

2021

Third Quarter Report
March 31,
Un-Audited



Content

02	Company Information
03	Directors' Report
04	Directors' Report (Urdu)
06	Balance Sheet
08	Profit & Loss Account
09	Statement of Comprehensive Income
10	Cash Flow Statement
11	Statement of Changes in Equity
12	Notes to the Financial Statements

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

Shahzad Nazir

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
Meezan 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' Report

I am pleased to present the unaudited financial statements for the period ended 31 March 2021.

For the period under review, earnings after tax are Rs. 1595.193 million and earnings per share of Rs. 39.55. Net sales of the company were recorded at approximately Rs. 12.834 billion, an increase of approximately 12%. Distribution costs were higher as a direct function of increase in sales volume. Financial charges decreased by about 10% due to lower interest rates as well as settlement of part of the long-term liabilities. Other operating income shows an increase due to gain on sale of investments of Rs. 112.466 million.

Post July 2020, Pakistan's textile industry received larger orders and gained market share rapidly. This led to increased demand for yarn and greige fabrics with improving margins for the entire textile chain. This trend has continued through the period under review and is reflected in the results. The State Bank of Pakistan played a pivotal role in helping the recovery through soft loans, short and long term as well as managing a prudent monetary policy. However, the domestic cotton crop turned in one of its lowest figures with a total crop outturn of under 6 million bales. The industry has been forced to import raw cotton but due to low demand from most world markets, we have been able to secure competitive prices. Currently the demand for cotton has increased with some economies starting to reopen, which has led to very high prices in all origins. The pandemic does not seem to be receding except perhaps in the US and UK. Consumer spending needs to pick up if the higher prices are to be sustained. The government needs to make serious efforts at setting a direction for cotton production as domestic raw materials will enable the whole chain to remain competitive and retain its market share.

Future Prospects

The second and third waves of the pandemic have prevented a return to normalcy and the world economies struggle to recover. Being a consumer driven industry, textiles has borne the initial brunt of this downturn. Pakistan textile industry has been fortunate to have received large orders as many other textile producing countries were not able to deliver. Presently demand for all textiles is robust and we hope that this will remain given the increasing trend in raw material prices. That will depend a lot on economic and retail activity in our target markets. The exchange rate parity saw the rupee strengthen against the US dollar which can be largely attributed to inflows through remittances and increased exports. We hope to maintain profitability through the last quarter of the financial year.

Your company's inherent strengths have enabled it to grow and take advantage of opportunities leading to maximizing our returns. However, we need to remain focused and continue our efforts to reduce our operating cost and consolidate our gains. We are also in the process of carrying out continuous modernization and are in the process of upgrade/replace the plant located in Nooriabad. Our efforts at prudent financial management have served us well and we hope to enhance the same.

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 continued guidance.



Nadeem Maqbool
Chief Executive

April 28, 2021
Lahore

چیف ایگزیکٹو کی جائزہ رپورٹ

بورڈ آف ڈائریکٹرز کی جانب سے، میں 31 مارچ 2021 کو ختم ہونے والی نو ماہی کے لئے کمپنی کے غیر نظر ثانی شدہ گوشوارے پیش کرتا ہوں۔

زیر جائزہ مدت کے لئے بیکس کے بعد آمدنی 1595.193 ملین روپے اور فی حصص آمدنی 39.55 روپے رہی۔ کمپنی کی خالص فروخت تقریباً 12.834 بلین روپے ریکارڈ کی گئی یعنی تقریباً 12 فیصد کا اضافہ ہوا۔ فروخت حجم میں اضافے کے براہ راست فنکشن کے طور پر تقسیم کے اخراجات زیادہ تھے۔ شرح سود کم ہونے کے ساتھ ساتھ طویل مدتی واجبات کے کچھ حصے کی سٹیل منٹ کی وجہ سے فنانشل چارجز میں تقریباً 10 فیصد کی واقع ہوئی ہے۔ دیگر آپریٹنگ آمدنی 112.466 ملین روپے کی سرمایہ کاری کی فروخت گین کی وجہ سے اضافہ ظاہر کرتی ہے۔

جولائی 2020 کے بعد، پاکستان کی ٹیکسٹائل انڈسٹری کو بڑی تعداد میں آرڈرز ملے اور تیزی سے مارکیٹ شیئر حاصل ہوا۔ اس کی وجہ سے پورے ٹیکسٹائل چین کا مارجن بہتر ہونے کے ساتھ سوت اور خام فیرک کی طلب میں اضافہ ہوا۔ یہ رجحان زیر جائزہ مدت میں جاری رہا اور نتائج میں ظاہر ہوتا ہے۔ اسٹیٹ بینک آف پاکستان نے قرضوں میں آسانی کے ذریعے وصولی میں مدد کرنے، قبیل اور طویل مدتی کے ساتھ ساتھ ایک دانشورانہ مانیٹری پالیسی کے انتظامات میں اہم کردار ادا کیا۔ تاہم، مقامی کپاس کی فصل اپنی کم ترین مقدار میں سے ایک کل فصل 6 بلین گانٹھوں سے کم میں تبدیل ہو گئی ہے۔ صنعت خام کپاس کی درآمد پر مجبور ہو گئی ہے لیکن بیشتر عالمی منڈیوں کی جانب سے کم طلب کی وجہ سے، ہم باقی قیستیں محفوظ کرنے میں کامیاب ہو گئے ہیں۔ فی الحال کچھ معیشتوں کے دوبارہ کھلنے کے ساتھ ہی کپاس کی طلب میں اضافہ ہوا ہے، جس کی وجہ سے تمام ریجنز میں قیمتیں بہت زیادہ ہیں۔ ایسا لگتا ہے کہ شاید سوائے امریکہ اور برطانیہ کے وبا کی بیماری میں کمی ہو رہی ہے۔ اگر قیمتوں کو برقرار رکھنا ہے تو صارفین کے اخراجات میں اضافہ کرنا ضروری ہے۔ حکومت کو کپاس کی پیداوار کی سمت کا تعین کرنے کے لئے سنجیدہ کوششیں کرنے کی ضرورت ہے کیونکہ مقامی خام مال پوری چین کو مسابقتی اور مارکیٹ کا حصہ برقرار رکھنے کے قابل بنائے گا۔

مستقبل کے امکانات

وبائی بیماری کی دوسری اور تیسری لہروں نے معمول کی طرف واپسی اور عالمی معیشتوں کی بحالی کی جدوجہد کو روکا ہوا ہے۔ صارفین کے ذریعے چلنے والی صنعت ہونے کی وجہ سے، ٹیکسٹائل نے اس مندی کے ابتدائی نتیجہ کو برداشت کیا ہے۔ پاکستان ٹیکسٹائل انڈسٹری کو خوش قسمتی سے بڑے آرڈر مل چکے ہیں کیونکہ دوسرے بہت سے ٹیکسٹائل تیار کرنے والے ممالک فراہم نہیں کر سکتے تھے۔ اس وقت تمام ٹیکسٹائل کی طلب مضبوط ہے اور ہم امید کرتے ہیں کہ خام مال کی قیمتوں میں بڑھتے ہوئے رجحان کے پیش نظر یہ برقرار رہے گی۔ اس کا ہماری ٹارگٹ مارکیٹوں میں معاشی اور خوردہ سرگرمیوں پر بہت زیادہ انحصار ہوگا۔ اچھے بیچ ریٹ کی برابری نے امریکی ڈالر کے مقابلے میں روپیہ مضبوط ہوتا دیکھا جس کو وسیع پیمانے پر ترسیلات زراور برآمدات میں اضافہ کے ذریعے آمدنی سے منسوب کیا جاسکتا ہے۔ ہم مالیاتی سال کی آخری سہ ماہی میں منافع برقرار رہنے کی امید کرتے ہیں۔

آپ کی کمپنی کی موروثی قوتوں نے اسے ترقی کرنے اور مواقع سے فائدہ اٹھانے میں مدد کی ہے جس سے ہماری وصولیاں زیادہ سے زیادہ ہو سکتی ہیں۔ تاہم ہمیں اپنی آپریٹنگ لاگت کو کم کرنے اور اپنے فائدہ کو مستحکم کرنے کے لئے اپنی توجہ اور اپنی کوششوں کو جاری رکھنے کی ضرورت ہے۔ ہم مستقل جدت طرازی کے عمل میں بھی ہیں اور نوری آباد میں واقع پلانٹ کو اپ گریڈ/تبدیل کرنے کے عمل میں ہیں۔ محتاط مالی انتظامات کی ہماری کوششوں نے ہماری بہت مدد کی ہے اور ہمیں امید ہے کہ اس میں مزید اضافہ ہوگا۔

اظہار تشکر

بورڈ آف ڈائریکٹرز کی جانب سے، میں اپنے تمام شرکاء اور ملازمین کی مسلسل حمایت کا شکریہ ادا کرتے ہیں۔ میں بورڈ کی قابل قدر بصیرت اور رہنمائی کے لئے

ان کا بھی شکریہ ادا کرتا ہوں۔



ندیم قیوم

چیف ایگزیکٹو

لاہور: 28 اپریل 2021ء

Financial Statements

For the nine months ended March 31, 2021

Condensed Interim Balance Sheet

As At March 31, 2021

	Note	Un-Audited Mar 31 - 2021	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 shares of Rupees 10 each		500,000	500,000
Issued, subscribed and paid up share capital	4	403,384	366,713
Reserves	5	7,836,930	6,249,900
TOTAL EQUITY		8,240,315	6,616,613
LIABILITIES			
NON CURRENT LIABILITIES			
Long term financing	6	2,321,793	2,533,850
Liabilities against assets subject to finance lease		2,045	-
Deferred liabilities	7	494,267	209,633
		2,818,105	2,743,483
CURRENT LIABILITIES			
Trade and other payables	8	2,240,210	2,270,878
Accrued mark-up		35,695	38,592
Short term borrowings		766,292	1,278,365
Unclaimed dividends		6,387	6,731
Current portion of non current liabilities	9	581,263	56,804
		3,629,847	3,651,370
TOTAL LIABILITIES		6,447,952	6,394,853
CONTINGENCIES AND COMMITMENTS			
	10		
TOTAL EQUITY AND LIABILITIES		14,688,267	13,011,466

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


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

	Note	Un-Audited Mar 31 - 2021	Audited Jun 30-2020 (Rupees in Thousand)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	11	4,972,404	5,011,641
Investment properties		500,000	100,000
Long term investments	12	970,841	746,027
Long term deposits		21,871	21,871
		6,465,116	5,879,539
CURRENT ASSETS			
Stores, spares and loose tools	13	241,757	203,642
Stock in trade	14	4,495,441	3,718,268
Trade debts	15	1,271,803	974,012
Loans and advances	16	73,765	55,137
Short term deposits and prepayments		102,924	74,125
Tax refunds due from the government		248,438	537,191
Other receivables		47,235	29,624
Short term investments	17	1,524,705	1,318,597
Cash and bank balances		194,618	207,139
		8,200,686	7,117,735
Non-current assets classified as held for sale		22,465	14,192
		8,223,151	7,131,927
TOTAL ASSETS		14,688,267	13,011,466


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

Condensed Interim Profit And Loss Account (Un-Audited)

For the nine months ended March 31, 2021

		PERIOD ENDED		QUARTER ENDED	
	Note	Mar 31 - 2021	Mar 31 - 2020	Mar 31 - 2021	Mar 31 - 2020
		----- (Rupees in Thousand) -----		----- (Rupees in Thousand) -----	
(Restated)					
Revenue	18	12,834,652	11,364,121	4,396,905	3,775,983
Cost of Sales	19	10,610,704	10,139,430	3,434,978	3,471,421
Gross Profit		2,223,948	1,224,691	961,927	304,562
Distribution Cost	20	116,151	102,002	42,074	32,683
Administrative Expenses	21	151,613	180,487	50,050	50,414
Other Expenses	22	174,580	154,311	64,911	78,651
		442,344	436,800	157,035	161,748
		1,781,604	787,891	804,892	142,814
Other Income	23	331,991	182,466	81,368	20,277
Profit from Operations		2,113,595	970,357	886,260	163,091
Finance Cost	24	125,560	139,365	45,193	44,553
Profit Before Taxation		1,988,035	830,992	841,067	118,538
Taxation	25	392,842	170,462	151,698	33,209
Profit After Taxation		1,595,193	660,530	689,369	85,329
Earnings per Share - Basic and diluted (Rupees)		39.55	18.01	17.09	2.33

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

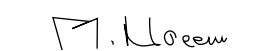
Condensed Interim Statement of Comprehensive Income (Un-Audited)
For the nine months ended March 31, 2021

	PERIOD ENDED		QUARTER ENDED	
	Mar 31 - 2021	Mar 31 - 2020	Mar 31 - 2021	Mar 31 - 2020
	----- (Rupees in Thousand) -----		----- (Rupees in Thousand) -----	
PROFIT AFTER TAXATION	1,595,193	660,530	689,369	85,329
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	175,194	(94,871)	(32,286)	(227,690)
Items that may be reclassified subsequently to profit or loss				
Other comprehensive income / (loss) for the period - net of tax	175,194	(94,871)	(32,286)	(227,690)
Total comprehensive income for the period	1,770,387	565,659	657,083	(142,361)

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


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

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

DIRECTOR

CHIEF FINANCIAL OFFICER


Condensed Interim Cash Flow Statement (Un-Audited)
 For the nine months ended March 31, 2021

	PERIOD ENDED	
	Mar 31 - 2021	Mar 31 - 2020
	------(Rupees in Thousand)-----	
		(Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	1,988,035	830,992
Adjustment for non-cash and other items:		
Depreciation	345,901	372,833
Gain on disposal of property, plant and equipment	(13,269)	(13,471)
Net (gain) on short term investment	(112,466)	(6,951)
Reversal of allowance for expected credit loss	(26,063)	-
Gain on remeasurement of deferred liability	(41,076)	-
Impairment loss on equity investments	21,063	-
Provision for Workers' Profit Participation Fund	106,769	44,649
Provision for Workers' Welfare Fund	40,572	17,340
Profit on bank deposits	(8,166)	(13,712)
Dividend income	(119,921)	(141,592)
Exchange (gain) / loss	(5,139)	67,956
Finance cost	125,560	139,365
Cash flows from operating activities before working capital changes	2,301,800	1,297,409
EFFECT ON CASH FLOW DUE TO WORKING CAPITAL CHANGES		
(Increase) / decrease in current assets:		
Stores, spares and loose tools	(38,115)	(16,888)
Stock in trade	(777,173)	(305,017)
Trade debts	(266,589)	(294,461)
Loans and advances	(18,628)	(56,004)
Trade deposits and short term prepayments	(28,799)	(34,211)
Tax refunds due from the government	107,617	-
Other receivables	(17,611)	3,510
Increase in current liabilities:		
Trade and other payables	383,954	292,584
Net cash from /(used in) working capital	(655,344)	(410,487)
CASH GENERATED FROM /(USED IN) OPERATIONS	1,646,456	886,922
Finance cost paid	(128,457)	(145,785)
Workers' profit participation fund paid	(45,788)	(60,792)
Profit on bank deposits received	8,166	13,712
Income tax paid	(90,458)	13,001
NET CASH FROM /(USED IN) OPERATING ACTIVITIES	1,389,919	707,058
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure incurred	(327,779)	(179,267)
Proceeds from disposal of property, plant and equipment	7,299	30,099
Investments - net	(543,262)	(1,499,443)
Dividend received	119,921	141,590
(Increase) / Decrease in long term deposits - net	-	347
NET CASH USED IN INVESTING ACTIVITIES	(743,821)	(1,506,674)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing - net	(205)	(116,261)
(Decrease)/ increase in short term borrowings - net	(512,073)	682,018
Dividend paid	(146,341)	(179,985)
NET CASH (USED IN) / FROM FINANCING ACTIVITIES	(658,619)	385,772
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(12,522)	(413,844)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	207,139	433,938
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	194,617	20,094

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 Information (Un-Audited)

For the nine months ended March 31, 2021

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
- 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 Information (Un-Audited)
 For the nine months ended March 31, 2021

		Note	UN-AUDITED	AUDITED	
			Mar 31 - 2021	June 30 - 2020	
			(Rupees in Thousand)		
4	ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL				
	Un-Audited	Audited			
	Mar 31 - 2021	June 30 - 2020			
	No of Shares in Thousand				
	17,400	17,400	Ordinary shares of Rupees 10 each fully paid	174,000	
			Ordinary shares of Rupees 10 each issued as fully paid bonus shares	174,000	
	22,938	19,271		229,384	
				192,713	
	40,338	36,671		403,384	
				366,713	
5	RESERVES				
	Capital reserves:				
	Share premium reserve				
	Fair value reserve on FVTOCI investments				
	Revenue reserves:				
	General reserve				
	Unappropriated profit				
				29,000	
				(229,568)	
				(200,568)	
				3,714,000	
				2,736,468	
				6,450,468	
				7,969,350	
				6,249,900	
6	LONG TERM FINANCING - SECURED				
	Opening balance				
	Repaid during the period / year				
				2,590,654	
				(231,943)	
				2,588,404	
				2,590,654	
	Less: Current portion shown under current liabilities				
				(266,611)	
				(56,804)	
				2,321,793	
				2,533,850	
7	DEFERRED LIABILITIES				
	Deferred Taxation				
	Provision for GIDC				
	Liability for GIDC				
				330,881	
				209,633	
				-	
				-	
				494,267	
				209,633	

Selected Notes To The Interim Financial Information (Un-Audited)
For the nine months ended March 31, 2021

	UN-AUDITED	AUDITED
	Mar 31 - 2021	June 30 - 2020
	(Rupees in Thousand)	
8 TRADE AND OTHER PAYABLES		
Creditors	769,935	540,477
Accrued liabilities	1,279,945	1,642,790
Payable to employees' provident fund trust	570	12
Income tax deducted at source	3,181	2,573
Workers' profit participation fund	106,769	45,788
Workers' welfare fund	79,810	39,238
	2,240,210	2,270,878
9 CURRENT PORTION OF NON CURRENT LIABILITIES		
Long term financing	266,611	56,804
Provision for GIDC	266,119	-
Liability for GIDC	48,533	-
	581,263	56,804

10 CONTINGENCIES AND COMMITMENTS

CONTINGENCIES

i) Guarantees of Rupees 62.277 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 3,118.316 million (2020: Nil

ii) Other commitments are approximately of Rupees 280.0 million (2020: 20.00 million).

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

Selected Notes To The Interim Financial Information (Un-Audited)
For the nine months ended March 31, 2021

		UN-AUDITED	AUDITED
	Note	Mar 31 - 2021	June 30 - 2020
		(Rupees in Thousand)	
11 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets - tangible	(11.1)	4,699,627	4,940,565
Capital work in progress	(11.2)	270,533	71,076
Assets subject to finance lease at cost		2,244	-
		4,972,404	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		345,824	(499,630)
Book value at the end of the period / year		4,699,627	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		151,068	29,425
Plant and machinery		106,474	31,109
Electric installations		12,991	10,542
		270,533	71,076
12 LONG TERM INVESTMENT			
Investments in joint ventures - under equity method		49,820	70,883
Equity instruments - at FVTOCI		921,021	675,144
		970,841	746,027
13 STORE , SPARE PARTS AND LOOSE TOOLS			
Stores		243,452	217,644
Spares parts		9,969	11,205
Loose tools		240	250
Stores in transit		28,402	14,849
		282,063	243,948
Less: Provision for slow moving, obsolete and damaged store items		(40,306)	(40,306)
		241,757	203,642

Selected Notes To The Interim Financial Information (Un-Audited)
For the nine months ended March 31, 2021

		UN-AUDITED	AUDITED
	Note	Mar 31 - 2021	June 30 - 2020
		(Rupees in Thousand)	
14 STOCK IN TRADE			
Raw material in transit		1,188,719	159,607
Raw material		2,524,555	2,022,790
Work in process		208,630	167,564
Finished goods		546,412	1,346,744
Waste		27,125	21,563
		4,495,441	3,718,268
15 TRADE DEBTS			
Secured against letters of credit		23,638	43,788
Unsecured		1,308,108	1,016,231
		1,331,746	1,060,019
Less: Allowance for expected credit loss		(59,943)	(86,007)
		1,271,803	974,012
16 LOANS AND ADVANCES			
Employees		8,312	6,511
Advances to suppliers		27,825	41,555
Letters of credit		37,628	7,009
Due from related parties		-	62
		73,765	55,137
17 INVESTMENTS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS			
Equity investments	17.1	389,035	150,502
Mutual funds	17.2	1,135,670	1,168,095
		1,524,705	1,318,597
17.1 Securities held at fair value through profit or loss			
Carrying value		449,232	283,627
Unrealised gain / (loss)		(60,197)	(133,125)
		389,035	150,502
17.2 Mutual funds			
HL Cash Fund		146,202	181,681
Alfalah GHP Money Market Fund		164,291	204,561
MCB Cash Management Optimizer		206,748	245,034
NBP Money Market Fund		-	185,548
ABL Cash Fund		188,201	177,842
ATLAS Money Market Fund		222,572	173,429
UBL Asset Management		207,656	-
		1,135,670	1,168,095

Selected Notes To The Interim Financial Information (Un-Audited)
 For the nine months ended March 31, 2021

	PERIOD ENDED			
	Mar 31 - 2021		Mar 31 - 2020	
	Spinning	Weaving	Spinning	Weaving
	(Rupees in Thousand)			
		Total		Total
10,306,871	4,288,958	14,595,829	8,987,946	4,042,917
496	214,338	214,834	80,761	87,579
(1,976,011)	-	(1,976,011)	(1,835,082)	-
8,331,356	4,503,296	12,834,652	7,233,625	4,130,496
				11,364,121
9,795,371	-	9,795,371	8,525,021	-
-	4,487,538	4,487,538	-	4,113,085
511,996	15,758	527,754	543,686	17,411
(1,976,011)	-	(1,976,011)	(1,835,082)	-
8,331,356	4,503,296	12,834,652	7,233,625	4,130,496
				11,364,121
10,306,871	4,288,958	14,595,829	8,987,946	4,042,917
-	-	-	9,290	115
-	50,106	50,106	-	8,994
-	75,949	75,949	-	8,994
-	18,300	18,300	-	45,441
496	-	496	4,057	9,289
-	10,387	10,387	-	-
-	46,160	46,160	-	10,994
-	13,437	13,437	47,994	12,746
(1,976,011)	-	(1,976,011)	19,420	-
			(1,835,082)	-
8,331,356	4,503,296	12,834,652	7,233,625	4,130,496
				11,364,121
8,331,356	4,503,296	12,834,652	7,233,625	4,130,496
8,331,356	4,503,296	12,834,652	7,233,625	4,130,496
				11,364,121

18 SALES

Local
 Export
 Inter Segments

18.1 Disaggregation of the Company's revenue from contracts with customer is as follows.

Segments

Sale of yarn
 Sale of fabric
 Sale of waste
 Inter-segment eliminations

Total revenue from contracts with customers

Geographic markets

Pakistan
 China
 Hong Kong
 Italy
 Portugal
 Sri Lanka
 South Korea
 Turkey
 Germany
 Viet Nam
 Inter-segment eliminations

Total revenue from contracts with customers

Timing of revenue recognition
 Goods transferred at a point in time

Total revenue from contracts with customers

Selected Notes To The Interim Financial Information (Un-Audited)
For the nine months ended March 31, 2021

	PERIOD ENDED		QUARTER ENDED	
	Mar 31 - 2021	Mar 31 - 2020	Mar 31 - 2021	Mar 31 - 2020
	----- (Rupees in Thousand) -----		----- (Rupees in Thousand) -----	
19 COST OF SALES				
Raw material consumed	7,283,620	7,579,112	2,582,000	2,514,872
Sizing expenses	47,054	50,529	16,137	14,988
Stores, spares and loose tools consumed	199,728	192,820	67,436	64,526
Packing materials consumed	110,318	104,341	36,240	31,193
Salaries, wages and other benefits	716,593	709,630	239,160	238,486
Fuel and power	1,086,326	1,128,909	384,665	307,942
Repairs and maintenance	64,781	52,793	20,519	17,481
Insurance	23,369	21,937	7,936	7,328
Depreciation	324,587	351,628	109,629	118,133
Other factory overheads	15,197	17,062	5,166	5,017
	9,871,573	10,208,761	3,468,888	3,319,966
Work-in-process:				
Opening stock	167,564	159,344	201,283	189,420
Closing stock	(208,630)	(180,561)	(208,630)	(180,561)
	(41,066)	(21,217)	(7,347)	8,859
Cost of goods manufactured	9,830,507	10,187,544	3,461,541	3,328,825
Finished goods:				
Opening stock	1,353,734	691,328	546,974	882,038
Closing stock	(573,537)	(739,442)	(573,537)	(739,442)
	780,197	(48,114)	(26,563)	142,596
	10,610,704	10,139,430	3,434,978	3,471,421
20 DISTRIBUTION COST				
Salaries and other benefits	4,986	3,965	1,662	1,412
Commission to selling agents	81,574	70,608	30,188	21,484
Outward freight and shipment	25,609	20,580	8,825	7,261
Clearing and forwarding	3,491	6,429	1,260	2,293
Export development surcharge	491	420	139	233
	116,151	102,002	42,074	32,683
21 ADMINISTRATIVE EXPENSES				
Salaries, wages and other benefits	88,069	85,413	30,716	28,767
Rent, rates and taxes	6,741	5,021	2,084	1,523
Electricity and gas	6,092	5,749	1,759	1,718
Traveling and conveyance	3,707	5,220	2,053	1,846
Repair and maintenance	4,663	6,262	1,285	2,648
Vehicle running and maintenance	4,955	5,238	1,724	1,568
Printing and stationery	2,959	3,162	679	510
Communication	1,470	1,538	442	527
Fee and subscription	4,203	3,017	1,417	930
Advertisement	150	125	-	-
Insurance	2,080	1,838	695	691
Depreciation	21,314	21,205	7,135	8,061
Entertainment	175	99	56	55
Donation	5,035	36,600	5	1,570
	151,613	180,487	50,050	50,414

Selected Notes To The Interim Financial Information (Un-Audited)
For the nine months ended March 31, 2021

	PERIOD ENDED		QUARTER ENDED	
	Mar 31 - 2021	Mar 31 - 2020	Mar 31 - 2021	Mar 31 - 2020
	----- (Rupees in Thousand) -----		----- (Rupees in Thousand) -----	
22 OTHER OPERATING EXPENSES				
Legal and professional	3,097	2,439	1,456	937
Auditors' remuneration	3,079	2,734	1,121	911
Workers profit participation fund	106,769	44,649	45,170	6,386
Workers welfare fund	40,572	17,340	17,164	2,800
Impairment loss on investment	21,063	-	-	-
Exchange loss	-	67,956	-	67,617
Provision for Expected Credit Losses	-	517	-	-
Reversal of Old Sales Tax	-	18,676	-	-
	174,580	154,311	64,911	78,651
23 OTHER OPERATING INCOME				
Exchange gain / (loss)	5,139	-	(285)	-
Profit on bank deposits	8,166	13,712	1,398	3,935
Dividend income	119,921	141,592	35,607	45,971
Gain on remeasurement of deferred liability	41,076	-	-	-
Reversal of allowance for expected credit loss	26,063	-	(6,309)	-
Sale of empties and scrap	5,891	6,741	1,938	2,605
Gain on disposal of operating fixed assets	13,269	13,471	-	759
Gain / (loss) on sale of investments at fair value through profit or loss (net)	112,466	6,950	49,019	(32,993)
	331,991	182,466	81,368	20,277
24 FINANCE COST				
Interest / mark-up on:				
Long term financing	51,282	70,948	16,858	24,497
GIDC liability	21,019	-	7,419	-
Short term borrowings	43,213	63,063	17,152	18,520
Bank charges and commission	10,046	5,354	3,764	1,536
	125,560	139,365	45,193	44,553
25 TAXATION				
Charge for the period:				
Current	271,594	170,462	151,698	33,209
Deferred	121,248	-	-	-
	392,842	170,462	151,698	33,209

Selected Notes To The Interim Financial Information (Un-Audited)
For the nine months ended March 31, 2021

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	
	Mar 31 - 2021		Mar 31 - 2021		Un-Audited			Mar 31 - 2021	
	Mar 31 - 2021		Mar 31 - 2020		Mar 31 - 2021			Mar 31 - 2020	
					(Rupees in Thousand)				
SALES	8,331,356	7,233,625	4,503,296	4,130,496	-	-	-	12,834,652	11,364,121
External	1,976,011	1,835,082	-	-	(1,976,011)	(1,835,082)	(1,835,082)	-	-
Inter-segment	10,307,367	9,068,707	4,503,296	4,130,496	(1,976,011)	(1,835,082)	(1,835,082)	12,834,652	11,364,121
COST OF SALES	(6,650,784)	(6,354,990)	(3,959,920)	(3,784,440)	-	-	-	(10,610,704)	(10,139,430)
External	(1,976,011)	(1,835,082)	-	-	1,976,011	1,835,082	1,835,082	-	-
Inter-segment	(8,626,795)	(8,190,072)	(3,959,920)	(3,784,440)	(1,976,011)	(1,835,082)	(1,835,082)	(10,610,704)	(10,139,430)
Gross profit	1,680,572	878,635	543,376	346,056	-	-	-	2,223,948	1,224,691
Distribution cost	(70,124)	(59,982)	(45,027)	(42,020)	-	-	-	(116,151)	(102,002)
Administrative expenses	(118,337)	(143,848)	(33,276)	(36,639)	-	-	-	(151,613)	(180,487)
Profit before taxation and unallocated income and expenses	(188,461)	(203,830)	(79,303)	(78,659)	-	-	-	(267,764)	(282,489)
Unallocated income and expenses:	1,492,111	674,805	464,073	267,397	-	-	-	1,956,184	942,202
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 Information (Un-Audited)
For the nine months ended March 31, 2021

26.3 Reconciliation of Reportable Segment Assets and Liabilities

	SPINNING			WEAVING			TOTAL-COMPANY		
	Un-Audited	Audited	Mar 31 - 2021 June 30 - 2020	Un-Audited	Audited	Mar 31 - 2021 June 30 - 2020	Un-Audited	Audited	Mar 31 - 2021 June 30 - 2020
	(Rupees in Thousand)								
Total assets for reportable segment	9,281,738	8,505,798		2,140,080	1,789,661		11,421,818	10,295,459	
Unallocated assets:									
Investment properties							500,000	100,000	
Long term investments							970,841	746,027	
Tax refunds due from the government							248,438	537,191	
Investments held at fair value through profit or loss							1,524,705	1,318,597	
Non-current assets classified as held for sale							22,465	14,192	
Total assets as per condensed interim statement of financial position							14,688,267	13,011,466	
Total liabilities for reportable segments	5,179,981	5,421,598		767,317	756,890		5,947,298	6,178,488	
Unallocated liabilities:									
Deferred income tax liability							494,267	209,633	
Unclaimed dividend							6,387	6,731	
Total liabilities as per condensed interim statement of financial position							6,447,952	6,394,852	

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

For the nine months ended March 31, 2021

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 March 2021 - Un-Audited	Level 1	Level 2	Level 3	TOTAL
Rupees in Thousand				
Financial assets				
Fair value through profit or loss	1,524,705	-	-	1,524,705
Fair value through other comprehensive income	920,821	-	-	920,821
	2,445,526	-	-	2,445,526

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
	1,993,541	-	-	1,993,541
Financial liabilities				
Derivative Financial Liabilities	-	9,550	-	9,550
	-	9,550	-	9,550

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 March 2021. 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.

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:

Selected Notes To The Interim Financial Information (Un-Audited)
For the nine months ended March 31, 2021

i) Transactions	PERIOD ENDED		QUARTER ENDED	
	Mar 31 - 2021	Mar 31 - 2020	Mar 31 - 2021	Mar 31 - 2020
Associated companies	(Rupees in Thousand)		(Rupees in Thousand)	
Purchase of electricity	9,307	1,029	4,820	872
Sale of goods	43,078	811,817	12,160	55,030
Sale of non-current assets	2,340	-	-	-
Purchase of goods	100,375	199,094	56,338	35,123
Insurance expense	50,592	46,005	4,303	7,772
Dividend paid	69,716	87,145	-	-
Number of bonus shares issued	1,742,903	-	-	-
Key management personnel				
Remuneration paid to Chief Executive Officer, Director	36,257	33,001	12,093	11,268
Dividend paid	19,477	32,958	-	-
Number of bonus shares issued	486,737	-	-	-
Other related parties				
Company's contribution to provident fund trust	18,680	18,015	6,356	4,554

ii) Period end balances

	As At 31 March 2021 (Un-Audited)		
	ASSOCIATED COMPANIES	OTHER RELATED PARTIES	TOTAL
	(Rupees in Thousand)		
Trade debts	2,441	-	2,441
Loans and advances	13,092	-	13,092
Trade and other payables	928	-	928

	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

UN-AUDITED	AUDITED
Mar 31 - 2021	June 30 - 2020
(Rupees in Thousand)	

29 DISCLOSURES BY COMPANY LISTED ON ISLAMIC INDEX

Loan / advances obtained as per Islamic mode:

Loans	61,171	349,973
Shariah compliant bank deposits / bank balances		
Bank balances	144	733

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

For the nine months ended March 31, 2021

		UN-AUDITED	
		Mar 31 - 2021	Mar 31 - 2020
		(Rupees in Thousand)	
30	Profit earned from shariah compliant bank deposits / bank balances		
	Profit on deposits with banks	-	-
	Revenue earned from shariah compliant business	12,834,652	11,364,121
	Gain or dividend earned from shariah complaint investments		
	Dividend income	31,979	31,674
	Unrealized gain on re-measurement of investments at FVTOCI	59	91,133
	Unrealized gain on re-measurement of investments at FVTPL	10,554	10,936
	Realized gain on investments at FVTPL	19,163	-
	Exchange gain / (loss)	-	(339)
	Mark-up paid on Islamic mode of financing	7,397	-
	Profits Earned or Interest Paid on any conventional Loans / Advance		
	Interest paid on loans	89,281	134,011
	Profit earned on deposits with banks	8,166	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
Meezan 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 April 28, 2021.

33 CORRESPONDING FIGURES

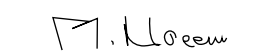
Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison. However no significant rearrangement have been made.

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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