل ہے۔ جو ترقی ہے کہ یہ یوٹیلٹیڈر سال 202 کی دوسری ششماہی میں آپریٹس ہو جائے گا۔

ہم اپنی بنیادی صلاحیتوں اور رسک مینجمنٹ کے لئے اپنی انتظامی مہارت پر قیود دینے کے لئے پرمز ہیں اور اس ملک ہولڈرز کی توقعات کے مطابق کوشاں اور انجام دیتے ہیں۔ ہم ہمیشہ موقع اور تفریح کے لئے نئے مواقع کی تلاش میں رہے ہیں اور آپ کی کمپنی کو ششوں سے آگاہ کرتے رہیں گے۔

اعلیٰ رتھکر

بورڈ آف ڈائریکٹرز کی جانب سے، میں اپنے تمام شرکت داروں اور ملازمین کی مسلسل حمایت کا اظہار کرتے ہیں۔ میں بورڈ کی قابل قدر نصیحت اور رہنمائی کے لئے ان کا بھی شکریہ ادا کرتا ہوں۔

ڈائریکٹر

چیف ایگزیکٹو

لاہور: 26 فروری 2021ء

# 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 2020 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 2020 and 31 December 2019 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 2020.

## 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.

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



RIAZ AHMAD & COMPANY  
Chartered Accountants

Lahore

Date: February 26, 2021

## Condensed Interim Balance Sheet


As At December 31, 2020

	Note	Un-Audited Dec 31 - 2020	Audited Jun 30-2020
(Rupees in Thousand)			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
50,000,000 (30 June 2020: 50,000,000) ordinary		500,000	500,000
shares of Rupees 10 each			
Issued, subscribed and paid up share capital	4	403,384	366,713
Reserves	5	7,179,846	6,249,900
TOTAL EQUITY		7,583,230	6,616,613
LIABILITIES			
NON CURRENT LIABILITIES			
Long term financing	6	2,376,713	2,533,850
Deferred liabilities	7	494,267	209,633
		2,870,980	2,743,483
CURRENT LIABILITIES			
Trade and other payables	8	2,008,491	2,270,877
Accrued mark-up		31,145	38,592
Short term borrowings		563,378	1,278,365
Unclaimed dividends		6,387	6,731
Current portion of non current liabilities	9	527,468	56,804
		3,136,869	3,651,369
TOTAL LIABILITIES		6,007,849	6,394,852
CONTINGENCIES AND COMMITMENTS	10		
TOTAL EQUITY AND LIABILITIES		13,591,079	13,011,465

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



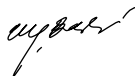
CHIEF FINANCIAL OFFICER




	Note	Un-Audited Dec 31 - 2020 (Rupees in Thousand)	Audited Jun 30-2020
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	11	4,913,416	5,011,641
Investment properties		500,000	100,000
Long term investments	12	1,007,918	746,027
Long term deposits		21,871	21,871
		6,443,205	5,879,539
CURRENT ASSETS			
Stores, spares and loose tools	13	227,074	203,642
Stock in trade	14	2,543,385	3,718,268
Trade debts	15	1,101,391	974,012
Loans and advances	16	68,644	55,137
Short term deposits and prepayments		91,216	74,125
Tax refunds due from the government		394,069	537,190
Other receivables		36,659	29,624
Short term investments	17	2,442,183	1,318,597
Cash and bank balances		220,788	207,139
		7,125,409	7,117,734
Non-current assets classified as held for sale		22,465	14,192
		7,147,874	7,131,926
TOTAL ASSETS		13,591,079	13,011,465



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

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

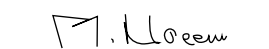
For the half year ended 31 December 2020

	Note	HALF YEAR ENDED		QUARTER ENDED	
		Dec 31 - 2020	Dec 31 - 2019	Dec 31 - 2020	Dec 31 - 2019
		(Rupees in Thousand)		(Rupees in Thousand)	
			(Restated)		
Revenue	18	8,437,747	7,588,138	4,386,944	4,163,200
Cost of Sales	19	7,175,727	6,668,009	3,630,479	3,694,391
Gross Profit		1,262,020	920,129	756,465	468,809
Distribution Cost	20	74,077	69,319	36,315	37,181
Administrative Expenses	21	101,563	130,073	55,558	77,667
Other Expenses	22	109,670	75,659	74,635	35,671
		285,310	275,051	166,508	150,519
Other Income	23	976,710	645,078	589,957	318,290
		250,623	162,189	158,678	121,942
Profit from Operations		1,227,333	807,267	748,635	440,232
Finance Cost	24	80,367	94,812	47,547	47,942
Profit Before Taxation		1,146,966	712,455	701,088	392,290
Taxation	25	241,144	137,253	167,932	77,278
Profit After Taxation		905,822	575,202	533,156	315,012
Earnings per Share - Basic and diluted (Rupees)		22.46	14.26	13.22	7.81

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

  
CHIEF EXECUTIVE OFFICER

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER

# Condensed Interim Statement of Comprehensive Income (Un-Audited)

For the half year ended 31 December 2020

	HALF YEAR ENDED		QUARTER ENDED	
	Dec 31 - 2020	Dec 31 - 2019	Dec 31 - 2020	Dec 31 - 2019
	(Rupees in Thousand)		(Rupees in Thousand)	
PROFIT AFTER TAXATION	905,822	575,202	533,156	315,012
Other comprehensive income / (Loss):				
<i>Items that will not be reclassified to profit or loss:</i>				
Surplus / (deficit) arising on remeasurement of investments at fair value through other comprehensive income	207,480	132,819	79,816	117,886
Items that may be reclassified subsequently to profit or loss				
Other comprehensive income / (loss) for the period - net of tax	207,480	132,819	79,816	117,886
Total comprehensive income for the period	1,113,302	708,021	612,972	432,898

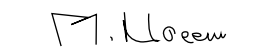
The annexed notes form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

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

For the half year ended 31 December 2020

	Share Capital	Capital Reserves			RESERVES Revenue Reserves			Total	Total Equity
		Share premium reserve	Fair value reserve on FVTOCI investments	Sub total	General	Unappropriated profit	Sub total		
(Rupees in Thousand)									
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
Transactions with owners:									
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 loss for the period - restated	-	-	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
Transfer of gain on disposal of investments held at FVTOCI to retained earnings	-	-	(1,047)	(1,047)	-	1,047	1,047	-	-
Profit for the period	-	-	-	-	-	144,347	144,347	144,347	144,347
Other comprehensive loss for the period - restated	-	-	(120,376)	(120,376)	-	-	-	(120,376)	(120,376)
Total comprehensive income for the period	-	-	(120,376)	(120,376)	-	144,347	144,347	23,971	23,971
Balance as at 30 June 2020 - (Audited)	366,713	29,000	(229,568)	(200,568)	3,714,000	2,736,468	6,450,468	6,249,900	6,616,613
Transaction with owners:									
Bonus shares issued for the year ended 30 June 2020 @ 10%	36,671	-	-	-	-	(36,671)	(36,671)	(36,671)	-
Final dividend for the year ended 30 June 2020 @ Rupees 4.00 per share	-	-	-	-	-	(146,685)	(146,685)	(146,685)	(146,685)
Profit for the period	-	-	-	-	-	905,822	905,822	905,822	905,822
Other comprehensive income for the period	-	-	207,480	207,480	-	-	-	207,480	207,480
Total comprehensive income for the period	-	-	207,480	207,480	-	905,822	905,822	1,113,302	1,113,302
Balance as at 31 December 2020 - (Un-Audited)	403,384	29,000	(22,088)	6,912	3,714,000	3,458,934	7,172,934	7,179,846	7,583,230

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

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

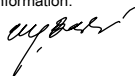
For the half year ended 31 December 2020

	HALF YEAR ENDED	
	Dec 31 - 2020	Dec 31 - 2019
	------(Rupees in Thousand)-----	
		(Restated)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	1,146,966	712,455
Adjustment for non-cash and other items:		
Depreciation	229,136	246,629
Gain on disposal of property, plant and equipment	(13,266)	(12,712)
Net (gain) on short term investment	(67,769)	(39,944)
Reversal of allowance for expected credit loss	(32,372)	-
Gain on remeasurement of deferred liability	(41,076)	-
Impairment loss on equity investments	21,063	-
Provision for Workers' Profit Participation Fund	61,599	38,263
Provision for Workers' Welfare Fund	23,408	14,540
Profit on bank deposits	(6,768)	(9,777)
Dividend income	(80,209)	(95,621)
Exchange (gain) / loss	(5,424)	339
Finance cost	80,367	94,812
Cash flows from operating activities before working capital changes	1,315,655	948,984
<b>EFFECT ON CASH FLOW DUE TO WORKING CAPITAL CHANGES</b>		
(Increase) / decrease in current assets:		
Stores, spares and loose tools	(23,432)	(22,467)
Stock in trade	1,174,883	403,178
Trade debts	(89,583)	(124,954)
Loans and advances	(13,507)	(86,964)
Trade deposits and short term prepayments	(17,091)	(16,936)
Tax refunds due from the government	57,632	78,150
Other receivables	(7,035)	14,851
Increase in current liabilities:		
Trade and other payables	205,326	547,845
Net cash from /(used in) working capital	1,287,193	792,703
<b>CASH GENERATED FROM /(USED IN) OPERATIONS</b>	2,602,848	1,741,687
Finance cost paid	(75,631)	(105,248)
Workers' profit participation fund paid	(45,788)	(60,792)
Profit on bank deposits received	6,768	9,777
Income tax paid	(34,407)	(72,813)
<b>NET CASH FROM /(USED IN) OPERATING ACTIVITIES</b>	2,453,790	1,512,611
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditure incurred	(150,701)	(74,246)
Proceeds from disposal of property, plant and equipment	24,783	20,500
Investments - net	(1,531,291)	(1,286,317)
Dividend received	80,209	95,621
(Increase) / Decrease in long term deposits - net	-	347
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	(1,577,000)	(1,244,095)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long term financing - net	(1,125)	(86,672)
(Decrease)/ increase in short term borrowings - net	(714,987)	(287,972)
Dividend paid	(147,029)	(179,985)
<b>NET CASH (USED IN) / FROM FINANCING ACTIVITIES</b>	(863,141)	(554,629)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	13,649	(286,113)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	207,139	433,938
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	220,788	147,825

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

## Selected Notes To The Interim Financial Statements (Un-Audited)

For the half year ended 31 December 2020

### 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, fabric and processing of fabric.

### 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 2020. 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 2020.

#### 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.

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 2020.

## Selected Notes To The Interim Financial Statements (Un-Audited)

For the half year ended 31 December 2020

Note	UN-AUDITED		AUDITED	
	Dec 31 - 2020	June 30 - 2020	Dec 31 - 2020	June 30 - 2020
(Rupees in Thousand)				
4	ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL			
	Un-Audited	Audited		
	Dec 31 - 2020	June 30 - 2020		
	No of Shares in Thousand			
	17,400	17,400	Ordinary shares of Rupees 10 each fully paid up in cash	174,000
	22,938	19,271	Ordinary shares of Rupees 10 each issued as fully paid bonus shares	229,384
	40,338	36,671		403,384
5	RESERVES			
	Capital reserves:			
	Share premium reserve		29,000	29,000
	Fair value reserve on FVTOCI investments		(22,088)	(229,568)
			6,912	(200,568)
	Revenue reserves:			
	General reserve		3,714,000	3,714,000
	Unappropriated profit		3,458,934	2,736,468
			7,172,934	6,450,468
			7,179,846	6,249,900
6	LONG TERM FINANCING - SECURED			
	Opening balance		2,590,654	2,822,597
	Repaid during the period / year		(1,125)	(231,943)
			2,589,529	2,590,654
	Less: Current portion shown under current liabilities		(212,816)	(56,804)
			2,376,713	2,533,850

## Selected Notes To The Interim Financial Statements (Un-Audited)

For the half year ended 31 December 2020

### 7 DEFERRED LIABILITIES

Deferred Taxation  
Provision for GIDC  
Liability for GIDC

UN-AUDITED	AUDITED
Dec 31 - 2020	June 30 - 2020
(Rupees in Thousand)	
330,881	209,633
130,969	-
32,417	-
494,267	209,633

### 8 TRADE AND OTHER PAYABLES

Creditors  
Advances from customers  
Accrued liabilities  
Payable to employees' provident fund trust  
Income tax deducted at source  
Fair value of forward exchange contracts  
Workers' profit participation fund  
Workers' welfare fund

544,145	497,864
146,306	41,902
1,190,668	1,633,950
34	12
3,093	2,573
-	9,550
61,599	45,788
62,646	39,238
2,008,491	2,270,877

### 9 CURRENT PORTION OF NON CURRENT LIABILITIES

Long term financing  
Provision for GIDC  
Liability for GIDC

212,816	56,804
266,119	-
48,533	-
527,468	56,804

### 10 CONTINGENCIES AND COMMITMENTS

#### CONTINGENCIES

i) Guarantees of Rupees 52.277 million (2020: Rupees 47.277 million) are given by the banks of the Company to Sui Northern Gas Pipelines Limited against gas connections, Director Excise and Taxation, Karachi against infrastructure cess and others.

#### COMMITMENTS

i) Contracts for capital expenditure are approximately of Rupees 20.000 million (2020: 20.000 million).

ii) Outstanding foreign currency forward contracts are of Rupees NIL (2020: 158.550 million).



**Selected Notes To The Interim Financial Statements (Un-Audited)**  
 For the half year ended 31 December 2020

		UN-AUDITED	AUDITED
		Dec 31 - 2020	June 30 - 2020
		(Rupees in Thousand)	
	Note		
11	PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets - tangible	(11.1)	4,816,315	4,940,565
Capital work in progress	(11.2)	97,101	71,076
		4,913,416	5,011,641
11.1	OPERATING FIXED ASSETS - TANGIBLE		
Opening book value		4,940,565	5,327,574
Add: Additions during the period / year -cost	(11.1.1)	126,078	133,678
		5,066,643	5,461,252
Less: Deletions during the period / year		(21,192)	(21,057)
		5,045,451	5,440,195
Less: Depreciation during the period / year		229,136	(499,630)
Book value at the end of the period / year		4,816,315	4,940,565
11.1.1	ADDITIONS DURING THE PERIOD / YEAR - COST		
Plant and machinery		124,578	77,441
Electric installations		-	17,642
Vehicles		1,500	38,595
		126,078	133,678
11.1.2	CAPITAL WORK IN PROGRESS		
Buildings on freehold land		31,109	29,425
Plant and machinery		52,996	31,109
Electric installations		12,996	10,542
		97,101	71,076
12	LONG TERM INVESTMENT		
Investments in joint ventures - under equity method		49,820	70,883
Equity instruments - at FVTOCI		958,098	675,144
		1,007,918	746,027

## Selected Notes To The Interim Financial Statements (Un-Audited)

For the half year ended 31 December 2020

		UN-AUDITED	AUDITED
		Dec 31 - 2020	June 30 - 2020
		(Rupees in Thousand)	
13	STORE , SPARE PARTS AND LOOSE TOOLS		
	Stores	241,717	217,644
	Spares parts	7,771	11,205
	Loose tools	188	250
	Stores in transit	17,704	14,849
		267,380	243,948
	Less: Provision for slow moving, obsolete and damaged store items	(40,306)	(40,306)
		227,074	203,642
14	STOCK IN TRADE		
	Raw material in transit	291,666	-
	Raw material	1,503,462	2,182,402
	Work in process	201,283	167,564
	Finished goods	517,413	1,346,739
	Waste	29,561	21,563
		2,543,385	3,718,268
15	TRADE DEBTS		
	Secured against letters of credit	-	43,788
	Unsecured	1,155,026	1,016,231
		1,155,026	1,060,019
	Less: Allowance for expected credit loss	(53,635)	(86,007)
		1,101,391	974,012
16	LOANS AND ADVANCES		
	Employees	8,619	6,511
	Advances to suppliers	30,798	41,555
	Letters of credit	11,199	7,009
	Due from related parties	18,028	62
		68,644	55,137
17	INVESTMENTS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS		
	Equity investments	17.1 147,289	150,502
	Mutual funds	17.2 2,294,894	1,168,095
		2,442,183	1,318,597

**Selected Notes To The Interim Financial Statements (Un-Audited)**  
For the half year ended 31 December 2020

	UN-AUDITED Dec 31 - 2020	AUDITED June 30 - 2020
	(Rupees in Thousand)	
<b>17.1 Securities held at fair value through profit or loss</b>		
Carrying value	237,578	283,627
Unrealised gain / (loss)	(90,289)	(133,125)
	147,289	150,502
<b>17.2 Mutual funds</b>		
HBL Cash Fund	491,999	181,681
Alfalsh GHP Money Market Fund	261,351	204,561
MCB Cash Management Optimizer	352,971	245,034
NBP Money Market Fund	181,280	185,548
ABL Cash Fund	334,360	177,842
ATLAS Money Market Fund	269,014	173,429
UBL Asset Management	403,919	-
	2,294,894	1,168,095

## Selected Notes To The Interim Financial Statements (Un-Audited)

For the half year ended 31 December 2020

	PERIOD ENDED			
	Dec 31 - 2020		Dec 31 - 2019	
	Spinning	Weaving	Spinning	Weaving
	(Rupees in Thousand)			
		Total		Total
<b>18 SALES</b>				
Local	6,747,395	2,833,352	5,994,536	2,754,212
Export	496	159,277	34,957	39,383
Inter Segments	(1,302,773)	-	(1,234,950)	-
	5,445,118	2,992,629	4,794,543	2,793,595
		8,437,747		7,588,138
<b>Disaggregation of the Company's revenue from contracts with customer is as follows.</b>				
<b>18.1</b>				
<b>Segments</b>				
Sale of yarn	6,417,356	-	5,658,267	-
Sale of fabric	-	2,982,124	-	2,780,805
Sale of waste	330,535	10,505	371,226	12,790
Inter-segment eliminations	(1,302,773)	-	(1,234,950)	-
	5,445,118	2,992,629	4,794,543	2,793,595
		8,437,747		7,588,138
<b>Geographic markets</b>				
Pakistan	6,747,395	2,833,352	5,994,536	2,754,212
China	-	-	-	115
Hong Kong	-	50,106	-	-
Italy	-	86,351	-	33,531
Sri Lanka	496	-	3,009	-
South Korea	-	10,387	-	5,737
Turkey	-	12,433	-	-
UAE	-	-	31,948	-
Inter-segment eliminations	(1,302,773)	-	(1,234,950)	-
	5,445,118	2,992,629	4,794,543	2,793,595
		8,437,747		7,588,138
<b>Timing of revenue recognition</b>				
Goods transferred at a point in time	5,445,118	2,992,629	4,794,543	2,793,595
	5,445,118	2,992,629	4,794,543	2,793,595
		8,437,747		7,588,138

## Selected Notes To The Interim Financial Statements (Un-Audited)

For the half year ended 31 December 2020

### 19 COST OF SALES

	HALF YEAR ENDED		QUARTER ENDED	
	Dec 31 - 2020	Dec 31 - 2019	Dec 31 - 2020	Dec 31 - 2019
	(Rupees in Thousand)		(Rupees in Thousand)	
Raw material consumed	4,687,053	5,064,240	2,434,889	2,542,951
Sizing expenses	30,917	35,541	15,534	17,217
Stores, spares and loose tools consumed	132,292	128,294	65,055	58,339
Packing materials consumed	74,078	73,148	38,262	37,517
Salaries, wages and other benefits	477,433	471,144	239,229	234,125
Fuel and power	701,661	820,967	361,476	443,192
Repairs and maintenance	45,242	35,312	25,602	21,878
Insurance	15,433	14,609	7,652	7,148
Other factory overheads	214,958	233,495	107,905	116,819
Depreciation	9,051	12,045	3,559	6,617
	6,388,118	6,888,795	3,299,163	3,485,803
Work-in-process:				
Opening stock	167,564	159,344	183,227	176,345
Closing stock	(201,283)	(189,420)	(201,283)	(189,420)
	(33,719)	(30,076)	(18,056)	(13,075)
Cost of goods manufactured	6,354,399	6,858,719	3,281,107	3,472,728
Finished goods:				
Opening stock	1,368,302	691,328	896,346	1,103,701
Closing stock	(546,974)	(882,038)	(546,974)	(882,038)
	821,328	(190,710)	349,372	221,663
	7,175,727	6,668,009	3,630,479	3,694,391

### 20 DISTRIBUTION COST

Salaries and other benefits	3,324	2,553	1,248	999
Outward freight and shipment	51,386	49,124	27,451	26,408
Commission to selling agents	16,784	13,319	7,542	6,833
Clearing and forwarding	2,231	4,136	958	2,863
Export development surcharge	352	187	116	78
	74,077	69,319	37,315	37,181

### 21 ADMINISTRATIVE EXPENSES

Salaries, wages and other benefits	57,353	56,646	29,864	29,392
Rent, rates and taxes	4,657	3,498	2,098	1,750
Electricity and gas	4,333	4,031	1,763	1,829
Traveling and conveyance	1,654	3,374	877	589
Repair and maintenance	3,378	3,614	1,347	2,388
Vehicle running and maintenance	3,231	3,670	1,615	1,786
Printing and stationery	2,280	2,652	1,742	1,010
Communication	1,028	1,011	460	532
Fee and subscription	2,786	2,087	1,777	1,204
Advertisement	150	125	150	125
Insurance	1,385	1,147	693	566
Depreciation	14,179	13,144	7,102	6,449
Entertainment	119	44	55	17
Donation	5,030	35,030	5,015	30,030
	101,563	130,073	54,558	77,667

## Selected Notes To The Interim Financial Statements (Un-Audited)

For the half year ended 31 December 2020

	HALF YEAR ENDED		QUARTER ENDED	
	Dec 31 - 2020	Dec 31 - 2019	Dec 31 - 2020	Dec 31 - 2019
	(Rupees in Thousand)		(Rupees in Thousand)	
<b>22 OTHER OPERATING EXPENSES</b>				
Workers profit participation fund	61,599	38,263	37,477	21,068
Workers welfare fund	23,408	14,540	14,242	8,008
Impairment loss on short term investment	21,063	-	21,063	-
Others	3,600	22,856	1,853	6,595
	109,670	75,659	74,635	35,671
<b>23 OTHER OPERATING INCOME</b>				
Exchange gain / (loss)	5,424	-	1,079	-
Profit on bank deposits	6,768	9,777	3,127	4,682
Dividend income	84,314	95,621	56,400	82,379
Gain on remeasurement of deferred liability	41,076	-	41,076	-
Reversal of allowance for expected credit loss	32,372	-	32,372	-
Sale of empties and scrap	3,953	4,136	2,490	1,836
Gain on disposal of operating fixed assets	13,269	12,712	4,389	12,712
Unrealised gain on re-measurement of investments at fair value through profit or loss	63,447	39,943	17,745	20,333
	250,623	162,189	158,678	121,942
<b>24 FINANCE COST</b>				
Interest / mark-up on:				
Long term financing	34,424	46,451	17,208	22,981
GIDC liability	13,600	-	13,600	-
Short term borrowings	26,061	44,543	12,738	22,624
Bank charges and commission	6,282	3,818	4,001	2,337
	80,367	94,812	47,547	47,942
<b>25 TAXATION</b>				
Charge for the period:				
Current	119,896	137,253	46,684	77,278
Deferred	121,248	-	121,248	-
	241,144	137,253	167,932	77,278

**Selected Notes To The Interim Financial Statements (Un-Audited)**  
For the half year ended 31 December 2020

26 OPERATING SEGMENT INFORMATION

26.1 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.

26.2

	SPINNING		WEAVING		ELIMINATION OF INTER-SEGMENT TRANSACTIONS				TOTAL COMPANY	
	Un-Audited		Un-Audited		Un-Audited				Un-Audited	
	Dec-31-2020	Dec-31-2019	Dec-31-2020	Dec-31-2019	Dec-31-2020	Dec-31-2019	Dec-31-2020	Dec-31-2019	Dec-31-2020	Dec-31-2019
(Rupees in Thousand)										
<b>SALES</b>										
External	5,445,118	4,794,543	2,992,629	2,793,595	-	-	8,437,747	7,588,138		
Inter-segment	1,302,773	1,234,950	-	-	(1,302,773)	(1,234,950)	-	-		
	6,747,891	6,029,493	2,992,629	2,793,595	(1,302,773)	(1,234,950)	8,437,747	7,588,138		
<b>COST OF SALES</b>										
External	(4,525,841)	(4,099,144)	(2,649,886)	(2,568,865)	-	-	(7,175,727)	(6,668,009)		
Inter-segment	(1,302,773)	(1,234,950)	-	-	1,302,773	1,234,950	-	-		
	(5,828,614)	(5,334,094)	(2,649,886)	(2,568,865)	1,302,773	1,234,950	(7,175,727)	(6,668,009)		
Gross profit	919,277	695,399	342,743	224,730	-	-	1,262,020	920,129		
Distribution cost	(44,424)	(41,370)	(29,653)	(27,949)	-	-	(74,077)	(69,319)		
Administrative expenses	(79,060)	(103,564)	(22,503)	(26,509)	-	-	(101,563)	(130,073)		
	(123,484)	(144,934)	(52,156)	(54,458)	-	-	(175,640)	(199,392)		
Profit before taxation and unallocated income and expenses	795,793	550,465	290,587	170,272	-	-	1,086,380	720,737		
Unallocated income and expenses										
Operating expenses										
Other income										
Finance cost										
Profit before taxation										
Taxation										
Profit for the period										
Inter segment sales and purchases have been eliminated on consolidation.										

Selected Notes To The Interim Financial Statements (Un-Audited)  
For the half year ended 31 December 2020

26.3 Reconciliation of Reportable Segment Assets and Liabilities

	SPINNING		WEAVING		TOTAL COMPANY	
	Un-Audited	Audited	Un-Audited	Audited	Un-Audited	Audited
	Dec 31 - 2020	June 30 - 2020	Dec 31 - 2020	June 30 - 2020	Dec 31 - 2020	June 30 - 2020
(Rupees in Thousand)						
Total assets for reportable segment	7,283,001	8,505,226	1,861,443	1,789,661	9,224,444	10,294,887
Unallocated assets:						
Investment properties					500,000	100,000
Long term investments					1,007,918	746,027
Tax refunds due from the government					394,069	537,190
Investments held at fair value through profit or loss					2,442,183	1,316,597
Non-current assets classified as held for sale					22,465	14,192
Total assets as per condensed interim statement of financial position	4,758,017	5,421,598	749,178	756,890	13,591,079	13,010,893
Total liabilities for reportable segments					5,507,195	6,178,488
Unallocated liabilities:						
Deferred income tax liability					494,267	209,633
Undeclared dividend					6,387	6,731
Total liabilities as per condensed interim statement of financial position					6,007,849	6,394,852



## Selected Notes To The Interim Financial Statements (Un-Audited)

For the half year ended 31 December 2020

### 27 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 2020 - Un-audited	Level 1	Level 2	Level 3	TOTAL
Rupees in Thousand				
Financial assets				
Fair value through profit or loss	2,442,183	-	-	2,442,183
Fair value through other comprehensive income	957,898	-	-	957,898
	<u>3,400,081</u>	<u>-</u>	<u>-</u>	<u>3,400,081</u>
Recurring fair value measurements at 30 June 2020 - Audited	Level 1	Level 2	Level 3	TOTAL
Rupees in Thousand				
Financial assets				
Fair value through profit or loss	1,318,597	-	-	1,318,597
Fair value through other comprehensive income	674,944	-	-	674,944
	<u>1,993,541</u>	<u>-</u>	<u>-</u>	<u>1,993,541</u>
Financial liabilities				
Derivative Financial Liabilities	-	9,550	-	9,550
	<u>-</u>	<u>9,550</u>	<u>-</u>	<u>9,550</u>

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.

## Selected Notes To The Interim Financial Statements (Un-Audited)

### For the half year ended 31 December 2020

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

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

#### 28 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:

i) Transactions	HALF YEAR ENDED		QUARTER ENDED	
	Dec 31 - 2020	Dec 31 - 2019	Dec 31 - 2020	Dec 31 - 2019
	(Rupees in Thousand)		(Rupees in Thousand)	
Associated companies				
Purchase of electricity	4,487	157	3,015	65
Sale of goods	43,078	62,967	31,436	46,906
Sale of non-current assets	2,340	-	-	-
Purchase of goods	48,523	163,971	40,465	129,491
Insurance expense	46,290	38,233	17,389	1,069
Dividend paid	69,716	87,145	69,716	87,145
Number of bonus shares issued	1,742,903	-	1,742,903	-
Key management personnel				
Remuneration paid to Chief Executive Officer, Director	24,164	21,733	12,178	10,703
Dividend paid	19,477	32,958	19,477	32,958
Number of bonus shares issued	486,737	-	486,737	-
Other related parties				
Company's contribution to provident fund trust	12,324	13,461	6,162	7,536

- ii) Period end balances

	As At 31 December 2020 (Un-Audited)		
	ASSOCIATED COMPANIES	OTHER RELATED PARTIES	TOTAL
	(Rupees in Thousand)		
Trade debts	14,509	-	14,509
Loans and advances	18,028	-	18,028
Trade and other payables	22,030	-	22,030

	As At 30 June 2020 (Audited)		
	ASSOCIATED COMPANIES	OTHER RELATED PARTIES	TOTAL
	Rupees in Thousand		
Trade debts	16,071	-	16,071
Loans and advances	62	-	62
Trade and other payables	14,959	-	14,959

**Selected Notes To The Interim Financial Statements (Un-Audited)**  
For the half year ended 31 December 2020

		UN-AUDITED	AUDITED
		Dec 31 - 2020	June 30 - 2020
		(Rupees in Thousand)	
29	DISCLOSURES BY COMPANY LISTED ON ISLAMIC INDEX		
	Loan / advances obtained as per Islamic mode:		
	<b>Loans</b>	-	349,973
	Shariah compliant bank deposits / bank balances		
	<b>Bank balances</b>	188	733

		UN-AUDITED	
		Dec 31 - 2020	Dec 31 - 2019
		(Rupees in Thousand)	
30	Profit earned from shariah compliant bank deposits / bank balances		
	<b>Profit on deposits with banks</b>	-	-
	Revenue earned from shariah compliant business	8,437,747	7,588,138
	Gain or dividend earned from shariah complaint investments		
	<b>Dividend income</b>	26,490	31,674
	<b>Unrealized gain on re-measurement of investments at FVTOCI</b>	121,827	91,133
	<b>Unrealized gain on re-measurement of investments at FVTPL</b>	17,285	10,936
	<b>Realized gain on investments at FVTPL</b>	3,354	-
	Exchange gain / (loss)	5,424	(339)
	Mark-up paid on Islamic mode of financing	6,022	-
	Profits Earned or Interest Paid on any conventional Loans / Advance		
	<b>Interest paid on loans</b>	69,609	90,994
	<b>Profit earned on deposits with banks</b>	6,768	9,777

Relationship with shariah compliant banks

Name	Relationship
Dubai Islamic Bank Pakistan Limited	Bank balance
MCB Islamic Bank Limited	Bank balance and short term borrowings

31 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 2020.

32 DATE OF AUTHORIZATION

These condensed interim financial statements were approved by the Board of Directors and authorized for issue on February 26, 2021

33 CORRESPONDING FIGURES

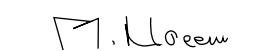
Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison. However no significant rearrangement have been made.

34 GENERAL

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

  
CHIEF EXECUTIVE OFFICER

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER



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